GENTING
MALAYSIA

ANNUAL REPORT 2018

GENTING MALAYSIA BERHAD
(58019-U)

about GENTING MALAYSIA

OUR VISION

To be the leading integrated resort operator in the world.

OUR MISSION

We are committed towards providing the most delightful and memorable experiences to our customers.
We aim to generate sustainable growth and profits, and to consistently enhance our stakeholders' value.

OUR CORE VALUES

- HARDWORK
- HONESTY
- HARMONY
- LOYALTY
- COMPASSION

CORPORATE PROFILE

Genting Malaysia Berhad ("Genting Malaysia" or the "Group") (www.gentingmalaysia.com) is one of the leading destination resort operators in the world. Incorporated in 1980, Genting Malaysia was subsequently listed on Bursa Malaysia's Main Market in 1989. Genting Malaysia has a well-established reputation of being a premier provider of leisure and entertainment services and has a market capitalisation of RM17 billion as at 31 December 2018. Genting Malaysia owns and operates major resort properties including Resorts World Genting ("RWG") in Malaysia, Resorts World Casino New York City ("RWNYC") in the United States ("US"), Resorts World Bimini ("RW Bimini") in the Bahamas, Resorts World Birmingham and over 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.

In December 2013, the Group embarked on a 10-year master plan to reinvigorate and transform RWG under the Genting Integrated Tourism Plan ("GITP"). Since then Genting Malaysia has introduced a plethora of new facilities and attractions under the GITP that promises to provide guests a truly wholesome and world-class experience at RWG. These include the First World Hotel Tower 3, the Awana SkyWay cable car system, the Theme Park Hotel, the Crockfords Hotel, new attractions in the SkyAvenue entertainment complex and the newly refurbished First World Plaza, as well as the new Skytropolis Funland indoor theme park. The opening of the Genting Highlands Premium Outlet (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill in June 2017 further complements the new and existing offerings at RWG.

In the UK, Genting Malaysia owns and operates over 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 aimed at providing 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 178-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 operates RWNYC, the first and only video gaming machine facility in New York City, at the site of the Aqueduct Racetrack. As a premier entertainment hub, RWNYC offers the ultimate gaming and entertainment experience, with electronic gaming machines, shows, events and culinary delights. Additionally, RWNYC embarked on an expansion project in July 2017 to add new facilities and attractions to its portfolio, such as a 400-room hotel, additional gaming space, F&B outlets, retail stores and entertainment facilities. 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 established Resorts World branded properties in Malaysia, Singapore, the Philippines, the US, the Bahamas and the UK, as well as significant investments in oil palm plantations, power generation, oil and gas, property development, cruise, biotechnology and other industries globally.

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors ("Board"), it is my pleasure to present to you the Annual Report and Audited Financial Statements of Genting Malaysia Berhad ("GENM") and its group of companies ("Group") for the financial year ended 31 December 2018 ("FY2018").

Amidst an eventful FY2018, the Group recorded an increase in revenue of 6% to RM9,927.6 million while adjusted earnings before interest, taxation, depreciation and amortisation ("adjusted EBITDA") grew by 30% to RM2,872.8 million. These improvements were primarily driven by the Malaysian operations following the opening of new facilities and attractions under the Genting Integrated Tourism Plan ("GITP") at Resorts World Genting ("RWG"). However, the Group registered a net loss of RM86.3 million, mainly due to the impairment loss on the Group's investment in the promissory notes issued by the Mashpee Wampanoag Tribe ("Tribe").

In Malaysia, RWG saw the roll out of more exciting dining, retail and entertainment options in the SkyAvenue entertainment complex and the newly refurbished First World Plaza. In the first quarter of FY2018, we opened Medan Selera, a halal-certified eatery offering diverse cuisines. In line with growing our nightlife portfolio, we introduced RedTail and Empire by Zouk; two of the five distinctive destination zones in the expansive Zouk Atrium. We have also unveiled a new dining and nightlife precinct at the rooftop of SkyAvenue – High Line Roof Top Market – which provides guests an eclectic al fresco experience. More excitingly, one of the key milestones achieved in FY2018 had been the soft launch of our newly refurbished Skytropolis Funland indoor theme park which offers more than 20 thrilling rides for all ages. We also rolled out The VOID, the first location-based hyper-reality experience centre of its kind in Asia. Just before the year ended, we unveiled the highly anticipated Zouk Genting. I am pleased to share that the new facilities and attractions under the GITP continue to be well received as evidenced by the growth in visitation at RWG to 25.9 million visitors in FY2018, an increase of 10% from the financial year before.

In the United Kingdom ("UK"), our operations continue to face various challenges amid economic headwinds and uncertainties. Despite this, the business remains resilient and profitable as we continue to benefit from the strategic changes implemented in previous years. Nevertheless, there is still much to be done to defend our market share. We remain steadfast in our commitment of delivering sustainable performance in this segment by managing business volatility and strengthening our position in the UK. This includes improving overall efficiencies and positioning the business for future growth. We are also heartened by the performance of Resorts World Birmingham over the past year as the property continues to record encouraging results with footfall and business volumes improving. Meanwhile, in the Middle East, Crockfords Cairo continues to be well received.

In the United States ("US"), Resorts World Casino New York City ("RWNYC") maintained its position as the leading gaming operator in the Northeast US. In view of the increasing competition in the region, we aim to continue capitalising on our strategic position as the first and only gaming operator in New York City. Our efforts will be focused on strengthening direct marketing initiatives to increase visitation and frequency of play at the property. Meanwhile, the expansion works at RWNYC is well underway. The project, which is scheduled to open in phases from the end of 2019, is expected to transform RWNYC into a premium integrated resort destination with a multitude of non-gaming amenities to complement its existing gaming offerings. In Miami, the Hilton Miami Downtown hotel has been well received since the completion of its USD31 million renovation.

As noted earlier, the Group had recognised an impairment loss in FY2018 in relation to the Group's investment in the promissory notes issued by the Tribe. The impairment loss was due to the uncertainties surrounding the reaffirmation of the Tribe's land in trust status which is needed for the Tribe to proceed with the development of a destination resort casino. Nevertheless, the Group will continue to work closely with the Tribe on options to secure such reaffirmation in the US Congress and/or US federal courts. The impairment loss can be reversed if and when the Tribe's land rights are secured and the promissory notes are assessed to be recoverable.

In the Bahamas, we are encouraged by the continued narrowing losses recorded at Resorts World Bimini. While we acknowledge that the turnaround is taking longer than expected, rest assured that we are working hard on addressing these challenges. Our focus in the coming year will be to improve the operational efficiency and infrastructure at the resort to grow visitation and revenues.

In respect of the distribution of dividends, we have always been cognisant of the need to allocate funds for potential future investments whilst rewarding our shareholders. For FY2018, the Board has declared a special single-tier dividend of 8.0 sen per ordinary share. The Board has also recommended a final single-tier dividend of 5.0 sen per ordinary share for shareholders' approval at the forthcoming Annual General Meeting. If approved, this brings total dividend for the year to 19.0 sen per ordinary share, which represents a 12% increase from the previous year.

A key consideration in upholding corporate governance is recognising the importance of ensuring that the Board comprises a good balance of perspectives, diversity and views. With this in mind, we have appointed a new Director during the year, Madam Chong Kwai Ying, who brings with her over 35 years of experience in the financial and regulatory sector, thereby further enhancing the collective expertise of the GENM Board. Meanwhile, YA Bhg Tun Mohammed Hanif Bin Omar has decided to retire from his Deputy Chairman position in GENM after serving the Group faithfully for over 24 years. I am deeply appreciative of his numerous contributions to the Group and would like to thank him for his many years of dedication and loyal service. In his place, Tan Sri Alwi Jantan, who has been serving the Group for more than 25 years, will be taking up the mantle of Deputy Chairman. At the management level, we have also seen a few changes in the year. Amongst them, Mr Lim Keong Hui has been re-designated as Deputy Chief Executive of the Group in addition to his existing role as Executive Director.

As a bellwether of Malaysia's leisure and hospitality industry, the Group continues to be recognised both locally and abroad for its service excellence and top-notch entertainment and facilities. RWG was once again distinguished as Asia's Leading Theme Park Resort and Malaysia's Leading Resort at the World Travel Awards 2018. Additionally, two of our premier hotels – the flagship Genting Grand hotel and Maxims hotel – gained recognition in the latest Forbes Travel Guide, a prominent authority globally-renowned for its revered star-system and recommendations. These accolades are testimony of the Group's unwavering commitment to be the leading integrated resort operator in the world as well as to provide unparalleled service and unforgettable experiences to our guests.

In terms of corporate social responsibility, the Group has always stressed the importance of conducting business and achieving growth in a manner that is sustainable. We consistently emphasise high standards of governance across our entire operations to promote responsible business practices, manage environmental impacts and to meet the social needs of the community. Amongst the numerous initiatives that we have undertaken include the Genting Green Generation (G3) platform, which was launched to not only reaffirm our commitment to the highest levels of sustainability but to also cultivate a generation that will make a difference towards sustainable development in the present and the future.

I am pleased to share that, as a result of our efforts, GENM is now a constituent of the FTSE4Good Index Series, which provides investors with a transparent and objective benchmark to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. GENM was also awarded 'Leading Multinational Corporation of the Year' at the Global Responsible Business Leadership Awards 2018.

Overall, the prospects for international tourism remain moderately positive, although the increasing uncertainties surrounding geopolitical developments in certain major economies and the potential impact on consumer confidence may pose downside risks. In 2018, Malaysia's tourist arrivals remained relatively stable at 25.8 million and this is projected to grow to 28.1 million in 2019. Tourist arrivals from China amounted to 2.9 million, an increase of 29% from the previous year. Meanwhile, both Singapore and Macau recorded higher international tourist arrivals in 2018.

Looking ahead, the Group is cautious on the opportunities and growth potential of the leisure and hospitality industry. The uncertainties surrounding the macroeconomic environment and the challenges arising from the new fiscal operating landscape will undoubtedly place pressure on the Group's business moving forward.

In Malaysia, the announcement of a revision in casino duties and casino license fee in the Malaysian Budget 2019 will impact the Group's earnings in financial year 2019 onwards. In view of the severity of the announced increases in casino duties, the Group will continue reviewing and managing its cost structure. This includes reducing or delaying capital expenditures and the implementation of various cost rationalisation initiatives such as manpower optimisation. The Group will also continue placing emphasis on the execution of its marketing strategies as well as growing key business segments through yield management systems and database analytics. The Group will complete the roll out of the Skytropolis Funland indoor theme park and Imaginatrix, an attraction which combines physical rides with state-of-the-art virtual reality gaming technology. The development plans and options for the outdoor theme park are being reviewed amid ongoing legal proceedings. The Group remains committed to the outdoor theme park at RWG as a growth initiative in Malaysia.

In terms of our international operations, our focus remains on reinforcing our presence in the countries in which we operate. As the operating landscape in these markets becomes increasingly challenging, we aim to strengthen our position by continuously improving business efficiencies, growing visitation and increasing business volumes at all our overseas properties.

Despite the headwinds that we face, the Group is determined to weather these challenges whilst delivering sustainable value to all our stakeholders through the various strategies that we have in place. In the past, the Group has consistently met each challenge with equability and fortitude and we will continue to do so as we review our position and adapt to these exigent operating conditions.

When we embarked on our ambitious GITP development at RWG several years ago, we envisioned that this transformation will drive the next chapter of our growth story. Indeed, RWG today is renowned internationally as one of the foremost integrated resort destinations in the region. Through our GITP investment, we have spurred growth in the tourism industry, generated employment opportunities and contributed to the overall economic growth in Malaysia. As a Group, we are proud of the role that we have played in generating positive externalities for the domestic economies in which we operate.

Finally, I would like to take this opportunity to express my sincere gratitude and appreciation to our Board members, management team, employees, customers, business associates and various regulatory authorities who have been important drivers of our achievements over the years. As we navigate a challenging 2019, your unwavering support and continuous confidence in us will be crucial to the success of the Group.

Thank you.

TAN SRI LIM KOK THAY
Chairman and Chief Executive
27 February 2019

PENYATA
PENGERUSI

Para Pemegang Saham yang Dihormati,

Bagi pihak Lembaga Pengarah ("Lembaga"), saya dengan sukacitanya membentangkan kepada anda Laporan Tahunan dan Penyata Kewangan Beraudit Genting Malaysia Berhad ("GENM") dan kumpulan syarikatnya ("Kumpulan") untuk tahun kewangan berakhir 31 Disember 2018 ("FY2018").

Berlatarbelakangkan FY2018 yang penuh peristiwa, Kumpulan mencatatkan peningkatan pendapatan sebanyak 6% kepada RM9,927.6 juta manakala pendapatan terlaras sebelum faedah, cukai, susut nilai dan pelunasan (EBITDA diselaraskan) meningkat sebanyak 30% kepada RM2,872.8 juta. Peningkatan ini terutama didorong oleh operasi di Malaysia berikutan pembukaan kemudahan dan tarikan baharu di bawah Pelan Pelancongan Bersepadu Genting ("GITP") di Resorts World Genting ("RWG"). Walau bagaimanapun, Kumpulan mencatatkan kerugian bersih sebanyak RM86.3 juta, terutamanya disebabkan oleh kerugian kemerosotan nilai pelaburan Kumpulan dalam nota janji hutang yang dikeluarkan oleh Mashpee Wampanoag Tribe ("Tribe").

Di Malaysia, RWG menyaksikan pelancaran kompleks hiburan SkyAvenue dan First World Plaza yang baru diperbaharui, menawarkan pilihan makan dan minuman, runcit dan hiburan yang lebih menarik. Pada suku tahun pertama FY2018, kami membuka Medan Selera, sebuah restoran bersijil halal yang menawarkan pelbagai jenis hidangan dan masakan. Selaras dengan peningkatan portfolio hiburan malam hari, kami memperkenalkan RedTail dan Empire oleh Zouk; dua daripada lima zon destinasi tersendiri di Zouk Atrium yang luas. Kami juga telah melancarkan kawasan makan dan hiburan malam yang baharu di bumbung SkyAvenue - High Line Roof Top Market - yang menyediakan pengalaman fresko ala eklektik. Lebih menarik lagi, salah satu mercu tanda yang dicapai pada FY2018 ialah pelancaran Skytropolis Funland, taman tema dalaman yang baru diperbaharui yang menawarkan lebih daripada 20 permainan menarik untuk semua peringkat umur. Kami juga melancarkan The VOID, pusat pengalaman hiperrealiti berdasarkan lokasi yang pertama di Asia. Sebelum penghujung tahun, kami melancarkan Zouk Genting yang sangat dinanti-nantikan. Saya gembira untuk berkongsi bahawa kemudahan dan tarikan baharu di bawah GITP terus mendapat sambutan yang baik seperti yang dibuktikan oleh pertumbuhan kunjungan ke RWG kepada 25.9 juta pelawat pada FY2018, peningkatan 10% berbanding tahun kewangan sebelumnya.

Di United Kingdom ("UK"), operasi kami terus menghadapi pelbagai cabaran di tengah-tengah suasana ekonomi yang bercelaru dan tidak menentu. Walaupun begitu, perniagaan kekal berdaya tahan dan menguntungkan kerana kami terus mendapat manfaat daripada perubahan strategik yang telah dilaksanakan pada tahun-tahun sebelumnya. Namun, masih banyak yang perlu dilakukan untuk mempertahankan bahagian pasaran kami. Kami tetap teguh dalam komitmen kami untuk menyampaikan prestasi yang mampan dalam segmen ini dengan mengurus turun naik perniagaan dan mengukuhkan kedudukan kami di UK. Ini termasuk meningkatkan kecekapan keseluruhan dan memposisikan perniagaan untuk pertumbuhan masa hadapan. Kami juga kagum dengan prestasi Resorts World Birmingham sejak tahun lalu kerana hartanah tersebut terus mencatatkan keputusan yang menggalakkan dengan peningkatan prestasi dan jumlah perniagaan. Sementara itu, di Timur Tengah, Crockfords Cairo terus diterima dengan baik.

Di Amerika Syarikat, Resorts World Casino New York City ("RWNYC") mengekalkan kedudukannya sebagai pengendali permainan kasino terkemuka di Timur Laut Amerika. Memandangkan persaingan yang semakin meningkat di rantau ini, kami berhasrat untuk terus memanfaatkan kedudukan strategik kami sebagai pengendali permainan kasino pertama dan satu-satunya di New York City. Usaha kami akan ditumpukan kepada memperkukuhkan inisiatif pemasaran langsung untuk meningkatkan kunjungan dan kekerapan bermain di hartanah tersebut. Sementara itu, kerja-kerja pengembangan di RWNYC berjalan lancar. Projek ini dijangka dibuka secara berperingkat bermula akhir tahun 2019 yang pastinya akan mengubah RWNYC menjadi destinasi resort bersepadu mewah dengan pelbagai kemudahan bukan permainan kasino untuk melengkapkan penawaran permainan kasino sedia ada. Di Miami, hotel Hilton Miami Downtown telah diterima dengan baik setelah pengubahsuaian berjumlah USD31 juta disiapkan.

Seperti yang dinyatakan sebelum ini, Kumpulan telah mengiktiraf kerugian kemerosotan dalam FY2018 berkaitan dengan pelaburan Kumpulan dalam nota janji hutang yang dikeluarkan oleh Tribe. Kerugian kemerosotan nilai adalah disebabkan oleh ketidakpastian tentang pengesahan semula status tanah dalam amanah Tribe yang diperlukan oleh Tribe untuk meneruskan pembangunan resort permainan bersepadu. Walau bagaimanapun, Kumpulan akan terus bekerjasama dengan Tribe tentang pilihan untuk mendapatkan pengesahan semula ini di Kongres Amerika Syarikat dan/atau mahkamah persekutuan Amerika Syarikat. Kerugian kemerosotan boleh dipulihkan jika dan apabila hak tanah Tribe diperoleh dan nota janji hutang dinilai sebagai boleh diperoleh semula.

Di Bahamas, kami terangsang dengan pengurangan kerugian berterusan yang dicatatkan di Resorts World Bimini. Walaupun kami mengakui bahawa pemulihan mengambil masa yang lebih lama daripada yang dijangkakan, yakinlah bahawa kami berusaha keras untuk menangani cabaran-cabaran ini. Fokus kami pada tahun akan datang adalah untuk meningkatkan kecekapan operasi dan infrastruktur di resort untuk meningkatkan kunjungan dan pendapatan.

Berhubung pengagihan dividen, kami sentiasa menyedari perlunya memperuntukan dana untuk pelaburan masa depan yang berpotensi di samping memberi ganjaran kepada para pemegang saham kami. Bagi FY2018, Lembaga telah mengisytiharkan dividen khas satu peringkat sebanyak 8.0 sen sesaham biasa. Lembaga juga telah mencadangkan dividen akhir satu peringkat sebanyak 5.0 sen sesaham biasa untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan datang. Jika diluluskan, ini akan menjadikan jumlah dividen bagi tahun ini kepada 19.0 sen sesaham biasa, yang merupakan peningkatan 12% berbanding tahun sebelumnya.

Pertimbangan penting dalam menegakkan tadbir urus korporat adalah mengakui kepentingan memastikan Lembaga merangkumi keseimbangan yang baik dari segi perspektif, kepelbagaian dan pandangan. Sehubungan itu, kami telah melantik seorang Pengarah baharu pada tahun ini, Madam Chong Kwai Ying, yang mempunyai 35 tahun pengalaman dalam sektor kewangan dan pengawalseliaan, justeru meningkatkan lagi kepakaran kolektif Lembaga GENM. Sementara itu, YA Bhg Tun Mohammed Hanif Bin Omar telah memutuskan untuk bersara daripada jawatan Timbalan Pengerusi di GENM selepas setia berkhidmat dengan Kumpulan selama lebih dari 24 tahun. Saya amat menghargai sumbangan beliau kepada Kumpulan dan ingin mengucapkan terima kasih di atas perkhidmatan dan dedikasi beliau selama ini. Menggantikan beliau ialah Tan Sri Alwi Jantan, yang telah berkhidmat dengan Kumpulan selama lebih dari 25 tahun, yang akan menduduki jawatan Timbalan Pengerusi. Di peringkat pengurusan, kami juga telah melihat beberapa perubahan pada tahun ini. Antaranya, Encik Lim Keong Hui telah dilantik sebagai Timbalan Ketua Eksekutif Kumpulan sebagai tambahan kepada peranannya yang sedia ada sebagai Pengarah Eksekutif.

Sebagai peneraju industri keraian dan hospitaliti Malaysia, Kumpulan terus mendapat pengiktirafan di dalam dan di luar negara untuk kecemerlangan perkhidmatan serta hiburan dan kemudahan terkemuka. RWG sekali lagi dinobatkan sebagai Resort Taman Tema Utama Asia dan Resort Utama Malaysia di Anugerah Pelancongan Dunia 2018. Selain itu, dua hotel utama kami - Genting Grand Hotel dan Maxims Hotel telah mendapat pengiktirafan dalam Panduan Perjalanan Forbes yang terkini, sebuah badan berkuasa global yang terkenal dengan sistem penarafan bintang dan cadangannya yang dipercayai. Pengiktirafan ini adalah testimoni komitmen yang tidak berbelah bahagi oleh Kumpulan untuk menjadi peneraju pengendali resort bersepadu di dunia serta menyediakan perkhidmatan yang tiada tolok banding dan pengalaman yang tidak dapat dilupakan kepada tetamu kami.

Dari segi tanggungjawab sosial korporat, Kumpulan sentiasa menekankan pentingnya menjalankan perniagaan dan mencapai pertumbuhan dengan cara yang mampan. Kami secara konsisten menekankan standard tadbir urus yang tinggi di seluruh operasi kami untuk menggalakkan amalan perniagaan yang bertanggungjawab, menguruskan kesan alam sekitar dan untuk memenuhi keperluan sosial komuniti. Antara inisiatif yang telah kami jalankan termasuk platform Genting Green Generation (G3), yang dilancarkan bukan sahaja untuk menegaskan semula komitmen kami kepada tahap kemapanan yang paling tinggi tetapi juga untuk memupuk generasi yang akan membawa perubahan kepada pembangunan yang mampan pada masa kini dan hadapan.

Saya dengan sukacitanya berkongsi bahawa, sebagai hasil daripada usaha kami, GENM kini menjadi komponen dalam Siri Indeks FTSE4Good, yang menyediakan pelabur dengan penanda aras yang telus dan objektif untuk mengukur prestasi syarikat yang memaparkan kesungguhan dalam amalan Alam Sekitar, Sosial dan Tadbir Urus (ESG). GENM juga telah dianugerahkan ‘Perbadanan Multinasional Yang Terbaik Ini’ di Anugerah Kepimpinan Perniagaan Bertanggungjawab Global 2018.

Secara keseluruhannya, prospek untuk pelancongan antarabangsa kekal positif, walaupun ketidakpastian yang semakin meningkat dalam perkembangan geopolitik di beberapa ekonomi utama tertentu dan kesan yang berpotensi terhadap keyakinan pengguna mungkin menimbulkan risiko penurunan. Pada tahun 2018, ketibaan pelancong Malaysia kekal stabil pada 25.8 juta dan ini dijangka meningkat kepada 28.1 juta pada 2019. Ketibaan pelancong dari China berjumlah 2.9 juta, meningkat 29% daripada tahun sebelumnya. Sementara itu, Singapura dan Macau mencatat ketibaan pelancong antarabangsa yang lebih tinggi pada 2018.

Melangkah ke hadapan, Kumpulan berhati-hati terhadap peluang dan potensi pertumbuhan industri keraian dan hospitaliti. Ketidakpastian yang menyelubungi persekitaran makroekonomi dan cabaran yang timbul daripada landskap operasi fiskal yang baharu pasti akan memberi tekanan kepada perniagaan Kumpulan pada masa hadapan.

Di Malaysia, pengumuman semakan duti kasino dan yuran lesen kasino dalam Bajet Malaysia 2019 akan memberi kesan kepada pendapatan Kumpulan dalam tahun kewangan 2019 dan seterusnya. Memandangkan kenaikan duti kasino diumumkan adalah tinggi, Kumpulan akan terus mengkaji semula dan menguruskan struktur kosnya. Ini termasuk mengurangkan atau melambatkan perbelanjaan modal dan melaksanakan pelbagai inisiatif rasionalisasi kos seperti pengoptimuman tenaga manusia. Kumpulan juga akan meneruskan penekanan terhadap pelaksanaan strategi pemasarannya serta meningkatkan segmen perniagaan utama melalui sistem pengurusan hasil dan analisis pangkalan data. Kumpulan akan menyempurnakan pelancaran taman tema dalaman Skytropolis Funland dan Imaginatrix, tarikan yang menggabungkan tunggangan fizikal dengan teknologi permainan realiti maya yang canggih. Rancangan pembangunan dan pilihan untuk taman tema luar sedang disemak walaupun prosiding undang-undang sedang berjalan. Kumpulan tetap komited terhadap usaha mewujudkan taman tema luar di RWG sebagai inisiatif pertumbuhan di Malaysia.

Dari segi operasi antarabangsa, tumpuan kami adalah untuk terus memperkukuhkan kehadiran kami di negara-negara di mana kami beroperasi. Memandangkan landskap operasi di pasaran ini menjadi semakin mencabar, kami menyasarkan untuk mengukuhkan kedudukan kami dengan terus meningkatkan kecekapan perniagaan, meningkatkan kunjungan dan meningkatkan jumlah perniagaan di semua hartanah kami di luar negara.

Walaupun berdepan dengan cabaran, Kumpulan tekad untuk menghadapi cabaran ini sambil memberikan nilai mampan kepada semua pihak berkepentingan melalui pelbagai strategi yang telah kami wujudkan. Pada masa lalu, Kumpulan telah secara konsisten menangani setiap cabaran dengan kesabaran dan ketabahan dan kami akan terus berbuat demikian serta pada masa yang sama mengkaji semula kedudukan kami dan menyesuaikan diri dengan suasana operasi yang mencabar ini.

Sewaktu kami memulakan pembangunan GITP yang bercita-cita tinggi di RWG beberapa tahun yang lalu, kami membayangkan bahawa transformasi ini akan mendorong lembaran seterusnya dalam perkembangan kami. Sesungguhnya, RWG hari ini terkenal di peringkat antarabangsa sebagai salah satu destinasi peranginan terpenting di rantau ini. Melalui pelaburan GITP, kami telah memacu pertumbuhan dalam industri pelancongan, menjana peluang pekerjaan dan menyumbang kepada pertumbuhan ekonomi keseluruhan di Malaysia. Sebagai sebuah Kumpulan, kami berbangga dengan peranan yang telah kami mainkan dalam menghasilkan luaran yang positif bagi ekonomi dalam negara di mana kami beroperasi.

Akhir sekali, saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih dan penghargaan ikhlas saya kepada ahli Lembaga, pasukan pengurusan, pekerja, pelanggan, rakan perniagaan dan pelbagai pihak berkuasa pengawalseliaan yang telah menjadi pencetus pencapaian kami sepanjang tahun. Pada saat kami mengharungi tahun 2019 yang mencabar, sokongan teguh dan keyakinan berterusan anda kepada kami akan menjadi titik penting kepada kejayaan Kumpulan.

Sekian, terima kasih.

TAN SRI LIM KOK THAY
Pengerusi dan Ketua Eksekutif
27 Februari 2019

主席文告

亲爱的股东:

我仅代表董事局，欣喜地向您汇报云顶马来西亚(以下简称“本公司”)及其集团子公司(简称“本集团”)，在截至2018年12月31日为止财政年(简称“2018财政年度”)的常年报告及已审核财务报表。

尽管2018财政年度诸多变故，本集团营业额上扬6%至99亿2千760万令吉，而调整后税息折旧及摊销前利润及税前盈利，劲升30%至28亿7千280万令吉；有关业绩获得改善，主要是马来西亚业务在云顶综合旅游计划下，位于云顶世界新景点与设施的开业推动。然而，基于本集团对马什皮万帕诺亚格部落发行本票投资，面对减值亏损，导致本集团在2018财政年度，蒙受8千630万令吉的净亏损。

在马来西亚，云顶世界位于云天大道时尚广场内，已见更多的餐饮、零售与娱乐选项陆续推出，加上云顶第一城的翻新，的确振奋人心。在2018财政年度首季，拥有清真认证的美食坊Medan Selera投入营业，提供不同的美食。另外，配合拓充夜生活业务组合，我们推展了RedTail及Empire by Zouk，是五座位于Zouk Atrium内其中的兩座据点。与此同时，我们也在云天大道顶层开辟新的餐饮和夜生活景区，并推出High Line Roof Top Market，为宾客提供不拘一格的难忘用餐体验。更令人振奋的是，2018年其中一个里程碑，就是预先推介重新翻新的天城室内游乐园，为所有年龄层的游客提供超过20种惊险刺激的游乐设施。我们还推出了The VOID，亚洲第一个适地虚拟现实体验景点。另外，就在年底前，我们推介了备受期待的Zouk Genting。我很欣喜地与您分享，云顶综合旅游计划下的新设施和景点继续受到好评，推动云顶世界 2018年的游客人数至2千590万人，较前一个财政年度上扬10%。

在英国，受到经济逆向与不确定因素影响，我们的业务继续面临各种挑战。尽管如此，基于我们继续受益于往年实施的策略改革，以致业务表现仍具有弹性和盈利能力。然而，若要捍卫市场份额，我们仍需付诸更多的行动。我们通过管理业务波动和巩固我们在英国的地位，坚守我们实现持续发展的承诺。 这包括提高整体效率，以及为未来的业务进行定位。过去一年，我们对伯明翰云顶世界取得令人鼓舞的表现感到欣慰，有关业务无论是客流量和业务量都有所改善。与此同时，在中东地区，开罗康乐福持续获得良好口碑。

在美国，纽约市云顶世界仍保持其做为美国东北部地区领导博彩业者的地位。尽管面对区域的竞争日益加剧，我们致力于发挥我们作为纽约市第一家也是唯一一家博彩业者的策略地位。我们将继续专注强化直接营销举措，以推动游客到访率和业务量。与此同时，纽约市云顶世界也顺利扩充。有关发展计划预计将于2019年底完成后，分阶段开业，在各项非博彩设施，以补助其现有博彩产品的趋势下，预计将把纽约市云顶世界转型为高档的综合度假胜地。在迈阿密，迈阿密市市区希尔顿酒店自完成总值3千100万美元的翻新工程以来，一直受到好评。

如前所述，本集团已于2018财政年度确认了就投资部落发行的本票减值亏损。有关减值损失主要是在开发综合博彩度假村方面，就需确认该土地的信托状态上存有不确定性因素所致。然而，本集团将继续与部落密切合作，以确保在美国国会和/或美国联邦法院获有关确认。假设部落的土地权利得到保障且评估的本票可获收回，则可以逆转减值损失。

在巴哈马，比米尼云顶世界亏损幅度继续收窄的表现令人鼓舞，我们承认转亏为盈的时间，比预期来得长，必须确定的是，我们也努力地应对这些挑战。我们在来年的重心，將著重于改善运营效率及度假村内的设施，从而放眼提高度假村游客的到访率及收入表现 。

在派送股息事项上，在回馈股东的当儿，我们也意识到分配资金充作未来潜质投资的需要。在2018财政年度，董事局建议为每股普通股，派发每股8.0仙的特别单层股息；董事局也建议为每股普通股，派发每股5.0仙的单层终期股息，并寻求股东在来临的常年股东大会中通过。一旦获得批准，即意味著2018财政年度每普通股的股息将达每股19.0仙，较上个财政年度提高12%。

维护良好的企业监管，其中一个关键因素就是必须考量并确保董事局在洞察力、多元化和观点之间取得良好平衡的重要性。在这基础上，我们在2018年委任了张桂英女士为新董事，她在金融和监管领域拥有超过35年的经验，从而有助进一步增强本公司董事局的专业。与此同时，Tun Mohammed Hanif Bin Omar在为本集团服务超过24年后，决定退下本公司副主席职位。在此我衷心的感谢他为本集团所作出的众多贡献，并感谢他多年的奉献精神和忠诚的服务。而在本集团服务超过25年Tan Sri Alwi Jantan，将出任本公司副主席职位。在管理层面，我们也看到了一些更替。其中，林拱辉先生除担任执行董事外，也被委任为本集团副总执行长。

作为马来西亚休闲及酒店业的领航企业，本集团凭着卓越的服务及顶尖的娱乐及设施，继续在本地及海外获得认可。云顶世界再次荣获2018年世界旅游大奖，颁予“亚洲领先主题度假村”及“马来西亚领先度假村”荣誉。此外，我们旗下的高級酒店-即旗舰的云豪酒店和美星酒店-在最新的全球知名的权威机构--福布斯旅游指南中获得星级认可推荐。这些荣誉证明了本集团努力不懈地致力于成为世界领先的综合度假村运营商，并为我们的客人提供无与伦比的服务和难忘的体验。

在履行企业社会责任方面，本集团一直强调开展业务及实现增长的持续重要性。我们始终强调，在业务经营上需高素质的监管，並提倡负责任的商业操守、管理环境影响因素，以及满足社区的社会需求。在众多举措中，涵盖云顶绿世代平台，该平台的推出不仅重申了我们实践最高水平的永续发展承诺，而且也培育能够为现有与未来永续发展带来改变的新生代。

我也欣喜地分享，基于我们的各项努力，本公司现已是富时社会责任指数系列的成员股，为投资者提供透明和客观的基准，以衡量表现拥有強稳环境、社会和监管守则表现的公司。本公司也获得2018年全球负责任企业领导奖颁予“年度最佳跨国公司”荣誉。

整体而言，尽管某些主要经济体地缘政治发展，存在的不确定因素有所提高，以及消费者信心或出现下行风险，但国际旅游业的前景预计依然温和。在2018年，马来西亚的游客人数保持相对稳定，达2千580万人，并预计在2019年将达到2千810万人次。至于中国游客人数达290万人次，比上年增长29%。与此同时，2018年新加坡和澳门的国际游客人数也有所增加。

展望未来，本集团对休闲及酒店业的商机及增长潜能抱持谨慎态度。围绕在宏观经济环境的不确定性因素以及新财务营运环境带来的挑战， 无疑为本集团的前进业务带来压力。

在马来西亚，2019年马来西亚预算中宣布修改赌场税和赌场执照费，预计将冲击本集团2019财政年度的盈利表现。鉴于已公布的赌场税激增，本集团将继续检讨及管理其成本结构。这包括减少或暂缓资本开销，同时也实施各项成本合理化举措，如优化人力资源。本集团也将继续把重心落实在营销策略的执行上，以及通过收益管理系统和数据库分析发展关键业务项目。本集团将完成天城室内游乐园和Imaginatrix的推出，有关景点结合实景游乐设施和最先进的虚拟现实游戏技术。此外，户外主题公园发展与选项的法律诉讼正在审查。本集团仍致力落实云顶世界的户外主题公园，从而积极推动马来西亚业务增长。

在国际业务方面，我们的重点仍然落在积极加强各国业务的营运上。基于这些市场运营环境的挑战程度日益提高，我们放眼通过不断地提高业务效率、增加游客到访量，以及增加所有海外业务流量，以巩固住本集团的地位。

尽管面临各种挑战，本集团仍坚毅地应对这些挑战，同一时间内，也通过我们现有的各种策略，继续为所有利益相关者创造持续性的价值。在过去，本集团一直以平等和坚韧的方式应对每一项挑战，而我们在应对这些严峻考验的经营环境立场的当儿，也將坚定地付诸相同的行动。

数年前，本集团雄心万丈地在云顶世界启动云顶综合旅游计划之时，我们已预见这项转型计划將会成为本集团下一段成长新篇章的舵手。事实证明，今日的云顶世界享誉全球，是区域数一数二的综合度假胜地。通过云顶综合旅游计划，我们将推动旅游业的发展、带动就业机会，同时也为马来西亚整体经济做出积极贡献。作为一个集团，我们为本身在各业务经营国度的本土经济内所积极带动的对外效应感到自豪。

最后，我欲借此机会向我们的董事会成员、管理团队、员工、客户、业务伙伴和各种监管机构表示衷心的感谢和感恩，他们都是本集团多年来业务取得成就的重要推动者。 在我们迎接充满挑战的2019年之时，您们对我们坚定不懈的支持与信心，对于本集团的成功至关重要。

谢谢。

丹斯里林国泰
主席兼总执行长
2019年2月27日

BOARD OF DIRECTORS

DATO' KOH HONG SUN
Independent
Non-Executive Director

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Independent
Non-Executive Director

MR LIM KEONG HUI
Deputy Chief Executive and Executive Director/
Non-Independent
Executive Director

TAN SRI LIM KOK THAY
Chairman and Chief Executive/
Non-Independent
Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

TAN SRI DATUK CLIFFORD FRANCIS HERBERT
Chairman/Independent Non-Executive Director

MR QUAH CHEK TIN
Member/Independent Non-Executive Director

MR TEO ENG SIONG
Member/Independent Non-Executive Director

DATO' KOH HONG SUN
Member/Independent Non-Executive Director

NOMINATION COMMITTEE

TAN SRI DATO' SERI ALWI JANTAN
Chairman/Independent Non-Executive Director

MR QUAH CHEK TIN
Member/Independent Non-Executive Director

TAN SRI DATUK CLIFFORD FRANCIS HERBERT
Member/Independent Non-Executive Director

TAN SRI DATO' SERI ALWI JANTAN
Deputy Chairman/ Independent Non-Executive Director

MR QUAH CHEK TIN
Independent Non-Executive Director

TAN SRI DATUK CLIFFORD FRANCIS HERBERT
Independent Non-Executive Director

MR TEO ENG SIONG
Independent Non-Executive Director

MADAM CHONG KWAI YING
Independent Non-Executive Director

REMUNERATION COMMITTEE

TAN SRI DATUK CLIFFORD FRANCIS HERBERT
Chairman/Independent Non-Executive Director

MR TEO ENG SIONG
Member/Independent Non-Executive Director

DIRECTORS' PROFILE

TAN SRI LIM KOK THAY

Chairman and Chief Executive/
Non-Independent Executive Director

Tan Sri Lim Kok Thay (Malaysian, aged 67, male), appointed on 17 October 1988, is the Chairman and Chief Executive. He is also the Chairman and Chief Executive of Genting Berhad; and the Executive Chairman of Genting Singapore Limited and Genting UK Plc. He was the Chief Executive and Director of Genting Plantations Berhad ("GENP") until he relinquished his position of Chief Executive and assumed the position of Deputy Chairman and Executive Director of GENP on 1 January 2019. He has served in various positions within the Group since 1976. He is a Founding Member and a Permanent Trustee of The Community Chest, Malaysia. In addition, he sits on the Boards of other Malaysian and foreign companies as well as the Boards of Trustees of several charitable organisations in Malaysia.

Tan Sri Lim holds a Bachelor of Science in Civil Engineering from the University of London. He attended the Programme for Management Development of Harvard Business School, Harvard University in 1979. He is a Visiting Professor in the Department of Electrical and Electronic Engineering, Imperial College London and an Honorary Professor of Xiamen University, China.

Tan Sri Lim is the Chairman and Chief Executive Officer of Genting Hong Kong Limited ("GENHK"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. He is also a Director of Travellers International Hotel Group, Inc. ("Travellers"), a company listed on the Main Board of The Philippine Stock Exchange, Inc. Travellers is an associate of GENHK. He has an interest in the securities of GENHK. The GENHK group is principally engaged in the business of cruise and cruise-related operations, shipyard operations and leisure, entertainment and hospitality activities.

Tan Sri Lim is a beneficiary of a discretionary trust which ultimately owns Golden Hope Unit Trust ("GHUT"), of which Golden Hope Limited ("GHL") is the trustee. GHL as the trustee of GHUT, indirectly owns approximately 84.7% of the voting interest in Empire Resorts, Inc., ("Empire Resorts"), a publicly traded company with various subsidiaries engaged in the hospitality and gaming industries.

In the context of the above businesses of GENHK group and Empire Resorts group, Tan Sri Lim is therefore considered as having interests in business apart from the Group's business, which may compete indirectly with the Group's business.

For his leadership excellence and significant contributions to the leisure and travel industry, he was named the "Travel Entrepreneur of the Year 2009" by Travel Trade Gazette (TTG) Asia, "The Most Influential Person in Asian Gaming 2009" by Inside Asian Gaming, "Asian Leader for Global Leisure and Entertainment Tourism 2011" by Seagull Philippines Inc., and "Lifetime Achievement Award for Corporate Philanthropy 2013" by World Chinese Economic Forum.

TAN SRI DATO' SERI ALWI JANTAN

Deputy Chairman/Independent
Non-Executive Director

Tan Sri Dato' Seri Alwi Jantan (Malaysian, aged 83, male), appointed on 10 August 1990, was redesignated as an Independent Non-Executive Director on 1 July 2011. Tan Sri Alwi Jantan retired as an Independent Non-Executive Director of the Company at the conclusion of the Company's 37th Annual General Meeting held on 31 May 2017 in accordance with Section 129 of the Companies Act 1965. On the same day, he was appointed as an Independent Non-Executive Director of the Company pursuant to a resolution of the Board of Directors of the Company dated 31 May 2017. On 1 January 2019, Tan Sri Alwi Jantan was appointed as the Deputy Chairman/Independent Non-Executive Director of the Company.

Tan Sri Alwi Jantan joined the Company on 1 July 1990 as Executive Vice President – Public Affairs & Human Resources and was redesignated as Executive Director on 2 July 2007 prior to his retirement in 2009. A graduate of the University of Malaya with a Bachelor of Arts (Honours) Degree, he had a distinguished career in the public service.

Prior to joining the Company, he was the Director General of Public Service Malaysia. He was the Independent Non-Executive Chairman of UOA Development Bhd before his retirement on 25 May 2016 and he resigned as the Independent Non-Executive Chairman of UOA Asset Management Sdn Bhd, the manager of the public-listed UOA Real Estate Investment Trust on 21 April 2016.

MR LIM KEONG HUI

Deputy Chief Executive and Executive Director/
Non-Independent Executive Director

Mr Lim Keong Hui (Malaysian, aged 34, male), appointed as a Non-Independent Non-Executive Director on 23 July 2012, was redesignated as a Non-Independent Executive Director, following his appointment as the Chief Information Officer of the Company on 1 January 2015. On 1 January 2019, Mr Lim was redesignated as the Deputy Chief Executive and Executive Director of the Company.

Mr Lim holds a Bachelor of Science (Honours) Degree in Computer Science from the Queen Mary University of London, United Kingdom and a Master's Degree in International Marketing Management from Regent's Business School London, United Kingdom.

Mr Lim is a son of Tan Sri Lim Kok Thay, who is the Chairman and Chief Executive of the Company. Both Tan Sri Lim Kok Thay and Mr Lim Keong Hui are major shareholders of the Company. On 1 January 2019, Mr Lim was redesignated as the Deputy Chief Executive and Executive Director of Genting Berhad ("GENT"). He was a Non-Independent Executive Director of GENT following his appointment as the Senior Vice President – Business Development on 1 March 2013 until he was redesignated as the Executive Director – Chairman's Office of GENT on 1 June 2013 and assumed additional role as the Chief Information Officer of GENT on 1 January 2015. He was a Non-Independent Non-Executive Director of Genting Plantations Berhad ("GENP") until he was redesignated as a Non-Independent Executive Director, following his appointment as the Chief Information Officer of GENP on 1 January 2015. On 5 May 2017, Mr Lim was redesignated as a Non-Independent Non-Executive Director of GENP, following his resignation as Chief Information Officer of GENP. On 1 January 2019, he was appointed as the Deputy Chief Executive and Executive Director of GENP. He is also a director of Genting UK Plc and a member of the Board of Trustees of Yayasan Lim Goh Tong.

Prior to his appointment as the Senior Vice President – Business Development of GENT, he was the Senior Vice President – Business Development of Genting Hong Kong Limited ("GENHK") until he was redesignated as the Executive Director – Chairman's Office of GENHK following his appointment as an Executive Director of GENHK on 7 June 2013. He was the Executive Director – Chairman's Office and Chief Information Officer of GENHK after taking up additional role of Chief Information Officer of GENHK on 1 December 2014. On 28 March 2019, Mr Lim was redesignated as Deputy Chief Executive Officer and Executive Director of GENHK. Prior to joining GENHK in 2009, he had embarked on an investment banking career with The Hongkong and Shanghai Banking Corporation Limited. He has deemed interest in the shares of GENHK. The GENHK group is principally engaged in the business of cruise and cruise-related operations, shipyard operations and leisure, entertainment and hospitality activities.

Mr Lim is a beneficiary of a discretionary trust which ultimately owns Golden Hope Unit Trust ("GHUT"), of which Golden Hope Limited ("GHL") is the trustee. GHL as the trustee of GHUT, indirectly owns approximately 84.7% of the voting interest in Empire Resorts, Inc., ("Empire Resorts"), a publicly traded company with various subsidiaries engaged in the hospitality and gaming industries.

In the context of the above businesses of GENHK group and Empire Resorts group, Mr Lim is therefore considered as having interests in business apart from the Group's business, which may compete indirectly with the Group's business.

MR QUAH CHEK TIN

Independent Non-Executive Director

Mr Quah Chek Tin (Malaysian, aged 67, male), appointed on 15 January 2003, was redesignated as an Independent Non-Executive Director on 8 October 2008. He began his career with Coopers & Lybrand, London before returning to Malaysia.

He joined the Genting Group in 1979 and has served in various positions within the Group. He was the Executive Director and Chief Operating Officer of the Company as well as the Executive Director of Genting Berhad prior to his retirement in 2006. He holds a Bachelor of Science (Honours) in Economics from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

In addition, he sits on the Boards of Genting Plantations Berhad, Paramount Corporation Berhad and Batu Kawan Berhad.

TAN SRI DATUK CLIFFORD FRANCIS HERBERT

Independent Non-Executive Director

Tan Sri Datuk Clifford Francis Herbert (Malaysian, aged 77, male), appointed on 27 June 2002, is an Independent Non-Executive Director. Tan Sri Clifford retired as an Independent Non-Executive Director of the Company at the conclusion of the Company's 37th Annual General Meeting held on 31 May 2017 in accordance with Section 129 of the Companies Act 1965. On the same day, he was appointed as an Independent Non-Executive Director of the Company pursuant to a resolution of the Board of Directors of the Company dated 31 May 2017.

He holds a Bachelor of Arts (Honours) from the University of Malaya and a Master of Public Administration from the University of Pittsburgh, United States of America.

Tan Sri Clifford joined the Administrative and Diplomatic Service of the civil service in 1964, serving as an Assistant Secretary in the Public Services Department from 1964 to 1968 and as Assistant Secretary in the Development Administration Unit, Prime Minister's Department from 1968 to 1975. Tan Sri Clifford served in the Ministry of Finance from 1975 to 1997, rising to the post of Secretary General to the Treasury.

During Tan Sri Clifford's tenure in the civil service before his retirement in 1997, he sat on the Boards of the Pepper Marketing Agency, Tourist Development Corporation, Advisory Council of the Social Security Organisation (SOCSO), Aerospace Industries Malaysia Sdn Bhd, Malaysian Highway Authority, Malaysian Rubber Development Corporation (MARDEC), Port Klang Authority, Klang Container Terminal Berhad, Bank Industri Malaysia Berhad, Malaysia Export Credit Insurance Ltd, National Trust Fund (KWAN), Kumpulan Khazanah Nasional Berhad, Malaysian Airline System Berhad (MAS), Petroliam Nasional Berhad (PETRONAS), Bank Negara Malaysia and Multimedia Development Corporation Sdn Bhd; and he was the Chairman of the National Pensions Trust Fund (KWAP). He also served as Chairman of the Inland Revenue Board in 1997. Tan Sri Clifford was a board member of FIDE Forum, a public company limited by guarantee.

Tan Sri Clifford is a trustee of Yayasan Nanyang Press and The National Kidney Foundation of Malaysia. He is the Chairman of Moet Hennessy Diageo Malaysia Sdn Bhd.

Tan Sri Clifford was instrumental in establishing the Securities Commission of which he was a member from 1993 to 1994 and was also a Board member of the Institute of Strategic and International Studies from 1989 to 1997. As Secretary General to the Minister of Finance, he was appointed as alternate Governor to the World Bank. Tan Sri Clifford was Chairman of KL International Airport Bhd (KLIAB) from 1993 to 1999. On 16 July 2000, he was appointed as Executive Chairman of Percetakan Nasional Malaysia Berhad (PNMB) and was Chairman of PNMB from 16 July 2002 to 31 December 2006.

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)

Independent Non-Executive Director

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) (Malaysian, aged 70, male), appointed on 4 August 2005, is an Independent Non-Executive Director. He had a distinguished career in the Malaysian Armed Forces for nearly 40 years, before retiring from the Force on 30 April 2005. During the period as a professional military officer, he served 6 years 4 months as the Malaysian Chief of Defence Forces from 1 January 1999 and as the Chief of the Malaysian Army for one year from 1 January 1998. Most notable appointments in the Armed Forces held were Aide de Camp (ADC) to His Majesty Yang Di-Pertuan Agong Sultan Azlan Shah, Commander Infantry Brigade, Assistant Chief of Staff Human Resources, Commander of Army Training and Doctrine Command, Deputy Chief of Army and Chief of Army. In international duties, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) served as a Military Observer under the United Nations International Monitoring Group in Iraq after the Iran-Iraq War Ceasefire in 1988/1989.

Upon retirement, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) moved from Defence Forces to the corporate sector. In the corporate world, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) holds several directorships. Currently he is the Chairman of Genting Plantations Berhad, Affin Bank Berhad and Lembaga Tabung Angkatan Tentera. He is a Director of Bintulu Port Holdings Berhad, Bintang Capital Partners Berhad and Sogo (K.L.) Department Store Sdn Bhd.

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was made a Member of Dewan Negara Perak by DYMM Paduka Seri Sultan Perak on 25 November 2006 and is a Director/ Trustee for the Board of Trustee of Yayasan Sultan Azlan Shah. On 23 April 2013, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was appointed as Orang Kaya Bendahara Seri Maharaja Perak Darul Ridzuan by DYMM Paduka Seri Sultan Perak and the Dewan Negara Perak Darul Ridzuan. On 19 April 2014, he was bestowed with the Perak's highest award for commoners, the 'Darjah Kebesaran Seri Paduka Sultan Azlan Shah Perak Yang Amat Dimulia' (S.P.S.A) which carries the title "Dato' Seri DiRaja."

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) holds a Masters of Science Degree in Defence and Strategic Studies from the Quaid-I-Azam University, Islamabad, Pakistan and had attended the Senior Executive Programme in Harvard University, United States of America, Command and General Staff College Philippines, Joint Services Staff College Australia and National Defence College Pakistan.

In June 2015, Asia Metropolitan University (AMU) elected Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) as the Chancellor of the University. In October 2016, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was conferred with an honorary doctorate in Management of Defense and Strategic Studies from National Defence University of Malaysia, also known as Universiti Pertahanan Nasional Malaysia (UPNM).

MR TEO ENG SIONG

Independent Non-Executive Director

Mr Teo Eng Siong (Malaysian, aged 72, male), appointed on 25 February 2010, is an Independent Non-Executive Director. He began his career with Ernst & Young, Melbourne, Australia, in November 1969.

He had worked in Singapore and Malaysia; and had held several positions in various companies. Prior to his retirement on 31 March 2009, he was the General Manager and Company Secretary of Kien Huat Realty Sdn Berhad as well as the Company Secretary of Yayasan Lim Goh Tong, a charitable organisation.

He holds a Bachelor of Economics from Monash University, Melbourne and is an Associate of the Institute of Chartered Accountants in Australia, a Fellow of CPA Australia, a member of the Malaysian Institute of Certified Public Accountants, a member of the Malaysian Institute of Accountants and an Associate of The Malaysian Institute of Chartered Secretaries and Administrators.

DATO' KOH HONG SUN

Independent Non-Executive Director

Dato' Koh Hong Sun (Malaysian, aged 66, male), appointed on 23 July 2012, is an Independent Non-Executive Director. He holds a Master's Degree in Strategic and Security Studies from Universiti Kebangsaan Malaysia.

Dato' Koh had a distinguished career with the Royal Malaysian Police (RMP) for almost 40 years, having joined RMP as a Probationary Inspector in 1971 and retired in October 2010 as the Director of Commercial Crime Investigation Department.

During the period as an officer of the RMP, Dato' Koh has held various important command posts including as Officer-in-Charge of Brickfields Police District, Head of the Federal Traffic Police, Chief Police Officer of Penang and Commissioner of Police as Director of Commercial Crime Investigation Department.

Dato' Koh is the Chairman of QBE Insurance (Malaysia) Berhad and he also sits on the Boards of Mega First Corporation Berhad, DeGem Berhad and GLM REIT Management Sdn Bhd, the manager of Tower Real Estate Investment Trust.

MADAM
CHONG KWAI YING

Independent Non-Executive Director

Madam Chong Kwai Ying (Malaysian, aged 58, female), appointed on 3 December 2018, is an Independent Non-Executive Director. She holds a Bachelor of Economics (Hons) Degree in Business Administration from University Malaya.

