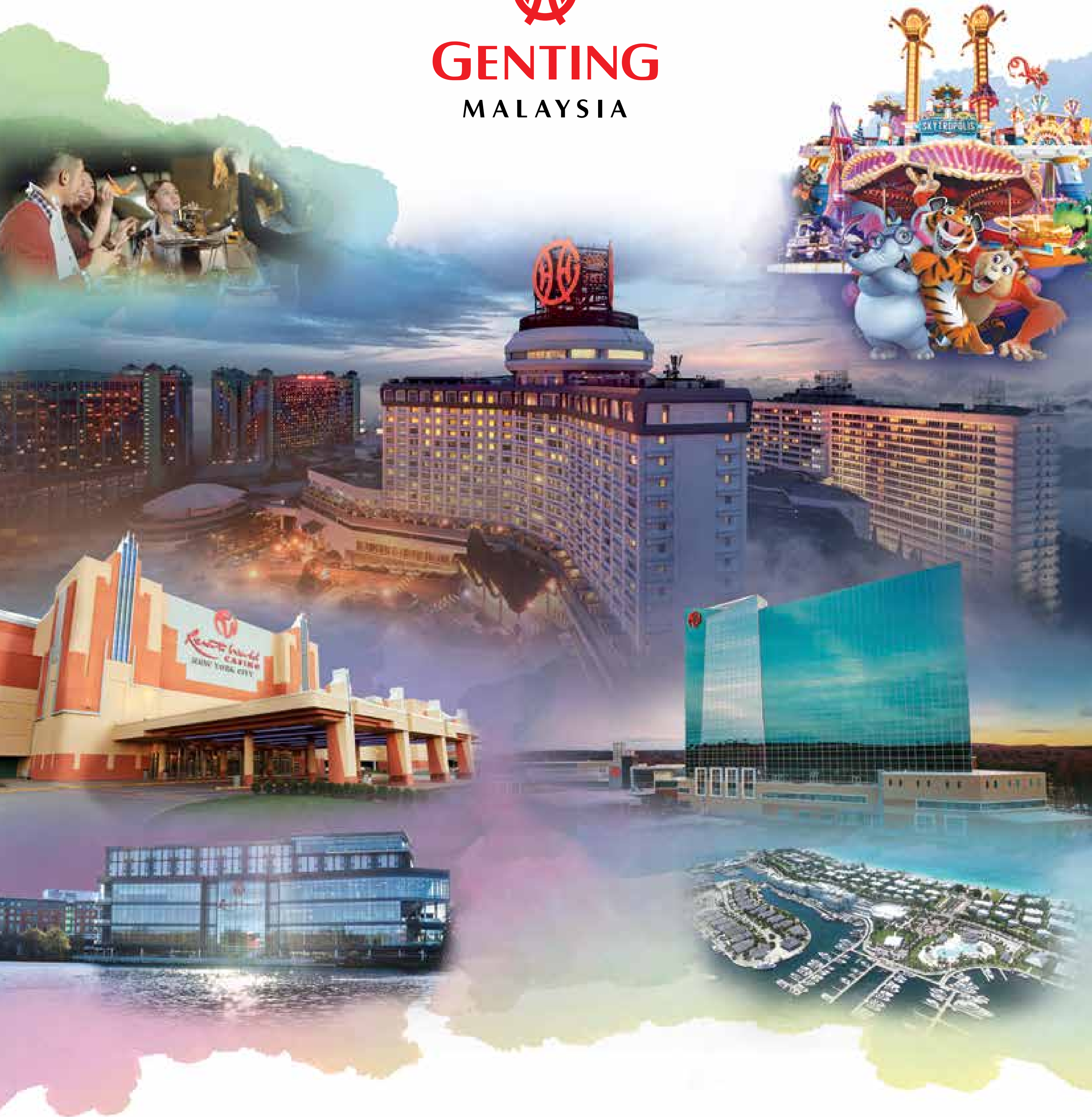
GENTING
MALAYSIA



ANNUAL REPORT 2019

GENTING MALAYSIA BERHAD

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about

GENTING MALAYSIA

VISION

To be the leading integrated resort operator in the world.

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.

CORE VALUES

- HARD WORK
- HONESTY
- HARMONY
- LOYALTY
- COMPASSION

CORPORATE PROFILE

Genting Malaysia Berhad ("Genting Malaysia" or the "Group") (www.gentingmalaysia.com) is one of the leading leisure and hospitality corporations in the world. Incorporated in 1980, Genting Malaysia was subsequently listed on Bursa Malaysia's Main Market in 1989. Genting Malaysia is a renowned provider of premier leisure and entertainment services and has a market capitalisation of RM19 billion as at 31 December 2019. Genting Malaysia owns and operates major resort properties including Resorts World Genting ("RWG") in Malaysia, Resorts World Casino New York City ("RWNYC") and Resorts World Catskills ("RWC") (which is 49%-owned via an associate company) in the United States ("US"), Resorts World Bimini ("RW Bimini") in the Bahamas, Resorts World Birmingham and about 40 casinos in the United Kingdom ("UK") and the 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.

With about 10,500 rooms across seven distinct hotels, RWG is Malaysia's premier integrated resort destination. The resort also features wide-ranging leisure and entertainment facilities, including gaming, theme parks and amusement attractions, dining and retail outlets, as well as international shows and business convention facilities. Genting Highlands Premium Outlets (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill further complements the various attractions at RWG. Additionally, the new outdoor theme park will add to RWG's extensive entertainment offerings upon completion.

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

In the US, Genting Malaysia's RWNYC, the first and only video gaming machine facility in New York City, and RWC, a premium destination resort situated within the scenic Catskills Mountains in the State of New York, collectively offer the ultimate gaming, hospitality and entertainment experience, featuring a live table games casino, over 400 rooms across two hotels, video gaming machines, diverse bar and restaurant choices, exciting shows and memorable events. Additionally, the Group embarked on an expansion project at RWNYC to expand its facilities and attractions, including the development of a new 400-room hotel. 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, Hilton at RW Bimini, restaurants and bars, various resort amenities as well as the largest yacht and marina complex on the island surrounded by turquoise waters and white-sand beaches.

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

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CHAIRMAN'S STATEMENT

Dear Shareholders,

2019 marked a new chapter for us as we transition and adapt to the shifting business landscapes at home and abroad. We embraced challenges by moving forward and leveraged various opportunities to grow our presence, all whilst remaining committed to delivering long-term sustainable value to our shareholders, our employees, and our wider community of stakeholders.

On behalf of the Board of Directors ("Board"), it gives me great 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 2019 ("FY2019").

Despite operating within a challenging environment, the Group showed resilience and delivered a set of encouraging results through the concerted efforts of management and our employees. During the financial year under review, the Group registered a 5% growth in revenue to RM10,406.9 million, predominantly aided by higher hold percentage in the mid to premium players segment of the Group's leisure and hospitality business in Malaysia. However, adjusted earnings before interest, taxation, depreciation and amortisation ("adjusted EBITDA") decreased to RM2,641.4 million mainly due to the higher casino duties imposed on the Group's operations in Malaysia. Overall, the Group reported a net profit of RM1,332.2 million in FY2019.

In Malaysia, I am heartened by the steady growth of our operations at Resorts World Genting ("RWG"). Amid growing regional competition, we invested in the Genting Integrated Tourism Plan ("GITP") to meet the demands of evolving consumer preferences. Since the progressive roll out of new facilities and attractions from the end of 2016, RWG has continued to record a steady rise in visitation every year. In FY2019, the resort attracted over 28.7 million visitors, representing an improvement of 11% from the financial year before while hotel occupancy registered a solid 95%. I am also proud to share that our luxurious Crockfords Hotel was a recipient of the coveted Five-Star award in the latest Forbes Travel Guide, the first and only hotel in Malaysia to have been conferred such an accolade. Through the GITP, I am proud that our vision has not only expanded the breadth and quality of our non-gaming propositions at RWG significantly, we have also positively contributed to the hospitality and entertainment landscape in the country.

In the United Kingdom ("UK"), we continue to see pressure on our operations due to the prevalence of economic headwinds and regulatory uncertainties. While the premium players segment remains volatile, we have gradually strengthened our position in the mass market segment, with growth particularly in electronic gaming products. To further capitalise on this momentum, we have made significant investments in our online offering throughout the year. Amongst them, we have rebranded our online business as 'GentingBet' in addition to launching a new website with exclusive content. The Group has also embarked on vertical integration in the online gaming space by acquiring Authentic Gaming Limited ("Authentic Gaming"), an online gaming specialist, to expand the Group's offering through the utilisation of Authentic Gaming's innovative streaming technologies to bring together its offline and online gaming experiences. Meanwhile, Resorts World Birmingham continues to record improvements in both footfall and operating performance and we will continue to focus our efforts on growing the business at the property.

In the United States ("US"), Resorts World Casino New York City ("RWNYC") maintained its market leading position by gaming revenue in the Northeast US region despite increasing competition. Nevertheless, we continue to direct efforts toward strengthening our operations by undertaking various initiatives to further develop and grow our presence in the region. This includes working towards the timely completion of RWNYC's ongoing expansion, which will enhance the property's product offerings and position RWNYC well for future growth. Additionally, the Group, together with Kien Huat Realty III Limited ("KH"), had completed the privatisation of Empire Resorts, Inc ("Empire") in November 2019, which resulted in GENM and KH indirectly owning 49% and 51% equity interest in Empire respectively. Since then, the Group has executed various strategies to turn around the business at Resorts World Catskills ("RWC"). This includes leveraging synergies between RWNYC and RWC to grow business volume and improve the overall margins of the Group's operations in the US. We are confident RWC will soon realise its full potential – operating results at the property have continued to record considerable improvements, with gaming revenues registering a 33% increase in December 2019. Together with RWNYC, the Group is focused on capitalising on the properties' unique competitive positions to further cement its position as a mainstay of the New York State gaming market.

In the Bahamas, Resorts World Bimini ("RW Bimini") continues to benefit from the strategic changes implemented at the resort in previous years as the property have registered marked improvements throughout the year. To further drive visitation and revenue, the Group will continue enhancing accessibility and infrastructure at the property in addition to providing more exciting offerings for visitors. Earlier in 2019, we began the development of a new exclusive Beach Club at RW Bimini as part of our strategy to increase footfall and foster higher spend at the resort through our partnership with renowned brands.

Given the operating landscape and our credible performance, the Board had declared a special single-tier dividend of 9.0 sen per ordinary share. The Board has also recommended a final dividend of 5.0 sen per ordinary share for the approval of shareholders at the forthcoming Annual General Meeting. If approved, the total dividend for FY2019 will amount to 20.0 sen per ordinary share, representing an increase of 5% from the previous financial year.

As a responsible corporate citizen, corporate social responsibility underpins the Group's core operations and business practices throughout its value chain. Guided by the economic, environment and social pillars, we believe that our business strategies should always be grounded by strong core values, operational efficiency, stakeholder engagement and social philanthropy. I am proud to share that this is the second year running of the Group's inclusion in the FTSE4Good Index, a testament of the Group's steadfast commitment to uphold the highest standards of environmental, social and governance practices.

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

In terms of tourism, demand for international travel is expected to decline in the near-term following the imposition of travel restrictions and widespread concerns surrounding the COVID-19 outbreak. The regional leisure and hospitality industry will be adversely impacted, including the gaming industry. Consequently, the Group is more cautious on the near-term prospects of the leisure and hospitality industry.

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

2020 marks the 55th anniversary of the founding of the Genting Group. As we advance into a new decade of operations, it is imperative for us to undertake proactive measures to continuously build on the momentum of fortifying our business fundamentals to strengthen our resilience in the face of challenges and propel the Group towards realising its long term growth aspirations. To this end, the Board plays a key role in mapping the way forward with each director bringing in a unique set of experiences, skills and industry knowledge. On this note, I would like to take this opportunity to welcome Dato' Sri Lee Choong Yan who has assumed the position of Executive Director of the Group effective January 2020. He has been with the Group for more than 20 years and will be carrying out his duties as Executive Director in addition to his current capacity as President and Chief Operating Officer of the Group.

Lastly, I would like to express my sincere gratitude and appreciation to my fellow colleagues on the Board, the management team and all employees of the Group for their invaluable insights and dedicated efforts throughout this period of change. I would also like to convey my thanks to all our stakeholders, valued customers, business associates and various regulatory authorities for their unstinting support and continuous confidence in us. We look forward to scaling new heights and achieving new milestones with you as we work towards redefining the leisure and hospitality landscape and becoming a leading global integrated resort operator.

Thank you.

TAN SRI LIM KOK THAY
Chairman and Chief Executive
27 February 2020

Updates (7 April 2020)

The paragraphs below supersede in full all the paragraphs above in relation to prospects. Shareholders should not rely on the prospects in the preceding section but should instead refer to the two paragraphs below for the Group's prospects.

The COVID-19 outbreak has evolved into a global pandemic, adversely affecting economies worldwide due to the widespread imposition of travel restrictions, constraints on the movement of people and the suspension of many business operations to curb the spread of this virus. In Malaysia, the Group has temporarily suspended operations at RWG, Resorts World Awana, Resorts World Kijal and Resorts World Langkawi since 18 March 2020 in compliance with the Movement Control Order announced by the Prime Minister. Similarly, as required by the respective authorities, RWNYC, RWC, RW Bimini, Resorts World Birmingham and the Group's other land-based casinos in the UK are also temporarily closed to curb the spread of COVID-19.

These are unprecedented and challenging times for the Group. The spread of the COVID-19 and its impact on economies worldwide are major concerns globally and to the Group. The situation will remain fluid as governments worldwide adapt to the evolving response to contain the COVID-19 pandemic. Given these unprecedented times of uncertainty, it is not prudent at this juncture to issue any statement on the Group's prospects.

PENYATA PENGERUSI

Para Pemegang Saham yang Dihormati,

2019 membuka lembaran baharu untuk kami apabila kami beralih dan menyesuaikan diri dengan perubahan landskap perniagaan di dalam dan luar negara. Kami menyahut cabaran dengan maju ke hadapan dan memanfaatkan pelbagai peluang untuk meningkatkan tampilan kami, di samping tetap komited memberikan nilai mampan jangka panjang kepada para pemegang saham kami, kakitangan kami, dan komuniti pemegang kepentingan kami yang lebih besar.

Bagi pihak Lembaga Pengarah ("Lembaga"), saya amat berbesar hati untuk membentangkan kepada anda Laporan Tahunan dan Penyata Kewangan Beraudit Genting Malaysia Berhad ("GENM") dan kumpulan syarikatnya ("Kumpulan") untuk tahun kewangan berakhir 31 Disember 2019 ("FY2019").

Walaupun beroperasi dalam persekitaran yang mencabar, Kumpulan menunjukkan daya tahan dan telah memperolehi keputusan yang menggalakkan menerusi usaha bersepadu pengurusan dan kakitangan kami. Bagi tahun kewangan yang ditinjau, Kumpulan mencatatkan pertumbuhan hasil sebanyak 5% kepada RM10,406.9 juta, sebahagian besarnya dibantu oleh peratusan menang yang lebih tinggi dalam segmen pemain pertengahan hingga premium daripada perniagaan rekreasi dan keraian Kumpulan di Malaysia. Walau bagaimanapun, perolehan terselaras sebelum faedah, cukai, susut nilai dan pelunasan ("EBITDA diselaraskan") menurun kepada RM2,641.4 juta terutamanya disebabkan oleh duti kasino yang lebih tinggi yang dikenakan ke atas operasi Kumpulan di Malaysia. Secara keseluruhannya, Kumpulan mencatatkan keuntungan bersih sebanyak RM1,332.2 juta dalam FY2019.

Di Malaysia, saya kagum dengan pertumbuhan operasi kami di Resorts World Genting ("RWG"). Di tengah-tengah persaingan serantau yang semakin sengit, pelaburan kami dalam Pelan Pelancongan Bersepadu Genting ("GITP") adalah satu skema yang kami lakukan untuk memenuhi tuntutan pilihan pengguna yang semakin berevolusi. Sejak pelancaran pelbagai kemudahan dan tarikan-tarikan baharu dari akhir tahun 2016, RWG terus mencatatkan peningkatan lawatan pada setiap tahun. Pada FY2019, resort ini menarik lebih dari 28.7 juta pelawat, mewakili peningkatan sebanyak 11% berbanding tahun kewangan sebelumnya manakala penginapan hotel mencatatkan kadar yang mantap pada 95%. Saya juga berbangga untuk berkongsi bahawa hotel mewah kami Hotel Crockfords menjadi penerima anugerah Lima Bintang yang diiktiraf dalam Forbes Travel Guide yang terkini, hotel pertama dan satu-satunya di Malaysia yang mendapat anugerah sedemikian. Melalui GITP, saya berbangga bahawa visi kami bukan sahaja telah memperluaskan kepelbagaian dan kualiti proposisi bukan permainan kami di RWG dengan ketara, kami juga telah menyumbang secara positif kepada landskap perhotelan dan hiburan di negara ini.

Di United Kingdom ("UK"), kami terus melihat tekanan ke atas operasi kami disebabkan oleh cabaran ekonomi dan ketidakpastian kawal selia. Walaupun segmen pemain premium kekal tidak menentu, kami telah mengukuhkan kedudukan kami secara beransur-ansur dalam segmen pasaran massa, dengan pertumbuhan terutamanya dalam produk permainan elektronik. Untuk terus memanfaatkan momentum ini, kami telah membuat pelaburan yang signifikan untuk penawaran dalam talian kami sepanjang tahun ini. Antaranya, kami telah menjenamakan semula perniagaan dalam talian kami sebagai 'GentingBet' di samping melancarkan laman web baharu dengan kandungan eksklusif. Kumpulan juga telah memulakan integrasi menegak dalam ruang permainan dalam talian dengan memperoleh pakar permainan dalam talian, Authentic Gaming Limited ("Authentic Gaming"), untuk memperluas penawaran Kumpulan menerusi penggunaan teknologi penstriman yang inovatif daripada Authentic Gaming untuk menyatukan pengalaman permainan luar talian dan dalam talian. Sementara itu, Resorts World Birmingham terus mencatatkan peningkatan kunjungan pelanggan dan pertumbuhan prestasi operasi. Selaras dengan itu, kami akan terus menumpukan usaha untuk mengembangkan perniagaan di hartanah tersebut.

Di Amerika Syarikat ("AS"), Resorts World Casino New York City ("RWNYC") mengekalkan kedudukannya sebagai peneraju pasaran berdasarkan hasil permainan di rantau Amerika Timur Laut meskipun persaingan semakin sengit. Walau bagaimanapun, kami terus menumpukan usaha untuk mengukuhkan operasi kami dengan menjalankan pelbagai inisiatif untuk terus membangunkan dan mengembangkan kehadiran kami di rantau ini. Ini termasuklah usaha untuk menyiapkan pengembangan berterusan RWNYC mengikut masa yang ditetapkan, yang akan meningkatkan penawaran produk hartanah dan mengukuhkan kedudukan RWNYC untuk pertumbuhan masa hadapan. Di samping itu, Kumpulan, bersama-sama dengan Kien Huat Realty III Limited ("KH"), telah menyempurnakan penswastaan Empire Resorts, Inc. ("Empire") pada November 2019. Sehubungan dengan itu, GENM dan KH secara tidak langsung memiliki 49% dan 51% kepentingan ekuiti dalam Empire masing-masing. Sejak itu, Kumpulan telah melaksanakan pelbagai strategi untuk memulihkan perniagaan di Resorts World Catskills ("RWC"). Ini termasuk memanfaatkan sinergi antara RWNYC dan RWC untuk mengembangkan jumlah dagangan perniagaan dan meningkatkan margin keseluruhan operasi Kumpulan di AS. Kami yakin RWC tidak lama lagi akan mencapai potensi penuhnya – hartanah tersebut terus mencatatkan peningkatan angka operasi yang baik, iaitu sebanyak 33% pada Disember 2019. Bersama dengan RWNYC, Kumpulan akan terus memberi tumpuan untuk memanfaatkan ciri-ciri unik kedudukan daya saingnya, demi mengukuhkan lagi kedudukannya sebagai pengendali permainan kasino terkemuka di New York.

Di Bahamas, Resorts World Bimini ("RW Bimini") terus mendapat manfaat daripada perubahan strategik yang dilaksanakan di resort pada tahun-tahun terdahulu memandangkan hartanah ini telah mencatatkan peningkatan yang ketara sepanjang tahun ini. Untuk terus memacu kunjungan dan hasil, Kumpulan akan terus meningkatkan akses dan prasarana di hartanah tersebut di samping menyediakan penawaran yang lebih menarik untuk pelawat. Pada awal tahun 2019, kami telah memulakan pembangunan Beach Club, sebuah kelab eksklusif yang baharu di RW Bimini sebagai sebahagian daripada strategi kami untuk meningkatkan kunjungan pelanggan dan menggalakkan perbelanjaan yang lebih tinggi di resort tersebut melalui kerjasama antara kami dengan pelbagai jenama terkenal.

Berdasarkan lanskap operasi dan prestasi baik kami, Lembaga telah mengisytiharkan dividen khas satu peringkat sebanyak 9.0 sen sesaham biasa. Lembaga juga telah mencadangkan dividen akhir sebanyak 5.0 sen sesaham biasa untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan datang. Sekiranya diluluskan, jumlah dividen bagi FY2019 akan berjumlah 20.0 sen sesaham, mewakili peningkatan sebanyak 5% daripada tahun kewangan sebelumnya.

Sebagai warga korporat yang bertanggungjawab, tanggungjawab sosial korporat merupakan tunggak operasi teras dan amalan perniagaan Kumpulan pada sepanjang rantaian nilainya. Berpandukan kepada tunggak ekonomi, persekitaran dan sosial, kami percaya bahawa strategi perniagaan kami harus sentiasa dibina berlandaskan nilai teras yang kukuh, kecekapan operasi, penglibatan pihak berkepentingan dan kedermawanan sosial. Saya berbangga untuk berkongsi bahawa ini adalah tahun kedua berturut-turut penyertaan Kumpulan dalam Indeks FTSE4Good, bukti komitmen kukuh Kumpulan untuk menegakkan piawaian tertinggi amalan dalam alam sekitar, sosial dan tadbir urus.

Berkenaan dengan prospek, pengembangan ekonomi global dijangka meningkat secara sederhana apabila sentimen pasaran beransur pulih berikutan ketegangan perdagangan global yang semakin berkurang. Walau bagaimanapun, risiko pemulihan ekonomi juga semakin ketara disebabkan oleh kebimbangan yang meningkat terhadap kesan negatif penularan Penyakit Coronavirus 2019 ("COVID-19") ke atas ekonomi global. Tambahan lagi, kebimbangan mengenai ketegangan geopolitik yang berlarutan dan ketidakpastian dasar masih kekal. Secara domestik, pengembangan ekonomi Malaysia dijangka berterusan pada kadar yang lebih perlahan.

Dari segi pelancongan, kemahuan untuk perlancongan ke luar negara dijangka merosot dalam jangka terdekat berikutan pengenaan sekatan perlancongan dan kebimbangan yang meluas berkaitan dengan wabak COVID-19. Industri rekreasi dan keraian serantau akan mengalami kesan negatif, termasuk industri permainan kasino. Oleh yang demikian, Kumpulan lebih berwaspada terhadap prospek pertumbuhan jangka pendek industri rekreasi dan keraian.

Di Malaysia, kami terus memberi tumpuan untuk menyiapkan taman tema luar mengikut masa yang ditetapkan selaras dengan kerja pembangunan yang kini berada pada peringkat akhir. Persiapan pra-pembukaan taman tema sedang dijalankan kerana Kumpulan bersedia untuk memanfaatkan pertumbuhan kunjungan setelah sektor pelancongan domestik dan serantau pulih. Sementara itu, Kumpulan akan terus memanfaatkan aset berkualiti untuk mengembangkan segmen perniagaan utama dan meningkatkan sumbangan hasil keseluruhan di RWG. Di samping itu, Kumpulan akan terus memacu kecekapan operasi dan kos serta mengoptimumkan pengurusan hasil di resort sebagai langkah menghadapi persekitaran operasi yang makin mencabar. Dari segi operasi kami di luar negara, Kumpulan tetap komited untuk meningkatkan kecemerlangan operasi melalui pelaksanaan secara teliti pelbagai strategi untuk memperkukuh dan mengembangkan kehadiran antarabangsa kami.

2020 menandakan ulang tahun ke-55 penubuhan Kumpulan Genting. Dalam kami terus maju ke dekad baharu operasi, adalah penting bagi kami untuk melaksanakan langkah-langkah proaktif untuk terus membina momentum pengukuhan asas perniagaan kami bagi memantapkan daya tahan kami dalam menghadapi cabaran dan melonjakkan Kumpulan ke arah merealisasikan aspirasi pertumbuhan jangka panjang. Untuk tujuan ini, Lembaga memainkan peranan penting dalam mencorakkan langkah ke hadapan dengan setiap pengarah membawa bersama pengalaman, kemahiran dan pengetahuan industri yang unik. Oleh itu, saya ingin mengambil peluang ini untuk mengalu-alukan Dato' Sri Lee Choong Yan yang telah mengambil alih jawatan Pengarah Eksekutif Kumpulan berkuat kuasa Januari 2020. Beliau telah berkhidmat dengan Kumpulan lebih daripada 20 tahun dan akan melaksanakan tugasnya sebagai Pengarah Eksekutif di samping tanggungjawab beliau sekarang sebagai Presiden dan Ketua Pegawai Operasi Kumpulan.

Akhir sekali, saya ingin menyampaikan penghargaan dan rasa terima kasih saya kepada rakan-rakan Lembaga Pengarah, pasukan pengurusan dan semua kakitangan Kumpulan atas segala pandangan berharga dan dedikasi yang diberikan sepanjang tempoh perubahan ini. Saya juga ingin mengucapkan terima kasih kepada pihak berkepentingan, pelanggan yang dihargai, rakan perniagaan dan pelbagai pihak kawal selia atas sokongan tidak terhingga dan keyakinan berterusan terhadap kami. Kami berharap dan menantikan saat kita menggapai matlamat lebih tinggi dan memperoleh tanda mercu kejayaan baharu bersama-sama dengan usaha kami mentakrif semula landskap keraian dan hospitaliti, di samping menjadi peneraju pengendali resort bersepadu di peringkat global.

Sekian, terima kasih.

TAN SRI LIM KOK THAY
Pengerusi dan Ketua Eksekutif
27 Februari 2020

Kemas Kini (7 April 2020)

Semua perenggan di atas yang berkenaan dengan prospek akan digantikan sepenuhnya dengan perenggan-perenggan di bawah. Para pemegang saham tidak harus bergantung pada prospek di bahagian sebelum ini tetapi sebaliknya harus merujuk pada dua perenggan di bawah untuk prospek Kumpulan.

Penularan wabak COVID-19 telah diisytihar sebagai pandemik global dan ancaman virus tersebut memberi kesan negatif besar kepada ekonomi dunia disebabkan oleh sekatan menyeluruh semua perjalanan, sekatan pergerakan dan penutupan premis-premis perniagaan sebagai langkah untuk mengekang penularan wabak ini. Di Malaysia, Kumpulan telah menggantung sementara operasinya di RWG, Resorts World Awana, Resorts World Kijal dan Resorts World Langkawi sejak 18 Mac 2020 selaras Perintah Kawalan Pergerakan yang diumumkan oleh Perdana Menteri. Di samping itu, selaras perintah pihak berkuasa masing-masing, RWNYC, RWC, RW Bimini, Resorts World Birmingham dan kasino-kasino berasaskan darat lain di UK juga ditutup sementara waktu untuk membendung penularan COVID-19.

Situasi semasa wabak ini merupakan keadaan yang tidak pernah berlaku dan menimbulkan cabaran besar kepada Kumpulan. Penularan wabak COVID-19 dan impaknya terhadap ekonomi seluruh dunia merupakan kebimbangan utama di peringkat global dan kepada Kumpulan. Situasi ini akan berubah pada bila-bila masa kerana kerajaan-kerajaan di seluruh dunia akan menyesuaikan diri dengan evolusi cara tangani wabak pandemik COVID-19. Berikutan ketidakpastian situasi kini, adalah tidak sesuai pada masa ini untuk Kumpulan mengumumkan sebarang kenyataan mengenai prospek Kumpulan.

