



GENTING
MALAYSIA
Genting Malaysia Berhad

(Incorporated in Malaysia under Company No. 58019-U)
Wisma Genting, 28 Jalan Sultan Ismail, 50250 Kuala Lumpur. P.O. Box 10937
50930 Kuala Lumpur, Malaysia. Tel: 03-21782288/23332288, Fax: 03-21615304
Website: <http://www.gentingmalaysia.com>

THIRD QUARTERLY REPORT

Quarterly report on consolidated results for the nine months ended 30 September 2010. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

	UNAUDITED INDIVIDUAL QUARTER Third quarter ended 30 September		UNAUDITED CUMULATIVE PERIOD Nine months ended 30 September	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	1,202,916	1,335,901	3,774,578	3,716,210
Cost of sales	(777,065)	(774,407)	(2,334,498)	(2,230,271)
Gross profit	425,851	561,494	1,440,080	1,485,939
Other income	42,218	25,905	100,553	78,605
Other expenses	(51,198)	(68,119)	(200,935)	(188,074)
Profit from operations before impairment losses	416,871	519,280	1,339,698	1,376,470
Impairment losses	-	(48,580)	(110,876)	(81,315)
Profit from operations	416,871	470,700	1,228,822	1,295,155
Finance cost	(444)	-	(444)	-
Share of results in jointly controlled entity	(165)	(33)	(144)	53
Profit before taxation	416,262	470,667	1,228,234	1,295,208
Taxation	(79,845)	(111,313)	(314,019)	(330,141)
Profit for the financial period	336,417	359,354	914,215	965,067
Profit attributable to:				
Equity holders of the Company	336,417	359,456	914,471	965,381
Minority interests	-	(102)	(256)	(314)
	336,417	359,354	914,215	965,067
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	5.92	6.30	16.06	16.89
Diluted earnings per share (sen)	5.91	6.29	16.03	16.87

(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2009.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	Third quarter ended 30 September		Nine months ended 30 September	
	<u>2010</u> <u>RM'000</u>	<u>2009</u> <u>RM'000</u>	<u>2010</u> <u>RM'000</u>	<u>2009</u> <u>RM'000</u>
Profit for the financial period	336,417	359,354	914,215	965,067
Other comprehensive income:				
Available-for-sale financial assets	1,072,614	577,941	755,238	889,141
Reclassification to profit or loss on disposal of available-for-sale financial assets	(7,366)	-	(7,366)	-
Foreign currency exchange differences	(133,240)	(36,518)	(282,225)	434
Other comprehensive income, net of tax	932,008	541,423	465,647	889,575
Total comprehensive income for the financial period	1,268,425	900,777	1,379,862	1,854,642
Total comprehensive income attributable to:				
Equity holders of the Company	1,268,425	900,879	1,380,118	1,854,956
Minority interests	-	(102)	(256)	(314)
	1,268,425	900,777	1,379,862	1,854,642

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2009.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

	Unaudited As at 30.09.2010 RM'000	Audited As at 31.12.2009 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	3,488,045	3,561,473
Land held for property development	181,534	181,534
Investment properties	305,454	337,206
Intangible assets	1,190,199	11,576
Jointly controlled entity	1,316	1,460
Available-for-sale financial assets	2,180,638	1,270,128
Other long term investments	-	410,714
Long term receivables	56,226	34,004
Deferred tax assets	73	133
	<u>7,403,485</u>	<u>5,808,228</u>
Current assets		
Inventories	66,872	62,026
Trade and other receivables	203,309	186,003
Amount due from other related companies	20,783	18,111
Amount due from jointly controlled entity	20	20
Assets classified as held for sale	19,658	-
Financial assets at fair value through profit or loss	79,368	-
Available-for-sale financial asset	250,025	-
Restricted cash	632,256	-
Short term investments	-	20,605
Cash and cash equivalents	4,456,241	5,251,039
	<u>5,728,532</u>	<u>5,537,804</u>
TOTAL ASSETS	<u><u>13,132,017</u></u>	<u><u>11,346,032</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	591,031	590,479
Reserves	11,325,754	10,254,277
Treasury shares	(818,554)	(707,497)
	<u>11,098,231</u>	<u>10,137,259</u>
Minority interests	-	6,920
TOTAL EQUITY	<u>11,098,231</u>	<u>10,144,179</u>
Non-current liabilities		
Other long term liabilities	108,985	104,418
Deferred tax liabilities	258,896	262,419
	<u>367,881</u>	<u>366,837</u>
Current liabilities		
Trade and other payables	665,981	635,300
Amount due to holding company	13,987	14,152
Amount due to other related companies	87,280	54,125
Short term borrowing	618,700	-
Taxation	126,957	131,439
Dividend payable	153,000	-
	<u>1,665,905</u>	<u>835,016</u>
TOTAL LIABILITIES	<u>2,033,786</u>	<u>1,201,853</u>
TOTAL EQUITY AND LIABILITIES	<u><u>13,132,017</u></u>	<u><u>11,346,032</u></u>
NET ASSETS PER SHARE (RM)	<u>1.96</u>	<u>1.78</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2009.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