Madam Chong began her career as an Administrative Officer with Bank Negara Malaysia ("BNM") in 1982 after graduating from University Malaya. During her 35 years tenure in BNM, she has served in various positions and was a Deputy Director in the Banking Supervision Department from May 1998 until her retirement in April 2017. She was responsible for the supervision of domestic banking groups and locally incorporated foreign banks. She had a short engagement with Perbadanan Insurans Deposit Malaysia from June 2017 to January 2018 and provided advisory and consultancy services for one of its resolution planning projects.

She is currently sitting on the boards of AXA Affin Life Insurance Berhad and China Construction Bank (Malaysia) Berhad as an Independent Non-Executive Director.

Notes:

The details of Directors' attendances at Board Meetings are set out in the Corporate Governance Overview Statement on page 47 of this Annual Report.

The details of the Board Committees where certain Directors are also members are set out on pages 10 and 11 of this Annual Report.

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of Genting Malaysia Berhad, have no conflict of interest with Genting Malaysia Berhad, have not been convicted of any offences within the past five years and have no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PRINCIPAL EXECUTIVE OFFICERS' PROFILE

TAN SRI LIM KOK THAY

Chairman and Chief Executive

His profile is disclosed in the Directors' Profile on page 12 of this Annual Report.

MR LIM KEONG HUI

Deputy Chief Executive and Executive Director

His profile is disclosed in the Directors' Profile on page 14 of this Annual Report.

DATO' SRI LEE CHOONG YAN

President and Chief Operating Officer

Dato' Sri Lee Choong Yan (Malaysian, aged 58, male) was appointed as the President and Chief Operating Officer of Genting Malaysia Berhad on 1 August 2006. He is responsible for the development and implementation of corporate strategies as well as management of the operations of the Company and its subsidiaries.

Dato' Sri Lee is also the Chief Executive Officer of Genting UK Plc, a subsidiary in the United Kingdom, where the Group owns and operates over forty casinos together with an integrated resort, Resorts World Birmingham. In addition, he oversees Genting Malaysia Group's businesses in the United States and Bahamas. His responsibilities also include directorships in other companies within the Genting Malaysia Berhad Group, including GENM Capital Berhad which is a public company.

Dato' Sri Lee trained as a chartered accountant in London with the international accounting firm of Ernst & Young following which he joined their offices in Hong Kong and worked in their audit and corporate advisory practices. He subsequently embarked on a career in investment banking where he specialised in the areas of corporate finance and the equity capital markets before joining the Genting Group in 1997.

He holds a Bachelor of Science (Honours) degree in Business Economics and Accounting from the University of Southampton, England and is an Associate of the Institute of Chartered Accountants in England and Wales.

MS KOH POY YONG

Chief Financial Officer

Koh Poy Yong (Malaysian, aged 62, female) was appointed as the Chief Financial Officer of Genting Malaysia Berhad on 1 January 2010. She is responsible for the Finance, Corporate Affairs, Risk Management, Procurement and Regulatory Compliance functions of the Company. She has over 30 years of audit and accounting experience. She joined the Company in 1990 as a Finance Manager. Prior to joining the Company, from 1984 to 1990, she was a Director of Finance for the Malaysian Red Crescent Society, a charitable organisation in Kuala Lumpur. From 1977 until 1984, she worked as an external auditor in a public accounting firm in England.

She is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. She is presently a director of several subsidiary companies of Genting Malaysia Berhad Group, including GENM Capital Berhad, Genting Highlands Berhad, Genting Golf Course Bhd and Awana Vacation Resorts Development Berhad which are public companies.

Notes:

1. *Save for Tan Sri Lim Kok Thay and Mr Lim Keong Hui, none of the Principal Executive Officers has any family relationship with any Director and/or major shareholder of Genting Malaysia Berhad, nor any conflict of interest with Genting Malaysia Berhad.*
2. *None of the Principal Executive Officers has been convicted of any offences within the past five years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

MANAGEMENT & CORPORATE INFORMATION

GROUP SENIOR MANAGEMENT

MALAYSIA MANAGEMENT

Tan Sri Lim Kok Thay
Chairman and Chief Executive

Mr Lim Keong Hui
Deputy Chief Executive and Executive Director

Dato' Sri Lee Choong Yan
President and Chief Operating Officer

Mr Lee Thiam Kit
Head – Business Operations and Strategies

Ms Koh Poy Yong
Chief Financial Officer

Mr Aaron Chia Khong Chid
Executive Vice President – Gaming Operations

Mr Leow Beng Hooi
Executive Vice President – Sales and Marketing

Dato' Edward Arthur Holloway
Executive Vice President – Leisure and Hospitality

Mr James Koh Chuan Seng
Senior Vice President – Finance and Corporate Affairs

MALAYSIA MANAGEMENT (CONT'D)

Mr Lim Eng Ming
Senior Vice President – Casino & Security Operations

Mr Nicholas Papal
Senior Vice President – Casino Operations

Mr Rocky Too Kain Pei
Senior Vice President – Sales and Marketing

Mr Eddie Teh Yong Teng
Senior Vice President – Human Resources

US MANAGEMENT

Mr Edward Martin Farrell
President

Mr Aviv R Laurence
Chief Financial Officer

UK MANAGEMENT

Mr Paul Stewart Willcock
President and Chief Operating Officer

Mr James Steven Axelby
Chief Financial Officer

CORPORATE INFORMATION

GENTING MALAYSIA BERHAD

A public limited liability company
Incorporated and domiciled in Malaysia
Company No. 58019-U

REGISTERED OFFICE

24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : +603 2178 2288/2333 2288
Fax : +603 2161 5304
E-mail : ir.genm@genting.com

REGISTRARS

Genting Management and Consultancy Services Sdn Bhd
24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : +603 2178 2266/2333 2266
Fax : +603 2161 5304

SECRETARY

Ms Loh Bee Hong
MAICSA 7001361

AUDITORS

PricewaterhouseCoopers PLT
(Chartered Accountants)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
(Listed on 22 December 1989)

Stock Name : GENM
Stock Code : 4715

INTERNET HOMEPAGE

www.gentingmalaysia.com
www.rwgenting.com

GROUP CORPORATE STRUCTURE

GENTING MALAYSIA

GENTING MALAYSIA BERHAD
(58019-U)

and its Principal Subsidiaries,
as at 27 February 2019.

LEISURE & HOSPITALITY

MALAYSIA

- **100%** First World Hotels & Resorts Sdn Bhd
- **100%** Genting Golf Course Bhd
- **100%** Widuri Pelangi Sdn Bhd
- **100%** Papago Sdn Bhd

UNITED STATES AND THE BAHAMAS

- **100%** Genting New York LLC
- **100%** Resorts World Omni LLC
- **78%** BB Entertainment Ltd

UNITED KINGDOM

- **100%** Genting UK Plc
- **100%** Genting Solihull Limited

PROPERTY

- **100%** Oakwood Sdn Bhd
- **100%** Resorts World Miami LLC
- **100%** Genting Properties (UK) Pte Ltd

CORPORATE
DIARY

2018

27 FEBRUARY 2018
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2017;
(b) Entitlement Date for the Special Single-Tier Dividend in respect of the financial year ended 31 December 2017; and
(c) Establishment of a new Employee Share Grant Scheme for the eligible employees of the Company and its subsidiaries, excluding subsidiaries which are dormant or incorporated outside Malaysia.

29 MARCH 2018
Announcement of the following:
(a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2017;
(b) Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and
(c) Proposed renewal of the authority for the Company to purchase its own shares.

06 APRIL 2018
Notice to Shareholders of the Thirty-Eighth Annual General Meeting.

27 APRIL 2018
Announcement of the establishment of a Medium Term Note Programme ("MTN Programme") with an aggregate nominal value of RM3.0 billion by GENM Capital Berhad ("GENM Capital"), a wholly-owned subsidiary of the Company, and guaranteed by the Company.

24 MAY 2018
Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2018.

05 JUNE 2018
Thirty-Eighth Annual General Meeting.

11 JULY 2018
Announcement of the issuance of RM2.6 billion Medium Term Notes under the MTN Programme with an aggregate nominal value of RM3.0 billion by GENM Capital, and guaranteed by the Company.

29 AUGUST 2018
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2018; and
(b) Entitlement Date for the Interim Single-Tier Dividend in respect of the financial year ended 31 December 2018.

14 SEPTEMBER 2018
Announcement of the update of status of Group's participation as the manager to the operation of an integrated gaming facility and resort in Taunton, Massachusetts, United States of America.

07 NOVEMBER 2018
Announcement of the clarification of casino duties and casino licence fee on the Company's casino operations arising from the release of the Malaysian Budget 2019.

27 NOVEMBER 2018
Announcement of the commencement of legal proceedings in relation to the development of the Twentieth Century Fox World Theme Park at Resorts World Genting.

30 NOVEMBER 2018
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2018; and
(b) Retirement of Tun Mohammed Hanif bin Omar as the Deputy Chairman and Non-Independent Executive Director of the Company with effect from 31 December 2018.

03 DECEMBER 2018
Announcement of the appointment of Madam Chong Kwai Ying as an Independent Non-Executive Director of the Company with effect from 3 December 2018.

20 DECEMBER 2018
Announcement of the clarification on various media reports regarding the outdoor theme park at Resorts World Genting.

31 DECEMBER 2018
Announcement of the following:
(a) Retirement of Tun Mohammed Hanif bin Omar as the Deputy Chairman and Non-Independent Executive Director of the Company with effect from 31 December 2018;
(b) Appointment of Tan Sri Dato' Seri Alwi Jantan as the Deputy Chairman/Independent Non-Executive Director of the Company with effect from 1 January 2019; and
(c) Redesignation of Mr Lim Keong Hui as the Deputy Chief Executive and Executive Director of the Company with effect from 1 January 2019.

2019

23 JANUARY 2019
Announcement of the status update on legal proceedings against Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, FoxNext, LLC, Twenty First Century Fox, Inc. and The Walt Disney Company.

24 JANUARY 2019
Announcement of the application for judicial review of a decision by the Ministry of Finance to amend terms of tax incentives previously granted to the Company.

27 FEBRUARY 2019
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2018; and
(b) Entitlement Date for the Special Single-Tier Dividend in respect of the financial year ended 31 December 2018.

22 MARCH 2019
Announcement of the disposal of Coastbright Limited, an indirect wholly-owned subsidiary of the Company, for a total cash consideration of approximately GBP34.6 million (or the equivalent of approximately RM185.0 million).

01 APRIL 2019
Announcement of the following:
(a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2018;
(b) Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and
(c) Proposed renewal of the authority for the Company to purchase its own shares.

DIVIDENDS		Announcement	Entitlement Date	Payment
2017	Special Single-Tier – 8.0 sen per ordinary share	27 February 2018	14 March 2018	30 March 2018
2017	Final Single-Tier – 5.0 sen per ordinary share	27 February 2018	08 June 2018	28 June 2018
2018	Interim Single-Tier – 6.0 sen per ordinary share	29 August 2018	19 September 2018	10 October 2018
2018	Special Single-Tier – 8.0 sen per ordinary share	27 February 2019	14 March 2019	04 April 2019
2018	Proposed Final Single-Tier – 5.0 sen per ordinary share	27 February 2019	28 June 2019	23 July 2019*

** Upon approval of shareholders at the Thirty-Ninth Annual General Meeting*

FINANCIAL HIGHLIGHTS

REVENUE

RM **9.9** BILLION

2017[1]: RM9.3 billion

MARKET CAPITALISATION

RM **17.1** BILLION

AS AT 31 DECEMBER 2018

ADJUSTED EBITDA

RM **2.9** BILLION

2017[1]: RM2.2 billion

SHAREHOLDERS' EQUITY

RM **18.2** BILLION

2017[1]: RM19.3 billion

NET (LOSS)/PROFIT

(RM **86.3** MILLION)

2017[1]: RM1.1 billion

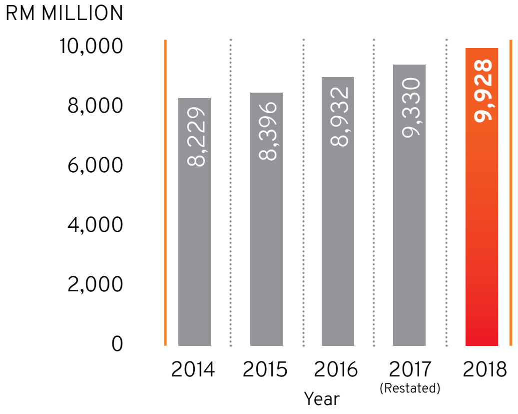
TOTAL ASSETS EMPLOYED

RM **31.7** BILLION

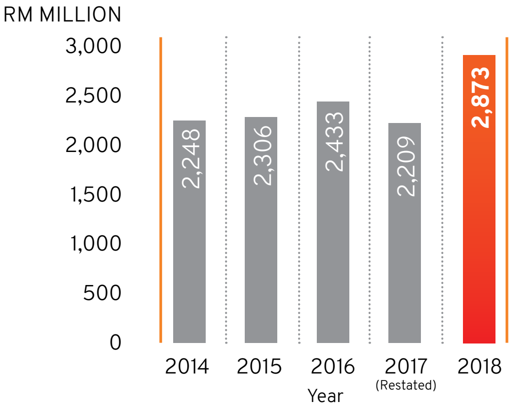
2017[1]: RM30.0 billion

[1] *Figures are restated to reflect the impact arising from the adoption of new accounting policies.*

REVENUE

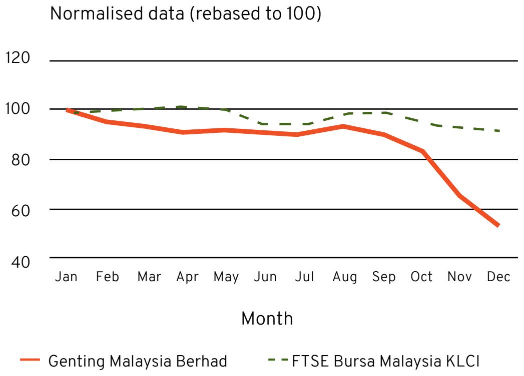


ADJUSTED EBITDA *



* Earnings before interest, taxes, depreciation and amortisation.

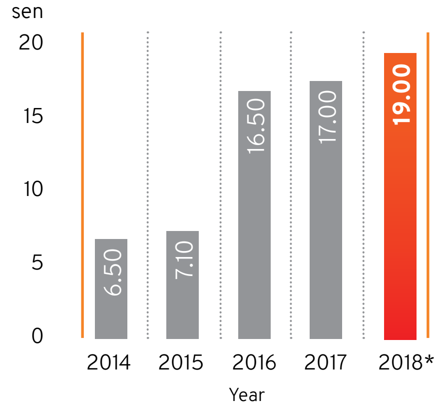
2018 GENTING MALAYSIA BERHAD SHARE PRICE PERFORMANCE RELATIVE TO FTSE BURSA MALAYSIA KLCI



Source - Bloomberg

All figures are in Ringgit Malaysia

NET DIVIDEND PER SHARE



*Comprised an interim single-tier dividend of 6.00 sen per ordinary share, a special single-tier dividend of 8.00 sen per ordinary share and a proposed final single-tier dividend of 5.00 sen per ordinary share.

FIVE-YEAR SUMMARY

Amounts in RM million unless otherwise stated	2018	2017 (Restated)	2016*	2015*	2014*
Revenue	9,927.6	9,330.3	8,931.6	8,395.9	8,229.4
Adjusted EBITDA	2,872.8	2,209.0	2,432.8	2,306.4	2,247.6
(Loss)/profit before taxation	(4.0)	1,319.8	3,090.6	1,530.0	1,524.5
Taxation	(82.3)	(247.2)	(289.9)	(287.0)	(384.2)
(Loss)/profit for the financial year	(86.3)	1,072.6	2,800.7	1,243.0	1,140.3
(Loss)/profit attributable to equity holders of the Company	(19.5)	1,161.3	2,880.1	1,257.9	1,188.7
Share capital	1,764.5	1,764.5	593.8	593.8	593.8
Retained earnings	15,872.2	16,970.7	16,808.1	14,348.6	13,465.4
Other reserves	1,583.1	1,521.3	3,420.2	5,102.0	3,147.5
Treasury shares	(999.1)	(911.3)	(911.3)	(906.7)	(902.4)
Shares held for employee share scheme	-	(21.7)	(45.8)	(57.3)	-
	18,220.7	19,323.5	19,865.0	19,080.4	16,304.3
Non-controlling interests	(267.4)	(193.2)	(119.6)	26.0	(30.6)
Non-current liabilities	10,381.2	7,585.0	4,117.3	4,747.8	2,270.9
	28,334.5	26,715.3	23,862.7	23,854.2	18,544.6
Property, plant and equipment	14,840.9	13,835.4	12,158.6	10,475.1	7,426.5
Land held for property development	184.7	184.7	184.7	184.7	184.7
Investment properties	2,204.3	2,178.8	2,317.9	2,293.3	1,958.8
Intangible assets	4,527.3	4,654.5	5,036.3	5,367.2	4,482.2
Financial assets at fair value through other comprehensive income	117.1	-	-	-	-
Available-for-sale financial assets	-	145.0	102.9	99.2	1,239.2
Other non-current assets	254.5	1,871.6	1,842.4	322.2	324.7
Deferred tax assets	250.2	39.3	122.4	237.8	200.6
Total non-current assets	22,379.0	22,909.3	21,765.2	18,979.5	15,816.7
Net current assets	5,955.5	3,806.0	2,097.5	4,874.7	2,727.9
	28,334.5	26,715.3	23,862.7	23,854.2	18,544.6
Basic (loss)/earnings per share (sen)	(0.4)	20.5	50.9	22.2	21.0
Net dividend per share (sen)	19.0#	17.0	16.5	7.1	6.5
Dividend cover (times)	N/A	1.2	3.1	3.1	3.2
Current ratio	2.8	2.2	1.5	2.3	2.2
Net assets per share (RM)	3.22	3.41	3.51	3.37	2.88
Return (after tax and non-controlling interests) on average shareholders' equity (%)	(0.1)	5.9	14.8	7.1	7.5
Market share price					
- highest (RM)	5.80	6.14	4.91	4.61	4.67
- lowest (RM)	2.79	4.44	3.99	3.79	3.90

Comprised an interim single-tier dividend of 6.00 sen per ordinary share, a special single-tier dividend of 8.00 sen per ordinary share and a proposed final single-tier dividend of 5.00 sen per ordinary share.

* The comparatives have not been restated for the adoption of MFRS 15 – Revenue from Contracts with Customers.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

RWG Key Statistics

No. of visitors:
25.9 million
(FY17: 23.6 million)

Day trippers:
73%
(FY17: 72%)

No. of rooms:
10,500 rooms
(7 hotels)

Hotel occupancy:
97%
(FY17: 95%)

General Description of the Group's Business and Strategies

The Group is involved in the leisure and hospitality industry. The Group owns and operates major resort properties including Resorts World Genting ("RWG") in Malaysia, Resorts World Casino New York City ("RWNYC") in the United States ("US"), Resorts World Bimini ("RW Bimini") in the Bahamas, Resorts World Birmingham ("RWB") and over 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 ("RW Kijal") in Terengganu and Resorts World Langkawi ("RW Langkawi") on Langkawi island.

RWG is a premier leisure and entertainment resort in Malaysia equipped with approximately 10,500 rooms of various themes across 7 hotels, entertainment attractions including an indoor theme park, a wide selection of dining and retail outlets in the SkyAvenue entertainment complex and the newly refurbished First World Plaza as well as facilities for international shows and business conventions. In 2018, RWG welcomed 25.9 million visitors (2017: 23.6 million), with 27% of visitors making up hotel guests and the remaining 73% being day-trippers. The overall occupancy of RWG's six hilltop hotels was 97% (2017: 95%).

In December 2013, the Group embarked on a 10-year master plan to reinvigorate and transform RWG under the Genting Integrated Tourism Plan ("GITP"). Since then the Group has introduced a host of new facilities and attractions under the GITP including the First World Hotel Tower 3, the Awana SkyWay cable car system, the refurbished Theme Park Hotel, the new Crockfords hotel, the SkyAvenue entertainment complex and the refurbished First World Plaza, as well as the new Skytropolis Funland indoor theme park which was opened in December 2018. The Genting Highlands Premium Outlet at the mid-hill further complements the new and existing offerings at RWG.

In the UK, the Group owns and operates over 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 aimed at providing customers a seamless multi-channel gaming experience. Additionally, the Group operates RWB, the first integrated leisure complex of its kind in the UK, offering gaming and entertainment facilities, retail and dining outlets and a 178-room four-star hotel. In the Middle East, the Group owns and operates Crockfords Cairo, an exclusive casino inside The Nile Ritz-Carlton Hotel in Cairo.

In the US, the Group operates RWNYC, the first and only video gaming machine facility in New York City, at the site of the Aqueduct Racetrack which welcomed 7.7 million visitors in 2018 (2017: 7.6 million). As a premier entertainment hub, RWNYC offers the ultimate gaming and entertainment experience, with electronic gaming machines, shows, events and culinary delights. RWNYC's expansion plan to add new facilities and attractions to its portfolio, such as a 400-room hotel, additional gaming space, F&B outlets, retail stores and entertainment facilities is well underway and the new facilities are expected to open in phases from the end of 2019. In Miami, the Group owns the newly renovated 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 Bimini Island.

The Group is committed towards providing the most delightful and memorable experience to its customers to achieve its vision of becoming the leading integrated resort operator in the world. It also aims to generate sustainable growth and profits, and to consistently enhance its stakeholders' value.

Towards this end, the Group's key focus and initiatives include:

- Leveraging on the phased opening of GITP to grow business volume and visitations at RWG;
- The execution of its revised marketing strategies, streamlining operations and optimising cost structure to mitigate the impact of the hike in casino duties and casino license fee as announced in the Malaysian Budget 2019;
- Enhance strategic marketing efforts to grow and expand into regional markets following the introduction of new attractions and facilities at RWG;
- Selecting the best option for the outdoor theme park, which remains an important part of RWG's growth plans;
- Strengthening the Group's position in the non-premium players business in the UK by growing its market share and improving business efficiencies;
- Enhancing the operating performance and growing business volume at RW Birmingham;

Towards this end, the Group's key focus and initiatives include: (cont'd)

- Growing the interactive business further by improving its product mix and targeted marketing to reinforce the Group's position in this market;
- Intensifying the Group's direct marketing efforts to drive visitations and frequency of play at RWNYC;
- Focusing on the successful completion of RWNYC's expansion plans;
- Leveraging on the newly renovated Hilton Miami Downtown Hotel to generate higher spend at the property; and
- Improving infrastructure to drive visitation and volume of business to RW Bimini.

During the year, the Group delivered an improved operational performance amid a challenging business environment. This improvement was primarily driven by the Malaysia operations following the opening of new facilities and attractions under the GITP. However, the Group recorded a loss before taxation of RM4.0 million in year 2018, primarily due to the one-off impairment loss of RM1,834.3 million on the Group's investment in the promissory notes ("Notes") issued by the Mashpee Wampanoag Tribe ("Tribe").

The commentary on financial performance is set out below.

Financial Year Ended 31 December 2018 ("2018") compared with Financial Year Ended 31 December 2017 ("2017")

Revenue

The Group's revenue for 2018 was RM9,927.6 million, an increase of RM597.3 million (6%) compared with RM9,330.3 million in 2017. The higher revenue was mainly attributable to higher revenue from the overall leisure and hospitality businesses.

Revenue recorded by the leisure and hospitality business in Malaysia was higher by RM757.8 million, mainly contributed by an improved hold percentage in the mid to premium players segment coupled with higher business volume from the mass market. The opening of new attractions under GITP have been well received and contributed to a 22% increase in non-gaming revenue.

Revenue recorded by the casino businesses in UK and Egypt was lower by RM112.7 million, mainly contributed by lower volume of business from its UK premium gaming segment, mitigated by higher contribution from Crockfords casino in Cairo and interactive business in UK.

Revenue recorded by the leisure and hospitality business in the US and Bahamas was lower by RM50.3 million, mainly due to weaker USD exchange rate to RM. Excluding this impact, revenue increased by 3%, mainly contributed by higher revenue from the Hilton Miami Downtown Hotel.

Costs and expenses

Total costs and expenses before finance costs for 2018 amounted to RM10,310.4 million compared with RM8,318.7 million in 2017, an increase of RM1,991.7 million, mainly due to the following items:

(a) Higher impairment losses by RM1,915.3 million mainly arising from the impairment of the Group's investment in the Notes issued by the Tribe amounting to RM1,834.3 million coupled with higher impairment losses of RM81.0 million relating to certain assets of Malaysia operations. The impairment loss of investment in the Notes was due to the uncertainty of recovery of the Notes following the US Federal Government's decision in September 2018 concluding that the Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Tribe to have the land in trust for an integrated gaming resort development.

(b) Cost of sales increased by RM129.9 million, from RM7,135.5 million in 2017 to RM7,265.4 million in 2018. The increase was mainly due to higher cost of inventories, higher gaming related expenses and higher depreciation and amortisation charges as a result of the commencement of operations of certain facilities under GITP.

(c) Administrative expenses decreased by RM78.8 million, from RM721.4 million in 2017 to RM642.6 million in 2018. The decrease was mainly due to write off of project bid costs in 2017 and lower expenses from Bimini operations as a result of improved operational efficiencies.

Other income

The decrease in other income by RM53.7 million from RM537.5 million in 2017 compared to RM483.8 million in 2018 was mainly due to recognition of gain on disposal of a property in UK of RM28.6 million in 2017.

Other gains/(losses)

Other gains of RM23.7 million were recorded in 2018 compared to other losses of RM114.4 million in 2017. This was mainly due to unrealised foreign exchange translation gain of RM23.2 million in 2018 compared with unrealised foreign exchange translation loss of RM119.0 million in 2017. Unrealised foreign exchange translation gain was recorded in 2018 on the Group's USD denominated assets due to strengthening of USD against RM.

Adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA")

Adjusted EBITDA excludes the effects of non-recurring items from the reporting segments, such as impairment losses/ reversal of previously recognised impairment losses, pre-opening expenses, gain or loss on disposal of assets and assets written off.

The Group's adjusted EBITDA for 2018 was RM2,872.8 million (2017: RM2,209.0 million), an increase of 30%. The higher adjusted EBITDA was mainly attributable to the leisure and hospitality business in Malaysia as a result of higher revenue offset by higher operating costs incurred for the new facilities under GITP. Unrealised foreign exchange translation gain on the Group's USD denominated assets from investments and others segment has also contributed to higher adjusted EBITDA.

Finance costs

The Group's finance costs increased by RM40.9 million from RM114.9 million in 2017 compared to RM155.8 million in 2018. The increase was mainly due to lower qualifying assets eligible for interest capitalisation during the year, upon completion of certain projects under GITP.

Taxation

The tax expense for the Group was RM82.3 million compared with RM247.2 million for 2017, a decrease of 67%. The decrease was mainly due to the recognition of deferred tax asset by a US subsidiary arising from the impairment loss on its investment in the Notes issued by the Tribe.

Loss attributable to equity holders of the Company

As a result of the above, loss attributable to equity holders of the Company was RM19.5 million for 2018, compared to profit attributable to equity holders of the Company of RM1,161.3 million for 2017. Excluding the one-off impairment loss of investment in the Notes, profit attributable to equity holders of the Company for 2018 would have been RM1,814.8 million, an increase of 56% over 2017.

Liquidity and capital resources

Cash and cash equivalents of the Group increased from RM5,996.6 million as at 31 December 2017 to RM7,999.7 million as at 31 December 2018. The increase of RM2,003.1 million in cash and cash equivalents was mainly due to the following:

(a) Total borrowings of the Group increased from RM6,974.4 million as at 31 December 2017 to RM9,760.3 million as at 31 December 2018. The increase of RM2,785.9 million was mainly due to the receipt of proceeds from the issuance of medium term notes ("MTN") of RM2,600.0 million.

(b) The Group's businesses generated a net cash inflow of RM2,610.5 million from operating activities for 2018 as compared to the previous year of RM2,154.8 million. The increase of RM455.7 million was mainly due to higher operating profits.

(c) The Group's capital expenditure in respect of property, plant and equipment was RM1,853.5 million for 2018, mainly attributable to the development work relating to GITP. During 2018, the Group invested RM400.0 million in fixed income funds, which is classified as financial assets at fair value through profit or loss.

(d) The Group paid dividends of RM1,074.6 million in 2018. This represents a 8% increase over the previous year.

Gearing ratio

The gearing ratio of the Group as at 31 December 2018 was 35% compared with 27% as at 31 December 2017. This ratio is calculated as total debt divided by total capital. Total debt, which is calculated as total borrowings, amounted to RM9,760.3 million as at 31 December 2018 (2017: RM6,974.4 million). Total capital is calculated as the sum of total equity and total debt, which amounted to RM27,713.6 million in 2018 (2017: RM26,104.7 million). The increase in gearing ratio in 2018 was primarily as a result of the Group's issuance of MTN in July 2018.

Prospects

Global economic conditions are expected to be challenging in 2019 amid softening global trade and heightened geopolitical and policy uncertainties in certain major economies and emerging markets. In Malaysia, economic growth is expected to continue albeit at a slower pace, supported by domestic demand.

Demand for international tourism is expected to remain relatively positive in 2019 although weakening economic sentiments may pose some downside risks. Consequently, the regional gaming market may also face increasing challenges, particularly in the premium players segment.

The Group remains cautiously optimistic on the opportunities and growth potential of the leisure and hospitality industry.

In Malaysia, the operating environment will be challenging as the Group adapts to the new fiscal operating landscape. In view of the severity of the casino duty increases announced in the Malaysian Budget 2019, the Group will continue reviewing and managing its cost structure. This includes reducing or delaying capital expenditures and the implementation of various cost rationalisation initiatives such as manpower optimisation. The Group will also continue placing emphasis on the execution of its marketing strategies as well as growing key business segments through yield management systems and database analytics. The Group will complete the roll out of the Skytropolis Funland indoor theme park and Imaginatrix, an attraction which combines physical rides with state-of-the-art virtual reality gaming technology. The development plans and options for the outdoor theme park are being reviewed amid ongoing legal proceedings. The Group remains committed to the outdoor theme park at Resorts World Genting as a growth initiative in Malaysia.

In the UK, the Group remains focused on delivering sustainable performance amid the challenging operating environment by managing business volatility in the premium players segment. The Group will also place emphasis on strengthening its position in the non-premium players segment by growing market share and improving overall business efficiency. Meanwhile, the Group will continue its efforts in driving business volumes and enhancing the operating performance of Resorts World Birmingham. The Group is also committed to improving the product mix and targeted marketing of its interactive business to grow and reinforce its position in this business segment.

In the US, RWNYC maintained its position as the leading gaming operator in the northeast US region despite increased competition. Nevertheless, the Group will continue intensifying direct marketing efforts to grow visitation and drive frequency of play at the property. Meanwhile, the Group remains focused on the ongoing expansion works at RWNYC which is expected to open in phases from the end of 2019. In Miami, the Group will continue to leverage the newly renovated Hilton Miami Downtown hotel to boost visitation and higher spend at the property. In the Bahamas, the Group remains committed to improving operational efficiency and infrastructure at Resorts World Bimini to grow visitation and revenue at the resort.

Salient Statistics

Hotels

In Malaysia, the overall occupancy of RWG's six hilltop hotels, namely Genting Grand, Maxims, Crockfords, Resort Hotel, First World Hotel and Theme Park Hotel was 97% in 2018 (2017: 95%). At the mid-hill, the Awana Hotel recorded an occupancy rate of 63% in 2018 (2017: 69%). RWG recorded the highest number of rooms sold in history at 3.63 million room nights in 2018 (2017: 3.41 million).

The Group's two Malaysian seaside resorts, namely RW Kijal and RW Langkawi recorded an occupancy rate of 34% (2017: 41%) and 64% (2017: 53%) respectively in 2018.

In the UK, the Group's Park Lane Mews Hotel which is located in the Mayfair district in London registered an occupancy rate of 87% in 2018 (2017: 86%). The hotel at RWB registered an occupancy rate of 80% in 2018 (2017: 75%).

In Miami, the Group's 527-room Hilton Miami Downtown achieved an average occupancy rate of 79% in 2018 (2017: 78%).

In the Bahamas, occupancy rate at the Hilton Hotel at Resorts World Bimini improved to 48% in 2018 (2017: 45%).

Food and Beverage

In 2018, RWG's 56 outlets (2017: 48 outlets) catered to 11.2 million covers in 2018 (2017: 11.6 million covers).

In the US, the number of covers served at RWNYC and the Hilton Miami Downtown were 3.6 million (2017: 3.7 million) and 0.30 million (2017: 0.24 million) respectively in 2018. In the Bahamas, the Bimini Operations served a total of 0.46 million covers in 2018 (2017: 0.49 million).

Cable Car

RWG's two cable car systems, Awana SkyWay and Genting Skyway (only operational during peak periods), ferried over 4.8 million passengers to the Group's hilltop hotels and attractions in 2018 (2017: 4.3 million).

AWARDS & ACCOLADES

Global Responsible Business Leadership Awards 2018

Hospitality Asia Platinum Awards (HAPA) Regional Series 2018

Guinness World Records 2018

Midlands Food Drink and Hospitality Awards 2018

World Travel Awards 2018 – Asia by World Travel Award
Resorts World Genting - *Asia's Leading Theme Park Resort & Malaysia's Leading Resort*

Global Responsible Business Leadership Awards 2018 by Asia Pacific CSR Council
Genting Malaysia Berhad - *Leading Multinational Corporation of the Year*

FTSE4Good Index Series
Genting Malaysia Berhad – Certificate of Membership

Share/Guide Association Malaysia ICT Award 2018
Genting Malaysia Berhad

12th Annual Alpha Southeast Asia Deal & Solution Awards 2018 by Alpha Southeast Asia
GENM Capital Berhad - *Most Innovative Bond Deal in Southeast Asia 2018*

Hospitality Asia Platinum Awards (HAPA) Regional Series 2018 by WAP Asia Group
Genting Grand – *HAPA Housekeeping Excellence & HAPA Service Excellence (Accommodation)*
Maxims – *Best 5 Star Hotel (Exceptional Experience) & HAPA Hotel of the Year (Extraordinary Stay)*

Forbes Travel Guide Star Ratings by Forbes Travel Guide
Genting Grand, Resorts World Genting – *4-Star Rating*

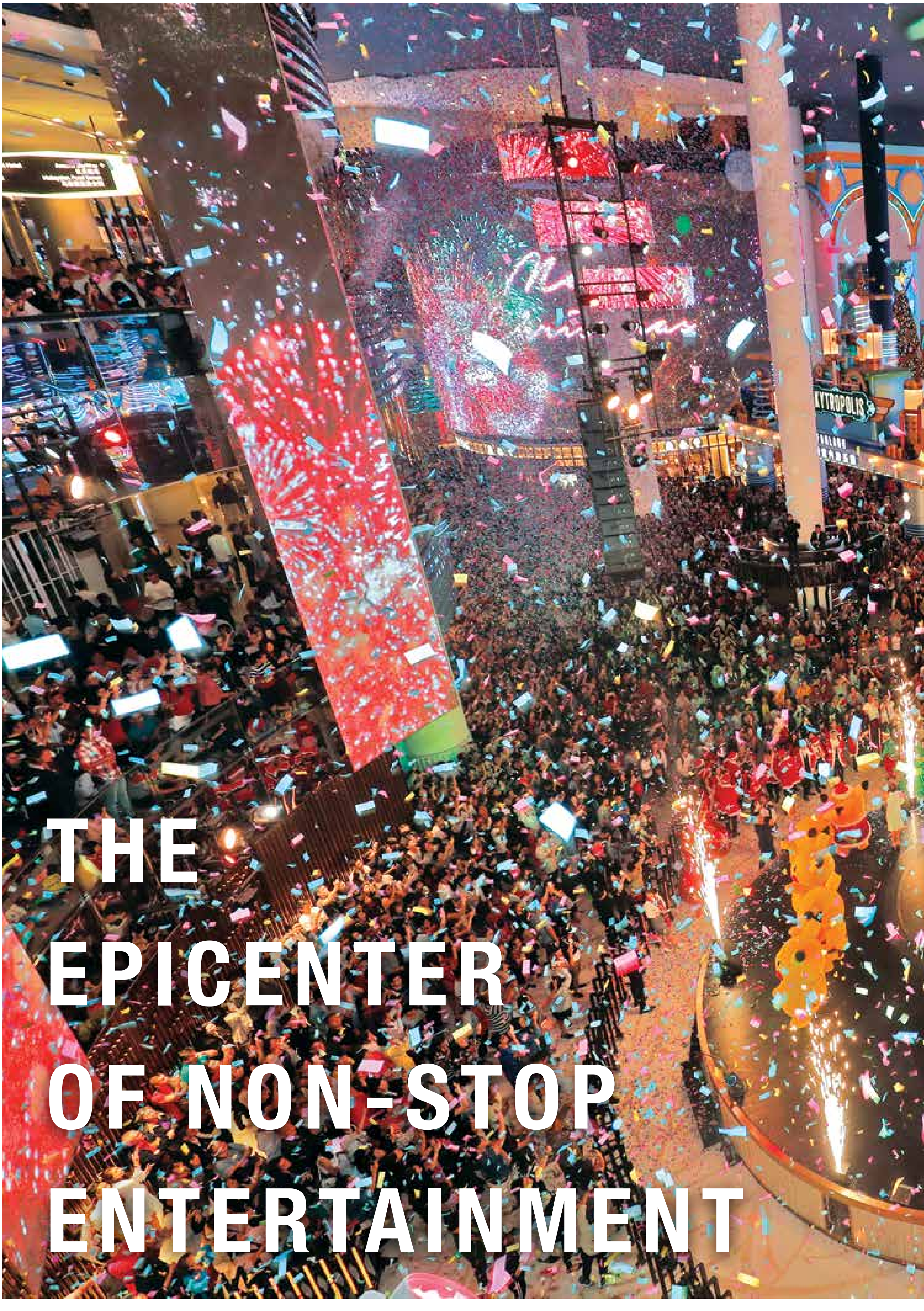
Malaysia International Gastronomy Festival 2018 by Tourism Malaysia
Resorts World Genting – *Best Marketing Award*
The Olive – *Best use of the Festival Theme & Most Outstanding Festival Dining Experience*
The Olive & e18hteen – *Best Festival Offers*
High Line – *Most Popular Restaurant Station at Taste MIGF 2018*

Guinness World Records 2018 by Guinness World Records
Resorts World Birmingham – *The largest single serving of fish and chips*

SVC Awards 2018 by Angel Business Communications
Genting UK – *Infrastructure Project of the Year*

Midlands Food Drink and Hospitality Awards 2018 by Birmingham Events Ltd
Genting Hotel – *Best Hotel*

Midlands Beauty Industry Awards 2018 by Creative Oceanic
Santai Spa, Genting Hotel – *Best Day Spa*



THE EPICENTER OF NON-STOP ENTERTAINMENT

Resorts World Genting continues to reach greater heights with the achievement of multiple key milestones and accolades throughout the year. Following the successful roll-out of a myriad of facilities and attractions under the Genting Integrated Tourism Plan (GITP) in the previous year, 2018 saw the opening of various new lifestyle outlets in SkyAvenue and the newly refurbished First World Plaza. As home to world-class attractions, service excellence and top-notch facilities, Resorts World Genting is poised to set the benchmark for next-level exclusivity and become the entertainment capital of Southeast Asia.

2018 HIGHLIGHTS

1 ESL ONE GENTING 2018

2018 kicked off with much excitement and fanfare as Arena of Stars once again played host to the highly anticipated ESL One Genting championship. With the tournament now a Minor Event on the official Dota Pro Circuit, this year's event upped the ante on all fronts with a larger prize pool of USD400,000 and 400 coveted Qualifying Points to The International 2018 up for grabs. Touted as the biggest Minor of the season, the tournament featured 16 of the world's elite Dota 2 teams as they competed for fame and glory in a sold-out arena filled with excited fans and thunderous applause. Team Newbee proved themselves an unbeatable force as they bested European powerhouse Team Liquid in a thrilling best-of-five series in the grand finals to reaffirm their position as the number one team in China.

2 BONA CINEMAS

Launched in collaboration with one of China's largest film distributors, Bona Cinemas at Resorts World Genting is Bona Film Group's maiden overseas venture. The standard theatre halls are equipped with the latest Dolby Atmos sound system – the next generation audio standard for cinemas – while the retro-cum-urban designed Bona Cinemas IMAX and Gold Class cinema halls feature state-of-the-art projection technology and the nation's first Gold Class D-Box Motion Systems (available in Gold Class halls only) to offer moviegoers an unparalleled immersive cinematic experience.

3 MEDAN SELERA

Medan Selera brings together five favourite styles of cuisine in an easy-to-access and relaxed environment. Certified Halal, the eatery boasts a wide array of Malay-inspired traditional cuisine, Mediterranean delights and also some Western favourites. From Laksa Johor to grilled shawarmas, Medan Selera is the go-to destination for hungry patrons looking for a touch of traditional Asian zing.

4 REDTAIL AND REDTAIL KARAOKE BY ZOUK

The first of many Zouk-curated outlets to open its doors at Resorts World Genting, RedTail is Malaysia's most exciting social gaming lounge scene. Tucked away comfortably in the Zouk Atrium of the SkyAvenue entertainment complex, RedTail is a bar like no other with its gamut of exciting games such as Beer Pong, Giant Jenga, Snakes and Ladders and Xbox; serving as the perfect pre-club hangout to gear up for the night. Guests can also belt out their favourite tunes at RedTail Karaoke, a customised entertainment hub outfitted with the latest state-of-the-art equipments and over 10,000 songs across different genres.

5 A LEGENDARY EVENING

In March 2018, 10-time Grammy Award-winning singer John Legend took fans on an unforgettable musical journey at the Arena of Stars. The famed crooner performed to a sold-out crowd during the exclusive one-night event which featured over 20 of his greatest hits. Resorts World Genting remains the destination of choice for both local and international event organisers as the resort continues to attract internationally acclaimed artistes.

6 FTSE4GOOD INDEX SERIES – CREATING VALUE SUSTAINABLY

In June 2018, Genting Malaysia Berhad became a constituent of the FTSE4Good Index Series, a global responsible investment index designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Independently evaluated based on numerous stringent criteria, the recognition by FTSE4Good not only testifies the Group's sustainability efforts but also its ongoing commitment to prioritise economic, social and environmental matters and create meaningful value to various stakeholders.

7 CATCHING THE GENTING FOOTBALL FEVER

Avid football fans caught the Genting Football Fever as Resorts World Genting hosted Malaysia's hottest football event. Held in conjunction with the highly anticipated FIFA World Cup 2018, visitors participated in numerous fun-filled interactive activities which included the special guest appearances of three football legends – Michael Owen, Robbie Fowler and Paul Scholes. Additionally, guests got the opportunity to vie for a wide variety of coveted prizes, including a once-in-a-lifetime opportunity to witness the 2018 FIFA World Cup Opening Ceremony in Russia.

8 HIGH LINE ROOF TOP MARKET

Dine in the clouds at High Line Roof Top Market, the latest addition to the F&B scene at the SkyAvenue rooftop precinct. Consisting of seven distinct food kiosks such as Carnivore Corner, Jon Bing, Brooklyn Brewery, Back in Time Bar, High Line Fish Market, Asian Heroes and Burgers & Shots, guests will be treated to a myriad of food options from New England-style seafood to lobster-inspired nasi lemak whilst enjoying refreshing drinks amid crisp highland air.

9 SKYTROPOLIS FUNLAND

December 2018 marked the soft opening of Skytropolis Funland, Resorts World Genting's newly refurbished indoor amusement park. Spanning 400,000 square feet, the new fun park in First World Plaza offers more than 20 rides to guests of all ages at affordable prices. Visitors will be enthralled by the LED-screened ceiling above the theme park which harmonises visual effects with the attractions below to produce a vibrant and artistic ambience.

10 INTO THE VOID

Step beyond reality with The VOID – Resorts World Genting's latest hyper-reality attraction. Combining cutting-edge technology, physical stages and multi-sensory effects, The VOID offers a fully-immersive experience that seamlessly blurs the line between imagination and reality. Guests will be transported into another realm to actively participate in exciting interactive adventures such as Star Wars^{TM}: Secrets of the Empire, Ralph Breaks VR and Ghostbusters which will leave them feeling a sense of awe and wonder.

11 MALAYSIA'S FIRST POKÉMON FESTIVAL

Resorts World Genting was home to 32 of the iconic first generation Pokémon as it hosted the largest Pokémon Festival outside Japan. Featuring several fan-favourites such as the world's tallest Pokémon-themed Christmas tree, life-sized figurines of beloved characters and a six-metre tall inflatable Pikachu surrounded by smaller Pikachu plushies, guests got the opportunity to get up close and personal with their favourite Pokémon to create new, enduring memories. Pokémon aficionados were also treated to daily Pikachu parades as they danced, pranced and frolicked on stage much to the delight of fans.

12 EMPIRE AND ZOUK GENTING

Partying reached dazzling new heights with the launch of the highly anticipated Empire and Zouk Genting. No two Zouk rooms are the same, with special guest DJs setting the stage for revellers to dance the night away amid electrifying music and eclectic spellbinding lights. As the latest addition to Asia's most successful and longest standing club brand, Zouk Genting is set to revolutionise and redefine Malaysia's clubbing scene by bringing guests the most sophisticated and experiential nightlife phenomenon in the nation.

13 MOST INNOVATIVE BOND DEAL IN SOUTHEAST ASIA

In December 2018, the Group was awarded 'Most Innovative Bond Deal in Southeast Asia 2018' for its RM3 billion Medium Term Note Programme ("MTN Programme") at the 12th Annual Alpha Southeast Asia Deal & Solution Awards. This acknowledgement recognizes the MTN Programme for its unique features and positive impact on the Malaysian bond market as it provides investors with a unique and diversified investment opportunity in the leisure and hospitality sector.

14 PALM BEACH CLUB RECEIVES NEW MAKEOVER

The iconic Palm Beach Club, located in the heart of the upscale district of Mayfair in London, has undergone a £2 million makeover. Completed in October 2018, the revamped facility now features a new gaming floor, a new 50-cover restaurant and bar and grill, providing its affluent clientele an enhanced exclusive experience.

13

14

15

15 SKY BY THE WATER

Resorts World Birmingham has transformed its former Sky Bar into something even more spectacular. Sky By The Water, an exciting new space which promises classic cooking, cocktails and afternoon tea, is re-imagined in a relaxed, rooftop setting with stunning views. Guests will be treated to a truly indulgent experience as they wine and dine in an intimate ambience, complemented by good food and exceptional service.

SUSTAINABILITY STATEMENT

Genting
Green
Generation

Our Sustainability Approach

Genting
Green
Generation

Our Sustainability Logo & Tagline

"As a responsible company, we strive to achieve the highest levels of sustainability in everything that we do, from looking after our employees and customers, to contributing towards the economic prosperity of our local community and protecting the environment.

To promote our sustainability programme, we have crafted this logo to reflect that we are cultivating a generation that will make a difference towards sustainable development in the present and the future."

Genting Malaysia's Sustainability Policy Statement

As a global leader in the Leisure and Hospitality industry, we aim to provide world-class services and entertainment in a safe, responsible and sustainable environment.

Our mission as a responsible corporate citizen is to ensure high standards of governance across our entire operation to promote responsible business practices, manage environmental impacts and meet the social needs of the community and nation.

Towards this end, we strive to achieve the following:

ECONOMIC	ENVIRONMENT	SOCIAL		
CORPORATE GOVERNANCE	ENVIRONMENTAL STEWARDSHIP	WORKPLACE OF CHOICE	CUSTOMER ORIENTATION	COMMUNITY CARE
✓ To undertake sustainable and responsible business practices through integrity, good business ethics and exemplary business conducts. ✓ To comply with relevant business rules, regulations and guidelines. ✓ To engage stakeholders in a responsible, fair and reasonable manner.	✓ To undertake responsible sustainability practices to mitigate the direct and indirect environmental impacts of our developments and operations. ✓ To be committed in using our resources wisely, thereby ensuring protection and conservation of the natural environment.	✓ To create a conducive and well-balanced workplace with emphasis on health, safety and wellbeing of employees. ✓ To attract and retain talents by providing an environment where our employees have the opportunity to grow. ✓ To improve competencies through training, learning and development. ✓ To recognise and reward outstanding performance.	✓ To engage our employees to deliver service excellence. ✓ To be our customers' preferred resort by providing an enjoyable and memorable experience. ✓ To deliver our products and services in a responsible manner to our customers.	✓ To improve the quality of life and enrich the communities that we do our business in through monetary contributions and humanitarian efforts. ✓ To support the underprivileged communities including charities, welfare homes and disabled groups. ✓ To support the development and promotion of sports so as to promote a healthy lifestyle and foster ties.

The entities that are included in Genting Malaysia's consolidated financial statements, equivalent documents and Sustainability Report are at the following regions: Malaysia, the United Kingdom, Egypt, the United States of America and the Bahamas.

This Sustainability Statement is made in accordance with a resolution of the Board of Directors dated 27 February 2018.

Sustainability Governance Structure

Genting Malaysia Berhad's Board of Directors (Board) is the governing body that sets and oversees the organisation's sustainability framework, comprising sustainability vision, mission and strategic approach based on the economic, environment and social (EES) pillars. The Board delegates the responsibility to the Sustainability Steering Committee to supervise and manage the overall sustainability implementation across the organisation and report to the Board on their performance.

Our sustainability governance structure includes the Sustainability Steering and Working Committees. These two committees comprise representatives from our respective business functions.

The roles of the Sustainability Steering Committee, as delegated by the Board are as follows:

- Advise the Board to ensure that our business strategy takes sustainability into consideration.
- Develop and recommend to the Board on sustainability strategies - related policies and statement for approval, adoption and revision.
- Ensure that the sustainability strategies address key sustainability matters related to economic, environmental and social issues.
- Monitor the implementation of the sustainability strategies as approved by the Board.
- Oversee the preparation of sustainability disclosures (reporting) as required by Bursa Malaysia.

The roles of the Sustainability Working Committee are as follows:

- To obtain approval for sustainability policy related matters from the Steering Committee.
- Plan, execute, monitor and report the performance of the action plans to the Steering Committee.
- Compile and submit information, data, photos, etc. from all relevant departments promptly to the Secretariat for the preparation of the Annual Sustainability Report.
- Present and share sustainability action plans during each Working Committee meeting (submitted by each department).
- To plan and execute Genting Green Generation (G3) initiatives.

Corporate Relations and Communications Department has been tasked as the secretariat to manage and consolidate the various functions of the Sustainability Committees.

Sustainability Governance Structure

Board of Directors

Sustainability Steering Committee

Chairman: Dato' Sri Lee Choong Yan

- Head Business Operations & Strategies
- EVP Gaming Operations
- EVP Leisure & Hospitality
- EVP Sales & Marketing
- CFO and SVP Finance & Corporate Affairs
- SVP Human Resources
- SVP Information Technology
- SVP Development & Engineering
- SVP Theme Park & Tenancy
- SVP Legal & Regulatory Compliance
- VP Corporate Relations & Communications (Secretariat)

Sustainability Working Committee

Chairman: Mr Lee Thiam Kit

- Economic Committee (Headed by SVP Finance & Corporate Affairs)
- Environment Committee (Headed by EVP Leisure & Hospitality)
- Social Committee (Headed by SVP Human Resources)
- VP Corporate Relations & Communications (Secretariat)

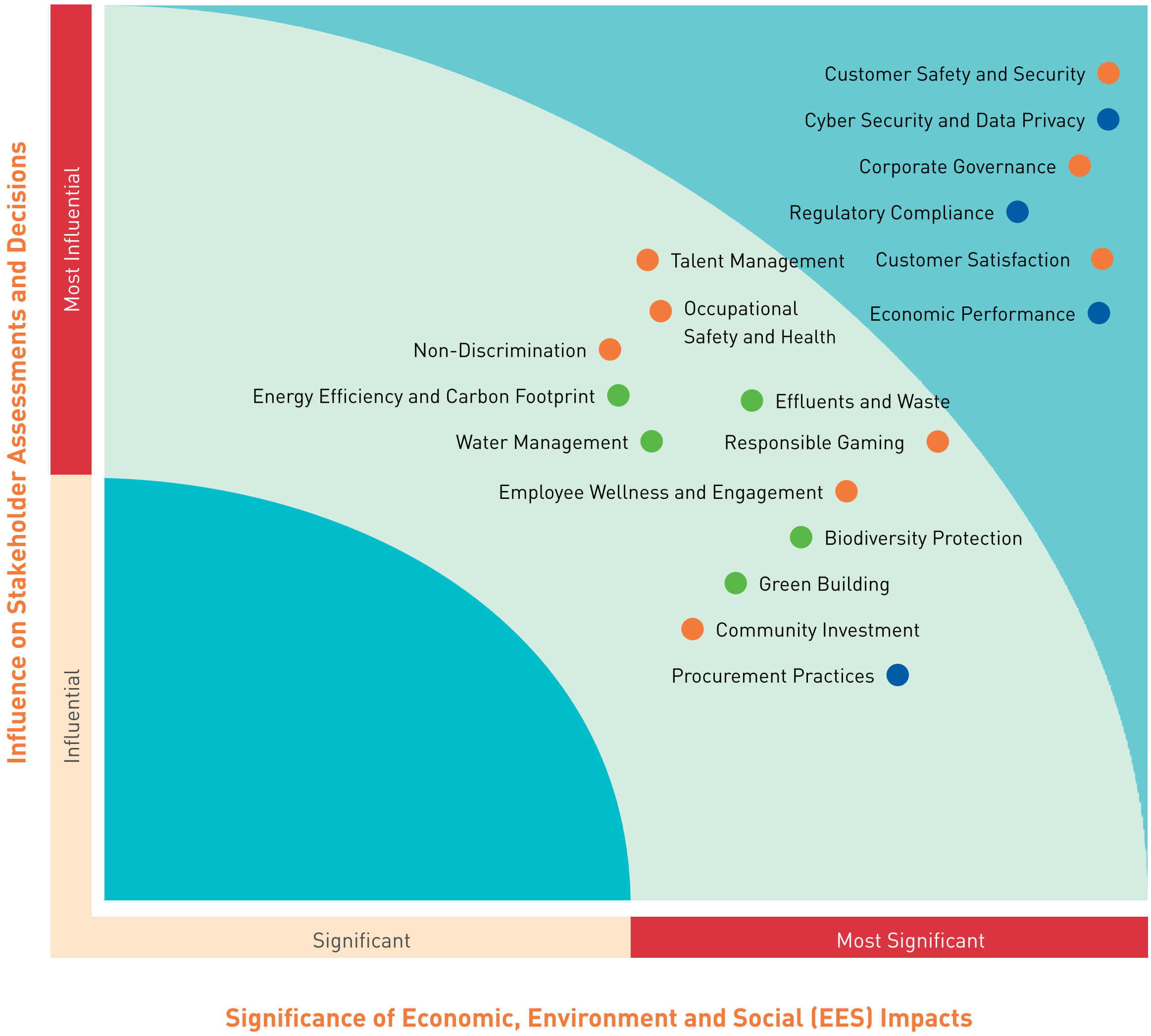
Note:
1) EVP - Executive Vice President
2) CFO - Chief Financial Officer
3) SVP - Senior Vice President
4) VP - Vice President

Materiality Matrix

Materiality assessment is an integral part of our approach to sustainability as it helps us to identify the significance of economic, environment and social impacts. In 2017, we conducted our materiality assessment by engaging our stakeholders, which resulted in identifying 18 material issues to GENM. Each of these material issues was then individually evaluated.