主席
文告

亲爱的股东:

为了适应国内外不断改变的业务格局，我们在2019年做出了相应的转变，并因此打开了一个全新篇章。我们迈步向前以应对挑战，并抓紧机会来扩大影响力，同时仍不忘致力于为股东、员工以及广大的利益相关者社区提供长期可持续发展的价值。

本人仅代表董事会欣然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")，截至2019年12月31日财政年(简称"2019财政年度")的常年报告及已审核财务报表。

尽管营运环境充满挑战，但在管理层和员工的共同努力下，本集团仍展现韧力，业绩表现令人鼓舞。回顾财政年内，本集团的营收成长5%，达到104亿690万令吉，主要是本集团在马来西亚休闲与礼宾业务中，中档至贵宾级赌客的赌桌赢率有所改善。然而，由于本集团在马来西亚的业务受征收更高的赌场税，扣除利息、税务、折旧与摊销前经调整盈利(简称"经调整EBITDA")下降至26亿4千140万令吉。整体而言，本集团于2019财政年的净盈利为13亿3千220万令吉。

在马来西亚，云顶世界(RWG)的业务稳定成长，令我深受鼓舞。面对日益激烈的区域竞争之际，我们在云顶综合旅游计划(GITP)的投资，是为满足不断变化的消费者喜好需求而做出的努力。云顶世界自2016年杪开始陆续推出新设施与景点，而每年到访的游客人数也稳定上涨。就于2019年，云顶世界全年共接待超过2千870万名游客，按年增长11%。此外，酒店住客率也维持在高达95%的稳固水平。本人欣然告知本名胜久负盛名的康乐福酒店(Crockfords Hotel)在最新的《福布斯旅游指南》获得众所称羡的五星评级，是全马第一家和唯一获此殊荣的酒店。让我引以为豪的是，通过云顶综合旅游计划，我们不仅大大提高了云顶世界非博彩业务主张的广度和质量，亦为我国的礼宾和娱乐业做出积极贡献。

由于面对经济逆风与监管措施不明朗，我们在英国的业务继续面对压力。在贵宾级赌客业务仍波动不定之际，我们已逐步加强大众赌客业务，尤其是电子博彩产品。为了善用此成长动力，我们一整年都对线上博彩业务作出显著投资。其中包括推介有专属内容的新网页，并重新塑造线上业务品牌为"GentingBet"。本集团收购线上博彩专家—Authentic Gaming Limited作为垂直整合，旨在通过Authentic Gaming创新的串流媒体技术，将离线和线上博彩体验融合为一，从而扩大本集团的产品范围。同时，云顶世界伯明翰的客流量与营运表现持续改善，我们将继续专注于壮大此物业的业务。

在美国方面，尽管面对日益竞争的局面，云顶世界纽约市在美国东北部的博彩收入仍保持在市场领先地位。虽然如此，我们持续通过采取各项举措来加强业务，以进一步拓展并壮大我们在该地区的地位。其中包括在既定时间内完成云顶世界纽约市的扩充工程，以加强此物业所提供的产品范围，亦助于云顶世界纽约市未来的成长。此外，本集团与建发实业III私人有限公司(Kien Huat Realty III Limited)联手于2019年11月份完成了对帝国度假村(Empire Resorts, Inc.)的私有化，并各自间接拥有了在帝国度假村49%和51%的股权。随后，本集团执行各项策略，以扭转云顶世界卡茨基尔的业务。其中包括充分利用云顶世界纽约市与云顶世界卡茨基尔之间的协同综效，以推动业务量并提高整体营运赚幅。我们有信心，云顶世界卡茨基尔很快就可实现全面潜能—此物业的营运业绩持续出现可观改善，于2019年12月的博彩营收激增33%。连同云顶世界纽约市，本集团专注于善用此物业的独特竞争定位，进一步巩固其纽约州博彩市场中流砥柱的地位。

在巴哈马，云顶世界比米尼继续从前几年落实的策略调整得益，此物业一整年的业务都有所改善。为了进一步推高到访人数与营收，本集团将持续改善此物业的交通便利与基本设施，并为访客提供更多振奋人心的产品。在2019年初，我们开始在云顶世界比米尼发展全新的专属海滩俱乐部，通过与知名品牌的合作，来增加客流量并提高顾客在度假村的消费。

考虑到营运局势与我们可靠的表现，董事会建议派发每股普通股8.0仙的特别单层股息。董事会也建议派发每股普通股5.0仙的单层终期股息，并在来临的常年股东大会寻求股东批准。一旦获得批准，2019财政年度每普通股的股息将总达20.0仙，较上个财政年度增加5%。

身为有责任感的企业公民，企业社会责任将会是集团整个价值链中核心业务和商业行为的支柱。根据经济、环境和社会支柱的指引，我们认为商业策略应该始终以强大核心价值观、营运效率、利益相关者的参与和社会慈善事业为基础。我感到自豪的是本集团连续第二年纳入富时社会责任指数系列，证明了本集团对于持守最高标准的环境、社会和治理守则的坚定不移。

关于前景，全球贸易处于的紧张局势预计将逐渐舒缓，市场情绪也会随着恢复，而全球经济也会得到适度的改善。然而，由于全球越来越关注新冠病毒(COVID-19)对全球经济影响的严重性，下行风险更加明显。此外，市场仍然顾虑预计将延长的地缘政策紧张局势与政策不确定性。在国内，马来西亚的经济增长预计将继续放缓。

在旅游业方面，在实施旅游限制与新冠病毒引起的广泛关注下，国际旅游需求预料将在短期内下降。区域休闲与礼宾业，包括博彩业，将受不利冲击。因此，本集团更加谨慎看待休闲与礼宾业的短期前景。

在马来西亚，我们已处于户外主题公园发展工程的最后阶段，正全力以赴确保该工程及时竣工。本集团如火如荼地作好主题公园开张前的准备，以便在国内与区域旅游业复苏时即可抓紧到访游客回流的时机。同时，本集团继续善用优质资产来壮大主要的业务组别，以改善云顶世界整体的收益率。此外，本集团将继续提高营运和成本效益，并在度假村优化收益管理，以更好地面对充满挑战的营运环境。就国外业务而言，本集团将继续致力于通过谨慎执行各种战略来加强和扩大国际影响力，以提高营运的卓越性。

2020年是云顶集团成立的55周年。迎向未来十年的营运，我们须采取积极措施以不断巩固业务基础，更有弹性地面对挑战，并推动集团实现长期增长的愿景。就此而言，董事会在指导集团未来发展方向扮演着至关重要的角色，每位董事都贡献出自己的独特经验，技能和行业知识。我要借此机会欢迎拿督斯里李忠仁于2020年1月起担任本集团执行董事。他在本集团服务已超过20年，除了现有的集团总裁兼总营运长职务外，他亦将履行执行董事的职责。

最后，我要衷心感谢并感激董事会其他同僚、管理团队和本集团所有员工在整个变革时期所贡献的宝贵见解和不懈的努力。我亦要感谢所有利益相关者、尊贵客户、业务伙伴和各监管机构的坚定支持和持续信任。当我们致力于重新塑造休闲和礼宾业并成为全球领先的综合度假胜地经营者时，期待与您一起攀向更高峰，并迈向另一个崭新的里程碑。

谢谢。

丹斯里林国泰
主席兼总执行长
2020年2月27日

最新情况(2020年4月7日)

下面的段落完全取代以上所有关于前景的段落。股东不应参考上述有关前景的内容，而应把以下两段本集团对前景的说明列入考量。

新冠病毒的疫情眼看已引发成一场全球大流行，全球的经济也因为各国采取的遏制行动如旅行限制措施、加强对人流的管制以及暂停许多业务运营而受到严重的冲击。在马来西亚，云顶世界、云顶世界阿娃娜、云顶世界琪佳和云顶世界浮罗交怡在首相丹斯里慕尤丁宣布的行动限制令下，于2020年3月18日开始暂停营业。与此同时，云顶世界纽约市、云顶世界卡茨基尔、云顶世界比米尼、云顶世界伯明翰以及在英国的其他实体赌场也随着在有关当局为了制止新冠病毒疫情蔓延而实行的政策下，暂时停止营业。

对于本集团而言，这是前所未有的，也是极具挑战性的时期。新冠病毒疫情的蔓延以及其对全球性经济所造成的影响已是全球与本集团主要的关切。由于全球政府为遏制新冠病毒大流行而持续不断改变应对措施，全球局势预计将持续动荡。鉴于现阶段空前的不确定性，本集团目前不宜发表任何关于前景的声明。

BOARD OF DIRECTORS

DATO' KOH HONG SUN
Independent Non-Executive Director

MR TEO ENG SIONG
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 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

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

TAN SRI DATO' SERI ALWI JANTAN Deputy Chairman/ Independent Non-Executive Director	**DATO' SRI LEE CHOONG YAN** President and Chief Operating Officer and Executive Director/ Non-Independent Executive Director	**MR QUAH CHEK TIN** Independent Non-Executive Director	**TAN SRI DATUK CLIFFORD FRANCIS HERBERT** Independent Non-Executive Director	**MADAM CHONG KWAI YING** 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

REMUNERATION COMMITTEE

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

MR TEO ENG SIONG
Member/Independent Non-Executive Director

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
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 68, 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 degree 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 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., which is an associate of GENHK and was listed on the Main Board of The Philippine Stock Exchange, Inc., until its voluntary delisting in October 2019. 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 51% of the common stock in Empire Resorts, Inc., ("Empire Resorts"), a company with various subsidiaries engaged in the hospitality and gaming industries. GHL as the trustee of GHUT also indirectly owns 100% of the Series F Convertible Preferred Stock and 51% of the Series H Convertible Preferred Stock in Empire Resorts. The Company indirectly owns the remaining 49% of the common stock in Empire Resorts. The Company also indirectly owns 100% of the Series G Convertible Preferred Stock and the remaining 49% of the Series H Convertible Preferred Stock in Empire Resorts.

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 84, 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 and Harvard Graduate School of Business, 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 35, 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 ("CIO") 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 ("SVP") – 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 CIO 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 CIO 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 CIO 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.

Mr Lim is the Deputy Chief Executive Officer and Executive Director of Genting Hong Kong Limited ("GENHK"). Prior to his appointment as the SVP – Business Development of GENT, he was the SVP – Business Development of 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 had taken up additional role of CIO of GENHK since 1 December 2014. On 28 March 2019, Mr Lim has been appointed as the Deputy Chief Executive Officer of GENHK and was redesignated as the 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 51% of the common stock in Empire Resorts, Inc., ("Empire Resorts"), a company with various subsidiaries engaged in the hospitality and gaming industries. GHL as the trustee of GHUT also indirectly owns 100% of the Series F Convertible Preferred Stock and 51% of the Series H Convertible Preferred Stock in Empire Resorts. The Company indirectly owns the remaining 49% of the common stock in Empire Resorts. The Company also indirectly owns 100% of the Series G Convertible Preferred Stock and the remaining 49% of the Series H Convertible Preferred Stock in Empire Resorts.

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.

DATO' SRI
LEE CHOONG YAN

President and Chief Operating Officer and Executive Director/
Non-Independent Executive Director

Dato' Sri Lee Choong Yan (Malaysian, aged 58, male) was appointed to the Board on 1 January 2020 and redesignated as the President and Chief Operating Officer and Executive Director of the Company. He has been the President and Chief Operating Officer of the Company since 1 August 2006. He continues to be 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 about 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 an international accounting firm of chartered accountants 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 a Fellow of the Institute of Chartered Accountants in England and Wales.

MR QUAH CHEK TIN

Independent Non-Executive Director

Mr Quah Chek Tin (Malaysian, aged 68, 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) degree 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 and Batu Kawan Berhad.

TAN SRI DATUK CLIFFORD FRANCIS HERBERT

Independent Non-Executive Director

Tan Sri Datuk Clifford Francis Herbert (Malaysian, aged 78, 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) degree from the University of Malaya and a Master's degree in 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 71, 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. 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.

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) is presently the Chairman of Genting Plantations Berhad and Lembaga Tabung Angkatan Tentera. He is a Director of Bintulu Port Holdings Berhad, Bintang Capital Partners Berhad, Affin Holdings 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 73, 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 degree 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 67, 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 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 59, female), appointed on 3 December 2018, is an Independent Non-Executive Director. She holds a Bachelor of Economics (Honours) 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 48 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 and Executive Director

His profile is disclosed in the Directors' Profile on page 15 of this Annual Report.

MS KOH POY YONG

Chief Financial Officer

Koh Poy Yong (Malaysian, aged 63, 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 and Executive Director

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 & Security

Mr Leow Beng Hooi
Executive Vice President – Sales and Marketing

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

US MANAGEMENT

Mr Robert DeSalvio
President of Genting New York State

Mr Edward Martin Farrell
President of Genting Americas

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
Registration No. 198001004236 (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
SSM Practicing Certificate No. 202008000906

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
Registration No. 198001004236 (58019-U)

and its Principal Subsidiaries and Associate, as at 27 February 2020.

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
- **49%** Genting Empire Resorts LLC

UNITED KINGDOM

- **100%** Genting Casinos UK Limited
- **100%** Genting Solihull Limited
- **100%** Genting Malta Limited

PROPERTY

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

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.

02 APRIL 2019
Announcement of the proposed adoption of a new Constitution of the Company.

03 APRIL 2019
Announcement of the proposed acquisition of the Equanimity Superyacht.

08 APRIL 2019
Notice to Shareholders of the Thirty-Ninth Annual General Meeting.

23 MAY 2019
Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2019.

19 JUNE 2019
(a) Thirty-Ninth Annual General Meeting.
(b) Announcement of the appointment of Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) as a member of the Remuneration Committee of the Company.

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

25 JULY 2019
Announcement of the settlement of the legal proceedings against Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, FoxNext, LLC, Twenty First Century Fox, Inc. and The Walt Disney Company.

06 AUGUST 2019
Announcement of the following:
(a) Proposed acquisition by the Company of shares in Empire Resorts, Inc. ("Empire"), from Kien Huat Realty III Limited ("KH") ("Proposed Acquisition"); and
(b) Proposed Joint Venture between the Company and KH to privatise Empire ("Proposed JV").

15 AUGUST 2019
Announcement in reply to Bursa Malaysia Securities Berhad's query for additional information in respect of the Proposed Acquisition and Proposed JV.

20 AUGUST 2019
Announcement of entry into an Agreement and Plan of Merger ("Merger Agreement") between Hercules Topco LLC (a JVCo), Hercules Merger Subsidiary Inc. (a wholly-owned subsidiary of the JVCo) and Empire to effect the Proposed Merger.

29 AUGUST 2019
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2019; and
(b) Entitlement Date for the Interim Single-Tier Dividend in respect of the financial year ended 31 December 2019.

05 NOVEMBER 2019
Announcement of the purchase by Genting (USA) Limited, an indirect wholly-owned subsidiary of the Company, of 13,200,000 shares of Empire's Common Stock from KH, pursuant to the Proposed Acquisition.

14 NOVEMBER 2019
Announcement of the approval obtained from the stockholders of Empire with regard to the Proposed Merger.

18 NOVEMBER 2019
Announcement of the completion of the Proposed Merger under the terms of the Merger Agreement.

28 NOVEMBER 2019
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2019; and
(b) Appointment of Dato' Sri Lee Choong Yan as an Executive Director of the Company with effect from 1 January 2020 and redesignated as "President and Chief Operating Officer and Executive Director" on the same day.

31 DECEMBER 2019
Announcement of the separation of the Audit and Risk Management Committee into two separate committees namely, Audit Committee and Risk Management Committee.

2020

27 FEBRUARY 2020
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 2019; and
(b) Entitlement Date for the Special Single-Tier Dividend in respect of the financial year ended 31 December 2019.

19 MARCH 2020
Announcement of the equity injection via subscription of up to USD40.0 million of Series G Preferred Stock of Empire.

DIVIDENDS		Announcement	Entitlement Date	Payment
2018	Special Single-Tier – 8.0 sen per ordinary share	27 February 2019	14 March 2019	4 April 2019
2018	Final Single-Tier – 5.0 sen per ordinary share	27 February 2019	28 June 2019	23 July2019
2019	Interim Single-Tier – 6.0 sen per ordinary share	29 August 2019	19 September 2019	11 October 2019
2019	Special Single-Tier – 9.0 sen per ordinary share	27 February 2020	16 March 2020	7 April 2020
2019	Proposed Final Single-Tier – 5.0 sen per ordinary share	27 February 2020	To be announced^	To be announced^*

^ *To be announced when the date of the Fortieth Annual General Meeting ("40th AGM") is fixed after taking into consideration the situation of the COVID-19 outbreak*
* *Upon approval of shareholders at the 40th AGM*

FINANCIAL
HIGHLIGHTS

REVENUE
RM**10.4** BILLION
2018: RM9.9 billion

MARKET CAPITALISATION
RM**18.6** BILLION
AS AT 31 DECEMBER 2019

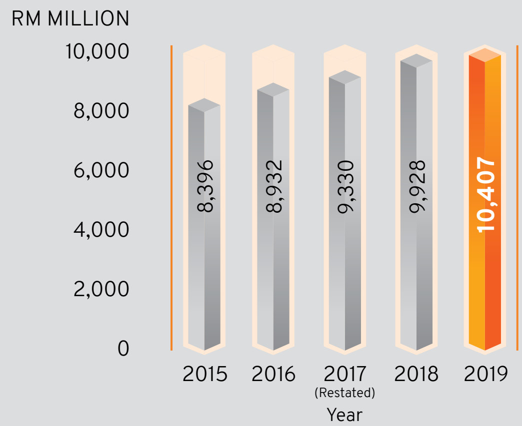
ADJUSTED EBITDA
RM**2.6** BILLION
2018: RM2.9 billion

SHAREHOLDERS' EQUITY
RM**18.5** BILLION
2018: RM18.2 billion

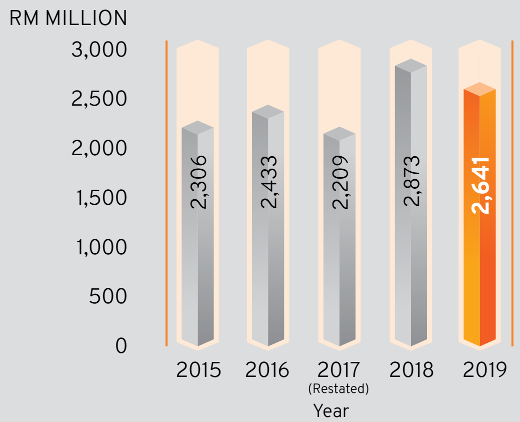
NET PROFIT/(LOSS)
RM**1.3** BILLION
2018: (RM86.3 million)

TOTAL ASSETS EMPLOYED
RM**33.3** BILLION
2018: RM31.7 billion

REVENUE

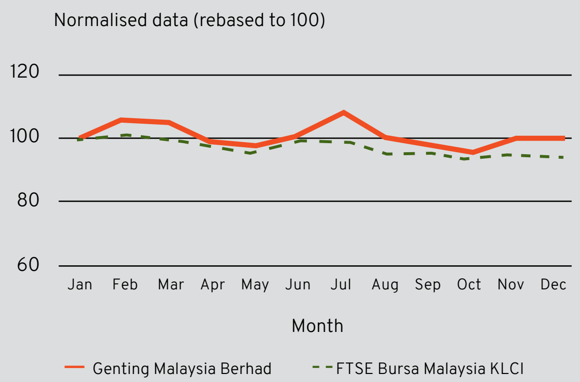


ADJUSTED EBITDA *



* Earnings before interest, taxes, depreciation and amortisation.

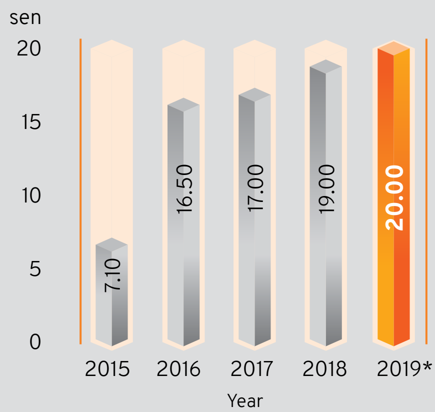
2019 GENTING MALAYSIA BERHAD SHARE PRICE PERFORMANCE RELATIVE TO FTSE BURSA MALAYSIA KLCI



Source - Bloomberg

All figures are in Ringgit Malaysia

NET DIVIDEND PER SHARE



*Comprised an interim single-tier dividend of 6.0 sen per ordinary share, a special single-tier dividend of 9.0 sen per ordinary share and a proposed final single-tier dividend of 5.0 sen per ordinary share.

Amounts in RM million unless otherwise stated	2019	2018	2017 (Restated)	2016	2015
Revenue	**10,406.9**	**9,927.6**	**9,330.3**	**8,931.6**	**8,395.9**
Adjusted EBITDA	**2,641.4**	**2,872.8**	**2,209.0**	**2,432.8**	**2,306.4**
Profit/(loss) before taxation	1,489.4	(4.0)	1,319.8	3,090.6	1,530.0
Taxation	(157.2)	(82.3)	(247.2)	(289.9)	(287.0)
Profit/(loss) for the financial year	**1,332.2**	**(86.3)**	**1,072.6**	**2,800.7**	**1,243.0**
Profit/(loss) attributable to equity holders of the Company	**1,395.3**	**(19.5)**	**1,161.3**	**2,880.1**	**1,257.9**
Share capital	1,764.5	1,764.5	1,764.5	593.8	593.8
Retained earnings	16,206.4	15,872.2	16,970.7	16,808.1	14,348.6
Other reserves	1,524.8	1,583.1	1,521.3	3,420.2	5,102.0
Treasury shares	(998.1)	(999.1)	(911.3)	(911.3)	(906.7)
Shares held for employee share scheme	-	-	(21.7)	(45.8)	(57.3)
	18,497.6	**18,220.7**	**19,323.5**	**19,865.0**	**19,080.4**
Non-controlling interests	(327.6)	(267.4)	(193.2)	(119.6)	26.0
Non-current liabilities	10,415.3	10,381.2	7,585.0	4,117.3	4,747.8
	28,585.3	**28,334.5**	**26,715.3**	**23,862.7**	**23,854.2**
Property, plant and equipment	16,620.9	14,840.9	13,835.4	12,158.6	10,475.1
Land held for property development	184.6	184.7	184.7	184.7	184.7
Investment properties	1,895.6	2,204.3	2,178.8	2,317.9	2,293.3
Intangible assets	4,472.8	4,527.3	4,654.5	5,036.3	5,367.2
Right-of-use assets	872.0	-	-	-	-
Associate	629.5	-	-	-	-
Financial assets at fair value through other comprehensive income	115.9	117.1	-	-	-
Financial assets at fair value through profit or loss	122.7	-	-	-	-
Available-for-sale financial assets	-	-	145.0	102.9	99.2
Other non-current assets	74.0	254.5	1,871.6	1,842.4	322.2
Deferred tax assets	262.1	250.2	39.3	122.4	237.8
Total non-current assets	**25,250.1**	**22,379.0**	**22,909.3**	**21,765.2**	**18,979.5**
Net current assets	3,335.2	5,955.5	3,806.0	2,097.5	4,874.7
	28,585.3	**28,334.5**	**26,715.3**	**23,862.7**	**23,854.2**
Basic earnings/(loss) per share (sen)	24.7	(0.4)	20.5	50.9	22.2
Net dividend per share (sen)	20.0#	19.0	17.0	16.5	7.1
Dividend cover (times)	1.2	N/A	1.2	3.1	3.1
Current ratio	1.7	2.8	2.2	1.5	2.3
Net assets per share (RM)	3.27	3.22	3.41	3.51	3.37
Return (after tax and non-controlling interests) on average shareholders' equity (%)	7.6	(0.1)	5.9	14.8	7.1
Market share price					
- highest (RM)	3.90	5.80	6.14	4.91	4.61
- lowest (RM)	2.95	2.79	4.44	3.99	3.79

Comprised an interim single-tier dividend of 6.00 sen per ordinary share, a special single-tier dividend of 9.00 sen per ordinary share and a proposed final single-tier dividend of 5.00 sen per ordinary share.

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

RWG Key Statistics

No. of visitors:
28.7 million
(FY18: 25.9 million)

Day trippers:
76%
(FY18: 73%)

Hotel occupancy:
95%
(FY18: 97%)

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") and Resorts World Catskills ("RWC") (which is 49%-owned via an associate company) in the United States ("US"), Resorts World Bimini ("RW Bimini") in the Bahamas, Resorts World Birmingham ("RWB") and about 40 casinos in the United Kingdom ("UK") and the 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.

With about 10,500 rooms across seven distinct hotels, RWG is Malaysia's premier integrated resort destination. The resort also features wide-ranging leisure and entertainment facilities, including gaming, theme parks and amusement attractions, dining and retail outlets, as well as international shows and business convention facilities. Genting Highlands Premium Outlets (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill further complements the various attractions at RWG. Additionally, the new outdoor theme park will add to RWG's extensive entertainment offerings upon completion.

In the UK, Genting Malaysia owns and operates about 40 casinos, making it one of the largest leisure and entertainment businesses in the country. The Group also operates an online gaming platform comprising an online casino and sports book operation which provides 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 182-room four-star hotel. In the Middle East, Crockfords Cairo, an exclusive casino nestled within the posh surroundings of The Nile Ritz-Carlton Hotel in Cairo, is the Group's first venture into the region. In 2019, the Group acquired Authentic Gaming Limited ("Authentic Gaming"), an online gaming specialist, to expand the Group's online gaming offering through the utilisation of Authentic Gaming's innovative streaming technologies to bring together its offline and online gaming experiences for its customers.

In the US, the Group's RWNYC, the first and only video gaming machine facility in New York City which welcomed 8.0 million visitors in 2019 (2018: 7.7 million) and RWC, a premium destination resort situated within the scenic Catskills Mountains in the State of New York, collectively offer the ultimate gaming, hospitality and entertainment experience, featuring a live table games casino, over 400 rooms across two hotels, video gaming machines, diverse bar and restaurant choices, as well as a variety of shows and events. Additionally, the Group embarked on an expansion project at RWNYC to expand its facilities and attractions, including the development of a new 400-room hotel. 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 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:

- Focusing efforts on the timely completion and opening of RWG's Outdoor Theme Park;
- Continue leveraging on existing quality assets to grow key business segments and improve overall yield contributions at RWG;
- Continue evaluating the operating environment while improving operational and cost efficiencies further, in addition to optimising yield management at RWG;
- Strengthening the Group's position in the UK and delivering sustainable performance by growing its market share in the mass market segment;
- Leveraging on the Group's revamped online interactive business to improve overall business efficiency;
- Improving operating performance through the introduction of various initiatives to drive visitation and grow business volume at RWB;
- Focusing efforts on the timely completion of RWNYC's expansion plans;
- Capitalising on synergies between RWNYC and RWC to drive business volume and enhance overall margins of the Group's US operations as well as to realise RWC's full potential;
- Focusing efforts on expense synergies for RWC through the elimination of corporate overheads, headcount management, rationalisation of marketing costs, etc.
- Focusing on improving the accessibility and infrastructure at RW Bimini by leveraging partnerships with renowned brands to increase footfall and foster higher spend at the resort.

During the year, overall business volume of the Group's Malaysia operations has declined, mainly due to the reduction in incentives offered to customers as part the Group's cost rationalisation initiatives to mitigate the significantly higher gaming duty expense as a result of the hike in gaming duty rate imposed. The commentary on financial performance is set out below.

Financial Year Ended 31 December 2019 ("2019") compared with Financial Year Ended 31 December 2018 ("2018")

Revenue

The Group's revenue for 2019 was RM10,406.9 million, an increase of RM479.3 million (5%) compared with RM9,927.6 million in 2018. 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 RM472.0 million, mainly contributed by an improved hold percentage in the mid to premium players segments. However, the overall business volume from gaming segment declined in 2019 due to reduction in incentives offered to the players as part of the cost rationalisation initiatives. Revenue contribution from the non-gaming segment continued to grow with the addition of new attractions at the resort resulting in a 39% increase as compared to 2018.

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

Revenue recorded by the leisure and hospitality businesses in the US and Bahamas was higher by RM84.5 million or 6%, mainly due to strengthening of USD exchange rate to RM. Excluding this impact, revenue increased by 3%, mainly contributed by higher volume of business from RWNYC operations.

Costs and expenses

Total costs and expenses before finance costs for 2019 amounted to RM9,224.2 million compared with RM10,310.4 million in 2018, a decrease of RM1,086.2 million, mainly due to the following items:

(a) Impairment loss of RM1,834.3 million on the Group's investment in promissory notes ("Notes") issued by the Mashpee Wampanoag Tribe ("Tribes") in 2018.

(b) Cost of sales increased by RM646.8 million, from RM7,265.4 million in 2018 to RM7,912.2 million in 2019. The increase was mainly due to higher casino duty rate imposed on RWG.

(c) Administrative expenses increased by RM140.6 million, from RM642.6 million in 2018 to RM783.2 million in 2019. The increase is mainly due to higher payroll costs from RWNYC operations.

Other income

The increase in other income by RM78.6 million from RM483.8 million in 2018 compared to RM562.4 million in 2019 was mainly due to recognition of one-off gains on the disposal of a subsidiary and investment properties in UK of RM123.8 million and RM132.1 million respectively in 2019. This was partially offset by lower interest income by RM188.5 million as a result of impairment of the Group's investment in the Notes issued by the Tribe.

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 2019 was RM2,641.4 million (2018: RM2,872.8 million), a decrease of 8%. Lower adjusted EBITDA was recorded for leisure and hospitality business in Malaysia as a result of higher casino duty mitigated by higher revenue.

Finance costs

The Group's finance costs increased by RM94.5 million from RM155.8 million in 2018 compared to RM250.3 million in 2019 mainly due to finance costs incurred on certain projects under Genting Integrated Tourism Plan ("GITP") which were completed during the year and are no longer capitalised.

Share of results in an associate

On 15 November 2019, the Group completed the privatisation of Empire Resorts, Inc ("Empire") with Kien Huat Realty III Limited. Following its conclusion, Empire became an associate of the Group and the Group has recognised its share of Empire's loss of RM31.6 million during the year. This was primarily due to financing costs as well as depreciation and amortisation charges.

Taxation

The tax expense for the Group was RM157.2 million compared with RM82.3 million for 2018, an increase of 91%. The increase was mainly due to a tax credit in 2018 arising from the recognition of deferred tax asset on impairment loss of investment in the Notes issued by the Tribe.

Profit attributable to equity holders of the Company

As a result of the above, profit attributable to equity holders of the Company was RM1,395.3 million for 2019, compared to loss attributable to equity holders of the Company of RM19.5 million for 2018. Excluding the one-off impairment loss of investment in the Notes issued by The Tribe, profit attributable to equity holders of the Company for 2018 would be RM1,814.8 million.

Liquidity and capital resources

Cash and cash equivalents of the Group recorded at RM6,476.4 million as at 31 December 2019 as compared to previous year of RM7,999.7 million. The decrease of RM1,523.3 million in cash and cash equivalents was mainly due to the following:

(a) The Group's businesses generated a net cash inflow of RM2,577.2 million from operating activities for 2019 as compared to the previous year of RM2,610.5 million. The slight decrease of RM33.3 million was mainly due to lower operating profits.

(b) The Group's capital expenditure in respect of property, plant and equipment was RM2,517.9 million for 2019, mainly attributable to the development work relating to GITP, expansion works at RWNYC and acquisition of superyacht, Tranquility.

(c) In 2019, the Group acquired 49% interest in the outstanding Common Stock of Empire Resorts, Inc. for RM663.1 million.

(d) The Group received one-off payment from the disposal of a subsidiary and investment properties in UK of RM602.8 million during the year.

(e) The Group paid dividends of RM1,073.7 million in 2019.

Gearing ratio

The gearing ratio of the Group as at 31 December 2019 was 37% compared to 35% as at 31 December 2018. The increase in gearing ratio was due to the adoption of MFRS 16 as total debt increased following the recognition of lease liabilities on 1 January 2019. This ratio is calculated as total debt divided by total capital. Total debt, which is calculated as total borrowings (including lease liabilities), amounted to RM10,877.2 million as at 31 December 2019 (2018: RM9,760.3 million). Total capital is calculated as the sum of total equity and total debt, which amounted to RM29,047.2 million in 2019 (2018: RM27,713.6 million).

Prospects

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

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

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

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

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

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

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 95% in 2019 (2018: 97%). At the mid-hill, the Awana Hotel recorded an occupancy rate of 62% in 2019 (2018: 63%). RWG recorded number of rooms sold at 3.50 million room nights in 2019 (2018: 3.53 million).

The Group's two Malaysian seaside resorts, namely RW Kijal and RW Langkawi recorded an occupancy rate of 42% (2018: 34%) and 61% (2018: 64%) respectively in 2019.

In the UK, the Group's Park Lane Mews Hotel which is located in the Mayfair district in London registered an occupancy rate of 89% in 2019 (2018: 87%). The hotel at RWB registered an occupancy rate of 82% in 2019 (2018: 80%).