	Attributable to equity holders of the Company								Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Available- for-sale Financial Assets Reserve RM'000	Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	
At 1 January 2010	590,479	1,105,957	887,932	(147,664)	(707,497)	8,408,052	10,137,259	6,920	10,144,179
Effects of adopting FRS 139	-	-	19,015	-	-	(1,644)	17,371	-	17,371
Restated balance	590,479	1,105,957	906,947	(147,664)	(707,497)	8,406,408	10,154,630	6,920	10,161,550
Share based payments under ESOS	-	-	-	33	-	-	33	-	33
Issue of shares	552	10,731	-	-	-	-	11,283	-	11,283
Buy-back of shares	-	-	-	-	(111,057)	-	(111,057)	-	(111,057)
Distribution by a subsidiary	-	-	-	-	-	-	-	(6,664)	(6,664)
Appropriation:									
Final dividend declared for the year ended 31 December 2009	-	-	-	-	-	(183,776)	(183,776)	-	(183,776)
Interim dividend declared for the year ending 31 December 2010	-	-	-	-	-	(153,000)	(153,000)	-	(153,000)
Total comprehensive income/(loss) for the period	-	-	747,872	(282,225)	-	914,471	1,380,118	(256)	1,379,862
At 30 September 2010	591,031	1,116,688	1,654,819	(429,856)	(818,554)	8,984,103	11,098,231	-	11,098,231
At 1 January 2009	590,180	1,100,164	-	(129,102)	(627,571)	7,384,070	8,317,741	7,338	8,325,079
Share based payments under ESOS	-	-	-	43	-	-	43	-	43
Issue of shares	153	2,947	-	-	-	-	3,100	-	3,100
Buy-back of shares	-	-	-	-	(77,106)	-	(77,106)	-	(77,106)
Appropriation:									
Final dividend declared for the year ended 31 December 2008	-	-	-	-	-	(171,534)	(171,534)	-	(171,534)
Interim dividend declared for the year ended 31 December 2009	-	-	-	-	-	(128,185)	(128,185)	-	(128,185)
Total comprehensive income/(loss) for the period	-	-	889,141	434	-	965,381	1,854,956	(314)	1,854,642
At 30 September 2009	590,333	1,103,111	889,141	(128,625)	(704,677)	8,049,732	9,799,015	7,024	9,806,039

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2009.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

Unaudited
Nine months ended
30 September

CASH FLOWS FROM OPERATING ACTIVITIES

	2010 RM'000	2009 RM'000 (Restated)
Profit before taxation	1,228,234	1,295,208
Adjustments for:		
Depreciation of property, plant and equipment	191,316	202,887
Finance cost	444	-
Interest income	(72,479)	(57,687)
Investment income	(25,446)	(8,325)
Impairment losses	110,876	81,315
Provision for diminution in value of short term investment	-	3,026
Fair value loss on financial assets at fair value through profit or loss	12,977	-
Provision for retirement gratuities	8,656	17,738
Share of results in jointly controlled entity	144	(53)
Gain on disposal of land held for property development	-	(2,918)
Gain on disposal of available-for-sale financial assets	(7,366)	-
Gain on disposal of investments	-	(18,725)
Other non-cash items and adjustments	10,400	3,547
	229,522	220,805
Operating profit before working capital changes	1,457,756	1,516,013
Net change in current assets	(55,110)	(34,958)
Net change in current liabilities	60,135	35,845
	5,025	887
Cash generated from operations	1,462,781	1,516,900
Net tax paid	(321,945)	(338,713)
Retirement gratuities paid	(3,357)	(5,177)
Other net operating receipts	(2,407)	667
	(327,709)	(343,223)
Net Cash Flow From Operating Activities	1,135,072	1,173,677
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(127,896)	(92,533)
Purchase of financial assets at fair value through profit or loss	(154,637)	-
Purchase of available-for-sale financial assets	(309,569)	-
Proceeds from disposal of land held for property development	-	7,500
Purchase of investments	-	(485,956)
Purchase of intangible asset	(1,178,623)	-
Proceeds from disposal of investments	144,720	283,581
Other investments	100,047	59,091
	(1,525,958)	(228,317)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	11,283	3,100
Finance cost paid	(313)	-
Buy-back of shares	(111,057)	(77,106)
Dividend paid	(183,776)	(171,534)
Proceeds from short term bank borrowing	618,700	-
Restricted cash (deposits pledged as security for short term bank borrowing)	(632,256)	-
	(297,419)	(245,540)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(688,305)	699,820
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	5,251,039	4,542,962
EFFECT OF CURRENCY TRANSLATION	(106,493)	(188)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4,456,241	5,242,594
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	2,952,936	3,097,815
Money market instruments	1,503,305	2,144,779
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4,456,241	5,242,594