Details of the steps taken to identify the material topics and topic boundaries can be found in our 2017 Sustainability Report.

In 2018, we will reuse the materiality matrix from 2017. We will review the materiality matrix in 2019 as we plan to reassess the materiality biennially.



Legend:

● Economic ● Environment ● Social

2017 Sustainability Report can be found at http://www.gentingmalaysia.com/sustainability/sustainability-reports/

Economic

Economic Performance

Genting Malaysia's core operation remained strong in 2018 despite the challenging operating environment as we exercised caution and prudent financial management practices while upholding good corporate governance. We will endeavour to weather the economy in 2019 to ensure continual sustainable growth and long-term profitability to enhance stakeholder value.

Total revenue

RM9.9 billion
(2017: RM9.3 billion)

Total operating cost

RM8.3 billion
(2017: RM8.4 billion)

Total tax contribution

RM4.7 billion
(2017: RM4.8 billion)

Total payments to capital providers

RM1.4 billion
(2017: RM1.2 billion)

Attracted over 38 million visitors worldwide. An increase in 3 million visitors compared to 2017
(2017: 35 million visitors)

Total employee wages & benefits RM2.2 billion (2017: RM2.3 billion)

Over RM800 million total monetary value spent on procurement of products and services from local suppliers [Resorts World Genting (RWG)]

FTSE4Good

FTSE4Good Index Series

Genting Malaysia Berhad – Certificate of Membership

Awards & Recognition

- **World Travel Awards 2018 – Asia by World Travel Award**
  Resorts World Genting - Asia's Leading Theme Park Resort & Malaysia's Leading Resort
- **Global Responsible Business Leadership Awards 2018 by Asia Pacific CSR Council**
  Genting Malaysia Berhad
  - Leading Multinational Corporation of the Year
- **Hospitality Asia Platinum Awards (HAPA) Regional Series 2018 by WAP Asia Group**
  - Genting Grand – HAPA Housekeeping Excellence & HAPA Service Excellence (Accommodation)
  - Maxims – Best 5 Star Hotel (Exceptional Experience) & HAPA Hotel of the Year (Extraordinary Stay)
- **SVC Awards 2018 by Angel Business Communications**
  Genting UK – Infrastructure Project of the Year
- **Midlands Food Drink and Hospitality Awards 2018 by Birmingham Events Ltd**
  Genting Hotel – Best Hotel

Environmental Performance

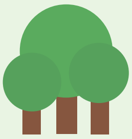
We recognised the impact of our development on the delicate environment and strived to mitigate our environmental footprint with various cost-effective initiatives. Our proactive approach has resulted in energy saving and waste reduction while simultanously lowering our operating cost. We will continue to engage all stakeholders – from suppliers to employees and customers – in our sustainability initiatives to conserve our natural resources.

Total volume of water saved & recycled

26,197m^3

Equivalent to average of daily water consumption of 215,648 people with an estimated cost savings of RM100,000

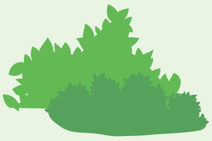
(2017: 38,721 m^3)



1,853 trees planted

absorbing carbon dioxide released by a car driven around the Earth 14 times

Recycled more than 1,000kg of soap, which were collected and distributed to the needy in Asia



94%

of virgin rainforest remains undeveloped in RWG

0.435 mmtCDE*

Reduction of carbon footprint

(2017: 0.440 mmtCDE*)

*Million metric tonnes of carbon dioxide equivalent

Energy savings of 29 TJ

which is equivalent to approximately RM 3.6 million in cost savings

100% of plastic straws phased out in RWG food and beverage outlets.
All food boxes replaced with biodegradable and compostable food containers in all RWG food and beverage outlets

Over 600 employees registered with Genting Green Generation (G3) Volunteer Programme (Malaysia)

Note: Unless specified otherwise, information presented in the Sustainability Statement represents Genting Malaysia Berhad as a Group.

Social Performance

We continued to invest in our employees to deliver value and maintain world-class service for our customers. As a leading multinational corporation, we place as much priority in the well-being of our employees as in the community through monetary contribution and charitable programmes. With more initiatives to come, we will strive to inspire our employees and keep supporting the community in 2019.

Created jobs for over 21,000 employees worldwide
(2017: Over 20,000 employees worldwide)

13% reduction in occupational accidents from 2017
(2018: 243, 2017: 280)

Over RM5 million worth of community investment benefiting a total of 165 organisations

RM8.2 million total investment in employee training in Malaysia and UK
(2017: RM6.9million)

100% of employees received regular performance and career development review

Zero reported cases of occupational fatalities involving our employees since 2016

64,100 people benefited from our philanthropy efforts

Zero reported incident of discrimination in 2018

Note: Unless specified otherwise, information presented in the Sustainability Statement represents Genting Malaysia Berhad as a Group.

It is the policy of the Company to manage the affairs of the Group, in particular the Company and its subsidiaries in accordance with the appropriate standards for good corporate governance.

The new Malaysian Code on Corporate Governance ("MCCG") issued in April 2017 supersedes the Malaysian Code on Corporate Governance 2012.

The MCCG covers three broad principles namely Board Leadership and Effectiveness, Effective Audit & Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company has completed the prescribed Corporate Governance Report for financial year 2018 which is made available at the Company's website at www.gentingmalaysia.com.

Set out below is a summary of the extent to which the Company has applied/adopted the practices encapsulated in the Principles of the MCCG save for certain departure/non-adoption of the Principles of the MCCG.

Principle A – Board Leadership and Effectiveness

I. Board Responsibilities

Intended Outcome

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 1.1 The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.	Applied	The Board has overall responsibility for the proper conduct of the Company's business in achieving the objectives and long term goals of the Company. The Company's values and standards and the Board's responsibilities are set out in the Board's Charter. Corporate strategies as well as the annual plan are presented to the Board as part of the ongoing plans in achieving the objectives and long term goals of the Company by focusing on its core values and standards through the vision and mission of the Company set out in the Board Charter mentioned in Practice 2.1. The details of Directors' attendances during the financial year 2018 are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Lim Kok Thay	5 out of 5
Tun Mohammed Hanif bin Omar (Retired on 31 December 2018)	4 out of 5
Mr Lim Keong Hui	5 out of 5
Tan Sri Dato' Seri Alwi Jantan	5 out of 5
Mr Quah Chek Tin	5 out of 5
Tan Sri Datuk Clifford Francis Herbert	5 out of 5
Mr Teo Eng Siong	5 out of 5
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R)	5 out of 5
Dato' Koh Hong Sun	5 out of 5
Madam Chong Kwai Ying (Appointed on 3 December 2018)	*0 out of 0

* No Board Meetings were convened after 3 December 2018 subsequent to the appointment of Madam Chong Kwai Ying on 3 December 2018.

Principle A – Board Leadership and Effectiveness (cont'd)

I. Board Responsibilities (cont'd)

Intended Outcome (cont'd)

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 1.2 A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.	Applied	The present Chairman of the Board is Tan Sri Lim Kok Thay who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The key responsibilities of the Chairman are provided in the Corporate Governance Report.
Practice 1.3 The positions of Chairman and CEO are held by different individuals.	Departure	The Board is mindful of the dual role of Chairman and Chief Executive held by Tan Sri Lim Kok Thay and is of the view that there are sufficient experienced and independent-minded Directors on the Board to provide sufficient check and balance. Given that there are seven experienced Independent Directors representing more than 50% of the Board, the Board collectively would be able to function independently of management. This allows for effective oversight of the management as well as to support objective and independent deliberation, review and decision making. Having joined the Board in 1988, Tan Sri Lim Kok Thay has considerable experience in the Group's businesses and provides leadership to the Board in considering and setting the overall strategies and objectives of the Company. The Board is of the view that it is in the interest of the Company to maintain the above arrangement so that the Board could have the benefit of a chairman who is highly knowledgeable about the businesses of the Group, the territories globally in which the Group operates in, sets the overall strategies, conceptualises plans and leads the execution of all major development projects and investments, capable of guiding discussions at Board meetings and who is able to brief the Board in a timely manner on key issues and developments that may directly or indirectly affect any of the businesses of the Group. The Chairman commenced employment with the Company on 1 September 1989 as Deputy Managing Director at the age of 38. He was subsequently promoted to Managing Director on 12 April 1999. He was appointed as the President and Chief Executive of the Company on 27 November 2002, before he assumed the position of Chairman of the Company and redesignated as Chairman, President and Chief Executive of the Company on 1 January 2004 upon the retirement of his late father, the founder, Tan Sri Lim Goh Tong. Subsequently, the Chairman was redesignated as the Chairman and Chief Executive of the Company on 8 October 2006. The Chairman is a beneficiary of discretionary trusts and is deemed interested in the ordinary shares representing approximately 49.5% voting interest in the Company, details as disclosed under Register of Substantial Shareholders in the Annual Report 2018. In the annual board assessment conducted, the role of the Chairman was also assessed in terms of his ability to lead the board effectively, encourage contribution and participation from all members, effectiveness in chairing the general meeting and able to answer queries satisfactorily.

Principle A – Board Leadership and Effectiveness (cont'd)

I. Board Responsibilities (cont'd)

Intended Outcome (cont'd)

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		The strong score rating awarded by the Directors in connection with the annual assessment of the Chairman's role provided the necessary measure and justification that Tan Sri Lim Kok Thay understands the two separate roles and is able to distinctly carry out such roles and responsibilities required of him in achieving the intended outcome of ensuring that the Company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. The Independent Non-Executive Directors, who form the majority of Board members, provide a check and balance and play a role to ensure a clear separation between the policy-making process and day-to-day management of the Group's businesses. From time to time, the Board takes measures to evaluate the appropriateness of the dual role of the Chairman and Chief Executive performed by the same individual and ensures that the arrangement will continue to be in the interests of the Company and its shareholders as a whole.
Practice 1.4 The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.	Applied	The Company Secretary, an Associate member of The Malaysian Institute of Chartered Secretaries and Administrators, satisfies the qualification as prescribed under Section 235(2) of the Companies Act 2016 and has the requisite experience and competency in company secretarial services.
Practice 1.5 Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.	Applied	Notice of meetings setting out the agenda and accompanied by the relevant Board papers are given to the Directors with sufficient time for the Directors to review, seek additional information and/or clarification on the matters to be deliberated at Board meetings. The minutes of meetings are prepared and circulated to all the Directors for their review and approval.

Principle A – Board Leadership and Effectiveness (cont'd)

I. Board Responsibilities (cont'd)

Intended Outcome (cont'd)

2.0 There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 2.1 The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies– • the respective roles and responsibilities of the board, board committees, individual directors and management; and • issues and decisions reserved for the board.	Applied	The Board Charter adopted by the Board clearly sets out the respective roles and responsibilities of the Board and the management to ensure accountability. The Board Charter is made available on the Company's website at www.gentingmalaysia.com.

3.0 The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 3.1 The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. The Code of Conduct and Ethics is published on the company's website.	Applied	The Company has a Code of Conduct and Ethics ("Code") which applies to all employees and Directors of the Group and its subsidiaries. The Code, together with other related policies, procedures and guidelines which are disseminated to employees at the Company's intranet portal, sets out the principles to guide standards of behaviour and business conduct when employees and Directors deal with third party and these are integrated into company-wide management practices. The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. Both the Codes can be viewed from the Company's website at www.gentingmalaysia.com.
Practice 3.2 The board establishes, reviews and together with management implements policies and procedures on whistleblowing.	Applied	The Company recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees and other stakeholders can report their concerns freely without fear of reprisal or intimidation. To this end, the Company has adopted a Whistleblower Policy which is disseminated to employees.

Principle A – Board Leadership and Effectiveness (cont'd)

II. Board Composition

Intended Outcome

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 4.1 At least half of the board comprises independent directors. For Large Companies, the board comprises a majority of independent directors.	Applied	The Board has nine members, comprising two Executive Directors and seven Independent Non-Executive Directors which fulfils the requirement of the Board comprising a majority of independent directors.
Practice 4.2 The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.	Departure	The Board noted that the tenure of an independent director should not exceed a cumulative term of nine years. The Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service. Their long service should not affect their independence as they are independent-minded and they continue to provide the necessary checks and balances in the best interest of the Company. The Independent Directors have each provided an undertaking to Bursa Securities since their appointment confirming and declaring that they are "independent directors" as defined under paragraph 1.01 of the MMLR of Bursa Securities. The Board agreed that ultimately the Independent Directors themselves are the best persons to determine whether they can continue to bring independent and objective judgement to Board deliberations. In relation to the criteria to assess independence of directors, the Board had adopted the same criteria used in the definition of "independent directors" prescribed by the MMLR. Accordingly, Tan Sri Datuk Clifford Francis Herbert, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R), Mr Quah Chek Tin and Mr Teo Eng Siong who have been Independent Non-Executive Directors of the Company since 27 June 2002, 4 August 2005, 8 October 2008 and 25 February 2010 respectively, will continue to be Independent Directors of the Company, notwithstanding having served as independent directors on the Board for more than nine years. They are distinguished and well known figures in their field of expertise and being conversant with the Group's businesses, they bring valuable insights and contributions to the Board. For the financial year ended 31 December 2018, each of the Independent Non-Executive Directors had provided their annual confirmations of independence to the Board based on the Company's criteria of assessing independence in line with the definition of "independent directors" prescribed by the MMLR. The Board had assessed and concluded that the seven Independent Non-Executive Directors of the Company, namely Tan Sri Dato' Seri Alwi Jantan, Tan Sri Datuk Clifford Francis Herbert, Mr Quah Chek Tin, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R), Mr Teo Eng Siong, Dato' Koh Hong Sun and Madam Chong Kwai Ying continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them is independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.

Principle A – Board Leadership and Effectiveness (cont'd)

II. Board Composition (cont'd)

Intended Outcome (cont'd)

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		Each Independent Director has undertaken to notify the Board of any changes in their circumstances or of any new interest or relationship that would affect their independence as an independent director of the Company. The Board will promptly consider that new information in reassessing the Director's independence in the interests of the Company and its shareholders as a whole. In addition to the annual confirmation mentioned above from the Independent Non-Executive Directors, all the Directors are required to confirm on an annual basis if they have any family relationship with any other Director and/or major shareholders of the Company, if there are any conflict of interests with the Company and if they have been convicted of any offence within the past five years other than traffic offences, and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. These information, together with the annual evaluation and assessment of each Director during the financial year, form the basis and justification for recommending whether the retiring Director should be nominated for re-election at the Annual General Meeting. The Independent Non-Executive Directors serving more than nine years are persons with high caliber and their vast knowledge and experience contributes positively to the growth of the Group. If the Board, including Independent Non-Executive Directors serving more than nine years, is able to continuously give their best efforts by using their expertise and skills to contribute positively towards the stewardship of the Company to attain greater heights, they should remain as Independent Non-Executive Directors of the Company as the intended outcome is achieved as they are able to make objective decision, in the best interest of the Group taking into account diverse perspectives and insights.
Practice 4.3 - Step Up The board has a policy which limits the tenure of its independent directors to nine years.	Not Adopted	
Practice 4.4 Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.	Applied	The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. This includes the selection of Board members and senior management.
Practice 4.5 The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.	Departure	As explained in Practice 4.4 above, for the selection of Board members, the Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. The Board is mindful of the target of at least 30% women directors and has taken the initial step of appointing Madam Chong Kwai Ying as the first female Director on the Board on 3 December 2018.

Principle A – Board Leadership and Effectiveness (cont'd)

II. Board Composition (cont'd)

Intended Outcome (cont'd)

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		Currently, there are eight male Directors and one female Director. The racial composition of the Board is 22% Malay, 67% Chinese and 11% Eurasian. 11% of the Directors are between the ages of 30 and 55 and the remaining 89% are above 55 years old. Amongst others, the measure taken by the Board is for any vacant Board position in the future, the Board when sourcing for suitable candidates, consideration is given to identify suitably qualified women candidates in line with the recommendation of the MCCG.
Practice 4.6 In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.	Departure	During the year, the Nomination Committee of the Company has recommended a female candidate for appointment to the Board which fits the criteria requirements that the Board is looking for. The Board did not utilise independent sources to identify suitably qualified candidates as the management understands the specialised industry it operates in. Through its own network and bearing in mind the highly regulated industry in which the Company operates in, the management would be in the best position to look for potential candidates with background which fits the criteria requirements. The Board is open to utilising independent sources to identify suitably qualified candidates, where necessary.
Practice 4.7 The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.	Applied	The Chairman of the Nomination Committee, Tan Sri Dato' Seri Alwi Jantan (alwi.jantan@genting.com) has been designated as the Senior Independent Non-Executive Director identified by the Board pursuant to Practice 4.7 of the MCCG. The role of the senior independent director is set out in Practice 2.1 above. The Nomination Committee carried out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at www.gentingmalaysia.com. The Nomination Committee met two times during the financial year ended 31 December 2018 where all the members attended. The main activities carried out by the Nomination Committee during the financial year ended 31 December 2018 are set out below: (a) considered and reviewed the Board's succession plans, the present size, structure and composition of the Board and Board Committees as well as the required mix of skills, experience and competency required; (b) considered and reviewed the Senior Management's succession plans; (c) considered and reviewed the training attended by the Directors, discussed the training programmes required to aid the Directors in the discharge of their duties as directors and to keep abreast with industry developments and trends;

Principle A – Board Leadership and Effectiveness (cont'd)

II. Board Composition (cont'd)

Intended Outcome (cont'd)

4.0 Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		(d) reviewed and recommended to the Board, the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether the Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference; (e) assessed and recommended to the Board, the effectiveness of the Board, Board Committees and individual Directors, including the Chief Executive; and (f) considered and recommended to the Board, the appointment of Madam Chong Kwai Ying as an Independent Non-Executive Director of the Company based on a set of prescribed criteria, including but not limited to skills, knowledge, expertise and experience, professionalism and integrity. In addition, carried out evaluation of her ability to discharge responsibilities/functions as expected from an independent non-executive director.

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 5.1 The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome. For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.	Applied	The process of assessing the Directors is an ongoing responsibility of the Nomination Committee and the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director (including the Independent Non-Executive Directors) and the Chief Executive. In respect of the assessment for the financial year ended 31 December 2018 which was internally facilitated, the Nomination Committee and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director, including the Chief Executive are satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate. The Board is mindful of the gender diversity relating to women directors and has taken the initial step as explained in Practice 4.5 above. The Board took cognisance of Practice 5.1 and at the appropriate time, engages independent experts to facilitate the annual assessment.

Principle A – Board Leadership and Effectiveness (cont'd)

III. Remuneration

Intended Outcome

6.0 The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 6.1 The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.	Applied	The Company has established a formal remuneration policy for the Executive Directors and senior management to align with business strategy and long term objectives of the Company and its subsidiaries. The Board, as a whole, determines the level of fees of Non-Executive Directors and Executive Directors. The policies and procedures are made available on the Company's website at www.gentingmalaysia.com.
Practice 6.2 The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management. The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the Company's website.	Applied	The Remuneration Committee is responsible for implementing the policies and procedures on the remuneration for the Executive Directors and making recommendations to the Board on the remuneration packages of Executive Directors and members of the Board Committees as well as administering the Company's Long Term Incentive Plan ("Scheme") in accordance with the By-Laws governing the Scheme whilst the Board is responsible for approving the policies and procedures which govern the remuneration of the employees including Executive Directors and senior management of the Company. The Remuneration Committee carried out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at www.gentingmalaysia.com.

7.0 Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 7.1 There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits-in-kind and other emoluments.	Applied	The details of the Directors' remuneration received in 2018 on a named basis are set out in the Appendix A of this Corporate Governance Overview Statement. The Chairman and Chief Executive succeeded his late father, the founder of the Group, and was accorded the level of pay similar to his father's when he took over the role. Thereafter, the Chairman and Chief Executive was awarded annual increments/ bonuses as an executive staff member. As the Chief Executive, Tan Sri Lim Kok Thay is responsible for providing the vision and strategic direction of the Group and to formulate appropriate corporate strategies and develop the business. Further details of his role and responsibilities are set out in the section on Practice 1.3 of this Corporate Governance Overview Statement.

Principle A – Board Leadership and Effectiveness (cont'd)

III. Remuneration (cont'd)

Intended Outcome (cont'd)

7.0 Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 7.2 The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.	Departure	The Company has disclosed below the information from an alternative perspective which is intended to achieve a similar outcome. The top five senior management (excluding Executive Directors) of the Company are Dato' Sri Lee Choong Yan, Mr Aaron Chia Khong Chid, Ms Koh Poy Yong, Mr Leow Beng Hooi and Dato' Edward Arthur Holloway, their designations as disclosed in the Annual Report 2018. The aggregate remuneration of these executives received in 2018 was RM26.4 million, representing 1.2% of the total employees' remuneration of the Group. The remuneration of the aforesaid top five senior management is a combination of an annual salary, bonus, benefits-in-kind and other emoluments such as an employee share grant scheme are determined in a similar manner as other management employees of the Company. This is based on their individual performance, the overall performance of the Company, inflation and benchmarked against other companies operating in similar industry in the region, including Macau. The basis of determination has been applied consistently from previous years.
Practice 7.3 - Step Up Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.	Not Adopted	

Principle B – Effective Audit and Risk Management

I. Audit Committee

Intended Outcome

8.0 There is an effective and independent Audit Committee. The board is able to objectively review the Audit Committee's finding and recommendations. The company's financial statement is a reliable source of information.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 8.1 The Chairman of the Audit Committee is not the Chairman of the board.	Applied	The Chairman of the Audit and Risk Management Committee is Tan Sri Datuk Clifford Francis Herbert, an Independent Non-Executive Director of the Company.
Practice 8.2 The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.	Applied	The Terms of Reference of the Audit and Risk Management Committee has included a cooling-off period of at least two years before a former key audit partner could be appointed as a member of the Audit and Risk Management Committee to safeguard the independence of the audit of the financial statements.

Principle B – Effective Audit and Risk Management (cont'd)

I. Audit Committee (cont'd)

Intended Outcome (cont'd)

8.0 There is an effective and independent Audit Committee. The board is able to objectively review the Audit Committee's finding and recommendations. The company's financial statement is a reliable source of information. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 8.3 The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.	Applied	The Audit and Risk Management Committee ensures that the independence and objectivity of the external auditors are not compromised in accordance with the assessment criteria set out in the "Group Policy on External Auditors' Independence". The external auditors are also required to provide confirmation to the Audit and Risk Management Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit and Risk Management Committee is satisfied with the suitability and independence of the external auditors based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 December 2018 and has recommended their re-appointment for the financial year ending 31 December 2019.
Practice 8.4 - Step Up The Audit Committee should comprise solely of Independent Directors.	Adopted	The Audit and Risk Management Committee of the Company consists of four members, who are all Independent Non-Executive Directors.
Practice 8.5 Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.	Applied	The members of the Audit and Risk Management Committee of the Company comprised at least one member with the requisite accounting qualification based on the requirements of the MMLR of Bursa Securities. Members of the Audit and Risk Management Committee are financially literate as they continuously keep themselves abreast with the latest development in the new accounting and auditing standards and the impact it may have on the Group through briefings by the management and the external auditors. During the financial year ended 31 December 2018, the Directors received regular briefings and updates on the Group's businesses, operations, risk management, internal controls, corporate governance, finance and any new or changes to the relevant legislation, rules and regulations. The Company maintains a policy for Directors to receive training at the Company's expense, in areas relevant to them in the discharge of their duties as Directors or Board Committee members, including Mandatory Accreditation Programme for new Directors. The courses and training programmes attended by the Directors in 2018 are attached as Appendix B, except for Madam Chong Kwai Ying who has not attended any course or training programme as she was only appointed on 3 December 2018. The Directors are also required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and financial performance of the Group and of the Company for the financial year.

Principle B – Effective Audit and Risk Management (cont'd)

I. Audit Committee (cont'd)

Intended Outcome (cont'd)

8.0 There is an effective and independent Audit Committee. The board is able to objectively review the Audit Committee's finding and recommendations. The company's financial statement is a reliable source of information. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
		A statement by the Board of its responsibilities for preparing the financial statements is set out in the Audited Financial Statements for the financial year ended 31 December 2018 of the Company.

II. Risk Management and Internal Control Framework

Intended Outcome

9.0 Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objective is mitigated and managed.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 9.1 The board should establish an effective risk management and internal control framework.	Applied	The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity. The Board affirms its overall responsibility for establishing an effective risk management and internal control framework which is in place and has been enhanced over the years.
Practice 9.2 The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.	Applied	The internal control and risk management framework of Genting Malaysia Berhad are designed to manage rather than eliminate risks, and to provide reasonable but not absolute assurance against any material misstatement or loss. Features of the internal control and risk management framework of Genting Malaysia Berhad are set out in the Statement on Risk Management and Internal Control.
Practice 9.3 - Step Up The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.	Adopted	The Audit and Risk Management Committee of the Company assists the Board in carrying out, among others, the responsibility of overseeing the Company and its subsidiaries' risk management framework and policies.

Principle B – Effective Audit and Risk Management (cont'd)

II. Risk Management and Internal Control Framework (cont'd)

Intended Outcome (cont'd)

10.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 10.1 The Audit Committee should ensure that the internal audit function is effective and able to function independently.	Applied	The internal audit function is provided by the internal audit department of the holding company, Genting Berhad ("GENT"). The head of internal audit reports functionally to the Audit and Risk Management Committee of the Company and administratively to the senior management of GENT. He and other internal audit personnel are independent from the operational activities of the Company. The Internal Audit has an Audit Charter approved by the Chairman and Chief Executive of the Company and the Chairman of Audit and Risk Management Committee, which define the mission & objectives, roles & responsibilities, independence, authority, audit standards & code of ethics, audit scope & methodology and audit reporting. The Internal Audit function is headed by Mr Teoh Boon Keong ("Head of Internal Audit" or "Mr Teoh"). The competency and working experience of Mr Teoh and the internal audit team as disclosed in Practice 10.2. The details of the scope of work, performance evaluation and budget of the internal audit function are set out in the Corporate Governance Report.
Practice 10.2 The board should disclose– • whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence; • the number of resources in the internal audit department; • name and qualification of the person responsible for internal audit; and • whether the internal audit function is carried out in accordance with a recognised framework.	Applied	The Head of Internal Audit and other internal audit personnel are independent from the operational activities of the Company and they do not hold management authority and responsibility over the operations that internal audit covers in its scope of works. For year 2018, the average number of internal audit personnel was 29, comprising degree holders and professionals from related disciplines with an average of 8.9 years of working experience per personnel. Mr Teoh is a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysian Institute of Accountants and his working experience is disclosed in the Corporate Governance Report. The internal audit carried out its work according to the standards set by professional bodies, primarily consistent with the International Professional Practices Framework issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by the international accounting and auditing organisations.

Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

I. Communication with Stakeholders

Intended Outcome

11.0 There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respects to the business of the company, its policies on governance, the environment and social responsibility.

	Applied/Departure Adopted/Not Adopted	**Summary of governance practices of the Company**
Practice 11.1 The board ensures there is effective, transparent and regular communication with its stakeholders.	Applied	The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company holds separate quarterly briefings for fund managers, institutional investors and investment analysts after each quarter's financial results announcement. The Group maintains a corporate website at www.gentingmalaysia.com which provides the relevant information to its stakeholders. The Group also participates in investor forums held locally and abroad and periodically organises briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.
Practice 11.2 Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.	Departure	The Company would review the need to adopt the integrated reporting based on a globally recognised framework at the appropriate time.

II. Conduct of General Meetings

Intended Outcome

12.0 Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

	Applied/Departure Adopted/Not Adopted	**Summary of governance practices of the Company**
Practice 12.1 Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.	Applied	The Company serves the Notice of Annual General Meeting to the shareholders of the Company at least 28 days prior to the meeting for financial year 2018.
Practice 12.2 All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.	Applied	The date of the Annual General Meeting of the Company is scheduled at the beginning of the calendar year to ensure that all the Directors are present to provide meaningful response to questions addressed to them. Save for Tan Sri Lim Kok Thay, all the other Directors had attended the Annual General Meeting held on 5 June 2018. Due to unforeseen circumstances, the Chairman and Chief Executive, Tan Sri Lim Kok Thay was required at very last minute to attend to some official business matters.

Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (cont'd)

II. Conduct of General Meetings (cont'd)

Intended Outcome (cont'd)

12.0 Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings. (cont'd)

	Applied/Departure Adopted/Not Adopted	Summary of governance practices of the Company
Practice 12.3 Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate– • including voting in absentia; and • remote shareholders' participation at General Meetings.	Departure	This Practice 12.3 recommendation to leverage on technology is a new concept introduced and companies would need time to study the availability of such software and hardware as well as writing the programmes to facilitate such mode of voting.

The summary of the Corporate Governance practices gave a general overview of the application of the Corporate Governance and shareholders are advised to read the Corporate Governance Report for the full details.

Overall, the Company has applied 25 and adopted 2 out of the 36 Practices/Practice Step Up with 7 departures and 2 non-adoption under the MCCG. This reflects the Board's strong support of the overall corporate governance objectives as encapsulated in the MCCG for :-

- improving the Company's corporate governance practices by creating a healthy and dynamic corporate culture that is driven by the Board together with management;
- increasing the effectiveness of the board oversight function through the establishment of objective audit functions and committees charged with the oversight of internal controls, risk and reporting; and
- enhancing the Company's communication with shareholders and other stakeholders through transparent and timely communication.

Notwithstanding the Company's departures from Practices such as the separation of the position of the Chairman and Chief Executive (Practice 1.3), seeking annual approval of the shareholders to retain an independent directors beyond 9 and 12 years (Practice 4.2) and policy for the Board to have at least 30% women directors (Practice 4.5), the Board will continue to evaluate and assess the Practices and at the appropriate time, take the appropriate steps to narrow the gap, especially for women directors where initial steps had been taken to appoint a first female Director to its Board. On Practice 4.6 where the Board is recommended to utilise independent sources to identify suitably qualified candidates, the Board is open to use such facilities, where necessary. On Practice 7.2 on the disclosure on named basis the top five senior management's remuneration, the alternative information provided should meet the intended objective.

Apart from the above, the key area of focus and priorities in the future include preparation of the Company for the adoption of integrated reporting based on globally recognised framework (Practice 11.2) as well as facilitating voting in absentia and remote shareholders' participation at general meetings (Practice 12.3) within a time frame of 2 to 5 years.

The stewardship of the Company under the leadership of the present Board ensures that the decisions are made objectively in the best interest of the Company, taking into account diverse perspectives and insights.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 27 February 2019.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

Group/Company

Disclosure on directors' remuneration received in 2018

	Fees	Meeting Allowances for Board Committees' attendance	Salaries and bonuses	Defined contribution plan	Other short term employee benefits	Employee Share Scheme	Estimated monetary value of benefits-in-kind
Amounts in RM million							
Non-Independent Executive Directors							
Tan Sri Lim Kok Thay	0.190	-	50.179	9.593	0.420	31.354	1.780
Tun Mohammed Hanif bin Omar (Retired on 31 December 2018)	0.127	-	1.448	0.174	-	1.143	0.022
Mr Lim Keong Hui	0.127	-	1.540	0.172	-	1.228	0.008
Independent Non-Executive Directors							
Mr Quah Chek Tin	0.156	0.029	-	-	-	-	0.005
Tan Sri Dato' Seri Alwi Jantan	0.134	0.008	-	-	-	-	0.003
Tan Sri Datuk Clifford Francis Herbert	0.177	0.057	-	-	-	-	0.003
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	0.127	-	-	-	-	-	-
Mr Teo Eng Siong	0.159	0.034	-	-	-	-	0.002
Dato' Koh Hong Sun	0.151	0.023	-	-	-	-	0.004
Madam Chong Kwai Ying (Appointed on 3 December 2018)	-	-	-	-	-	-	-

The following are the courses and training programmes attended by the Directors in 2018:

	NAMES OF DIRECTORS							
COURSES	**Tan Sri Lim Kok Thay**	**Tan Sri Dato' Seri Alwi Jantan**	**Mr Lim Keong Hui**	**Mr Quah Chek Tin**	**Mr Teo Eng Siong**	**Tan Sri Datuk Clifford Francis Herbert**	**Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)**	**Dato' Koh Hong Sun**
BNM-FIDE FORUM Dialogue: Managing Cyber Risks in Financial Institutions by Encik Zainal Abidin Maarif of Risk Specialist (Technology), Bank Negara Malaysia, organised by Financial Institutions Directors' Education (FIDE) Forum.							√	√
Seminar on Bursa's Corporate Governance Guide 3rd Edition "Moving from Aspiration to Actualisation" by Aram Global Sdn Bhd.							√	
Director training webcast entitled "Directors' Responsibilities at IPOs" organised by The Stock Exchange of Hong Kong Limited.	√							
Navigating the VUCA World - 1st Distinguished Board Leadership Series by Professor Tan Sri Dato' Dr. Lin See Yan, organised by Financial Institutions Directors' Education (FIDE) Forum.							√	
Directors & Officers Liability Insurance Presentation organised by Genting Berhad.					√			√
Board Induction Session by Affin Bank Berhad.							√	
Latest updates on Hong Kong Listing Rules organised by Genting Hong Kong Limited.	√							
World Halal Conference 2018 by Halal Industry Development Corporation.							√	
Disclosure Framework and Key Activities by Bursatra Sdn Bhd.							√	
5th BNM–FIDE FORUM Annual Dialogue - Up Close with the Deputy Governor of Bank Negara Malaysia by Financial Institutions Directors' Education (FIDE) Forum.						√	√	
PwC/Lamborghini Event: Family Business Retreat & Roundtable: Bridging the 'missing middle': successful strategies for business continuity by PwC Family Business Clients Programmes Leader, Bologna, Italy.			√					
In-House Training entitled "Mastering Digital Transformation" by Professor Dr. Michael Hilb, organised by Sogo (K.L.) Department Store Sdn Bhd.								√
Casino Orientation Program (Resort World Genting Highlands) by Genting Malaysia Berhad.			√					
Governance for the Audit Committee Members by Malaysian Institute of Accountants.								√
Forbes Asia Forum: The Next Tycoons "A Generation Emerges" by Forbes Asia.			√					
37th Management Conference (Plantation Division) of Genting Plantations Berhad ("GENP"). Theme: "Driving Technology & Innovation in Delivering Value" - The Art of the Possible: Technology in Agriculture by Mr Sachin Gupta, IBM Singapore. - IoT - Taking Oil Palm Plantation to the Digital Age by Mr Vince Ng Chee Seng, Wavetree. - Enchancing GENP Management System Towards Excellence by Bpk Teguh Santosa, PT Artha Infotama. - Road Stabilisation Technology for Problematic Areas by Dr. Mahesa Bhawanin, Tensar Malaysia. - GENP Model Estate by Mr Tan Cheng Huat, SVP - Plantation (Malaysia). - Never Ending Improvement and Achievement by Bpk Christian Adrianto, Motivasi Indonesia.				√			√	

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

	NAMES OF DIRECTORS							
COURSES	**Tan Sri Lim Kok Thay**	**Tan Sri Dato' Seri Alwi Jantan**	**Mr Lim Keong Hui**	**Mr Quah Chek Tin**	**Mr Teo Eng Siong**	**Tan Sri Datuk Clifford Francis Herbert**	**Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)**	**Dato' Koh Hong Sun**
Seminar on Sales Tax and Services Tax 2018 organised by Genting Berhad.				√		√		
Genting Dream Cruises Orientation Program (Singapore & Bangkok) by Genting Hong Kong Limited.			√					
Corporate Malaysia Summit 2018 "A Meeting Platform of Malaysian Corporate Leaders and Government Leaders" by International Strategy Institute.								√
Sustainability Engagement Series for Directors / Chief Executive Officers 2018 (Main Market) by Bursa Malaysia Berhad.				√				
The "Belt & Road" Southeast Asia Program – Orientation Module Fall Term 2018 by PBC School of Finance, Tsinghua University in Beijing, China.			√					
Insitute of Corporate Directors Malaysia: To Enhance Board Effectiveness.							√	
New Malaysia Summit 2018 "Building a New Malaysia, Fulfilling Hope" by International Strategy Institute.				√				
SuperStar Aquarius Cruise Orientation Program (Taipei & Japan) by Genting Hong Kong Limited.			√					
Anti-Corruption Summit 2018 "Good Governance and Integrity for Sustainable Business Growth" by Aram Global Sdn Bhd.					√			
2019 Post Budget Debate at the TPC Kuala Lumpur by Malaysian Economic Association.						√		
Affin Hwang Capital Conference Series 2018: Building A New Malaysia by Affin Hwang Capital.							√	
Updates on Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 & Personal Data Protection Act 2010: Risk, Challenges & Vulnerabilities Towards Regulatory Compliance by Mr Vijayaraj P Kanniah of Visioon Business Solutions Sdn Bhd, organised by Affin Bank Berhad.							√	
The 32nd Sultan Azlan Shah Law Lecture entitled "Politics and the Judiciary" by the Right Honourable The Lord Reed, Justice and Deputy President of the Supreme Court of the United Kingdom by Sultan Azlan Shah Foundation.							√	
Belt & Road EMBA for Southeast Asia 2018 - Module II by PBC School of Finance, Tsinghua University in Beijing, China.			√					
Updates on The Accounting Standards: MFRS 15, MFRS 9 and MFRS 16 by Ernst and Young.							√	
Breakfast Series "Companies of the Future - The Role for Boards" by Bursa Malaysia Berhad.								√
Tax Seminar - The 2019 Budget organised by Genting Berhad.				√	√			√
In-House Training on Corporate Reporting: Key Disclosure Obligations of Listed Companies by Salleh Hassan, Director of Professional Standards & Qualifications, Securities Industry Development Corporation, organised by DeGem Berhad.								√
"A Non-Executive Director Masterclass" delivered by Academy, London Stock Exchange Group held at the London Stock Exchange, London.		√						

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit Committee was established on 26 July 1994 to serve as a Committee of the Board. In line with the recommendation of the Malaysian Code on Corporate Governance, the Audit Committee which has been assisting the Board in carrying out, among others, the responsibility of overseeing the Company and its subsidiaries' risk management framework and policies, has been renamed as Audit and Risk Management Committee on 29 December 2017.

MEMBERSHIP

The present members of the Audit and Risk Management Committee comprise:

Tan Sri Datuk Clifford Francis Herbert	Chairman/Independent Non-Executive Director
Mr Quah Chek Tin	Member/Independent Non-Executive Director
Mr Teo Eng Siong	Member/Independent Non-Executive Director
Dato' Koh Hong Sun	Member/Independent Non-Executive Director

TERMS OF REFERENCE

The Terms of Reference of the Audit and Risk Management Committee are made available on the Company's website at www.gentingmalaysia.com.

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2018

The Audit and Risk Management Committee held a total of six (6) meetings. Details of attendance of the Audit and Risk Management Committee members are as follows:

Name of Member	Number of Meetings Attended*
Tan Sri Datuk Clifford Francis Herbert	6 out of 6
Mr Quah Chek Tin	6 out of 6
Mr Teo Eng Siong	6 out of 6
Dato' Koh Hong Sun	6 out of 6

* *The total number of meetings include the special meetings held between members of the Audit and Risk Management Committee who are Non-Executive Directors of the Company and representatives of the external auditors, PricewaterhouseCoopers PLT without the presence of any Executive Director or management.*

SUMMARY OF WORK DURING THE FINANCIAL YEAR 2018

The Audit and Risk Management Committee carried out its duties in accordance with its Terms of Reference.

During the financial year ended 31 December 2018, this entailed, inter-alia, the following:

i) reviewed and deliberated the internal audit plan for the Company and the Group with the Head of Internal Audit and authorised deployment of the necessary resources to address risk areas identified;

ii) reviewed and deliberated the internal audit reports of the Company and of the Group which were prepared on completion of each internal audit assignment;

iii) engaged with the external auditors on the external audit plan for the Company and the Group;

iv) reviewed and deliberated the external audit reports of the Company and of the Group prepared by the external auditors, including all the key audit matters raised;

v) reviewed with management and the external auditors and deliberated the quarterly results and reports of the Company and of the Group and recommended for their approval by the Board;

vi) reviewed related party and recurrent related party transactions of the Company and of the Group;

vii) analysed and reviewed the proposed audit fees for the external auditors in respect of their audit of the financial statements of the Company and of the Group;

viii) assessed the suitability, objectivity and independence of the external auditors and recommended their re-appointment;

ix) reviewed with management and the external auditors the annual financial statements of the Company and of the Group for the year ended 31 December 2017 and recommended for their approval by the Board;

x) reviewed and deliberated the quarterly reports submitted by the Risk and Business Continuity Management Committee of the Company; and

xi) reviewed the 2017 Annual Report of the Company, including the Audit and Risk Management Committee Report, Sustainability Report and Statement of Risk Management and Internal Control.

HOW THE AUDIT AND RISK MANAGEMENT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR 2018

1. Financial Reporting

The Audit and Risk Management Committee reviewed with management and the external auditors and deliberated on the quarterly consolidated financial statements and the annual financial statements of the Company and of the Group prior to the approval by the Board, focusing primarily on:

a. changes in or implementation of major accounting policies;

b. significant matters highlighted by management or the external auditors, including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters were addressed; and

c. compliance with accounting standards and other legal or regulatory requirements

to ensure that the financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company and are in compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia as well as the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). New financial reporting standards and amendments that are effective for the financial year were discussed and it was noted that the adoption of these new standards and amendments have some impacts on the current and prior years and the impacts are reflected in the financial statements accordingly.

The Audit and Risk Management Committee also reviewed and where applicable, commented on the representation letters by the management to the external auditors in relation to the financial statements every quarter.

2. External Audit

In the course of each review of the quarterly financial statements and each audit of the annual financial statements, the external auditors identified discrepancies or matters involving estimates or the exercise of judgement which could have material impact on the financial statements. These matters were discussed with management and resolved, wherever possible, or held for further monitoring and resolution in future.

Significant matters requiring follow up were highlighted in the reports by the external auditors to the Audit and Risk Management Committee. In accordance with International Standards on Auditing, key audit matters which in the opinion of the external auditors were of most significance in their audit of the annual financial statements were brought to the attention of the Audit and Risk Management Committee and highlighted and addressed by the external auditors in their audit report.

The Audit and Risk Management Committee also reviewed and discussed the external auditors' annual audit plan setting out the proposed scope of work before their commencement of the audit of the financial statements of the Group.

The proposed audit fees for the external auditors in respect of their audit of the financial statements of the Company and of the Group were analysed and reviewed by the Audit and Risk Management Committee for recommendation to the Board for approval. Non-audit fees and non-audit related costs payable to the external auditors in respect of non-audit services rendered by the external auditors during the financial year were also reviewed and considered in ascertaining the suitability and independence of the external auditors.

The Audit and Risk Management Committee conducted its annual assessment based on the Group's Policy on external auditors' independence for recommending the reappointment of the external auditors to the shareholders for approval.

Two Audit and Risk Management Committee meetings were held on 22 February 2018 and 27 August 2018 without the presence of any Executive Director or management of the Company to ensure that the external auditors can freely discuss and express their opinions on any matter to the Audit and Risk Management Committee, and the Audit and Risk Management Committee can be sufficiently assured that management has fully provided all relevant information and responded to all queries from the external auditors.

The external auditors shared their observations on significant operational matters and key audit findings, including internal controls.

3. Internal Audit

The Internal Audit function is provided by the Internal Audit Department of the holding company, Genting Berhad based on the plan approved by the Audit and Risk Management Committee, to assist the Board in maintaining a sound system of internal control. The internal audit department reports to the Audit and Risk Management Committee and the primary role of the department is to undertake regular and systematic review of the risk management and internal control processes to provide sufficient assurance that the Company and the Group have sound systems of internal control and that established policies and procedures are adhered to and continue to be effective in addressing the risks identified.

Internal audit functions independently of the activities it audits and carries out its work objectively according to the standards set by professional bodies, primarily consistent with the International Professional Practices Framework issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by the international accounting and auditing organisations. For each audit, a systematic methodology is adopted, which primarily includes performing risk assessment, developing audit planning memorandum, conducting audit, convening exit meeting and finalising audit report. The audit reports detail out the objectives, scope of audit work, findings, management responses and conclusion in an objective manner and are distributed to the responsible parties.

HOW THE AUDIT AND RISK MANAGEMENT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR 2018 (cont'd)

3. Internal Audit (cont'd)

The Audit and Risk Management Committee reviewed and approved the 2018 Internal Audit Plan for the Company and the Group and authorised the deployment of necessary resources to address risk areas identified.

The following were considered in the Audit and Risk Management Committee's review:

- The Internal Audit plan was prepared based on a risk based approach with the consideration of 4 factors, namely materiality of transactions and balances, management concerns (including company risk profiles), regulatory requirements and audit evaluation.
- The internal audit scope extends to cover major operating areas of the Company and its subsidiaries which include financial, accounting, information systems, operational and support services and administrative activities.
- The internal audit resources comprise of degree holders and professionals from related disciplines. Senior personnel possess vast experience in the audit profession as well as in the industries that the Company involved in.

The Audit and Risk Management Committee reviewed and deliberated the internal audit reports issued in respect of the Group's entities or operations each quarter. The audits covered various operations, systems, processes and functions across the Company and the Group. Some weaknesses in internal control were identified for the year under review but these are not deemed significant and have not materially impacted the businesses or operations of the Group. Nevertheless, measures have been or are being taken to address these weaknesses. The internal audit reports also included follow-up on corrective measures to ensure and to report to the Audit and Risk Management Committee that management has dealt with the weaknesses identified satisfactorily.

The total costs incurred for the internal audit function of the Group for the financial year ended 31 December 2018 amounted to RM7.85 million.

4. Related Party Transactions

Related party transactions of the Company and its subsidiaries which exceeded pre-determined thresholds were reviewed by the Audit and Risk Management Committee to ensure the transactions were fair, reasonable, on normal commercial terms, not detrimental to the interests of the minority shareholders and in the best interest of the Company before recommending to the Board or shareholders for approval.

The Audit and Risk Management Committee reviewed the recurrent related party transactions of a revenue or trading nature which were necessary for the day to day operations of the Company or its subsidiaries that arose within the Group to ensure that the transactions were in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public.

5. Risk Management

The Audit and Risk Management Committee reviewed the risk management processes and deliberated on the risk management reports and the annual Statement on Risk Management and Internal Control submitted to ensure that all necessary risk mitigation measures to address the critical risk areas have been or were being put in place.

The Audit and Risk Management Committee also reviewed the adequacy and effectiveness of the internal control system to ensure compliance with the internal controls and procedures set up within the Group.

6. Anti-Money Laundering and Counter Financing of Terrorism

The Audit and Risk Management Committee reviewed report with regard to matters relating to the requirements of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 and the policy documents (Sector 5) issued by the Financial Intelligence and Enforcement Department of Bank Negara Malaysia; and other material regulatory compliance updates impacting the Company and the Group before recommending to the Board for approval.

RISK MANAGEMENT PROCESS

As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks. The implementation of the risk management process for the Group is the responsibility of the Genting Malaysia Berhad's Executive Committee.

The review of the risk management processes and reports is delegated by the Board to the Audit and Risk Management Committee. In this regard, quarterly risk management reports and the annual Statement on Risk Management and Internal Control are reviewed and deliberated by the Audit and Risk Management Committee prior to recommending for endorsement by the Board.

A Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out on pages 68 to 70 of this Annual Report.

This Audit and Risk Management Committee Report is made in accordance with a resolution of the Board of Directors dated 27 February 2019.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

for the Financial Year ended 31 December 2018

Board's Responsibilities

In relation to risk management and internal control, pursuant to the requirements under the Malaysian Code of Corporate Governance (April 2017) for companies listed on the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("the Board") acknowledges their responsibility under the Bursa Securities Main Market Listing Requirements to:-

- Review the risk management framework, processes and responsibilities to provide reasonable assurance that risks are managed within tolerable ranges and embed risk management in all aspects of business activities via identifying principal risks and ensure implementation of appropriate control measures to manage the risks.
- Review the adequacy and integrity of the internal control system and management information systems and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board confirms that there is an ongoing risk management process established to identify, evaluate and manage significant risks to effectively mitigate the risks that may impede the achievement of the Genting Malaysia Berhad Group of companies' ("the Genting Malaysia Group") business and corporate objectives. It should be noted that an internal control system is designed to manage risks rather than eliminate them, and can provide only reasonable but not absolute assurance against any material misstatement or loss.

The review of the risk management and internal control reports and processes is delegated by the Board to the Audit and Risk Management Committee ("ARMC").

Management's Responsibilities

Management is accountable to the Board for the risk management and internal control system and for the implementation of processes to identify, evaluate, monitor and report risks and controls. In this regard, the implementation of the risk management process for the Genting Malaysia Group ("the Group") is the responsibility of the Genting Malaysia Berhad's Executive Committee ("Executive Committee") comprising the senior management of Genting Malaysia Berhad and is chaired by the President/Chief Operating Officer.

The Risk and Business Continuity Management Committee ("RBCMC"), has been established at Genting Malaysia Berhad, for its operations in Malaysia to:-

- Institutionalise risk management practices.
- Ensure the effectiveness of the risk management policies and processes.
- Ensure that relevant risks that may impede the achievement of objectives are identified and appropriate mitigating actions have been implemented.
- Identify significant changes to Genting Malaysia Berhad's risks including emerging risks and take actions as appropriate to communicate to Genting Malaysia Group's ARMC and the Board.

The Risk and Business Continuity Management Committee which is chaired by the Genting Malaysia Berhad's Chief Financial Officer, meets on a quarterly basis to ensure the continual effectiveness, adequacy and integrity of the risk management system and that key risk matters would be recommended for escalation to the ARMC and the Board for deliberation and approval.

In view of the distinct management reporting structures of Genting Malaysia Group's principal subsidiary companies operating overseas, the senior management of the overseas principal subsidiary companies are tasked to identify and manage the significant risks that are affecting their respective business units. The risk management practices adopted by the overseas principal subsidiary companies are aligned to the Group's risk management practices.

Key Internal Control Processes

The Genting Malaysia Group's internal control system encompasses the policies, processes and other aspects of the organisation that facilitates effective and efficient management of its strategic, financial and operational risks and is designed to provide reasonable assurance to the achievement of the Group's objectives.

The key aspects of the internal control process are:-

- The Board and the ARMC meet every quarter to discuss business and operational matters raised by the Management of Genting Malaysia Group ("Management"), Internal Audit and the external auditors including potential risks and control issues.
- The external auditors independently test certain internal controls as part of their audit of the financial statements, and provide recommendations on significant findings detected where Management would take appropriate actions on these internal control recommendations.
- The Board has delegated the responsibilities to various committees established by the Board and Management of the holding company and principal subsidiary companies to implement and monitor the Board's policies on controls.
- Delegation of authority including authorisation limits at various levels of Management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility.
- Internal procedures and policies are documented in manuals, which are reviewed and revised periodically to meet changing business and operational requirements as well as statutory reporting needs.
- Performance and cash flow reports are provided to Management and the Executive Committee to facilitate review and monitoring of the financial performance and cash flow position.
- Business/operating units present their annual budget which includes the financial and operating targets, capital expenditure proposals and performance indicators for review by the Executive Committee and the Board.
- A half yearly review of the annual budget is undertaken by Management to identify and where appropriate, to address significant variances from the budget.
- A whistleblower policy is in place to enable anyone with a genuine concern on detrimental actions or improper conduct to raise it through the confidential channels provided.