In Miami, the Group's 527-room Hilton Miami Downtown achieved an average occupancy rate of 81% in 2019 (2018: 79%).

In the Bahamas, occupancy rate at the Hilton Hotel at RW Bimini in 2019 was 47% (2018: 48%).

In the US, RWC recorded a hotel occupancy rate of 76% in 2019 (2018: 67%).

Food and Beverage

In 2019, RWG's 55 outlets (2018: 56 outlets) catered to 11.1 million covers in 2019 (2018: 11.2 million covers).

In the US, the number of covers served at RWNYC and the Hilton Miami Downtown were 4.0 million (2018: 3.6 million) and 0.31 million (2018: 0.30 million) respectively in 2019. In the Bahamas, the Bimini Operations served a total of 0.42 million covers in 2019 (2018: 0.46 million).

Tenancy

In RWG, occupancy rate for tenancy was 93% in 2019 (2018: 84%).

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 2019 (2018: 4.8 million).

Updates (7 April 2020)

The paragraphs below supersede in full all the paragraphs above under the header "Prospects". Shareholders should not rely on the preceding section under Prospects but should instead refer to the two paragraphs below for the Group's prospects.

The COVID-19 outbreak has evolved into a global pandemic, adversely affecting economies worldwide due to the widespread imposition of travel restrictions, constraints on the movement of people and the suspension of many business operations to curb the spread of this virus. In Malaysia, the Group has temporarily suspended operations at RWG, Resorts World Awana, Resorts World Kijal and Resorts World Langkawi since 18 March 2020 in compliance with the Movement Control Order announced by the Prime Minister. Similarly, as required by the respective authorities, RWNYC, RWC, RW Bimini, Resorts World Birmingham and the Group's other land-based casinos in the UK are also temporarily closed to curb the spread of COVID-19.

These are unprecedented and challenging times for the Group. The spread of the COVID-19 and its impact on economies worldwide are major concerns globally and to the Group. The situation will remain fluid as governments worldwide adapt to the evolving response to contain the COVID-19 pandemic. Given these unprecedented times of uncertainty, it is not prudent at this juncture to issue any statement on the Group's prospects.

2019 Forbes Travel Guide Star Ratings

Global Regulatory Awards

2019 Forbes Travel Guide Star Ratings by Forbes Travel Guide
Crockfords Hotel – *Five-Star Award*

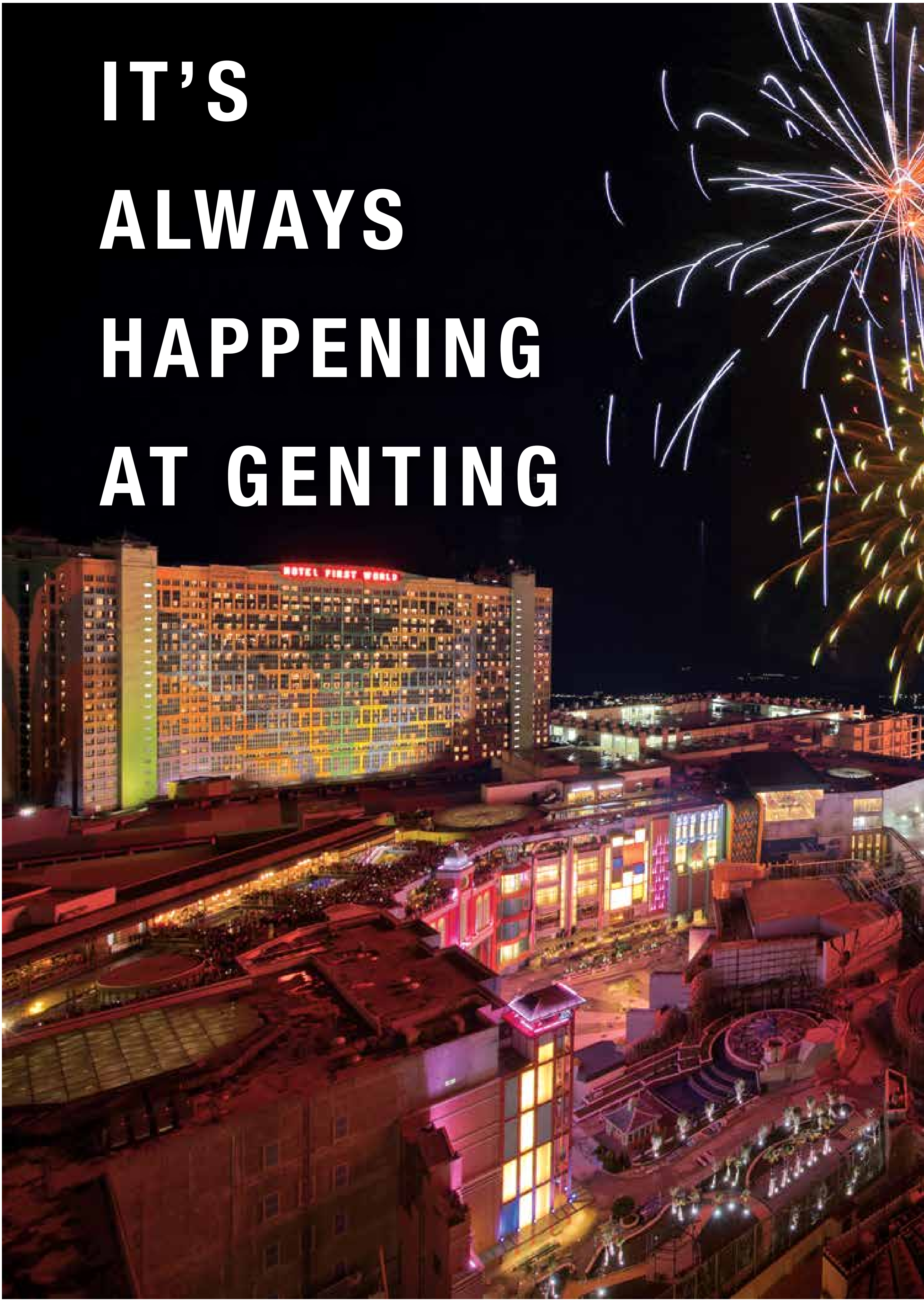
PwC Malaysia's Building Trust Award 2019 by PricewaterHouseCoopers Malaysia
Genting Malaysia Berhad – *Finalist*

Global Regulatory Awards by Gambling Compliance Global Regulatory Awards
Genting UK – *Head of AML/MLRO or AML Team of the Year Award*

Safer Gambling Standard Great Britain
Genting UK – *GamCare's Safer Gambling Standard (Advanced Level 3)*

2019 Magellan Awards by Travels Weekly Magazine
Resorts World Bimini – *Silver Awards "Hospitality – Overall Casino/Resort"*

IT'S ALWAYS HAPPENING AT GENTING



Staying true to its reputation as a 'City of Entertainment', Resorts World Genting continues to pave the way in delighting visitors from all over the world. Combining unique world-class attractions with signature top-notch facilities and outstanding service, Resorts World Genting strives to create unforgettable holiday moments that truly epitomise the Group's commitment to excellence and reflect the resort's slogan for 2020,

"It's Always Happening at Genting".

2019 HIGHLIGHTS

1 THE LAUGHING FISH BY HARRY RAMSDEN

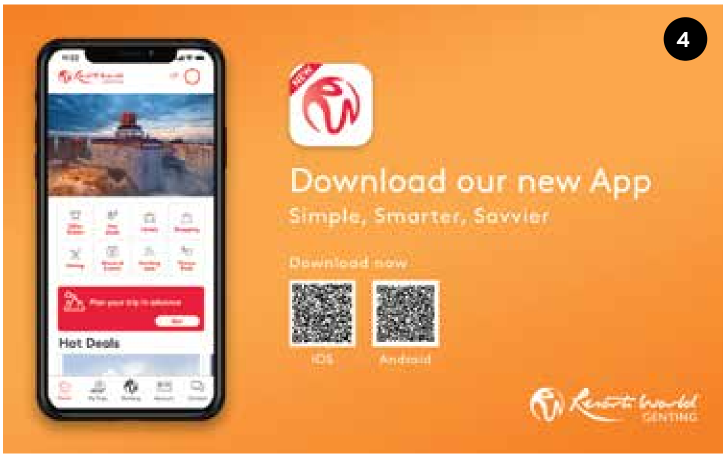
In January 2019, The Laughing Fish by Harry Ramsden brought its world-famous Fish & Chips to Resorts World Genting. An icon in the British dining scene, The Laughing Fish invites patrons to an authentic Western mealtime – be it a proper dine-in or a quick 'chippy' takeaway by the High Line Street. Its signature dish – the world-famous Fish & Chips – remains a crowd favourite thanks to its unique cooking methods and recipes. True to its origins, the outlet also boasts a decor reminiscent of the quintessential British pub scene, complemented by the liveliness of music bands that play evenings regularly. Where good ol' British charm meets the authentic taste of the UK, patrons are promised a truly unique dining experience befitting Resorts World Genting's ever-expanding customer base.

2 CNY IN THE SKY

Resorts World Genting welcomed the Lunar New Year in bright colours and lavish decorations as guests were treated to unforgettable experiences that were both distinctive and delightful. The 15-day event featured a plethora of fun-filled activities and spectacular shows at the resort including star-studded concerts, award-winning lion dance performances, festive appearances by Pikachu and friends, as well as various delectable treats for the whole family. The stunning celebrations were a resounding success, with Resorts World Genting achieving a record-breaking 150,000 visitor arrivals in one day for the festivities.

3 CROCKFORDS HOTEL – A STAR IS BORN

Crockfords Hotel was conferred the prestigious Forbes Travel Guide Five-Star award in February 2019, making it the first and only hotel in Malaysia to have received the accolade. Accorded exclusively to hotels demonstrating exemplary service in distinct, elegant surroundings, this recognition by the Forbes Travel Guide is testament of the Group's unwavering promise to deliver exceptional service standards to meet the highest levels of demands in the hospitality industry.

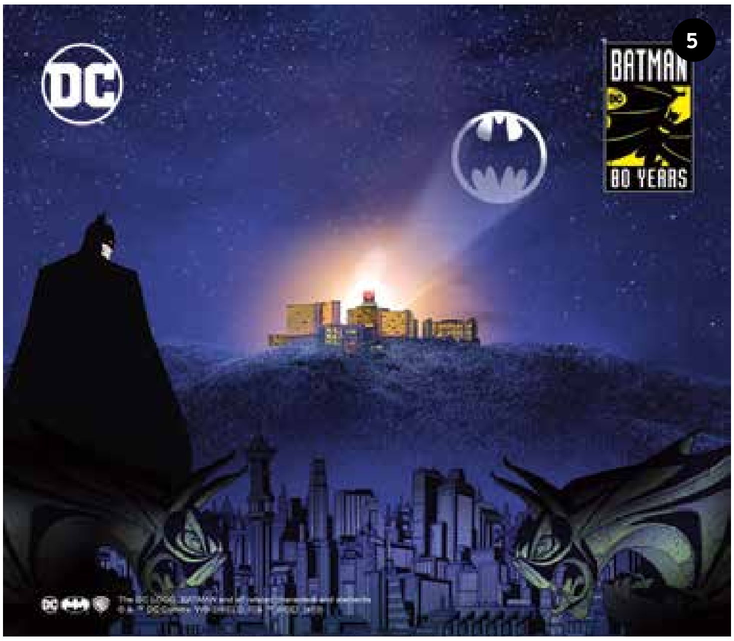


4 LAUNCH OF THE ALL-NEW RWG MOBILE APP

Unveiled in March 2019, the all-new RWG Mobile App was launched as part of the Group's vision to transform the Resorts World Genting customer experience in the digital space. Visitors can now conveniently access all information they need about the resort from their own devices, in addition to planning a fuss-free, memorable trip using Trip Planner, a dynamic smart feature which helps users plan, purchase and organise their stay up at the resort from a single mobile platform.

5 THE DARK KNIGHT RISES AT RESORTS WORLD GENTING

Ardent fans of Batman celebrated the Caped Crusader's 80th birthday in style as Resorts World Genting hosted Southeast Asia's first and largest event in a 2-month bonanza from May 2019 to commemorate this milestone. Guests were treated to an exciting array of exclusive interactive activities including special theatrical engagements and one-of-a-kind exhibitions. Visitors also enjoyed an immersive narrative of the Dark Knight's legacy at SkySymphony, where Batman's story through-the-years were told through kinetic winch technology and breathtaking audio-visual.



6 FUHU BY ZOUK

FUHU at Resorts World Genting is a toast for all senses. A vibe dining restaurant created by the Zouk Group's passionate leadership team, FUHU introduces a funky modern twist to traditional Chinese cuisine, complemented by a variety of creative Southeast Asian-inspired cocktails. Patrons will be treated to a truly distinctive dining experience, set amidst an eclectic atmosphere of visually stunning artwork and electrifying house music. Located at the Zouk Atrium of SkyAvenue, the opening of FUHU in July 2019 makes Zouk Genting a one-stop entertainment centre that promises guests an unforgettable nightlife affair.

7 STARLIGHT CARNIVAL

Lighting up October weekends with vibrant entertainment under idyllic starlit skies, the inaugural Starlight Carnival marked the first official public event held at Resorts World Genting's spanking new Central Park. The attractions at the carnival were as varied as they were entertaining – from a lakeside open cinema and an outdoor funfair, to a wide-ranging food truck park and an exclusive Oktoberfest Hall to celebrate the Bavarian festival, guests were spoilt for choice at the bevy of activities which offered all-night music, revelry and merrymaking.

8 ALL ABOARD THE TRAIN TO BUSAN

From the hit South Korean zombie apocalypse blockbuster came the world's first Train to Busan Horror House Experience at Resorts World Genting. Launched in conjunction with Halloween, the two-month attraction featured a unique blend of horrific thrills and bloodcurdling fun as visitors navigate through horror houses, zombie-ravaged train stations and abandoned convenient stores, all whilst fending off the undead to complete their mission – to enter the safe haven of Busan. In the spirit of celebrating all things Korean, K-Fans were also invited to indulge at a Seoul Retail Street that brought the best of Korean cuisine and K-pop culture.

9 SKY VR

Get ready to be teleported into different dimensions with Sky VR, Resorts World Genting's newest state-of-the-art attraction. Utilising the latest cutting-edge technology, Sky VR features five original thrill rides that guarantee an exhilarating experience which transcends the boundaries of time, distance and physical limitations – the XD Theater, VirtuGlobe, RoboCoaster, VORTEX and SkyGlider VR. Launched in December 2019, Sky VR is the latest addition to Resorts World Genting's expanding portfolio of VR attractions, in line with its ambition of being the ultimate destination for virtual reality experiences in Asia.

10 A WINTER WONDERLAND AT RESORTS WORLD GENTING

Decked in bright lights and warm glows, Resorts World Genting brought festive cheer when it transformed into a Winter Wonderland complete with mock snow-capped cottages, ice skating, Christmas treats and songs by Yuletide singers. Guests were free to roam Central Park, which featured a brightly decorated 30ft Christmas tree, as they explore the various delights on offer at the European Christmas Market. The festivities continued indoors at SkySymphony with the premiere of Genting Studios' original production "Snowball Express" which took viewers on an enchanted ride to the North Pole with Genting's Highland Heroes. It was one Christmas experience to be cherished under the stars of Resorts World Genting.

11 GENTINGBET

Genting UK made significant investments in its online interactive business during the year as it consolidated its digital offerings to provide a more seamless multi-channel gaming experience. Rebranded as 'GentingBet', the revamped website features new exclusive content with improved functionality, design and navigation, forming part of the Group's strategy of establishing the brand in regulated markets both in and outside of the UK. Together with the Group's reputable land-based gaming estate in the UK, these investments create a significant opportunity for the Group to continue leading the way in the live gaming space whilst leveraging innovative streaming technologies to bring together its offline and online gaming experiences.

12 FORTY FIVE KENSINGTON

Dine in elegance and play in style at the luxurious, newly refurbished Forty Five Kensington. Following the completion of its multi-million pound makeover in November 2019, the former Cromwell Mint property now boasts an impressive array of gaming options and new state-of-the-art machines, set against a sophisticated décor of black and gold to provide a chic, alluring and exclusive environment for discerning customers to enjoy.

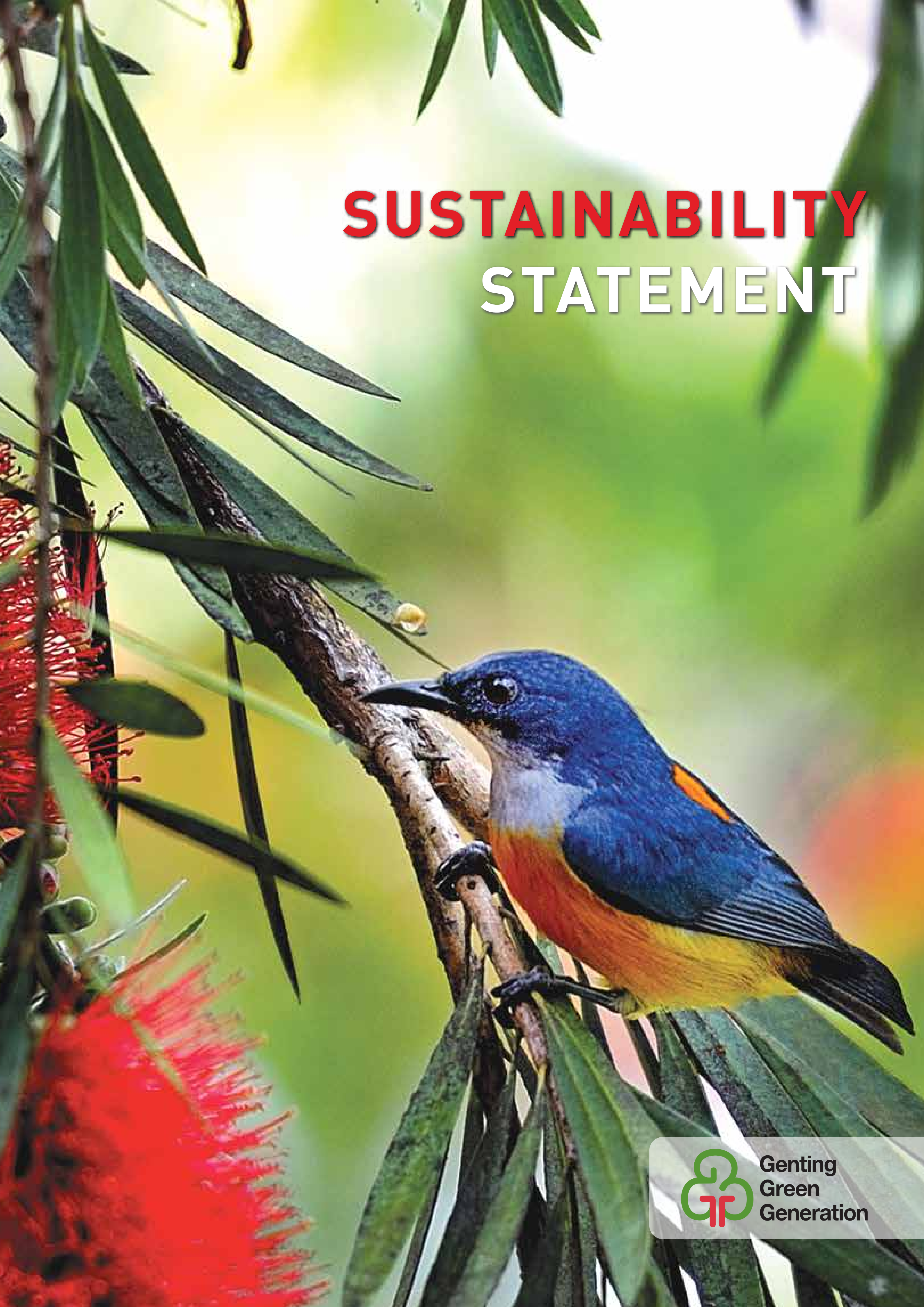
13 RESORTS WORLD CATSKILLS

In November 2019, the Group, together with Kien Huat Realty III Limited ("KH"), had completed the privatisation of Empire Resorts, Inc. ("Empire"), which resulted in Genting Malaysia and KH indirectly owning 49% and 51% equity interest in Empire respectively. Since then, the Group has executed various strategies, including capitalising on Resorts World Catskills' unique competitive position, to strengthen and grow its presence in the New York State gaming market. Nestled among the beauty of the Catskills Mountains, Resorts World Catskills is the latest commercial gaming-licensed casino in the New York State, offering an unmatched experience in excitement, entertainment and luxury featuring a live table games casino, over 400 rooms across 2 hotels, video gaming machines as well as diverse bar and restaurant choices.

14 EXPANSION AT RESORTS WORLD CASINO NEW YORK CITY

The ongoing expansion at Resorts World Casino New York City achieved great progress during the year with the opening of the first phase of the project in September 2019. Following the roll-out of the additional gaming space, Resorts World Casino New York City now offers 6,500 machines in its facility – more games than anywhere else in the state of New York. The Group is currently focused on the completion of the remaining assets, which will enhance the property's product offerings and position the Group well for future growth in the region.

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

CORPORATE GOVERNANCE

- To undertake sustainable and responsible business practices through integrity, good business ethics and exemplary business conduct.
- To comply with relevant business rules, regulations and guidelines.
- To engage stakeholders in a responsible, fair and reasonable manner.

ENVIRONMENT

ENVIRONMENTAL STEWARDSHIP

- To undertake responsible sustainability practices to mitigate the direct and indirect environmental impacts of our developments and operations.
- To be committed to using our resources wisely, thereby ensuring protection and conservation of the natural environment.

SOCIAL

WORKPLACE OF CHOICE

- To create a conducive and well-ballanced workplace with emphasis on the 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.

CUSTOMER ORIENTATION

- 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.

COMMUNITY CARE

- 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 as they encourage 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, 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 2020.

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 aproved by the Board.
- Oversee the preparation of sustainability disclosures (reporting) as required by Bursa Malaysia.

The roles of the Sustainability Working Commitee 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
President & Chief Operating Officer & Executive Director

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

Sustainability Working Committee
Chairman : Mr Lee Thiam Kit
Head-Business Operations & Strategies

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

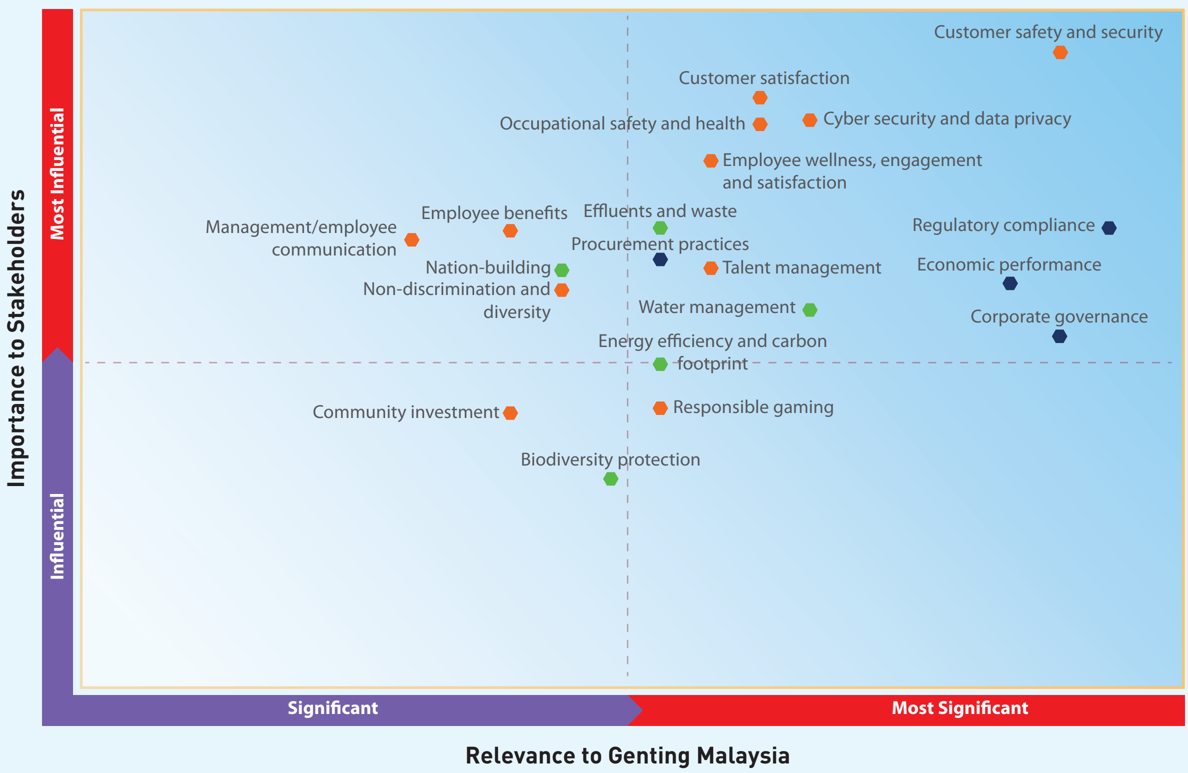
Materiality Matrix

The Genting Malaysia Berhad Stakeholders' Survey 2019 was conducted in the third quarter of 2019. The respondents were asked to rate the importance they placed on 20 economic, environmental and social issues.

A total of 1,780 complete responses were obtained from stakeholders. The same survey was completed by nine members of the Board and 10 senior managers, whose responses were used to represent Genting Malaysia.

The results of the analysis were then used to develop a materiality matrix, with the level of importance to Genting Malaysia plotted along the X-axis and importance to stakeholders on the Y-axis. The matrix is presented in the following diagram.

Materiality Matrix



Legend : Economic Environment Social

Economic

Economic Performance

Core operations remained strong in 2019 despite a challenging environment. Genting Malaysia continued to positively affect the economic conditions of markets served and its local, regional and global stakeholders. The opportunities and growth potential of the leisure and hospitality industry remain optimistic.

Total revenue

RM10.4 billion
(2018 : RM9.9 billion)

Total operating cost

RM9.1 billion
(2018 : RM8.3 billion)

Attracted over 41 million visitors worldwide. An increase in 3 million visitors compared to 2018
(2018 : 38 million visitors)

Total tax contribution

RM5.5 billion
(2018 : RM4.7 billion)

Total payments to capital providers

RM1.5 billion
(2018 : RM1.4 billion)

Total employee wages & benefits RM2.3 billion (2018 : RM2.2 billion)

Over RM1.2 billion 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

- **Building Trust Award 2019 by PricewaterhouseCoopers Malaysia**
  Genting Malaysia Berhad – Finalist
- **Global Regulatory Awards by GamblingCompliance**
  Genting UK - AML Team of the Year Award
- **2019 Magellan Awards by Travel Weekly Magazine**
  Resorts World Bimini - Silver Awards "Hospitality - Overall Casino/Resort"
- **2019 Forbes Travel Guide Star Ratings by Forbes Travel Guide**
  Crockfords Hotel – Five-Star Award
- **Safer Gambling Standard Great Britain**
  Genting UK - GamCare's Safer Gambling Standard (Advanced Level 3)

Environment

Environment Performance

Genting Malaysia continued adopting best practices to conserve the environment, reduce pollution and combat climate change. Significant amounts of energy, carbon emissions and resources have been saved through a series of meaningful initiatives. Genting Malaysia's exemplary protection of Genting Highlands ensures its flora and fauna can be enjoyed for generations to come.

RWG's non-revenue water (NRW) is only 3.3% compared to the national average of 35%

5,831 trees planted absorbing carbon dioxide released by a car driven around the Earth 44 times

Employees have collected 6.95 tonnes of recycling waste at the RWG Residential Complex

94% of virgin rainforest in RWG remains intact

0.434 mmtCDE* Reduction of carbon footprint
(2018 : 0.435 mmtCDE*)
*Million metric tonnes of carbon dioxide equivalent including carbon sink from virgin forest

Energy savings of 30.43TJ which is equivalent to approximately RM3.1 million in cost savings

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

Genting Malaysia continued to build strong relationships with its customers to understand their priorities so that excellent service could be provided. Employees enjoyed a range of career development opportunities in a safe and dynamic workplace while local communities also benefited from significant monetary contributions and charitable programmes in 2019.

Created jobs for over **20,000** employees worldwide
(2018 : Over 21,000 employees worldwide)

5.5% reduction in occupational accidents in Malaysia from 2018
(2019 : 86, 2018 : 91)

Almost **RM6** million worth of community investment benefiting a total of 103 organisations

RM13.2 million total investment in employee training in Malaysia and UK
(2018 : RM8.2 million)

100% of employees received regular performance and career development review

Zero reported cases of occupational fatalities involving our employees since 2016

Over **43,000** people benefited from our philanthropy efforts

Zero reported incidents of discrimination in 2019

Zero fatalities on Genting Malaysia's roads and the accident rate is reducing annually

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 2019 which is made available at the Company's website at www.gentingmalaysia.com.

This statement 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 director 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 for the disclosure on named basis of the top five senior management's remuneration, the alternative information provided should meet the intended objective.

Apart from the above, the key areas of focus and priorities in the future include preparing 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).

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.

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

The Board has the 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 taking into consideration its core values and standards through the vision and mission of the Company as set out in the Board Charter disclosed in Practice 2.1 of the Corporate Governance Report.

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

I. Board Responsibilities (cont'd)

The details of Directors' attendances during the financial year 2019 are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Lim Kok Thay	5 out of 5
Tan Sri Dato' Seri Alwi Jantan	4 out of 5
Mr Lim Keong Hui	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)	4 out of 5
Dato' Koh Hong Sun	5 out of 5
Madam Chong Kwai Ying	5 out of 5

The 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.

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 checks and balances. 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 2019.

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.

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.

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

I. Board Responsibilities (cont'd)

The Independent Non-Executive Directors, who form the majority of Board members, provide checks and balances 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 being performed by the same individual and ensures that this arrangement continues to be in the interests of the Company and its shareholders as a whole.

The Company Secretary, who is 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.

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.

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.

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 of the aforesaid Codes can be viewed from the Company's website at www.gentingmalaysia.com.

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.

II. Board Composition

As at 31 December 2019, the Board has nine members, comprising two Executive Directors and seven Independent Non-Executive Directors which fulfils the requirement of the Board to comprise a majority of independent directors. With the appointment of Dato' Sri Lee Choong Yan as an Executive Director of the Company on 1 January 2020 and redesignated as President and Chief Operating Officer and Executive Director on the same day, the Board has ten members, comprising three Executive Directors and seven Independent Non-Executive Directors.

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.

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

II. Board Composition (cont'd)

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 2019, 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.

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 contribute 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.

The Group practises 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.