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2009.)

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

a) *Accounting Policies and Methods of Computation*

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The financial information for the nine months ended 30 September 2010 have been reviewed by the Company’s auditors in accordance with the International Standards on Review Engagements (“ISRE”) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2009, except for the adoption of new FRSs, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 January 2010 and the adoption of significant accounting policies following the events and transactions occurred during the financial period ended 30 September 2010.

The adoption of new FRSs, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the followings FRSs as set out below:

FRS 101 (revised) “Presentation of Financial Statements”

The revised standard prohibits the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements. As a result, the Group has presented all owner changes in equity in the consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the consolidated statement of comprehensive income. Certain comparative figures have been reclassified to conform with the current period’s presentation. There is no impact on the results of the Group since these changes affect only the presentation of items of income and expenses.

FRS 139 “Financial Instruments: Recognition and Measurement”

The Group classifies its financial assets in the following categories: at fair value through profit or loss, 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. Management determines the classification of its financial assets at initial recognition. Set out below are the major changes in classifications of financial assets of the Group:

i) Available-for-sale financial assets

Non-current investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Changes in the fair values of available-for-sale debt securities denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income. If there is any objective evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

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

FRS 139 "Financial Instruments: Recognition and Measurement" (Cont'd)

i) Available-for-sale financial assets (Cont'd)

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.

ii) Loans and receivables

Non-current receivables, previously measured at invoice amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

iii) Fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Subsequent to initial recognition, these financial assets are measured at fair value at the date of the statement of financial position with changes in fair value recognised as gains or losses in profit or loss.

In accordance with the transitional provisions for first time adoption of FRS 139, the above changes in accounting policies have been accounted for prospectively and the comparatives as at 31 December 2009 are not restated. The effects of the changes on 1 January 2010 have been accounted for by adjusting the following opening balances of the Group:

	As previously reported RM'000	Effects of adopting FRS 139 RM'000	After effects of adopting FRS 139 RM'000
<u>Consolidated Statement of Financial Position</u>			
<u>Non-current assets</u>			
Available-for-sale financial assets	1,270,128	431,414	1,701,542
Other long term investments	410,714	(410,714)	-
Long term receivables	34,004	(987)	33,017
<u>Current assets</u>			
Trade and other receivables	186,003	(3,128)	182,875
Financial assets at fair value through profit or loss	-	21,391	21,391
Short term investments	20,605	(20,605)	-
<u>Equity</u>			
Reserves	10,254,277	17,371	10,271,648

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

FRS 139 "Financial Instruments: Recognition and Measurement" (Cont'd)

	As previously reported RM'000	Effects of adopting FRS 139 RM'000	After effects of adopting FRS 139 RM'000
<u>Consolidated Statement of Changes in Equity</u>			
Available-for-sale financial assets reserve	887,932	19,015	906,947
Retained earnings	8,408,052	(1,644)	8,406,408

The adoption of FRS 139 has no material impact on the results of the Group in the current financial period ended 30 September 2010.

FRS 8 "Operating Segments"

Prior to the adoption of FRS 8, the Group's segment reporting was based on a primary reporting format of business segments and a secondary reporting format of geographical segments. With the adoption of FRS 8, the segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. Certain comparative figures have been reclassified to conform with the current period's presentation.