Internal Audit Function

The Internal Audit function is provided by the Internal Audit Department of the holding company, Genting Berhad, based on the plan approved by the Genting Malaysia Group ARMC, to undertake regular and systematic review of the risk management and internal control processes to provide the Genting Malaysia Group ARMC with sufficient assurance that the systems of internal control are effective in addressing the risks identified.

Internal Audit Department is independent of operational activities and carries out its functions according to the standards set by the professional bodies, primarily consistent with the International Professional Practices Framework issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by international accounting bodies.

On a quarterly basis, Internal Audit submits audit reports and the status of the internal audit plan for review and approval by the Genting Malaysia Group ARMC. Included in the reports are recommended corrective measures on risks or internal control weaknesses identified, if any, for implementation by Management. Internal Audit also conducts subsequent follow-up work to check that Management has dealt with the recommendations satisfactorily.

The internal audit reviews during the financial year had identified some weaknesses in internal control. These weaknesses have not materially impacted the business or operations of the Group and are not deemed significant. Management have either taken the necessary measures to address these weaknesses or is in the process of addressing them.

Risk Management Function

The Risk Management Department ("Risk Management") facilitates the implementation of the risk management framework and processes of the respective businesses. Risk Management is responsible for reviewing risks on an ongoing basis so that risks that may impede the achievement of objectives are adequately identified, evaluated, managed and controlled.

On a quarterly basis, Risk Management prepares a report detailing the significant risks, the status of risk reviews and the status of implementation of action plans for review by the RBCMC, Executive Committee and ARMC.

The Genting Malaysia Group aligns its risk management practices to ISO 31000:2018 Risk Management – Guidelines. The strategic, financial and operational risks that impact the Group and its business units are identified, evaluated and managed within the acceptable levels.

The key aspects of the risk management process are:-

- Risks are identified by each key business function/activity along with assessments of the probability and impact of their occurrence. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls/mitigating measures.
- The risk profiles are re-assessed on a half yearly basis and Business/Operations Heads provide a confirmation that the review has been carried out and that action plans are being monitored.
- The Risk Management Department facilitates discussions with Business/Operations Heads to assess the reasonableness of the risks identified and the appropriateness of the proposed mitigating actions.
- On a quarterly basis, a risk management report detailing Genting Malaysia Berhad's status of risk reviews, significant risk issues identified and the status of implementation of action plans are reviewed and discussed by the RBCMC before presenting to the Executive Committee for approval.
- The risk reports from the principal subsidiary companies are consolidated quarterly for reporting.
- A risk management report summarising the Genting Malaysia Group's significant risks and/or the status of action plans is presented quarterly to the ARMC for review, deliberation and recommendation for endorsement by the Board.

Business continuity management is regarded to be an integral part of the Genting Malaysia Group's risk management process. In this regard, the Genting Malaysia Group has commenced the implementation of business continuity plans to minimise business disruptions in the event of failures of critical IT systems, facilities and operational processes. The documentation of the business continuity plans for the Genting Malaysia Group's core business operations are in place and these business continuity plans are reviewed and updated periodically.

Key Risk Areas for 2018

The Board and Management of Genting Malaysia Group recognise that any major risk exposure inherent in its operating environment and business activities could significantly impede the achievements of Genting Malaysia Group's business and corporate objectives, and would adversely affect the Group's ability to create and protect value.

The following are the key risk areas identified in the year under review:

a) **Security Risk**
The Group is exposed to external threats to its properties and assets, which may, threaten the safety and security of its customers and employees as well as interrupt its business operations, thus impairing the Group's reputation which could result in financial loss. In light of this, the Group employs the appropriate control measures including vigilant security screening and monitoring at all its key properties and assets.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

for the Financial Year ended 31 December 2018

Key Risk Areas for 2018 (cont'd)

The following are the key risk areas identified in the year under review:

b) Business Continuity Risk
The business activities of the Group may be disrupted by failure to renew a core operational license or an outbreak of a major contagious disease. Appropriate systems and procedures with adequate capacity and resources have been put in place to mitigate these risks. Relevant disaster recovery and business continuity management plans have been established. These plans are reviewed and updated regularly, and tested to ensure that they are effective in mitigating the adverse impact arising from prolonged business disruptions.

Conclusion

The process for identifying, evaluating and managing risks as outlined on this statement has been in place for the year under review and up to the date of approval of this statement. The risk management process and internal control system of the Genting Malaysia Group have been reviewed and found to be operating adequately and effectively in all material respects and the Board has accordingly received a statement of assurance from the relevant key executive officers including the Chairman and Chief Executive and Chief Financial Officer of Genting Malaysia Berhad.

In issuing this statement, the Board has also taken into consideration the representations made by the Genting Malaysia's principal subsidiary companies in respect of their risk management and internal control systems.

Review of Statement by External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor was factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 27 February 2019.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of **GENTING MALAYSIA BERHAD** have pleasure in submitting their report together with their statement pursuant to Section 251(2) of the Companies Act 2016 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is involved in an integrated resort business at Genting Highlands and its principal activities cover leisure and hospitality services, which comprise gaming, hotels, food and beverage, theme parks, retail and entertainment attractions.

The principal activities of the subsidiaries include operation of casinos, leisure and hospitality services, property investment and management, investments, tours and travel related services and provision of sales and marketing services.

Details of the principal activities of the subsidiaries are set out in Note 44 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM Million	Company RM Million
(Loss)/profit before taxation	(4.0)	1,542.2
Taxation	(82.3)	(182.3)
(Loss)/profit for the financial year	**(86.3)**	**1,359.9**

CONSOLIDATION OF SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END

The Companies Commission of Malaysia ("CCM") had on 18 February 2019 granted an order pursuant to Section 247(7) of the Companies Act 2016 approving the application by the Company to allow its indirect wholly-owned subsidiary incorporated in India, namely Resorts World Travel Services Private Limited to adopt a financial year end which does not coincide with that of the Company in relation to the financial year ending 31 March 2019, subject to the following conditions:

(i) The Company is required to report this approval in its Directors' Report; and

(ii) The Company is to ensure compliance with Sections 252 and 253 of the Companies Act 2016 and Malaysian Financial Reporting Standard 10 on Consolidated Financial Statements pertaining to the preparation of its Consolidated Financial Statements.

TREASURY SHARES

The shareholders of the Company had granted a mandate to the Company to purchase its own shares at the Annual General Meeting held on 5 June 2018.

During the financial year, the Company purchased 21,550,000 ordinary shares of its issued share capital from the open market at an average price of RM5.18 per share, inclusive of transaction costs. The share buy back transactions were financed by internally generated funds. The Company had pursuant to Section 127(7) of the Companies Act 2016, transferred 6,780,015 treasury shares to eligible employees under the employees' share scheme during the financial year.

As at 31 December 2018, the total number of treasury shares held by the Company in accordance with the provisions of Section 127 of the Companies Act 2016 was 284,377,385.

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

(i) a special single-tier dividend of 8.00 sen per ordinary share amounting to RM452.3 million in respect of the financial year ended 31 December 2017 was paid on 30 March 2018;

(ii) a final single-tier dividend of 5.00 sen per ordinary share amounting to RM282.9 million in respect of the financial year ended 31 December 2017 was paid on 28 June 2018; and

(iii) an interim single-tier dividend of 6.00 sen per ordinary share amounting to RM339.4 million in respect of the financial year ended 31 December 2018 was paid on 10 October 2018.

A special single-tier dividend of 8.00 sen per ordinary share in respect of the current financial year ended 31 December 2018 has been declared for payment on 4 April 2019 to shareholders registered in the Register of Members on 14 March 2019. Based on the total number of issued shares (less treasury shares) of the Company as at 31 December 2018, the special dividend would amount to RM452.3 million.

The Directors recommend payment of a final single-tier dividend of 5.00 sen per ordinary share in respect of the current financial year ended 31 December 2018 to be paid to shareholders registered in the Register of Members on a date to be determined later by the Directors. Based on the total number of issued shares (less treasury shares) of the Company as at 31 December 2018, the final dividend would amount to RM282.7 million.

RESERVES AND PROVISIONS

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no issues of shares or debentures during the financial year.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (cont'd)

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

EMPLOYEE SHARE SCHEME

The Company established two (2) Long Term Incentive Plans on 26 February 2015 ("2015 Scheme") and 27 February 2018 ("2018 Scheme") (2015 Scheme and 2018 Scheme are collectively referred to as "Scheme") and the Scheme is administered by the Remuneration Committee in accordance with the respective By-Laws for the Scheme. The 2015 Scheme and 2018 Scheme are for Executive Directors and certain employees of the Company and its subsidiaries, excluding subsidiaries which are dormant or incorporated outside Malaysia, who have met the criteria of eligibility for participation in the Scheme. Similar to the 2015 Scheme, the 2018 Scheme comprises restricted share plan ("RSP") and performance share plan ("PSP"). The 2015 Scheme and 2018 Scheme took effect from 26 February 2015 and 27 February 2018 respectively and are in force for a period of 6 years from the respective effective dates ("Scheme Periods"). The maximum number of Scheme shares which may be made available under the Scheme shall not exceed 3% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company at any point of time during the Scheme Periods ("Maximum Scheme Shares Available").

The salient features and details of the 2015 Scheme and 2018 Scheme are disclosed in Note 33 to the financial statements.

Under the 2015 Scheme, no Scheme shares were granted to eligible employees during the financial year and the Scheme shares previously granted which are pending the due date of vesting under the 2015 Scheme are subject to the fulfilment of the performance conditions and the terms and conditions of the By-Laws governing the 2015 Scheme.

During the financial year, the Company granted a total of 12,312,550 Scheme shares under the 2018 Scheme to eligible employees as follows, of which 47,700 Scheme shares had lapsed and 12,264,850 Scheme shares remained outstanding as at 31 December 2018:

(i) On 16 March 2018, 9,683,250 Scheme shares were granted under the PSP ("2018 PSP Grant"). The vesting of the Scheme shares is subject to the fulfilment of the performance conditions and the terms and conditions of the By-Laws governing the Scheme ("Vesting Conditions"). Upon fulfilment of the Vesting Conditions, the Scheme shares granted under the 2018 PSP Grant shall be vested equally over three instalments on a market day falling in March 2019, March 2020 and March 2021.

(ii) On 16 March 2018, 2,629,300 Scheme shares were granted under the RSP ("2018 RSP Grant"). Upon fulfilment of the Vesting Conditions, the Scheme shares granted under the 2018 RSP Grant are to be vested on a market day falling in March 2021.

Since the commencement of the Scheme, the Company granted a total of 50,098,682 Scheme shares to eligible employees, of which 2,655,904 Scheme shares had lapsed and 20,839,415 Scheme shares had been vested with 26,603,363 Scheme shares remained outstanding as at 31 December 2018.

During the financial year and since the commencement of the Scheme, the aggregate maximum number of Scheme shares that may be allocated under the Scheme to any one of the eligible employees (including Executive Directors and Senior Management) shall be determined by the Remuneration Committee from time to time, provided that the allocation to an eligible employee, who, either singly or collectively through persons connected with the eligible employee as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, holds 20% or more of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company, shall not exceed 10% of the Maximum Scheme Shares Available.

The actual percentages of the Scheme shares granted to the Executive Directors and Senior Management during the financial year and since the commencement of the Scheme were 0.19% and 0.63% respectively of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company as at 31 December 2018.

An aggregate of 7,775,750 Scheme shares was granted under the 2018 PSP Grant and 2018 RSP Grant to Executive Directors and Chief Executive during the financial year. Since the commencement of the Scheme, an aggregate of 26,232,276 Scheme shares was granted to Executive Directors and Chief Executive, of which 12,414,800 Scheme shares had been vested with 383,662 Scheme shares lapsed and 13,433,814 Scheme shares remained outstanding as at 31 December 2018.

During the financial year, 12,102,215 Scheme shares comprising 6,780,015 treasury shares from the Company's share buy-back account and 5,322,200 Scheme shares held by the Trustee of the 2015 Scheme have been vested and transferred to the eligible employees of the Company and its subsidiaries in accordance with the terms and conditions of the By-Laws governing the 2015 Scheme. As at 31 December 2018, the Trustee of the 2015 Scheme no longer holds any Scheme shares.

DIRECTORATE

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Lim Kok Thay
Tan Sri Dato' Seri Alwi Jantan
Mr Lim Keong Hui
Mr Quah Chek Tin
Tan Sri Datuk Clifford Francis Herbert
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)
Mr Teo Eng Siong
Dato' Koh Hong Sun
Madam Chong Kwai Ying (Appointed on 3 December 2018)
Tun Mohammed Hanif bin Omar (Retired on 31 December 2018)

DIRECTORATE (cont'd)

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year had interests in shares and/or warrants of the Company; Genting Berhad, a company which owned 49.45% equity interest in the Company as at 31 December 2018; and Genting Plantations Berhad and Genting Singapore Limited, both of which are subsidiaries of Genting Berhad, as set out below:

Interest in the Company

Shareholdings in which the Directors have direct interests	**1.1.2018**	**Acquired**	**Disposed**	**31.12.2018**
		(Number of ordinary shares)		
Tan Sri Lim Kok Thay	8,127,900	6,012,200	-	14,140,100
Tan Sri Dato' Seri Alwi Jantan	1,218,000	-	318,000	900,000
Mr Lim Keong Hui	186,800	235,500	-	422,300
Mr Quah Chek Tin	5,000	-	-	5,000
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	10,000	-	-	10,000
Mr Teo Eng Siong	540,000	-	-	540,000
Dato' Koh Hong Sun	10,000	-	-	10,000
Interest of Spouse/Child of a Director				
Mr Teo Eng Siong	2,000	-	-	2,000
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	2,796,992,189(a)	-	-	2,796,992,189(a)
Mr Lim Keong Hui	2,796,992,189(a)	-	-	2,796,992,189(a)

Long Term Incentive Plan ("Scheme") shares in the names of Directors	**1.1.2018**	**Granted**	**Vested**	**Lapsed**	**31.12.2018**
		(Number of ordinary shares)			
Restricted Share Plan					
Tan Sri Lim Kok Thay	4,203,425(b)	1,561,000(b)	1,842,700	-	3,921,725(b)
Mr Lim Keong Hui	183,400(b)	51,100(b)	62,300	-	172,200(b)
Performance Share Plan					
Tan Sri Lim Kok Thay	7,213,987(b)	5,748,875(b)	4,169,500	293,468	8,499,894(b)
Mr Lim Keong Hui	378,924(b)	188,125(b)	173,200	46,306	347,543(b)

Interest in Genting Berhad

Shareholdings in which the Directors have direct interests	**1.1.2018**	**Acquired**	**Disposed**	**31.12.2018**
		(Number of ordinary shares)		
Tan Sri Lim Kok Thay	68,119,980	-	-	68,119,980
Mr Quah Chek Tin	5,000	1,250	-	6,250
Mr Teo Eng Siong	50,000	12,500	-	62,500
Interest of Spouse/Child of a Director				
Mr Quah Chek Tin	1,000,000	250,000	-	1,250,000
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	1,630,411,110(c)	300,000(c)	-	1,630,711,110(c)
Mr Lim Keong Hui	1,630,411,110(c)	300,000(c)	-	1,630,711,110(c)

DIRECTORATE (cont'd)

Interest in Genting Berhad (cont'd)

Warrantholdings in which the Directors have direct interests	**1.1.2018**	**Acquired**	**Exercised*/ Expired#**	**31.12.2018**
		(Number of warrants 2013/2018)		
Tan Sri Lim Kok Thay	17,029,995	-	17,029,995#	-
Mr Quah Chek Tin	1,250	-	1,250*	-
Mr Teo Eng Siong	12,500	-	12,500*	-
Interest of Spouse/Child of a Director				
Mr Quah Chek Tin	250,000	-	250,000*	-
Warrantholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	407,602,777(c)	-	407,602,777#	-
Mr Lim Keong Hui	407,602,777(c)	-	407,602,777#	-

Interest in Genting Plantations Berhad

Shareholdings in which the Directors have direct interests	**1.1.2018**	**Acquired**	**Disposed**	**31.12.2018**
		(Number of ordinary shares)		
Tan Sri Lim Kok Thay	369,000	-	-	369,000
Mr Teo Eng Siong	8,000	-	-	8,000
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	407,005,000(d)	-	-	407,005,000(d)
Mr Lim Keong Hui	407,005,000(d)	-	-	407,005,000(d)

Warrantholdings in which the Directors have direct interests	**1.1.2018**	**Acquired**	**Exercised/ Disposed**	**31.12.2018**
		(Number of warrants 2013/2019)		
Tan Sri Lim Kok Thay	73,800	-	-	73,800
Mr Teo Eng Siong	1,600	-	-	1,600
Warrantholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	81,401,000(d)	-	-	81,401,000(d)
Mr Lim Keong Hui	81,401,000(d)	-	-	81,401,000(d)

Interest in Genting Singapore Limited

Shareholdings in which the Directors have direct interests	**1.1.2018**	**Acquired**	**Disposed**	**31.12.2018**
		(Number of ordinary shares)		
Tan Sri Lim Kok Thay	13,445,063	-	-	13,445,063
Tan Sri Dato' Seri Alwi Jantan	1,264,192	-	-	1,264,192
Mr Quah Chek Tin	1,190,438	-	-	1,190,438
Tan Sri Datuk Clifford Francis Herbert	43,292	-	-	43,292
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	988,292	-	-	988,292
Mr Teo Eng Siong	100,000	-	-	100,000
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	6,353,828,069(e)	-	-	6,353,828,069(e)
Mr Lim Keong Hui	6,353,828,069(e)	-	-	6,353,828,069(e)

DIRECTORATE (cont'd)

Interest in Genting Singapore Limited (cont'd)

	1.1.2018	Awarded	Vested	Lapsed	31.12.2018
Performance Shares in the name of a Director		(Number of performance shares)			
Tan Sri Lim Kok Thay	-	750,000[f]	-	-	750,000[f]

Legend

(a) *Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:*

(i) *beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd ("PMSB") is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of Kien Huat International Limited ("KHI") which in turn owns 100% of the voting shares of Kien Huat Realty Sdn Berhad ("KHR"). KHR owns more than 20% of the voting shares of Genting Berhad ("GENT") which owns ordinary shares in Genting Malaysia Berhad ("GENM"). As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENM held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of GENM held by KHR by virtue of its controlling interest in KHR; and*

(ii) *beneficiaries of a discretionary trust of which First Names Trust Company (Isle of Man) Limited ("FNTC") is the trustee. Golden Hope Limited ("GHL") acts as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENM.*

(b) *Represents the right of the participant to receive ordinary shares subject to the performance conditions as determined by the Remuneration Committee of GENM.*

(c) *Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:*

(i) *beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares of KHR. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares and warrants of GENT held by KHR and Inverway Sdn Bhd ("Inverway"), a wholly-owned subsidiary of KHR, by virtue of its controlling interest in KHR and Inverway; and*

(ii) *beneficiaries of a discretionary trust of which FNTC is the trustee. GHL acts as trustee of the GHUT, a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares and warrants in GENT.*

Arising from the above, Tan Sri Lim Kok Thay and Mr Lim Keong Hui have deemed interests in the shares of certain subsidiaries of GENT.

(d) *Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of GENT which owns ordinary shares and warrants in Genting Plantations Berhad ("GENP"). As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares and warrants of GENP held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT.*

(e) *Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee.*

PMSB as trustee of the discretionary trust is deemed interested in the shares of Genting Singapore Limited ("GENS") held by KHR and Genting Overseas Holdings Limited, a wholly-owned subsidiary of GENT. KHR controls more than 20% of the voting share capital of GENT.

(f) *Represents the right of the participant to receive fully-paid shares of GENS free of charge, upon the participant satisfying the criteria set out in the Genting Singapore Performance Share Scheme and upon satisfying such conditions as may be imposed.*

\# *The 2013/2018 warrants of Genting Berhad expired on 18 December 2018.*

DIRECTORATE (cont'd)

Apart from the above disclosures:

(a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and

(b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the financial statements or the fixed salary of a full-time employee of the Company and/or related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

(a) A corporation in which Tan Sri Lim Kok Thay is a director and has substantial financial interest, has:

  (i) leased an office premise on the 10th Floor, Genting Centre, Singapore from Resorts World Properties Pte. Ltd., a wholly-owned subsidiary of GENS, which in turn is an indirect 52.73%-owned subsidiary of GENT.

  (ii) been appointed by Resorts World at Sentosa Pte. Ltd., an indirect wholly-owned subsidiary of GENS, as the consultant for theme park and resort development and operations of the Resorts World Sentosa.

  (iii) been appointed by the Company as the consultant for theme park and resort development and operations of the Resorts World Genting at Genting Highlands.

  (iv) been appointed by Resorts World Las Vegas LLC, an indirect wholly-owned subsidiary of GENT, to provide design services as an Entertainment Design Consultant for the indoor Entertainment Street of the Resorts World Las Vegas project.

(b) Transactions made by the Company or its related corporations with certain corporations or with a Director or with a corporation of which the Director has a substantial financial interest referred to in Note 43 in which the nature of relationships of Tan Sri Lim Kok Thay and Mr Lim Keong Hui are disclosed therein.

Mr Lim Keong Hui, Mr Quah Chek Tin and Dato' Koh Hong Sun are due to retire by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with Paragraph 99 of the Company's Constitution and they, being eligible, have offered themselves for re-election.

Madam Chong Kwai Ying is due to retire at the forthcoming AGM in accordance with Paragraph 104 of the Company's Constitution and she, being eligible, has offered herself for re-election.

Details of the remuneration of the Directors of the Company are set out in Note 11 to the financial statements.

The names of directors of subsidiaries where the shares are held by the Company are listed below (excluding directors who are also directors of the Company):

Dato' Sri Lee Choong Yan
Mr Chia Khong Chid
Ms Koh Poy Yong
Mr Koh Chuan Seng
Mr Tan Kong Han
Encik Izwan bin Abdullah @ Loke Kong Sing
Dato' Sri Kan Tong Leong
Mr Declan Thomas Kenny

Total directors' remuneration paid by these subsidiaries during the financial year is RM0.015 million.

INDEMNITY AND INSURANCE COSTS

The Directors and officers of the Group and the Company are covered by Directors and Officers Liability Insurance ("D&O") for any liability incurred in the discharge of their duties provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance is taken by Genting Berhad, the holding company of the Company, on a Genting Berhad group basis. The premium borne by the Company for the D&O coverage during the financial year was approximately RM0.36 million.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records, were written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;

(iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and

(iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year, except as disclosed in Note 45 to the financial statements.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due, except as disclosed in Note 45 to the financial statements.

In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for those disclosed in the financial statements; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of the subsidiaries of the Company are set out in Note 44 to the financial statements.

HOLDING COMPANY

The Directors of the Company regard Genting Berhad, a company incorporated in Malaysia, as its immediate and ultimate holding company as Genting Berhad continues to have control over the Company within the definition of "control" as set out in Malaysian Financial Reporting Standard 10 "Consolidated Financial Statements", although its shareholding in the Company was 49.45% as at 31 December 2018.

AUDITORS

Details of auditors' remuneration are set out in Note 9 to the financial statements.

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 (cont'd)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **TAN SRI LIM KOK THAY** and **LIM KEONG HUI**, being two of the Directors of **GENTING MALAYSIA BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 79 to 157 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and the financial performance of the Group and of the Company for the financial year ended 31 December 2018 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the Directors dated 27 February 2019.

TAN SRI LIM KOK THAY
Chairman and Chief Executive

LIM KEONG HUI
Deputy Chief Executive and Executive Director

Kuala Lumpur

INCOME STATEMENTS

for the Financial Year Ended 31 December 2018

Amounts in RM million unless otherwise stated

		Group		**Company**	
	Note(s)	**2018**	2017 (Restated)	**2018**	2017 (Restated)
Revenue	5 & 6	**9,927.6**	9,330.3	**6,477.9**	5,711.5
Cost of sales	7	**(7,265.4)**	(7,135.5)	**(4,491.0)**	(4,076.3)
Gross profit		**2,662.2**	2,194.8	**1,986.9**	1,635.2
Other income		**483.8**	537.5	**151.4**	157.5
Selling and distribution costs		**(208.9)**	(240.7)	**(60.2)**	(70.9)
Administration expenses		**(642.6)**	(721.4)	**(286.2)**	(287.3)
Reversal of previously recognised impairment losses	9	**27.1**	-	**-**	-
Impairment losses *	9	**(1,969.9)**	(54.6)	**(70.7)**	(29.6)
Other expenses		**(223.6)**	(166.5)	**(118.8)**	(130.0)
Other gains/(losses)	8	**23.7**	(114.4)	**12.8**	(28.6)
		151.8	1,434.7	**1,615.2**	1,246.3
Finance costs	9	**(155.8)**	(114.9)	**(73.0)**	(36.1)
(Loss)/profit before taxation	5, 9, 10 & 11	**(4.0)**	1,319.8	**1,542.2**	1,210.2
Taxation	12	**(82.3)**	(247.2)	**(182.3)**	(144.2)
(Loss)/profit for the financial year		**(86.3)**	1,072.6	**1,359.9**	1,066.0
Attributable to:					
Equity holders of the Company		**(19.5)**	1,161.3	**1,359.9**	1,066.0
Non-controlling interests		**(66.8)**	(88.7)	**-**	-
		(86.3)	1,072.6	**1,359.9**	1,066.0
(Loss)/earnings per share attributable to equity holders of the Company:					
Basic (loss)/earnings per share (sen)	13	**(0.35)**	20.51		
Diluted (loss)/earnings per share (sen)	13	**(0.35)**	20.45		

* Included in impairment losses of the Group during the financial year ended 31 December 2018 is the impairment loss on investment in promissory notes of RM1,834.3 million.

STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2018

Amounts in RM million unless otherwise stated

		Group		Company	
	Note	**2018**	2017 (Restated)	**2018**	2017 (Restated)
(Loss)/profit for the financial year		**(86.3)**	1,072.6	**1,359.9**	1,066.0
Other comprehensive (loss)/income, net of tax:					
Item that will not be reclassified subsequently to profit or loss:					
Actuarial (loss)/gain on retirement benefit liability		**(9.6)**	5.0	**-**	-
Changes in the fair value of equity investments at fair value through other comprehensive income		**(30.7)**	-	**-**	-
		(40.3)	5.0	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges					
- Fair value changes		**(2.5)**	0.7	**-**	(3.0)
Net foreign currency exchange differences		**84.7**	(736.2)	**-**	-
		82.2	(735.5)	**-**	(3.0)
Other comprehensive income/(loss) for the financial year, net of tax	12	**41.9**	(730.5)	**-**	(3.0)
Total comprehensive (loss)/income for the financial year		**(44.4)**	342.1	**1,359.9**	1,063.0
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		**29.8**	415.7	**1,359.9**	1,063.0
Non-controlling interests		**(74.2)**	(73.6)	**-**	-
		(44.4)	342.1	**1,359.9**	1,063.0

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2018

Amounts in RM million unless otherwise stated

		Group		
	Note	**31.12.2018**	31.12.2017 (Restated)	1.1.2017 (Restated)
ASSETS				
Non-Current Assets				
Property, plant and equipment	15	**14,840.9**	13,835.4	12,158.6
Land held for property development	16	**184.7**	184.7	184.7
Investment properties	17	**2,204.3**	2,178.8	2,317.9
Intangible assets	18	**4,527.3**	4,654.5	5,036.3
Financial assets at fair value through other comprehensive income	20	**117.1**	-	-
Available-for-sale financial assets	21	**-**	145.0	102.9
Other non-current assets	23	**254.5**	1,871.6	1,842.4
Deferred tax assets	35	**250.2**	39.3	122.4
		22,379.0	22,909.3	21,765.2
Current Assets				
Inventories	24	**108.5**	111.5	98.2
Trade and other receivables	25	**657.5**	684.2	566.9
Amounts due from other related companies	26	**5.0**	2.1	9.5
Financial assets at fair value through profit or loss	28	**407.8**	7.4	10.8
Available-for-sale financial assets	21	**-**	120.0	550.0
Derivative financial instruments	22	**-**	-	3.1
Restricted cash	29	**100.9**	71.6	35.0
Cash and cash equivalents	29	**7,999.7**	5,996.6	4,855.7
		9,279.4	6,993.4	6,129.2
Assets classified as held for sale	27	**59.5**	65.7	-
		9,338.9	7,059.1	6,129.2
Total Assets		**31,717.9**	29,968.4	27,894.4

STATEMENTS OF FINANCIAL POSITION (cont'd)

as at 31 December 2018

Amounts in RM million unless otherwise stated

		Group		
	Note	**31.12.2018**	31.12.2017 (Restated)	1.1.2017 (Restated)
EQUITY AND LIABILITIES				
Equity Attributable to Equity Holders of the Company				
Share capital	30	**1,764.5**	1,764.5	593.8
Reserves	31	**17,455.3**	18,492.0	20,215.2
Treasury shares	32	**(999.1)**	(911.3)	(911.3)
Shares held for employee share scheme	33	**-**	(21.7)	(45.8)
		18,220.7	19,323.5	19,851.9
Non-controlling interests		**(267.4)**	(193.2)	(119.6)
Total Equity		**17,953.3**	19,130.3	19,732.3
Non-Current Liabilities				
Long term borrowings	38	**9,282.7**	6,590.8	3,223.2
Other long term liabilities	34	**94.5**	70.1	43.5
Deferred tax liabilities	35	**781.1**	716.3	673.8
Derivative financial instruments	22	**1.0**	-	-
Retirement benefit liability		**23.8**	12.3	18.0
Provision for retirement gratuities	36	**198.1**	195.5	170.7
		10,381.2	7,585.0	4,129.2
Current Liabilities				
Trade and other payables	37	**2,736.5**	2,591.6	2,695.4
Amount due to holding company	26	**25.4**	21.6	19.9
Amounts due to other related companies	26	**96.8**	157.0	162.0
Short term borrowings	38	**477.6**	383.6	1,147.7
Derivative financial instruments	22	**1.8**	-	4.0
Taxation		**31.7**	40.1	3.9
		3,369.8	3,193.9	4,032.9
Liabilities classified as held for sale	27	**13.6**	59.2	-
		3,383.4	3,253.1	4,032.9
Total Liabilities		**13,764.6**	10,838.1	8,162.1
Total Equity and Liabilities		**31,717.9**	29,968.4	27,894.4

STATEMENTS OF FINANCIAL POSITION (cont'd)

as at 31 December 2018

Amounts in RM million unless otherwise stated

		Company	
	Note	**31.12.2018**	31.12.2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	15	**8,891.5**	7,980.3
Investment properties	17	**-**	-
Intangible assets		**1.1**	16.1
Subsidiaries	19	**12,099.1**	12,053.2
Amounts due from subsidiaries	19	**337.4**	-
Financial assets at fair value through other comprehensive income	20	**1.6**	-
Available-for-sale financial assets	21	**-**	2.1
Other non-current assets	23	**23.3**	54.1
		21,354.0	20,105.8
Current Assets			
Inventories	24	**52.7**	54.7
Trade and other receivables	25	**442.1**	388.0
Amounts due from subsidiaries	19	**44.9**	391.1
Amounts due from other related companies	26	**2.8**	1.5
Financial assets at fair value through profit or loss	28	**401.6**	-
Available-for-sale financial assets	21	**-**	120.0
Restricted cash	29	**-**	3.6
Cash and cash equivalents	29	**5,579.1**	3,618.5
		6,523.2	4,577.4
Total Assets		**27,877.2**	24,683.2
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share capital	30	**1,764.5**	1,764.5
Reserves	31	**16,811.7**	16,518.3
Treasury shares	32	**(999.1)**	(911.3)
Shares held for employee share scheme	33	**-**	(21.7)
Total Equity		**17,577.1**	17,349.8
Non-Current Liabilities			
Long term borrowings	38	**64.9**	-
Amount due to a subsidiary	19	**7,600.0**	5,000.0
Deferred tax liabilities	35	**292.5**	234.9
Provision for retirement gratuities	36	**189.9**	186.4
		8,147.3	5,421.3
Current Liabilities			
Trade and other payables	37	**1,597.9**	1,473.4
Amount due to holding company	26	**25.4**	21.6
Amounts due to subsidiaries	19	**320.0**	370.2
Amounts due to other related companies	26	**57.6**	46.9
Short term borrowings	38	**151.6**	-
Derivative financial instruments	22	**0.3**	-
		2,152.8	1,912.1
Total Liabilities		**10,300.1**	7,333.4
Total Equity and Liabilities		**27,877.2**	24,683.2

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2018

Amounts in RM million unless otherwise stated

		Attributable to equity holders of the Company										
Group	**Note**	**Share Capital**	**Reserve on Exchange Differences**	**Cash Flow Hedges Reserve**	**Fair Value Reserve**	**Employee Share Scheme Reserve**	**Treasury Shares**	**Shares held for Employee Share Scheme**	**Retained Earnings**	**Total**	**Non-Controlling Interests**	**Total Equity**
Balance at 31 December 2017 as originally presented		**1,764.5**	**1,445.3**	**-**	**-**	**76.0**	**(911.3)**	**(21.7)**	**16,982.2**	**19,335.0**	**(193.2)**	**19,141.8**
Change in accounting policy*		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11.5)**	**(11.5)**	**-**	**(11.5)**
Restated total equity at 1 January 2018		**1,764.5**	**1,445.3**	**-**	**-**	**76.0**	**(911.3)**	**(21.7)**	**16,970.7**	**19,323.5**	**(193.2)**	**19,130.3**
Loss for the financial year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(19.5)**	**(19.5)**	**(66.8)**	**(86.3)**
Other comprehensive income/(loss)		**-**	**92.1**	**(2.5)**	**(30.7)**	**-**	**-**	**-**	**(9.6)**	**49.3**	**(7.4)**	**41.9**
Total comprehensive income/(loss) for the financial year		**-**	**92.1**	**(2.5)**	**(30.7)**	**-**	**-**	**-**	**(29.1)**	**29.8**	**(74.2)**	**(44.4)**
Transactions with owners:												
Buy-back of shares	32	**-**	**-**	**-**	**-**	**-**	**(111.4)**	**-**	**-**	**(111.4)**	**-**	**(111.4)**
Performance-based employee share scheme	33	**-**	**-**	**-**	**-**	**53.4**	**-**	**-**	**-**	**53.4**	**-**	**53.4**
Employee share scheme shares vested to employees	33	**-**	**-**	**-**	**-**	**(45.3)**	**23.6**	**21.7**	**-**	**-**	**-**	**-**
Transfer of employee share scheme shares purchase price difference on shares vested		**-**	**-**	**-**	**-**	**(5.2)**	**-**	**-**	**5.2**	**-**	**-**	**-**
Appropriation:												
Special single-tier dividend for the financial year ended 31 December 2017 (8.0 sen)	14	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(452.3)**	**(452.3)**	**-**	**(452.3)**
Final single-tier dividend for the financial year ended 31 December 2017 (5.0 sen)	14	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(282.9)**	**(282.9)**	**-**	**(282.9)**
Interim single-tier dividend for the financial year ended 31 December 2018 (6.0 sen)	14	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(339.4)**	**(339.4)**	**-**	**(339.4)**
Total transactions with owners		**-**	**-**	**-**	**-**	**2.9**	**(87.8)**	**21.7**	**(1,069.4)**	**(1,132.6)**	**-**	**(1,132.6)**
Balance at 31 December 2018		**1,764.5**	**1,537.4**	**(2.5)**	**(30.7)**	**78.9**	**(999.1)**	**-**	**15,872.2**	**18,220.7**	**(267.4)**	**17,953.3**

* See Note 40 for details regarding the restatement as a result of a change in accounting policy.

Amounts in RM million unless otherwise stated

		Attributable to equity holders of the Company										
Group	Note	Share Capital	Share Premium	Reserve on Exchange Differences	Cash Flow Hedges Reserve	Employee Share Scheme Reserve	Treasury Shares	Shares held for Employee Share Scheme	Retained Earnings	Total	Non-Controlling Interests	Total Equity
Balance at 1 January 2017		593.8	1,170.7	2,196.6	(0.7)	53.6	(911.3)	(45.8)	16,808.1	19,865.0	(119.6)	19,745.4
Change in accounting policy*		-	-	-	-	-	-	-	(13.1)	(13.1)	-	(13.1)
Restated total equity at the beginning of the financial year		593.8	1,170.7	2,196.6	(0.7)	53.6	(911.3)	(45.8)	16,795.0	19,851.9	(119.6)	19,732.3
Transfer of share premium	30	1,170.7	(1,170.7)	-	-	-	-	-	-	-	-	-
Profit/(loss) for the financial year (restated)		-	-	-	-	-	-	-	1,161.3	1,161.3	(88.7)	1,072.6
Other comprehensive (loss)/income		-	-	(751.3)	0.7	-	-	-	5.0	(745.6)	15.1	(730.5)
Total comprehensive (loss)/income for the financial year		-	-	(751.3)	0.7	-	-	-	1,166.3	415.7	(73.6)	342.1
Transactions with owners:												
Performance-based employee share scheme	33	-	-	-	-	46.5	-	-	-	46.5	-	46.5
Employee share scheme shares vested to employees	33	-	-	-	-	(24.1)	-	24.1	-	-	-	-
Appropriation:												
Special single-tier dividend for the financial year ended 31 December 2016 (7.3 sen)	14	-	-	-	-	-	-	-	(413.0)	(413.0)	-	(413.0)
Final single-tier dividend for the financial year ended 31 December 2016 (6.2 sen)	14	-	-	-	-	-	-	-	(351.1)	(351.1)	-	(351.1)
Interim single-tier dividend for the financial year ended 31 December 2017 (4.0 sen)	14	-	-	-	-	-	-	-	(226.5)	(226.5)	-	(226.5)
Total transactions with owners		-	-	-	-	22.4	-	24.1	(990.6)	(944.1)	-	(944.1)
Balance at 31 December 2017		1,764.5	-	1,445.3	-	76.0	(911.3)	(21.7)	16,970.7	19,323.5	(193.2)	19,130.3

* See Note 40 for details regarding the restatement as a result of a change in accounting policy.

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2018

Amounts in RM million unless otherwise stated

Company	**Note**	**Share Capital**	**Employee Share Scheme Reserve**	**Treasury Shares**	**Shares held for Employee Share Scheme**	**Retained Earnings**	**Total**
Balance at 1 January 2018		**1,764.5**	**76.0**	**(911.3)**	**(21.7)**	**16,442.3**	**17,349.8**
Profit for the financial year		-	-	-	-	**1,359.9**	**1,359.9**
Transactions with owners:							
Buy-back of own shares	32	-	-	**(111.4)**	-	-	**(111.4)**
Performance-based employee share scheme	33	-	**53.4**	-	-	-	**53.4**
Employee share scheme shares vested to employees	33	-	**(45.3)**	**23.6**	**21.7**	-	-
Transfer of employee share scheme shares purchase price difference on shares vested		-	**(5.2)**	-	-	**5.2**	-
Appropriation:							
Special single-tier dividend for the financial year ended 31 December 2017 (8.0 sen)	14	-	-	-	-	**(452.3)**	**(452.3)**
Final single-tier dividend for the financial year ended 31 December 2017 (5.0 sen)	14	-	-	-	-	**(282.9)**	**(282.9)**
Interim single-tier dividend for the financial year ended 31 December 2018 (6.0 sen)	14	-	-	-	-	**(339.4)**	**(339.4)**
Total transactions with owners		-	**2.9**	**(87.8)**	**21.7**	**(1,069.4)**	**(1,132.6)**
Balance at 31 December 2018		**1,764.5**	**78.9**	**(999.1)**	-	**16,732.8**	**17,577.1**

Company	Note	Share Capital	Share Premium	Cash Flow Hedges Reserve	Employee Share Scheme Reserve	Treasury Shares	Shares held for Employee Share Scheme	Retained Earnings	Total
Balance at 1 January 2017		593.8	1,170.7	3.0	53.6	(911.3)	(45.8)	16,366.9	17,230.9
Transfer of share premium	30	1,170.7	(1,170.7)	-	-	-	-	-	-
Profit for the financial year		-	-	-	-	-	-	1,066.0	1,066.0
Other comprehensive loss		-	-	(3.0)	-	-	-	-	(3.0)
Total comprehensive (loss)/ income for the financial year		-	-	(3.0)	-	-	-	1,066.0	1,063.0
Transactions with owners:									
Performance-based employee share scheme	33	-	-	-	46.5	-	-	-	46.5
Employee share scheme shares vested to employees	33	-	-	-	(24.1)	-	24.1	-	-
Appropriation:									
Special single-tier dividend for the financial year ended 31 December 2016 (7.3 sen)	14	-	-	-	-	-	-	(413.0)	(413.0)
Final single-tier dividend for the financial year ended 31 December 2016 (6.2 sen)	14	-	-	-	-	-	-	(351.1)	(351.1)
Interim single-tier dividend for the financial year ended 31 December 2017 (4.0 sen)	14	-	-	-	-	-	-	(226.5)	(226.5)
Total transactions with owners		-	-	-	22.4	-	24.1	(990.6)	(944.1)
Balance at 31 December 2017		1,764.5	-	-	76.0	(911.3)	(21.7)	16,442.3	17,349.8

STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2018

Amounts in RM million unless otherwise stated

	Group		**Company**	
	2018	2017 (Restated)	**2018**	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	**(4.0)**	1,319.8	**1,542.2**	1,210.2
Adjustments for:				
Depreciation of property, plant and equipment	**818.8**	796.8	**451.9**	380.8
Depreciation of investment properties	**20.9**	20.2	**-**	-
Amortisation of intangible assets	**115.1**	122.9	**0.1**	0.1
Property, plant and equipment written off	**22.3**	8.6	**20.0**	2.7
Net gain on disposal of property, plant and equipment	**(1.0)**	(30.4)	**-**	(1.2)
Reversal of previously recognised impairment losses	**(27.1)**	-	**-**	-
Impairment losses	**1,969.9**	54.6	**70.7**	29.6
Fair value (gain)/loss on financial assets at fair value through profit or loss	**(0.2)**	2.5	**(1.6)**	-
Investment income	**(14.0)**	(15.6)	**(7.8)**	(7.2)
Interest income	**(299.0)**	(304.3)	**(67.7)**	(37.8)
Dividend income	**-**	-	**(80.1)**	(54.5)
Finance costs	**155.8**	114.9	**73.0**	36.1
Fair value loss on derivative financial instrument	**0.3**	-	**0.3**	-
Impairment losses on receivables/(reversal of impairment losses)	**5.8**	(0.4)	**-**	0.8
Provision for onerous leases /(reversal of provision)	**0.4**	(0.3)	**-**	-
Provision for retirement gratuities	**19.4**	40.2	**18.4**	32.7
Employee share scheme expenses	**53.4**	46.5	**53.4**	46.5
Gain on disposal of a subsidiary	**-**	(2.8)	**-**	-
Gain on bargain purchase	**-**	(2.8)	**-**	-
Amount due from an associate written off	**-**	5.4	**-**	-
Net foreign currency exchange (gains)/losses – unrealised	**(23.2)**	119.0	**(10.0)**	36.1
	2,817.6	975.0	**520.6**	464.7
Operating profit before working capital changes	**2,813.6**	2,294.8	**2,062.8**	1,674.9
Working capital changes:				
Inventories	**2.8**	(13.6)	**2.0**	(18.2)
Receivables	**(21.1)**	13.6	**27.4**	(5.5)
Payables	**134.7**	102.6	**22.6**	(18.5)
Holding company	**3.8**	1.7	**3.8**	1.8
Related companies	**(63.1)**	(3.9)	**9.6**	8.9
Subsidiaries	**-**	-	**18.1**	25.3
Restricted cash	**(27.0)**	(29.9)	**-**	-
Other non-current assets	**(28.0)**	63.0	**(2.6)**	-
	2.1	133.5	**80.9**	(6.2)
Cash generated from operations	**2,815.7**	2,428.3	**2,143.7**	1,668.7
Retirement gratuities paid	**(2.9)**	(2.9)	**(2.3)**	(2.4)
Taxation paid	**(297.4)**	(202.9)	**(195.9)**	(69.9)
Taxation refund	**99.1**	27.1	**-**	-
Onerous lease paid	**(4.0)**	(94.8)	**-**	-
	(205.2)	(273.5)	**(198.2)**	(72.3)
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,610.5**	2,154.8	**1,945.5**	1,596.4

STATEMENTS OF CASH FLOWS (cont'd)

for the Financial Year Ended 31 December 2018

Amounts in RM million unless otherwise stated

	Group		Company	
	2018	2017	**2018**	2017
CASH FLOWS FROM INVESTING ACTIVITIES				
Property, plant and equipment	**(1,853.5)**	(2,659.0)	**(1,273.6)**	(2,278.3)
Investment properties	**(0.1)**	(51.0)	**-**	(0.8)
Proceeds from disposal of property, plant and equipment	**122.2**	12.8	**0.2**	5.0
Proceeds from disposal of available-for-sale financial assets	**-**	430.0	**-**	230.0
Proceeds from disposal of financial assets at fair value through profit or loss	**120.0**	-	**120.0**	-
Purchase of available-for-sale financial assets	**-**	(51.0)	**-**	-
Purchase of financial assets at fair value through profit or loss	**(400.0)**	-	**(400.0)**	-
Investment in promissory notes	**(23.9)**	(69.4)	**-**	-
Increase in investment in existing subsidiaries	**-**	-	**-**	(0.6)
Investment and dividend income received	**8.3**	9.8	**9.1**	16.6
Interest received	**147.7**	103.9	**136.4**	90.4
Finance lease rental received	**33.9**	-	**33.9**	-
Restricted cash	**(4.1)**	(9.7)	**-**	-
Proceeds from government grant	**28.3**	-	**-**	-
Proceeds from disposal of a subsidiary	**-**	3.0	**-**	-
NET CASH FLOW FROM INVESTING ACTIVITIES	**(1,821.2)**	(2,280.6)	**(1,374.0)**	(1,937.7)
CASH FLOWS FROM FINANCING ACTIVITIES				
Buy-back of own shares	**(111.4)**	-	**(111.4)**	-
Dividends paid	**(1,074.6)**	(990.6)	**(1,074.6)**	(990.6)
Finance costs paid	**(306.0)**	(236.0)	**(240.4)**	(176.8)
Proceeds from bank borrowings	**343.1**	2,409.7	**210.7**	-
Proceeds from issuance of medium term notes	**2,600.0**	2,600.0	**-**	-
Repayment of borrowings	**(250.1)**	(2,302.0)	**-**	-
Repayment of transaction costs	**(5.5)**	(37.8)	**(2.1)**	-
Borrowing from a subsidiary	**-**	-	**2,596.5**	2,597.1
Restricted cash	**3.6**	(1.4)	**3.6**	(1.4)
NET CASH FLOW FROM FINANCING ACTIVITIES	**1,199.1**	1,441.9	**1,382.3**	1,428.3
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**1,988.4**	1,316.1	**1,953.8**	1,087.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**5,996.6**	4,855.7	**3,618.5**	2,532.9
EFFECT OF CURRENCY TRANSLATION	**14.7**	(175.2)	**6.8**	(1.4)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**7,999.7**	5,996.6	**5,579.1**	3,618.5
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank balances and deposits (Note 29)	**3,875.1**	3,186.8	**2,661.1**	1,402.8
Money market instruments (Note 29)	**4,124.6**	2,809.8	**2,918.0**	2,215.7
	7,999.7	5,996.6	**5,579.1**	3,618.5

Details of significant non-cash transactions during the financial year are set out in Note 42 to the financial statements.

NOTES TO STATEMENTS OF CASH FLOWS

Amounts in RM million unless otherwise stated

Group **2018**	**Reconciliation of liabilities arising from financing activities** **Long term borrowings**	 **Short term borrowings**	 **Total**
At 1 January	**6,590.8**	**383.6**	**6,974.4**
Cash flows	**2,793.9**	**(412.4)**	**2,381.5**
Non-cash changes			
Other finance costs	**15.9**	**0.6**	**16.5**
Interest on borrowings	**-**	**374.4**	**374.4**
Exchange differences	**16.3**	**(2.8)**	**13.5**
Reclassification	**(134.2)**	**134.2**	**-**
At 31 December	**9,282.7**	**477.6**	**9,760.3**
2017 (Restated)			
At 1 January	3,223.2	1,147.7	4,370.9
Cash flows	3,450.5	(1,016.6)	2,433.9
Non-cash changes			
Other finance costs	17.7	2.2	19.9
Interest on borrowings	-	269.0	269.0
Exchange differences	(92.7)	(26.6)	(119.3)
Reclassification	(7.9)	7.9	-
At 31 December	6,590.8	383.6	6,974.4

Company **2018**	**Reconciliation of liabilities arising from financing activities** **Long term borrowings**	 **Short term borrowings**	 **Amount due to a subsidiary**	 **Interest* payable**	 **Total**
At 1 January	**-**	**-**	**4,993.6#**	**74.0**	**5,067.6**
Cash flows	**64.9**	**143.7**	**2,596.5**	**(240.4)**	**2,564.7**
Non-cash changes					
Other finance costs	**-**	**0.6**	**-**	**1.2**	**1.8**
Interest on borrowings	**-**	**2.3**	**-**	**305.2**	**307.5**
Exchange differences	**-**	**5.0**	**-**	**-**	**5.0**
At 31 December	**64.9**	**151.6**	**7,590.1#**	**140.0**	**7,946.6**
2017					
At 1 January	-	-	2,396.5#	40.7	2,437.2
Cash flows	-	-	2,597.1	(176.8)	2,420.3
Non-cash changes					
Other finance costs	-	-	-	0.8	0.8
Interest on borrowings	-	-	-	209.3	209.3
At 31 December	-	-	4,993.6#	74.0	5,067.6

The amount due to a subsidiary is presented net of transaction costs incurred of RM9.9 million (2017: RM6.4 million).

* Interest payable for the Company is classified under amount due to subsidiaries.

Amounts in RM million unless otherwise stated

1. CORPORATE INFORMATION

Genting Malaysia Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office of the Company is located at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The Company is involved in an integrated resort business at Genting Highlands and its principal activities cover leisure and hospitality services, which comprise gaming, hotels, food and beverage, theme parks, retail and entertainment attractions.

The principal activities of the subsidiaries include operation of casinos, leisure and hospitality services, property investment and management, investments, tours and travel related services and provision of sales and marketing services.

Details of the principal activities of the subsidiaries are set out in Note 44 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

2. BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost basis, except as disclosed in the significant accounting policies below.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. It also requires Directors to exercise their judgement in the process of applying the Group and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Judgements and Estimations

In the process of applying the Group's accounting policies, management makes judgements and estimations that can significantly affect the amount recognised in the financial statements. These judgements and estimations include:

(i) Impairment of goodwill and other intangible assets with indefinite useful lives

The Group tests goodwill and other intangible assets with indefinite useful lives for impairment annually in accordance with its accounting policy. The calculations require the use of estimates as set out in Note 18.

(ii) Impairment of property, plant and equipment, investment properties, licences with definite useful lives and investments in subsidiaries

The Group tests property, plant and equipment, investment properties, licences with definite useful lives and investments in subsidiaries for impairment if there is any objective evidence of impairment in accordance with the respective accounting policies. The calculations require the use of estimates as set out in Notes 15, 17, 18 and 19.

(iii) Impairment of promissory notes issued by Mashpee Wampanoag Tribe ("the Tribe")

The measurement of expected credit loss allowance for the Group's investment in promissory notes issued by the Tribe requires the use of significant judgements and assumptions. Explanation of the assumptions and estimation technique used in measuring expected credit loss is detailed in Note 23.

(iv) Valuation of equity investments in foreign corporations classified as financial assets at fair value through other comprehensive income ("FVOCI") and impairment of available-for-sale financial assets

The Group measures its equity investments in foreign corporations classified as financial assets at FVOCI at fair value. The fair values of these investments are determined based on valuation techniques which involve the use of estimates as disclosed in Note 20.

In the previous financial year, the Group tests impairment of equity investments in foreign corporations classified as available-for-sale financial assets for impairment if there is any objective evidence of impairment in accordance with its accounting policy. The impairment assessment and valuation of the equity investments are judgemental as disclosed in Note 21.

2. BASIS OF PREPARATION (cont'd)

Judgements and Estimations (cont'd)

In the process of applying the Group's accounting policies, management makes judgements and estimations that can significantly affect the amount recognised in the financial statements. These judgements and estimations include (cont'd):

(v) Useful lives of property, plant and equipment

The Group conducts a regular review of the estimated useful lives of its assets in line with its business operations. This has resulted in a reduction in the depreciation expense by RM91.2 million in the previous financial year.

(vi) Taxation

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. The Group also recognised certain tax recoverable for which the Group believes that there is reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax, deferred tax provisions and tax recoverable balance in the period in which such determination is made.

The Company has been granted a customised incentive under the East Coast Economic Region which entitled the Company to claim for income tax exemption equivalent to 100% of the qualifying capital expenditure incurred for a period of 10 years ("2014 Tax Incentive Approval"). In December 2017, the Ministry of Finance made a decision to amend the 2014 Tax Incentive Approval. The amendment does not remove the tax incentives previously granted but will effectively prolong the utilisation period of the tax allowance significantly ("MOF Decision"). The Company has filed an application for judicial review of the MOF Decision at the Kuala Lumpur High Court ("High Court"). In January 2019, the High Court granted the Company's application for leave to commence judicial review of the MOF Decision and a stay of the MOF Decision pending disposal of the judicial review application before the High Court ("Stay Order").