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.

The Board currently comprises nine male Directors and one female Director. The racial composition of the Board is 20% Malay, 70% Chinese and 10% Eurasian. 10% of the Directors are between the ages of 30 and 55 and the remaining 90% are above 55 years old.

Amongst others, the measure taken by the Board when sourcing suitable candidates for any vacant Board position in the future, would take into consideration suitably qualified women candidates, in line with the recommendation of the MCCG.

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

II. Board Composition (cont'd)

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.

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, as identified by the Board pursuant to Practice 4.7 of the MCCG.

The Nomination Committee carries 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 once during the financial year ended 31 December 2019 with all members in attendance.

The main activities carried out by the Nomination Committee during the financial year ended 31 December 2019 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;
(d) reviewed and recommended to the Board, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its 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;
(f) considered and recommended to the Board, the appointment of Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj. Zainuddin (R) as an additional member of the Remuneration Committee; and
(g) considered and recommended to the Board, the appointment of Dato' Sri Lee Choong Yan, the President and Chief Operating Officer of the Company, as an Executive Director of the Company and be redesignated as "President and Chief Operating Officer and Executive Director" of the Company.

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 2019 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 disclosed in Practice 4.5 of the Corporate Governance Report.

The Board is cognisant of Practice 5.1 of MCCG and at the appropriate time, engages independent experts to facilitate the annual assessment.

III. Remuneration

The Company has established a formal remuneration policy for the Executive Directors and senior management to align with the 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.

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

III. Remuneration (cont'd)

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 carries out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at www.gentingmalaysia.com.

The details of the Directors' remuneration received in 2019 on a named basis are set out in 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 the Corporate Governance Report. Tan Sri Lim Kok Thay had voluntarily reduced his salary by 20% as announced at the Annual General Meeting of the Company on 19 June 2019.

The top five senior management (excluding Executive Directors) of the Company are Dato' Sri Lee Choong Yan, Mr Lee Thiam Kit, Mr Leow Beng Hooi and Dato' Edward Arthur Holloway, their designations are disclosed in the Annual Report 2019 and the late Mr Lim Eng Ming, Senior Vice President - Casino & Security Operations (retired on 11 November 2019). The aggregate remuneration of these executives received in 2019 was RM22.9 million, representing 1.2% of the total employees' remuneration of the Group.

The remuneration of the aforesaid top five senior management was a combination of annual salary, bonus, benefits-in-kind and other emoluments such as an employee share grant scheme which 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.

Principle B – Effective Audit and Risk Management

I. Audit Committee

The Chairman of the Audit Committee is Tan Sri Datuk Clifford Francis Herbert, an Independent Non-Executive Director of the Company.

The Terms of Reference of the Audit 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 Committee to safeguard the independence of the audit of the financial statements.

The Audit 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 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 Committee was 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 2019 and has recommended their re-appointment for the financial year ending 31 December 2020.

The Audit Committee of the Company consists of four members, who are all Independent Non-Executive Directors.

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

I. Audit Committee (cont'd)

The members of the Audit 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 Committee are financially literate as they continuously keep themselves abreast with the latest developments 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 2019, the Directors received regular briefings and updates on the Group's businesses, operations, risk management and compliance, internal controls, corporate governance, finance, sustainability reporting 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 2019 are disclosed in Appendix B of this Corporate Governance Overview Statement.

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 provisions of the Companies Act 2016 in Malaysia 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.

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 2019 of the Company.

II. Risk Management and Internal Control Framework

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.

The risk management and internal control 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 risk management and internal control framework of Genting Malaysia Berhad are set out in the Statement on Risk Management and Internal Control.

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.

On 31 December 2019, the Board approved the separation of the Audit and Risk Management Committee into two separate committees namely, Audit Committee and Risk Management Committee with the same composition of members.

The Risk Management Committee now serves as a committee of the Board to assist the Board in carrying out the responsibility of overseeing the Company and the Group's risk management framework and policies. The Terms of Reference of the Risk Management Committee can be obtained from the Company's website at www.gentingmalaysia.com.

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 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 Committee, which defines 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 are disclosed in Practice 10.2 of the Corporate Governance Report.

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

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

The details of the scope of work, performance evaluation and budget of the internal audit function are set out in the Corporate Governance Report.

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 2019, the average number of internal audit personnel was 30, comprising degree holders and professionals from related disciplines with an average of 9.1 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 team carries 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

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company holds quarterly briefings for investment analysts after each quarter's financial results announcement and separate briefings for fund managers and institutional investors upon request.

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.

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

The Company serves the Notice of Annual General Meeting to the shareholders of the Company at least 28 days prior to the meeting for the financial year 2019.

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 responses to questions addressed to them. All the Directors attended the Annual General Meeting held on 19 June 2019.

Practice 12.3 which recommends leveraging technology is a new concept introduced and the Company would need time to study the availability of such software and hardware as well as its cost effectiveness to facilitate such mode of voting.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 27 February 2020.

Group/Company

Disclosure on directors' remuneration received in 2019

Amounts in RM million	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
Non-Independent Executive Directors							
Tan Sri Lim Kok Thay	0.190	-	38.497	7.374	0.420	19.614	1.628
Mr Lim Keong Hui	0.127	-	7.364	0.871	-	0.758	0.005
Independent Non-Executive Directors							
Tan Sri Dato' Seri Alwi Jantan	0.127	0.004	-	-	-	-	0.004
Mr Quah Chek Tin	0.127	0.030	-	-	-	-	0.005
Tan Sri Datuk Clifford Francis Herbert	0.127	0.060	-	-	-	-	0.003
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	0.127	0.006	-	-	-	-	-
Mr Teo Eng Siong	0.127	0.038	-	-	-	-	0.002
Dato' Koh Hong Sun	0.127	0.027	-	-	-	-	0.005
Madam Chong Kwai Ying	0.010	-	-	-	-	-	-

The following are the courses and training programmes attended by the Directors in 2019:

	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**	**Madam Chong Kwai Ying**
Culture: Identifying with the culture & values of the company Accountability: Understanding responsibilities, goals, metrics & shared goals by Zouk Singapore.			√						
Cyber Security Talk (Cyber Liability Insurance) by speaker CIMB Howden Cyber Experts organised by Genting Group.					√				
Lembaga Tabung Angkatan Tentera Re-treat. Theme – LTAT 2.0: Let's Transform, Aspire & Triumph by Lembaga Tabung Angkatan Tentera.							√		
"2019 Global Economic Developments", by speaker Tan Sri Andrew Sheng, Distinguished Fellow, Asia Global Institute, University of Hong Kong organised by Kenanga Investment Bhd.					√				
Related Party Transactions (RPTs) & Conflict of Interest, Including The "Arms-Length Issue" On Transactions – Implications to the Board, Audit Committee & Management" by Malaysian Institute of Corporate Governance.				√					
Financial Institutions Directors' Education (FIDE) Programme - FIDE Core Module A (Bank) by The Iclif Leadership and Governance Centre.									√
Inaugural Eminent Speakers Conference Series "Navigating Towards Healthy Ageing", co-organised by Genting Group and University of Malaya, Faculty of Medicine in conjunction with the Genting Founder's Day.	√		√						
Mandatory Accreditation Programme for Directors of Public Listed Companies by The Iclif Leadership and Governance Centre.									√
Governance Symposium 2019 - Building a Governance Eco-System by Malaysian Institute of Accountants.				√				√	
The "Belt & Road" EMBA Program for Southeast Asia by PBC School of Finance (PBCSF), Tsinghua University on the following modules: - Business for Business Marketing and Asset Management-Fix Income - Fin-Tech and The New Landscape of China's Exchange Reform - Behavioral Finance, Ambicultural Strategy and Leadership - Understanding the Policy Environment for Successful BRI-Connected International Growth, National Culture and Business Management			√						
Cryptocurrency & Blockchain for Board of Directors: The Impact of Crypto on Capital Markets by EquitiesTracker Holdings Berhad organised by Affin Bank Berhad.							√		√
Insight-sharing by Ernst & Young on the Inland Revenue Board's Special Voluntary Disclosure Programme organised by Genting Group.				√					
The Bank Negara Malaysia Governor's Address on the Malaysian Economic and Panel Discussion organised by the Malaysian Economic Association.						√			
FIDE Elective Programme "Anti-Money Laundering/ Counter Financing of Terrorism - Insurance & Takaful Sector" by The Iclif Leadership and Governance Centre.								√	

COURSES	NAMES OF DIRECTORS: 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	Madam Chong Kwai Ying
Integrated Reporting: Communicating Value Creation organised by Bursa Malaysia and Malaysian Institute of Accountants.				√					
Corporate Governance and Observations in the CG Monitor by Securities Commission Malaysia and Affin Bank Berhad.							√		
Briefing on MFRS 16: Leases by speaker Ms Siew Kar Wai, Partner, PricewaterhouseCoopers Risk Services Sdn Bhd organised by Genting Group.				√	√	√		√	√
Briefing on MFRS 17: Insurance Contracts by Mr George Kay, Executive Director, Actuarial of KPMG organised by AXA AFFIN Life Insurance Berhad.									√
Director E-Training on the Environmental, Social and Governance (ESG) and Reporting by The Stock Exchange of Hong Kong Limited.	√								
Corporate Liability — Impact on the Commercial Organisation and Guidelines on Adequate Procedures (Section 17A of the Malaysian Anti-Corruption Commission Act 2009) by Bintulu Port Holdings Berhad and Shearn Delamore & Co.							√		
Demystifying the Diversity Conundrum: The Road to Business Excellence by Bursa Malaysia Berhad.				√					
Malaysian Economic Association Convention 2019 "Malaysia in Reform: Building Capacity, Digitalisation and Governance" hosted by the Malaysian Economic Association. Theme 1: Governance and Reform - Reform in Regulatory System - Good Governance - Government's Role in Business Theme 2: The New Business Environment - Business Innovation and Disruption - Talent Development - Business Digital Transformation						√			
Special Engagement Session themed "Ingredients for Good Governance and Economic Prosperity" by Madam Christine Lagarde, Managing Director of International Monetary Fund hosted by University Malaysia together with Malaysian Economic Association and Talent Corporation Malaysia Berhad.						√			
Independent Directors Programme: "The Essence of Independence" by Bursa Malaysia Berhad.		√			√				
38th Management Conference (Plantation Division) of Genting Plantations Berhad. Theme: "Digital Transformative Technologies & A.I." - Innovating Inside-Out by Dr Thun Thamrongnawasawat - The Iclif Leadership and Governance Centre. - GENP Adoption of Digitalisation and A.I. Technologies by Mr Yap Yau Koong, Vice President - Plantation Advisory. - Artificial Intelligence for Plantation Management by Mr Drew Perez of Adatos A.I. - Agricultural A.I. Robot for Precision Farming by Ir. Prof. Dr. Koo Voon Chet - iRadar.				√			√		
Artificial Intelligence and Its Role in FIs by speaker Ms Clara Durodie, a member of IEEE Global Initiative on Ethics of Autonomous and Intelligent Systems (USA) organised by Financial Institutions Directors' Education (FIDE) Forum.									√
PTD Briefing on Budget.						√			

COURSES	NAMES OF DIRECTORS								
	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	Madam Chong Kwai Ying
"Corporate Liability Provision In the Malaysian Anti-Corruption Commission Act 2009 and the ISO 37001: 2016 Anti-Bribery Management System" by speaker Mr Chew Phye Keat of Messrs Raja, Darryl & Loh Advocates and Solicitors organised by Mega First Corporation Berhad.								√	
Workshop on Digital Disruption and Innovation by speakers Mr Jan Metzger, Managing Director, Head, Asia Pacific, Banking, Capital Markets and Advisory, Citigroup Global Markets Asia Ltd; Mr Willard Mclane, Managing Director, Vice Chairman of Global Financial Institutions Group, Citi and Mr Aayush Jhunjhunwala Director, Asia-Pacific Technology, Media and Telecom Investment Banking, Citigroup Investment Banking organised by Genting Group. A. Themes of Technology Disruption - An overview of disruption that technology is causing globally - Impact of technology disruption to various sectors B. Attack from Technology and Incumbent's response - Disruption to financial services and how incumbents are responding - Specific examples of Citi's strategic initiatives - Threats and Opportunities in other sectors C. Rise of Digital Ecosystems - Rise of ecosystems around the world - Rise of technology in SEA - Case Study: GOJEK: Largest transactional platform in SEA with diversified business model D. Bold Predictions (They do come true)				√	√				√
BNM-FIDE Forum Dialogue: Key Aspects of Fintech and Regulation – Exclusive Dialogue Session with speaker Encik Suhaimi Ali, Director, Financial Development and Innovative Department, Bank Negara Malaysia by Financial Institutions Directors' Education (FIDE) Forum.									√
Bursa Malaysia Thought Leadership Series: Sustainability-Inspired Innovations Enablers of the 21st Century by Bursa Malaysia Berhad.									√
"Cyber Security" by speaker Mr Ronak Shah, Chief Executive Officer of QBE Singapore, Asia Operations organised by QBE Insurance (Malaysia) Berhad.								√	
Corporate Liability: Section 17A of Malaysian Anti-Corruption Commission Act 2009 by Bintang Capital Partners Berhad.							√		
Cyber Security Awareness by Mr Raj Kumar, CEO of Cyber Intelligence Sdn Bhd organised by Affin Bank Group									√
30th Annual Senior Managers Conference 2019 of Genting Malaysia Berhad. Theme: Leading Through Challenging Times lead by Professor Roderick & Stefan - INSEAD - Session 1: Leadership Effectiveness - Session 2: Managing Team Effectiveness - Session 3: Effective Influence - Session 4: Collaboration and Value Creation				√	√		√	√	√

COURSES	NAMES OF DIRECTORS								
	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	Madam Chong Kwai Ying
Training for Directors organised by China Construction Bank (Malaysia) Berhad. - Session 1: Cyber Risk Awareness by Major Maneesh Chandra, Chief Technology Officer of Firmus Consulting Sdn Bhd - Session 2: Budget 2020 Briefing by Mr Toh Hong Peir, Executive Director, Tax Team (Sector: Oil & Gas), Deloitte Tax Services Sdn Bhd - Session 3: Updates on Anti-Money Laundering, Counter Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions by Deloitte - Session 4: Fighting Corruption - Section 17A Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018)									√
Group-Wide Training Program on Corporate Governance by Lembaga Tabung Angkatan Tentera.							√		
The 33rd Sultan Azlan Shah Law Lecture entitled "International Commerce: Mapping the Law in a Borderless World" by The Right Honorable The Lord Briggs of Westbourne, Justice of the Supreme Court of the United Kingdom co-organised by The Sultan Azlan Shah Foundation and the University of Malaya.							√		
Audit Oversight Board Conversation with Audit Committees by speaker Mr Alex Ooi Thiam Poh, Executive Officer, Audit Oversight Board, Securities Commission Malaysia.				√			√	√	
Tax Seminar - The 2020 Budget by Deloitte Tax Services Sdn Bhd organised by Genting Group.				√	√				

AUDIT COMMITTEE REPORT

AUDIT 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, was renamed as Audit and Risk Management Committee ("ARMC") on 29 December 2017.

On 31 December 2019, the Board approved the separation of the ARMC into two (2) separate committees namely, Audit Committee ("Committee") and Risk Management Committee.

MEMBERSHIP

The present members of the 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 Committee were revised in December 2019 and are made available on the Company's website at www.gentingmalaysia.com.

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2019

The Committee held a total of seven (7) meetings. Details of attendance of the Committee members are as follows:

Name of Member	Number of Meetings Attended*
Tan Sri Datuk Clifford Francis Herbert	7 out of 7
Mr Quah Chek Tin	7 out of 7
Mr Teo Eng Siong	7 out of 7
Dato' Koh Hong Sun	7 out of 7

* *The total number of meetings include the special meetings held between members of the 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 2019

The Committee carried out its duties in accordance with its Terms of Reference.

During the financial year ended 31 December 2019, 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 and deliberated 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 2018 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;

xi) reviewed and deliberated the quarterly Report of Anti-Money Laundering and Counter Financing of Terrorism and Anti-Bribery and Anti-Corruption policy related matters; and

xii) reviewed the 2018 Annual Report of the Company, including the ARMC Report, Sustainability Report and Statement of Risk Management and Internal Control.

HOW THE COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR 2019

1. Financial Reporting

The 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 and financial performance of the Group and of the Company and are in compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions 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 Committee also reviewed and where applicable, commented on the representation letters issued 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 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 Committee and highlighted and addressed by the external auditors in their audit report.

The 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 Company and 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 Committee for recommendation to the Board for approval. Non-audit fees 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 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 (2) Committee meetings were held on 25 February 2019 and 27 August 2019 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 Committee, and the 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 Committee, to assist the Board in maintaining a sound system of internal control. The internal audit department reports to the 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 COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR 2019 (cont'd)

3. Internal Audit (cont'd)

During the year, the Committee reviewed and approved the 2019 Internal Audit Plan and the 2020 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 Committee's review:

- The Internal Audit plan was prepared based on a risk based approach with the consideration of four (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 Committee also 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 were not deemed significant and had 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 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 2019 amounted to RM7.45 million.

4. Related Party Transactions

Related party transactions of the Company and its subsidiaries which exceeded pre-determined thresholds were reviewed by the 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 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

During the year, the ARMC 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 ARMC 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 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 Genting Malaysia Berhad's Executive Committee is responsible to ensure that the risk management process is implemented within the Genting Malaysia Group.

The review of the risk management processes and reports is delegated by the Board to the ARMC (going forward, the 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 ARMC (going forward, the Risk Management Committee) prior to recommending for endorsement by the Board.

The Risk Management Committee of the Company reviewed the 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 63 to 65 of this Annual Report.

This Audit Committee Report is made in accordance with a resolution of the Board of Directors dated 27 February 2020.

Board's Responsibilities

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 responsibilities 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"). On 31 December 2019, the Board approved the separation of the Audit and Risk Management Committee into two separate committees namely, Audit Committee ("AC") and Risk Management Committee ("RMC"). The RMC serves to assist the Board to carry out the responsibility of overseeing the Genting Malaysia Group's risk management framework and policies.

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 Genting Malaysia Berhad's Executive Committee ("Executive Committee") which comprises the senior management of Genting Malaysia Berhad and chaired by the President & Chief Operating Officer, is responsible to ensure that the risk management process is implemented within the Genting Malaysia Group ("the Group").

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.
- Review 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 comprising senior management of GENM which is chaired by the Genting Malaysia Berhad's Chief Financial Officer, meets quarterly to continually review the effectiveness, adequacy and integrity of the risk management system and recommend key risk matters to the ARMC and the Board for deliberation and approval.

The senior management of the overseas principal subsidiary companies are responsible to identify and manage the significant risks that are affecting their respective operations. 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 the 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 internal audit 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 quarterly 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.

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

for the Financial Year ended 31 December 2019

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 Standard for Professional Practice of Internal Auditing 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 business or operating units and reviews risks on an ongoing basis to ensure that the risks that may impede the achievement of objectives are adequately identified, evaluated, managed and controlled.

The Genting Malaysia Group aligns its risk management practices to ISO 31000:2018 Risk Management – Guidelines. 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 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 the report 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 established the relevant 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 2019

The strategic, financial and operational risks that impact the Genting Malaysia Group are identified, evaluated and managed within its risk appetite. In this regard, the Group ensures high standards of governance and responsible business practices across its entire operations and shall not compromise on the safety, health and security of its employees and customers, any form of unethical activity, non-compliance to applicable laws or any other activity that may adversely impact the Group's reputation.

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 the 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. In light of this, the Group employs the appropriate control measures including leveraging on technology in security as well as vigilant security screening and monitoring at all its key properties and assets.

Key Risk Areas for 2019 (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, updated, and tested periodically to ensure that they are effective in mitigating the adverse impact arising from prolonged business disruptions. Findings and feedbacks from the simulations and testing conducted will be reviewed for continual improvement.

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 & 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 Berhad's principal subsidiary companies in respect of their risk management and internal control systems.

The disclosures in this statement do not include the risk management and internal control practices of the associated company of Genting Malaysia Berhad. The Company's interest in this entity is safeguarded through the appointment of members of the Company's senior management to the board of directors and the management committee of the associated company. Additionally, where necessary, key financial and other appropriate information on the performance of this entity were obtained and reviewed periodically.

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 2020.

DIRECTORS' REPORT

The Directors of **GENTING MALAYSIA BERHAD** have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

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 Group 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 and associate are set out in Note 46 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**
Profit before taxation	1,489.4	1,281.5
Taxation	(157.2)	(96.9)
Profit for the financial year	**1,332.2**	**1,184.6**

CONSOLIDATION OF SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END

The Companies Commission of Malaysia ("CCM") had on 6 February 2020 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 2020, 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 19 June 2019.

During the financial year, the Company purchased 11,750,000 ordinary shares of its issued share capital from the open market at an average price of RM3.41 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)(c) of the Companies Act 2016, transferred 11,731,677 treasury shares to eligible employees under the employees' share scheme during the financial year.

As at 31 December 2019, the total number of treasury shares held by the Company in accordance with the provisions of Section 127 of the Companies Act 2016 was 284,395,708.

DIVIDENDS

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

(i) a special single-tier dividend of 8.0 sen per ordinary share amounting to RM451.8 million in respect of the financial year ended 31 December 2018 was paid on 4 April 2019;

(ii) a final single-tier dividend of 5.0 sen per ordinary share amounting to RM282.7 million in respect of the financial year ended 31 December 2018 was paid on 23 July 2019; and

(iii) an interim single-tier dividend of 6.0 sen per ordinary share amounting to RM339.2 million in respect of the financial year ended 31 December 2019 was paid on 11 October 2019.

A special single-tier dividend of 9.0 sen per ordinary share in respect of the current financial year ended 31 December 2019 has been declared for payment on 7 April 2020 to shareholders registered in the Register of Members on 16 March 2020. Based on the total number of issued shares (less treasury shares) of the Company as at 31 December 2019, the special dividend would amount to RM508.8 million.

The Directors recommend payment of a final single-tier dividend of 5.0 sen per ordinary share in respect of the current financial year ended 31 December 2019 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 2019, 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.

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 34 to the financial statements.

Under the 2015 Scheme which consists of 2017 PSP Grant and 2017 RSP Grant, 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 20,143,377 Scheme shares under the 2018 Scheme to eligible employees as follows, of which 257,940 Scheme shares had lapsed and 19,885,437 Scheme shares remained outstanding as at 31 December 2019:

(i) On 18 March 2019, 15,322,308 Scheme shares were granted under the PSP ("2019 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 2019 PSP Grant shall be vested equally over three instalments on a market day falling in March 2020, March 2021 and March 2022.

(ii) On 18 March 2019, 4,821,069 Scheme shares were granted under the RSP ("2019 RSP Grant"). Upon fulfilment of the Vesting Conditions, the Scheme shares granted under the 2019 RSP Grant are to be vested on a market day falling in March 2022.

Since the commencement of the Scheme, the Company granted a total of 70,242,059 Scheme shares to eligible employees, of which 5,668,675 Scheme shares had lapsed and 32,571,092 Scheme shares had been vested with 32,002,292 Scheme shares remained outstanding as at 31 December 2019.

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 0.30% and 0.93% respectively of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company as at 31 December 2019.

A total of 12,052,377 Scheme shares was granted under the 2019 PSP Grant and 2019 RSP Grant to Executive Directors and Chief Executive during the financial year. Since the commencement of the Scheme, an aggregate of 38,284,653 Scheme shares was granted to Executive Directors and Chief Executive, of which 18,719,748 Scheme shares had been vested with 1,379,242 Scheme shares lapsed and 18,185,663 Scheme shares remained outstanding as at 31 December 2019.

During the financial year, 11,731,677 Scheme shares being treasury shares from the Company's share buy-back account 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 Scheme.

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
Dato' Sri Lee Choong Yan (Appointed on 1 January 2020)
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

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 2019; 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	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Tan Sri Lim Kok Thay	14,140,100	5,863,548	-	20,003,648
Tan Sri Dato' Seri Alwi Jantan	900,000	-	(303,000)	597,000
Mr Lim Keong Hui	422,300	226,638	-	648,938
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 Directors				
Tan Sri Lim Kok Thay	2,900	2,886	-	5,786
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	1.1.2019	Granted	Vested	Lapsed	31.12.2019
		(Number of ordinary shares)			
Restricted Share Plan					
Tan Sri Lim Kok Thay	3,921,725[(b)]	2,309,869[(b)]	1,866,500	-	4,365,094[(b)]
Mr Lim Keong Hui	172,200[(b)]	574,700[(b)]	61,100	-	685,800[(b)]
Performance Share Plan					
Tan Sri Lim Kok Thay	8,499,894[(b)]	7,341,258[(b)]	3,997,048	837,036	11,007,068[(b)]
Mr Lim Keong Hui	347,543[(b)]	1,826,550[(b)]	165,538	27,391	1,981,164[(b)]

Long Term Incentive Plan ("Scheme") shares

Interest of Spouse/Child of a Director

	1.1.2019	Granted	Vested	Lapsed	31.12.2019
		(Number of ordinary shares)			
Restricted Share Plan					
Tan Sri Lim Kok Thay	2,200[(b)]	-	1,100	-	1,100[(b)]
Performance Share Plan					
Tan Sri Lim Kok Thay	2,336[(b)]	-	1,786	-	550[(b)]

Interest in Genting Berhad

Shareholdings in which the Directors have direct interests	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Tan Sri Lim Kok Thay	68,119,980	-	-	68,119,980
Mr Quah Chek Tin	6,250	-	-	6,250
Mr Teo Eng Siong	62,500	-	-	62,500
Interest of Spouse/Child of a Director				
Mr Quah Chek Tin	1,250,000	-	-	1,250,000
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	1,630,711,110[(c)]	165,347,650[(cc)]	152,651,250[(c)]	1,643,407,510[(cc)]
Mr Lim Keong Hui	1,630,711,110[(c)]	165,347,650[(cc)]	152,651,250[(c)]	1,643,407,510[(cc)]

DIRECTORATE (cont'd)

Interest in Genting Plantations Berhad

Shareholdings in which the Directors have direct interests	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Tan Sri Lim Kok Thay	369,000	73,800	-	442,800
Mr Teo Eng Siong	8,000	1,600	-	9,600
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	407,005,000[(d)]	81,401,000[(d)]	-	488,406,000[(d)]
Mr Lim Keong Hui	407,005,000[(d)]	81,401,000[(d)]	-	488,406,000[(d)]

Warrantholdings in which the Directors have direct interests	1.1.2019	Acquired	Exercised	31.12.2019
		(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	-
Mr Lim Keong Hui	81,401,000[(d)]	-	81,401,000	-

Interest in Genting Singapore Limited

Shareholdings in which the Directors have direct interests	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Tan Sri Lim Kok Thay	13,445,063	750,000	-	14,195,063
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)]

Performance Shares in the name of a Director	1.1.2019	Awarded	Vested	Lapsed	31.12.2019
		(Number of performance shares)			
Tan Sri Lim Kok Thay	750,000[(f)]	750,000[(f)]	750,000	-	750,000[(f)]

<u>Legend</u>

(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 in turn 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 Summerhill Trust Company (Isle of Man) Limited ("STC") 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 STC 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.

Legend (cont'd)

(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 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 STC is the trustee. GHL acts as trustee of the GHUT, a private unit trust whose voting units are ultimately owned by STC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares 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.

(cc) *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. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENT held by KHR and Inverway by virtue of its controlling interest in KHR and Inverway.*

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 criteria as may be imposed.*

The 2013/2019 warrants of Genting Plantations Berhad expired on 17 June 2019.

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 52.7% owned subsidiary of GENT.

DIRECTORATE (cont'd)

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

(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.

(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 45 in which the nature of relationships of Tan Sri Lim Kok Thay and Mr Lim Keong Hui are disclosed therein.

Tan Sri Lim Kok Thay, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) and Mr Teo Eng Siong are due to retire by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with Paragraph 107 of the Company's Constitution and they, being eligible, have offered themselves for re-election.

Dato' Sri Lee Choong Yan is due to retire at the forthcoming AGM in accordance with Paragraph 112 of the Company's Constitution and he, being eligible, has offered himself 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):

Mr Lee Thiam Kit*
Ms Koh Poy Yong
Mr Koh Chuan Seng
Encik Izwan bin Abdullah @ Loke Kong Sing
Dato' Sri Kan Tong Leong
Mr Chia Khong Chid+
Mr Tan Kong Han
Mr Chan Kam Hing Chris#
Mr Declan Thomas Kenny
Mr John Craig Brown*
Mr Christopher James Tushingham (alternate director to Mr John Craig Brown)*

* Appointed on 10 July 2019
\# Appointed on 5 August 2019
\+ Resigned on 15 January 2020

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 RM0.41 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;

OTHER STATUTORY INFORMATION (cont'd)

(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 47 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.

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 46 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 2019.

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.

Signed on behalf of the Board in accordance with a resolution of the Directors.

TAN SRI DATO' SERI ALWI JANTAN
Deputy Chairman

DATO' SRI LEE CHOONG YAN
President and Chief Operating Officer and
Executive Director

27 February 2020

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

In the opinion of the Directors, the financial statements set out on pages 74 to 160 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors.

TAN SRI DATO' SERI ALWI JANTAN
Deputy Chairman

DATO' SRI LEE CHOONG YAN
President and Chief Operating Officer and Executive Director

27 February 2020

INCOME STATEMENTS

for the Financial Year Ended 31 December 2019

Amounts in RM million unless otherwise stated

	Note(s)	Group 2019	Group 2018	Company 2019	Company 2018
Revenue	5 & 6	**10,406.9**	9,927.6	**7,008.1**	6,477.9
Cost of sales	7	**(7,912.2)**	(7,265.4)	**(5,113.5)**	(4,491.0)
Gross profit		**2,494.7**	2,662.2	**1,894.6**	1,986.9
Other income		**562.4**	483.8	**152.4**	151.4
Selling and distribution costs		**(216.7)**	(208.9)	**(63.6)**	(60.2)
Administration expenses		**(783.2)**	(642.6)	**(310.0)**	(286.2)
Reversal of previously recognised impairment losses	9	**13.6**	27.1	**-**	-
Impairment losses *	9	**(67.6)**	(1,969.9)	**(103.8)**	(70.7)
Other expenses		**(244.5)**	(223.6)	**(145.2)**	(118.8)
Other gains/(losses)	8	**12.6**	23.7	**5.3**	12.8
Profit from operations		**1,771.3**	151.8	**1,429.7**	1,615.2
Finance costs	9	**(250.3)**	(155.8)	**(148.2)**	(73.0)
Share of results in an associate	21	**(31.6)**	-	**-**	-
Profit/(loss) before taxation	5, 9, 10 & 11	**1,489.4**	(4.0)	**1,281.5**	1,542.2
Taxation	12	**(157.2)**	(82.3)	**(96.9)**	(182.3)
Profit/(loss) for the financial year		**1,332.2**	(86.3)	**1,184.6**	1,359.9
Attributable to:					
Equity holders of the Company		**1,395.3**	(19.5)	**1,184.6**	1,359.9
Non-controlling interests		**(63.1)**	(66.8)	**-**	-
		1,332.2	(86.3)	**1,184.6**	1,359.9
Earnings/(loss) per share attributable to equity holders of the Company:					
Basic earnings/(loss) per share (sen)	13	**24.68**	(0.35)		
Diluted earnings/(loss) per share (sen)	13	**24.64**	(0.35)		

* Included in impairment losses of the Group during the financial year ended 31 December 2019 is the impairment loss on investment in promissory notes of RM13.3 million (2018: RM1,834.3 million).

STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2019

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2019	2018	**2019**	2018
Profit/(loss) for the financial year		**1,332.2**	(86.3)	**1,184.6**	1,359.9
Other comprehensive income/(loss), net of tax:					
Items that will not be reclassified subsequently to profit or loss:					
Actuarial gain/(loss) on retirement benefit liability		**4.4**	(9.6)	**-**	-
Changes in the fair value of equity investments at fair value through other comprehensive income		**-**	(30.7)	**-**	-
		4.4	(40.3)	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges					
- Fair value changes		**(2.7)**	(2.5)	**-**	-
Net foreign currency exchange differences					
- Exchange differences on translation of foreign operations		**(43.0)**	84.7	**-**	-
- Reclassification to profit or loss upon disposal of a subsidiary		**(2.6)**	-	**-**	-
		(45.6)	84.7	**-**	-
		(48.3)	82.2	**-**	-
Other comprehensive (loss)/income for the financial year, net of tax	12	**(43.9)**	41.9	**-**	-
Total comprehensive income/(loss) for the financial year		**1,288.3**	(44.4)	**1,184.6**	1,359.9
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		**1,348.5**	29.8	**1,184.6**	1,359.9
Non-controlling interests		**(60.2)**	(74.2)	**-**	-
		1,288.3	(44.4)	**1,184.6**	1,359.9

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2019

Amounts in RM million unless otherwise stated

	Note	Group 2019	Group 2018	Company 2019	Company 2018
ASSETS					
Non-Current Assets					
Property, plant and equipment	15	**16,620.9**	14,840.9	**9,468.2**	8,891.5
Land held for property development	16	**184.6**	184.7	**-**	-
Investment properties	17	**1,895.6**	2,204.3	**-**	-
Intangible assets	18	**4,472.8**	4,527.3	**1.0**	1.1
Right-of-use assets	19	**872.0**	-	**51.9**	-
Subsidiaries	20	**-**	-	**12,409.2**	12,099.1
Amounts due from subsidiaries	20	**-**	-	**324.0**	337.4
Associate	21	**629.5**	-	**-**	-
Financial assets at fair value through other comprehensive income	22	**115.9**	117.1	**1.6**	1.6
Financial assets at fair value through profit or loss	23	**122.7**	-	**-**	-
Other non-current assets	25	**74.0**	254.5	**10.3**	23.3
Deferred tax assets	36	**262.1**	250.2	**-**	-
		25,250.1	22,379.0	**22,266.2**	21,354.0
Current Assets					
Inventories	26	**123.3**	108.5	**65.4**	52.7
Trade and other receivables	27	**632.1**	657.5	**378.7**	442.1
Amounts due from subsidiaries	20	**-**	-	**609.3**	44.9
Amounts due from related companies	28	**1.7**	5.0	**0.9**	2.8
Financial assets at fair value through profit or loss	23	**776.7**	407.8	**559.7**	401.6
Restricted cash	30	**52.4**	100.9	**-**	-
Cash and cash equivalents	30	**6,476.4**	7,999.7	**4,776.7**	5,579.1
		8,062.6	9,279.4	**6,390.7**	6,523.2
Assets classified as held for sale	29	**-**	59.5	**-**	-
		8,062.6	9,338.9	**6,390.7**	6,523.2
Total Assets		**33,312.7**	31,717.9	**28,656.9**	27,877.2

Amounts in RM million unless otherwise stated

	Note	Group 2019	Group 2018	Company 2019	Company 2018
EQUITY AND LIABILITIES					
Equity Attributable to Equity Holders of the Company					
Share capital	31	**1,764.5**	1,764.5	**1,764.5**	1,764.5
Reserves	32	**17,731.2**	17,455.3	**16,920.4**	16,811.7
Treasury shares	33	**(998.1)**	(999.1)	**(998.1)**	(999.1)
		18,497.6	18,220.7	**17,686.8**	17,577.1
Non-controlling interests		**(327.6)**	(267.4)	**-**	-
Total Equity		**18,170.0**	17,953.3	**17,686.8**	17,577.1
Non-Current Liabilities					
Long term borrowings	40	**8,483.5**	9,282.7	**412.4**	64.9
Other long term liabilities	35	**114.6**	94.5	**-**	-
Amount due to a related company	28	**15.4**	-	**-**	-
Amount due to a subsidiary	20	**-**	-	**6,500.0**	7,600.0
Deferred tax liabilities	36	**796.7**	781.1	**309.4**	292.5
Lease liabilities	37	**779.1**	-	**42.1**	-
Derivative financial instruments	24	**3.0**	1.0	**-**	-
Retirement benefit liability		**19.4**	23.8	**-**	-
Provision for retirement gratuities	38	**203.6**	198.1	**194.1**	189.9
		10,415.3	10,381.2	**7,458.0**	8,147.3
Current Liabilities					
Trade and other payables	39	**2,978.4**	2,736.5	**1,673.5**	1,597.9
Amount due to holding company	28	**19.9**	25.4	**19.5**	25.4
Amounts due to subsidiaries	20	**-**	-	**1,561.3**	320.0
Amounts due to related companies	28	**59.2**	96.8	**34.2**	57.6
Amount due to an associate	21	**20.0**	-	**-**	-
Short term borrowings	40	**1,524.0**	477.6	**208.1**	151.6
Lease liabilities	37	**90.6**	-	**15.5**	-
Derivative financial instruments	24	**2.2**	1.8	**-**	0.3
Taxation		**33.1**	31.7	**-**	-
		4,727.4	3,369.8	**3,512.1**	2,152.8
Liabilities classified as held for sale	29	**-**	13.6	**-**	-
		4,727.4	3,383.4	**3,512.1**	2,152.8
Total Liabilities		**15,142.7**	13,764.6	**10,970.1**	10,300.1
Total Equity and Liabilities		**33,312.7**	31,717.9	**28,656.9**	27,877.2

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2019

Amounts in RM million unless otherwise stated

Group	Note	Share Capital	Reserve on Exchange Differences	Cash Flow Hedges Reserve	Fair Value Reserve	Employee Share Scheme Reserve	Treasury Shares	Retained Earnings	Total	Non-Controlling Interests	Total Equity
		Attributable to equity holders of the Company									
Balance at 1 January 2019 as originally presented		**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**
Effects of adoption of MFRS 16	42	**-**	**(0.1)**	**-**	**-**	**-**	**-**	**(3.1)**	**(3.2)**	**-**	**(3.2)**
Restated total equity at 1 January 2019		**1,764.5**	**1,537.3**	**(2.5)**	**(30.7)**	**78.9**	**(999.1)**	**15,869.1**	**18,217.5**	**(267.4)**	**17,950.1**
Profit/(loss) for the financial year		**-**	**-**	**-**	**-**	**-**	**-**	**1,395.3**	**1,395.3**	**(63.1)**	**1,332.2**
Other comprehensive (loss)/ income		**-**	**(48.5)**	**(2.7)**	**-**	**-**	**-**	**4.4**	**(46.8)**	**2.9**	**(43.9)**
Total comprehensive (loss)/income for the financial year		**-**	**(48.5)**	**(2.7)**	**-**	**-**	**-**	**1,399.7**	**1,348.5**	**(60.2)**	**1,288.3**
Transactions with owners:											
Buy-back of shares	33	**-**	**-**	**-**	**-**	**-**	**(40.1)**	**-**	**(40.1)**	**-**	**(40.1)**
Performance-based employee share scheme	34	**-**	**-**	**-**	**-**	**45.4**	**-**	**-**	**45.4**	**-**	**45.4**
Employee share scheme shares vested to employees	34	**-**	**-**	**-**	**-**	**(41.1)**	**41.1**	**-**	**-**	**-**	**-**
Transfer of employee share scheme shares purchase price difference on shares vested		**-**	**-**	**-**	**-**	**(11.3)**	**-**	**11.3**	**-**	**-**	**-**
Appropriation:											
Special single-tier dividend for the financial year ended 31 December 2018 (8.0 sen)	14	**-**	**-**	**-**	**-**	**-**	**-**	**(451.8)**	**(451.8)**	**-**	**(451.8)**
Final single-tier dividend for the financial year ended 31 December 2018 (5.0 sen)	14	**-**	**-**	**-**	**-**	**-**	**-**	**(282.7)**	**(282.7)**	**-**	**(282.7)**
Interim single-tier dividend for the financial year ended 31 December 2019 (6.0 sen)	14	**-**	**-**	**-**	**-**	**-**	**-**	**(339.2)**	**(339.2)**	**-**	**(339.2)**
Total transactions with owners		**-**	**-**	**-**	**-**	**(7.0)**	**1.0**	**(1,062.4)**	**(1,068.4)**	**-**	**(1,068.4)**
Balance at 31 December 2019		**1,764.5**	**1,488.8**	**(5.2)**	**(30.7)**	**71.9**	**(998.1)**	**16,206.4**	**18,497.6**	**(327.6)**	**18,170.0**

Amounts in RM million unless otherwise stated

Group	Note	Attributable to equity holders of the Company										
		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 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	33	-	-	-	-	-	(111.4)	-	-	(111.4)	-	(111.4)
Performance-based employee share scheme	34	-	-	-	-	53.4	-	-	-	53.4	-	53.4
Employee share scheme shares vested to employees	34	-	-			(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

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2019

Amounts in RM million unless otherwise stated

Company	Note	Share Capital	Employee Share Scheme Reserve	Treasury Shares	Retained Earnings	Total
Balance at 1 January 2019 as originally presented		**1,764.5**	**78.9**	**(999.1)**	**16,732.8**	**17,577.1**
Effects of adoption of MFRS 16	42	-	-	-	(6.5)	(6.5)
Restated total equity at 1 January 2019		**1,764.5**	**78.9**	**(999.1)**	**16,726.3**	**17,570.6**
Profit for the financial year		-	-	-	**1,184.6**	**1,184.6**
Transactions with owners:						
Buy-back of own shares	33	-	-	**(40.1)**	-	**(40.1)**
Performance-based employee share scheme	34	-	**45.4**	-	-	**45.4**
Employee share scheme shares vested to employees	34	-	**(41.1)**	**41.1**	-	-
Transfer of employee share scheme shares purchase price difference on shares vested		-	**(11.3)**	-	**11.3**	-
Appropriation:						
Special single-tier dividend for the financial year ended 31 December 2018 (8.0 sen)	14	-	-	-	**(451.8)**	**(451.8)**
Final single-tier dividend for the financial year ended 31 December 2018 (5.0 sen)	14	-	-	-	**(282.7)**	**(282.7)**
Interim single-tier dividend for the financial year ended 31 December 2019 (6.0 sen)	14	-	-	-	**(339.2)**	**(339.2)**
Total transactions with owners		-	**(7.0)**	**1.0**	**(1,062.4)**	**(1,068.4)**
Balance at 31 December 2019		**1,764.5**	**71.9**	**(998.1)**	**16,848.5**	**17,686.8**

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	33	-	-	(111.4)	-	-	(111.4)
Performance-based employee share scheme	34	-	53.4	-	-	-	53.4
Employee share scheme shares vested to employees	34	-	(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

Amounts in RM million unless otherwise stated

	Group		Company	
	2019	2018	**2019**	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	**1,489.4**	(4.0)	**1,281.5**	1,542.2
Adjustments for:				
Depreciation and amortisation	**1,070.6**	954.8	**491.8**	452.0
Property, plant and equipment written off	**23.0**	22.3	**21.8**	20.0
Net loss/(gain) on disposal of property, plant and equipment	**1.7**	(1.0)	**(0.1)**	-
Net gain on disposal of investment properties	**(132.1)**	-	**-**	-
Gain on disposal of land held for property development	**(3.8)**	-	**-**	-
Gain on disposal of a subsidiary	**(123.8)**	-	**-**	-
Reversal of previously recognised impairment losses	**(13.6)**	(27.1)	**-**	-
Impairment losses	**67.6**	1,969.9	**103.8**	70.7
(Reversal of impairment losses)/impairment losses on receivables	**(1.6)**	5.8	**(0.3)**	-
Fair value gain on financial assets at fair value through profit or loss	**(7.6)**	(0.2)	**(8.2)**	(1.6)
Net fair value (gain)/loss on derivative financial instruments	**(0.3)**	0.3	**(0.3)**	0.3
Investment income	**(20.5)**	(7.7)	**(20.5)**	(7.8)
Interest income	**(110.5)**	(299.0)	**(77.9)**	(67.7)
Dividend income	**(5.8)**	(6.3)	**(217.4)**	(80.1)
Finance costs	**250.3**	155.8	**148.2**	73.0
Provision for onerous leases	**-**	0.4	**-**	-
Provision for retirement gratuities	**22.9**	19.4	**21.4**	18.4
Provision for termination related costs	**27.6**	-	**27.6**	-
Employee share scheme expenses	**45.4**	53.4	**45.4**	53.4
Deferred income recognised for government grant	**(7.0)**	-	**-**	-
Net foreign currency exchange losses/(gains) – unrealised	**4.6**	(23.2)	**7.1**	(10.0)
Share of results in an associate	**31.6**	-	**-**	-
	1,118.7	2,817.6	**542.4**	520.6
Operating profit before working capital changes	**2,608.1**	2,813.6	**1,823.9**	2,062.8
Working capital changes:				
Inventories	**(10.8)**	2.8	**(12.7)**	2.0
Receivables	**53.1**	(21.1)	**114.2**	27.4
Payables	**34.4**	134.7	**(62.4)**	22.6
Holding company	**(5.5)**	3.8	**(5.9)**	3.8
Related companies	**(37.2)**	(63.1)	**(21.8)**	9.6
Associate	**20.0**	-	**-**	-
Subsidiaries	**-**	-	**2.5**	18.1
Restricted cash	**85.9**	(27.0)	**-**	-
Other non-current assets	**7.7**	(28.0)	**7.3**	(2.6)
	147.6	2.1	**21.2**	80.9
Cash generated from operations	**2,755.7**	2,815.7	**1,845.1**	2,143.7
Retirement gratuities paid	**(14.2)**	(2.9)	**(13.5)**	(2.3)
Taxation paid	**(182.3)**	(297.4)	**(77.9)**	(195.9)
Taxation refund	**18.0**	99.1	**-**	-
Onerous lease paid	**-**	(4.0)	**-**	-
	(178.5)	(205.2)	**(91.4)**	(198.2)
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,577.2**	2,610.5	**1,753.7**	1,945.5

STATEMENTS OF CASH FLOWS (cont'd)

for the Financial Year Ended 31 December 2019

Amounts in RM million unless otherwise stated

	Group		Company	
	2019	2018	**2019**	2018
CASH FLOWS FROM INVESTING ACTIVITIES				
Property, plant and equipment	**(2,517.9)**	(1,853.5)	**(916.1)**	(1,273.6)
Investment properties	**(2.9)**	(0.1)	**-**	-
Intangible assets	**(3.3)**	-	**-**	-
Proceeds from disposal of property, plant and equipment	**120.6**	122.2	**0.3**	0.2
Proceeds from disposal of investment properties	**425.0**	-	**-**	-
Proceeds from disposal of a subsidiary	**177.8**	-	**-**	-
Proceeds from redemption of unquoted preference shares	**25.0**	-	**-**	-
Proceeds from disposal of financial assets at fair value through profit or loss	**-**	120.0	**-**	120.0
Purchase of financial assets at fair value through profit or loss	**(357.0)**	(400.0)	**(150.0)**	(400.0)
Advances to a subsidiary	**-**	-	**(522.1)**	-
Acquisition of subsidiaries	**(55.1)**	-	**-**	-
Investment in an associate	**(663.1)**	-	**-**	-
Investment in promissory notes	**(13.3)**	(23.9)	**-**	-
Investment and dividend income received	**45.6**	8.3	**28.9**	9.1
Interest received	**144.7**	147.7	**112.1**	136.4
Finance lease rental received	**-**	33.9	**-**	33.9
Restricted cash	**(38.6)**	(4.1)	**-**	-
Proceeds from government grant	**90.5**	28.3	**-**	-
NET CASH FLOW FROM INVESTING ACTIVITIES	**(2,622.0)**	(1,821.2)	**(1,446.9)**	(1,374.0)
CASH FLOWS FROM FINANCING ACTIVITIES				
Buy-back of own shares	**(40.1)**	(111.4)	**(40.1)**	(111.4)
Dividends paid	**(1,073.7)**	(1,074.6)	**(1,073.7)**	(1,074.6)
Finance costs paid	**(473.2)**	(306.0)	**(385.8)**	(240.4)
Proceeds from bank borrowings	**888.6**	343.1	**527.9**	210.7
Proceeds from issuance of medium term notes	**-**	2,600.0	**-**	-
Repayment of borrowings	**(635.4)**	(250.1)	**(127.3)**	-
Repayment of transaction costs	**(13.2)**	(5.5)	**-**	(2.1)
Repayment of lease liabilities	**(114.4)**	-	**(16.7)**	-
Borrowing from a subsidiary	**-**	-	**-**	2,596.5
Restricted cash	**-**	3.6	**-**	3.6
NET CASH FLOW FROM FINANCING ACTIVITIES	**(1,461.4)**	1,199.1	**(1,115.7)**	1,382.3
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**(1,506.2)**	1,988.4	**(808.9)**	1,953.8
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**7,999.7**	5,996.6	**5,579.1**	3,618.5
EFFECT OF CURRENCY TRANSLATION	**(17.1)**	14.7	**6.5**	6.8
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**6,476.4**	7,999.7	**4,776.7**	5,579.1
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank balances and deposits (Note 30)	**3,590.8**	3,875.1	**2,164.8**	2,661.1
Money market instruments (Note 30)	**2,885.6**	4,124.6	**2,611.9**	2,918.0
	6,476.4	7,999.7	**4,776.7**	5,579.1

Details of significant non-cash transactions during the financial year are set out in Note 44 to the financial statements.

NOTES TO STATEMENTS OF CASH FLOWS

Amounts in RM million unless otherwise stated

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

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

Fair value of the net assets disposed and net cash inflow on disposal of a subsidiary are analysed as follows:

	As at date of disposal
Property, plant and equipment	59.3
Intangible assets	2.7
Inventories	0.4
Cash and cash equivalents	2.5
Trade and other receivables	0.7
Trade and other payables	(2.7)
Deferred tax liabilities	(3.8)
Net assets disposed	59.1
Reclassification of reserve on exchange differences	(2.6)
	56.5
Gain on disposal of a subsidiary	123.8
Total cash consideration	180.3
Less: cash and cash equivalents disposed	(2.5)
Net cash inflow on disposal of a subsidiary	177.8

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

On 30 October 2019, Genting Malta Limited, an indirect wholly-owned subsidiary of the Company, acquired the entire share capital of AGL and AGML for a total consideration of GBP13.0 million (equivalent to approximately RM69.7 million), of which GBP10.5 million (equivalent to approximately RM56.3 million) was paid in cash and GBP2.5 million (equivalent to approximately RM13.4 million) is payable within 12 months. The remaining payment of GBP2.5 million is contingent on the satisfactory transfer of gaming licences. Acquisition related costs of GBP0.2 million (equivalent to approximately RM1.3 million) has been recognised as expenses in profit or loss.

The details of the net assets acquired and net cash outflow on acquisition of subsidiaries are analysed as follows:

	As at date of acquisition
Property, plant and equipment	1.9
Intangible assets	9.5
Deferred tax assets	4.6
Cash and cash equivalents	1.2
Trade and other receivables	3.1
Deferred tax liabilities	(0.8)
Trade and other payables	(3.7)
Provision for taxation	(0.3)
Goodwill on acquisition	54.2
Total purchase consideration	69.7
Less: cash and cash equivalents acquired	(1.2)
deferred consideration	(13.4)
Net cash outflow on acquisition of subsidiaries	55.1

NOTES TO STATEMENTS OF CASH FLOWS (cont'd)

Amounts in RM million unless otherwise stated

b) Acquisition of Authentic Gaming Limited ("AGL") and Authentic Gaming Malta Limited ("AGML") (cont'd)

The fair value of the assets (including intangible assets) and liabilities ensuing from the acquisition had been determined based on provisional fair values assigned to identifiable assets and liabilities on acquisition date. Any adjustments to these provisional fair values upon finalisation of the detailed Purchase Price Allocation exercise will be recognised in intangible assets and property, plant and equipment within 12 months of the acquisition date as permitted by MFRS 3 "Business Combinations". The residual goodwill on acquisition represents the value of assets and earnings that do not form separable assets under MFRS 3 but nevertheless are expected to contribute to the future results of the Group.

The revenue and net loss of the acquired subsidiaries included in the consolidated income statement of the Group for the period from the date of acquisition to 31 December 2019 amounted to RM3.2 million and RM0.5 million, respectively. Had the acquisition taken effect on 1 January 2019, the revenue and net profit of the acquired subsidiaries included in the consolidated income statement of the Group would have been RM15.3 million and RM5.3 million, respectively. These amounts have been determined using the Group's accounting policies.

Reconciliation of liabilities arising from financing activities

Group 2019	**Long term borrowings**	**Short term borrowings**	**Lease liabilities**	**Total**
At 1 January, as originally stated	**9,282.7**	**477.6**	**-**	**9,760.3**
Effects of adoption of MFRS 16 (Note 42)	**-**	**-**	**709.5**	**709.5**
At 1 January, as restated	**9,282.7**	**477.6**	**709.5**	**10,469.8**
Cash flows	**241.7**	**(474.9)**	**(114.4)**	**(347.6)**
Non-cash changes				
Other finance costs	**13.4**	**6.5**	**-**	**19.9**
Interest on borrowings and lease liabilities	**-**	**469.4**	**36.6**	**506.0**
Recognition of additional lease liabilities	**-**	**-**	**232.2**	**232.2**
Adjustment due to lease modifications	**-**	**-**	**(0.8)**	**(0.8)**
Exchange differences	**(8.8)**	**(0.1)**	**6.6**	**(2.3)**
Reclassification	**(1,045.5)**	**1,045.5**	**-**	**-**
At 31 December	**8,483.5**	**1,524.0**	**869.7**	**10,877.2**

Group 2018	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

NOTES TO STATEMENTS OF CASH FLOWS (cont'd)

Amounts in RM million unless otherwise stated

Reconciliation of liabilities arising from financing activities

Company 2019	**Long term borrowings**	**Short term borrowings**	**Lease liabilities**	**Amount due to a subsidiary**	**Interest* payable**	**Total**
At 1 January, as originally stated	**64.9**	**151.6**	**-**	**7,590.1#**	**140.0**	**7,946.6**
Effects of adoption of MFRS 16 (Note 42)	**-**	**-**	**71.4**	**-**	**-**	**71.4**
At 1 January, as restated	**64.9**	**151.6**	**71.4**	**7,590.1#**	**140.0**	**8,018.0**
Cash flows	**348.4**	**43.1**	**(16.7)**	**(0.1)**	**(376.6)**	**(1.9)**
Non-cash changes						
Other finance costs	**0.4**	**-**	**-**	**-**	**1.5**	**1.9**
Interest on borrowings and lease liabilities	**-**	**14.5**	**3.2**	**-**	**375.6**	**393.3**
Adjustment due to lease modifications	**-**	**-**	**(0.3)**	**-**	**-**	**(0.3)**
Exchange differences	**(1.3)**	**(1.1)**	**-**	**-**	**-**	**(2.4)**
At 31 December	**412.4**	**208.1**	**57.6**	**7,590.0#**	**140.5**	**8,408.6**

Company 2018	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

The amount due to a subsidiary is presented net of transaction costs incurred of RM10.0 million (2018: RM9.9 million).

* *Interest payable for the Company is classified under amounts 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 Group 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 and associate are set out in Note 46 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 provisions 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 reported 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, right-of-use assets, investments in subsidiaries and investment in an associate.

The Group tests property, plant and equipment, investment properties, licences with definite useful lives, right-of-use assets, investments in subsidiaries, and investment in an associate 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, 19, 20 and 21.

(iii) Valuation of equity investments in foreign corporations classified as financial assets at fair value through other comprehensive income ("FVOCI")

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 22.

(iv) Provisional fair values of assets and liabilities

The Group made several acquisitions during the financial year as disclosed in the notes to the statements of cash flows. The amounts of assets (including intangible assets) and liabilities arising from certain acquisitions have been determined based on provisional fair values assigned to the identifiable assets and liabilities as at the respective acquisition dates.

For all business combinations, the Group has undertaken a detailed review to determine the fair value of assets and liabilities recognised at the date of acquisition. Any adjustments to these provisional values upon finalisation of the detailed fair value exercise will be recognised within 12 months of the acquisition date. The adjustments will be calculated as if the fair values had been recognised on acquisition date. Goodwill will also be adjusted to the amount that would have been recognised if the adjusted fair values had been used at acquisition date. As a result, comparative information may be restated.

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) 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. These 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 recognise 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.

(vi) Leases

The measurement of the "right-of-use" asset and lease liability for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In determining the incremental borrowing rate, the Group first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value of economic environmental of the respective leases.

3. SIGNIFICANT ACCOUNTING POLICIES

Standard, amendments to published standards and interpretation 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 2019:

- MFRS 16 "Leases"
- Amendments to MFRS 9 "Prepayment Features with Negative Compensation"
- Amendments to MFRS 119 "Plan Amendment, Curtailment or Settlement"
- Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"
- Annual Improvements to MFRSs 2015 - 2017 Cycle

The Group has adopted MFRS 16 for the first time in the 2019 financial statements, which resulted in changes in accounting policies. The detailed impact of adoption of MFRS 16 is disclosed in Note 42.

Other than that, the adoption of other amendments to standards and IC interpretation did not have any impact on the current period or any prior period and is not likely to affect future periods.

Amendments to published standards that have been issued but not yet effective

A number of amendments to published standards are effective for financial year beginning on or after 1 January 2020, as set out below:

- Amendments to References to the Conceptual Framework in MFRS Standards (effective from 1 January 2020) comprise a comprehensive set of concepts for financial reporting, to update references and quotations to fourteen Standards (MFRS 2, 3, 6, 14, 101, 108, 134, 137, 138 & IC Interpretations 12, 19, 20, 22 and 132). It is built on the previous version of the Conceptual Framework for Financial Reporting issued in 2011. The changes to the chapters on the objective of financial reporting and qualitative characteristics of useful financial information are limited, but with improved wording to give more prominence to the importance of providing information needed to assess management's stewardship of the entity's economic resources. Other improvements of the revised Conceptual Framework include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance in particular the definition of a liability and clarifications in important areas, such as the role of prudence and measurement uncertainty in financial reporting. The amendments should be applied retrospectively in accordance with MFRS 108 unless retrospective application would be impracticable or involve undue cost or effort. The adoption of the revised Conceptual Framework will not have any significant impact on the Group's and the Company's financial statements.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amendments to published standards that have been issued but not yet effective (cont'd)

A number of amendments to published standards are effective for financial year beginning on or after 1 January 2020, as set out below (cont'd):

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

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 values 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.

Acquisition-related costs are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

(a) Subsidiaries (cont'd)

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 in profit or loss. 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.

(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 profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Associates

Associates are entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in profit or loss the Group's share of the associate's results and its share of post-acquisition movements in reserves is recognised in OCI with a corresponding adjustment to the carrying amount of the investment. Equity accounting is discontinued when the carrying amount of the investment in an associate (including any long-term interests that, in substance, form part of the Group's net investment in associate) reaches zero, unless the Group has incurred obligation or made payment in behalf of the associate.

The Group's investment in associate includes goodwill (net of any accumulated impairment loss) identified on acquisition. See impairment policy note on impairment of non-financial assets.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the unrelated investors' interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate. Dilution gains and losses in investments in associates are recognised in profit or loss.

The cost of acquiring additional stake in an associate is added to the carrying amount of the associate. This is the deemed cost of the Group's investment in the associate for applying equity accounting. Goodwill arising on the purchase of additional stake is computed using the fair value information at the date the additional interest is purchased. The previously held interest in not remeasured.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

(d) Associates (cont'd)

When necessary, in applying the equity method, adjustments have been made to the financial statements of associate to ensure consistency of accounting policies with those of the Group.

When the Group ceases significant influence, investment in associate is derecognised. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

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.

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. 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:

Buildings and improvements	2 to 50 years
Plant, equipment and vehicles	2 to 50 years
Aircrafts, sea vessels and improvements	5 to 30 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.

<u>Accounting policies applied from 1 January 2019</u>

From 1 January 2019, leased assets (including leasehold land) are presented as a separate line item in statement of financial position. See accounting policy on right-of-use assets for these assets.

<u>Accounting policies applied until 31 December 2018</u>

Until 31 December 2018, leased assets (including leasehold land) under lease arrangement classified as finance lease (refer to accounting policy on finance leases applied until 31 December 2018) is amortised in equal instalments over the period of the respective leases that range from 51 to 99 years.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 subsequently measured at cost less any accumulated depreciation and 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 net disposal proceeds with the carrying amount and are included in profit or loss.

Right-of-use assets that meet the definition of investment property

Right-of-use assets that meet the definition of investment property in accordance with MFRS 140 "Investment Property" is presented in the statement of financial position as investment property. Subsequent measurement of the right-of-use asset is consistent with those investment properties owned by the Group.

Financial Assets

(a) Classification

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.

(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.

(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 profit or loss. Impairment losses on other debt instruments at amortised cost are presented as "impairment losses" in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets (cont'd)

(c) Measurement (cont'd)

(i) Debt instruments (cont'd)

- 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

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 25 and 27 for further details.

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible Assets (cont'd)

(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.

(e) Other intangible assets - customer contracts and gaming platform

Represent the fair value of customer contracts and gaming platform acquired in business combinations at the acquisition date. The cost is amortised using the straight-line method over its estimated useful lives of 3 to 5 years.

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.

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. 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.