Amendment to FRS 117 "Leases"

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as leasehold land use rights in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has reclassified its leasehold land to property, plant and equipment and investment properties. This change in classification has no effect on the results of the Group. The reclassification has been accounted retrospectively in accordance with the transitional provision and certain comparative balances have been restated as follows:

	As previously reported RM'000	Effect of adopting the Amendment to FRS 117 RM'000	As restated RM'000
Leasehold land use rights	115,051	(115,051)	-
Investment properties	292,994	44,212	337,206
Property, plant and equipment	3,490,634	70,839	3,561,473

IC Interpretation 13 "Customer Loyalty Programmes"

Award points accumulated by customers are treated as a separately identifiable component of the sales transactions in which they are awarded. Part of the revenue received or receivable is allocated to these points based on their fair value taking into account an estimated utilisation rate. The revenue attributed to the awarded points is deferred as a liability at the date of the initial sales transactions and only recognised when the points are redeemed.

Prior to the adoption of IC Interpretation 13, the revenue attributed to the awarded points is deferred as a liability at the date of the initial sales transactions based on cost per point. With the adoption of IC Interpretation 13, the fair value of the consideration received from the initial sales transactions is allocated between the award points and other components of the sale such that the award points are recognised at their fair value. Compared with the cost method applied as at 31 December 2009, the adoption of IC Interpretation 13 had no material impact on the prior year's financial statements of the Group and therefore, the impact is reflected in the current financial period ended 30 September 2010.

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

Comparative Figures

Certain comparative figures in the statement of financial position of the Group have been reclassified to conform with the current quarter's presentation. These relate mainly to the following:

	As previously reported RM'000	Reclassification RM'000	As reclassified RM'000
Short term investments	2,146,611	(2,146,611)	-
Bank balances and deposits	3,104,428	(3,104,428)	-
Cash and cash equivalents	-	5,251,039	5,251,039

Significant accounting policies adopted during the financial period ended 30 September 2010 are set out below:

i) Intangible asset - Licence

The Group capitalises purchased licence. The licence, which has definite useful lives, is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Such cost is amortised using the straight line method over the estimated useful life. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

ii) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

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

b) Seasonal or Cyclical Factors

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

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

The unusual items included in the interim financial statements for the nine months ended 30 September 2010 related mainly to the fair value movement, impairment loss and foreign currency exchange losses of the Group's investments as shown below:

- i) The Group had accounted for its investment in Genting Hong Kong Limited ("Genting HK") as an "available-for-sale financial asset" ("AFS") in compliance with FRS 139, which is measured at its fair value based on Genting HK's quoted share prices. Any gain or loss arising from a change in the fair value of the AFS has been recognised and presented as a component in other comprehensive income in the statement of comprehensive income.

A fair value gain of RM748.7 million in the investment in Genting HK is recognised directly in the statement of comprehensive income during the nine months ended 30 September 2010. This fair value gain of RM748.7 million represents the increase in Genting HK's share price to USD0.43 per share as at 30 September 2010 from the Group's carrying value of USD0.26 per share as at 31 December 2009.

c) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (Cont'd)

- ii) The Group has further reviewed its investment in Walker Digital Gaming, LLC (“WDG”) for potential impairment, in view of WDG’s shift in its business and operational strategies to penetrate the competitive gaming equipment market. This shift in strategy resulted in a re-assessment of the Group’s current carrying value of its investment in WDG. Consequently, an impairment loss of RM108.0 million, being the excess of the carrying value over the recoverable amount, has been charged to the profit or loss in the first quarter ended 31 March 2010.
- iii) Foreign currency exchange losses of RM282.2 million during the nine months ended 30 September 2010 as disclosed in the statement of comprehensive income arose from the translation of the Group’s net investments in foreign operations.
- iv) Net fair value loss on financial assets at fair value through profit or loss (“FVTPL”) of RM13.0 million during the nine months ended 30 September 2010 arose from the changes in fair value of the Group’s investments in FVTPL.

Other than the above, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the nine months ended 30 September 2010.

d) Material Changes in Estimates

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

e) Changes in Debt and Equity Securities

- i) The Company issued 5,524,000 new ordinary shares of 10 sen each, for cash, arising from the exercise of options granted under the Executive Share Option Scheme for Eligible Executives of Genting Malaysia Berhad during the nine months ended 30 September 2010 at the following exercise prices:

Exercise price (RM)	No. of options exercised during the nine months ended 30 September 2010
1.700	100,000
1.898	500,000
1.984	35,000
2.064	4,839,000
2.134	50,000
	<hr/> 5,524,000 <hr/>

- ii) At the Annual General Meeting of the Company held on 9 June 2010, the shareholders of the Company had approved, amongst others,
 - (I) the proposed renewal of the authority for the Company to purchase its own shares of an aggregate amount of up to 10% of its prevailing issued and paid-up share capital at anytime; and
 - (II) the proposed exemption under Practice Note 2.9.10 of the Malaysian Code on Take-Overs and Mergers, 1998 to Genting Berhad (“GENT”) and persons acting in concert with it from the obligation to undertake a mandatory take-over offer on the remaining voting shares in the Company not already owned by them, upon the purchase by the Company of its own shares pursuant to the renewal of the authority for the purchase of own shares (“Proposed Exemption”).