In view of the Stay Order granted by the High Court and based on legal view obtained from the external legal counsel, the Company has estimated the tax liability for year of assessment 2018 of RM122.0 million in accordance with the basis of utilisation as per the 2014 Tax Incentive Approval.

The Directors performed an assessment of the potential tax liability and is of the view that it is probable the Company's judicial review will be allowed based on discussion with the external legal counsel.

(vii) Ongoing litigation and contingent liability

The Company filed a complaint in connection with the planned Fox-branded theme park at Resorts World Genting ("Theme Park") in which the Company alleged claims for breach of contract, breach of the implied covenant of good faith and fair dealing, inducing breach of contract, and intentional interference with contract. In addition, a counter claim was filed against the Company.

In view of the uncertainty of the outcome of the ongoing litigation, which is in its early stage, the Company has carried out an impairment assessment on the recoverability of the property, plant and equipment for the Theme Park assets as well as determined the probability of an outflow of resources embodying economic benefits that will be required to settle the counter claim. Details of the impairment assessment and ongoing litigation and contingent liability are disclosed in Notes 15 and 45 respectively.

3. SIGNIFICANT ACCOUNTING POLICIES

Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following standards, amendments to standards and interpretations for the first time for the financial year beginning on 1 January 2018:

- MFRS 9 "Financial Instruments"
- MFRS 15 "Revenue from Contracts with Customers"
- Amendments to MFRS 2 "Share-based Payment" - Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 140 "Investment Property" - Classification on Change in Use - Investment Properties
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"
- Annual Improvements to MFRSs 2014 - 2016 Cycle

The impact of adoption of MFRS 9 and MFRS 15 is disclosed in Note 40. Other than that, the adoption of these new MFRSs, amendments and IC interpretations did not have any impact on the current period or any prior period and is not likely to affect future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Standards, amendments to published standards and interpretations that have been issued but not yet effective

A number of new standards, amendments to published standards and interpretations are effective for financial year beginning on or after 1 January 2019, as set out below:

- MFRS 16 "Leases" (effective from 1 January 2019) supersedes MFRS 117 "Leases" and the related interpretations

  Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

  MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

  The right-of-use asset is depreciated in accordance with the principle 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 will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. Based on the assessment undertaken to-date, the adoption of this standard would have impact on the Group's financial position with the recognition of right-of-use assets and lease liabilities.

- IC Interpretation 23 "Uncertainty over Income Tax Treatments" (effective from 1 January 2019) provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

  If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

  IC Interpretation 23 will be applied retrospectively. The adoption of IC interpretation 23 will not have any significant impact on the Group's and on the Company's financial statements.

- Annual Improvements to MFRSs 2015 - 2017 Cycle

  - Amendments to MFRS 3 "Business Combinations" (effective from 1 January 2019) clarify that when a party obtains control of a business that is a joint operation, the acquirer should account the transaction as a business combination achieved in stages. Accordingly it should remeasure its previously held interest in the joint operation (rights to the assets and obligations for the liabilities) at fair value on the acquisition date.

  - Amendments to MFRS 11 "Joint Arrangements" (effective from 1 January 2019) clarify that when a party obtains joint control of a business that is a joint operation, the party should not remeasure its previously held interest in the joint operation.

  - Amendments to MFRS 112 "Income Taxes" (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised. Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

  - Amendments to MFRS 123 "Borrowings Costs" (effective from 1 January 2019) clarify that if a specific borrowings remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

  - Amendments to MFRS 119 "Plan amendment, curtailment or settlement" (effective 1 January 2019) required an entity to use the updated actuarial assumptions from remeasurement of its net defined liability or asset arising from plan amendment, curtailment or settlement, to determine current service cost and net interest for the remaining period after the change to the plan. The amendments will be applied prospectively.

The adoption of the above amendments will not have any significant impact on the Group's and on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Standards, amendments to published standards and interpretations that have been issued but not yet effective (cont'd)

A number of new standards, amendments to published standards and interpretations are effective for financial year beginning on or after 1 January 2019, as set out below (cont'd):

- Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors" (effective 1 January 2020) clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

  The definition of 'material' has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

  The amendments also:

  - clarify that an entity assess materiality in the context of the financial statements as a whole.

  - explain the concept of obscuring information in the new definition. Information is obscured if it have the effect similar as omitting or misstating of that information. For example, material transaction is scattered throughout the financial statements, dissimilar items are inappropriately aggregated, or material information is hidden by immaterial information.

  - clarify the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

  The amendments shall be applied prospectively.

- Amendments to MFRS 3 "Definition of a Business" (effective 1 January 2020) revise the definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.

  The amendments provide guidance to determine whether an input and a substantive process are present, including situation where an acquisition does not have outputs. To be a business without outputs, there will now need to be an organised workforce. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

  In addition, the revised definition of the term 'outputs' is narrower, focusses on goods or services provided to customers, generating investment returns and other income but excludes returns in the form of cost savings.

  The amendments introduce an optional simplified assessment known as 'concentration test' that, if met, eliminates the need for further assessment. Under this concentration test, if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business.

  The amendments shall be applied prospectively.

The following are the significant accounting policies adopted by the Group:

Basis of Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

(a) Subsidiaries (cont'd)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gain or loss arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 either in profit or loss or as a change to OCI. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income ("OCI") in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in OCI are reclassified to the profit or loss. Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

Investments in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy on impairment of non-financial assets.

Property, Plant and Equipment

Property, plant and equipment are tangible items that:

i) are held for use in the production or supply of goods or services, or for administrative purposes; and

ii) are expected to be used during more than one period.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss where applicable.

Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. See accounting policy note on borrowings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period that they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

The depreciable amount of an item of property, plant and equipment is determined as the difference between the cost less its residual value. The residual value is the estimated amount that the Group expects to obtain from disposal of the asset, after deducting the estimated cost to disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Freehold land and property, plant and equipment which are under construction are not depreciated. Depreciation on assets under construction commences when the assets are ready for their intended use.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation of leasehold land classified as finance lease and depreciation on other assets are calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Leasehold land classified as finance lease	51 to 99 years
Buildings and improvements	2 to 50 years
Plant, equipment and vehicles	2 to 50 years
Aircrafts, sea vessels and improvements	2 to 25 years

The assets' residual values and useful lives are reviewed annually and revised if appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy note on impairment of non-financial assets.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Investment Properties

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or for capital appreciation and are not occupied by the Group. It is initially measured at cost, including direct transaction costs and borrowing costs if the investment properties meet the definition of qualifying asset.

The Group adopted the cost model to measure all its investment properties. Investment in freehold land is stated at cost. Leasehold land is amortised using the straight-line method over the lease period. Other investment properties are measured at depreciated cost less any accumulated impairment losses. Depreciation for other investment properties is calculated using a straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

Leasehold land	51 to 97 years
Buildings and improvements	2 to 50 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are derecognised either when it has been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Financial Assets

Accounting policies applied from 1 January 2018

(a) Classification

From 1 January 2018, the Group and the Company classify its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's and the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets (cont'd)

Accounting policies applied from 1 January 2018 (cont'd)

(c) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest ("SPPI").

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group and the Company classify its debt instruments:

- Amortised cost

  Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in income/expenses. Impairment losses on trade receivables are presented as "cost of sales" in the profit or loss. Impairment losses on other debt instruments at amortised cost are presented as "impairment losses" in the profit or loss.

- FVTPL

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Fair value changes is recognised in profit or loss and presented in other gain/(losses) in the period which it arises.

(ii) Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gain/(losses) in the income statement as applicable.

(d) Impairment of financial assets

From 1 January 2018, the Group and the Company assess on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Group and the Company apply the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Notes 23 and 25 for further details.

Accounting policies applied until 31 December 2017

The Group has applied MFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

(a) Classification

The Group classifies its financial assets in the following categories: at FVTPL, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. The Group determines the classification of its financial assets at initial recognition. Set out below are the major classifications of financial assets of the Group:

(i) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months from the end of the reporting period.

(ii) Loans and receivables

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as financial assets. If not, they are presented as non-current assets. Loans and receivables are included in "trade and other receivables", "other non-current assets", "amounts due from subsidiaries and other related companies" and "cash and cash equivalents" in the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets (cont'd)

Accounting policies applied until 31 December 2017 (cont'd)

(a) Classification (Cont'd)

(iii) Financial assets at fair value through profit or loss

There are two subcategories: financial assets held for trading and those designated at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be sold within 12 months after the end of the reporting period; otherwise, they are presented as non-current assets.

(b) Recognition and measurement

Regular purchases and sales of financial assets are categorised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at FVTPL. Financial assets at FVTPL are recognised at fair value, and transaction costs are expensed in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at FVTPL are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in fair value of financial assets at FVTPL are presented in profit or loss within other gains/(losses) in the financial year in which they arise. Dividend income from financial assets at FVTPL is recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in OCI. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in OCI.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as "gains and losses from investment securities".

Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on equity-specific inputs.

(c) Impairment of financial assets

In prior year, the Group assessed impairment of financial assets based on incurred loss model. The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments classified as available-for-sale are not reversed through the profit or loss.

Intangible Assets

(a) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of annual impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible Assets (cont'd)

(b) Licences

Casino licences – indefinite lives

The Group capitalises purchased casino licences. The amount capitalised is the difference between the price paid for a casino including the associated licence and the fair value of a similar property without a casino licence. Casino licences have indefinite useful lives as there is no foreseeable limit to the period over which the licences are expected to generate cash inflows. Each licence is reviewed annually for impairment and as such is stated at cost less any accumulated impairment losses.

Purchased licences – definite lives

The Group capitalises purchased licences. The licences, which have definite useful lives, are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised using the straight line method over its estimated useful lives of 30 to 40 years.

The amortisation period and amortisation method are reviewed at the end of each reporting period. The effects of any revision are recognised in profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of licences are assessed and written down immediately to its recoverable amount.

(c) Trademarks

Trademarks are stated at cost less any accumulated impairment losses. Trademarks have an indefinite useful life as it is maintained through continuous marketing and upgrading. Trademarks are tested annually for impairment. Where an indication of impairment exists, the carrying amount of trademarks are assessed and written down immediately to its recoverable amount.

(d) Casino Concession Agreement

Casino concession agreement is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over the term of the concession agreement period. The amortisation period and amortisation method are reviewed at the end of each reporting period. The effects of any revision are recognised in profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of concession agreement is assessed and written down immediately to its recoverable amount.

Impairment of Non-Financial Assets

The carrying amounts of non-financial assets other than inventories, assets arising from construction contracts, property development activities, deferred tax assets and non-current assets classified as held for sale are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, an impairment review is performed to assess whether the carrying amount of the asset is fully recoverable.

Irrespective of whether there is any indication of impairment, the Group also:

(a) tests intangible assets with indefinite useful lives or intangible assets not yet available for use, if any, for impairment annually by comparing its carrying amount with its recoverable amount; and

(b) tests goodwill acquired in a business combination, if any, for impairment annually.

Impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use, which is measured by reference to discounted future cash flows. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

An impairment loss is charged to profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset unless the asset is carried at revalued amount, in which case the reversal shall be treated as a revaluation increase. An impairment loss recognised for goodwill shall not be reversed.

Construction Contracts

The Company recognised construction income from the construction of infrastructure assets for its subsidiaries. The Company recognise revenue over time using the output method, which is based on the level of completion of the physical proportion of contract work to date, certified by professional consultants. Construction income is classified as other income as it is not generated as part of the Company's principal activities whilst contract asset from construction arrangement is presented within "trade and other receivables" on the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories

(a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as land held for property development under non-current asset and is carried at the lower of cost and net realisable value.

Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

(b) Completed properties

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

(c) Food, beverage, tobacco, stores and spares and other hotel supplies

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and the estimated costs necessary to make the sale.

Non-Current Assets Held-For-Sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

Non-current assets classified as held-for-sale are presented separately from the other assets in the statement of financial position. The liabilities classified as held for sale are presented separately from other liabilities in the statement of financial position.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, deposits, money market instruments and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Finance Leases

(a) Accounting for Lessee

Leases of property, plant and equipment where the Group, as lessee, assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge incurred on qualifying assets are capitalised until the assets are ready for their intended use after which such expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

(b) Accounting for Lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return on the balance outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Operating Leases

(a) Accounting for Lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to profit or loss on a straight-line basis over the period of the lease.

(b) Accounting for Lessor

Leases where the Group retains substantially all risks and rewards of ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Lease incentives are recognised as other receivables where such incentives are provided by the Group and recognised net of lease income in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new shares, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

The proceeds received net of any directly attributable transaction costs are credited to share capital.

Treasury Shares

A purchase by the Company of its own equity shares is accounted for under the treasury stock method. Under this method, the shares purchased and held as treasury shares is measured and carried at the cost of purchase (including any directly attributable incremental external costs, net of tax). On presentation in the statement of financial position, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable reserves, or both. Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

Shares Held for Employee Share Scheme ("ESS")

The Group's ESS is administered by a share trust which is consolidated in the Group's financial statements. Shares held by the trust and yet to be issued to employees at the end of the reporting date are shown as shares held for ESS. On presentation in the statement of financial position, the carrying amount of the shares held for ESS is offset against equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost using the effective interest method. Any difference between the amount recorded as borrowings and the associated redemption value is recognised in profit or loss over the period of the borrowings.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to profit or loss in the period in which they are incurred.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the borrowings that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting policies applied from 1 January 2018

When borrowings measured at amortised cost is modified without this resulting in derecognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, shall be recognised immediately in profit or loss.

Accounting policies applied until 31 December 2017

The difference arising from the modification of borrowings measured at amortised cost without resulting in extinguishment of the original borrowings are amortised over the remaining life of the modified borrowings in profit or loss using the effective interest method.

Borrowings are classified as current liabilities unless the Group have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed, unless the possibility of an outflow of resource embodying economic benefit is remote. When a change in the probability of an outflow of economic resources occurs and the outflow is probable, it will then be recognised as a provision. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflow of economic benefits is probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under it.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Income Taxes

Current taxation is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable income and is measured using the tax rates which are applicable at the end of the reporting period.

Deferred tax liabilities and/or assets are recognised, using liability method, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their related tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit or loss. However, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Tax benefits from investment tax allowance and customised incentive granted under the East Coast Economic Region are recognised when the tax credit is utilised and no deferred tax asset is recognised on the unutilised tax benefits.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee Benefits

(a) Short term employee benefits

Short term employee benefits include wages, salaries, bonus, social security contributions and annual leave. These benefits are accrued when incurred and are measured on an undiscounted basis.

(b) Post employment benefits

Post employment benefits include defined contribution plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These benefits are accrued when incurred and are measured on an undiscounted basis.

(c) Long term employee benefits

Long term employee benefits include retirement gratuities payable under a retirement gratuity scheme which was established in 1991 by the Board of Directors for Executives and Executive Directors of the Company and certain subsidiaries. The level of retirement gratuities payable is determined by the Board of Directors in relation to services rendered and it does not take into account of the employee's performance to be rendered in the later years up to the retirement and the gratuity is a vested benefit when the employee reaches retirement age.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits (cont'd)

(c) Long term employee benefits (cont'd)

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the reporting date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of the retirement gratuities payable. Past service costs are recognised immediately in profit or loss.

Such retirement gratuities payable are classified as current liabilities where it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

(d) Employee share scheme

For equity-settled, share-based compensation plan, the fair value of employee services rendered in exchange for the grant of the shares is recognised as an expense with a corresponding increase in equity over the vesting period. The total amount to be expensed in profit or loss over the vesting period is determined by reference to the fair value of shares granted at the grant date and the number of shares vested by vesting date. At each reporting date, the Group will revise its estimates of the number of shares that are expected to be vested and recognise the impact of this revision in profit or loss with a corresponding adjustment to equity.

Revenue Recognition

The Group's activities are organised into leisure and hospitality, properties and investments & others segments. Revenue from each business segment is recognised as follows:

(a) Leisure and hospitality segment

(i) Gaming revenue

Gaming revenue represents net house takings, which is the aggregate of wins and losses arising from gaming play. Revenue is reported after deduction of goods and services tax or service tax, rebates and services provided by non-gaming operations on a complimentary basis. The casino licence in Malaysia is renewable every three months.

(ii) Non-gaming revenue

- **Hotel room revenue**

  Hotel room revenue is recognised when service is rendered to the customer over their stay at the hotel. The transaction price is the net amount collected from the customer. Advance deposits on hotel rooms are recorded as customer deposits (i.e. contract liability) until services are provided to the customer.

- **Food and beverage, entertainment and retail sales**

  Revenue from the sale of goods or services is recognised when the food and beverage, entertainment and retail goods is delivered, rendered or control transferred to the customer. Payment of the transaction price is due immediately when the customer purchases the food and beverage or retail goods. Advance ticket sales for entertainment are recorded as customer deposits (i.e. contract liability) until services are rendered to the customer.

- **Tenancy revenue**

  Tenancy revenue (including maintenance and upkeep services) from retail outlets, net of any incentives given to the lessee, is recognised on a straight-line basis over the period of the respective lease terms.

- **Transportation revenue**

  Transportation revenue from the provision of taxi, bus and aviation services are recognised upon performance of services.

- **Timeshare membership fees**

  Timeshare membership fees from the operation of time share ownership scheme are received upfront and recorded as deferred income (i.e. contract liability) and recognised on a straight-line basis over the tenure of the memberships offered.

(b) Properties segment

Rental income

Rental income from operating leases (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease terms.

(c) Investment and others segment

Dividend income

Dividend income is recognised when the right to receive payment is established.

Other services

Revenue from other services includes utilities, insurance and IT services and is recognised upon performance of services.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Loyalty program

The Group operates a loyalty program known as Genting Rewards Programme. Genting Rewards members can earn points primarily based on gaming activity and non-gaming activities such as spending on hotel room, food and beverages, retail, transports and others. Such points can be redeemed for free play and other goods and services such as transportation, hotel room, food and beverages, retail and others.

The Group accrues for Genting Rewards points liability earned from gaming activities as a casino expense and non-gaming activities as an allocation of a portion of the revenue from contracts based on the standalone selling price of the goods or services expected to be redeemed. The estimation takes into consideration the expected free play or free goods and services to be redeemed and history of expiration of unused points results in a reduction of points liability. Redemption of Genting Rewards points at third party outlets are deducted from provision for points liability and amounts owed are paid to the third party.

Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

Government Grant

Government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the assets when the assets are completed.

Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in OCI when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Changes in the fair value of monetary securities denominated in foreign currency classified as FVOCI or available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in OCI.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in reserve on exchange differences as OCI.

(c) Group companies

On consolidation, the results and financial position of all the Group's entities which have a different functional currency from that of the Group's presentation currency are translated into the Group's presentation currency as follows:

(i) assets and liabilities, including goodwill and fair value adjustments arising from business combinations, for each statement of financial position presented are translated at the closing rate at the end of each reporting period;

(ii) income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and the expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of OCI.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in OCI.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currency Translation (cont'd)

(c) Group companies (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in OCI. When a foreign operation is partially disposed of or sold, such exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Inter-company loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in OCI.

Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on interest rate swaps, forward foreign currency exchange contracts and other derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss within fair value gains/losses on derivative financial instruments when the changes arise.

The carrying amount of the derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The fair value changes on the effective portion of interest rate swaps, forward foreign currency exchange contracts and other derivatives that are designated and qualify as cash flow hedges are recognised in the cash flow hedge reserve. The fair value changes on the ineffective portion are recognised immediately in profit or loss.

The cash flow hedge reserve arising from fair value changes of interest rate swap is reclassified to profit or loss when the interest expenses on the borrowings is recognised in profit or loss unless the amount transferred can be capitalised as part of the cost of a self constructed asset, in which case, both the reclassification and interest expense are capitalised.

When a hedging instrument expires or is sold or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in cash flow hedge reserve is immediately reclassified to profit or loss within fair value gains/losses on derivative financial instruments.

Contract assets and liabilities

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time. In the case of construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date. Contract asset include the right to consideration for the provision of utility services to customers.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration in advance. In the case of construction contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include timeshare membership fees, down payments received from customers and other deferred income where the Group has collected the payment before the goods are delivered or services are provided to the customers.

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the "Chairman and Chief Executive" and "President and Chief Operating Officer" of the Company.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board of Directors and do not trade in financial instruments as a business activity. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

The Group's principal net foreign currency exposure mainly relates to the United States Dollars ("USD"), Euro ("EUR"), Hong Kong Dollars ("HKD") and Singapore Dollars ("SGD").

The Group's exposure to foreign currencies as at the reporting date is as follows:

	USD RM'm	**EUR RM'm**	**HKD RM'm**	**SGD RM'm**	**Others RM'm**	**Total RM'm**
31 December 2018						
Financial assets						
Cash and cash equivalents	**324.4**	**1.4**	**15.4**	**37.5**	**4.6**	**383.3**
Financial liabilities						
Trade and other payables	**(20.3)**	**(0.1)**	**-**	**-**	**-**	**(20.4)**
Borrowings	**(216.5)**	**-**	**-**	**-**	**-**	**(216.5)**
	(236.8)	**(0.1)**	**-**	**-**	**-**	**(236.9)**
Net currency exposure	**87.6**	**1.3**	**15.4**	**37.5**	**4.6**	**146.4**
31 December 2017						
Financial assets						
Cash and cash equivalents	207.5	1.3	8.5	40.7	2.1	260.1
Other non-current assets	981.4	-	-	-	-	981.4
	1,188.9	1.3	8.5	40.7	2.1	1,241.5
Financial liability						
Trade and other payables	(24.3)	(2.1)	-	-	-	(26.4)
Net currency exposure	1,164.6	(0.8)	8.5	40.7	2.1	1,215.1

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency exchange risk (cont'd)

The Company's exposure to foreign currencies as at the reporting date is as follows:

	USD RM'm	EUR RM'm	HKD RM'm	SGD RM'm	Others RM'm	Total RM'm
31 December 2018						
Financial assets						
Cash and cash equivalents	**283.7**	**0.1**	**12.0**	**28.1**	**0.1**	**324.0**
Amounts due from subsidiaries	**4.7**	**-**	**0.6**	**0.8**	**7.9**	**14.0**
	288.4	**0.1**	**12.6**	**28.9**	**8.0**	**338.0**
Financial liabilities						
Trade and other payables	**(20.3)**	**(0.1)**	**-**	**-**	**-**	**(20.4)**
Amounts due to subsidiaries	**(8.1)**	**-**	**-**	**-**	**-**	**(8.1)**
Borrowings	**(216.5)**	**-**	**-**	**-**	**-**	**(216.5)**
	(244.9)	**(0.1)**	**-**	**-**	**-**	**(245.0)**
Net currency exposure	**43.5**	**-**	**12.6**	**28.9**	**8.0**	**93.0**
31 December 2017						
Financial assets						
Cash and cash equivalents	185.1	0.1	8.4	29.6	0.1	223.3
Amounts due from subsidiaries	138.2	-	0.6	0.6	7.8	147.2
	323.3	0.1	9.0	30.2	7.9	370.5
Financial liabilities						
Trade and other payables	(24.3)	(2.1)	-	-	-	(26.4)
Amounts due to subsidiaries	(7.9)	-	-	-	-	(7.9)
	(32.2)	(2.1)	-	-	-	(34.3)
Net currency exposure	291.1	(2.0)	9.0	30.2	7.9	336.2

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax and equity to 3% (2017: 10%) strengthening of the respective foreign currency in USD, EUR, HKD and SGD against RM, with all other variables held constant:

	Group Increase/(Decrease)		Company Increase/(Decrease)	
	Profit after tax	OCI	Profit after tax	OCI
2018				
USD against RM	**2.6**	**2.6**	**1.3**	**1.3**
HKD against RM	**0.5**	**0.5**	**0.4**	**0.4**
SGD against RM	**1.1**	**1.1**	**0.9**	**0.9**
2017				
USD against RM	116.5	116.5	29.1	29.1
EUR against RM	(0.1)	(0.1)	(0.2)	(0.2)
HKD against RM	0.9	0.9	0.9	0.9
SGD against RM	4.1	4.1	3.0	3.0

A 3% (2017: 10%) weakening of the above currencies against the RM would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate risks arise mainly from the Group's borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Debt securities at fixed rate expose the Group to fair value interest rate risk.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting the borrowings from floating rates to fixed rates.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Interest rate risk (cont'd)

Under the interest rate swaps, the Group agrees with financial institutions to exchange, at specified intervals, the difference between the fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

As at 31 December 2018, the Group's outstanding variable rates borrowings denominated in USD and GBP of which hedges have not been entered into amounted to RM1,579.6 million.

As at 31 December 2017, the Group has not entered into any hedge for its outstanding variable rates borrowings.

If the GBP and USD annual interest rates increase/decrease by 1% (2017: 1%) respectively and all other variables including tax and base lending rates being held constant, the profit after tax will be lower/higher by RM15.7 million (2017: RM20.3 million) as a result of higher/lower interest expense on these borrowings.

Credit risk

Financial assets that potentially subject the Group's exposure to credit risk arises mainly from cash and cash equivalents, deposits with financial institutions, money market instruments, contractual cash flows of debt instruments carried at amortised cost and FVTPL.

(a) Risk management

Credit risk with respect to receivables is limited as the Group does not have any significant exposure to any individual customer or counterparty other than the Group's investment in promissory notes issued by the Tribe. The Group's credit risks are minimised through effective monitoring of receivables and suspension of sales to customers whose accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses.

The Group's cash and cash equivalents, deposits with financial institutions, money market instruments and income fund are placed with creditworthy financial institutions and the risks arising thereof are minimised in view of the financial strength of these financial institutions. The Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses.

(b) Impairment of financial assets

The Group has four types of financial assets that are subject to the expected credit loss model:

- Trade receivables from goods sold or services performed
- Contract assets
- Debt instruments carried at amortised cost
- Debt instruments carried at FVTPL

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

(i) Trade receivables and contract assets

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on historical payment profiles of sales and the corresponding historical credit losses experienced during these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the factors such as the published results and news of the customers, ratings published by rating agencies to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

In respect of the previous financial years, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables were assessed to determine whether there was objective evidence that a loss-event had occurred and an allowance for impairment was recognised accordingly when the loss-event occurred. Information in respect of the allowance for impairment loss is disclosed in Note 25.

(ii) Debt instruments carried at amortised cost and at FVTPL

All of the Group's and the Company's debt instruments at amortised costs and at FVTPL (other than the Group's investment in the Promissory Notes ("Notes") issued by the Tribe) are considered to have low credit risk, as there were low risks of defaults and historically there were minimal instances where contractual cash flow obligations have not been met.

The Group is exposed to credit risk in relation to investment in the Notes issued by the Tribe. General 3 stage approach is applied in accessing ECL for the Notes. In view of the uncertainty of recovery of the Notes following the decision by US Federal Government in September 2018 concluding that the Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Tribe to have the land in trust for an integrated gaming resort development, the loss allowance recognised during the period was therefore lifetime expected loss.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk (Cont'd)

(b) Impairment of financial assets (Cont'd)

The Group and the Company use four categories to reflect their credit risk and how the loss allowance is determined for other receivables which are subject to expected credit losses under the general 3-stage approach. A summary of the assumptions which underpin the Group's expected credit losses model is as follows:

Category	Group's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 month ECL. When the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are past due.	Lifetime ECL
Non-performing	Interest and/or principal repayments are 180 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Information in respect of the allowance for impairment loss for trade and other receivables is disclosed in Notes 23 and 25.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instrument presented on the statements of financial position, except as follows:

	Company	
	2018	2017
Corporate guarantee provided to financial institutions on subsidiaries' facilities	**7,600.0**	5,000.0

Liquidity risk

The Group is prudent in its liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

Cash flow forecasting is performed in the operating entities of the Group and aggregated for Group purposes. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration of the Group's debt financing plans, covenant compliance and compliance with internal ratio targets.

Generally, surplus cash held by the operating entities in Malaysia over and above the balance required for working capital management are transferred to the Company. The Company invests surplus cash in interest bearing accounts, money market deposits and marketable instruments, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned cash flows of the Group.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Liquidity risk (cont'd)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**
Group				
31 December 2018				
Derivative financial instruments - hedged	**2.8**	**-**	**-**	**-**
Trade and other payables	**2,576.9**	**-**	**-**	**-**
Borrowings	**804.8**	**1,855.3**	**4,917.9**	**4,658.2**
Amount due to holding company	**25.4**	**-**	**-**	**-**
Amounts due to other related companies	**96.8**	**-**	**-**	**-**
	3,506.7	**1,855.3**	**4,917.9**	**4,658.2**
31 December 2017				
Trade and other payables	2,502.1	-	-	-
Borrowings	605.6	437.0	4,480.3	3,171.1
Amount due to holding company	21.6	-	-	-
Amounts due to other related companies	157.0	-	-	-
	3,286.3	437.0	4,480.3	3,171.1
Company				
31 December 2018				
Derivative financial instruments - hedged	**0.3**	**-**	**-**	**-**
Trade and other payables	**1,479.7**	**-**	**-**	**-**
Borrowings	**158.1**	**2.5**	**74.2**	**-**
Amount due to holding company	**25.4**	**-**	**-**	**-**
Amounts due to subsidiaries				
- Current	**320.0**	**-**	**-**	**-**
- Non-current	**375.3**	**1,457.7**	**3,489.3**	**4,658.2**
Amounts due to other related companies	**57.6**	**-**	**-**	**-**
	2,416.4	**1,460.2**	**3,563.5**	**4,658.2**
31 December 2017				
Trade and other payables	1,418.9	-	-	-
Amount due to holding company	21.6	-	-	-
Amounts due to subsidiaries				
- Current	370.2	-	-	-
- Non-current	240.7	240.7	2,910.5	3,171.1
Amounts due to other related companies	46.9	-	-	-
	2,098.3	240.7	2,910.5	3,171.1

Capital risk management

The Group's objectives when managing capital are to ensure that the Group continues as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or dispose assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statements of financial position). Total capital is calculated as the sum of total equity and total debt.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Capital risk management (cont'd)

The gearing ratios at 31 December 2018 and 31 December 2017 were as follows:

	Group	
	2018	2017
Total debt	**9,760.3**	6,974.4
Total equity	**17,953.3**	19,130.3
Total capital	**27,713.6**	26,104.7
Gearing ratio	**35%**	27%

The Group was in compliance with financial debt covenants imposed by the financial institutions for the financial years ended 31 December 2018 and 2017.

Fair value measurement

The financial instruments carried at fair value are categorised into different levels of the fair value hierarchy as follows:

- 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).

	Level 1	**Level 2**	**Level 3**	**Total**
Group				
31 December 2018				
Financial assets				
Financial assets at fair value through profit or loss	**6.2**	**401.6**	**-**	**407.8**
Financial assets at fair value through other comprehensive income	**-**	**-**	**117.1**	**117.1**
Total assets	**6.2**	**401.6**	**117.1**	**524.9**
Financial liability				
Derivative financial instruments	**-**	**2.8**	**-**	**2.8**
31 December 2017				
Financial assets				
Financial asset at fair value through profit or loss	7.4	-	-	7.4
Available-for-sale financial assets	-	120.0	145.0	265.0
Total assets	7.4	120.0	145.0	272.4
Company				
31 December 2018				
Financial assets				
Financial assets at fair value through profit or loss	**-**	**401.6**	**-**	**401.6**
Financial assets at fair value through other comprehensive income	**-**	**-**	**1.6**	**1.6**
Total assets	**-**	**401.6**	**1.6**	**403.2**
Financial liability				
Derivative financial instruments	**-**	**0.3**	**-**	**0.3**
31 December 2017				
Financial assets				
Available-for-sale financial assets	-	120.0	2.1	122.1

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Fair value measurement (cont'd)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of the instruments are observable, these instruments are classified under Level 2.

If one or more of the significant inputs is not based on observable market data, these instruments are classified under Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curve.
- The fair value of forward foreign currency exchange contracts is determined using forward exchange rates at the reporting date.
- Other techniques, such as discounted cash flow analysis, are used to determined fair value for the remaining financial instruments.

Information on the valuation techniques used to value financial instruments are disclosed in Notes 20, 21, 28 and 38.

There were no transfers between Levels 1 and 2 during the financial year (2017: Nil).

The following table presents the changes in Level 3 financial instruments for the financial years ended 31 December 2018 and 2017:

	Group		**Company**	
	2018	2017	**2018**	2017
	Financial assets at FVOCI	Available-for-sale financial assets	**Financial assets at FVOCI**	Available-for-sale financial assets
At 1 January	**145.0**	102.9	**2.1**	2.1
Additions	-	51.0	**-**	-
Fair value losses recognised in other comprehensive income	**(30.7)**	-	**-**	-
Exchange differences	**3.3**	(8.9)	**-**	-
Reclassification	**(0.5)**	-	**(0.5)**	-
At 31 December	**117.1**	145.0	**1.6**	2.1

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Group's unquoted equity investment in foreign corporations are measured at fair value at each reporting date. The basis of determining the fair values are set out in Notes 20(i) and 21(i).

The carrying values of current financial assets and current financial liabilities of the Group and Company at the end of the reporting period approximate their fair values.

5. SEGMENT ANALYSIS

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 non-recurring items from the operating segments, such as reversal of previously recognised impairment losses/impairment losses, pre-opening expenses, gain/loss on disposal of assets and assets written off. Interest income is not included in the result for each operating segment.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, trade and other receivables, financial assets at FVOCI, financial assets at FVTPL, available-for-sale financial assets, inventories and cash and cash equivalents. Segment assets exclude interest bearing instruments and deferred tax assets as these assets are managed on a group basis.

Segment liabilities comprise operating liabilities. Segment liabilities exclude interest bearing instruments, deferred tax liabilities and tax payables as these liabilities are managed on a group basis.

5. SEGMENT ANALYSIS (cont'd)

The Group is organised into the following main business segments:

Leisure & Hospitality	-	this segment comprises integrated resort activities which include gaming, hotels, food and beverage, 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 investments in equities, training services, reinsurance services, utilities services and information technology related services are aggregated and disclosed under "Investments and Others" as they are not of sufficient size to be reported separately.

The segment analysis of the Group is set out below:

	Leisure & Hospitality						
2018 Group	**Malaysia**	**United Kingdom and Egypt**	**United States of America and Bahamas**	**Total**	**Properties**	**Investments & Others**	**Total**
Revenue							
Total revenue	**6,628.7**	**1,780.7**	**1,384.9**	**9,794.3**	**107.4**	**227.4**	**10,129.1**
Inter segment	**(34.1)**	**-**	**-**	**(34.1)**	**(11.1)**	**(156.3)**	**(201.5)**
External	**6,594.6**	**1,780.7**	**1,384.9**	**9,760.2**	**96.3**	**71.1**	**9,927.6**
Results							
Adjusted EBITDA	**2,297.3**	**182.4**	**305.8**	**2,785.5**	**42.1**	**45.2**	**2,872.8**
Pre-opening expenses	**(109.4)**	**-**	**(3.3)**	**(112.7)**	**-**	**(3.6)**	**(116.3)**
Property, plant and equipment written off	**(21.9)**	**-**	**(0.4)**	**(22.3)**	**-**	**-**	**(22.3)**
Net gain/(loss) on disposal of property, plant and equipment	**2.3**	**-**	**(1.3)**	**1.0**	**-**	**-**	**1.0**
Reversal of previously recognised impairment losses	**-**	**23.7**	**3.4**	**27.1**	**-**	**-**	**27.1**
Impairment losses	**(118.1)**	**-**	**-**	**(118.1)**	**-**	**(1,851.8)**	**(1,969.9)**
Others	**-**	**-**	**-**	**-**	**-**	**15.2**	**15.2**
EBITDA/(LBITDA)	**2,050.2**	**206.1**	**304.2**	**2,560.5**	**42.1**	**(1,795.0)**	**807.6**
Depreciation and amortisation	**(550.4)**	**(119.1)**	**(245.2)**	**(914.7)**	**(32.2)**	**(7.9)**	**(954.8)**
Interest income							**299.0**
Finance costs							**(155.8)**
Loss before taxation							**(4.0)**
Taxation							**(82.3)**
Loss for the financial year							**(86.3)**
Assets							
Segment assets	**11,977.8**	**4,327.5**	**5,527.8**	**21,833.1**	**2,505.2**	**1,263.1**	**25,601.4**
Interest bearing instruments							**5,614.8**
Unallocated corporate assets							**442.2**
Assets classified as held for sale							**59.5**
Total assets							**31,717.9**
Liabilities							
Segment liabilities	**(2,223.8)**	**(406.9)**	**(439.7)**	**(3,070.4)**	**(55.4)**	**(52.1)**	**(3,177.9)**
Interest bearing instruments							**(9,760.3)**
Unallocated corporate liabilities							**(812.8)**
Liabilities classified as held for sale							**(13.6)**
Total liabilities							**(13,764.6)**
Other disclosures							
Capital expenditure incurred*	**1,505.0**	**112.3**	**389.0**	**2,006.3**	**0.1**	**41.1**	**2,047.5**

* Includes capital expenditure in respect of property, plant and equipment and investment properties.

5. SEGMENT ANALYSIS (cont'd)

The segment analysis of the Group is set out below: (cont'd)

	Leisure & Hospitality						
2017 (Restated) Group	Malaysia	United Kingdom	United States of America and Bahamas	Total	Properties	Investments & Others	Total
Revenue							
Total revenue	5,871.1	1,893.4	1,435.2	9,199.7	117.8	193.8	9,511.3
Inter segment	(34.3)	-	-	(34.3)	(13.2)	(133.5)	(181.0)
External	5,836.8	1,893.4	1,435.2	9,165.4	104.6	60.3	9,330.3
Results							
Adjusted EBITDA/(LBITDA)	1,806.1	231.0	231.9	2,269.0	54.4	(114.4)	2,209.0
Pre-opening expenses	(55.1)	-	(4.8)	(59.9)	-	(20.6)	(80.5)
Property, plant and equipment written off	(5.5)	(2.9)	(0.2)	(8.6)	-	-	(8.6)
Net gain on disposal of property, plant and equipment	1.0	0.8	-	1.8	28.6	-	30.4
Impairment losses	(13.5)	(5.9)	(35.2)	(54.6)	-	-	(54.6)
Others	-	(2.6)	-	(2.6)	-	(22.8)	(25.4)
EBITDA	1,733.0	220.4	191.7	2,145.1	83.0	(157.8)	2,070.3
Depreciation and amortisation	(482.3)	(134.5)	(285.0)	(901.8)	(32.6)	(5.5)	(939.9)
Interest income							304.3
Finance costs							(114.9)
Profit before taxation							1,319.8
Taxation							(247.2)
Profit for the financial year							1,072.6
Assets							
Segment assets	10,907.8	4,649.1	5,134.5	20,691.4	2,443.9	1,582.8	24,718.1
Interest bearing instruments							4,928.8
Unallocated corporate assets							255.8
Assets classified as held for sale							65.7
Total assets							29,968.4
Liabilities							
Segment liabilities	(2,065.2)	(473.1)	(411.2)	(2,949.5)	(41.1)	(131.6)	(3,122.2)
Interest bearing instruments							(6,900.3)
Unallocated corporate liabilities							(756.4)
Liabilities classified as held for sale							(59.2)
Total liabilities							(10,838.1)
Other disclosures							
Capital expenditure incurred*	2,579.2	71.8	165.0	2,816.0	51.0	6.1	2,873.1

* Includes capital expenditure in respect of property, plant and equipment and investment properties.

5. SEGMENT ANALYSIS (cont'd)

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-Current Assets	
	2018	2017 (Restated)	**2018**	2017
Malaysia	**6,679.0**	5,922.0	**11,438.3**	10,698.8
United Kingdom and Egypt	**1,792.2**	1,915.2	**4,384.9**	4,503.6
United States of America and Bahamas	**1,456.4**	1,493.1	**6,037.1**	5,787.0
	9,927.6	9,330.3	**21,860.3**	20,989.4

Geographically, the main business segments of the Group are concentrated in Malaysia, the United Kingdom and Egypt as well as the United States of America and Bahamas.

Non-current assets information presented above consist of non-current assets other than financial instruments and deferred tax assets as presented in the consolidated statements of financial position.

There are no revenues derived from transactions with a single external customer that amount to 10% or more of the Group's revenue.

6. REVENUE

	Group		Company	
	2018	2017 (Restated)	**2018**	2017
Leisure and hospitality				
Gaming operations				
- Net gaming wins (Note a)	**7,761.1**	7,434.5	**5,471.4**	4,957.5
Non-gaming operations				
- Hotel room	**724.4**	675.1	**237.9**	151.5
- Food and beverages	**573.4**	539.7	**311.0**	284.6
- Tenancy	**190.6**	100.1	**123.1**	70.3
- Transportation	**257.1**	230.8	**61.4**	52.3
- Others	**253.6**	185.2	**193.0**	140.8
Total Leisure and hospitality	**9,760.2**	9,165.4	**6,397.8**	5,657.0
Properties				
Rental and properties management income	**96.3**	104.6	**-**	-
Investment and others				
Dividend income	**6.3**	6.2	**80.1**	54.5
Other services	**64.8**	54.1	**-**	-
	71.1	60.3	**80.1**	54.5
	9,927.6	9,330.3	**6,477.9**	5,711.5

Note (a)
Net gaming wins are disclosed net of complimentary goods and services provided to customers as part of Group's/Company's gaming operations of RM647.0 million (2017: RM548.2 million) for the Group and RM307.9 million (2017: RM201.4 million) for the Company.

7. COST OF SALES

	Group		Company	
	2018	2017	**2018**	2017
Cost of inventories recognised as an expense	**361.3**	300.8	**147.7**	133.6
Cost of services and other operating costs	**6,904.1**	6,834.7	**4,343.3**	3,942.7
	7,265.4	7,135.5	**4,491.0**	4,076.3

Included in the other operating costs are gaming expenses amounting to RM2,216.1 million (2017: RM2,144.2 million) for the Group and RM1,861.4 million (2017: RM1,746.7 million) for the Company.

8. OTHER GAINS/(LOSSES)

	Group		Company	
	2018	2017 (Restated)	**2018**	2017 (Restated)
Net foreign currency exchange gains/(losses)				
- realised	**0.6**	7.1	**1.5**	7.5
- unrealised	**23.2**	(119.0)	**10.0**	(36.1)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	**0.2**	(2.5)	**1.6**	-
Net fair value losses on derivative financial instruments	**(0.3)**	-	**(0.3)**	-
	23.7	(114.4)	**12.8**	(28.6)

9. PROFIT BEFORE TAXATION

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

	Group		Company	
	2018	2017	**2018**	2017
Charges:				
Depreciation of property, plant and equipment	**818.8**	796.8	**451.9**	380.8
Depreciation of investment properties	**20.9**	20.2	**-**	-
Property, plant and equipment written off	**22.3**	8.6	**20.0**	2.7
Amortisation of intangible assets	**115.1**	122.9	**0.1**	0.1
Impairment losses:				
- Property, plant and equipment (Note 15)	**103.2**	52.5	**-**	-
- Intangible assets (Note 18)	**32.4**	2.1	**14.9**	-
- Investment in promissory notes (Note 23)	**1,834.3**	-	**-**	-
- Investments in subsidiaries (Note 19)	**-**	-	**55.8**	29.6
Impairment losses on receivables	**5.8**	-	**-**	0.8
Amount due from an associate written off	**-**	5.4	**-**	-
Hire of aircraft and equipment	**20.3**	30.9	**3.7**	3.6
Rental of land and buildings	**104.4**	117.0	**22.3**	28.5
Directors' remuneration excluding estimated monetary value of benefits-in-kind (Note 11)	**87.0**	94.8	**87.0**	94.8
Statutory audit fees:				
- Payable to PricewaterhouseCoopers PLT	**1.7**	1.5	**0.9**	0.7
- Payable to other member firms of PricewaterhouseCoopers International Limited	**4.9**	4.9	**-**	-
- Payable to other auditors	**1.1**	1.4	**-**	-
Audit related fees:				
- Payable to PricewaterhouseCoopers PLT	**0.3**	0.3	**0.3**	0.3
- Payable to other member firms of PricewaterhouseCoopers International Limited	**0.4**	0.4	**-**	-

9. PROFIT BEFORE TAXATION (cont'd)

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

	Group		Company	
	2018	2017	**2018**	2017
Charges: (cont'd)				
Finance costs:				
- Interest on borrowings	**374.4**	269.0	**307.5**	209.3
- Other finance costs	**17.7**	19.9	**1.8**	0.8
- Less: capitalised costs (Note 15)	**(167.8)**	(121.7)	**(167.8)**	(121.7)
- Less: interest income earned	**(68.5)**	(52.3)	**(68.5)**	(52.3)
Finance costs charged to profit or loss	**155.8**	114.9	**73.0**	36.1
Provision for onerous lease (Note 34)	**0.4**	-	**-**	-
Construction costs	**-**	-	**41.7**	81.8
Licensing fees	**299.4**	286.6	**224.3**	206.4
Management fees	**501.3**	432.9	**510.5**	438.8
Administrative support services	**9.4**	9.0	**23.3**	23.0
Commissions	**-**	-	**32.5**	32.2
Credits:				
Interest income	**299.0**	304.3	**67.7**	37.8
Rental income from land and buildings	**259.9**	199.4	**98.4**	67.1
Investment income	**14.0**	15.6	**7.8**	7.2
Net gain on disposal of property, plant and equipment	**1.0**	30.4	**-**	1.2
Reversal of previously recognised impairment losses:				
- Property, plant and equipment (Note 15)	**3.4**	-	**-**	-
- Intangible assets (Note 18)	**23.7**	-	**-**	-
Reversal of impairment losses on receivables	**-**	0.4	**-**	-
Construction income	**-**	-	**41.7**	81.8
Service fees	**9.2**	9.2	**-**	-
Management and shared support services	**3.9**	2.2	**15.3**	16.8
Dividend income	**-**	-	**80.1**	54.5
Gain on disposal of a subsidiary	**-**	2.8	**-**	-
Gain on bargain purchase	**-**	2.8	**-**	-
Reversal of provision for onerous leases (Note 34)	**-**	0.3	**-**	-
Other information:				
Non-audit fees and non-audit related costs**				
- Payable to PricewaterhouseCoopers PLT	**0.1**	0.1	*****	*
- Payable to other member firms of PricewaterhouseCoopers International Limited	**3.3**	1.3	**0.6**	0.1

* *less than RM0.1 million.*

** *Non-audit fees and non-audit related costs are in respect of tax related services of RM2.9 million (2017: RM1.2 million) and corporate and financial advisory services of RM0.5 million (2017: RM0.2 million) for the Group and in respect of tax related services of RM0.4 million (2017: RM0.1 million) and corporate and financial advisory services of RM0.2 million (2017: Nil) for the Company.*

10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2018	2017	**2018**	2017
Wages, salaries and bonuses	**1,715.8**	1,865.9	**734.7**	727.1
Defined contribution plan	**96.3**	96.4	**86.3**	86.0
Pension cost	**12.2**	10.9	**-**	-
Other short term employee benefits	**268.9**	278.5	**81.4**	75.3
Provision for retirement gratuities (Note 36)	**19.4**	40.2	**18.4**	32.7
Employee Share Scheme	**53.4**	46.5	**53.4**	46.5
Redundancy costs	**11.7**	3.1	**-**	-
	2,177.7	2,341.5	**974.2**	967.6

Employee benefits expense, as shown above, includes the remuneration of Executive Directors.

11. DIRECTORS' REMUNERATION

	Group and Company	
	2018	2017
Non-executive Directors:		
- Fees	**0.9**	0.9
Executive Directors:		
- Fees	**0.4**	0.4
- Salaries and bonuses	**43.8**	50.8
- Defined contribution plan	**8.2**	9.5
- Other short term employee benefits	**0.4**	0.4
- Provision for retirement gratuities	**6.5**	12.4
- Employee Share Scheme	**26.8**	20.4
Directors' remuneration excluding estimated monetary value of benefits-in-kind (Note 9)	**87.0**	94.8
Estimated monetary value of benefits-in-kind	**1.8**	2.0
	88.8	96.8

12. TAXATION

	Group		Company	
	2018	2017	**2018**	2017
Current taxation:				
Malaysia taxation	**141.7**	95.7	**122.0**	75.0
Foreign taxation	**65.0**	65.5	**-**	-
Adjustment in respect of prior years	**0.6**	(39.3)	**2.7**	(3.3)
Total current tax	**207.3**	121.9	**124.7**	71.7
Deferred tax (Note 35):				
Origination and reversal of temporary differences	**(125.0)**	125.3	**57.6**	72.5
Total deferred tax	**(125.0)**	125.3	**57.6**	72.5
Income tax expense	**82.3**	247.2	**182.3**	144.2

12. TAXATION (cont'd)

The reconciliation between the taxation and profit before taxation is as follows:

	Group		Company	
	2018	2017 (Restated)	**2018**	2017 (Restated)
(Loss)/profit before taxation	**(4.0)**	1,319.8	**1,542.2**	1,210.2
Tax calculated at Malaysian statutory tax rate of 24% (2017: 24%)	**(1.0)**	316.8	**370.1**	290.4
- expenses not deductible for tax purposes	**465.4**	138.3	**124.7**	43.3
- different tax regime	**(32.2)**	49.6	**-**	-
- income not subject to tax	**(92.4)**	(66.6)	**(59.7)**	(22.5)
- tax incentive	**(256.5)**	(169.3)	**(255.5)**	(163.7)
- adjustment in respect of prior years	**0.6**	(39.3)	**2.7**	(3.3)
- recognition of previously unrecognised tax losses	**(3.7)**	(0.9)	**-**	-
- current year's tax losses and deductible temporary differences not recognised	**2.0**	4.9	**-**	-
- others	**0.1**	13.7	**-**	-
Taxation	**82.3**	247.2	**182.3**	144.2

Taxation is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) on the estimated chargeable profits for the year of assessment 2018.

The income tax effect of the other comprehensive income/(loss) items of the Group which are individually not material, is tax credit of RM2.2 million (2017: tax expense of RM1.2 million) in the current financial year.

13. (LOSS)/EARNINGS PER SHARE

The basic and diluted (loss)/earnings per share of the Group are computed as follows:

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year. The weighted average number of ordinary shares in issue excludes the weighted average number of treasury shares held by the Company and the shares held for employee share scheme.

	Group	
	2018	2017 (Restated)
(Loss)/profit for the financial year attributable to equity holders of the Company (RM million)	**(19.5)**	1,161.3
Weighted average number of ordinary shares in issue (million)	**5,656.2**	5,661.9
Basic (loss)/earnings per share (sen)	**(0.35)**	20.51

(b) Diluted (loss)/earnings per share

For the diluted (loss)/earnings per share calculation, the weighted average number of ordinary shares in issue of the Company is adjusted to assume conversion of all dilutive potential ordinary shares issued by the Company.

	Group	
	2018	2017 (Restated)
(Loss)/profit for the financial year attributable to equity holders of the Company (RM million)	**(19.5)**	1,161.3
Weighted average number of ordinary shares adjusted as follows (million):		
Weighted average number of ordinary shares in issue	**5,656.2**	5,661.9
Adjustment for dilutive effect of Employee Share Scheme	*****	18.0
Adjusted weighted average number of ordinary shares in issue	**5,656.2**	5,679.9
Diluted (loss)/earnings per share (sen)	**(0.35)**	20.45

* The calculation of diluted loss per share for the financial year ended 31 December 2018 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. DIVIDENDS

	Group/Company			
	2018		2017	
	Single-tier dividend per share Sen	**Amount of single-tier dividend RM million**	Single-tier dividend per share Sen	Amount of single-tier dividend RM million
Special dividend paid	**8.0**	**452.3**	7.3	413.0
Final dividend paid in respect of the previous financial year	**5.0**	**282.9**	6.2	351.1
Interim dividend paid	**6.0**	**339.4**	4.0	226.5
	19.0	**1,074.6**	17.5	990.6

A special single-tier dividend of 8.0 sen (2017: 8.0 sen) per ordinary share in respect of the current financial year ended 31 December 2018 has been declared for payment to shareholders registered in the Register of Members on 14 March 2019. The special single-tier dividend shall be paid on 4 April 2019. Based on the total number of issued shares of the Company as at 31 December 2018, the special single-tier dividend would amount to RM452.3 million (2017: RM452.3 million). The special single-tier dividend has not been recognised in the Statements of Changes in Equity as it was declared subsequent to the financial year end.