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, retail stocks 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Leases

(a) Accounting by lessee

<u>Accounting policies applied from 1 January 2019</u>

From 1 January 2019, leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(i) Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated amortisation and impairment loss (if any). The ROU assets are generally amortised over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is amortised over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

3. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Leases (cont'd)

(a) Accounting by lessee (cont'd)

Accounting policies applied from 1 January 2019 (cont'd)

(ii) ROU assets (cont'd)

The Group and the Company present ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment properties are presented as a separate line item in the statement of financial position.

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company are reasonable certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost 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.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss.

(iv) Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

(v) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and office equipment. Payments associated with short-term leases of equipment and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss.

Accounting policies applied until 31 December 2018

(i) Finance Leases

Leases of property, plant and equipment where the Group and the Company, as lessee, assume 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.

(ii) Operating Leases

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

(b) Accounting by lessor

(i) Finance Leases

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.

(ii) Operating Leases

Leases where the Group retains substantially all risks and rewards of ownership are classified as operating leases. Lease 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.

(c) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group and the Company allocate the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and are capitalised and amortised over the period of the facility to which it relates.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Borrowings (cont'd)

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.

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.

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 end of the reporting period.

Financial Guarantee Contracts

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due. Financial guarantee contracts are recognised initially at fair value.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under MFRS 9 “Financial Instruments” and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 “Revenue from Contracts with Customers”, where appropriate.

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 resources 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.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets” and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15 “Revenue from Contracts with Customers”.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

Where shares are lapsed due to a failure by employee to satisfy the service conditions, any expense previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Lease income

Lease 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.

Dividend income that are not generated as part of the Group's principal activities are classified as other income.

Other services

Revenue from other services includes utilities, reinsurance, yacht charter services and information technology services and is recognised upon performance of services.

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 stand-alone 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 FVTPL 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 FVOCI, 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivative Financial Instruments and Hedging Activities (cont'd)

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 and Executive Director" 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"), Singapore Dollars ("SGD") and Pound Sterling ("GBP").

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	GBP RM'm	Others RM'm	Total RM'm
31 December 2019							
Financial assets							
Cash and cash equivalents	**31.3**	**6.1**	**15.8**	**27.4**	**30.6**	**0.3**	**111.5**
Financial liabilities							
Trade and other payables	**(16.4)**	**-**	**-**	**-**	**-**	**-**	**(16.4)**
Borrowings	**(620.5)**	**-**	**-**	**-**	**-**	**-**	**(620.5)**
	(636.9)	**-**	**-**	**-**	**-**	**-**	**(636.9)**
Net currency exposure	**(605.6)**	**6.1**	**15.8**	**27.4**	**30.6**	**0.3**	**(525.4)**
31 December 2018							
Financial assets							
Cash and cash equivalents	324.4	1.4	15.4	37.5	1.2	3.4	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	1.2	3.4	146.4

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	GBP RM'm	Total RM'm
31 December 2019						
Financial assets						
Cash and cash equivalents	**13.1**	**4.3**	**11.7**	**20.7**	**0.1**	**49.9**
Amounts due from subsidiaries	**554.1**	**5.3**	**0.8**	**1.5**	**8.2**	**569.9**
	567.2	**9.6**	**12.5**	**22.2**	**8.3**	**619.8**
Financial liabilities						
Trade and other payables	**(16.4)**	**-**	**-**	**-**	**-**	**(16.4)**
Amounts due to subsidiaries	**(12.5)**	**-**	**-**	**-**	**-**	**(12.5)**
Borrowings	**(620.5)**	**-**	**-**	**-**	**-**	**(620.5)**
	(649.4)	**-**	**-**	**-**	**-**	**(649.4)**
Net currency exposure	**(82.2)**	**9.6**	**12.5**	**22.2**	**8.3**	**(29.6)**
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

The following table demonstrates the sensitivity of the Group's and the Company's profit/(loss) after tax and equity to 3% (2018: 3%) strengthening of the respective foreign currency in USD, EUR, HKD, SGD and GBP against RM, with all other variables held constant:

	Group Increase/(Decrease)		Company Increase/(Decrease)	
	Profit/(loss) after tax	OCI	Profit after tax	OCI
2019				
USD against RM	**(18.2)**	**(18.2)**	**(2.5)**	**(2.5)**
EUR against RM	**0.2**	**0.2**	**0.3**	**0.3**
HKD against RM	**0.5**	**0.5**	**0.4**	**0.4**
SGD against RM	**0.8**	**0.8**	**0.7**	**0.7**
GBP against RM	**0.9**	**0.9**	**0.2**	**0.2**
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
GBP against RM	*	*	0.2	0.2

* Less than RM0.1 million

A 3% (2018: 3%) 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.

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

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.

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 2019, the Group's outstanding variable rates borrowings denominated in USD and GBP of which hedges have not been entered into amounted to RM1,902.2 million (2018: RM1,579.6 million).

If the GBP and USD annual interest rates increase/ decrease by 1% (2018: 1%) respectively and all other variables including tax and base lending rates being held constant, the profit/(loss) after tax will be lower/higher by RM19.4 million (2018: RM15.7 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 Mashpee Wampanoag Tribe ("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

In addition to debt instruments carried at amortised cost, the Company has issued corporate guarantees to banks for its subsidiaries' facilities (financial guarantee contracts) that are subject to the ECL model.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, there is no impairment loss identified given the financial strength of the financial institutions with which the Group and the Company have a relationship.

The Group considers the probability of default upon initial recognition of an asset and whether there has been significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information, such as:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; or
- significant changes in the expected performance or behaviour of the debtor, including changes in the payment status of the debtor.

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

Credit risk (cont'd)

(b) Impairment of financial assets (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed when a debt is past due unless there are specific reasons for delays in making payment within the credit period by certain debtors, which will be determined based on the past experience and credit risk profiles of these debtors.

(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.

(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 was applied in assessing 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, loss allowance was recognised in the previous financial year using the lifetime expected loss assessment.

(iii) Financial guarantee contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance was identified based on 12 months ECL.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2019	2018
Corporate guarantee provided to financial institutions on subsidiaries' facilities	**7,740.5**	7,740.0

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 months 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 due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.	Lifetime ECL
Non-performing	There is evidence indicating the assets are 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

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL, by considering the likelihood that the debtor would not be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk.

For intercompany balances that are repayable on demand, the Company's ECL is based on the following assumptions:

- If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the ECL is likely to be immaterial.
- If the borrower could not repay the loan if demanded at the reporting date, the Company considers the expected manner of recovery to measure the ECL. The recovery manner could be either through 'repayment over time' or a fire sale of less liquid assets by the borrower.
- If the recovery strategies indicate that the Company would fully recover the outstanding balance of the loan, the ECL would be limited to the effect of the discounting of the amount due on the loan, at the loan's effective interest rates, over the period until the amount is fully recovered.

The maximum exposure to credit risks for debt instruments at amortised cost other than trade receivables and contract assets are represented by the carrying amounts recognised in the statements of financial position.

Information in respect of the allowance for impairment loss for trade and other receivables is disclosed in Notes 25 and 27.

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.

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

Liquidity risk (cont'd)

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.

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 2019				
Derivative financial instruments - hedged	**2.2**	**1.8**	**1.2**	**-**
Trade and other payables	**2,790.5**	**-**	**-**	**-**
Borrowings	**1,826.8**	**578.0**	**5,310.7**	**4,462.1**
Lease liabilities	**125.2**	**142.7**	**194.5**	**847.4**
Amount due to holding company	**19.9**	**-**	**-**	**-**
Amounts due to related companies	**59.3**	**4.6**	**13.3**	**-**
Amount due to an associate	**20.0**	**-**	**-**	**-**
31 December 2018				
Derivative financial instruments - hedged	2.8	-	-	-
Trade and other payables	2,576.9	-	-	-
Borrowings	804.8	1,856.3	4,917.9	4,659.0
Amount due to holding company	25.4	-	-	-
Amounts due to related companies	96.8	-	-	-
Company				
31 December 2019				
Trade and other payables	**1,524.3**	**-**	**-**	**-**
Borrowings	**224.0**	**12.4**	**438.0**	**-**
Lease liabilities	**17.9**	**15.4**	**30.0**	**-**
Amount due to holding company	**19.5**	**-**	**-**	**-**
Amounts due to subsidiaries				
- Current	**1,920.0**	**-**	**-**	**-**
- Non-current	**-**	**325.8**	**3,360.3**	**4,462.1**
Amounts due to related companies	**34.2**	**-**	**-**	**-**
Financial guarantee contracts	**7,740.5**	**-**	**-**	**-**
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	695.3	-	-	-
- Non-current	-	1,458.7	3,489.3	4,659.0
Amounts due to related companies	57.6	-	-	-
Financial guarantee contracts	7,740.0	-	-	-

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.

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

Capital risk management (cont'd)

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 the sum of total borrowings (including "current and non-current borrowings" and "lease liabilities" as shown in the statements of financial position). Total capital is calculated as the sum of total equity and total debt.

The gearing ratios at 31 December 2019 and 31 December 2018 were as follows:

	Group	
	2019	2018
Total debt	**10,877.2**	9,760.3
Total equity	**18,170.0**	17,953.3
Total capital	**29,047.2**	27,713.6
Gearing ratio	**37%**	35%

The gearing ratio increased from 35% to 37% following the adoption of MFRS 16 Leases as total debt increased following the recognition of lease liabilities on 1 January 2019. See Note 42 for further information.

The Group was in compliance with financial debt covenants imposed by the financial institutions for the financial years ended 31 December 2019 and 2018.

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 2019				
Financial assets				
Financial assets at fair value through profit or loss	**5.8**	**770.9**	**122.7**	**899.4**
Financial assets at fair value through other comprehensive income	**-**	**-**	**115.9**	**115.9**
Total assets	**5.8**	**770.9**	**238.6**	**1,015.3**
Financial liability				
Derivative financial instruments	**-**	**5.2**	**-**	**5.2**
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

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

Fair value measurement (cont'd)

	Level 1	Level 2	Level 3	Total
Company				
31 December 2019				
Financial assets				
Financial assets at fair value through profit or loss	**-**	**559.7**	**-**	**559.7**
Financial assets at fair value through other comprehensive income	**-**	**-**	**1.6**	**1.6**
Total assets	**-**	**559.7**	**1.6**	**561.3**
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

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 22, 23, and 40.

There were no transfers between Levels 1 and 2 during the financial year (2018: Nil).

The following table presents the changes in Level 3 financial instruments for the financial years ended 31 December 2019 and 2018:

	Group		Company	
	2019	2018	**2019**	2018
At 1 January	**117.1**	145.0	**1.6**	2.1
Dividend income	**5.6**	-	**-**	-
Reclassification from other non-current assets	**170.4**	-	**-**	-
Redemption of unquoted preference shares	**(25.0)**	-	**-**	-
Dividend income received	**(24.0)**	-	**-**	-
Fair value losses recognised in other comprehensive income	**-**	(30.7)	**-**	-
Fair value losses recognised in profit or loss	**(4.3)**	-	**-**	-
Exchange differences	**(1.2)**	3.3	**-**	-
Reclassification	**-**	(0.5)	**-**	(0.5)
At 31 December	**238.6**	117.1	**1.6**	1.6

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

Fair value measurement (cont'd)

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 and debt securities in a Malaysian corporation are measured at fair value at each reporting date. The basis of determining the fair values are set out in Note 22(i) and Note 23(ii) respectively.

The carrying values of financial assets and financial liabilities of the Group and Company at the end of the reporting period approximate their fair values unless otherwise disclosed.

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-operating 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, right-of-use assets, trade and other receivables, financial assets at FVOCI, financial assets at FVTPL, inventories and cash and cash equivalents. Segment assets exclude interest bearing instruments, associate 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.

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, yacht charter 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.

5. SEGMENT ANALYSIS (cont'd)

The segment analysis of the Group is set out below:

2019 Group	Leisure & Hospitality Malaysia	United Kingdom and Egypt	United States of America and Bahamas	Total	Properties	Investments & Others	Total
Revenue							
Total revenue	7,091.9	1,676.4	1,469.4	10,237.7	111.6	269.9	10,619.2
Inter segment	(25.3)	-	-	(25.3)	(9.9)	(177.1)	(212.3)
External	7,066.6	1,676.4	1,469.4	10,212.4	101.7	92.8	10,406.9
Results							
Adjusted EBITDA	2,048.2	231.6	289.3	2,569.1	49.3	23.0	2,641.4
Pre-operating expenses	(65.7)	-	(9.6)	(75.3)	-	10.4	(64.9)
Property, plant and equipment written off	(23.0)	-	-	(23.0)	-	-	(23.0)
Net gain/(loss) on disposal of property, plant and equipment	2.0	-	(3.7)	(1.7)	-	-	(1.7)
Net gain on disposal of investment property	-	-	-	-	132.1	-	132.1
Impairment losses	(31.5)	(9.7)	(2.3)	(43.5)	(7.9)	(16.2)	(67.6)
Reversal of previously recognised impairment losses	-	13.6	-	13.6	-	-	13.6
Gain on disposal of a subsidiary	-	123.8	-	123.8	-	-	123.8
Others	-	(8.6)	-	(8.6)	-	(13.7)	(22.3)
EBITDA/(LBITDA)	1,930.0	350.7	273.7	2,554.4	173.5	3.5	2,731.4
Depreciation and amortisation	(569.6)	(200.2)	(246.4)	(1,016.2)	(23.4)	(31.0)	(1,070.6)
Interest income							110.5
Finance costs							(250.3)
Share of results in an associate	-	-	(31.6)	(31.6)	-	-	(31.6)
Profit before taxation							1,489.4
Taxation							(157.2)
Profit for the financial year							1,332.2
Assets							
Segment assets	11,860.8	5,441.7	6,047.8	23,350.3	2,213.9	1,999.1	27,563.3
Interest bearing instruments							4,660.8
Associate	-	-	629.5	629.5	-	-	629.5
Unallocated corporate assets							459.1
Total assets							33,312.7
Liabilities							
Segment liabilities	(2,289.9)	(1,190.2)	(596.7)	(4,076.8)	(154.9)	(73.7)	(4,305.4)
Interest bearing instruments							(10,007.5)
Unallocated corporate liabilities							(829.8)
Total liabilities							(15,142.7)
Other disclosures							
Capital expenditure incurred*	1,124.1	312.9	1,066.0	2,503.0	21.3	549.7	3,074.0

* Includes capital expenditure in respect of property, plant and equipment, investment properties, intangible assets and right-of-use assets.

5. SEGMENT ANALYSIS (cont'd)

The segment analysis of the Group is set out below:

2018 Group	Leisure & Hospitality Malaysia	Leisure & Hospitality United Kingdom and Egypt	Leisure & Hospitality United States of America and Bahamas	Leisure & Hospitality 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-operating 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)

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-Current Assets	
	2019	2018	**2019**	2018
Malaysia	**7,182.4**	6,679.0	**12,384.7**	11,438.3
United Kingdom and Egypt	**1,686.6**	1,792.2	**4,935.0**	4,384.9
United States of America and Bahamas	**1,537.9**	1,456.4	**6,800.2**	6,037.1
	10,406.9	9,927.6	**24,119.9**	21,860.3

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 exclude investment in an associate, financial assets at FVOCI, financial assets at FVTPL, deferred tax assets and other non-current assets as presented in the consolidated statement 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	
	2019	2018	**2019**	2018
Leisure and hospitality				
Gaming operations				
- Net gaming wins (Note a)	**7,658.5**	7,761.1	**5,430.9**	5,471.4
Non-gaming operations				
- Hotel room	**1,115.5**	724.4	**511.7**	237.9
- Food and beverages	**625.3**	573.4	**341.7**	311.0
- Tenancy	**191.3**	190.6	**138.2**	123.1
- Transportation	**259.2**	257.1	**87.8**	61.4
- Others	**362.6**	253.6	**280.4**	193.0
Total Leisure and hospitality	**10,212.4**	9,760.2	**6,790.7**	6,397.8
Properties				
Lease and properties management income	**101.7**	96.3	**-**	-
Investment and others				
Dividend income	**5.8**	6.3	**217.4**	80.1
Other services	**87.0**	64.8	**-**	-
	92.8	71.1	**217.4**	80.1
	10,406.9	9,927.6	**7,008.1**	6,477.9

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 RM906.0 million (2018: RM647.0 million) for the Group and RM536.1 million (2018: RM307.9 million) for the Company.

7. COST OF SALES

	Group		Company	
	2019	2018	**2019**	2018
Cost of inventories recognised as an expense	**258.1**	361.3	**136.7**	147.7
Cost of services and other operating costs	**7,654.1**	6,904.1	**4,976.8**	4,343.3
	7,912.2	7,265.4	**5,113.5**	4,491.0

Included in the other operating costs are gaming expenses amounting to RM2,898.9 million (2018: RM2,216.1 million) for the Group and RM2,567.9 million (2018: RM1,861.4 million) for the Company.

8. OTHER GAINS/(LOSSES)

	Group		Company	
	2019	2018	**2019**	2018
Net foreign currency exchange gains/(losses)				
- realised	**9.3**	0.6	**3.9**	1.5
- unrealised	**(4.6)**	23.2	**(7.1)**	10.0
Fair value gain on financial assets at fair value through profit or loss	**7.6**	0.2	**8.2**	1.6
Net fair value gain/(loss) on derivative financial instruments	**0.3**	(0.3)	**0.3**	(0.3)
	12.6	23.7	**5.3**	12.8

9. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been determined after inclusion of the following charges and credits:

	Group		Company	
	2019	2018	**2019**	2018
Charges:				
Depreciation and amortisation:				
- Property, plant and equipment (Note 15)	**845.7**	818.8	**478.6**	451.9
- Investment properties (Note 17)	**20.2**	20.9	**-**	-
- Intangible assets (Note 18)	**112.1**	115.1	**0.1**	0.1
- Right-of-use assets (Note 19)	**92.6**	-	**13.1**	-
Property, plant and equipment written off	**23.0**	22.3	**21.8**	20.0
Net loss on disposal of property, plant and equipment	**1.7**	-	**-**	-
Impairment losses:				
- Property, plant and equipment (Note 15)	**38.3**	103.2	**-**	-
- Investment properties (Note 17)	**7.9**	-	**-**	-
- Intangible assets (Note 18)	**5.2**	32.4	**-**	14.9
- Investment in promissory notes (Note 25)	**13.3**	1,834.3	**-**	-
- Investments in subsidiaries (Note 20)	**-**	-	**103.8**	55.8
- Other assets	**2.9**	-	**-**	-
Impairment losses on receivables	**-**	5.8	**-**	-
Hire of aircraft and equipment	**-**	20.3	**-**	3.7
Lease of land and buildings	**-**	104.4	**-**	22.3
Short-term and low value lease expenses	**25.2**	-	**15.1**	-
Directors' remuneration excluding estimated monetary value of benefits-in-kind (Note 11)	**92.1**	87.0	**92.1**	87.0
Statutory audit fees:				
- Payable to PricewaterhouseCoopers PLT	**1.8**	1.7	**1.0**	0.9
- Payable to other member firms of PricewaterhouseCoopers International Limited	**5.6**	4.9	**-**	-
- Payable to other auditors	**1.1**	1.1	**-**	-
Audit related fees:				
- Payable to PricewaterhouseCoopers PLT	**0.3**	0.3	**0.3**	0.3
- Payable to other member firms of PricewaterhouseCoopers International Limited	**0.5**	0.4	**-**	-

9. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

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

	Group		Company	
	2019	2018	**2019**	2018
Charges (cont'd):				
Finance costs:				
- Interest on borrowings	**469.4**	374.4	**390.1**	307.5
- Interest on lease liabilities	**36.6**	-	**3.2**	-
- Other finance costs	**19.1**	17.7	**1.9**	1.8
- Less: capitalised costs (Note 15)	**(193.0)**	(167.8)	**(165.2)**	(167.8)
- Less: interest income earned	**(81.8)**	(68.5)	**(81.8)**	(68.5)
Finance costs charged to profit or loss	**250.3**	155.8	**148.2**	73.0
Provision for onerous leases (Note 35)	**-**	0.4	**-**	-
Provision for termination related costs	**27.6**	-	**27.6**	-
Construction costs	**-**	-	**16.2**	41.7
Licensing fees	**312.4**	299.4	**229.5**	224.3
Management fees	**469.8**	501.3	**471.7**	510.5
Administrative support services	**9.5**	9.4	**23.4**	23.3
Commissions	**-**	-	**32.4**	32.5
Credits:				
Interest income	**110.5**	299.0	**77.9**	67.7
Lease income from land and buildings	**281.7**	259.9	**114.4**	98.4
Investment income	**20.5**	7.7	**20.5**	7.8
Dividend income	**5.8**	6.3	**217.4**	80.1
Net gain on disposal of property, plant and equipment	**-**	1.0	**0.1**	-
Net gain on disposal of investment properties	**132.1**	-	**-**	-
Gain on disposal of land held for property development	**3.8**	-	**-**	-
Reversal of previously recognised impairment losses:				
- Property, plant and equipment (Note 15)	**13.6**	3.4	**-**	-
- Intangible assets (Note 18)	**-**	23.7	**-**	-
Reversal of impairment losses on receivables	**1.6**	-	**0.3**	-
Construction income	**-**	-	**16.2**	41.7
Service fees	**7.4**	9.2	**6.3**	7.2
Management and shared support services	**4.4**	3.9	**14.5**	15.3
Gain on disposal of a subsidiary	**123.8**	-	**-**	-
Deferred income recognised for government grant	**7.0**	-	**-**	-
Other information:				
Non-audit fees**				
- Payable to PricewaterhouseCoopers PLT	**0.1**	0.1	*	*
- Payable to other member firms of PricewaterhouseCoopers International Limited	**2.6**	3.3	**0.4**	0.6

* *less than RM0.1 million.*

** *Non-audit fees are in respect of tax related services of RM2.4 million (2018: RM2.9 million) and corporate and financial advisory services of RM0.3 million (2018: RM0.5 million) for the Group and in respect of tax related services of RM0.2 million (2018: RM0.4 million) and corporate and financial advisory services of RM0.2 million (2018: RM0.2 million) for the Company.*

10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2019	2018	**2019**	2018
Wages, salaries and bonuses	**1,751.1**	1,715.8	**719.8**	734.7
Defined contribution plan	**94.1**	96.3	**83.5**	86.3
Pension cost	**13.5**	12.2	**-**	-
Other short term employee benefits	**356.6**	268.9	**83.4**	81.4
Provision for retirement gratuities (Note 38)	**22.9**	19.4	**21.4**	18.4
Employee Share Scheme	**45.4**	53.4	**45.4**	53.4
Redundancy costs	**9.5**	11.7	**-**	-
	2,293.1	2,177.7	**953.5**	974.2

Employee benefits expense, as shown above, includes the remuneration of Executive Directors.

11. DIRECTORS' REMUNERATION

	Group and Company	
	2019	2018
Non-executive Directors:		
- Fees	**1.1**	0.9
Executive Directors:		
- Fees	**0.3**	0.4
- Salaries and bonuses	**47.6**	43.8
- Defined contribution plan	**8.5**	8.2
- Other short term employee benefits	**0.4**	0.4
- Provision for retirement gratuities	**3.0**	6.5
- Employee Share Scheme	**31.2**	26.8
Directors' remuneration excluding estimated monetary value of benefits-in-kind (Note 9)	**92.1**	87.0
Estimated monetary value of benefits-in-kind	**1.6**	1.8
	93.7	88.8

12. TAXATION

	Group		Company	
	2019	2018	**2019**	2018
Current taxation:				
Malaysia taxation	**116.2**	141.7	**90.0**	122.0
Foreign taxation	**56.8**	65.0	**-**	-
Adjustment in respect of prior years	**(15.9)**	0.6	**(10.0)**	2.7
Total current tax	**157.1**	207.3	**80.0**	124.7
Deferred tax (Note 36):				
Origination and reversal of temporary differences	**0.1**	(125.0)	**16.9**	57.6
Total deferred tax	**0.1**	(125.0)	**16.9**	57.6
Income tax expense	**157.2**	82.3	**96.9**	182.3

12. TAXATION (cont'd)

The reconciliation between the taxation and profit/(loss) before taxation is as follows:

	Group		Company	
	2019	2018	**2019**	2018
Profit/(loss) before taxation	**1,489.4**	(4.0)	**1,281.5**	1,542.2
Tax calculated at Malaysian statutory tax rate of 24% (2018: 24%)	**357.5**	(1.0)	**307.6**	370.1
Tax effects of:				
- expenses not deductible for tax purposes	**117.7**	465.4	**73.2**	124.7
- different tax regime	**6.4**	(32.2)	**-**	-
- income not subject to tax	**(103.9)**	(92.4)	**(92.8)**	(59.7)
- tax incentive	**(206.1)**	(256.5)	**(181.1)**	(255.5)
- adjustment in respect of prior years	**(15.9)**	0.6	**(10.0)**	2.7
- recognition of previously unrecognised tax losses	**(0.5)**	(3.7)	**-**	-
- current year's tax losses and deductible temporary differences not recognised	**1.9**	2.0	**-**	-
- others	**0.1**	0.1	**-**	-
Taxation	**157.2**	82.3	**96.9**	182.3

Taxation is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) on the estimated chargeable profits for the year of assessment 2019.

The income tax effect of the other comprehensive income/(loss) items of the Group which are individually not material, is tax expense of RM0.9 million (2018: tax credit of RM2.2 million) in the current financial year.

13. EARNINGS/(LOSS) PER SHARE

The basic and diluted earnings/(loss) per share of the Group are computed as follows:

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) 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.

	Group	
	2019	2018
Profit/(loss) for the financial year attributable to equity holders of the Company (RM million)	**1,395.3**	(19.5)
Weighted average number of ordinary shares in issue (million)	**5,653.4**	5,656.2
Basic earnings/(loss) per share (sen)	**24.68**	(0.35)

(b) Diluted earnings/(loss) per share

For the diluted earnings/(loss) 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	
	2019	2018
Profit/(loss) for the financial year attributable to equity holders of the Company (RM million)	**1,395.3**	(19.5)
Weighted average number of ordinary shares adjusted as follows (million):		
Weighted average number of ordinary shares in issue	**5,653.4**	5,656.2
Adjustment for dilutive effect of Employee Share Scheme	**9.8**	*
Adjusted weighted average number of ordinary shares in issue	**5,663.2**	5,656.2
Diluted earnings/(loss) per share (sen)	**24.64**	(0.35)

* 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			
	2019		2018	
	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**	**451.8**	8.0	452.3
Final dividend paid in respect of the previous financial year	**5.0**	**282.7**	5.0	282.9
Interim dividend paid	**6.0**	**339.2**	6.0	339.4
	19.0	**1,073.7**	19.0	1,074.6

A special single-tier dividend of 9.0 sen (2018: 8.0 sen) per ordinary share in respect of the current financial year ended 31 December 2019 has been declared for payment to shareholders registered in the Register of Members on 16 March 2020. The special single-tier dividend shall be paid on 7 April 2020. Based on the total number of issued shares of the Company as at 31 December 2019, the special single-tier dividend would amount to RM508.8 million (2018: RM451.8 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 2019 of 5.0 sen (2018: 5.0 sen) per ordinary share amounting to RM282.7 million (2018: RM282.7 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 2019, as originally stated	**572.5**	**12.5**	**7,220.3**	**3,294.5**	**419.1**	**3,322.0**	**14,840.9**
Effects of adoption of MFRS 16 (Note 42)	**-**	**(6.5)**	**-**	**(7.2)**	**-**	**-**	**(13.7)**
At 1 January 2019, as restated	**572.5**	**6.0**	**7,220.3**	**3,287.3**	**419.1**	**3,322.0**	**14,827.2**
Additions (including capitalised interest) (Note (i))	**69.9**	**-**	**15.5**	**206.9**	**522.1**	**2,002.8**	**2,817.2**
Disposals	**-**	**-**	**(9.3)**	**(2.1)**	**(110.9)**	**-**	**(122.3)**
Written off	**-**	**-**	**(1.6)**	**(4.8)**	**-**	**(16.6)**	**(23.0)**
Depreciation charge for the financial year	**-**	**(0.1)**	**(267.4)**	**(535.4)**	**(42.8)**	**-**	**(845.7)**
Reversal of previously recognised impairment losses (Note (ii))	**-**	**-**	**13.6**	**-**	**-**	**-**	**13.6**
Impairment losses (Note (iii))	**-**	**-**	**(4.5)**	**(0.1)**	**(33.7)**	**-**	**(38.3)**
Acquisition of subsidiaries	**-**	**-**	**-**	**1.9**	**-**	**-**	**1.9**
Transfer to investment properties (Note 17)	**-**	**-**	**(0.8)**	**(0.3)**	**-**	**-**	**(1.1)**
Transfer to intangible assets (Note 18)	**-**	**-**	**-**	**(2.5)**	**-**	**-**	**(2.5)**
Reclassifications	**-**	**(5.9)**	**526.7**	**274.8**	**(0.1)**	**(795.5)**	**-**
Exchange differences	**(0.5)**	**-**	**(1.1)**	**(0.1)**	**(0.5)**	**(3.9)**	**(6.1)**
At 31 December 2019	**641.9**	**-**	**7,491.4**	**3,225.6**	**753.2**	**4,508.8**	**16,620.9**

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							
At 31 December 2019:							
Cost	**641.9**	**-**	**9,862.4**	**8,220.2**	**804.1**	**4,508.8**	**24,037.4**
Accumulated depreciation	**-**	**-**	**(2,316.2)**	**(4,962.2)**	**(19.5)**	**-**	**(7,297.9)**
Accumulated impairment losses	**-**	**-**	**(54.8)**	**(32.4)**	**(31.4)**	**-**	**(118.6)**
Net book value	**641.9**	**-**	**7,491.4**	**3,225.6**	**753.2**	**4,508.8**	**16,620.9**
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 (iii))	-	(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
At 1 January 2018:							
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 RM679.2 million (2018: RM669.2 million) have been pledged as collateral for the Group's Pound Sterling term loan (Note 40).