On 15 June 2010, GENT informed the Company that the Securities Commission (“SC”) has, on 14 June 2010, approved the Proposed Exemption subject to the requirement that GENT and persons acting in concert with it must at all times disclose to the SC all acquisitions, purchases or entitlements to acquire or purchase voting shares of the Company made by them in a 12-month period from 14 June 2010.

e) Changes in Debt and Equity Securities (Cont'd)

During the nine months ended 30 September 2010, the Company had repurchased a total of 36,450,000 ordinary shares of 10 sen each of its issued share capital from the open market for a total consideration of RM111.1 million. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

f) Dividends Paid

Dividends paid during the nine months ended 30 September 2010 is as follows:

	RM'000
Final dividend for the year ended 31 December 2009 paid on 21 July 2010	
4.3 sen less 25% tax per ordinary share of RM0.10 each	<u>183,776</u>

g) Segment Information

As mentioned in Note (a) above, the segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring items from the reporting segments, such as fair value gains and losses and impairment losses. Interest income is not included in the result for each operating segment.

Segment analysis for the nine months ended 30 September 2010 is set out below:

	<u>Leisure & Hospitality</u> RM'000	<u>Property</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
Revenue					
External	3,716,408	17,310	40,860	-	3,774,578
Inter segment	1,161	6,408	52,124	(59,693)	-
	<u>3,717,569</u>	<u>23,718</u>	<u>92,984</u>	<u>(59,693)</u>	<u>3,774,578</u>
Adjusted EBITDA	<u>1,421,213</u>	<u>12,395</u>	<u>9,647</u>	<u>-</u>	<u>1,443,255</u>
Total Assets	<u>8,012,473</u>	<u>752,397</u>	<u>8,108,658</u>	<u>(3,741,511)</u>	<u>13,132,017</u>

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

Adjusted EBITDA for reportable segments	1,443,255
Impairment losses	(110,876)
Gain on disposal of available-for-sale financial assets	7,366
Net fair value loss on financial assets at fair value through profit or loss	(12,977)
Investment income	25,446
EBITDA	<u>1,352,214</u>
Depreciation and amortisation	(195,871)
Interest income	72,479
Finance cost	(444)
Share of results in jointly controlled entity	(144)
Profit before taxation	<u>1,228,234</u>

h) Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment since the financial year ended 31 December 2009.

i) Material Events Subsequent to the end of Financial Period

i) Acquisition of Genting Singapore PLC's casino businesses in the United Kingdom

On 1 July 2010, the Company announced that Genting Worldwide (UK) Limited (formerly known as Feste Limited), a wholly-owned subsidiary of Genting Worldwide Limited which in turn is a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Genting Singapore PLC ("GENS") to acquire from GENS its casino operations in the United Kingdom ("Acquisition") for a total cash consideration of GBP340 million ("Purchase Consideration"). The Purchase Consideration was subsequently revised to GBP351.5 million to reflect the reduction in the net debt of the acquiree group as at 20 June 2010 of GBP74.4 million from the net debt amount of GBP85.9 million as at 31 May 2010. The consideration was arrived at after arm's length negotiations and on a willing-buyer and willing-seller basis.

At the Extraordinary General Meeting of the Company held on 24 August 2010, the shareholders of the Company had approved the Acquisition. The Acquisition was completed on 15 October 2010.

ii) Joint Venture Agreement between Genting Ibico Holdings Limited, Apollo Resorts & Leisure Limited and Sevco (5036) Limited

On 19 October 2010, Genting Ibico Holdings Limited (formerly known as Ibico Holdings Limited) ("Genting Ibico"), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement ("JV Agreement") with Apollo Resorts & Leisure Limited ("Apollo") and Sevco (5036) Limited (to be renamed as Apollo Genting London Limited) ("JV Company"). Genting Ibico and Apollo each holds 50% equity interests in the JV Company. The purpose of the JV Company, among others, is to develop and operate a leisure entertainment destination in the United Kingdom.

iii) Casino Agreement between Genting Casinos UK Limited, Apollo and Apollo Resorts & Leisure Casinos Limited

On 19 October 2010, Genting Casinos UK Limited ("GENCAS"), an indirect wholly-owned subsidiary of the Company, entered into a casino agreement ("Casino Agreement") with Apollo and Apollo Resorts & Leisure Casinos Limited ("Apollo Casinos").