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 December 2018 of 5.0 sen (2017: 5.0 sen) per ordinary share amounting to RM282.7 million (2017: RM282.9 million) will be proposed for shareholders' approval. The financial statements do not reflect this final single-tier dividend which will be accrued as a liability upon approval by shareholders.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	**Leasehold land**	**Buildings & improvements**	**Plant, equipment & vehicles**	**Aircrafts, sea vessels & improvements**	**Construction in progress**	**Total**
Group							
Net Book Value:							
At 1 January 2018	**563.2**	**16.2**	**7,167.1**	**3,178.7**	**597.9**	**2,312.3**	**13,835.4**
Additions (including capitalised interest) (Note (i))	**8.0**	**-**	**23.7**	**212.0**	**-**	**1,803.7**	**2,047.4**
Disposals	**-**	**-**	**-**	**(1.6)**	**(69.0)**	**-**	**(70.6)**
Written off	**-**	**-**	**(4.1)**	**(17.7)**	**-**	**(0.5)**	**(22.3)**
Depreciation charge for the financial year	**-**	**(0.2)**	**(209.4)**	**(576.0)**	**(33.2)**	**-**	**(818.8)**
Reversal of previously recognised impairment losses	**-**	**-**	**-**	**-**	**3.4**	**-**	**3.4**
Impairment losses (Note (ii))	**-**	**(3.5)**	**(18.8)**	**-**	**(80.9)**	**-**	**(103.2)**
Transfer (to)/from investment properties (Note 17)	**-**	**-**	**(17.5)**	**0.2**	**-**	**(7.2)**	**(24.5)**
Reclassifications	**1.2**	**-**	**286.4**	**500.2**	**-**	**(787.8)**	**-**
Exchange differences	**0.1**	**-**	**(7.1)**	**(1.3)**	**0.9**	**1.5**	**(5.9)**
At 31 December 2018	**572.5**	**12.5**	**7,220.3**	**3,294.5**	**419.1**	**3,322.0**	**14,840.9**
At 31 December 2018:							
Cost	**572.5**	**25.3**	**9,349.6**	**7,952.8**	**547.8**	**3,322.0**	**21,770.0**
Accumulated depreciation	**-**	**(5.7)**	**(2,065.7)**	**(4,626.2)**	**(64.2)**	**-**	**(6,761.8)**
Accumulated impairment losses	**-**	**(7.1)**	**(63.6)**	**(32.1)**	**(64.5)**	**-**	**(167.3)**
Net book value	**572.5**	**12.5**	**7,220.3**	**3,294.5**	**419.1**	**3,322.0**	**14,840.9**

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land	Leasehold land	Buildings & improvements	Plant, equipment & vehicles	Aircrafts, sea vessels & improvements	Construction in progress	Total
Group							
Net Book Value:							
At 1 January 2017	586.7	18.5	6,170.4	2,107.8	393.1	2,882.1	12,158.6
Additions (including capitalised interest) (Note (i))	0.4	-	71.8	562.1	287.7	1,900.1	2,822.1
Disposals	-	-	(24.0)	(5.8)	-	-	(29.8)
Written off	-	-	(2.1)	(6.5)	-	-	(8.6)
Depreciation charge for the financial year	-	(0.2)	(216.9)	(545.8)	(33.9)	-	(796.8)
Impairment losses (Note (ii))	-	(2.1)	(15.2)	-	(35.2)	-	(52.5)
Transfer to investment properties (Note 17)	-	-	(1.1)	-	-	(0.1)	(1.2)
Transfer to assets classified as held for sale (Note 27)	-	-	(52.3)	(8.2)	(3.5)	-	(64.0)
Reclassifications	-	-	1,367.2	1,100.2	-	(2,467.4)	-
Exchange differences	(23.9)	-	(130.7)	(25.1)	(10.3)	(2.4)	(192.4)
At 31 December 2017	563.2	16.2	7,167.1	3,178.7	597.9	2,312.3	13,835.4
At 31 December 2017:							
Cost	563.2	25.3	9,128.8	7,556.7	725.6	2,312.3	20,311.9
Accumulated depreciation	-	(5.5)	(1,915.9)	(4,345.0)	(102.1)	-	(6,368.5)
Accumulated impairment losses	-	(3.6)	(45.8)	(33.0)	(25.6)	-	(108.0)
Net book value	563.2	16.2	7,167.1	3,178.7	597.9	2,312.3	13,835.4

Certain freehold land and buildings and improvements of the casino business in the United Kingdom ("UK") amounting to RM669.2 million (2017: RM693.1 million) have been pledged as collateral for the Group's Pound Sterling term loan (Note 38).

	Freehold land	**Leasehold land**	**Buildings & improvements**	**Plant, equipment & vehicles**	**Construction in progress**	**Total**
Company						
Net Book Value:						
At 1 January 2018	**87.2**	**0.4**	**3,519.2**	**2,403.2**	**1,970.3**	**7,980.3**
Additions (including capitalised interest) (Note (i))	**-**	**-**	**0.7**	**158.6**	**1,307.6**	**1,466.9**
Disposals	**-**	**-**	**-**	**(0.2)**	**-**	**(0.2)**
Written off	**-**	**-**	**(3.2)**	**(16.8)**	**-**	**(20.0)**
Depreciation charge for the financial year	**-**	**-**	**(94.5)**	**(357.4)**	**-**	**(451.9)**
Transfer from/(to) subsidiaries	**-**	**-**	**1.7**	**0.1**	**(85.4)**	**(83.6)**
Reclassifications	**-**	**-**	**198.6**	**313.0**	**(511.6)**	**-**
At 31 December 2018	**87.2**	**0.4**	**3,622.5**	**2,500.5**	**2,680.9**	**8,891.5**
At 31 December 2018:						
Cost	**87.2**	**0.5**	**4,634.9**	**4,981.6**	**2,680.9**	**12,385.1**
Accumulated depreciation	**-**	**(0.1)**	**(1,012.4)**	**(2,481.1)**	**-**	**(3,493.6)**
Net book value	**87.2**	**0.4**	**3,622.5**	**2,500.5**	**2,680.9**	**8,891.5**

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land	Leasehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
Company						
Net Book Value:						
At 1 January 2017	87.2	0.4	2,230.4	1,338.5	2,529.3	6,185.8
Additions (including capitalised interest) (Note (i))	-	-	8.6	470.0	1,704.0	2,182.6
Disposals	-	-	-	(3.8)	-	(3.8)
Written off	-	-	(0.3)	(2.4)	-	(2.7)
Depreciation charge for the financial year	-	-	(79.4)	(301.4)	-	(380.8)
Transfer from subsidiaries	-	-	-	0.3	-	0.3
Transfer to investment properties (Note 17)	-	-	(1.1)	-	-	(1.1)
Reclassifications	-	-	1,361.0	902.0	(2,263.0)	-
At 31 December 2017	87.2	0.4	3,519.2	2,403.2	1,970.3	7,980.3
At 31 December 2017:						
Cost	87.2	0.5	4,436.8	4,787.5	1,970.3	11,282.3
Accumulated depreciation	-	(0.1)	(917.6)	(2,384.3)	-	(3,302.0)
Net book value	87.2	0.4	3,519.2	2,403.2	1,970.3	7,980.3

Note (i)
During the financial year, the Group and the Company have capitalised borrowing costs amounting to RM167.8 million (2017: RM121.7 million) on qualifying assets.

Note (ii)
During the financial year, the Group recorded impairment losses of:

- RM22.3 million on certain properties in Malaysia. The recoverable amount of the properties in Malaysia was determined based on the value in use ("VIU") method; and
- RM80.9 million on aircrafts. The recoverable amount of these aircrafts were determined based on the FVLCTS method. Estimates of fair value on these aircrafts were determined using recent transaction prices by an independent third party.

Note (iii)
The Group has carried out the impairment assessments on property, plant and equipment with an indication of impairment. Details are as follows:

Bimini operations ("Bimini Assets")

The Group has carried out an impairment assessment on these assets with carrying amount of RM1,403.1 million (2017: RM1,333.4 million) in view of the continued losses recorded since the commencement of the Bimini operations. The recoverable amount of Bimini Assets is determined based on the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a nine-year period (2017: eight-year period). Cash flows beyond the nine-year period (2017: eight-year period) were extrapolated using the estimated growth rate.

Key assumptions used in the VIU calculation are as follows:

	Group	
	2018	2017
Growth rate	**2.3%**	2.3%
Short term discount rate	**9.6%**	8.4%
Long term discount rate	**7.4%**	6.7%
Hotel occupancy rate	**53%-83%**	57%-81%

Based on the impairment assessment, no impairment loss has been recognised for Bimini Assets (2017: Nil).

If the growth rate is reduced to 1.65% and all other variables including tax rate are being held constant, this will give rise to an impairment loss of RM28.1 million. If the short term discount rate is increased to 10.8% and all other variables including tax rate are being held constant, this could give rise to an impairment loss of RM16.8 million. If the long term discount rate is increased to 7.95% and all other variables including tax rate are being held constant, this will result in an impairment loss of RM10.2 million.

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Resorts World Birmingham operations ("RWB Assets")

The Group has carried out an impairment assessment on RWB assets of RM729.7 million in view of the continued losses recorded since the commencement of RWB operations. The recoverable amount of RWB Assets is determined based on the higher of fair value less cost to sell and VIU. Based on management's assessment, VIU is higher. Estimates of fair value have been determined with reference to an external valuation performed during the year, and prepared in accordance with RICS valuation professional standards, as published by the Royal Institution of Chartered Surveyors, on the basis of market value. Cash flow projections used in determining the VIU were based on financial budgets approved by management covering a ten-year period. Cash flows beyond the ten-year period were extrapolated using the estimated growth rate.

Key assumptions used in the VIU calculation are as follows:

	Group **2018**
Discount rate	**7.2%**
Long term EBITDA growth rate	**2.0%**

Based on the impairment assessment, no impairment loss has been recognised for RWB Assets.

If the discount rate is increased by 0.2% and all other variables including tax rate are being held constant, this could indicate an impairment loss of RM37.1 million on RWB Assets. If the long term EBITDA growth rate decreased by 0.25%, this will result in an impairment loss of RM31.8 million.

Outdoor theme park assets at Resorts World Genting ("Theme Park Assets")

The Group and the Company have carried out an impairment assessment on the recoverability of the Theme Park Assets of RM2,590.9 million in view of the uncertainty of the outcome of the on-going litigation (see Note 45), which is in its early stage.

The recoverable amount of Theme Park Assets is determined based on the VIU method, one appropriate method available to support the carrying amount of property, plant and equipment. For purposes of this impairment assessment only, cash flow projections used in this calculation were based on the approved financial budgets covering a thirteen-year period. Cash flows beyond the thirteen-year period were extrapolated using the estimated growth rate.

The key assumptions used in the VIU calculation are long term growth rate of 3.0%, discount rate of 8.0% and number of visitors.

Based on the impairment assessment, no impairment loss has been recognised for Theme Park Assets as at 31 December 2018.

If the long term growth rate is reduced to 2.5% and all other variables including tax rate are being held constant, this will give rise to an impairment loss of RM231.5 million on Theme Park Assets. If the discount rate is 8.5% and all other variables including tax rate are being held constant, this could indicate an impairment loss of RM400.0 million on Theme Park Assets. If the number of visitors decreased by 4.8%, this will result in an impairment loss of RM304.9 million.

16. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2018	2017
Freehold land	**184.5**	184.5
Land improvement	**0.2**	0.2
At 1 January/31 December	**184.7**	184.7

17. INVESTMENT PROPERTIES

	Group		Company	
	2018	2017	**2018**	2017
Net Book Value				
At 1 January	**2,178.8**	2,317.9	**-**	39.6
Additions	**0.1**	51.0	**-**	0.8
Depreciation charge for the financial year	**(20.9)**	(20.2)	**-**	-
Transfer from property, plant and equipment (Note 15)	**24.5**	1.2	**-**	1.1
Derecognition of investment property (Note 23(iii))	**-**	(41.5)	**-**	(41.5)
Exchange differences	**21.8**	(129.6)	**-**	-
At 31 December	**2,204.3**	2,178.8	**-**	-
At 31 December				
Cost	**2,623.0**	2,570.1	**-**	-
Accumulated depreciation	**(385.2)**	(357.6)	**-**	-
Accumulated impairment losses	**(33.5)**	(33.7)	**-**	-
Net book value	**2,204.3**	2,178.8	**-**	-
Fair value	**4,354.7**	4,046.5	**-**	-

Certain investment properties within the UK business segment amounting to RM179.2 million (2017: RM185.8 million) have been pledged as collateral for the Group's Pound Sterling term loan (Note 38).

The aggregate rental income and direct operating expenses incurred from investment properties of the Group which generate rental income during the financial year amounted to RM102.6 million and RM45.1 million (2017: RM105.3 million and RM59.0 million) respectively.

The direct operating expenses incurred from investment properties of the Group which did not generate rental income during the financial year amounted to RM7.6million (2017: RM7.4 million).

Fair values of the Group's and Company's investment properties at the end of the financial year have been determined by independent professional valuers based on the market comparison approach that reflects the recent transaction prices for similar properties and are within Level 2 of the fair value hierarchy, except for the Group's investment properties in Miami, Florida, US which have been determined by independent professional valuers based on the income approach of the respective properties and are within Level 3 of the fair value hierarchy. The recoverable amounts of the Group's properties at Omni Center in the City of Miami, Florida, US were assessed together with the related goodwill arising from the acquisition of Omni Center. The calculation require the use of estimates as set out in Note 18.

18. INTANGIBLE ASSETS

	Indefinite Lives			Definite Lives			
	Goodwill	**Casino Licences**	**Trademarks**	**Online Gaming Licence**	**Licences**	**Casino Concession Agreement**	**Total**
Group							
Net Book Value:							
At 1 January 2018	**458.6**	**1,705.2**	**55.6**	**20.6**	**2,414.5**	**-**	**4,654.5**
Impairment losses	**(17.5)**	**-**	**-**	**-**	**(14.9)**	**-**	**(32.4)**
Amortisation charge for the financial year	**-**	**-**	**-**	**(7.4)**	**(107.7)**	**-**	**(115.1)**
Reversal of previously recognised impairment loss	**-**	**-**	**-**	**-**	**-**	**23.7**	**23.7**
Exchange differences	**(9.2)**	**(49.3)**	**(1.5)**	**(0.5)**	**57.5**	**(0.4)**	**(3.4)**
At 31 December 2018	**431.9**	**1,655.9**	**54.1**	**12.7**	**2,349.4**	**23.3**	**4,527.3**
At 31 December 2018							
Cost	**505.2**	**1,691.3**	**54.1**	**41.4**	**3,117.8**	**27.3**	**5,437.1**
Accumulated amortisation	**-**	**-**	**-**	**(23.7)**	**(753.5)**	**-**	**(777.2)**
Accumulated impairment losses	**(73.3)**	**(35.4)**	**-**	**(5.0)**	**(14.9)**	**(4.0)**	**(132.6)**
Net book value	**431.9**	**1,655.9**	**54.1**	**12.7**	**2,349.4**	**23.3**	**4,527.3**
Net Book Value:							
At 1 January 2017	468.5	1,716.3	55.9	28.7	2,766.9	-	5,036.3
Impairment losses	-	(2.1)	-	-	-	-	(2.1)
Amortisation charge for the financial year	-	-	-	(8.1)	(114.8)	-	(122.9)
Exchange differences	(9.9)	(9.0)	(0.3)	-	(237.6)	-	(256.8)
At 31 December 2017	458.6	1,705.2	55.6	20.6	2,414.5	-	4,654.5
At 31 December 2017							
Cost	513.0	1,741.6	55.6	42.6	3,040.3	27.3	5,420.4
Accumulated amortisation	-	-	-	(16.9)	(625.8)	-	(642.7)
Accumulated impairment losses	(54.4)	(36.4)	-	(5.1)	-	(27.3)	(123.2)
Net book value	458.6	1,705.2	55.6	20.6	2,414.5	-	4,654.5

Included in the licences with definite lives is an amount of RM2,321.4 million (2017: RM2,362.6 million) which has been pledged as collateral for the Group's USD borrowings (Note 38).

18. INTANGIBLE ASSETS (cont'd)

Impairment tests for goodwill and other intangible assets with indefinite useful lives

Goodwill and other intangible assets with indefinite useful lives are allocated to the Group's cash-generating units ("CGU") identified according to geographical area and business segments.

A segment-level summary of the net book value of goodwill and other intangible assets with indefinite useful lives allocation is as follows:

	Group	
	2018	2017
Goodwill:		
Leisure & Hospitality - United Kingdom	**376.3**	387.5
Leisure & Hospitality - United States of America	**44.0**	42.0
Property & Others - Malaysia	**11.6**	29.1
	431.9	458.6

	Group	
	2018	2017
Intangible assets other than goodwill with indefinite useful lives:		
Leisure & Hospitality - United Kingdom		
- casino licences	**1,655.9**	1,705.2
- trademarks	**54.1**	55.6
	1,710.0	1,760.8

Goodwill and other intangible assets – United Kingdom

(i) Goodwill and other intangible assets with indefinite useful lives – casino business in UK

Goodwill arising from the acquisition of UK casino business is allocated to the leisure and hospitality segment in UK for the purposes of impairment review. The casino licences, considered to have indefinite useful lives, are assigned to smaller CGU for the purposes of impairment review. Casinos that are located within the same 'permitted' area where the nature of the customers is such that they move between casinos, these casinos have then been grouped together and treated as a single CGU. This has resulted in 27 separate CGUs for purposes of impairment review in 2018 (2017: 27 CGUs).

The recoverable amounts of goodwill, casino licences and trademarks in the UK were determined based on the higher of fair value less cost to sell and value in use. Estimates of fair value have been determined with reference to an external valuation and is within Level 3 of fair value hierarchy. Value in use has been calculated using cash flow projections with a 'base' cash flow for 2019 calculated using a combination of historic financial information (5 years) and financial projections for the following year. The base cash flows has been extrapolated for a further 4 years using an annual and long term growth rate of 2.0% (2017: 2.0%), including inflation.

Key assumptions used in the VIU calculations for goodwill and other intangible assets with indefinite useful lives are as follows:

	Group	
	2018	2017
Growth rate	**2.0%**	2.0%
Discount rate	**7.75%**	7.75%

The growth rate did not exceed the long-term average growth rate for the leisure and hospitality industry in which the CGUs operate and are consistent with the forecasts included in industry reports.

Based on the impairment tests, no impairment is required for goodwill attributed to the leisure and hospitality segment in UK and casino licenses (2017: RM2.1 million in respect of casino licenses of certain CGUs).

If the growth rate is reduced to 1.75% (2017: 1.75%) and all other variables including tax rate are being held constant, the recoverable amount of these CGUs remained unchanged as the determined fair value less cost to sell is higher than the value in use (2017: impairment loss of intangible assets and property, plant and equipment will be increased by RM31.4 million).

18. INTANGIBLE ASSETS (cont'd)

Goodwill and other intangible assets – United Kingdom (cont'd)

(i) Goodwill and other intangible assets with indefinite useful lives – casino business in UK (cont'd)

If the discount rate is 0.25% (2017: 0.25%) higher and all other variables including tax rate are being held constant, the recoverable amount of these CGUs remained unchanged as the determined fair value less cost to sell is higher than the value in use (2017: impairment loss of intangible assets and property, plant and equipment will be increased by RM29.7 million).

Goodwill – United States of America

The goodwill attributable to the US CGU arose from the acquisition of Omni Center in the City of Miami, Florida, US.

The Group has engaged an independent professional valuer to carry out a formal valuation of Omni Center, which includes a hotel and office building in 2018. The fair value of the retail shops and development parcel is determined based on valuation carried out by an independent property valuer in 2017. The recoverable amounts of the Omni Center were determined based on the FVLCTS of the respective properties using the income approach and are within Level 3 of the fair value hierarchy. Key assumptions used include growth rates of 3.0% to 7.0% (2017: 3.0% to 6.4%) and discount rates of 15.5% to 24.4% (2017: 17.5% to 23.8%). Based on the impairment assessment, no impairment is required for goodwill attributed to the US CGU.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed the recoverable amount.

Goodwill – Malaysia

The goodwill attributable to the Malaysia CGU arose from the acquisition of 100% equity interest in E-Genting Holdings Sdn Bhd, Ascend International Holdings Limited and Oakwood Sdn Bhd.

The goodwill arising from the acquisition of E-Genting Holdings Sdn Bhd ("EGH") and Ascend International Holdings Limited was tested for impairment using the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate. Key assumptions used in the VIU calculation include growth rate and discount rate of 2.5% (2017: 2.9%) and 8.8% (2017: 8.3%), respectively.

The goodwill arising from the acquisition of Oakwood Sdn Bhd was tested for impairment using the FVLCTS method. The FVLCTS was calculated based on the fair value of the property which have been determined by an independent professional valuer based on the market comparison approach that reflects the recent transaction prices for similar properties and is within Level 2 of the fair value hierarchy.

Based on the impairment tests, no impairment is required for goodwill attributed to the Malaysia CGU except for impairment loss on goodwill arising from acquisition of EGH of RM17.5 million.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed the recoverable amount.

Licences with definite useful lives

Included in licences as at 31 December 2018 is an amount of RM26.9 million (2017: RM26.9 million) related to casino licences of Bimini operations. The Group carried out the impairment assessment of the casino licences together with the Bimini Assets as disclosed in Note 15(iii).

Casino Concession Agreement

The casino concession agreement arose as a result of the purchase price allocation on the acquisition of casino businesses in the UK. As a result of the uncertainty of the commencement date on casino concession agreement caused by the political and economic climate in Egypt, the Group recorded impairment loss in 2012 relating to the entire carrying value of the casino concession agreement.

During the current financial year, the Group recorded a reversal of previously recognised impairment loss of RM23.7 million in respect of the casino concession agreement in view of the favourable financial performance of Crockfords, Cairo.

The recoverable amount of Casino Concession Agreement is accessed using VIU method. Key assumptions used in the VIU calculation include growth rate and discount rate of 3% and 7.75% respectively, based on 8 years cash flow projection.

19. SUBSIDIARIES

	Company	
	2018	2017
Investments in subsidiaries:		
Unquoted shares – at cost	**12,795.4**	12,693.7
Accumulated impairment losses (Note (i))	**(696.3)**	(640.5)
	12,099.1	12,053.2
Amounts due from subsidiaries (Non-current, unsecured and interest free)	**337.4**	-
Amounts due from subsidiaries (Current, unsecured and interest free)	**44.9**	391.1
Amounts due to subsidiaries are unsecured and comprised:		
Current:		
Interest free (Note (ii))	**320.0**	370.2
Non-current:		
Interest bearing (Note (iii))	**7,600.0**	5,000.0
	7,920.0	5,370.2

Note (i)
The Company's investments in subsidiaries with impairment indicators were tested for impairment during the current financial year. The key assumptions and model for impairment of investment in subsidiaries used are as follows:

(i) Orient Star International Limited ("OSIL") – the recoverable amount is determined based on adjusted net tangible assets as a proxy to fair value less costs to sell ("FVLCTS");
(ii) Awana Vacation Resorts Development Berhad – the recoverable amount is determined based on adjusted net tangible assets as a proxy to FVLCTS; and
(iii) E-Genting Holdings Sdn Bhd – the recoverable amount is assessed using value in use ("VIU") method based on a 5 years projection plan using certain key assumptions such as discount rate of 8.8% and long term growth rate of 2.5%.

As a result of the impairment assessment, the Company has recognised an impairment loss of RM55.8 million (2017: RM29.6 million) in profit or loss.

Note (ii)
Included in this amount is the interest payable on loans from GENM Capital Berhad ("GENM Capital"), a direct wholly-owned subsidiary of the Company.

Note (iii)
The amount represents loans from GENM Capital which carries interest rates ranging from 4.5% to 5.58% per annum. The maturity profile of the loans from GENM Capital as at 31 December 2018 is as follows:

	Company	
	2018	2017
Between 1 year to 2 years	**1,100.0**	-
Between 2 years to 5 years	**2,650.0**	2,350.0
More than 5 years	**3,850.0**	2,650.0
	7,600.0	5,000.0

The subsidiaries are listed in Note 44.

Details of the significant non-cash transactions with the subsidiaries are disclosed in Note 42 to the financial statements.

The Company's exposure to bad debts is not significant since the subsidiaries do not have historical default risk. The Company also manages its credit risk by performing regular reviews of the ageing profile of amounts due from subsidiaries. The amounts due from subsidiaries are neither past due nor impaired.

Summarised financial information of a subsidiary with material non-controlling interests

As at 31 December 2018, the ownership interest held by non-controlling interests is 22% (2017: 22%). Set out below are the summarised financial information for a subsidiary that has non-controlling interests that are material to the Group. The financial information is based on amounts before intercompany eliminations.

19. SUBSIDIARIES (cont'd)

Summarised financial information of a subsidiary with material non-controlling interests (cont'd)

	BB Entertainment Ltd	
	2018	2017
Statement of Financial Position		
Current assets	**103.4**	96.7
Non-current assets	**1,389.6**	1,353.5
Current liabilities	**(2,553.1)**	(2,177.0)
Net liabilities	**(1,060.1)**	(726.8)
Accumulated non-controlling interests of the Group at the end of the reporting period	**(267.4)**	(193.2)
Income Statement		
Revenue for the financial year	**97.3**	106.8
Loss for the financial year	**(303.6)**	(403.2)
Loss for the financial year attributable to non-controlling interests	**(66.8)**	(88.7)
Statement of Comprehensive Income		
Total comprehensive loss for the financial year	**(337.3)**	(334.5)
Total comprehensive loss for the financial year attributable to non-controlling interests	**(74.2)**	(73.6)
Statement of Cash Flows		
Cash outflows from operating activities	**(95.6)**	(141.9)
Cash outflows from investing activities	**(61.9)**	(29.2)
Cash inflows from financing activities	**162.2**	172.4
Net increase in cash and cash equivalents	**4.7**	1.3

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2018	2017	**2018**	2017
Unquoted				
Equity investments in foreign corporations (Note (i))	**115.5**	-	**-**	-
Equity investments in Malaysian corporations	**1.6**	-	**1.6**	-
	117.1	-	**1.6**	-

The Group and the Company have irrevocably elected to classify the equity investments in foreign corporations and Malaysian corporations at fair value through other comprehensive income ("FVOCI"). The Group and the Company consider this classification to be more relevant as these investments are held as long term strategic investments and are not held for trading purpose. In the previous financial year, the Group and the Company had designated these investments as available-for-sale financial assets as disclosed in Note 21.

Included in equity investment in Malaysian corporations of the Group is a 50% equity investment of RM1 held in trust for a third party which the Group has no beneficial interest.

Note (i)
Unquoted equity investments in foreign corporations are measured at fair value at each reporting date based on discounted cash flow analysis. As the investment are unquoted, the fair value cannot be obtained directly from quoted market price or indirectly using valuation techniques supported by observable market data.

The key assumptions used to derive at the fair value under the discounted cash flow analysis are as follows:

	Group	
	2018	2017
Growth rate	**2%**	2%
Discount rate	**12% - 13%**	12%

If the growth rate is reduced to 1.5% and all other variables including tax rate are being held constant, this will give rise to a decrease in fair value of RM4.7 million. If the discount rate is 0.5% higher and all other variables including tax rate are being held constant, this will give rise to a decrease in fair value of RM6.5 million.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2018	2017	**2018**	2017
Unquoted				
Equity investment in foreign corporations (Note (i))	**-**	142.9	**-**	-
Income funds in Malaysian corporations (Note (ii))	**-**	120.0	**-**	120.0
Equity investment in Malaysian corporations	**-**	2.1	**-**	2.1
	-	265.0	**-**	122.1
Analysed as follows:				
Current	**-**	120.0	**-**	120.0
Non-current	**-**	145.0	**-**	2.1
	-	265.0	**-**	122.1

These investments were classified as financial assets at FVOCI during the current financial year (Note 20), except for income funds in Malaysian corporations that were classified as financial assets at FVTPL because their contractual cash flows do not represent solely for payments of principal and interest (Note 28).

As at 31 December 2017, included in equity investment in Malaysian corporations of the Group is a 50% equity investment of RM1 held in trust for a third party which the Group has no beneficial interest.

Note (i)
In previous financial year, the Group acquired an unquoted equity investment in a foreign corporation for RM51.0 million. The acquisition took place near the previous financial year end and the determination of the purchase consideration was based on fair value. Hence, the fair value at year-end approximates the fair value at the date of acquisition.

The existing unquoted equity investment in a foreign corporation was measured at fair value at each reporting date based on discounted cash flow analysis. As it was unquoted, the fair value cannot be obtained directly from quoted market price or indirectly using valuation techniques supported by observable market data. The key assumptions used to derive at the fair value include growth rate of 2.0% and discount rate of 12.0%.

If the growth rate is reduced to 1.5% with all other variables including tax rate being held constant, this would give rise to a decrease in fair value of RM3.0 million. If the discount rate is 0.5% higher with all other variables including tax rate being held constant, this would give rise to a decrease in fair value of RM4.7 million.

Note (ii)
The income funds were redeemable at the holder's discretion and the fair values were determined based on the fair value of the underlying net assets.

22. DERIVATIVE FINANCIAL INSTRUMENTS

	2018			
	Group		**Company**	
	Notional/ Contract Value	**Fair Value Assets/ (Liabilities)**	**Notional/ Contract Value**	**Fair Value Assets/ (Liabilities)**
Designated as hedges				
Interest rate swap (Note (i))				
- GBP	**450.4**	**(2.5)**	**-**	**-**
Not designated as hedges				
Foreign currency exchange forward contracts (Note (ii))				
- USD	**62.8**	**0.2**	**62.8**	**0.2**
Foreign currency exchange option contracts (Note (ii))				
- USD	**62.8**	**(0.5)**	**62.8**	**(0.5)**
Total derivative financial instruments		**(2.8)**		**(0.3)**
Analysed as follows:				
Current		**(1.8)**		**(0.3)**
Non-current		**(1.0)**		**-**
		(2.8)		**(0.3)**

Note (i)
During the current financial year, the Group entered into an interest rate swap ("IRS") contract to hedge its exposure to interest rate risk on its borrowings in the UK. The contract entitled the Group to receive interest at floating rates on notional principal amounts and obliged the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The IRS contract is accounted for using the hedge accounting method. The changes in fair value of this contract is included as hedging reserve in equity and continuously released to profit or loss until the repayment of the bank borrowing or maturity of these contracts, whichever is earlier.

22. DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

Note (ii)
During the current financial year, the Company entered into foreign currency exchange forward contracts and foreign currency exchange option contracts to hedge against the exposure of its foreign exchange risk in USD.

The foreign currency exchange forward contracts and option contracts are not designated as hedges and the changes in fair value are recognised as other gains/losses in the income statement.

As at 31 December 2017, there were no outstanding derivative financial instruments for the Group and the Company.

23. OTHER NON-CURRENT ASSETS

	Group		**Company**	
	2018	2017	**2018**	2017
Other receivables (Note (i))	**151.4**	151.5	**1.4**	1.5
Promissory notes - unquoted (Note (ii))	**-**	1,584.1	**-**	-
Prepayments	**40.7**	37.7	**14.1**	13.2
Long term lease prepayment	**54.6**	58.9	**-**	-
Lease receivables (Note (iii))	**7.8**	39.4	**7.8**	39.4
	254.5	1,871.6	**23.3**	54.1

Note (i)
Included in other receivables of the Group is an investment of RM150.0 million (2017: RM150.0 million) in the unquoted preference shares of a Malaysian corporation. The preference shares carry a cumulative, non-compounding fixed dividend of 4% (2017: 4%) per annum and are subordinated to loan facilities undertaken by the issuer. The preference shares are redeemable in two equal tranches on the 8th and 9th anniversary of the issue date which can be extended by the issuer. However, the issuer may elect the following options prior to the 8th anniversary of the issue date:

(a) to extend the tenure of the preference shares by 1, 2 or 3 years from their original tenure stated above, where the preferential dividend rate applicable during the said extended tenure shall be at the rate of 1% above the fixed preferential dividend rate; or

(b) subject to the issuer being solvent at the time of the redemption of the preference shares, the issuer may at any time after the date of issuance of the preference shares and before the maturity date redeem any or all of the preference shares at the subscription price.

Note (ii)

	Group	
	2018	2017
Non-current:		
Principal	**1,394.6**	1,305.6
Interest receivable	**439.7**	278.5
	1,834.3	1,584.1
Less: Impairment loss	**(1,834.3)**	-
	-	1,584.1

The Group subscribed to the promissory notes ("notes") issued by Mashpee Wampanoag Tribe ("the Tribe") to finance the pre-development expenses of a destination resort casino in Taunton, Massachusetts, United States of America. The notes carry fixed interest rates of 12% and 18% per annum (2017: 12% and 18% per annum). These notes were classified as other non-current assets in the previous financial year as the Group expects the notes to be recovered beyond 12 months from the end of the reporting date.

The recoverability of the notes is dependent on the outcome of the pending legal case and/or review by the relevant government authority as well as any other options which allow the Tribe to have land in trust for a destination resort casino development. This has affected the ability of the Tribe to proceed with the development, which cash flows are expected to facilitate the repayment of the notes when the casino commences operations. The development of the project is currently stalled pending further court developments and/or actions by relevant governmental authorities.

In September 2018, the US Federal Government issued a decision concluding that the Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Tribe to have the land in trust for an integrated gaming resort development. The Group is currently deliberating the appropriate course of action by working closely with the Tribe to review all options available for the Group's investment in the promissory notes as well as its recoverability. This includes a legislation being introduced in the US Congress which, if passed, will entail the US Federal Government to reaffirm the land in trust for the benefit of the Tribe.

In view of the uncertainty of recovery of the notes following the decision by US Federal Government above, the Group has recorded an impairment loss of RM1,834.3 million in relation to the Group's total investment (including accrued interest) during the current financial year. This impairment loss can be reversed when the promissory notes are assessed to be recoverable.

In the previous financial year, the Group had carried out impairment assessment on the recovery of the notes based on the probable outcome of the pending legal case and decision by the relevant government authority as well as any other options allowing the Tribe to have land in trust for a destination resort casino development. Based on the review of the projected operational cash flows of the casino, the promissory notes were expected to be fully recovered and as such, no impairment was recorded for the notes.

23. OTHER NON-CURRENT ASSETS (cont'd)

Note (iii)
The Company's finance lease receivable arose from a lease arrangement with Genting Highlands Premium Outlets Sdn Bhd, a wholly-owned subsidiary of Genting Simon Sdn Bhd ("GSSB"). The lease arrangement is accounted for as a finance lease in accordance with MFRS 117 "Leases". GSSB is a joint venture of Genting Plantations Berhad.

	Group and Company	
	2018	2017
Lease receivables:		
- Receivable within 1 to 5 years	**8.5**	42.3
Less: Unearned interest income	**(0.7)**	(2.9)
	7.8	39.4
Present value of minimum lease payments receivable:		
- Receivable within 1 to 5 years	**7.8**	39.4

24. INVENTORIES

	Group		**Company**	
	2018	2017	**2018**	2017
Food, beverage, tobacco and other hotel supplies	**35.4**	31.8	**21.8**	17.5
Stores, spares and retail stocks	**50.0**	56.6	**30.9**	37.2
Completed properties	**23.1**	23.1	**-**	-
	108.5	111.5	**52.7**	54.7

25. TRADE AND OTHER RECEIVABLES

	Group		**Company**	
	2018	2017	**2018**	2017
Trade receivables	**70.3**	64.0	**10.6**	10.5
Other receivables	**190.8**	175.0	**60.6**	40.3
Less: Impairment losses on receivables	**(24.2)**	(21.3)	**(0.7)**	(0.7)
	236.9	217.7	**70.5**	50.1
Tax recoverable	**192.0**	216.5	**166.2**	95.0
Deposits	**28.6**	29.1	**12.1**	12.1
Prepayments	**196.8**	218.6	**77.5**	101.5
Contract assets (Note 39)	**3.2**	2.3	**115.8**	129.3
	657.5	684.2	**442.1**	388.0

As of 31 December 2017, the ageing analysis of trade receivables which were past due but not impaired is as follows:

	2017	
	Group	Company
Current trade receivables past due:		
1 day to 90 days	13.0	0.8
91 days to 180 days	0.2	-
181 days to 360 days	0.6	0.5
More than 360 days	0.1	-
	13.9	1.3

No impairment has been made on these past due amounts as the Group and the Company are closely monitoring these receivables and are confident of their eventual recovery.

The Group's and the Company's trade receivables that are individually determined to be impaired as at 31 December 2017 were past due for more than 180 days and related to debtors that are in significant financial difficulties and have defaulted on payments.

The amount of the provision made by the Group and the Company on trade and other receivables was RM24.2 million (2017: RM21.3 million) and RM0.7 million (2017: RM0.7 million) respectively as at 31 December 2018. These receivables are not secured by any collateral.

The movements of provision for impairment losses on receivables are as follows:

	Group		**Company**	
	2018	2017	**2018**	2017
At 1 January	**21.3**	90.0	**0.7**	0.2
Impairment losses/ (reversal of impairment losses)	**5.8**	(0.4)	**-**	0.8
Written off	**(3.5)**	(60.4)	**-**	(0.3)
Exchange differences	**0.6**	(7.9)	**-**	-
At 31 December	**24.2**	21.3	**0.7**	0.7

Other than as disclosed above, the remaining trade and other receivables are neither past due nor impaired.

26. HOLDING COMPANY AND OTHER RELATED COMPANIES

The Directors of the Company regard Genting Berhad, a company incorporated in Malaysia, as its immediate and ultimate holding company notwithstanding Genting Berhad's shareholding of less than 50% in the Company as Genting Berhad has control within the definition of "control" as set out in MFRS 10 "Consolidated Financial Statements" over the Company by virtue of its ability to manage the financial and operating policies of the Company pursuant to a 30-year Resort Management Agreement ("RMA") entered into in 1989 between the Company and Genting Berhad's wholly-owned subsidiary, Genting Hotel & Resorts Management Sdn Bhd ("GHRM"). The RMA, which cannot be unilaterally terminated by either party (except in limited circumstances, generally relating to default by a party continuing after a cure period or insolvency related events affecting a party), is renewable under the original terms and conditions at the end of the original term for 3 consecutive terms of 20 years each. Under the RMA, GHRM is appointed as the operator and manager of the gaming, hotel and resort-related operations ("Resort") of the Company, which includes the supply of senior management and other personnel deemed necessary or appropriate by GHRM for the operation of the Resort. A fee based on the gross revenue and the net operating income before fixed charges and taxation of the Resort is payable by the Company to GHRM for services under the RMA. In addition, Genting Berhad is the single largest shareholder of the Company with all other shareholders having dispersed shareholdings.

The amount due to holding company represents outstanding balances arising mainly from management fees payable and licensing services and is unsecured, interest free and has no fixed terms of repayment.

The amounts due from/to other related companies are unsecured, interest free and have no fixed terms of repayment. The amount due from other related companies are neither past due nor impaired.

The carrying amounts of the amounts due from/to holding company and other related companies approximate their fair values.

27. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	Group	
	2018	2017
Assets classified as held for sale		
Maxims Casino		
Property, plant and equipment (Note 15)	**58.7**	60.5
Trade and other receivables	**0.3**	1.4
Inventories	**0.5**	0.3
	59.5	62.2
Property, plant and equipment related to the Bimini operations (Note 15)	**-**	3.5
	59.5	65.7

	Group	
	2018	2017
Liabilities classified as held for sale		
Maxims Casino		
Trade and other payables	**(5.5)**	(42.6)
Deferred tax liabilities (Note 35)	**(4.0)**	(3.9)
Taxation	**(4.1)**	(12.7)
	(13.6)	(59.2)

The assets and liabilities classified as held for sale relate to the business of Maxims Casino in the UK, owned and operated by Coastbright Limited ("Coastbright"), an indirect wholly-owned subsidiary of the Company.

28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2018	2017	**2018**	2017
Quoted equity investment in a foreign corporation (Note (i))	**6.2**	7.4	**-**	-
Income funds in Malaysian corporations (Note (ii))	**401.6**	-	**401.6**	-
	407.8	7.4	**401.6**	-

In the previous financial year, the Group and the Company have designated the investment in income funds as available-for-sale as disclosed in Note 21.

Note (i)
The fair value of the quoted equity investment is determined by reference to the bid price on the relevant stock exchange and is within Level 1 of the fair value hierarchy.

Note (ii)
The fair value of income funds in Malaysian corporations are determined based on the fair value of the underlying net assets.

29. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	**2018**	2017
Deposits with licensed banks	**1,478.5**	513.4	**1,380.5**	459.1
Cash and bank balances	**2,497.5**	2,745.0	**1,280.6**	947.3
	3,976.0	3,258.4	**2,661.1**	1,406.4
Less: Restricted cash	**(100.9)**	(71.6)	**-**	(3.6)
Bank balances and deposits	**3,875.1**	3,186.8	**2,661.1**	1,402.8
Money market instruments	**4,124.6**	2,809.8	**2,918.0**	2,215.7
Cash and cash equivalents	**7,999.7**	5,996.6	**5,579.1**	3,618.5

29. CASH AND CASH EQUIVALENTS (cont'd)

The deposits of the Group and the Company have an average maturity period of 4 months (2017: 2 months). Bank balances of the Group and the Company are deposits held at call.

Investment in money market instruments comprises money market deposits. The money market instruments of the Group and the Company have maturity periods ranging between overnight and 6 months (2017: overnight and 3 months).

Restricted cash relates to funds under the control of the Group placed with licensed banks and third parties which will be utilised for certain qualified expenses. The funds are transferred from these accounts to the Group and third parties upon obtaining certain approval.

30. SHARE CAPITAL

	Company			
	No. of ordinary shares (in million)		**Amount**	
	2018	2017	**2018**	2017
Authorised:				
Ordinary shares				
At 1 January	**-**	8,000.0	**-**	800.0
Effects of transition to no authorised share capital regime on 31 January 2017 under the Companies Act 2016	**-**	(8,000.0)	**-**	(800.0)
At 31 December	**-**	-	**-**	-
Issued and fully paid:				
Ordinary shares				
At 1 January	**5,938.0**	5,938.0	**1,764.5**	593.8
Transfer of share premium	**-**	-	**-**	1,170.7
At 31 December	**5,938.0**	5,938.0	**1,764.5**	1,764.5

The Companies Act 2016 ("the Act") which came into effect on 31 January 2017, abolished the concepts of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM1,170.7 million in the previous financial year became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act.

There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

31. RESERVES

	Group		**Company**	
	2018	2017 (restated)	**2018**	2017
Reserve on exchange differences	**1,537.4**	1,445.3	**-**	-
Cash flow hedges reserve	**(2.5)**	-	**-**	-
Fair value reserve	**(30.7)**	-	**-**	-
Employee Share Scheme ("ESS") reserve (Note (i))	**78.9**	76.0	**78.9**	76.0
Retained earnings	**15,872.2**	16,970.7	**16,732.8**	16,442.3
	17,455.3	18,492.0	**16,811.7**	16,518.3

Note (i)
The ESS reserve relates to the performance-based Employee Share Scheme of the Company, as disclosed in Note 33. This reserve is made up of the estimated fair value of the shares granted based on the cumulative services received from executive directors and employees over the vesting period.

32. TREASURY SHARES

At the Annual General Meeting of the Company held on 5 June 2018, the shareholders of the Company approved the renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

During the current financial year, the Company has purchased a total of 21.6 million ordinary shares of its issued share capital from the open market. The total consideration paid for the purchase, including transaction costs, was RM111.4 million and was financed by internally generated funds. The purchased shares are held as treasury shares in accordance with the provisions of Section 127(4) of the Companies Act 2016. There is no cancellation, resale or reissuance of treasury shares during the financial year.

During the current financial year, 6.8 million (2017: Nil) treasury shares amounting to RM23.6 million have been transferred to the Eligible Employees under the Employee Share Scheme pursuant to Section 127(7)(c) of the Companies Act 2016.

As at 31 December 2018, of the total 5,938,044,648 (2017: 5,938,044,648) issued and fully paid ordinary shares, 284,377,385 (2017: 269,607,400) are held as treasury shares by the Company. As at 31 December 2018, the number of outstanding ordinary shares in issue after the set off is therefore 5,653,667,263 (2017: 5,668,437,248) ordinary shares.

32. TREASURY SHARES (cont'd)

Details of the shares purchased were as follows:

Company **2018**	**Total shares purchased million**	**Total consideration paid RM million**	**Highest Price RM**	**Lowest Price RM**	**Average Price* RM**
At 1 January	**269.6**	**911.3**			**3.38**
Shares purchased during the financial year					
January	**4.4**	**24.0**	**5.60**	**5.45**	**5.51**
February	**5.2**	**27.8**	**5.48**	**5.19**	**5.36**
March	**7.0**	**36.9**	**5.40**	**5.10**	**5.26**
June	**2.0**	**9.8**	**4.95**	**4.81**	**4.89**
October	**3.0**	**12.9**	**4.50**	**4.30**	**4.40**
	21.6	**111.4**			
Shares vested under ESS	**(6.8)**	**(23.6)**	**5.55**	**3.24**	**3.48**
At 31 December	**284.4**	**999.1**			**3.51**

* Average price includes stamp duty, brokerage and clearing fees.

33. SHARES HELD FOR EMPLOYEE SHARE SCHEME ("ESS")

On 26 February 2015, the Company established and implemented an Employee Share Scheme ("2015 ESS" or the "2015 Scheme") which would be in force for a period of 6 years. Under the 2015 Scheme, ordinary shares in the Company are awarded to the eligible employees and executive directors of the Company and its subsidiaries (other than subsidiaries which are dormant or incorporated outside Malaysia) ("Eligible Employees") without any consideration payable by them subject to them fulfilling certain vesting conditions ("2015 Scheme Shares").

The 2015 Scheme comprises performance share plan ("PSP") and restricted share plan ("RSP").

The salient features of the 2015 Scheme are as follows:

a. The Remuneration Committee (appointed by the Board of Directors to administer the 2015 Scheme) will have the discretion in administering the 2015 Scheme, including determining the number of 2015 Scheme Shares to be allocated in each grant and prescribing the vesting conditions. The Remuneration Committee may, at any time and from time to time during the duration of the Scheme, make one or more offers to the Eligible Employees

b. To facilitate the implementation of the 2015 Scheme, a Trust to be administered in accordance with the Trust Deed by the Trustee appointed by the Company ("Trust") was established. For the purpose of procuring shares to be made available under the 2015 Scheme (following the implementation of the Companies Act 2016 and the consequential amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements), the Company may either procure the acquisition of existing shares by the Trust to be administered by the Trustee in accordance with the Trust Deed ("Trust Shares") and/or transfer any of the treasury shares held by it pursuant to Section 127 of the Companies Act 2016. For the purposes of the Trust Shares, the Trustee shall acquire the necessary number of shares from the open market and transfer the shares to the Eligible Employees at such times as the Remuneration Committee shall direct. The Trustee will receive funds from the Company and/or its subsidiaries for purposes of administering the Trust.

c. The maximum number of 2015 Scheme Shares which may be made available under the 2015 Scheme shall not exceed 3% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) at any point of time during the duration of the 2015 Scheme ("Maximum Scheme Shares Available").

d. The allocation to an Eligible Employee who, either singly or collectively through persons connected with the Eligible Employees, holds 20% or more of the issued and paid-up ordinary share capital of the Company (excluding treasury shares), shall not exceed 10% of the Maximum Scheme Shares Available.

e. The 2015 Scheme Shares to be transferred to the Eligible Employees pursuant to the 2015 Scheme upon vesting thereof shall rank equally in all respects with the then existing issued ordinary shares of the Company. The Eligible Employees shall not be entitled to any dividend, right, allotment, entitlement and/or any other distribution attached to the 2015 Scheme Shares prior to the date on which the 2015 Scheme Shares are credited into the Eligible Employees' respective Central Depository System Accounts.

33. SHARES HELD FOR EMPLOYEE SHARE SCHEME ("ESS") (cont'd)

The salient features of the 2015 Scheme are as follows: (cont'd)

f. The 2015 Scheme Shares granted will be vested to the Eligible Employees, on their respective vesting dates, provided the vesting conditions and performance targets ("Vesting Conditions") as stipulated by the Remuneration Committee have been met.

g. The vesting of the 2015 Scheme Shares may also be settled by way of cash at the absolute discretion of the Remuneration Committee. In the case of settlement by way of cash, the value of the Scheme Shares vested will be determined based on the volume weighted average market price of the shares for the 5 market days immediately preceding the vesting date.

On 27 February 2018, the Company established and implemented a new Employee Share Scheme ("2018 ESS" or the "2018 Scheme"). Similar to the 2015 Scheme, the 2018 Scheme comprises a performance share plan ("PSP") and a restricted share plan ("RSP") and would be in force for a period of 6 years. Akin the 2015 Scheme, eligible employees and executive directors of the Company and its subsidiaries (other than subsidiaries which are dormant or incorporated outside Malaysia) will be awarded ordinary shares in the Company without any consideration payable by them subject to them fulfilling certain vesting conditions ("2018 Scheme Shares").

The salient features of the 2018 Scheme mirror the 2015 Scheme features as stipulated above, except for item (b) above, whereby a Trust (to be administered by a Trustee appointed by the Company) is no longer required to facilitate the implementation of the 2018 Scheme.

For the purposes of procuring the 2018 Scheme Shares to be made available under the 2018 Scheme, the Company shall transfer any of the treasury shares held by it pursuant to Section 127 of the Companies Act 2016 and/or acquire the necessary number of shares from the open market and transfer the shares to the Eligible Employees at such times as the Remuneration Committee shall direct, in accordance to the Companies Act 2016 and Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The movement of the Scheme Shares granted under the Scheme during the financial year is as follows:

		Ordinary shares				
	Fair value at grant date RM	**At 1 January 2018 '000**	**Granted '000**	**Vested '000**	**Lapsed '000**	**At 31 December 2018 '000**
2018 Grant:						
PSP (Note (i))	**5.05**	**-**	**9,683.2**	**-**	**(1,398.7)***	**8,284.5**
RSP (Note (ii))	**4.95**	**-**	**2,629.3**	**-**	**(10.2)**	**2,619.1**
2017 Grant:						
PSP (Note (iii))	**5.27**	**3,840.1**	**-**	**(1,172.7)**	**(331.5)**	**2,335.9**
RSP (Note (iv))	**5.20**	**3,816.0**	**-**	**-**	**(40.7)**	**3,775.3**
2016 Grant:						
PSP (Note (v))	**4.19**	**6,205.2**	**-**	**(3,098.8)**	**(12.0)**	**3,094.4**
RSP (Note (vi))	**4.16**	**5,174.5**	**-**	**-**	**(41.6)**	**5,132.9**
2015 Grant:						
PSP (Note (vii))	**3.93**	**2,807.3**	**-**	**(2,806.0)**	**(1.3)**	**-**
RSP (Note (viii))	**3.87**	**5,112.9**	**-**	**(5,024.7)**	**(88.2)**	**-**
		26,956.0	**12,312.5**	**(12,102.2)**	**(1,924.2)**	**25,242.1**

* Includes 1,361,208 Scheme Shares that have lapsed as certain Vesting Conditions have not been met.

33. SHARES HELD FOR EMPLOYEE SHARE SCHEME ("ESS") (cont'd)

The movement of the Scheme Shares granted under the Scheme during the financial year is as follows (cont'd):

		Ordinary shares				
	Fair value at grant date RM	At 1 January 2017 '000	Granted '000	Vested '000	Lapsed '000	At 31 December 2017 '000
2017 Grant:						
PSP (Note (iii))	5.27	-	5,008.3	-	(1,168.2)*	3,840.1
RSP (Note (iv))	5.20	-	3,829.5	-	(13.5)	3,816.0
2016 Grant:						
PSP (Note (v))	4.19	9,622.1	-	(3,104.6)	(312.3)	6,205.2
RSP (Note (vi))	4.16	5,195.2	-	-	(20.7)	5,174.5
2015 Grant:						
PSP (Note (vii))	3.93	5,630.5	-	(2,809.8)	(13.4)	2,807.3
RSP (Note (viii))	3.87	5,133.6	-	-	(20.7)	5,112.9
		25,581.4	8,837.8	(5,914.4)	(1,548.8)	26,956.0

* Includes 1,159,996 Scheme Shares that have lapsed as certain Vesting Conditions have not been met.

Note (i)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under PSP shall be vested equally over three instalments on a market day falling in March 2019, March 2020 and March 2021.

Note (ii)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under RSP shall be vested on a market day falling in March 2021.

Note (iii)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under PSP shall be vested equally over three instalments on a market day falling in March 2018, March 2019 and March 2020. The first vesting was on 16 March 2018.

Note (iv)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under RSP shall be vested on a market day falling in March 2020.

Note (v)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under PSP shall be vested equally over three instalments on a market day falling in March 2017, March 2018 and March 2019. The first and second vesting were on 16 March 2017 and 16 March 2018 respectively.

Note (vi)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under RSP shall be vested on a market day falling in March 2019.

Note (vii)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under PSP shall be vested equally over three instalments on a market day falling in March 2016, March 2017 and March 2018. The 2015 Grant has been fully vested as at 31 December 2018.

Note (viii)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under RSP shall be vested on a market day falling in March 2018.The 2015 Grant has been fully vested as at 31 December 2018.

33. SHARES HELD FOR EMPLOYEE SHARE SCHEME ("ESS") (cont'd)

During the financial year ended 31 December 2018, 5,322,200 shares (2017: 5,914,400 shares) have been vested and transferred from the Trustee to the Eligible Employees of the Company and its subsidiaries in accordance with the terms under the Scheme. As at 31 December 2018, the Trustee no longer holds any Scheme Shares. As at 31 December 2017, the Trustee held 5,322,200 amounting to RM21.7 million ordinary shares representing 0.09% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company.