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 2019, as originally stated	**87.2**	**0.4**	**3,622.5**	**2,500.5**	**2,680.9**	**8,891.5**
Effects of adoption of MFRS 16 (Note 42)	**-**	**(0.4)**	**-**	**-**	**-**	**(0.4)**
At 1 January 2019, as restated	**87.2**	**-**	**3,622.5**	**2,500.5**	**2,680.9**	**8,891.1**
Additions (including capitalised interest) (Note (i))	**-**	**-**	**0.5**	**151.4**	**941.8**	**1,093.7**
Disposals	**-**	**-**	**-**	**(0.2)**	**-**	**(0.2)**
Written off	**-**	**-**	**(0.8)**	**(4.4)**	**(16.6)**	**(21.8)**
Depreciation charge for the financial year	**-**	**-**	**(95.0)**	**(383.6)**	**-**	**(478.6)**
Transfer from/(to) subsidiaries	**-**	**-**	**-**	**0.4**	**(16.4)**	**(16.0)**
Reclassifications	**-**	**-**	**95.7**	**223.4**	**(319.1)**	**-**
At 31 December 2019	**87.2**	**-**	**3,622.9**	**2,487.5**	**3,270.6**	**9,468.2**
At 31 December 2019:						
Cost	**87.2**	**-**	**4,721.6**	**5,236.0**	**3,270.6**	**13,315.4**
Accumulated depreciation	**-**	**-**	**(1,098.7)**	**(2,748.5)**	**-**	**(3,847.2)**
Net book value	**87.2**	**-**	**3,622.9**	**2,487.5**	**3,270.6**	**9,468.2**
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
At 1 January 2018:						
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 RM193.0 million and RM165.2 million respectively (2018: RM167.8 million for the Group and the Company) on qualifying assets. The capitalisation rates used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group and the Company's general borrowings during the financial year of 4.51% and 4.81% per annum respectively (2018: 4.72% per annum for the Group and the Company).

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Note (ii)
During the financial year, the Group recorded a reversal of previously recognised impairment losses of RM13.6 million on the buildings and improvements as a result of the improved operating profits of certain cash-generating units from the casino business in UK. The recoverable amounts of these properties were determined based on the higher of value in use ("VIU") or fair value less cost to sell ("FVLCTS"). Estimates of fair value have been determined with reference to an external valuation by independent professional valuer based on market comparison approach and is within Level 2 of fair value hierarchy. Key assumptions used in the VIU calculation are set out in Note 18.

Note (iii)
During the financial year, the Group recorded impairment losses of:
- RM33.7 million on aircrafts. The recoverable amounts of these aircrafts were determined based on the FVLCTS method and is within Level 2 of fair value hierarchy. Estimates of fair value on the aircraft was determined using recent transaction prices by an independent third party; and
- RM4.6 million on building improvements and equipment of casino in UK which was closed during the financial year.

Note (iv)
The Group has carried out impairment assessments on property, plant and equipment with an indication of impairment. Details are as follows:

(a) Bimini operations ("Bimini Assets")

The Group has carried out an impairment assessment on the property, plant and equipment with carrying amount of RM1,518.6 million (2018: RM1,403.1 million) and casino licences as disclosed in Note 18 in view of the continued losses recorded since the commencement of the Bimini operations. The recoverable amount of property, plant and equipment and casino licences are determined based on the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a eight-year period (2018: nine-year period). Cash flows beyond the eight-year period (2018: nine-year period) were extrapolated using the estimated growth rate.

The cash flows for Bimini Assets have been assessed for a period of 8 years, from 2020 to 2027 (2018: 9 years from 2019 to 2027). Although MFRS 136 "Impairment of Assets" stipulates that forecasts should not exceed 5 years, the material impact of the development around the resort that will have on profitability between year 5 to year 8 should be taken into consideration.

Key assumptions used in the VIU calculation are as follows:

	Group	
	2019	2018
Growth rate	**2.3%**	2.3%
Short term discount rate	**9.3%**	9.6%
Long term discount rate	**7.7%**	7.4%
Hotel occupancy rate	**58% - 83%**	53% - 83%

Based on the impairment assessment, no impairment loss has been recognised for Bimini Assets (2018: Nil).

If the growth rate is reduced to 1.74% (2018: 1.65%) and all other variables including tax rate are being held constant, the value in use ("VIU") will approximate carrying amount for Bimini Assets (2018: give rise to an impairment loss of RM28.1 million). If the short term discount rate is increased to 10.55% (2018: 10.8%) and all other variables including tax rate are being held constant, the VIU will approximate carrying amount for Bimini Assets (2018: give rise to an impairment loss of RM16.8 million). If the long term discount rate is increased to 8.2% (2018: 7.95%) and all other variables including tax rate are being held constant, the VIU will approximate carrying amount for Bimini Assets (2018: give rise to an impairment loss of RM10.2 million).

(b) Resorts World Birmingham operations ("RWB Assets")

Resorts World Birmingham ("RWB") has opened for just over 4 years, and is still at an infant stage of its lifecycle. Whilst RWB has recorded losses during the year, its profitability has improved significantly year on year. The recoverable amount of RWB is determined based on the higher of FVLCTS and VIU. The VIU has been calculated using the cash flow projections which are based on the approved future strategy of the resort. Estimates of fair value have been determined with reference to an external valuation performed during 2018, and prepared in accordance with RICS valuation professional standards, as published by the Royal Institution of Chartered Surveyors, on the basis of market value and is within Level 3 of fair value hierarchy.

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Note (iv) (cont'd)

(b) Resorts World Birmingham operations ("RWB Assets") (cont'd)

The cash flows for each division of RWB have been assessed for a period of 9 years, from 2020 to 2028 (2018: 10 years from 2019 to 2028). Although MFRS 136 "Impairment of Assets" stipulates that forecasts should not exceed 5 years, the material impact of the development around the resort that will have on profitability between year 5 to year 9 should be taken into consideration.

Key assumptions used in the VIU calculation are as follows:

	Group	
	2019	2018
Discount rate	**7.0%**	7.2%
Long term growth rate	**2.0%**	2.0%
Forecasted EBITDA:		
- Footfall growth rate	**2% - 7%**	2% - 7%
- Revenue per available room growth rate	**1% - 2%**	1% - 2%

Based on the impairment assessment, no impairment loss has been recognised for RWB Assets (2018: Nil).

If the discount rate is increased by 0.25% (2018: 0.2%) and all other variables including tax rate are being held constant, this could indicate an impairment loss of RM11.8 million (2018: RM37.1 million) on RWB Assets. If the long term growth rate decreased by 0.25% (2018: 0.25%) and all other variables including tax rate are being held constant, the VIU will approximate carrying amount for RWB Assets (2018: give rise to an impairment loss of RM31.8 million). If the forecasted EBITDA decreased by 5.0% and all other variables including tax rate are being held constant, this could indicate an impairment loss of RM26.2 million (2018: impairment loss of RM59.4 million). The forecasted EBITDA is sensitive to visitors' footfall and hotel performance of RWB operations.

(c) Outdoor theme park assets at Resorts World Genting ("Theme Park Assets")

Following the settlement agreement with Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, FoxNext, LLC (collectively referred to as "Fox"), Twenty-First Century Fox, Inc. and The Walt Disney Company, there is no impairment indicator of the property, plant and equipment related to the Theme Park Assets as the outdoor theme park is expected to open ahead of the earlier projected opening date in Year 2022 by using certain Fox intellectual properties.

Note (v)

The Group leases out retail spaces, offices and land which are classified as property, plant and equipment and investment properties to non-related parties. The Group and the Company have classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. These leases have varying terms, escalation clauses and renewal rights. Generally, the lessees are required to pay contingent rents computed based on their turnover achieved during the lease period. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2019	
	Group	**Company**
Less than 1 year	**178.1**	**85.9**
Between 1 and 2 years	**123.5**	**50.8**
Between 2 and 3 years	**88.3**	**24.8**
Between 3 and 4 years	**60.9**	**-**
Between 4 and 5 years	**62.0**	**-**
Over 5 years	**176.8**	**-**
Total undiscounted lease payments to be received	**689.6**	**161.5**

16. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2019	2018
Freehold land and improvements		
At 1 January	**184.7**	184.7
Disposal	**(0.1)**	-
At 31 December	**184.6**	184.7

17. INVESTMENT PROPERTIES

	Group	
	2019	2018
Net Book Value		
At 1 January	**2,204.3**	2,178.8
Additions	**21.3**	0.1
Disposals	**(292.9)**	-
Depreciation charge for the financial year	**(20.2)**	(20.9)
Impairment losses	**(7.9)**	-
Transfer from property, plant and equipment (Note 15)	**1.1**	24.5
Exchange differences	**(10.1)**	21.8
At 31 December	**1,895.6**	2,204.3

	31.12.2019	31.12.2018	1.1.2018
Cost	**2,312.0**	2,623.0	2,570.1
Accumulated depreciation	**(387.2)**	(385.2)	(357.6)
Accumulated impairment losses	**(29.2)**	(33.5)	(33.7)
Net book value	**1,895.6**	2,204.3	2,178.8
Fair value	**4,205.0**	4,354.7	4,046.5

Certain investment properties within the UK business segment amounting to RM119.0 million (2018: RM179.2 million) have been pledged as collateral for the Group's Pound Sterling term loan (Note 40).

The aggregate lease income and direct operating expenses incurred from investment properties of the Group which generate lease income during the financial year amounted to RM104.2 million and RM45.1 million (2018: RM102.6 million and RM45.1 million) respectively.

The direct operating expenses incurred from investment properties of the Group which did not generate lease income during the financial year amounted to RM7.6 million (2018: RM7.6 million).

Fair values of the Group'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**	**Other intangibles**	**Total**
Group								
Net Book Value:								
At 1 January 2019	**431.9**	**1,655.9**	**54.1**	**12.7**	**2,349.4**	**23.3**	**-**	**4,527.3**
Additions	**-**	**-**	**-**	**3.0**	**-**	**-**	**0.3**	**3.3**
Amortisation charge for the financial year	**-**	**-**	**-**	**(6.3)**	**(101.6)**	**(3.6)**	**(0.6)**	**(112.1)**
Impairment losses	**-**	**(5.2)**	**-**	**-**	**-**	**-**	**-**	**(5.2)**
Acquisition of subsidiaries	**54.2**	**-**	**-**	**-**	**-**	**-**	**9.5**	**63.7**
Disposal of a subsidiary	**-**	**(2.7)**	**-**	**-**	**-**	**-**	**-**	**(2.7)**
Transfer from property, plant and equipment (Note 15)	**-**	**-**	**-**	**2.5**	**-**	**-**	**-**	**2.5**
Exchange differences	**2.8**	**17.3**	**0.5**	**0.1**	**(24.9)**	**0.2**	**-**	**(4.0)**
At 31 December 2019	**488.9**	**1,665.3**	**54.6**	**12.0**	**2,222.9**	**19.9**	**9.2**	**4,472.8**
At 31 December 2019								
Cost	**561.6**	**1,706.3**	**54.6**	**48.4**	**3,084.8**	**27.7**	**9.8**	**5,493.2**
Accumulated amortisation	**-**	**-**	**-**	**(31.4)**	**(847.0)**	**(3.7)**	**(0.6)**	**(882.7)**
Accumulated impairment losses	**(72.7)**	**(41.0)**	**-**	**(5.0)**	**(14.9)**	**(4.1)**	**-**	**(137.7)**
Net book value	**488.9**	**1,665.3**	**54.6**	**12.0**	**2,222.9**	**19.9**	**9.2**	**4,472.8**
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
At 1 January 2018								
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 RM2,196.1 million (2018: RM2,321.4 million) which has been pledged as collateral for the Group's USD borrowings (Note 40).

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	
	2019	2018
Goodwill:		
Leisure & Hospitality - United Kingdom	**434.2**	376.3
Leisure & Hospitality - United States of America	**43.1**	44.0
Property & Others - Malaysia	**11.6**	11.6
	488.9	431.9

	Group	
	2019	2018
Intangible assets other than goodwill with indefinite useful lives:		
Leisure & Hospitality - United Kingdom		
- casino licences	**1,665.3**	1,655.9
- trademarks	**54.6**	54.1
	1,719.9	1,710.0

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.

In performing the impairment review, each casino is assessed as a separate cash generating unit ("CGU"), except where one or more casinos located within the same geographical area and the nature of the customers is such that they are transferable between these casinos. In this instance these casinos have then been grouped together and treated as a separate CGU. There are no individual CGUs deemed to be of a "significant" proportion of the overall carrying value of intangible assets. This has resulted in 28 separate CGUs for the purpose of impairment review in 2019 (2018: 27 CGUs).

The recoverable amount of each CGU, including casino licences, is determined based on the higher of FVLCTS and VIU. Estimates of fair value have been determined with reference to an external valuation, prepared in accordance with RICS valuation professional standards, as published by the Royal Institution Chartered Surveyors, on the basis of market value and are within Level 3 of the fair value hierarchy.

The VIU has been calculated using cash flow projections, with a "base" cash flow for 2020 calculated using a combination of historical financial information (5 years) and financial projections for the following year. The base cash flow has then been extrapolated for a further 4 years and a terminal value calculated at year 5 using an annual and long term growth rate of 2.0% (2018: 2.0%), including inflation. This growth rate is consistent with forecasts included in the industry reports and external sources. The discount rate applied to cash flow projections is 7.25% (2018: 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 (2018: Nil). An impairment loss of RM5.2 million was recorded in respect of casino licenses of certain CGUs during the financial year (2018: Nil).

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 growth rate is reduced to 1.75% (2018: 1.75%) and all other variables including tax rate are being held constant, the recoverable amount remained unchanged as the determined fair value less cost to sell is higher than the value in use (2018: recoverable amount remained unchanged as the determined fair value less cost to sell is higher than the value in use).

If the discount rate is 0.25% (2018: 0.25%) higher and all other variables including tax rate are being held constant, the recoverable amount remained unchanged as the determined fair value less cost to sell is higher than the value in use (2018: recoverable amount remained unchanged as the determined fair value less cost to sell is higher than the value in use).

(ii) Goodwill - Acquisition of Authentic Gaming Limited ("AGL") and Authentic Gaming Malta Limited ("AGML"), providers of live online gaming solutions

On 30 October 2019, the Group through its indirect wholly-owned subsidiary, Genting Malta Limited completed the acquisition of AGL and AGML for a total cash consideration of GBP13.0 million (equivalent to approximately RM69.7 million). The amount of intangible assets is currently determined based on provisional fair values assigned to the identifiable assets and liabilities as at acquisition date. Any adjustments to these provisional fair values upon finalisation of the detailed Purchase Price Allocation ("PPA") exercise will be recognised in intangible assets within 12 months of the acquisition date as permitted by MFRS 3 "Business Combinations". Goodwill arising from the acquisition of AGL and AGML is attributable to the expected synergies with UK Group's existing online business. As the provisional fair values assigned to the identifiable assets and liabilities were carried out near the financial year end and the identifiable assets and liabilities have been recorded at their respective fair values, the goodwill and other intangible assets are not tested for impairment at year end.

Details of net assets acquired and goodwill arising on the above acquisitions are set out in Note (b) to the statements of cash flows.

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, retail shops and development parcel in 2019. 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 in the VIU calculation are as follows:

	Group	
	2019	2018
Discount rates	**19.0% - 24.2%**	15.5% - 24.4%
Growth rates	**2.0% - 6.8%**	3.0% - 7.0%

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 and Oakwood Sdn Bhd.

In the previous financial year, the goodwill arising from the acquisition of E-Genting Holdings Sdn Bhd ("EGH") 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 included growth rate and discount rate of 2.5% and 8.8%, respectively.

18. INTANGIBLE ASSETS (cont'd)

Goodwill - Malaysia (cont'd)

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 (2018: 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 2019 is an amount of RM25.8 million (2018: 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(iv)(a).

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.

In the previous 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 was assessed using VIU method. Key assumptions used in the VIU calculation included growth rate and discount rate of 3% and 7.75% respectively, based on 8 years cash flow projection.

19. RIGHT-OF-USE ASSETS

	Leasehold land	Properties	Plant, equipment & vehicles	Total
Group				
Net Book Value:				
At 1 January 2019, as originally stated	-	-	-	-
Effects of adoption of MFRS 16 (Note 42)	6.5	707.7	13.7	727.9
At 1 January 2019, as restated	6.5	707.7	13.7	727.9
Additions	-	184.0	48.2	232.2
Amortisation charge for the financial year	(0.1)	(70.6)	(21.9)	(92.6)
Adjustment due to lease modifications	-	(0.7)	(0.1)	(0.8)
Exchange differences	-	5.4	(0.1)	5.3
At 31 December 2019	6.4	825.8	39.8	872.0
At 31 December 2019				
Cost	11.7	918.2	72.6	1,002.5
Accumulated amortisation	(2.9)	(74.9)	(32.8)	(110.6)
Accumulated impairment losses	(2.4)	(17.5)	-	(19.9)
Net book value	6.4	825.8	39.8	872.0

19. RIGHT-OF-USE ASSETS (cont'd)

	Leasehold land	Properties	Total
Company			
Net Book Value:			
At 1 January 2019, as originally stated	-	-	-
Effects of adoption of MFRS 16 (Note 42)	63.8	1.5	65.3
At 1 January 2019, as restated	63.8	1.5	65.3
Amortisation charge for the financial year	(12.7)	(0.4)	(13.1)
Adjustment due to lease modifications	-	(0.3)	(0.3)
At 31 December 2019	51.1	0.8	51.9
At 31 December 2019			
Cost	76.6	2.2	78.8
Accumulated amortisation	(25.5)	(1.4)	(26.9)
Net book value	51.1	0.8	51.9

The right-of-use assets of the casino business in UK is tested for impairment and the key assumptions are set out in Note 18(i).

20. SUBSIDIARIES

	Company 2019	Company 2018
Investments in subsidiaries:		
Unquoted shares – at cost	**13,209.3**	12,795.4
Accumulated impairment losses (Note (i))	**(800.1)**	(696.3)
	12,409.2	12,099.1
Amounts due from subsidiaries (Non-current, unsecured and interest free)	**324.0**	337.4
Amounts due from subsidiaries (Current, unsecured and interest free)	**609.3**	44.9
Amounts due to subsidiaries are unsecured and comprise:		
Current:		
Interest free (Note (ii))	**461.3**	320.0
Interest bearing (Note (iii))	**1,100.0**	-
	1,561.3	320.0
Non-current:		
Interest bearing (Note (iii))	**6,500.0**	7,600.0
	8,061.3	7,920.0

Note (i)

The Company's investments in subsidiaries with impairment indicators were tested for impairment during the financial year. The key assumptions and model for impairment of investment in subsidiaries used are as follows:

(i) Sierra Springs Sdn Bhd – the recoverable amount is determined based on adjusted net tangible assets as a proxy to fair value less costs to sell ("FVLCTS") and is within Level 3 of the fair value hierarchy;

(ii) Orient Wonder International Limited – the recoverable amount is determined based on adjusted net tangible assets as a proxy to FVLCTS and is within Level 3 of the fair value hierarchy; and

(iii) Ascend International Holdings Limited – the recoverable amount is determined based on adjusted net tangible assets as a proxy to FVLCTS and is within Level 3 of the fair value hierarchy.

As a result of the impairment assessment, the Company has recognised an impairment loss of RM103.8 million (2018: RM55.8 million) in profit or loss.

20. SUBSIDIARIES (cont'd)

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)
These amounts represent loans from GENM Capital which carries interest rates ranging from 4.5% to 5.58% (2018: 4.5% to 5.58%) per annum. The maturity profile of the loans from GENM Capital as at 31 December 2019 and 31 December 2018 were as follows:

	Company	
	2019	2018
Less than 1 year	**1,100.0**	-
Between 1 and 2 years	**-**	1,100.0
Between 2 and 5 years	**2,650.0**	2,650.0
More than 5 years	**3,850.0**	3,850.0
	7,600.0	7,600.0

The subsidiaries are listed in Note 46.

Details of the significant non-cash transactions with the subsidiaries are disclosed in Note 44 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.

Summarised financial information of a subsidiary with material non-controlling interests

As at 31 December 2019, the ownership interest held by non-controlling interests is 22% (2018: 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 inter-company eliminations.

	BB Entertainment Ltd	
	2019	2018
Statement of Financial Position		
Current assets	**88.5**	103.4
Non-current assets	**1,386.7**	1,389.6
Current liabilities	**(2,810.6)**	(2,553.1)
Net liabilities	**(1,335.4)**	(1,060.1)
Accumulated non-controlling interests of the Group at the end of the reporting period	**(327.6)**	(267.4)
Income Statement		
Revenue for the financial year	**90.5**	97.3
Loss for the financial year	**(286.8)**	(303.6)
Loss for the financial year attributable to non-controlling interests	**(63.1)**	(66.8)
Statement of Comprehensive Income		
Total comprehensive loss for the financial year	**(273.6)**	(337.3)
Total comprehensive loss for the financial year attributable to non-controlling interests	**(60.2)**	(74.2)
Statement of Cash Flows		
Cash outflows from operating activities	**(57.9)**	(95.6)
Cash outflows from investing activities	**(86.9)**	(61.9)
Cash inflows from financing activities	**136.2**	162.2
Net (decrease)/increase in cash and cash equivalents	**(8.6)**	4.7

21. ASSOCIATE

	Group 2019
Unquoted shares in a foreign corporation - at cost	**661.1**
Group's share of post-acquisition reserves	**(31.6)**
	629.5
Amount due to an associate	
- Current	**20.0**

The associate is listed in Note 46.

The amount due to an associate is unsecured, interest free and repayable on demand.

During the financial year, the Group acquired 49% equity interest in Genting Empire Resorts LLC ("GERL"), the holding company of Empire Resorts Inc. ("ERI") for RM661.1 million. The acquisition was completed on 15 November 2019 (United States Eastern date/time) and GERL became an associate of the Group.

As mentioned in ERI's Form 10-Q for the six months ended 30 June 2019, ERI has been incurring losses from operations since its opening in February 2018.

As of 31 December 2019, GERL and ERI are in the final stages of securing refinancing for ERI and the shareholders of GERL have committed to provide financial support to ERI. Based on the Group's assessment, ERI is expected to have positive cash flows in the next 12 months from the refinancing as well as operating cash inflows from capitalising on synergies with the Group (including cross marketing and operational efficiencies).

Therefore, the Group is of the view that ERI will be able to continue as a going concern and the investment in associate is recoverable.

The following table summarises the financial information for the associate that is material to the Group which is accounted for using equity method, including fair value adjustments and adjustments for differences in accounting policy:

	GERL 2019
Summarised statement of financial position as at 31 December	
Current assets	**198.2**
Non-current assets	**3,366.0**
Current liabilities	**(602.8)**
Non-current liabilities	**(2,331.5)**
Net assets	**629.9**
Summarised income statement from date of acquisition to 31 December 2019	
Revenue	**116.2**
Loss for the period	**(79.1)**
Total comprehensive loss for the period	**(79.1)**
Reconciliation of net assets to carrying amount as at 31 December	
Net assets at date of acquisition	**729.8**
Loss for the period	**(79.1)**
Price difference arising from extinguishment of equity awards via cash settlement	**(20.3)**
Foreign currency exchange differences	**(0.5)**
Net assets as at 31 December 2019	**629.9**

21. ASSOCIATE (cont'd)

	GERL 2019
Reconciliation of net assets to carrying amount as at 31 December (cont'd)	
Group's effective interest	**44.9%**
Group's share in net assets	**282.9**
Less: Preference shares	**(224.9)**
Goodwill	**571.5**
Carrying amount as at 31 December 2019	**629.5**

There are no contingent liabilities relating to the Group's interest in associate at the reporting date.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Company	
	2019	2018	**2019**	2018
Unquoted				
Equity investments in foreign corporations (Note (i))	**114.3**	115.5	**-**	-
Equity investments in Malaysian corporations	**1.6**	1.6	**1.6**	1.6
	115.9	117.1	**1.6**	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.

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 investments 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	
	2019	2018
Growth rate	**2%**	2%
Discount rate	**9% - 11%**	12% - 13%

If the growth rate is reduced to 1.5% (2018: 1.5%) and all other variables including tax rate are being held constant, this will give rise to a decrease in fair value of RM6.0 million (2018: RM4.7 million). If the discount rate is 0.5% (2018: 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 RM7.8 million (2018: RM6.5 million).

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2019	2018	**2019**	2018
Equity investment in a foreign corporation (Note (i))				
- Quoted	**5.8**	6.2	**-**	-
Debt securities in a Malaysian corporation (Note (ii))				
- Unquoted	**122.7**	-	**-**	-
Income funds in Malaysian corporations (Note (iii))				
- Quoted	**204.4**	201.2	**204.4**	201.2
- Unquoted	**355.3**	200.4	**355.3**	200.4
Money market instruments (Note (iii))	**211.2**	-	**-**	-
	899.4	407.8	**559.7**	401.6
Analysed as follows:				
Current	**776.7**	407.8	**559.7**	401.6
Non-current	**122.7**	-	**-**	-
	899.4	407.8	**559.7**	401.6

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 preference shares carry a cumulative, non-compounding fixed dividend of 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.

During the financial year, the issuer redeemed 250 units (2018: Nil) of the preference shares at RM100,000 per share, totalling RM25.0 million (2018: Nil) which was fully settled by way of cash. The issuer has also extended the tenure of the outstanding preference shares by 3 years, from the expiry of the original tenure of 3 August 2020.

The fair value of the unquoted debt securities in a Malaysian corporation is measured at each reporting date based on discounted cash flow analysis. The key assumption used to derive at the fair value is a discount rate of 0.87%.

Note (iii)
The fair value of income funds in Malaysian corporations and money market instruments are determined based on the fair value of the underlying net assets.

24. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	Notional/ Contract Value	**Fair Value Assets/ (Liabilities)**	**Notional/ Contract Value**	**Fair Value Assets/ (Liabilities)**
2019				
Designated as hedges				
Interest rate swap (Note (i))				
- GBP	**374.8**	**(5.2)**	**-**	**-**
Analysed as follows:				
Current		**(2.2)**		**-**
Non-current		**(3.0)**		**-**
		(5.2)		**-**
2018				
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)

24. DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

Note (i)
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 cash flow hedges 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.

Note (ii)
As at 31 December 2019, there were no outstanding derivative financial instruments for the Company.

In the previous 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.

25. OTHER NON-CURRENT ASSETS

	Group		Company	
	2019	2018	**2019**	2018
Other receivables (Note (i))	**-**	151.4	**-**	1.4
Promissory notes - unquoted (Note (ii))	**-**	-	**-**	-
Prepayments	**32.4**	40.7	**6.3**	14.1
Long term lease prepayment	**7.6**	54.6	**-**	-
Lease receivables (Note (iii))	**34.0**	7.8	**4.0**	7.8
	74.0	254.5	**10.3**	23.3

Note (i)
As at 31 December 2018, included in other receivables of the Group is an investment of RM150.0 million in the unquoted preference shares of a Malaysian corporation.

The investment was classified as financial assets at FVTPL during the financial year (Note 23).

Note (ii)

	Group	
	2019	2018
Non-current:		
Principal	**1,464.1**	1,394.6
Interest receivable	**383.5**	439.7
	1,847.6	1,834.3
Less: Impairment loss	**(1,847.6)**	(1,834.3)
	-	-

The movements of provision for impairment losses on investment in promissory notes are as follows:

	Group	
	2019	2018
At 1 January	**1,834.3**	-
Impairment losses	**13.3**	1,834.3
At 31 December	**1,847.6**	1,834.3

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 (2018: 12% and 18% per annum). These notes were classified as other non-current assets 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.

25. OTHER NON-CURRENT ASSETS (cont'd)

Note (ii) (cont'd)
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 RM13.3 million (2018: RM1,834.3 million) in relation to the Group's total investment (including accrued interest) in the financial year. This impairment loss can be reversed when the promissory notes are assessed to be recoverable.

Note (iii)
Lease receivables represent finance lease arrangement under MFRS 16 "Leases" and the maturity analysis is as follow:

	Group		Company	
	2019	2018	**2019**	2018
Lease receivables:				
- Less than 1 year	**7.0**	-	**4.3**	-
- Between 1 and 2 years	**7.4**	4.3	**4.2**	4.3
- Between 2 and 3 years	**3.1**	4.2	**-**	4.2
- Between 3 and 4 years	**3.2**	-	**-**	-
- Between 4 and 5 years	**3.2**	-	**-**	-
- Over 5 years	**27.0**	-	**-**	-
Total undiscounted lease payments receivable	**50.9**	8.5	**8.5**	8.5
Less: Unearned finance income	**(11.2)**	(0.7)	**(0.2)**	(0.7)
	39.7	7.8	**8.3**	7.8
Present value of minimum lease payments receivable:				
- Current	**5.7**	-	**4.3**	-
- Non-current	**34.0**	7.8	**4.0**	7.8
	39.7	7.8	**8.3**	7.8

26. INVENTORIES

	Group		Company	
	2019	2018	**2019**	2018
Food, beverage, tobacco and other hotel supplies	**40.2**	35.4	**22.9**	21.8
Stores, spares and retail stocks	**60.0**	50.0	**45.2**	30.9
Completed properties	**23.1**	23.1	**-**	-
	123.3	108.5	**65.4**	52.7

27. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	**2019**	2018
Trade receivables	**90.9**	70.3	**8.0**	10.6
Other receivables	**163.4**	190.8	**35.8**	60.6
Less: Impairment losses on receivables	**(13.4)**	(24.2)	**(0.4)**	(0.7)
	240.9	236.9	**43.4**	70.5
Tax recoverable	**197.0**	192.0	**164.1**	166.2
Deposits	**28.5**	28.6	**18.0**	12.1
Prepayments	**159.1**	196.8	**79.1**	77.5
Contract assets (Note 41)	**6.6**	3.2	**74.1**	115.8
	632.1	657.5	**378.7**	442.1

The amount of the provision made by the Group and the Company on trade and other receivables was RM13.4 million (2018: RM24.2 million) and RM0.4 million (2018: RM0.7 million) respectively as at 31 December 2019. These receivables are not secured by any collateral.

The movements of provision for impairment losses on receivables are as follows:

	Group		Company	
	2019	2018	**2019**	2018
At 1 January	**24.2**	21.3	**0.7**	0.7
(Reversal of impairment losses)/ impairment losses	**(1.6)**	5.8	**(0.3)**	-
Written off	**(8.9)**	(3.5)	**-**	-
Exchange differences	**(0.3)**	0.6	**-**	-
At 31 December	**13.4**	24.2	**0.4**	0.7

28. HOLDING COMPANY AND 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 related companies are unsecured, interest free and have no fixed terms of repayment except for an amount due to a related company of RM18.4 million for the purchase of building improvements that is repayable over the next 5 years.

The carrying amounts of the amounts due from/to holding company and related companies approximate their fair values.

29. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	Group 2018
Assets classified as held for sale	
Maxims Casino (Note (i))	
Property, plant and equipment	58.7
Trade and other receivables	0.3
Inventories	0.5
	59.5
Liabilities classified as held for sale	
Maxims Casino (Note (i))	
Trade and other payables	(5.5)
Deferred tax liabilities (Note 36)	(4.0)
Taxation	(4.1)
	(13.6)

Note (i)
The assets and liabilities classified as held for sale relate to the business of Maxims Casino (a reportable segment under leisure and hospitality segment in UK), owned and operated by Coastbright Limited ("Coastbright"), an indirect wholly-owned subsidiary of the Company.