Pursuant to the Casino Agreement, GENCAS and Apollo have agreed to work together to apply for a casino premises licence ("Licence") in respect of a "large" casino ("Casino") under the British Gambling Act 2005. If successful, Apollo will apply to transfer the Licence to GENCAS for a consideration of GBP5 million payable to Apollo. It is intended for GENCAS to be the sole owner and operator of the Casino.

Other than the above, there were no material events subsequent to the end of current financial period ended 30 September 2010 that have not been reflected in this interim financial report.

j) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the nine months ended 30 September 2010.

k) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the financial year ended 31 December 2009.

I) Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 September 2010 are as follows:

	RM'000
Contracted	1,859,674
Not contracted	248,594
	<u>2,108,268</u>
Analysed as follows:	
- Property, plant and equipment	402,519
- Investment	1,705,749
	<u>2,108,268</u>

m) Significant Related Party Transactions

In the normal course of business, the Group undertakes on agreed terms and prices, transactions with related companies and other related parties. The related party transactions of the Group carried out during the quarter and nine months ended 30 September 2010 are as follows:

	Current quarter RM'000	Current financial year-to-date RM'000
i) Provision of technical know-how and management expertise in the resort's operations by GENT Group to the Group.	94,047	304,925
ii) Licensing Fee for the use of "Genting" and "Awana" logo charged by GENT to the Group.	40,747	128,667
iii) Provision of GENT Group Management and Support Service by GENT Group to the Group.	1,067	2,534
iv) International Sales and Marketing services provided by GENS to the Group.	9,268	32,837
v) Provision of management and promotion of loyalty programme by a wholly-owned subsidiary of GENS to the Group.	1,305	3,437
vi) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by GENS Group to the Group.	4,756	14,578
vii) Provision of information technology technical support services by GENS Group to the Group.	1,397	4,383
viii) Provision of information technology services for ad hoc projects by GENS Group to the Group.	536	1,619
ix) Provision of Customer Interaction Centre services by a wholly-owned subsidiary of GENS Group to the Group.	2,200	6,901
x) Rental charges for premises by the Company to Oriregal Creations Sdn Bhd.	366	1,084
xi) Rental charges and related services by the Group to GENT Group.	816	2,433
xii) Rental charges and related services by the Group to Genting Plantations Berhad Group.	342	1,024
xiii) Rental charges and related services by the Group to GENS Group.	444	1,351

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – THIRD QUARTER ENDED 30
SEPTEMBER 2010

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

1) Review of Performance

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER			PRECEDING QUARTER		NINE MONTHS ENDED 30 SEPTEMBER		
	3Q2010	3Q2009	Var	2Q2010	Var	2010	2009	Var
	RM'Mil	RM'Mil	%	RM'Mil	%	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality	1,185.2	1,324.2	-10%	1,202.3	-1%	3,716.4	3,664.2	1%
Property	5.8	0.9	+>100%	5.8	-	17.3	2.9	+>100%
Others	11.9	10.8	10%	18.4	-35%	40.9	49.1	-17%
	<u>1,202.9</u>	<u>1,335.9</u>	-10%	<u>1,226.5</u>	-2%	<u>3,774.6</u>	<u>3,716.2</u>	2%
Adjusted EBITDA								
Leisure & Hospitality	407.7	561.6	-27%	472.3	-14%	1,421.2	1,486.0	-4%
Property	2.9	0.5	+>100%	4.5	-36%	12.4	4.5	+>100%
Others	5.7	3.2	78%	3.1	84%	9.6	8.0	20%
	<u>416.3</u>	<u>565.3</u>	-26%	<u>479.9</u>	-13%	<u>1,443.2</u>	<u>1,498.5</u>	-4%
Impairment losses	-	(48.6)	100%	-	-	(110.9)	(81.3)	-36%
Gain on disposal of available-for-sale financial assets	7.4	-	+100%	-	+100%	7.4	-	+100%
Gain on disposal of investments	-	0.2	-100%	-	-	-	18.7	-100%
Fair value gain/(loss) on financial assets at fair value through profit or loss	19.4	-	100%	(34.0)	+>100%	(13.0)	-	-100%
Investment income	9.1	5.8	57%	9.6	-5%	25.4	8.3	+>100%
Provision for diminution in value of short term investments	-	(2.0)	100%	-	-	-	(3.0)	100%
EBITDA	<u>452.2</u>	<u>520.7</u>	-13%	<u>455.5</u>	-1%	<u>1,352.1</u>	<u>1,441.2</u>	-6%
Depreciation and amortisation	(63.2)	(69.3)	9%	(66.3)	5%	(195.9)	(203.8)	4%
Interest income	27.7	19.2	44%	25.0	11%	72.5	57.7	26%
Finance cost	(0.4)	-	-100%	-	-100%	(0.4)	-	-100%
Share of results in jointly controlled entity	(0.1)	(0.0)	->100%	0.0	->100%	(0.1)	0.1	->100%
Profit before taxation	<u>416.2</u>	<u>470.6</u>	-12%	<u>414.2</u>	0%	<u>1,228.2</u>	<u>1,295.2</u>	-5%