The fair value of the Scheme Shares granted during the financial year was estimated using a Monte Carlo Simulation model, taking into account the terms and conditions under which the Scheme Shares were granted. The key assumptions used in the model are as follows:

	PSP				**RSP**			
	2018 Grant	2017 Grant	2016 Grant	2015 Grant	**2018 Grant**	2017 Grant	2016 Grant	2015 Grant
Closing market price at grant date (RM)	**5.24**	5.42	4.28	4.07	**5.24**	5.42	4.28	4.07
Expected volatility (%)	**17.25**	14.17	12.10	11.73	**17.25**	14.17	12.10	11.73
Expected dividend yield (%)	**1.95**	1.70	1.48	1.70	**1.95**	1.70	1.48	1.70
Risk free rate (%)	**3.11 – 3.40**	3.34 – 3.65	2.81 – 3.28	3.18 – 3.48	**3.40**	3.65	3.28	3.48

34. OTHER LONG TERM LIABILITIES

	Group	
	2018	2017 (restated)
Contract liabilities:		
Advance membership fees (Note 39)	**15.3**	17.9
Other long-term liabilities:		
Provision for onerous leases (Note (i))	**14.8**	17.7
Government grant (Note (ii))	**64.4**	34.5
	94.5	70.1

Note (i)
The movements of the provision for onerous leases are as follows:

	Group	
	2018	2017
At 1 January	**21.0**	115.8
Charged /(credited) to profit or loss	**0.4**	(0.3)
Unwinding of discount	**0.5**	0.4
Paid during the financial year	**(4.0)**	(94.8)
Exchange differences	**(0.6)**	(0.1)
At 31 December	**17.3**	21.0
Analysed as follows:		
Current (Note 37)	**2.5**	3.3
Non-current	**14.8**	17.7
	17.3	21.0

The provision for onerous leases primarily relates to properties which are no longer used for trading. The provision is net of estimated rental income from sub-letting the properties. The leases expire at dates ranging over many years. The costs have been discounted at a rate of 3.0% (2017: 2.5%).

Note (ii)
Government grant received in relation to the construction of certain properties in the US. The government grant is to be recognised in profit or loss over the useful lives of the assets when the assets are completed.

35. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2018	2017	**2018**	2017
Deferred tax assets:				
- subject to income tax	**250.2**	39.3	**-**	-
	250.2	39.3	**-**	-
Deferred tax liabilities:				
- subject to income tax	**(763.4)**	(707.4)	**(292.5)**	(234.9)
- subject to Real Property Gain Tax ("RPGT")	**(17.7)**	(8.9)	**-**	-
	(781.1)	(716.3)	**(292.5)**	(234.9)
Net deferred tax liabilities	**(530.9)**	(677.0)	**(292.5)**	(234.9)
At 1 January	**(677.0)**	(551.4)	**(234.9)**	(162.4)
(Charged)/credited to profit or loss (Note 12):				
- Property, plant and equipment, investment properties and intangible assets	**(230.6)**	(65.0)	**(61.8)**	(91.6)
- Land held for property development	**(8.8)**	-	**-**	-
- Provisions	**254.7**	16.3	**3.3**	16.0
- Unutilised tax losses	**77.1**	(78.9)	**-**	-
- Others	**32.6**	2.3	**0.9**	3.1
	125.0	(125.3)	**(57.6)**	(72.5)
Credited/(charged) to other comprehensive income:				
- Retirement benefit	**2.2**	(1.2)	**-**	-
Transfer to liabilities classified as held for sale (Note 27)	**0.1**	3.9	**-**	-
Exchange differences	**18.8**	(3.0)	**-**	-
At 31 December	**(530.9)**	(677.0)	**(292.5)**	(234.9)
Subject to income tax/RPGT:				
(i) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**19.3**	20.9	**-**	-
- Provisions	**330.2**	66.2	**64.7**	61.4
- Unutilised tax losses	**101.4**	21.1	**-**	-
- Others	**47.1**	13.5	**12.1**	11.2
	498.0	121.7	**76.8**	72.6
- Offsetting	**(247.8)**	(82.4)	**(76.8)**	(72.6)
Deferred tax assets (after offsetting)	**250.2**	39.3	**-**	-
(ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment, investment properties and intangible assets	**(1,026.9)**	(796.7)	**(369.3)**	(307.5)
- Others	**(2.0)**	(2.0)	**-**	-
	(1,028.9)	(798.7)	**(369.3)**	(307.5)
- Offsetting	**247.8**	82.4	**76.8**	72.6
Deferred tax liabilities (after offsetting)	**(781.1)**	(716.3)	**(292.5)**	(234.9)

35. DEFERRED TAXATION (Cont'd)

The amount of unutilised tax losses and deductible temporary differences (all of which have no expiry date) for which no deferred tax asset is recognised in the Group's statement of financial position are as follows:

	Group	
	2018	2017
Unutilised tax losses	**145.9**	119.6
Property, plant and equipment	**63.0**	58.6
Provisions	**12.4**	13.3
	221.3	191.5

With regards to MFRS 112 "Income Taxes", the Group will continue to recognise in profit or loss on the tax credits arising from the Group's unutilised Investment Tax Allowance of RM1,020.8 million (2017: RM1,024.5 million) and unutilised customised incentive granted under the East Coast Economic Region of RM823.6 million (2017: RM1,613.9million) as and when they are utilised.

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses with no expiry period amounting to RM141.5 million as at 31 December 2018 will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from year of assessments 2019 to 2025).

As at 31 December 2018, the deferred tax assets of the Group includes an amount of RM97.1 million which relates to the carried forward tax losses of certain subsidiaries in United States of America. These tax losses will expire in Year 2037. The Group has concluded that it is probable that the tax losses can be utilised against future taxable profits of the US subsidiaries.

36. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2018	2017	**2018**	2017
At 1 January	**239.7**	202.8	**227.2**	189.3
Charged to profit or loss (Note 10)	**19.4**	40.2	**18.4**	32.7
Paid during the financial year	**(2.9)**	(2.9)	**(2.3)**	(2.4)
Transfer from subsidiaries	**-**	-	**-**	7.6
Disposal of a subsidiary	**-**	(0.4)	**-**	-
At 31 December	**256.2**	239.7	**243.3**	227.2
Analysed as follows:				
Current (Note 37)	**58.1**	44.2	**53.4**	40.8
Non-current	**198.1**	195.5	**189.9**	186.4
	256.2	239.7	**243.3**	227.2

Refer to item (c) of Employee Benefits under Note 3 – Significant Accounting Policies for details of the Retirement Gratuities scheme.

37. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017 (Restated)	**2018**	2017
Trade payables	**512.1**	476.4	**60.5**	40.4
Accruals	**1,301.5**	1,324.5	**970.9**	964.4
Deposits	**25.3**	23.1	**3.7**	3.9
Other payables	**803.2**	695.9	**499.4**	421.3
Contract liabilities (Note 39)	**33.8**	24.2	**10.0**	2.6
Provision for onerous leases (Note 34)	**2.5**	3.3	**-**	-
Provision for retirement gratuities (Note 36)	**58.1**	44.2	**53.4**	40.8
	2,736.5	2,591.6	**1,597.9**	1,473.4

Included in other payables of the Group and the Company are amounts payable to contractors for project related costs of RM354.6 million and RM349.4 million respectively (2017: RM328.5 million and RM322.9 million).

38. BORROWINGS

	Group		Company	
	2018	2017 (Restated)	**2018**	2017
Current				
Secured:				
Term loan – United States Dollars (Note (i))	**54.8**	-	**-**	-
Term loan – Pound Sterling (Note (ii))	**133.8**	81.6	**-**	-
Unsecured:				
Revolving credit facility – Pound Sterling	**-**	229.5	**-**	-
Revolving credit facility – United States Dollars	**151.6**	-	**151.6**	-
Medium term notes (Note (iii))	**137.4**	72.5	**-**	-
	477.6	383.6	**151.6**	-
Non-current				
Secured:				
Term loan – United States Dollars (Note (i))	**1,124.8**	1,136.9	**-**	-
Term loan and revolving credit facility – Pound Sterling (Note (ii))	**500.1**	458.8	**-**	-
Unsecured:				
Term loan – United States Dollars	**64.9**	-	**64.9**	-
Medium term notes	**7,592.9**	4,995.1	**-**	-
	9,282.7	6,590.8	**64.9**	-
Total	**9,760.3**	6,974.4	**216.5**	-

Note (i)
The borrowings denominated in United States Dollars are secured against the Group's licences with definite lives (United States of America) of RM2,321.4 million (2017: RM2,362.6 million).

Note (ii)
The term loan denominated in Pound Sterling is secured against certain property, plant and equipment and investment properties of the Group's casino business in UK amounting to RM669.2 million and RM179.2 million (2017: RM693.1 million and RM185.8 million) respectively.

Note (iii)
On 24 August 2015, GENM Capital Berhad ("GENM Capital") issued RM1.1 billion nominal amount of 5-year medium term notes ("MTN") at coupon rate of 4.5% per annum and RM1.3 billion nominal amount of 10-year MTN at coupon rate of 4.9% per annum under its MTN Programme.

On 31 March 2017, GENM Capital further issued RM1.25 billion nominal amount of 5-year MTN at coupon rate of 4.78% per annum, RM1.1 billion nominal amount of 10-year MTN at coupon rate of 4.98% per annum and RM0.25 billion nominal amount of 15-year MTN at coupon rate of 5.20% per annum under its MTN Programme.

On 11 July 2018, GENM Capital further issued RM1.4 billion nominal amount of 5-year MTN at coupon rate of 4.98% per annum, RM0.75 billion nominal amount of 10-year MTN at coupon rate of 5.30% per annum and RM0.45 billion nominal amount of 15-year MTN at coupon rate of 5.58% per annum under its MTN Programme.

The MTN Programme is guaranteed by the Company and its coupon is payable semi-annually. The net proceeds from the MTN Programme shall be utilised for operating expenses, capital expenditure, and/or working capital requirements of the Company including to finance the development and/or re-development of the properties of the Company located in Genting Highlands, Pahang, Malaysia.

The fair value of MTN as at 31 December 2018 was RM7,698.8 million (2017: RM5,015.7 million). The fair value is determined by reference to prices from observable current market transactions for similar medium term notes at the reporting date and is within Level 2 of the fair value hierarchy.

The above borrowings (excluding MTN) bear an effective annual interest rate of 1.7% to 3.7% (2017: 1.4% to 3.1%) per annum.

38. BORROWINGS (cont'd)

The maturity profile and exposure of borrowings of the Group as at 31 December 2018 is as follows:

	Floating interest rates	Fixed interest rates	Total
At 31 December 2018:			
Less than one year	**340.2**	**137.4**	**477.6**
Between 1 and 2 years	**253.8**	**1,097.2**	**1,351.0**
Between 2 and 5 years	**1,436.0**	**2,647.3**	**4,083.3**
More than 5 years	**-**	**3,848.4**	**3,848.4**
	2,030.0	**7,730.3**	**9,760.3**
At 31 December 2017 (Restated):			
Less than one year	311.1	72.5	383.6
Between 1 and 2 years	148.4	-	148.4
Between 2 and 5 years	1,447.3	2,346.3	3,793.6
More than 5 years	-	2,648.8	2,648.8
	1,906.8	5,067.6	6,974.4

The maturity profile and exposure of borrowings of the Company as at 31 December 2018 is as follows:

	Floating interest rates
At 31 December 2018:	
Less than one year	**151.6**
Between 2 and 5 years	**64.9**
	216.5

39. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group		Company	
	2018	2017 (Restated)	**2018**	2017 (Restated)
Contract assets				
Accrued income (Note (i))	**3.2**	2.3	**115.8**	129.3
Current (Note 25)	**3.2**	2.3	**115.8**	129.3
Contract liabilities				
Advance membership fees (Note (ii))	**17.2**	19.9	**-**	-
Customer deposits (Note (iii))	**31.9**	22.2	**10.0**	2.6
	49.1	42.1	**10.0**	2.6
Non-current (Note 34)	**15.3**	17.9	**-**	-
Current (Note 37)	**33.8**	24.2	**10.0**	2.6
	49.1	42.1	**10.0**	2.6

Note (i)
Included in accrued income of the Company is the timing differences in revenue recognition and milestone billings in respect of the construction of infrastructure facilities for its subsidiaries.

Note (ii)
Advance membership fees relates to fees received on sale of timeshare units by a subsidiary offering a timeshare ownership scheme. These fees are recognised as income on a straight-line basis over the tenure of the membership offered of twenty five years.

39. CONTRACT ASSETS AND CONTRACT LIABILITIES (cont'd)

Note (iii)
Customer deposits represent advance payment by customers for future booking of hotel room, food and beverages, transportation and other services provided by the Group or the Company.

The Group and Company applied the practical expedient in MFRS 15 "Revenue from Contracts with Customers" for not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

The aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations in respect of timeshare membership amounting to RM17.2 million. The Group expects to recognise these amounts as revenue over the next 15 years.

Significant changes in contract balances during the financial year are as follows:

	Group		**Company**	
	2018	2017	**2018**	2017
Contract assets				
At 1 January	**2.3**	1.5	**129.3**	168.9
Revenue/income recognised during the financial year	**3.2**	2.3	**41.7**	81.8
Transfer to receivables	**(2.3)**	(1.5)	**(55.2)**	(121.4)
At 31 December	**3.2**	2.3	**115.8**	129.3
Contract liabilities				
At 1 January	**42.1**	42.4	**2.6**	3.0
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(24.9)**	(22.5)	**(2.6)**	(3.0)
Increases due to cash received, excluding amounts recognised as revenue during the year	**31.9**	22.2	**10.0**	2.6
At 31 December	**49.1**	42.1	**10.0**	2.6

40. ADOPTION OF MFRS 9 AND MFRS 15 AND RECLASSIFICATIONS OF COMPARATIVES

(a) Adoption of MFRS 9 "Financial Instruments"

MFRS 9 replaces MFRS 139 and amends the previous requirements in three main areas: (a) classification and measurement of financial assets; (b) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model; and (c) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. The impact of MFRS 9 adoption are described below:

(i) Classification and measurement

Under MFRS 9, financial assets are classified according to their cash flow characteristics and the business model which they are managed. The Group has categorised its financial assets as financial assets measured at amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

a) Equity investments previously classified as available-for-sale

The Group and the Company had made an irrevocable election to classify RM145.0 million and RM2.1 million respectively of equity investments previously classified as available-for-sale as financial assets at FVOCI because these investments are held as long term strategic investments and not expected to be sold in the short to medium term. Fair value changes on equity investments at FVOCI are presented in other comprehensive income ("OCI") and are not subsequently transferred to profit or loss. Upon sale of equity investments at FVOCI, the cumulative gain or loss in OCI is reclassified to retained earnings.

b) Reclassification from available-for-sale financial assets to financial assets at FVTPL

The Group and the Company's investment in income funds in Malaysian corporations of RM120.0 million that do not meet the criteria for classification either as FVOCI or at amortised cost have been classified as FVTPL.

40. ADOPTION OF MFRS 9 AND MFRS 15 AND RECLASSIFICATIONS OF COMPARATIVES (cont'd)

(a) Adoption of MFRS 9 "Financial Instruments" (cont'd)

(i) Classification and measurement (cont'd)

b) Reclassification from available-for-sale financial assets to financial assets at FVTPL (cont'd)

The other financial assets held by the Group include:
- a quoted equity investment currently measured at FVTPL will continue to be measured on the same basis under MFRS 9; and
- debt instruments currently classified as loans and receivables and measured at amortised cost meet the conditions to be classified at amortised cost under MFRS 9.

There is no impact on the Group's accounting for financial liabilities as the new requirements only affect financial liabilities that are designated at fair value through profit or loss and the Group does not have such liabilities.

(ii) Impairment of financial assets

MFRS 9 changes the recognition of impairment provision for financial assets by introducing an expected credit loss model. Upon the adoption of MFRS 9, the Group has revised its impairment methodology which depends on whether there has been a significant increase in credit risk. The Group assesses possible increase in credit risk for financial assets at amortised cost, contract assets and lease receivables at the end of each reporting period. The impairment provision is estimated at an amount equal to a 12 months expected credit loss at the current reporting date if there has not been a significant increase in a credit risk. Based on the assessments performed, there are no significant impact to the loss allowance recognised to the Group and the Company.

(iii) Hedge accounting

The new hedge accounting guidance in MFRS 9 aligns the hedge accounting treatment more closely with the Group's risk management practices. The Group has applied the new hedge accounting requirements prospectively. The adoption of the new accounting requirements did not have any material impact on the reporting period.

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application of MFRS 9.

(b) Adoption of MFRS 15 "Revenue from Contracts with Customers"

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contracts with customer. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group has also elected the following practical expedients upon the adoption of MFRS 15:

(i) completed contracts that began and ended in the same comparative reporting period as well as completed contracts as at date of transition, are not restated; and
(ii) for all reporting periods presented before the 1 January 2018, the amount of transaction price allocated to remaining performance obligations and an explanation of when the Group expects to recognise the amount as revenue are not disclosed.

The Group has adopted MFRS 15 from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in MFRS 15, the Group has adopted the new rules retrospectively and has restated comparatives for the financial year ended 31 December 2017.

The Group's adjustment on the adoption of MFRS 15 is in relation to the effect of changes to the timing of revenue recognition for the timeshare membership fees. Accordingly, the Group has deferred the advance membership fee with the corresponding debit to retained earnings.

The Group has also changed the presentation of certain amounts in trade and other receivables and trade and other payables as at 31 December 2017 on adoption of MFRS 15. Contract assets were previously presented as "other receivables". Contract liabilities were previously presented as "trade payables", "accruals" and "advance membership fees". The details of contract assets and contract liabilities are set out in Note 39.

(c) Changes to Comparative – Reclassification

(i) Income Statements

During the financial year, the Group and the Company have reclassified the foreign exchange gains/(losses) and fair value changes of financial instruments from other income and other expenses to other gains/(losses) to better reflect the nature and substance of the transactions. The comparatives were restated to conform with the current year's presentation. See Note 8 on other gains/(losses).

40. ADOPTION OF MFRS 9 AND MFRS 15 AND RECLASSIFICATIONS OF COMPARATIVES (cont'd)

(c) Changes to Comparative – Reclassification (cont'd)

(ii) Statements of Financial Position

The Group had reclassified interest payable amounting to RM74.1 million and RM44.3 million as at 31 December 2017 and 1 January 2017 respectively from trade and other payables to short term borrowings to conform with the current year's presentation.

(d) The effects of the Group's adoption of MFRS 9 and MFRS 15 and reclassifications of comparatives

	As previously stated	Effects of adoption of MFRS 15	Reclassifications	As restated
Income Statements				
Group				
Financial year ended 31 December 2017				
Revenue	9,328.7	1.6	-	9,330.3
Other income	545.2	-	(7.7)	537.5
Administration expenses	(722.0)	-	0.6	(721.4)
Other expenses	(288.0)	-	121.5	(166.5)
Other gains/(losses)	-	-	(114.4)	(114.4)
Profit before taxation	1,318.2	1.6	-	1,319.8
Profit for the financial year	1,071.0	1.6	-	1,072.6
Profit attributable to:				
Equity holders of the Company	1,159.7	1.6	-	1,161.3
Non-controlling interests	(88.7)	-	-	(88.7)
Earnings per share (sen):				
- Basic	20.48	0.03	-	20.51
- Diluted	20.42	0.03	-	20.45
Company				
Financial year ended 31 December 2017				
Other income	165.0	-	(7.5)	157.5
Other expenses	(166.1)	-	36.1	(130.0)
Other gains/(losses)	-	-	(28.6)	(28.6)

	As previously stated	Effects of adoption of MFRS 15	As restated
Statements of Comprehensive Income			
Group			
Financial year ended 31 December 2017			
Profit for the financial year	1,071.0	1.6	1,072.6
Total comprehensive income for the financial year	340.5	1.6	342.1
Total comprehensive income attributable to:			
Equity holders of the Company	414.1	1.6	415.7
Non-controlling interests	(73.6)	-	(73.6)
Statement of Cash Flows			
Group			
Financial year ended 31 December 2017			
Cash flows from operating activities			
Profit before taxation			
Working capital changes:	1,318.2	1.6	1,319.8
- Payables	104.2	(1.6)	102.6

40. ADOPTION OF MFRS 9 AND MFRS 15 AND RECLASSIFICATIONS OF COMPARATIVES (cont'd)

(d) The effects of the Group's adoption of MFRS 9 and MFRS 15 and reclassifications of comparatives (cont'd)

	As previously stated	Effects of adoption of MFRS 15	Reclassifications	31 December 2017 as restated	Effects of adoption of MFRS 9	1 January 2018
Statement of Financial Position						
Group						
As at 31 December 2017 / 1 January 2018						
Non-current assets						
Available-for-sale financial assets	145.0	-	-	145.0	(145.0)	-
Financial assets at fair value through other comprehensive income	-	-	-	-	145.0	145.0
Current assets						
Available-for-sale financial assets	120.0	-	-	120.0	(120.0)	-
Financial assets at fair value through profit or loss	7.4	-	-	7.4	120.0	127.4
Equity						
Retained earnings	16,982.2	(11.5)	-	16,970.7	-	16,970.7
Non-current liabilities						
Other long term liabilities	59.7	10.4	-	70.1	-	70.1
Current liabilities						
Trade and other payables	2,664.6	1.1	(74.1)	2,591.6	-	2,591.6
Short term borrowings	309.5	-	74.1	383.6	-	383.6
Company						
As at 31 December 2017 / 1 January 2018						
Non-current assets						
Available-for-sale financial assets	2.1	-	-	2.1	(2.1)	-
Financial assets at fair value through other comprehensive income	-	-	-	-	2.1	2.1
Current assets						
Available-for-sale financial assets	120.0	-	-	120.0	(120.0)	-
Financial assets at fair value through profit or loss	-	-	-	-	120.0	120.0

40. ADOPTION OF MFRS 9 AND MFRS 15 AND RECLASSIFICATIONS OF COMPARATIVES (cont'd)

(d) The effects of the Group's adoption of MFRS 9 and MFRS 15 and reclassifications of comparatives (cont'd)

	As previously stated	Effects of adoption of MFRS 15	Reclassifications	1 January 2017 as restated
Statement of Financial Position				
Group				
As at 1 January 2017				
Equity				
Retained earnings	16,808.1	(13.1)	-	16,795.0
Non-current liabilities				
Other long term liabilities	31.6	11.9	-	43.5
Current liabilities				
Trade and other payables	2,738.5	1.2	(44.3)	2,695.4
Short term borrowings	1,103.4	-	44.3	1,147.7

The adoption of MFRS 15 did not have any impact on the statement of financial position of the Company.

41. COMMITMENTS

(a) Capital Commitments

	Group		Company	
	2018	2017	**2018**	2017
Authorised capital expenditure not provided for in the financial statements:				
- contracted	**1,490.6**	1,775.0	**1,184.0**	1,660.3
- not contracted	**4,248.4**	6,192.1	**1,817.4**	2,554.6
	5,739.0	7,967.1	**3,001.4**	4,214.9
Analysed as follows:				
- property, plant and equipment	**5,739.0**	7,967.1	**3,001.4**	4,214.9

(b) Operating Lease Commitments

The future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group	
	2018	2017
Not later than 1 year	**103.6**	115.2
Later than 1 year but not later than 5 years	**145.9**	216.6
Later than 5 years	**318.7**	356.4
	568.2	688.2

The operating lease commitments relate to future rentals payable on land and buildings of casinos and rental of gaming machines and general equipment within the casinos in the UK.

Casino land and buildings leases are typically between 25 and 35 years, however leases range from 10 to 55 years. Other leases are typically 3 years. The agreements are not terminated automatically after expiry of the lease term. In certain cases, lease extension options have been agreed upon, whilst in other cases there will be an opportunity to negotiate lease extensions with the lessor.

42. SIGNIFICANT NON-CASH TRANSACTIONS

(a) The Company redeemed preference shares in certain subsidiaries in settlement of amounts owing by the Company. The details of the redemption of preference shares are as follows:

		Company	
	Redemption of preference shares	**2018**	2017
Direct wholly-owned subsidiaries			
First World Hotels & Resorts Sdn Bhd	70,000 (2017: Nil) Convertible Non-Cumulative Redeemable preference shares	**70.0**	-
Genting CSR Sdn Bhd	6,000 (2017: Nil) Redeemable Convertible Non-Cumulative preference shares	**6.0**	-
Orient Wonder International Limited	13,000 (2017: Nil) Convertible Non-Cumulative Redeemable preference shares	**43.0**	-

(b) The Company subscribed for additional preference shares in certain subsidiaries in settlement of amounts owing to the Company. The details of the significant subscription of additional preference shares are as follows:

		Company	
	Subscription of preference shares	**2018**	2017
Direct wholly-owned subsidiaries			
Gentinggi Sdn Bhd	4,459 (2017: 4,427) Redeemable Convertible Non-Cumulative preference shares	**4.4**	4.4
Resorts World Tours Sdn Bhd	6,365 (2017: Nil) Redeemable Convertible Non-Cumulative preference shares	**6.4**	-
Genting Worldwide Limited	51,000 (2017: Nil) Redeemable Convertible Non-Cumulative preference shares	**209.5**	-
Awana Vacation Resorts Development Berhad	Nil (2017: 1,924 Redeemable Convertible Non-Cumulative preference shares)	**-**	1.9
Orient Wonder International Limited	Nil (2017: 21,500 Convertible NonCumulative Redeemable preference shares)	**-**	87.7

The conversion of the preference shares as disclosed in (a) and (b) shall be at such value of the preference shares to be mutually agreed between the holder of the preference shares and the issuer.

(c) The direct wholly-owned subsidiaries of the Company declared and paid interim dividend to the Company by way of offsetting amounts owing by the Company. The details of the dividends declared by the subsidiaries are as follows:

		Company	
	Declared and paid interim dividend	**2018**	2017
Direct wholly-owned subsidiaries			
Oakwood Sdn Bhd	Interim single-tier dividend of RM0.76 (2017: RM0.89) per ordinary share	**11.4**	13.4
Genting Highlands Berhad	Interim single-tier dividend of RM0.16 (2017: Nil) per ordinary share	**2.6**	-
First World Hotels & Resorts Sdn Bhd	Interim single-tier dividend of RM30.00 (2017: Nil) per ordinary share	**30.0**	-
Vestplus Sdn Bhd	Interim single-tier dividend of RM1.1 million (2017: RM1.06 million) per ordinary share	**2.2**	2.1
Leisure & Cafe Concept Sdn Bhd	Interim single-tier dividend of RM20.00 (2017: RM40.00) per ordinary share	**2.0**	4.0
Genting Centre of Excellence Sdn Bhd	Interim single-tier dividend of RM5.00 (2017: RM6.50) per ordinary share	**1.0**	1.3
Eastern Wonder Sdn Bhd	Interim single-tier dividend of RM3.20 (2017: RM8.00) per ordinary share	**0.8**	2.0
Possible Wealth Sdn Bhd	Interim single-tier dividend of RM11.5 million (2017: RM11.5 million) per ordinary share	**23.0**	23.0

42. SIGNIFICANT NON-CASH TRANSACTIONS (cont'd)

	Company	
	2018	2017
(d) Transfer of property, plant and equipment to a subsidiary.	**80.1**	-

	Group	
	2018	2017
(e) Settlement of interest income and related fees via subscription of promissory notes issued by the Tribe.	**44.9**	65.7

43. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances:

(a) The immediate and ultimate holding company of the Company is Genting Berhad ("GENT"), a company incorporated in Malaysia.

(b) The significant related party transactions of the Group during the financial year are as follows:

	Group		Company	
	2018	2017	**2018**	2017
(i) Management agreements				
• Provision of technical know-how and management expertise in the resort's operations of Genting Highlands Resort by Genting Hotel & Resorts Management Sdn Bhd, a wholly-owned subsidiary of GENT.	**499.4**	430.7	**490.9**	423.1
• Provision of technical know-how and management expertise in the resort's operations for other hotels and resorts as well as the Time Sharing Scheme for Awana Vacation Resorts Development Berhad by Awana Hotels & Resorts Management Sdn Bhd, a wholly-owned subsidiary of GENT.	**1.7**	2.0	**-**	-
(ii) Sales of goods and services				
• Air ticketing and transportation services rendered by Resorts World Tours Sdn Bhd, a wholly-owned subsidiary of the Company, to:				
• GENT and its subsidiaries.	**1.0**	0.9	**-**	-
• The Company.	**-**	-	**101.8**	105.0
• Provision of shared support services in relation to accounts payable, credit control, procurement, sales and marketing by the Company to its subsidiaries.	**-**	-	**15.3**	16.8
• Provision of management and support services by Genting New York LLC, an indirect wholly-owned subsidiary of the Company to Resorts World Las Vegas LLC, a wholly-owned subsidiary of GENT.	**3.9**	2.2	**-**	-
• Provision of information technology consultancy, development, implementation, support and maintenance by E-Genting Sdn Bhd (an indirect 50% joint venture company of GENT), Genting Information Knowledge Enterprise Sdn Bhd, Genting WorldCard Services Sdn Bhd and Acsend Solutions Sdn Bhd, (save for E-Genting Sdn Bhd which had ceased to become an indirect wholly-owned subsidiary of the Company on 31 July 2017, all others are indirect wholly-owned subsidiaries of the Company), to:				
• GENT and its subsidiaries.	**1.1**	2.5	**-**	-
• Resorts World Inc Pte Ltd ("RWI") Group. RWI is a joint venture of GENT.	**0.3**	0.3	**-**	-
• Genting Hong Kong Limited ("GENHK"), a company where certain directors of the Company have interests and its subsidiaries.	**0.5**	1.1	**-**	-
• The Company.	**-**	-	**4.6**	4.6

43. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) The significant related party transactions of the Group during the financial year are as follows (cont'd):

	Group		Company	
	2018	2017	**2018**	2017
(ii) Sales of goods and services (cont'd)				
• Provision of information technology consultancy, development, implementation, support and maintenance services by the Company to GENT and its subsidiaries.	**7.2**	5.4	**7.2**	5.4
• Provision of aviation related services by the Group to GENHK Group.	**5.4**	0.7	**-**	-
• Provision of utilities, maintenance, security and construction management services to Genting Highlands Premium Outlets Sdn Bhd, a wholly-owned subsidiary of Genting Simon Sdn Bhd ("GSSB"). GSSB is a 50% joint venture company of Genting Plantations Berhad ("GENP").	**2.1**	4.5	**-**	0.6
• Provision of shared back office and business operations support services by the Company to First World Hotels & Resorts Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**12.2**	25.6
(iii) Purchase of goods and services				
• Provision of administrative support services in relation to tax, treasury, internal audit, corporate affairs, secretarial and human resource functions by GENT.	**8.7**	8.2	**6.8**	6.3
• Provision of management and consultancy services on theme park and resort development and operations to the Company by International Resort Management Services Pte. Ltd., an entity connected with certain Directors of the Company.	**5.4**	10.0	**5.4**	10.0
• Purchase of electronic table games by the Group from RWI Group.	**3.3**	6.8	**3.3**	6.8
• Purchase of rooms by the Group from an entity connected with shareholder of BB Entertainment Ltd ("BBEL").	**-**	0.8	**-**	-
• Provision of water supply services by Bimini Bay Water Ltd., an entity connected with shareholder of BBEL to the Group.	**2.3**	3.2	**-**	-
• Provision of maintenance services by entities connected with shareholder of BBEL to the Group.	**6.8**	18.6	**-**	-
• Provision of construction services by an entity connected with shareholder of BBEL to the Group.	**58.5**	7.7	**-**	-
• Purchase of holiday package from GENHK Group	**1.4**	0.9	**-**	-
• Provision of business operation support services, by :				
• Eastern Wonder Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**9.7**	8.0
• Genting Skyway Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**6.6**	6.9
• Aliran Tunas Sdn Bhd, an indirect wholly-owned subsidiary of the Company.	**-**	-	**2.4**	-
• Provision of management and support services by First World Hotels & Resorts Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**11.1**	11.6
• Provision of management and support service fees in relation to software development by Genting Information Knowledge Enterprise Sdn Bhd, an indirect wholly-owned subsidiary of the Company.	**-**	-	**2.0**	2.9
• Provision of room, food and beverage, theme park, cinema, casino referal fees and laundry services by First World Hotels & Resorts Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**92.3**	91.4

43. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) The significant related party transactions of the Group during the financial year are as follows (cont'd):

	Group		Company	
	2018	2017	**2018**	2017
(iv) Rental and related services				
• Rental of premises and provision of connected services to Warisan Timah Holdings Sdn Bhd ("Warisan Timah"). Datuk Lim Chee Wah, a brother of Tan Sri Lim Kok Thay and an uncle of Lim Keong Hui, has deemed interest in Warisan Timah.	**2.4**	2.2	**2.0**	1.9
• Letting of office space and provision of connected services by Oakwood Sdn Bhd, a wholly-owned subsidiary of the Company, to:				
• GENT and its subsidiaries.	**6.6**	6.7	**-**	-
• RWI Group.	**0.6**	0.6	**-**	-
• The Company.	**-**	-	**6.6**	6.5
• Rental charges for office space by the Group to GENHK Group.	**6.8**	5.4	**-**	-
• Letting of premises by Genting Development Sdn Bhd ("GDSB") to the Group. The late Puan Sri Lim (nee Lee) Kim Hua, the mother of Tan Sri Lim Kok Thay and the grandmother of Lim Keong Hui, is a shareholder of GDSB. Among others, Tan Sri Lim Kok Thay and Mr Teo Eng Siong had been named as Executors and Trustees of the Estate of Puan Sri Lim (nee Lee) Kim Hua.	**0.3**	1.0	**-**	0.5
• Letting of premises by First World Hotels & Resorts Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**11.6**	18.7
• Rental of premises to First World Hotels & Resorts Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**1.7**	1.9
• Letting of a premise to Genting Highlands Premium Outlets ("GHPO") Sdn Bhd, a wholly-owned subsidiary of Genting Simon Sdn Bhd.	**-**	4.2	**-**	4.2
• Lease rental received from GHPO under the long-term finance lease arrangement.	**33.9**	-	**33.9**	-
(v) License agreement				
• Licensing fees paid to GENT Group for the use of name and accompanying logo of "Genting", "Resorts World" and "Awana".	**223.8**	206.9	**221.3**	204.5
• License fee paid to RWI for the use of "Resorts World" and "Genting" intellectual property in the US and Bahamas.	**69.6**	75.4	**-**	-
• License fee paid to Genting Intellectual Property Pte Ltd, a wholly-owned subsidiary of GENT, for the use of "Resorts World" and "Genting" intellectual property outside Malaysia	**1.0**	1.0	**-**	-
• Licensing fee for the use of gaming software charged by RWI Group to the Group.	**2.9**	2.3	**1.5**	1.2
• Licensing fee for the use of Dynamic Reporting System charged by RWI Group to the Group.	**2.1**	1.0	**1.5**	0.7
(vi) Sales and marketing arrangements				
• Provision of services as the exclusive international sales and marketing coordinator for Genting Highlands Resort by Possible Wealth Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**29.0**	30.0
• Provision of loyalty programme management services by Genting WorldCard Services Sdn Bhd, an indirect wholly-owned subsidiary of the Company.	**-**	-	**3.5**	2.3

43. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) The significant related party transactions of the Group during the financial year are as follows (cont'd):

	Group		Company	
	2018	2017	**2018**	2017
(vii) Investments				
• Progress billing to Aliran Tunas Sdn Bhd, an indirect wholly-owned subsidiary of the Company in relation to the construction of infrastructure facilities.	**-**	-	**1.0**	9.0
• Progress billing to Netyield Sdn Bhd, an indirect wholly-owned subsidiary of the Company in relation to the construction of infrastructure facilities.	**-**	-	**-**	112.4
• Progress billing to Genting Utilities & Services Sdn Bhd, a wholly-owned subsidiary of the Company in relation to the construction of infrastructure facilities.	**-**	-	**54.2**	-
• Disposal of the Group's 100% equity interest in E-Genting Sdn Bhd to RW Tech Labs Sdn Bhd, an indirect wholly-owned subsidiary of RWI.	**-**	3.0	**-**	-
• Recovery of project related expenses from GENT.	**15.0**	-	**-**	-
(viii)Borrowings				
• Interest bearing advances from GENM Capital Berhad, a wholly-owned subsidiary of the Company.	**-**	-	**2,600.0**	2,600.0
• Finance costs charged on the interest bearing advances by GENM Capital Berhad.	**-**	-	**305.2**	209.3

(c) Directors' and key management's remuneration

The remuneration of Directors and other members of key management is as follows:

	Group and Company	
	2018	2017
Wages, salaries and bonuses	**61.8**	68.2
Defined contribution plan	**10.6**	11.3
Other short term employee benefits	**0.5**	0.5
Provision for retirement gratuities	**7.3**	14.5
Employee Share Scheme	**34.9**	26.9
	115.1	121.4
Estimated monetary value of benefits-in-kind	**2.2**	2.3
	117.3	123.7

The outstanding balances as at 31 December 2018 and 2017, arising from sale/purchase of services, and payments made on behalf/receipts from the holding company, subsidiaries, related companies, joint venture and associate are disclosed in Notes 19 and 26. The outstanding balances arising from other related sales/purchases are not material as at 31 December 2018 and 2017.

44. SUBSIDIARIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
Direct Subsidiaries				
+ Ascend International Holdings Limited	**100.0**	100.0	Hong Kong, SAR	Provision of IT related services and marketing services; and investment holding
Awana Vacation Resorts Development Berhad	**100.0**	100.0	Malaysia	Proprietary time share ownership scheme
E-Genting Holdings Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Eastern Wonder Sdn Bhd	**100.0**	100.0	Malaysia	Support services
First World Hotels & Resorts Sdn Bhd	**100.0**	100.0	Malaysia	Hotel business
GENM Capital Berhad	**100.0**	100.0	Malaysia	Issuance of private debt securities
Genting Centre of Excellence Sdn Bhd	**100.0**	100.0	Malaysia	Provision of training services
Genting CSR Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Genting Entertainment Sdn Bhd	**100.0**	100.0	Malaysia	Show agent
Genting Golf Course Bhd	**100.0**	100.0	Malaysia	Condotel and hotel business, golf resort and property development
Genting Highlands Berhad	**100.0**	100.0	Malaysia	Land and property development
Genting Highlands Tours and Promotion Sdn Bhd	**100.0**	100.0	Malaysia	Letting of land and premises
Genting Project Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of project management and construction management services
Genting Skyway Sdn Bhd	**100.0**	100.0	Malaysia	Provision of cable car services and related support services
Genting Studios Sdn Bhd (formerly known as Genting Leisure Sdn Bhd)	**100.0**	100.0	Malaysia	Investment holding; and creative, arts and entertainment activities
Genting Utilities & Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of electricity supply services at Genting Highlands and investment holding
Genting Worldwide (Labuan) Limited	**100.0**	100.0	Labuan, Malaysia	Offshore financing
Genting Worldwide Limited	**100.0**	100.0	Isle of Man	Investment holding
Gentinggi Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
GHR Risk Management (Labuan) Limited	**100.0**	100.0	Labuan, Malaysia	Offshore captive insurance
Kijal Facilities Services Sdn Bhd	**100.0**	100.0	Malaysia	Letting of its apartment unit
Leisure & Cafe Concept Sdn Bhd	**100.0**	100.0	Malaysia	Karaoke business
Oakwood Sdn Bhd	**100.0**	100.0	Malaysia	Property investment and management
Orient Star International Limited	**100.0**	100.0	Bermuda	Ownership and operation of aircraft
Orient Wonder International Limited	**100.0**	100.0	Bermuda	Ownership and operation of aircraft
Possible Wealth Sdn Bhd	**100.0**	100.0	Malaysia	International sales and marketing services; and investment holding
Resorts Tavern Sdn Bhd	**100.0**	100.0	Malaysia	Land and property development
Resorts World Tours Sdn Bhd	**100.0**	100.0	Malaysia	Provision of tour and travel related services
Seraya Mayang Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Setiaseri Sdn Bhd	**100.0**	100.0	Malaysia	Letting of its apartment units
Sierra Springs Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
+ Vestplus (Hong Kong) Limited	**100.0**	100.0	Hong Kong, SAR	Payment and collection agent
Vestplus Sdn Bhd	**100.0**	100.0	Malaysia	Sale and letting of apartment units; and payment and collection agent
Genting ePay Services Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Ikhlas Tiasa Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Genting Irama Sdn Bhd	**100.0**	100.0	Malaysia	Pending striking-off
Indirect Subsidiaries				
* ABC Biscayne LLC	**100.0**	100.0	United States of America	Letting of property and provision of management services
Aliran Tunas Sdn Bhd	**100.0**	100.0	Malaysia	Provision of water services at Genting Highlands
Ascend Solutions Sdn Bhd	**100.0**	100.0	Malaysia	Provision of IT and consultancy services

44. SUBSIDIARIES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
Indirect Subsidiaries (cont'd)				
# Bayfront 2011 Development, LLC	**100.0**	100.0	United States of America	Property development
+ BB Entertainment Ltd	**78.0**	78.0	Commonwealth of The Bahamas	Owner and operator of casino and hotel
# BB Investment Holdings Ltd	**100.0**	100.0	Commonwealth of The Bahamas	Investment holding
# Bimini SuperFast Charter Limited	**100.0**	100.0	Isle of Man	Investment holding
# Bimini SuperFast Limited	**100.0**	100.0	Isle of Man	Owner of sea vessels
# Bimini SuperFast Operations LLC	**100.0**	100.0	United States of America	Provision of support services
Bromet Limited	**100.0**	100.0	Isle of Man	Investment holding
# Chelsea Court Limited	**100.0**	100.0	Isle of Man	Investment holding
+ Coastbright Limited	**100.0**	100.0	United Kingdom	Casino operator
# Digital Tree (USA) Inc	**100.0**	100.0	United States of America	Investment holding
+ Freeany Enterprises Limited	**100.0**	100.0	United Kingdom	Administrative services
Genasa Sdn Bhd	**100.0**	100.0	Malaysia	Property development, sale and letting of apartment units
Genmas Sdn Bhd	**100.0**	100.0	Malaysia	Sale and letting of land
Gensa Sdn Bhd	**100.0**	100.0	Malaysia	Sale and letting of land and property
Genting Administrative Services Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
* Genting Americas Holdings Limited	**100.0**	100.0	United Kingdom	Investment holding
+ Genting Americas Inc	**100.0**	100.0	United States of America	Investment holding
+ Genting Casinos Egypt Limited	**100.0**	100.0	United Kingdom	Casino operator
+ Genting Casinos UK Limited	**100.0**	100.0	United Kingdom	Casino and online gaming operator
Genting East Coast USA Limited	**100.0**	100.0	Isle of Man	Investment holding
# Genting Florida LLC	**100.0**	100.0	United States of America	Investment holding
Genting Information Knowledge Enterprise Sdn Bhd	**100.0**	100.0	Malaysia	Research in software development, provision of IT and consultancy services
+ Genting International Investment Properties (UK) Limited	**100.0**	100.0	United Kingdom	Property investment company
+ Genting International Investment (UK) Limited	**100.0**	100.0	United Kingdom	Investment holding
# Genting International (UK) Limited	**100.0**	100.0	United Kingdom	Investment holding
# Genting Malta Limited	**100.0**	-	Malta	Provision of gambling related consultancy services to its holding company
# Genting Massachusetts LLC	**100.0**	100.0	United States of America	Investment holding
# Genting Nevada Inc	**100.0**	100.0	United States of America	Investment holding
+ Genting New York LLC	**100.0**	100.0	United States of America	Operator of a video lottery facility
# Genting North America Holdings LLC	**100.0**	100.0	United States of America	Investment holding
+ Genting Properties (UK) Pte Ltd	**100.0**	100.0	Singapore	Property investment
+ Genting Solihull Limited	**100.0**	100.0	United Kingdom	Property investment and development, investment holding and hotel and leisure facilities operator

44. SUBSIDIARIES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
Indirect Subsidiaries (cont'd)				
+ Genting UK Plc	**100.0**	100.0	United Kingdom	Investment holding
Genting (USA) Limited	**100.0**	100.0	Isle of Man	Investment holding
Genting World Sdn Bhd	**100.0**	100.0	Malaysia	Leisure and entertainment business
Genting WorldCard Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of loyalty programme services
+ Genting Worldwide Services Limited	**100.0**	100.0	United Kingdom	Investment holding
Genting Worldwide (UK) Limited	**100.0**	100.0	Isle of Man	Investment holding
+ Golden Site Pte Ltd	**100.0**	100.0	Singapore	International sales and marketing services
# Hill Crest LLC	**100.0**	100.0	United States of America	Investment holding
Kijal Resort Sdn Bhd	**100.0**	100.0	Malaysia	Property development and property management
Lafleur Limited	**100.0**	100.0	Isle of Man	Investment holding
Lingkaran Cergas Sdn Bhd	**100.0**	100.0	Malaysia	Providing liquefied petroleum gas services at Genting Highlands
# MLG Investments Limited	**100.0**	100.0	United Kingdom	Investment holding
Nature Base Sdn Bhd	**100.0**	100.0	Malaysia	Providing collection and disposal of garbage services at Genting Highlands
Nedby Limited	**100.0**	100.0	Isle of Man	Investment holding
Netyield Sdn Bhd	**100.0**	100.0	Malaysia	Provision of sewerage services at Genting Highlands
Papago Sdn Bhd	**100.0**	100.0	Malaysia	Resort and hotel business
+ Park Lane Mews Hotel London Limited	**100.0**	100.0	United Kingdom	Hotel operator
Resorts Facilities Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of support services to the leisure and hospitality industry
* Resorts World Aviation LLC	**100.0**	100.0	United States of America	Owner and lessor of aeroplanes
Resorts World Capital Limited	**100.0**	100.0	Isle of Man	Investment holding
Resorts World Limited	**100.0**	100.0	Isle of Man	Investment holding and investment trading
* Resorts World Miami LLC	**100.0**	100.0	United States of America	Property investment
* Resorts World Omni LLC	**100.0**	100.0	United States of America	Hotel business, property management and property investment
Resorts World Properties Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
* Resorts World Travel Services Private Limited	**100.0**	100.0	India	Travel agency
* RWBB Management Ltd	**100.0**	100.0	Commonwealth of The Bahamas	Provision of casino management services
* RWBB Resorts Management Ltd	**100.0**	100.0	Commonwealth of The Bahamas	Provision of resort management services
# Stanley Casinos Holdings Limited	**100.0**	100.0	United Kingdom	Investment holding
# Stanley Overseas Holdings Limited	**100.0**	100.0	United Kingdom	Investment holding
# Two Digital Trees LLC	**100.0**	100.0	United States of America	Investment holding
Widuri Pelangi Sdn Bhd	**100.0**	100.0	Malaysia	Golf resort and hotel business
WorldCard Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of loyalty programme services
+ Xi'an Ascend Software Technology Co., Ltd.	**100.0**	100.0	China	Research and development and provision of IT related services
# Genting Management Services LLC	**100.0**	100.0	United States of America	Pre-operating
# GTA Holding, Inc	**100.0**	100.0	United States of America and continued into British Columbia	Pre-operating

44. SUBSIDIARIES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
Indirect Subsidiaries (cont'd)				
# Advanced Technologies Ltd	**100.0**	100.0	Dominica	Dormant
# Big Apple Regional Center, LLC	**100.0**	100.0	United States of America	Dormant
# Capital Casinos Group Limited	**100.0**	100.0	United Kingdom	Dormant
# Capital Corporation (Holdings) Limited	**100.0**	100.0	United Kingdom	Dormant
# Capital Corporation Limited	**100.0**	100.0	United Kingdom	Dormant
# Crockfords Investments Limited	**100.0**	100.0	Guernsey	Dormant
# Digital Tree LLC	**100.0**	100.0	United States of America	Dormant
Genas Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Genawan Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Gentas Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Gentasa Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
# Genting Alderney Limited	**100.0**	100.0	Alderney, Channel Islands	Dormant
Genting Ibico Holdings Limited	**100.0**	100.0	Isle of Man	Dormant
# Genting Las Vegas LLC	**100.0**	100.0	United States of America	Dormant
Gentinggi Quarry Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
# Genting Spain PLC	**100.0**	-	Malta	Dormant
+ Golden Site Limited	**100.0**	100.0	Hong Kong, SAR	Dormant
Jomara Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Merriwa Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
# Ocean Front Acquisition, LLC	**100.0**	100.0	United States of America	Dormant
# Palomino World (UK) Limited	**100.0**	100.0	United Kingdom	Dormant
Space Fair Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
# Stanley Leisure (Ireland) Unlimited Company	**100.0**	100.0	Ireland	Dormant
# Stanley Leisure Group (Malta) Limited	**100.0**	100.0	Malta	Dormant
Sweet Bonus Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Twinkle Glow Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Twinmatics Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Vintage Action Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
+ Waters Solihull Limited	**100.0**	100.0	United Kingdom	Dormant
# Westcliff Casino Limited	**100.0**	100.0	United Kingdom	Dormant
# Cotedale Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation
# Crockfords Club Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation
# Cromwell Sporting Enterprises Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation
# Gameover Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation
# Harbour House Casino Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation
# The Colony Club Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation
# Tower Casino Group Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation
# Westcliff (CG) Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation

44. SUBSIDIARIES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
Indirect Subsidiaries (cont'd)				
Annabel's Casino Limited	-	100.0	United Kingdom	Dissolved
Apollo Genting London Limited	-	50.25	United Kingdom	Dissolved
Baychain Limited	-	100.0	United Kingdom	Dissolved
Cascades Clubs Limited	-	100.0	United Kingdom	Dissolved
Castle Casino Limited	-	100.0	United Kingdom	Dissolved
CC Derby Limited	-	100.0	United Kingdom	Dissolved
Drawlink Limited	-	100.0	United Kingdom	Dissolved
Palm Beach Club Limited	-	100.0	United Kingdom	Dissolved
RWB Aviation Ltd	-	100.0	Bermuda	Dissolved
Stanley Online Limited	-	100.0	United Kingdom	Dissolved
Suzhou Ascend Technology Co., Limited	-	100.0	China	Dissolved
Tameview Properties Limited	-	100.0	United Kingdom	Dissolved
The Midland Wheel Club Limited	-	100.0	United Kingdom	Dissolved
Tower Clubs Management Limited	-	100.0	United Kingdom	Dissolved
Triangle Casino (Bristol) Limited	-	100.0	United Kingdom	Disposed

\+ The financial statements of these companies are audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers PLT, Malaysia.

* The financial statements of these companies are audited by firms other than the auditors of the Company.

\# These entities are either exempted or have no statutory audit requirement.

45. ONGOING LITIGATION AND CONTINGENT LIABILITY

On 26 November 2018, the Company filed a complaint in United States District Court for the Central District of California against Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, Twenty-First Century Fox, Inc., FoxNext, LLC (collectively, "Fox"), and The Walt Disney Company in connection with the planned Fox-branded theme park ("Theme Park") at Resorts World Genting.

The Company alleged claims for breach of contract, breach of the implied covenant of good faith and fair dealing, inducing breach of contract, and intentional interference with contract arising from Fox's alleged improper termination of the parties' 1 June 2013 Memorandum of Agreement. In connection with those claims, the Company is seeking to recover its investment in the Theme Park, as well as consequential and punitive damages in an amount to be proven at trial, with total damages estimated to exceed USD1 billion (equivalent of approximately RM4.2 billion).

On 22 January 2019, Fox filed answers to the Company's lawsuit. At the same time, Fox filed a counter claim ("Counterclaims") against the Company, in which it alleged that the Company owes Fox approximately USD46.4 million (equivalent to approximately RM191.7 million) in termination fees, plus interest, as well as consequential damages, reasonable costs and other relief under applicable law. The Company intends to oppose the Counterclaims and believes they are without merit.

The Group and the Company are 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".

Other than the above, there were no contingent liabilities or contingent assets as at 31 December 2018 (2017: Nil).

46. SIGNIFICANT SUBSEQUENT EVENT

On 24 January 2019, the Company announced that the Kuala Lumpur High Court ("High Court") has granted the Company's application for leave to commence judicial review of a decision by the Ministry of Finance ("MOF") to amend terms of tax incentives previously granted to the Company ("MOF Decision") and a stay of MOF Decision pending disposal of the judicial review application before the High Court.

The Company's application for tax incentives for the Genting Integrated Tourism Plan was approved by MOF in December 2014, which amongst others, entitled the Company to claim for income tax exemption equivalent to 100% of qualifying capital expenditure incurred for a period of 10 years ("2014 Tax Incentive Approval"). The MOF made a decision to amend the 2014 Tax Incentive Approval in December 2017. The amendment does not remove the tax incentives previously granted but will effectively prolong the utilisation period of the tax allowances significantly.

47. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 27 February 2019.

STATEMENT ON DIRECTORS' RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.26(a) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

As required under the Companies Act 2016 ("Act") in Malaysia, the Directors of Genting Malaysia Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of the financial performance of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the financial year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the systems of risk management and internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 27 February 2019.