a) Quarter ended 30 September 2010 compared with quarter ended 30 September 2009

Total revenue decreased by 10% to RM1,202.9 million mainly due to lower business volume and weaker luck factor in the premium players business in the current quarter ended 30 September 2010.

Profit before taxation was RM416.2 million, lower by RM54.4 million or 12%, mainly due to the following:

- (i) lower business volume coupled with weaker luck factor in the premium players business; and
- (ii) higher expenses of RM39.3 million which included the start up costs for the development and operation of a video lottery facility at the Aqueduct Racetrack in the City of New York, United States of America.

However, the decrease in profit before taxation was mitigated by:

- (i) fair value gain of RM19.4 million arising from the Group's investments in financial assets at fair value through profit or loss ("FVTPL");
- (ii) higher interest & investment income by RM11.8 million; and
- (iii) gain of RM7.4 million on disposal of AFS financial assets.

In addition, there was an impairment charge of RM48.6 million recorded on the Group's investment last year.

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

b) **Financial period for the nine months ended 30 September 2010 compared with nine months ended 30 September 2009**

Total revenue increased by 2% to RM3,774.6 million mainly due to overall better luck factor in the premium players business during the nine months ended 30 September 2010.

Profit before taxation was RM1,228.2 million, lower by RM67.0 million or 5%, mainly due to the following:

- (i) higher impairment loss on the Group's investments of RM29.0 million during the current financial period;
- (ii) higher expenses of RM38.1 million which included the start up costs for the development and operation of a video lottery facility in New York;
- (iii) fair value loss of RM13.0 million arising from the Group's investments in FVTPL; and
- (iv) lower gain on disposal of investments by RM11.3 million during the current financial period.

The decrease in profit before taxation was mitigated by:

- (i) overall better luck factor in the premium players business; and
- (ii) higher interest & investment income by RM31.9 million.

2) **Material Changes in Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter**

The Group registered a higher profit before taxation of RM416.2 million in the current quarter ended 30 September 2010 compared with RM414.2 million in the preceding quarter ended 30 June 2010. The higher profit before taxation was mainly due to fair value gain of RM19.4 million from the Group's investments in FVTPL this quarter compared to the fair value loss of RM34.0 million in the preceding quarter.

However, the higher profit before taxation was offset by lower volume of the premium players business and higher expenses of RM43.4 million which included the start up costs for the development and operation of a video lottery facility in New York.

3) **Prospects**

The Group's performance in Malaysia is expected to be affected by greater regional competition for the remaining period of 2010. The Group will continue to evaluate its strategies and in particular will increase its marketing activities to address the growing competition.

The Group's UK casino business which was acquired in October 2010 will not have significant impact on the Group's performance for the remaining period of 2010.

4) **Variance of Actual Profit from Forecast Profit**

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

5) Taxation

Taxation charges for the current quarter and nine months ended 30 September 2010 are as follows:

	Current quarter ended 30 September 2010	Nine months ended 30 September 2010
	<u>RM'000</u>	<u>RM'000</u>
Current taxation charge:		
Malaysian income tax charge	92,293	333,548
Foreign income tax charge	11	118
Deferred tax charge	759	(6,581)
	<hr/> 93,063	<hr/> 327,085
Prior years' taxation:		
Income tax over provided	(16,183)	(16,184)
Deferred tax under provided	2,965	3,118
	<hr/> 79,845	<hr/> 314,019

The effective tax rate of the Group for the current quarter ended 30 September 2010 (before the adjustment of taxation in respect of prior years) is lower than the statutory tax rate mainly due to taxable income which is subject to different tax regime and tax incentives.

The effective tax rate of the Group for the nine months ended 30 September 2010 (before the adjustment of taxation in respect of prior years) is higher than the statutory tax rate mainly due to impairment loss arising from the Group's investments in available-for-sale financial asset and non-deductible expenses; mitigated by tax incentives.