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **KOH POY YONG (MIA 5092)**, the Officer primarily responsible for the financial management of **GENTING MALAYSIA BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 79 to 157 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **KOH POY YONG** at KUALA LUMPUR)
in the State of FEDERAL TERRITORY)
on 27 February 2019

KOH POY YONG

Before me,

TAN SEOK KETT
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To The Members of Genting Malaysia Berhad
(Incorporated in Malaysia)
(Company No.58019-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Genting Malaysia Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 157.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Key audit matters	*How our audit addressed the key audit matter*
Material litigations involving FOX and The Walt Disney Company On 26 November 2018, the Company filed a complaint in the United States District Court for the Central District of California against Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, Twenty-First Century Fox, Inc., FoxNext, LLC (collectively, "FOX") and The Walt Disney Company ("Disney") (hereinafter referred to as "Defendants") in connection with the planned Fox-branded theme park at Resorts World Genting. On 22 January 2019, FOX also filed counterclaims against the Company in which it alleged that the Company owes FOX approximately USD46.4 million (equivalent to approximately RM191.7 million) in termination fees plus interest, as well as consequential damages, reasonable costs and other relief under applicable law (the "Counterclaims"). We focused on this area as the uncertainty of the outcome of the litigations indicate potential impairment of the property, plant and equipment with carrying amount of RM2,590.9 million as at 31 December 2018 and potential liability arising from the Counterclaims by FOX. The Directors make judgements on the assessment of the recoverability of the property, plant and equipment and the Counterclaims by FOX given the related subjectivity and uncertainty of the outcome of the litigation. Based on management's assessment, there is no impairment loss on the property, plant and equipment and the obligation to pay the Counterclaims by FOX is neither remote nor probable. The disclosures are included in Notes 2, 15 and 45 to the financial statements.	Our audit procedures to test management's assessment of the recoverability of the property, plant and equipment and Counterclaims by FOX were as follows: • Obtained and read the court papers filed by the Company and Counterclaims filed by FOX and discussed with management and external legal counsel on the litigation and the Counterclaims by Fox; • Assessed the reasonableness of the long term growth rate and number of visitors used by management in the approved cash flow projections by comparing to industry trends; • Checked the discount rate used by comparing the rate to comparable industry and market information; • Checked management's sensitivity analysis on the long term growth rate, number of visitors, and discount rate to determine whether any reasonable changes on these key assumptions would result in the carrying amount to exceed the recoverable amount; • Evaluated the competency and objectivity of external legal expert, where applicable, as required under the International Standards on Auditing; and • Checked the appropriateness of the disclosures on a reasonable possible change in the key assumptions and the corresponding effect on the recoverable amount and contingent liability in the financial statements. Based on the above procedures performed, we noted the result of management's assessment to be consistent with the outcome of our procedures.
Impairment assessment of property, plant and equipment and casino licenses related to the Group's leisure and hospitality segment in Bahamas The Group has property, plant and equipment and casino licenses (definite life) related to its Bahamas operations with aggregate carrying values of RM1,403.1 million as at 31 December 2018. We focused on this area due to continued losses recorded since the commencement of the Bahamas operations in 2013 which is an impairment indicator. The impairment assessment performed by management based on value in use method involved significant estimates towards future results of the business, in particular, the key assumptions on growth rate and discount rates used in the future cash flow forecasts. Refer to Notes 2, 15 and 18 of the financial statements.	With respect to the reliability of management's use of key assumptions in the cash flow projections to determine the value in use calculations, we performed the following procedures: • Assessed the growth rates used by management by comparing to industry trends; • Checked the discount rates used by comparing the rate used to comparable industry and market information; and • Independently performed sensitivity analysis on the growth rate and discount rates to corroborate that any reasonable changes on these key assumptions would not give rise to an impairment loss. Based on the above procedures performed, we noted the results of management's impairment assessment to be consistent with the outcome of our procedures.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Key audit matters	*How our audit addressed the key audit matter*
Impairment of investment in unquoted promissory notes issued by Mashpee Wampanoag Tribe As at 31 December 2018, the Group's investment in unquoted promissory notes issued by Mashpee Wampanoag Tribe ("Tribe") have been fully impaired and an impairment loss of RM1,834.3 million has been recognised during the financial year. We focused on this area because of the recoverability of the promissory notes is dependent on the following: (a) outcome of the pending legal case and/or review by the relevant government authorities allowing the Tribe to have land in trust for destination resort casino development; and (b) ability of the Tribe to repay the promissory notes from the cash flows of the destination resort casino when it is operational. Based on the assessment performed by management, the promissory notes have been assessed to be credit-impaired due to the uncertainty of recovery following the US Federal Government's decision in September 2018 concluding that the Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Tribe to have the land in trust for an integrated gaming resort development. Refer to Notes 2 and 23 of the financial statements.	Our procedures performed to check management's assessment of the recoverability of promissory notes were as follows: • Discussed with the Group's internal legal counsel responsible for US operations to understand the status and development of the pending legal case and review by the relevant government authorities on the Tribe's rights to retain land in trust for a destination resort casino development; • Evaluated the competency and objectivity of management's external legal expert; • Discussed with management and management's external legal expert on their views relating to the development of pending legal case and the US Federal Government's decision on Tribe's rights to retain land in trust and viability of options under review by the Tribe; and • Evaluated the basis used by management in concluding that the promissory notes is credit-impaired and the assumptions used in the determining the recoverable amount. Based on the above procedures, the results of our evaluation of recoverability of promissory notes is consistent with the facts and circumstances available at year end.
Impairment assessment of intangible assets (including goodwill) with indefinite useful lives relating to the Group's United Kingdom operations The aggregate carrying value of the Group's goodwill and casino licences and trademarks in relation to its United Kingdom ("UK") operations totalling to RM2,086.3 million as at 31 December 2018. We focused on this area due to the magnitude of the carrying value of these UK intangible assets (including goodwill) with indefinite useful lives as they comprised 46.1% of the total intangible assets of the Group which are subject to annual impairment assessment. The impairment assessment performed by management involved significant degree of judgements in estimating the assumptions on growth rate and discount rate used. Arising from the impairment assessment, no impairment loss was recorded for intangible assets with indefinite useful lives in the current financial year. The disclosures are included in Notes 2 and 18 to the financial statements.	With respect to the appropriateness of the key assumptions used in the value in use calculations, we performed the following procedures: • Assessed management's basis for the value in use cash flows by reference to the approved 2019 budget; • Checked that the growth rate did not exceed the growth rates for the leisure and hospitality industry in which the CGUs operate and are consistent with the forecasts included in industry reports; • Checked the discount rate used by comparing the rate used to comparable industries and market information in UK; and • Checked sensitivity analysis performed by management on the growth rate and discount rate to determine whether reasonable changes on these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts. In testing the recoverable amount based on fair value less costs to sell, we performed the following procedures: • Evaluated the objectivity and competency of the external valuer; and • Evaluated the methodology and key assumptions used by an independent external valuer in the valuation based on our knowledge of the industry and checked the comparability of the input data used to current industry data. Based on the procedures performed, we noted the results of management's impairment assessment to be consistent with the outcome of our procedures.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters (cont'd)

Key audit matters	*How our audit addressed the key audit matter*
Tax incentives granted for the Genting Integrated Tourism Plan ("GITP") In December 2017, the Ministry of Finance ("MOF") made a decision to amend the customised incentive under the East Coast Economic Region which entitled the Company to claim for income tax exemption equivalent to 100% of the qualifying capital expenditure incurred for a period of 10 years ("2014 Tax Incentive Approval"). The Company had filed an application for judicial review of the decision by the MOF in December 2018. On 24 January 2019, the High Court granted the Company's application for leave to commence judicial review of the decision by MOF and a stay of the decision by MOF pending disposal of the judicial review application before the High Court ("Stay Order"). For the financial year ended 31 December 2018, the Company has estimated the tax liability for year of assessment 2018 ("YA2018") of RM122 million in accordance with the basis of utilisation as per the 2014 Tax Incentive Approval based on the Stay Order granted by the High Court and legal view obtained from the external legal counsel in respect of the probability of outcome of the judicial review. We focused on this area due to the judgement involved in estimating the tax liability for YA2018. Refer to Note 2 and 46 of the financial statements.	Our procedures performed to evaluate management's estimation of the tax liability for YA2018 were as follows: • Discussed with management and management's external legal counsel regarding the basis for the judicial review and the probability of outcome of the judicial review to support the position taken to arrive at the estimated tax liability for YA2018; • Obtained independent legal confirmation and assessed the objectivity and competency of management's legal expert; and • Use of our tax experts to review management's basis for tax estimation and review the advice obtained from the independent legal counsel. Based on the above procedures performed, we did not find any material exceptions to the Directors' judgement in the assessment of the tax liability for YA2018.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Statement on Risk Management and Internal Control, Management's Discussion and Analysis of Business Operations and Financial Performance, Corporate Governance Overview Statement and Report, Sustainability Statement and Report and other sections of the 2018 Annual Report, but does not include the financial statements of the Group and of the Company and our auditor's report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 44 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT	**NG GAN HOOI**
LLP0014401-LCA & AF 1146	02914/04/2019 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur
27 February 2019

LIST OF PROPERTIES HELD

as at 31 December 2018

LOCATION	TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2018 (RM'million)	AGE OF BUILDING (Years)	YEAR OF ACQUISITION
MALAYSIA						
STATE OF PAHANG DARUL MAKMUR						
1 Genting Highlands, Bentong	Freehold	Built-up : 100,952 sq.metres	18-storey Genting Grand Complex	181.4	37	1982
2 Genting Highlands, Bentong	Freehold	Built-up : 95,485 sq.metres	23-storey Resort Hotel & Car Park II	108.5	26	1992
3 Genting Highlands, Bentong	Freehold	Built-up : 499,018 sq.metres	22-storey First World Hotel & Car Park V	962.9	4 & 19	2000 & 2014
4 Genting Highlands, Bentong	Freehold	Built-up : 145,462 sq.metres	5-storey Sky Avenue	1,489.4	3	2016
5 Genting Highlands, Bentong	Freehold	Built-up : 20,516 sq.metres	23-storey Awana Tower Hotel	22.3	25	1993
6 Genting Highlands, Bentong	Freehold	Built-up : 19,688 sq.metres	10-level Theme Park Hotel	72.1	47	1989
7 Genting Highlands, Bentong	Freehold	Built-up : 11,902 sq.metres	10-level Theme Park Hotel - Valley Wing	9.6	43	1989
8 Genting Highlands, Bentong	Freehold	Built-up : 29,059 sq.metres	16-storey Residential Staff Complex I	21.9	35	1989
9 Genting Highlands, Bentong	Freehold	Built-up : 28,804 sq.metres	19-storey Residential Staff Complex II	10.7	26	1992
10 Genting Highlands, Bentong	Freehold	Built-up : 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park III	42.0	26	1992
11 Genting Highlands, Bentong	Freehold	Built-up : 41,976 sq.metres	25-storey Residential Staff Complex V	38.1	22	1996
12 Genting Highlands, Bentong	Freehold	Built-up : 70,597 sq.metres	25-storey Residential Staff Complex VIII with 5 levels of carpark	55.4	12	2007
13 Genting Highlands, Bentong	Freehold	Built-up : 191,659 sq.metres	27-storey Residential Staff Complex IX with 5 levels of carpark	337.2	2	2016
14 Genting Highlands, Bentong	Freehold	Built-up : 4,119 sq.metres	5-storey Ria Staff Residence	<0.1	46	1989
15 Genting Highlands, Bentong	Freehold	Built-up : 4,109 sq.metres	5-storey Sri Layang Staff Residence	9.9	24	1989
16 Genting Highlands, Bentong	Freehold	Built-up : 18,397 sq.metres	8-level Car Park I	1.0	35	1989
17 Genting Highlands, Bentong	Freehold	Built-up : 1,086 sq.metres	5-storey Bomba Building	0.5	35	1989
18 Genting Highlands, Bentong	Freehold	Built-up : 1,503 sq.metres	Petrol Station	1.7	20	1999
19 Genting Highlands, Bentong	Freehold	Built-up : 2,769 sq.metres	4-storey Staff Recreation Centre	2.2	26	1992
20 Genting Highlands, Bentong	Freehold	Built-up : 540 sq.metres	1 unit of Kayangan Apartments	0.1	38	1989
			1 unit of Kayangan Apartments	0.1	38	1990
21 Genting Highlands, Bentong	Freehold	Built-up : 7,666 sq.metres	Awana @ Resorts World Genting Complex	15.0	32	1989
22 Genting Highlands, Bentong	Freehold	Built-up : 17,010 sq.metres	174 units of Awana Condominium	15.5	32	1989
23 Genting Highlands, Bentong	Freehold	Built-up : 8,756 sq.metres	79 units of Ria Apartments (Pahang Tower)	9.5	32	1989
24 Genting Highlands, Bentong	Freehold	Built-up : 39,262 sq.metres	Awana Sky Central	158.8	3	2016
25 Genting Highlands, Bentong	Freehold	Built-up : 191,658 sq.metres	8-level GHPO Car Park	182.7	3	2016
26 Genting Highlands, Bentong	Freehold	Land : 3,295 hectares	7 plots of land & improvements	351.2	-	1989
			1 plot of land & improvements	6.0	-	1996
			10 plots of land & improvements	60.8	-	1989
			1 plot of land & improvements	<0.1	-	1991
			68 plots of land & improvements	236.1	-	1989
			3 plots of land & improvements	24.9	-	2002
			13 plots of land & improvements	9.7	-	1996
27 Genting Highlands, Bentong	Leasehold (unexpired lease period of 75 years)	Land : 6 hectares	2 plots of land & improvements	0.4	-	1994
28 Genting Highlands, Bentong	Leasehold (unexpired lease period of 40 years)	Land : 5 hectares	3 plots of land	0.5	-	1995
29 Genting Highlands, Bentong	Leasehold (unexpired lease period of 72 years)	Land : 3 hectares	1 plot of educational land	1.3	-	2000
30 Bukit Tinggi, Bentong	Leasehold (unexpired lease period of 76 years)	Built-up : 49 sq.metres	1 unit of Meranti Park Apartment, Berjaya Hills	0.1	19	1999
STATE OF SELANGOR DARUL EHSAN						
1 Genting Highlands, Hulu Selangor	Freehold	Built-up : 149,941 sq.metres	28-storey Maxims Hotel & Car Park IV	360.4	22	1997
2 Genting Highlands, Hulu Selangor	Freehold	Land : 6 hectares	2 plots of building land	6.1	-	1993
		Built-up : 47,715 sq.metres	5-storey Genting Skyway Station Complex with 4-level of basement carpark	49.3	22	1997
3 Genting Highlands, Hulu Selangor	Freehold	Built-up : 3,008 sq.metres	2-storey and 4-storey Gohtong Jaya Security Buildings	4.2	21	1998
4 Genting Highlands, Hulu Selangor	Freehold	Built-up : 5,406 sq.metres	47 units of Ria Apartment (Selangor Tower)	5.6	32	1989
5 Genting Highlands, Hulu Selangor	Freehold	Land : 596 hectares	3 plots of building land	12.3	-	1989
			18 plots of building land	40.6	-	1996
			7 plots of building land	10.4	-	1993
6 Genting Highlands, Gombak	Freehold	Land : 394 hectares	2 plots of vacant building land	28.8	-	1996
7 Batang Kali, Hulu Selangor	Freehold	Land : 10 hectares	1 plot of vacant agriculture land	2.1	-	1994
8 Ulu Yam, Hulu Selangor	Freehold	Land : 38 hectares	1 plot of vacant building land	15.0	-	1994
9 Ulu Yam, Hulu Selangor	Freehold	Land : 4 hectares	3 plots of vacant agriculture land	1.2	-	1994
10 Pulau Indah, Klang	Leasehold (unexpired lease period of 77 years)	Land : 18 hectares	5 plots of vacant industrial land & improvements	15.0	-	1997
FEDERAL TERRITORY OF KUALA LUMPUR						
1 Taman U Thant, Kuala Lumpur	Freehold	Built-up : 178 sq.metres	1 unit of Desa Angkasa Apartment	0.3	32	1988
2 Jalan Sultan Ismail, Kuala Lumpur	Freehold	Land : 3,915 sq.metres Built-up : 63,047 sq.metres	Wisma Genting - 25-level office building with 6-level of basement	231.6	33	2009

LIST OF PROPERTIES HELD (cont'd)

as at 31 December 2018

LOCATION	TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2018 (RM'million)	AGE OF BUILDING (Years)	YEAR OF ACQUISITION
MALAYSIA						
STATE OF TERENGGANU DARUL IMAN						
1 Kijal, Kemaman	Leasehold (unexpired lease period of 73 years)	Land : 259 hectares	4 plots of resort/property development land	1.4	-	1997
		Land : 51 hectares	18-hole Resorts World Kijal Golf Course	6.0	-	1997
		Built-up : 35,563 sq.metres	7-storey Resorts World Kijal Hotel	56.3	22	1997
		Built-up : 1,757 sq.metres	27 units of Baiduri Apartments	0.7	24	1997
		Built-up : 7,278 sq.metres	96 units of Angsana Apartments	5.1	23	1997
	Leasehold (unexpired lease period of 73 years)	Land : 18 hectares	17 plots of resort/property development land	1.4	-	2002
	Leasehold (unexpired lease period of 83 years)	Land : 10 hectares	1 plot of resort/property development land	1.5	-	1997
STATE OF KEDAH DARUL AMAN						
1 Tanjung Malai, Langkawi	Leasehold (unexpired lease period of 69 years)	Land : 14 hectares	5 plots of building land	9.6	-	1997
		Built-up : 20,957 sq.metres	3-5 storey Resorts World Langkawi Hotel, Convention Centre & Multipurpose Hall	54.0	21	1997
UNITED KINGDOM						
1 Maxims Casino Club, Kensington	Freehold	Built-up : 1,036 sq.metres	Casino Club	49.2	156	2010
2 Newcastle	Freehold	Built-up : 1,464 sq.metres	Casino Club	11.7	24	2010
3 Salford	Freehold	Built-up : 1,058 sq.metres	Casino Club	7.6	21	2010
4 Wirral	Freehold	Built-up : 860 sq.metres	Casino Club	6.2	39	2010
5 Leicester	Freehold	Built-up : 755 sq.metres	Casino Club	7.8	39	2010
6 Bournemouth	Freehold	Built-up : 860 sq.metres	Casino Club	5.8	119	2010
7 Southampton	Freehold	Built-up : 797 sq.metres	Casino Club	7.7	119	2010
8 Bolton	Freehold	Built-up : 808 sq.metres	Casino Club	3.7	119	2010
9 Glasgow	Freehold	Built-up : 3,402 sq.metres	Casino Club	30.7	132	2010
10 Bristol	Freehold	Built-up : 873 sq.metres	Casino Club	7.1	72	2010
11 Margate	Freehold	Built-up : 1,326 sq.metres	Casino Club	10.6	62	2010
12 Torquay	Freehold	Built-up : 1,495 sq.metres	Casino Club	9.7	29	2010
13 Crockfords	Freehold	Built-up : 1,907 sq.metres	Casino Club	282.3	248	2010
14 31 Curzon Street next to Crockfords	Freehold	Built-up : 307 sq.metres	Office	36.2	242	2010
15 Cromwell Mint	Freehold	Built-up : 2,061 sq.metres	Casino Club	45.7	107	2010
16 Brighton (9 Preston St)	Freehold	Built-up : 85 sq.metres	Vacant retail building	0.3	52	2010
17 508 Sauchiehall St. Glasgow	Freehold	Built-up : 292 sq.metres	Vacant retail building	1.6	132	2011
18 London - 2 Stanhope Row	Freehold	Built-up : 2,709 sq.metres	Hotel	252.7	25	2011
19 London - 17A Market Mew	Freehold	Built-up : 244 sq.metres	Residential Apartment	13.3	54	2011
20 London - 36 Hertford Street	Freehold	Built-up : 747 sq.metres	Residential Apartment	62.0	84	2011
21 London - 37 Hertford Street	Freehold	Built-up : 471 sq.metres	Residential Apartment	41.6	244	2011
22 London - 46 Hertford Street	Freehold	Built-up : 600 sq.metres	Vacant Office Building	60.9	255	2014
23 Metropolitan Hotel, Park Lane, London	Freehold	Built-up : 6,000 sq.metres	Hotel	239.2	50	2013
24 Luton (Luton Casino & Luton Electric)	Leasehold (unexpired lease period of 973 years)	Built-up : 984 sq.metres	2 Casino Clubs	7.6	37	2010
25 Leith	Leasehold (unexpired lease period of 80 years)	Built-up : 1,698 sq.metres	Casino Club	18.2	19	2010
26 Brighton	Leasehold (unexpired lease period of 957 years)	Built-up : 458 sq.metres	Casino Club	4.1	58	2010
27 Westcliff Electric	Leasehold (unexpired lease period of 56 years)	Built-up : 836 sq.metres	Casino Club	28.0	92	2010
28 Westcliff	Leasehold (unexpired lease period of 56 years)	Built-up : 4,529 sq.metres	Casino Club	2.3	92	2010
29 Derby	Leasehold (unexpired lease period of 17 years)	Built-up : 2,150 sq.metres	Casino Club	0.5	9	2010
30 Birmingham Edgbaston	Leasehold (unexpired lease period of 16 years)	Built-up : 1,488 sq.metres	Casino Club	<0.1	110	2010
31 Liverpool Renshaw Street	Leasehold (unexpired lease period of 20 years)	Built-up : 1,498 sq.metres	Casino Club	14.9	117	2010
32 London - 16 Stanhope Row	Leasehold (unexpired lease period of 728 years)	Built-up : 103 sq.metres	Residential Apartment	4.4	84	2011
33 Lytham St. Anne's	Leasehold (unexpired lease period of 23 years)	Built-up : 790 sq.metres	Vacant	0.0	37	2010
34 Sheffield	Leasehold (unexpired lease period of 25 years)	Built-up : 2,973 sq.metres	Casino Club	33.1	11	2010
35 Resorts World Birmingham	Leasehold (unexpired lease period of 95 years)	Built-up : 39,948 sq.metres	Resort (Casino, hotel, restaurants and shops)	635.8	3	2015

LIST OF PROPERTIES HELD (cont'd)

as at 31 December 2018

LOCATION	TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2018 (RM'million)	AGE OF BUILDING (Years)	YEAR OF ACQUISITION
UNITED KINGDOM						
36 AB Leicester/Cank St (Leicester Electric)	Leasehold (unexpired lease period of 0 year)	Built-up : 68 sq.metres	Vacant	0.0	91	2010
37 Liverpool Queen Square	Leasehold (unexpired lease period of 14 years)	Built-up : 2,230 sq.metres	Casino Club	16.4	30	2010
38 Palm Beach	Leasehold (unexpired lease period of 0 year)	Built-up : 1,489 sq.metres	Casino Club	10.7	25	2010
39 Coventry	Leasehold (unexpired lease period of 9 years)	Built-up : 1,309 sq.metres	Casino Club	5.6	26	2012
40 Edinburgh York Place	Leasehold (unexpired lease period of 0 year)	Built-up : 767 sq.metres	Casino Club	<0.1	157	2010
41 Nottingham	Leasehold (unexpired lease period of 8 years)	Built-up : 2,508 sq.metres	Casino Club	<0.1	25	2010
42 Stoke	Leasehold (unexpired lease period of 13 years)	Built-up : 2,415 sq.metres	Casino Club	5.7	40	2010
43 Colony	Leasehold (unexpired lease period of 1 year)	Built-up : 1,594 sq.metres	Casino Club	0.8	110	2010
44 Manchester	Leasehold (unexpired lease period of 8 years)	Built-up : 3,003 sq.metres	Casino Club	7.2	110	2010
45 Birmingham Star City	Leasehold (unexpired lease period of 9 years)	Built-up : 6,503 sq.metres	Casino Club	<0.1	25	2010
46 Blackpool	Leasehold (unexpired lease period of 15 years)	Built-up : 1,354 sq.metres	Casino Club	3.1	110	2010
47 Birmingham Hurst Street	Leasehold (unexpired lease period of 3 years)	Built-up : 1,181 sq.metres	Casino Club	<0.1	60	2010
48 Reading (Reading Club & Reading Electric)	Leasehold (unexpired lease period of 13 years)	Built-up : 1,682 sq.metres	2 Casino Clubs	8.9	40	2010
49 Carlton Derby (Derby Maxims)	Leasehold (unexpired lease period of 15 years)	Built-up : 546 sq.metres	Vacant	<0.1	110	2010
50 Edinburg Fountain Park	Leasehold (unexpired lease period of 13 years)	Built-up : 2,415 sq.metres	Casino Club	13.5	25	2010
51 Plymouth	Leasehold (unexpired lease period of 6 years)	Built-up : 575 sq.metres	Casino Club	0.6	77	2010
52 London China Town	Leasehold (unexpired lease period of 4 years)	Built-up : 600 sq.metres	Casino Club	0.9	57	2011
53 Plymouth Derry Cross	Leasehold (unexpired lease period of 15 years)	Built-up : 2,137 sq.metres	Vacant	<0.1	12	2010
54 Portsmouth Electric	Leasehold (unexpired lease period of 2 years)	Built-up : 120 sq.metres	Casino Club	<0.1	82	2010
55 Southampton Harbour House	Leasehold (unexpired lease period of 13 years)	Built-up : 1,254 sq.metres	Vacant	<0.1	157	2010
56 Southport Floral Gardens	Leasehold (unexpired lease period of 15 years)	Built-up : 1,580 sq.metres	Casino Club	22.1	11	2010
UNITED STATES OF AMERICA						
1 1601 Biscayne Boulevard, Miami	Freehold	Land : 0.1 hectare	1 plot of building land	53.4	-	2011
		Built-up : 120,309 sq.metres	5-storey Omni Office Building	306.4	44	2011
		Built-up : 64,103 sq.metres	3-storey Omni Retail Building		44	2011
		Built-up : 78,968 sq.metres	29-storey Omni Hilton Hotel	303.5	42	2011
2 Downtown Miami, Miami	Freehold	Land : 0.9 hectare	1 plot of building land	69.2	-	2011
		Built-up : 74 sq.metres	Checkers Drive-In Restaurant		26	2011
		Land : 5.7 hectares	1 plot of building land	232.6	-	2011
		Built-up : 70,421 sq.metres	7-storey Miami Herald Building		56	2011
		Built-up : 2,388 sq. metres	2-storey Boulevard Shops		89	2011
		Land : 0.5 hectare	10 plots of vacant land	16.6	-	2011
		Built-up : 389 sq.metres	1 unit of Marquis Condominium	7.0	11	2011
3 Queens, New York	Leasehold (unexpired lease period of 30 years)	Built-up : 52,955 sq.metres	Casino	1,995.1	78	2010
BAHAMAS						
1 North Bimini	Freehold	Land : 6.6 hectares	1 plot of building land	18.7	-	2013
		Built-up : 29 sq.metres	Casino	175.1	6	2013
		Built-up : 12,295 sq.metres	Jetty	219.4	5	2014
		Land : 6.4 hectares	Resort land with hotel	769.4	-	2015
		Built-up : 17,130 sq. metres		3,516.0		
2 Bimini, Bahamas	Freehold	Land : 0.5 hectare	Warehouse	7.6	1	2018
		Built-up : 2,323 sq.metres		3.5	1	2018

ANALYSIS OF SHAREHOLDINGS

Class of Shares : Ordinary Shares
Voting Rights
- On a show of hands : 1 vote
- On a poll : 1 vote for each share held

As at 14 March 2019

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares*	% of Shares
Less than 100	3,408	4.755	21,147	0.000
100 – 1,000	18,616	25.972	14,252,973	0.252
1,001 – 10,000	38,320	53.462	170,734,297	3.023
10,001 – 100,000	9,885	13.791	287,174,059	5.084
100,001 to less than 5% of issued shares	1,445	2.016	2,544,767,628	45.056
5% and above of issued shares	3	0.004	2,631,217,159	46.585
Total	**71,677**	**100.000**	**5,648,167,263**	**100.000**

Note: * Excluding 289,877,385 shares bought back and retained by the Company as treasury shares.

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 14 MARCH 2019
(without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Shares
1. Genting Berhad	900,000,000	15.934
2. Genting Berhad	900,000,000	15.934
3. Genting Berhad	831,217,159	14.717
4. Cartaban Nominees (Asing) Sdn Bhd *GIC Private Limited For Government of Singapore (C)*	100,606,043	1.781
5. Genting Berhad	96,241,500	1.704
6. Cartaban Nominees (Asing) Sdn Bhd *Exempt AN For State Street Bank & Trust Company (WEST CLT OD67)*	69,716,200	1.234
7. Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)*	66,407,600	1.176
8. Cartaban Nominees (Tempatan) Sdn Bhd *PAMB For Prulink Equity Fund*	54,777,600	0.970
9. Genting Berhad	49,430,500	0.875
10. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Vanguard Emerging Markets Stock Index Fund*	46,810,437	0.829
11. HSBC Nominees (Asing) Sdn Bhd *HSBC BK Plc For The Prudential Assurance Company Limited (OBA ESI)*	46,261,000	0.819
12. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Vanguard Total International Stock Index Fund*	45,277,400	0.802
13. DB (Malaysia) Nominee (Asing) Sdn Bhd *BNYM SA/NV For Eastspring Investments - Asian Equity Fund*	30,983,100	0.549
14. Citigroup Nominees (Asing) Sdn Bhd *Exempt AN For Citigroup Global Markets Inc (PRIME FINC CLR)*	28,349,000	0.502
15. Citigroup Nominees (Asing) Sdn Bhd *Exempt AN For Citibank New York (NORGES BANK 1)*	27,453,143	0.486
16. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Wellcome Trust*	26,956,300	0.477
17. Citigroup Nominees (Asing) Sdn Bhd *UBS AG*	25,775,661	0.456
18. HSBC Nominees (Asing) Sdn Bhd *TNTC For Mondrian Emerging Markets Equity Fund L.P.*	25,505,400	0.452
19. HSBC Nominees (Asing) Sdn Bhd *TNTC For The Highclere International Investors Emerging Markets SMID Fund*	24,380,800	0.432
20. DB (Malaysia) Nominee (Asing) Sdn Bhd *BNYM SA/NV For Eastspring Investments - Asian Local Bond Fund*	23,667,500	0.419
21. Malaysia Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)*	23,467,500	0.415
22. Citigroup Nominees (Asing) Sdn Bhd *CBNY For Dimensional Emerging Markets Value Fund*	22,325,000	0.395
23. Cartaban Nominees (Asing) Sdn Bhd *GIC Private Limited For Monetary Authority of Singapore (H)*	21,704,228	0.384
24. Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad For Public Regular Savings Fund (N14011940100)*	21,425,400	0.379
25. Cartaban Nominees (Asing) Sdn Bhd *RBC Investor Services Bank S.A. For Comgest Growth Asia PAC Ex Japan (Comgest GR PLC)*	20,910,000	0.370
26. DB (Malaysia) Nominee (Asing) Sdn Bhd *SSBT Fund VA11 For IVA Worldwide Fund*	20,756,800	0.367
27. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN For AIA Bhd*	19,933,500	0.353
28. DB (Malaysia) Nominee (Asing) Sdn Bhd *SSBT Fund TC3H For California State Teachers Retirement System*	19,743,200	0.350
29. HSBC Nominees (Asing) Sdn Bhd *BBH And Co Boston For Matthews Asian Growth And Income Fund*	19,518,500	0.346
30. DB (Malaysia) Nominee (Asing) Sdn Bhd *SSBT Fund VA12 For IVA International Fund*	18,977,400	0.336
Total	**3,628,577,871**	**64.243**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 14 MARCH 2019

	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Genting Berhad ("GENT")	2,795,789,159	49.53	-	-
Kien Huat Realty Sdn Berhad ("KHR")	1,198,930	0.02	2,795,789,159(1)	49.53
Kien Huat International Limited ("KHIL")	-	-	2,796,988,089(2)	49.55
Parkview Management Sdn Bhd ("PMSB") as trustee of a discretionary trust	-	-	2,796,988,089(2)	49.55
Tan Sri Lim Kok Thay	14,140,100	0.25	2,796,992,189(3)	49.55
Lim Keong Hui	422,300	0.01	2,796,992,189(3)	49.55

Notes:

(1) Deemed interest through GENT.

(2) Deemed interest through KHR and GENT.

(3) Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:

(a) beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHIL which in turn owns 100% of the voting shares of KHR. KHR owns more than 20% of the voting shares of GENT which owns ordinary shares in Genting Malaysia Berhad ("GENM"). As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENM held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of GENM held by KHR by virtue of its controlling interest in KHR; and

(b) beneficiaries of a discretionary trust of which First Names Trust Company (Isle of Man) Limited ("FNTC") is the trustee. Golden Hope Limited ("GHL") acts as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENM.

DIRECTORS' SHAREHOLDINGS, WARRANTHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 14 MARCH 2019

INTEREST IN THE COMPANY

	No. of Shares				No. of Performance Shares granted	
Name	Direct Interest	% of Shares	Deemed Interest	% of Shares	Restricted Share Plan	Performance Share Plan
Tan Sri Lim Kok Thay	14,140,100	0.2505	2,796,992,189(1)	49.5532	3,921,725	8,499,894
Tan Sri Dato' Seri Alwi Jantan	597,000	0.0106	-	-	-	-
Mr Lim Keong Hui	422,300	0.0075	2,796,992,189(1)	49.5532	172,200	347,543
Mr Quah Chek Tin	5,000	0.0001	-	-	-	-
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	10,000	0.0002	-	-	-	-
Mr Teo Eng Siong (5a)	540,000	0.0096	-	-	-	-
Dato' Koh Hong Sun	10,000	0.0002	-	-	-	-

INTEREST IN GENTING BERHAD ("GENT"), A COMPANY WHICH OWNS 49.53% EQUITY INTEREST IN THE COMPANY

	No. of Shares			
Name	Direct Interest	% of Shares	Deemed Interest	% of Shares
Tan Sri Lim Kok Thay	68,119,980	1.7691	1,630,711,110(2)	42.3498
Mr Lim Keong Hui	-	-	1,630,711,110(2	42.3498
Mr Quah Chek Tin (5b)	6,250	0.0002	-	-
Mr Teo Eng Siong	62,500	0.0016	-	-

DIRECTORS' SHAREHOLDINGS, WARRANTHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 14 MARCH 2019 (CONT'D)

INTEREST IN GENTING PLANTATIONS BERHAD ("GENP"), A SUBSIDIARY OF GENTING BERHAD

	No. of Shares				No. of Warrants			
Name	**Direct Interest**	**% of Shares**	**Deemed Interest**	**% of Shares**	**Direct Interest**	**% of Outstanding Warrants**	**Deemed Interest**	**% of Outstanding Warrants**
Tan Sri Lim Kok Thay	369,000	0.0457	407,005,000⁽³⁾	50.3686	73,800	0.0822	81,401,000⁽³⁾	90.6138
Mr Lim Keong Hui	-	-	407,005,000⁽³⁾	50.3686	-	-	81,401,000⁽³⁾	90.6138
Mr Teo Eng Siong	8,000	0.0010	-	-	1,600	0.0018	-	-

INTEREST IN GENTING SINGAPORE LIMITED ("GENS"), A SUBSIDIARY OF GENTING BERHAD

	No. of Shares				No. of Performance Shares granted
Name	**Direct Interest**	**% of Shares**	**Deemed Interest**	**% of Shares**	
Tan Sri Lim Kok Thay	14,195,063	0.1177	6,353,828,069⁽⁴⁾	52.6972	750,000
Mr Lim Keong Hui	-	-	6,353,828,069⁽⁴⁾	52.6972	-
Tan Sri Dato' Seri Alwi Jantan	1,264,192	0.0105	-	-	-
Mr Quah Chek Tin	1,190,438	0.0099	-	-	-
Tan Sri Datuk Clifford Francis Herbert	43,292	0.0004	-	-	-
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	988,292	0.0082	-	-	-
Mr Teo Eng Siong	100,000	0.0008	-	-	-

Notes:

(1) Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:

(a) beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd ("PMSB") is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of Kien Huat International Limited ("KHIL") which in turn owns 100% of the voting shares of Kien Huat Realty Sdn Berhad ("KHR"). KHR owns more than 20% of the voting shares of GENT which owns ordinary shares in Genting Malaysia Berhad ("GENM"). As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENM held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of GENM held by KHR by virtue of its controlling interest in KHR; and

(b) beneficiaries of a discretionary trust of which First Names Trust Company (Isle of Man) Limited ("FNTC") is the trustee. Golden Hope Limited ("GHL") acts as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENM.

(2) Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:

(a) beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHIL which in turn owns 100% of the voting shares of KHR. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENT held by KHR and Inverway Sdn Bhd ("Inverway"), a wholly-owned subsidiary of KHR, by virtue of its controlling interest in KHR and Inverway; and

(b) beneficiaries of a discretionary trust of which FNTC is the trustee. GHL acts as trustee of the GHUT, a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENT.

(3) Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHIL which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of GENT which owns ordinary shares and warrants in GENP. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares and warrants of GENP held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT.

DIRECTORS' SHAREHOLDINGS, WARRANTHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 14 MARCH 2019 (CONT'D)

Notes: (cont'd)

(4) Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee.

PMSB as trustee of the discretionary trust is deemed interested in the shares of GENS held by KHR and Genting Overseas Holdings Limited, a wholly-owned subsidiary of GENT. KHR controls more than 20% of the voting share capital of GENT.

(5) The following disclosures are made pursuant to Section 59(11)(c) of the Companies Act 2016:

(a) Mr Teo's child holds 2,000 ordinary shares (negligible) in the Company.
(b) Mr Quah's spouse holds 1,250,000 ordinary shares (0.0325%) in GENT.

OTHER INFORMATION

Material Contracts

Material contracts of the Company and its subsidiaries involving Directors and major shareholders either subsisting at the end of the financial year ended 31 December 2018, or entered into since the end of the previous financial year are disclosed in Note 43 to the financial statements under "Significant Related Party Disclosures" on pages 148 to 151 of this Annual Report.

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of Genting Malaysia Berhad ("the Company") will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Wednesday, 19 June 2019 at 10.00 a.m.

AS ORDINARY BUSINESSES

1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2018 and the Directors' and Auditors' Reports thereon. *(Please see Explanatory Note A)*
2. To approve the declaration of a final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2018 to be paid on 23 July 2019 to members registered in the Record of Depositors on 28 June 2019. **(Ordinary Resolution 1)**
3. To approve the payment of Directors' fees of RM1,211,801 for the financial year ended 31 December 2018. **(Ordinary Resolution 2)**
4. To approve the payment of Directors' benefits-in-kind for the period from 19 June 2019 until the next annual general meeting of the Company in 2020. *(Please see Explanatory Note B)* **(Ordinary Resolution 3)**
5. To re-elect the following persons as Directors of the Company pursuant to Paragraph 99 of the Company's Constitution:
   (i) Mr Lim Keong Hui **(Ordinary Resolution 4)**
   (ii) Mr Quah Chek Tin *(Please see Explanatory Note C)* **(Ordinary Resolution 5)**
   (iii) Dato' Koh Hong Sun *(Please see Explanatory Note C)* **(Ordinary Resolution 6)**
6. To re-elect Madam Chong Kwai Ying as a Director of the Company pursuant to Paragraph 104 of the Company's Constitution. *(Please see Explanatory Note C)* **(Ordinary Resolution 7)**
7. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

AS SPECIAL BUSINESSES

To consider and, if thought fit, pass the following Ordinary and Special Resolutions:

8. **Authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016**

   "That, subject always to the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to:

   (1) allot shares in the Company; and/or
   (2) grant rights to subscribe for shares in the Company; and/or
   (3) convert any security into shares in the Company; and/or
   (4) allot shares under an agreement or option or offer,

   at any time and from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that it does not exceed 10% of the total number of issued shares of the Company as prescribed by the MMLR at the time of issuance of shares and such authority under this resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or when it is required by law to be held, whichever is earlier, and that:

   (a) approval and authority be and are given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and in connection therewith to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) in connection therewith; and

   (b) the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **(Ordinary Resolution 9)**

9. **Proposed renewal of the authority for the Company to purchase its own shares**

   "That, subject to compliance with all applicable laws, the Companies Act 2016, the Company's Constitution, and the regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities") and/or any other relevant regulatory authority:

(a) approval and authority be and are given for the Company to utilise up to the total retained earnings of the Company, based on its latest audited financial statements available up to the date of the transaction, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares in the Company (as may be determined by the Directors of the Company) on Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interests of the Company, provided that:

  (i) the aggregate number of shares to be purchased and/or held by the Company pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of purchase; and

  (ii) in the event that the Company ceases to hold all or any part of such shares as a result of (among others) cancellations, re-sales, transfers and/or distributions of any of these shares so purchased, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total number of issued shares of the Company at the time of purchase;

  and based on the audited financial statements of the Company for the financial year ended 31 December 2018, the balance of the Company's retained earnings was approximately RM16,732.8 million;

(b) the approval and authority conferred by this resolution shall commence on the passing of this resolution and shall remain valid and in full force and effect until:

  (i) the conclusion of the next Annual General Meeting of the Company;
  (ii) the expiry of the period within which the next Annual General Meeting is required by law to be held; or
  (iii) the same is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting,

  whichever occurs first;

(c) approval and authority be and are given to the Directors of the Company, in their absolute discretion:

  (i) to deal with the shares so purchased in the following manner:

    (A) to cancel such shares;
    (B) to retain such shares as treasury shares;
    (C) to retain part of such shares as treasury shares and cancel the remainder of such shares; and/or
    (D) in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force,

    and such authority to deal with such shares shall continue to be valid until all such shares have been dealt with by the Directors of the Company; and

  (ii) to deal with the existing treasury shares of the Company in the following manner:

    (A) to cancel all or part of such shares;
    (B) to distribute all or part of such shares as dividends to shareholders;
    (C) to resell all or part of such shares on Bursa Securities in accordance with the relevant rules of Bursa Securities;
    (D) to transfer all or part of such shares for the purposes of or under an employees' share scheme;
    (E) to transfer all or part of such shares as purchase consideration; and/or
    (F) in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force,

    and such authority to deal with such shares shall continue to be valid until all such shares have been dealt with by the Directors of the Company; and

(d) approval and authority be and are given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and, in connection therewith:

  (i) to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by any relevant regulatory authority or Bursa Securities, and/or as may be required in the best interest of the Company; and/or

(ii) to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." **(Ordinary Resolution 10)**

10. **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature and proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature**

"That approval and authority be and are hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with the related parties ("Proposed Shareholders' Mandate") as set out in Section 2.3 of the Circular to Shareholders in relation to the Proposed Shareholders' Mandate, provided that such transactions are undertaken in the ordinary course of business, at arm's length and based on commercial terms and on terms not more favourable to the related party than those generally available to/from the public and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted/to be conducted during the financial year, including the types of recurrent related party transactions made and the names of the related parties, will be disclosed in the annual report of the Company pursuant to the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

and such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier." **(Ordinary Resolution 11)**

11. **Proposed adoption of a new Constitution of the Company**

"That approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company (referred to as "Constitution") with immediate effect and in place thereof, the new Constitution of the Company as set out in the Circular to Shareholders relating to the proposed adoption of a new Constitution of the Company be and is hereby adopted AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required and to do all acts and things and take all such steps as may be considered necessary to give full effect to the adoption of the new Constitution of the Company." **(Special Resolution)**

12. To transact any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that, subject to the shareholders' approval for the payment of final single-tier dividend, a depositor shall qualify for entitlement to the final single-tier dividend only in respect of:

(a) shares transferred into the depositor's securities account before 4.00 p.m. on 28 June 2019 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LOH BEE HONG
MAICSA 7001361
Secretary

Kuala Lumpur
8 April 2019

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTES

1. *Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.*

2. *If a member has appointed a proxy to attend this meeting and subsequently he attends the meeting in person, the appointment of such proxy shall be null and void, and his proxy shall not be entitled to attend this meeting.*

3. *A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular Omnibus Account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholdings to be represented by each proxy. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

5. *In the case of a corporation, the proxy form must be either under seal or signed by a duly authorised officer or attorney.*

6. *The original signed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Registered Office of the Company at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.*

7. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of Thirty-Ninth Annual General Meeting will be put to vote by poll.*

8. *For the purpose of determining members who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 12 June 2019. Only depositors whose names appear on the Record of Depositors as at 12 June 2019 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.*

Explanatory Note A

This Agenda is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require a formal approval of the shareholders. Hence, this matter will not be put forward for voting.

Explanatory Note B

Pursuant to Section 230(1) of the Companies Act 2016, Ordinary Resolution 3 on the payment of Directors' benefits-in-kind for the period from 19 June 2019 until the next annual general meeting of the Company in 2020 in the manner set out below:

(A)	***Meeting Allowance (per meeting)***	***Chairman***	***Member***
	• *Audit and Risk Management Committee*	*RM5,775*	*RM3,850*
	• *Nomination Committee*	*RM4,125*	*RM2,750*
	• *Remuneration Committee*	*RM4,125*	*RM2,750*
(B)	***Other Benefits***	***Non-Executive Directors***	
	Tele-communication facilities, car parking and other reimbursable/claimable benefits-in-kind	*Up to RM60,000*	

In the event that the Directors' benefits-in-kind payable to the Non-Executive Directors of the Company during the above period exceeded the estimated amount sought at the forthcoming Thirty-Ninth Annual General Meeting of the Company, shareholders' approval will be sought at the next annual general meeting for the additional amount to meet the shortfall.

Explanatory Note C

The Board has undertaken an annual assessment on the independence of all its Independent Directors including Mr Quah Chek Tin, Dato' Koh Hong Sun and Madam Chong Kwai Ying who are seeking for re-election as Directors of the Company pursuant to the Company's Constitution at the forthcoming Thirty-Ninth Annual General Meeting. The annual assessment has been disclosed in the Corporate Governance Report which is made available at the Company's website at www.gentingmalaysia.com.

Explanatory Notes on Special Businesses

(i) *Ordinary Resolution 9, if passed, will give a renewed mandate to the Directors of the Company, pursuant to Sections 75 and 76 of the Companies Act 2016 ("Renewed Mandate") for such purposes as the Directors may deem fit and in the interest of the Company. The Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.*

As at the date of this Notice, the Directors have not utilised the mandate granted to the Directors at the last Annual General Meeting held on 5 June 2018 and the said mandate will lapse at the conclusion of the Thirty-Ninth Annual General Meeting.

The Company is seeking the approval from shareholders on the Renewed Mandate for the purpose of possible fund raising exercise including but not limited to placement of shares for purpose of funding future investment project(s), working capital and/or acquisitions and to avoid delay and cost in convening general meetings to approve such issue of shares.

(ii) *Ordinary Resolution 10, if passed, will empower the Directors of the Company to purchase the Company's shares of an aggregate amount of up to 10% of the total number of issued shares of the Company for the time being ("Proposed Share Buy-Back Renewal") by utilising up to the total retained earnings of the Company based on its latest audited financial statements up to the date of the purchase. The authority under this resolution will expire at the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held, or the same is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting, whichever occurs first.*

Further information on the Proposed Share Buy-Back Renewal is set out in the Document to Shareholders dated 8 April 2019 which is despatched together with the Company's 2018 Annual Report.

(iii) *Ordinary Resolution 11, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). This authority will expire at the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held, unless revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting, whichever is earlier.*

Further information on the Proposed Shareholders' Mandate is set out in the Document to Shareholders dated 8 April 2019 which is despatched together with the Company's 2018 Annual Report.

(iv) *Special Resolution, if passed, will bring the Company's Constitution in line with the Companies Act 2016 and the amendments made to Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as to enhance administrative efficiency.*

Further information on the proposed adoption of a new Constitution of the Company is set out in the Document to Shareholders dated 8 April 2019 which is despatched together with the Company's 2018 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the forthcoming Thirty-Ninth Annual General Meeting of the Company ("39th AGM").

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (i) of the Notice of 39th AGM.

GENTING
MALAYSIA

GENTING MALAYSIA BERHAD (58019-U)
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing the form, please refer to the notes overleaf)

I/We ____
(FULL NAME IN BLOCK CAPITALS)

NRIC No./Passport No./Co. No.: ______________________________

of ____
(ADDRESS)

____

being a member of GENTING MALAYSIA BERHAD hereby appoint

Name of Proxy *(Full name)*	**NRIC No./Passport No.**	**% of shareholding to be represented** *(Refer to Note 1)*
Address		

*and/or failing him/her,

Name of Proxy *(Full name)*	**NRIC No./Passport No.**	**% of shareholding to be represented** *(Refer to Note 1)*
Address		

or failing him/her, *the CHAIRMAN OF THE MEETING as *my/our proxy(ies) to attend and vote for me/us on my/our behalf at the Thirty-Ninth Annual General Meeting of the Company to be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 19 June 2019 at 10.00 a.m. and at any adjournment thereof.

* *Delete if inapplicable*

My/our proxy(ies) shall vote as follows:

ORDINARY BUSINESS	**RESOLUTION**	**For**	**Against**
To approve the declaration of a final single-tier dividend of 5.0 sen per ordinary share	Ordinary Resolution 1		
To approve the payment of Directors' fees for the financial year ended 31 December 2018	Ordinary Resolution 2		
To approve the payment of Directors' benefits-in-kind for the period from 19 June 2019 until the next annual general meeting in 2020	Ordinary Resolution 3		
To re-elect the following Directors pursuant to Paragraph 99 of the Company's Constitution: (i) Mr Lim Keong Hui	Ordinary Resolution 4		
(ii) Mr Quah Chek Tin	Ordinary Resolution 5		
(ii) Dato' Koh Hong Sun	Ordinary Resolution 6		
To re-elect Madam Chong Kwai Ying as a Director pursuant to Paragraph 104 of the Company's Constitution	Ordinary Resolution 7		
To re-appoint Auditors	Ordinary Resolution 8		
SPECIAL BUSINESS			
To approve the authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 9		
To renew the authority for the Company to purchase its own shares	Ordinary Resolution 10		
To approve the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature	Ordinary Resolution 11		
To approve the proposed adoption of a new Constitution of the Company	Special Resolution		

(Please indicate with an "X" or "√ " in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her/their discretion.)

Signed this ___________ day of ___________________________ 2019.

No. of Shares held	CDS Account No.	Shareholder's Contact No.

____

Signature of Member

NOTES

1. *Pursuant to Section 334 of the Companies Act 2016, a member shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.*

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6. *The original signed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Registered Office of the Company at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or at any adjournment thereof.*

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GROUP OFFICES

GENTING MALAYSIA BERHAD

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www.genting.co.uk

Genting New York, LLC
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F : +1 646 588 1053
www.rwnewyork.com

Resorts World Bimini
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www.resortsworldbirmingham.co.uk

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F : +603 2718 1888
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customercare@rwgenting.com
Membership E-mail:
hotline@gentingrewards.com.my
Book online at www.rwgenting.com

Meetings, Incentives,
Conventions & Exhibitions (M.I.C.E.)
23rd Floor, Wisma Genting
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T : +603 2301 6686
F : +603 2333 3886
E : meetings-events@rwgenting.com
www.rwgenting.com/meetings-events

<u>Malaysia - Kuala Lumpur *</u>
Resorts World OneHub
Lower Ground Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

OTHER SERVICES

Casino De Genting VIP Services
Genting Highlands Resort
69000 Pahang, Malaysia
Membership Hotline:
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Casino Programmes:
F : +603 2718 1189

Genting Club
Resorts World Genting
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F : +603 6105 9388

Maxims Platinum Club
Resorts World Genting
Genting Highlands Resort
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F : +603 6105 9399

Maxims Gold Club
Resorts World Genting
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Resorts World Tours Sdn Bhd

Resorts World OneHub
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(Airline ticketing)
+603 2333 6303 / 6504 / 6704 /
3254 / 3210
(Tours Division)
F : +603 2333 6995
E : resorts.world.tour@rwgenting.com

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(KLIA Sepang)
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Main Terminal Building,
KL International Airport
64000 KLIA Sepang
Selangor, Malaysia
T : +603 8776 6753 / 8787 4451
E : transportreservation-limousine@
rwgenting.com

Limousine Service Counter
(Resorts World Genting)
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69000 Pahang, Malaysia
T : +603 6105 9584 / 9585
E : transportreservation-limousine@
rwgenting.com

Genting Transport Reservations Centre
(For buses and limousines)
Lot 1988
Jalan Segambut Tengah
51200 Kuala Lumpur, Malaysia
T : +603 6251 8398 / 6253 1762
F : +603 6251 8399

OVERSEAS SALES / BRANCH / REPRESENTATIVE / WORLDCARD OFFICES

<u>India – Mumbai</u>
Resorts World Travel Services Pte Ltd #
B-003, Knox Plaza, Off Link Road
Chincholi Bunder, Malad West
Mumbai 400064, India

<u>Singapore</u>
Golden Site Pte Ltd *
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Paya Lebar Square, #08-18
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<u>China – Shanghai</u>
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<u>Genting Rewards</u>
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E : hotline@gentingrewards.com.my
www.rwgenting.com/gentingrewards

** Sales Office*   *# Representative Office*

GENTING PREMIER BRANDS

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GENTING

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AWANA

Resorts World™
KIJAL

Resorts World™
LANGKAWI

Resorts World™
CASINO
NEW YORK CITY

Resorts World™
BIMINI
BAHAMAS
RESORT•CASINO•MARINA

Resorts World™
BIRMINGHAM

CROCKFORDS

MAXIMS

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ROUGE

SkyAvenue

GENTING CLUB

GENTING GRAND

SKYTROPOLIS
FUNLAND

ZOUK™
GENTING

RESORTS WORLD GENTING, MALAYSIA

GENTING UK

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EST. 1828

COLONY
CLUB

THE
PALM BEACH
CASINO

GENTING CASINO

GENTING HOTEL

GENTINGCASINO.COM

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