6) Profit on Sale of Unquoted Investments and/or Properties

The results for the nine months ended 30 September 2010 do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business.

7) Quoted Securities other than Securities in Existing Subsidiaries

- (a) The dealings of quoted securities for the current quarter and nine months ended 30 September 2010 were as follows:

	Current quarter ended 30 September 2010	Nine months ended 30 September 2010
	<u>RM'000</u>	<u>RM'000</u>
Total purchases at cost	<hr/> -	<hr/> 1,229

There were no disposal of quoted securities for the current quarter and nine months ended 30 September 2010.

- (b) The details of the investments in quoted shares excluding subsidiaries as at 30 September 2010 are set out below:

	Available-for-Sale Financial Assets	Financial Assets at Fair Value through Profit or Loss
	<u>RM'000</u>	<u>RM'000</u>
Total investments at cost	1,195,076	27,073
Total investments at market value	<hr/> 1,892,360	<hr/> 22,266

8) Status of Corporate Proposals Announced

- i) Joint Venture Agreement between Genting Ibico Holdings Limited, Apollo Resorts & Leisure Limited and Sevco (5036) Limited

On 19 October 2010, Genting Ibico Holdings Limited (formerly known as Ibico Holdings Limited) (“Genting Ibico”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement (“JV Agreement”) with Apollo Resorts & Leisure Limited (“Apollo”) and Sevco (5036) Limited (to be renamed as Apollo Genting London Limited) (“JV Company”). Genting Ibico and Apollo each holds 50% equity interests in the JV Company. The purpose of the JV Company, among others, is to develop and operate a leisure entertainment destination in the United Kingdom.

- ii) Casino Agreement between Genting Casinos UK Limited, Apollo and Apollo Resorts & Leisure Casinos Limited

On 19 October 2010, Genting Casinos UK Limited (“GENCAS”), an indirect wholly-owned subsidiary of the Company, entered into a casino agreement (“Casino Agreement”) with Apollo and Apollo Resorts & Leisure Casinos Limited (“Apollo Casinos”).

Pursuant to the Casino Agreement, GENCAS and Apollo have agreed to work together to apply for a casino premises licence (“Licence”) in respect of a “large” casino (“Casino”) under the British Gambling Act 2005. If successful, Apollo will apply to transfer the Licence to GENCAS for a consideration of GBP5 million payable to Apollo. It is intended for GENCAS to be the sole owner and operator of the Casino.

Other than the above, there were no other corporate proposals announced but not completed as at 18 November 2010.

9) Group Borrowing

The details of the Group’s borrowing as at 30 September 2010 are as set out below:

	<u>Secured/Unsecured</u>	<u>Foreign Currency</u> <u>'000</u>	<u>RM Equivalent</u> <u>'000</u>
Short term borrowing	Secured	<u>USD200,000</u>	<u>618,700</u>

10) Outstanding derivatives

There are no outstanding derivatives as at 30 September 2010.

11) Fair Value Changes of Financial Liabilities

As at 30 September 2010, the Group does not have any financial liabilities measured at fair value through profit or loss.

12) Changes in Material Litigation

There are no pending material litigations as at 18 November 2010.

13) Dividend Proposed or Declared

- (a) No interim dividend has been proposed or declared for the current quarter ended 30 September 2010.
- (b) Total dividend payable for the current financial year-to-date was an interim dividend of 3.60 sen per ordinary share of 10 sen each, less 25% tax which was paid on 21 October 2010.

14) Earnings per share ("EPS")

- (a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter and nine months ended 30 September 2010 are as follows:

	Current quarter ended 30 September 2010	Nine months ended 30 September 2010
	<u>RM'000</u>	<u>RM'000</u>
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	<u>336,417</u>	<u>914,471</u>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and nine months ended 30 September 2010 are as follows:

	Current quarter ended 30 September 2010	Nine months ended 30 September 2010
	<u>Number of Shares ('000)</u>	<u>Number of Shares ('000)</u>
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,685,031	5,693,993
Adjustment for share options granted under the Executive Share Option Scheme for Eligible Executives of Genting Malaysia Berhad	9,446	9,068
Weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	<u>5,694,477</u>	<u>5,703,061</u>

(*) The weighted average number of ordinary shares of RM0.10 each in issue during the current quarter ended 30 September 2010 excludes the weighted average treasury shares held by the Company.

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

The audit report of the Group's annual financial statements for the year ended 31 December 2009 was not qualified.

16) Approval of Interim Financial Statements

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 November 2010.