The disposal was completed on 21 March 2019 and Coastbright ceased to be an indirect wholly-owned subsidiary of the Company. Details of net assets disposed are set out in Note (a) to the statements of cash flows.

30. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	**2019**	2018
Deposits with licensed banks	**1,553.9**	1,478.5	**1,417.2**	1,380.5
Cash and bank balances	**2,089.3**	2,497.5	**747.6**	1,280.6
	3,643.2	3,976.0	**2,164.8**	2,661.1
Less: Restricted cash	**(52.4)**	(100.9)	**-**	-
Bank balances and deposits	**3,590.8**	3,875.1	**2,164.8**	2,661.1
Money market instruments	**2,885.6**	4,124.6	**2,611.9**	2,918.0
Cash and cash equivalents	**6,476.4**	7,999.7	**4,776.7**	5,579.1

The deposits of the Group and the Company have an average maturity period of 3 months (2018: 4 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 (2018: overnight and 6 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.

31. SHARE CAPITAL

	Company			
	No. of ordinary shares (in million)		Amount	
	2019	2018	**2019**	2018
Issued and fully paid at beginning/end of financial year:				
Ordinary shares with no par value	**5,938.0**	5,938.0	**1,764.5**	1,764.5

32. RESERVES

	Group		Company	
	2019	2018	**2019**	2018
Reserve on exchange differences	**1,488.8**	1,537.4	**-**	-
Cash flow hedges reserve	**(5.2)**	(2.5)	**-**	-
Fair value reserve	**(30.7)**	(30.7)	**-**	-
Employee Share Scheme ("ESS") reserve (Note (i))	**71.9**	78.9	**71.9**	78.9
Retained earnings	**16,206.4**	15,872.2	**16,848.5**	16,732.8
	17,731.2	17,455.3	**16,920.4**	16,811.7

Note (i)
The ESS reserve relates to the performance-based Employee Share Scheme of the Company, as disclosed in Note 34. 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.

33. TREASURY SHARES

At the Annual General Meeting of the Company held on 19 June 2019, 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 financial year, the Company has purchased a total of 11.7 million (2018: 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 RM40.1 million (2018: 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 financial year, 11.7 million (2018: 6.8 million) treasury shares amounting to RM41.1 million (2018: 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 2019, of the total 5,938,044,648 (2018: 5,938,044,648) issued and fully paid ordinary shares, 284,395,708 (2018: 284,377,385) are held as treasury shares by the Company. As at 31 December 2019, the number of outstanding ordinary shares in issue after the set off is therefore 5,653,648,940 (2018: 5,653,667,263) ordinary shares.

33. TREASURY SHARES (cont'd)

Details of the shares purchased were as follows:

2019 Company	**Total shares purchased**	**Total consideration paid RM million**	**Highest Price RM**	**Lowest Price RM**	**Average Price* RM**
At 1 January	**284.4**	**999.1**			**3.51**
Shares purchased during the financial year					
March	**11.7**	**40.1**	**3.45**	**3.37**	**3.41**
Shares vested under ESS	**(11.7)**	**(41.1)**	**5.55**	**3.24**	**3.50**
At 31 December	**284.4**	**998.1**			**3.51**

2018 Company	Total shares purchased	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.

34. 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.

34. EMPLOYEE SHARE SCHEME ("ESS") (cont'd)

The salient features of the 2015 Scheme are as follows (cont'd):

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.

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 to 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.

34. EMPLOYEE SHARE SCHEME ("ESS") (cont'd)

The movement of the Scheme Shares granted under the Scheme during the financial year is as follows:

	Fair value at grant date RM	At 1 January 2019 '000	Granted '000	Vested '000	Lapsed '000	At 31 December 2019 '000
		Ordinary shares				
2019 Grant:						
PSP (Note (i))	**3.21**	**-**	**15,322.3**	**-**	**(3,172.6)***	**12,149.7**
RSP (Note (ii))	**3.11**	**-**	**4,821.1**	**-**	**(42.5)**	**4,778.6**
2018 Grant:						
PSP (Note (iii))	**5.05**	**8,284.5**	**-**	**(2,544.2)**	**(685.8)**	**5,054.5**
RSP (Note (iv))	**4.95**	**2,619.1**	**-**	**-**	**(173.1)**	**2,446.0**
2017 Grant:						
PSP (Note (v))	**5.27**	**2,335.9**	**-**	**(1,175.6)**	**(1.9)**	**1,158.4**
RSP (Note (vi))	**5.20**	**3,775.3**	**-**	**-**	**(235.4)**	**3,539.9**
2016 Grant:						
PSP (Note (vii))	**4.19**	**3,094.4**	**-**	**(3,094.4)**	**-**	**-**
RSP (Note (viii))	**4.16**	**5,132.9**	**-**	**(4,917.5)**	**(215.4)**	**-**
		25,242.1	**20,143.4**	**(11,731.7)**	**(4,526.7)**	**29,127.1**

* Includes 3,037,424 Scheme Shares that have lapsed as certain Vesting Conditions have not been met.

	Fair value at grant date RM	At 1 January 2018 '000	Granted '000	Vested '000	Lapsed '000	At 31 December 2018 '000
		Ordinary shares				
2018 Grant:						
PSP (Note (iii))	5.05	-	9,683.2	-	(1,398.7)*	8,284.5
RSP (Note (iv))	4.95	-	2,629.3	-	(10.2)	2,619.1
2017 Grant:						
PSP (Note (v))	5.27	3,840.1	-	(1,172.7)	(331.5)	2,335.9
RSP (Note (vi))	5.20	3,816.0	-	-	(40.7)	3,775.3
2016 Grant:						
PSP (Note (vii))	4.19	6,205.2	-	(3,098.8)	(12.0)	3,094.4
RSP (Note (viii))	4.16	5,174.5	-	-	(41.6)	5,132.9
2015 Grant:						
PSP (Note (ix))	3.93	2,807.3	-	(2,806.0)	(1.3)	-
RSP (Note (x))	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.

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 2020, March 2021 and March 2022.

Note (ii)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under RSP shall be vested on a market day falling in March 2022.

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 2019, March 2020 and March 2021. The first vesting was on 18 March 2019.

34. EMPLOYEE SHARE SCHEME ("ESS") (cont'd)

Note (iv)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under RSP shall be vested on a market day falling in March 2021.

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 2018, March 2019 and March 2020. The first and second vesting were on 16 March 2018 and 18 March 2019 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 2020.

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 2017, March 2018 and March 2019. The 2016 Grant has been fully vested as at 31 December 2019.

Note (viii)
Upon fulfilment of the Vesting Conditions, the Scheme Shares granted under RSP shall be vested on a market day falling in March 2019. The 2016 Grant has been fully vested as at 31 December 2019.

Note (ix)
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 (x)
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.

In the previous financial year, 5,322,200 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.

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			
	2019 Grant	2018 Grant	2017 Grant	2016 Grant	**2019 Grant**	2018 Grant	2017 Grant	2016 Grant
Closing market price at grant date (RM)	**3.42**	5.24	5.42	4.28	**3.42**	5.24	5.42	4.28
Expected volatility (%)	**32.51**	17.25	14.17	12.10	**32.51**	17.25	14.17	12.10
Expected dividend yield (%)	**3.22**	1.95	1.70	1.48	**3.22**	1.95	1.70	1.48
Risk free rate (%)	**3.36 – 3.50**	3.11 – 3.40	3.34 – 3.65	2.81 – 3.28	**3.50**	3.40	3.65	3.28

The expected volatility is based on average historical volatility over 3 years on a monthly basis.

35. OTHER LONG TERM LIABILITIES

	Group 2019	Group 2018
Contract liabilities:		
Advance membership fees (Note 41)	**12.2**	15.3
Other long-term liabilities:		
Provision for onerous leases (Note (i))	**-**	14.8
Government grant (Note (ii))	**102.4**	64.4
	114.6	94.5

Note (i)
The movements of the provision for onerous leases are as follows:

	Group 2019	Group 2018
At 1 January, as originally stated	**17.3**	21.0
Effects of adoption of MFRS 16 (Note 42)	**(17.3)**	-
At 1 January, as restated	**-**	21.0
Charged to profit or loss	**-**	0.4
Unwinding of discount	**-**	0.5
Paid during the financial year	**-**	(4.0)
Exchange differences	**-**	(0.6)
At 31 December	**-**	17.3
Analysed as follows:		
Current (Note 39)	**-**	2.5
Non-current	**-**	14.8
	-	17.3

In previous financial year, the provision for onerous leases was primarily related to properties which are no longer used for trading. The provision was net of estimated lease 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% in 2018.

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.

The movements of the government grant are as follows:

	Group 2019	Group 2018
At 1 January	**64.4**	34.5
Charged to profit or loss	**(7.0)**	-
Payments received during the financial year	**90.5**	28.3
Exchange differences	**(0.7)**	1.6
At 31 December	**147.2**	64.4
Analysed as follows:		
Current	**44.8**	-
Non-current	**102.4**	64.4
	147.2	64.4

36. 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	
	2019	2018	**2019**	2018
Deferred tax assets:				
- subject to income tax	**262.1**	250.2	**-**	-
	262.1	250.2	**-**	-
Deferred tax liabilities:				
- subject to income tax	**(779.0)**	(763.4)	**(309.4)**	(292.5)
- subject to Real Property Gain Tax ("RPGT")	**(17.7)**	(17.7)	**-**	-
	(796.7)	(781.1)	**(309.4)**	(292.5)
Net deferred tax liabilities	**(534.6)**	(530.9)	**(309.4)**	(292.5)
At 1 January	**(530.9)**	(677.0)	**(292.5)**	(234.9)
(Charged)/credited to profit or loss (Note 12):				
- Property, plant and equipment, investment properties and intangible assets	**(31.0)**	(230.6)	**(18.8)**	(61.8)
- Land held for property development	**-**	(8.8)	**-**	-
- Provisions	**28.8**	254.7	**3.1**	3.3
- Unutilised tax losses	**(14.7)**	77.1	**-**	-
- Others	**16.8**	32.6	**(1.2)**	0.9
	(0.1)	125.0	**(16.9)**	(57.6)
(Charged)/credited to other comprehensive income:				
- Retirement benefit	**(0.9)**	2.2	**-**	-
Acquisition of subsidiaries	**3.8**	-	**-**	-
Transfer to liabilities classified as held for sale (Note 29)	**(0.2)**	0.1	**-**	-
Exchange differences	**(6.3)**	18.8	**-**	-
At 31 December	**(534.6)**	(530.9)	**(309.4)**	(292.5)
Subject to income tax/RPGT:				
(i) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**26.6**	19.3	**-**	-
- Provisions	**356.2**	330.2	**67.8**	64.7
- Unutilised tax losses	**85.6**	101.4	**-**	-
- Others	**63.3**	47.1	**10.9**	12.1
	531.7	498.0	**78.7**	76.8
- Offsetting	**(269.6)**	(247.8)	**(78.7)**	(76.8)
Deferred tax assets (after offsetting)	**262.1**	250.2	**-**	-
(ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment, investment properties and intangible assets	**(1,064.3)**	(1,026.9)	**(388.1)**	(369.3)
- Others	**(2.0)**	(2.0)	**-**	-
	(1,066.3)	(1,028.9)	**(388.1)**	(369.3)
- Offsetting	**269.6**	247.8	**78.7**	76.8
Deferred tax liabilities (after offsetting)	**(796.7)**	(781.1)	**(309.4)**	(292.5)

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 RM918.8 million (2018: RM1,023.0 million) and unutilised customised incentive granted under the East Coast Economic Region of RM394.1 million (2018: RM936.3 million) as and when they are utilised.

36. DEFERRED TAXATION (cont'd)

As at 31 December 2019, the deferred tax assets of the Group include an amount of RM81.8 million (2018: 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 (2018: 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. In evaluating whether it is probable that future taxable profits will be available in future period, all available evidences were considered, including the approved budgets and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and measurement of the Group's performance.

The amount of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the Group's statement of financial position are as follows:

	Group	
	2019	2018
Unutilised tax losses		
- Expiring within six to seven years (Note (i))	**125.6**	123.7
- Expiring not more than twenty years (Note (ii))	**24.8**	24.8
- No expiry period (Note (iii))	**43.9**	-
	194.3	148.5
Property, plant and equipment	**67.7**	54.0
Provisions	**12.5**	12.4
	274.5	214.9

Note (i)
Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses is 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). Unutilised tax losses from year of assessment 2019 onwards can be carry forward for a maximum period of 7 consecutive years.

Note (ii)
Relates to the carried forward tax losses prior to year of assessment 2018 of a subsidiary in United States of America. These tax losses will expire in Year 2037 (2018: Year 2037).

Note (iii)
Relates to the carried forward tax losses from year of assessment 2018 onwards of a subsidiary in United States of America. These tax losses can be carried forward indefinitely.

37. LEASE LIABILITIES

	2019	
	Group	**Company**
Analysed as follows:		
Current	**90.6**	**15.5**
Non-current	**779.1**	**42.1**
	869.7	**57.6**
Present value of lease liabilities:		
Less than 1 year	**90.6**	**15.5**
Between 1 and 2 years	**105.9**	**13.6**
Between 2 and 5 years	**203.4**	**28.5**
More than 5 years	**469.8**	**-**
	869.7	**57.6**

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group leases its office premises, equipments and motor vehicles in the jurisdictions from which it operates. The leases comprise fixed payments over the lease terms and may include extension option.

37. LEASE LIABILITIES (cont'd)

The maturity analysis of the lease liabilities at end of reporting date is disclosed in Note 4 under liquidity risk.

Total cash outflow for the leases in the financial year ended 31 December 2019 for the Group and the Company amounted to RM114.4 million and RM16.7 million respectively.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Some property leases contain variable payment terms that are linked to sales with percentages ranging from 1% to 5% of sales. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

38. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2019	2018	**2019**	2018
At 1 January	**256.2**	239.7	**243.3**	227.2
Charged to profit or loss (Note 10)	**22.9**	19.4	**21.4**	18.4
Paid during the financial year	**(14.2)**	(2.9)	**(13.5)**	(2.3)
Transfer from subsidiaries	**-**	-	**(0.1)**	-
At 31 December	**264.9**	256.2	**251.1**	243.3
Analysed as follows:				
Current (Note 39)	**61.3**	58.1	**57.0**	53.4
Non-current	**203.6**	198.1	**194.1**	189.9
	264.9	256.2	**251.1**	243.3

Refer to item (c) of Employee Benefits under Note 3 – Significant Accounting Policies for details of the Retirement Gratuities scheme.

39. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	**2019**	2018
Trade payables	**517.8**	512.1	**39.2**	60.5
Accruals	**1,391.6**	1,301.5	**1,020.5**	970.9
Deposits	**34.0**	25.3	**5.7**	3.7
Other payables (Note (i))	**873.4**	803.2	**515.4**	499.4
Contract liabilities (Note 41)	**73.5**	33.8	**8.9**	10.0
Provision for onerous leases (Note 35)	**-**	2.5	**-**	-
Provision for termination related costs (Note (ii))	**26.8**	-	**26.8**	-
Provision for retirement gratuities (Note 38)	**61.3**	58.1	**57.0**	53.4
	2,978.4	2,736.5	**1,673.5**	1,597.9

Note (i)
Included in other payables of the Group and the Company are amounts payable to contractors for project related costs of RM460.9 million and RM361.8 million respectively (2018: RM354.6 million and RM349.4 million respectively).

Note (ii)
Provision for termination related costs arose from the termination of contracts relating to the outdoor theme park at Resorts World Genting.

40. BORROWINGS

	Group		Company	
	2019	2018	**2019**	2018
Current				
Secured:				
Term loan – United States Dollars (Note (i))	**-**	54.8	**-**	-
Term loan – Pound Sterling (Note (ii))	**79.8**	133.8	**-**	-
Unsecured:				
Revolving credit facility – United States Dollars	**208.1**	151.6	**208.1**	151.6
Medium term notes (Note (iii))	**1,236.1**	137.4	**-**	-
	1,524.0	477.6	**208.1**	151.6
Non-current				
Secured:				
Term loan – United States Dollars (Note (i))	**1,284.4**	1,124.8	**-**	-
Term loan and revolving credit facility – Pound Sterling (Note (ii))	**292.3**	500.1	**-**	-
Unsecured:				
Term loan – United States Dollars	**412.4**	64.9	**412.4**	64.9
Medium term notes (Note (iii))	**6,494.4**	7,592.9	**-**	-
	8,483.5	9,282.7	**412.4**	64.9
Total	**10,007.5**	9,760.3	**620.5**	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 RM2,196.1 million (2018: RM2,321.4 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 RM679.2 million and RM119.0 million (2018: RM669.2 million and RM179.2 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 2019 was RM7,984.7 million (2018: RM7,698.8 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 2.3% to 4.3% (2018: 1.7% to 3.7%) per annum.

40. BORROWINGS (cont'd)

The maturity profile and exposure of borrowings of the Group as at 31 December 2019 and 31 December 2018 were as follows:

	Floating interest rates	Fixed interest rates	Total
At 31 December 2019:			
Less than one year	**287.9**	**1,236.1**	**1,524.0**
Between 1 and 2 years	**179.4**	**-**	**179.4**
Between 2 and 5 years	**1,809.7**	**2,645.7**	**4,455.4**
More than 5 years	**-**	**3,848.7**	**3,848.7**
	2,277.0	**7,730.5**	**10,007.5**
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

The maturity profile and exposure of borrowings of the Company as at 31 December 2019 and 31 December 2018 were as follows:

	2019	2018
Floating interest rates		
Less than one year	**208.1**	151.6
Between 2 and 5 years	**412.4**	64.9
	620.5	216.5

41. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group		Company	
	2019	2018	**2019**	2018
Contract assets				
Accrued income (Note (i))	**6.6**	3.2	**74.1**	115.8
Current (Note 27)	**6.6**	3.2	**74.1**	115.8
Contract liabilities				
Advance membership fees (Note (ii))	**13.9**	17.2	**-**	-
Customer deposits (Note (iii))	**41.6**	31.9	**8.9**	10.0
Advance payment (Note (iv))	**30.2**	-	**-**	-
	85.7	49.1	**8.9**	10.0
Non-current (Note 35)	**12.2**	15.3	**-**	-
Current (Note 39)	**73.5**	33.8	**8.9**	10.0
	85.7	49.1	**8.9**	10.0

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.

41. 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 amounted to RM13.9 million (2018: RM17.2 million). The Group expects to recognise these amounts as revenue over the next 14 years (2018: 15 years).

Note (iv)
This relates to the advance payment of passenger handling fee by a third party for future vessel calls at the port of Resorts World Bimini.

Significant changes in contract balances during the financial year are as follows:

	Group		Company	
	2019	2018	**2019**	2018
Contract assets				
At 1 January	**3.2**	2.3	**115.8**	129.3
Revenue/income recognised during the financial year	**6.6**	3.2	**16.2**	41.7
Transfer to receivables	**(3.2)**	(2.3)	**(57.9)**	(55.2)
At 31 December	**6.6**	3.2	**74.1**	115.8
Contract liabilities				
At 1 January	**49.1**	42.1	**10.0**	2.6
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(35.2)**	(24.9)	**(10.0)**	(2.6)
Increases due to cash received, excluding amounts recognised as revenue during the year	**71.8**	31.9	**8.9**	10.0
At 31 December	**85.7**	49.1	**8.9**	10.0

42. ADOPTION OF MFRS 16

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

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

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

42. ADOPTION OF MFRS 16 (cont'd)

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

The Group and the Company as lessee

(i) Leases previously classified as operating leases

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

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

In applying MFRS 16 for the first time, the Group and the Company have applied the following practical expedients:
(a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
(b) Reliance on previous assessments on whether leases are onerous;
(c) The accounting for operating leases with a remaining lease term of less than 12 months as at the date of initial application as short term leases;
(d) The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
(e) The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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

(ii) Leases previously classified as finance leases

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

The effect arising from the adoption of MFRS 16 on the statement of financial position of the Group and the Company are as follow:

	As previously stated	Effects of adoption of MFRS 16	As restated
Group			
As at 31 December 2018 / 1 January 2019			
Non-current assets			
Property, plant and equipment	14,840.9	(13.7)	14,827.2
Right-of-use assets	-	727.9	727.9
Other non-current assets	254.5	(11.4)	243.1
Current asset			
Trade and other receivables	657.5	(18.0)	639.5
Non-current liabilities			
Other long term liabilities	94.5	(14.8)	79.7
Lease liabilities	-	653.1	653.1
Current liabilities			
Trade and other payables	2,736.5	(6.7)	2,729.8
Lease liabilities	-	56.4	56.4
Equity			
Retained earnings	15,872.2	(3.1)	15,869.1
Reserve on exchange differences	1,537.4	(0.1)	1,537.3

42. ADOPTION OF MFRS 16 (cont'd)

The Group and the Company as lessee (cont'd)

The effect arising from the adoption of MFRS 16 on the statement of financial position of the Group and the Company are as follow (cont'd):

	As previously stated	Effects of adoption of MFRS 16	As restated
Company			
As at 31 December 2018 / 1 January 2019			
Non-current assets			
Property, plant and equipment	8,891.5	(0.4)	8,891.1
Right-of-use assets	-	65.3	65.3
Non-current liabilities			
Lease liabilities	-	57.8	57.8
Current liabilities			
Lease liabilities	-	13.6	13.6
Equity			
Retained earnings	16,732.8	(6.5)	16,726.3

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

(a) On the consolidated income statement, expenses which previously included operating lease rental within adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") were replaced by interest expense on lease liabilities (included within "finance costs") and amortisation of right-of-use assets (included within "depreciation and amortisation"); and

(b) On the consolidated statement of cash flows, operating lease rental outflow previously recorded within "net cash flow from operating activities" are classified as "net cash flow from financing activities" for repayment of lease liabilities other than short-term leases and leases of low value assets that continues to be classified within operating activities.

Reconciliation for the differences between operating lease commitment disclosed as at 31 December 2018 and lease liabilities recognised at the date of initial application of 1 January 2019 are as follow:

	Group
Operating lease commitments as disclosed at 31 December 2018	**568.2**
Discounted using the lessee's incremental borrowing rate at the date of initial application	**380.5**
Add: Adjustments as a result of different treatment of extension and termination options	**281.7**
Lease liabilities additionally recognised based on the initial application of MFRS 16	**65.2**
Adjustments relating to changes in the index or rate affecting variable payments	**10.9**
Less: Short-term leases recognised on a straight-line basis as expense	**(13.4)**
Lease of low value assets recognised on a straight-line basis as expense	**(15.4)**
Lease liabilities recognised as at 1 January 2019	**709.5**
Lease liabilities recognised as at 1 January 2019 of which are:	
Current	**56.4**
Non-current	**653.1**
	709.5

The incremental borrowing rates applied by the Group to lease liabilities as at 1 January 2019 ranges between 4.61% and 5.0%.

The Group and the Company as lessor

The Group and the Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of MFRS 16.

43. COMMITMENTS

(a) Capital Commitments

	Group		Company	
	2019	2018	**2019**	2018
Authorised capital expenditure not provided for in the financial statements:				
- contracted	**1,483.6**	1,490.6	**720.0**	1,184.0
- not contracted	**3,292.7**	4,248.4	**1,712.1**	1,817.4
	4,776.3	5,739.0	**2,432.1**	3,001.4
Analysed as follows:				
- property, plant and equipment	**4,776.3**	5,739.0	**2,432.1**	3,001.4

(b) Operating Lease Commitments

The future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group
	2018
Not later than 1 year	103.6
Later than 1 year but not later than 5 years	145.9
Later than 5 years	318.7
	568.2

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. From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term leases and leases of low value assets.

The reconciliation for the differences between operating lease commitment disclosed as at 31 December 2018 and lease liabilities recognised at the date of initial application of 1 January 2019 is disclosed in Note 42.

44. 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	**2019**	2018
Direct wholly-owned subsidiaries			
Genting Highlands Tours and Promotion Sdn Bhd	8,738 (2018: Nil) 2% Redeemable Non-Convertible Non-Cumulative preference shares	**8.7**	-
First World Hotels & Resorts Sdn Bhd	Nil (2018: 70,000) Convertible Non-Cumulative Redeemable preference shares	**-**	70.0
Genting CSR Sdn Bhd	34,000 (2018: 6,000) Redeemable Convertible Non-Cumulative preference shares	**34.0**	6.0
Orient Wonder International Limited	Nil (2018: 13,000) Convertible Non-Cumulative Redeemable preference shares	**-**	43.0

44. SIGNIFICANT NON-CASH TRANSACTIONS (cont'd)

(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:

	Subscription of preference shares	Company 2019	Company 2018
Direct wholly-owned subsidiaries			
Gentinggi Sdn Bhd	4,805 (2018: 4,459) Redeemable Convertible Non-Cumulative preference shares	**4.8**	4.4
Resorts World Tours Sdn Bhd	Nil (2018: 6,365) Redeemable Convertible Non-Cumulative preference shares	**-**	6.4
Genting Worldwide Limited	109,000 (2018: 51,000) Redeemable Convertible Non-Cumulative preference shares	**451.6**	209.5

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:

	Declared and paid interim dividend	Company 2019	Company 2018
Direct wholly-owned subsidiaries			
Oakwood Sdn Bhd	Interim single-tier dividend of RM0.55 (2018: RM0.76) per ordinary share	**8.3**	11.4
Genting Highlands Berhad	Nil (2018: Interim single-tier dividend of RM0.16 per ordinary share)	**-**	2.6
First World Hotels & Resorts Sdn Bhd	Interim single-tier dividend of RM170.00 (2018: RM30.00) per ordinary share	**170.0**	30.0
Vestplus Sdn Bhd	Interim single-tier dividend of RM0.4 million (2018: RM1.1 million) per ordinary share	**0.9**	2.2
Leisure & Cafe Concept Sdn Bhd	Interim single-tier dividend of RM60.00 (2018: RM20.00) per ordinary share	**6.0**	2.0
Genting Centre of Excellence Sdn Bhd	Interim single-tier dividend of RM5.00 (2018: RM5.00) per ordinary share	**1.0**	1.0
Eastern Wonder Sdn Bhd	Interim single-tier dividend of RM3.20 (2018: RM3.20) per ordinary share	**0.8**	0.8
Possible Wealth Sdn Bhd	Interim single-tier dividend of RM11.5 million (2018: RM11.5 million) per ordinary share	**23.0**	23.0

	2019	2018
(d) Transfer of property, plant and equipment to a subsidiary.	**-**	80.1

	Group 2019	Group 2018
(e) Settlement of interest income and related fees via subscription of promissory notes issued by the Tribe.	**56.2**	44.9

45. 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.

45. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) The significant related party transactions of the Group during the financial year are as follows:

	Group		Company	
	2019	2018	**2019**	2018
(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.	**468.3**	499.4	**447.8**	490.9
• 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, an indirect wholly-owned subsidiary of GENT.	**1.5**	1.7	**-**	-
(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.	**0.9**	1.0	**-**	-
• The Company.	**-**	-	**90.2**	101.8
• Provision of shared support services in relation to accounts payable, credit control, procurement, sales and marketing by the Company to its subsidiaries.	**-**	-	**14.5**	15.3
• 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, an indirect wholly-owned subsidiary of GENT.	**4.4**	3.9	**-**	-
• Provision of information technology consultancy, development, implementation, support and maintenance by Genting Information Knowledge Enterprise Sdn Bhd, Genting WorldCard Services Sdn Bhd and Ascend Solutions Sdn Bhd, to:				
• GENT and its subsidiaries.	**0.4**	1.1	**-**	-
• Resorts World Inc Pte Ltd ("RWI") Group. RWI was a joint venture of GENT up to 31 July 2019 and subsequently became an indirect 50% owned subsidiary of GENT.	**0.2**	0.3	**-**	-
• Genting Hong Kong Limited ("GENHK"), a company where certain Directors of the Company have interests and its subsidiaries.	**0.5**	0.5	**-**	-
• The Company.	**-**	-	**4.6**	4.6
• Provision of information technology consultancy, development, implementation, support and maintenance services by the Company, to:				
• GENT and its subsidiaries.	**6.3**	7.2	**6.3**	7.2
• First World Hotels & Resorts Sdn Bhd ("FWHR"), a wholly-owned subsidiary of the Company.	**-**	-	**16.7**	16.8
• Provision of aviation related services by the Group to GENHK Group.	**0.3**	5.4	**-**	-
• Provision of utilities, maintenance, and security services to Genting Highlands Premium Outlets Sdn Bhd ("GHPO"), a wholly-owned subsidiary of Genting Simon Sdn Bhd ("GSSB"). GSSB is a 50% joint venture company of Genting Plantations Berhad ("GENP").	**2.3**	2.1	**-**	-
• Provision of onboard entertainment services by GENHK Group to the Group.	**3.1**	-	**-**	-

45. 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	
	2019	2018	**2019**	2018
(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.	**8.9**	8.7	**7.0**	6.8
• 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.	**0.4**	5.4	**0.4**	5.4
• Purchase of electronic table games by the Group from RWI Group.	**-**	3.3	**-**	3.3
• Provision of water supply services by Bimini Bay Water Ltd., an entity connected with shareholder of BBEL to the Group.	**1.5**	2.3	**-**	-
• Provision of maintenance services by entities connected with shareholder of BBEL to the Group.	**6.9**	6.8	**-**	-
• Provision of construction services by an entity connected with shareholder of BBEL to the Group.	**79.5**	58.5	**-**	-
• Purchase of holiday packages from GENHK Group.	**1.4**	1.4	**-**	-
• Provision of business operation support services, by:				
• Eastern Wonder Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**15.2**	9.7
• Genting Skyway Sdn Bhd, a wholly-owned subsidiary of the Company.	**-**	-	**6.3**	6.6
• Aliran Tunas Sdn Bhd, an indirect wholly-owned subsidiary of the Company.	**-**	-	**1.0**	2.4
• Provision of front office, housekeeping and premises cleaning services by FWHR.	**-**	-	**11.1**	11.1
• 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.	**-**	-	**0.4**	2.0
• Provision of room, food and beverage, theme park, cinema, casino referal fees and laundry services by FWHR.	**-**	-	**119.3**	92.3
• Provision of support services by GENHK Group to the Group.	**4.1**	-	**-**	-
(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.	**2.3**	2.4	**1.9**	2.0
• 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.	**6.7**	6.6	**-**	-
• RWI Group.	**0.3**	0.6	**-**	-
• The Company.	**-**	-	**6.6**	6.6
• Rental charges for office space by the Group to GENHK Group.	**7.0**	6.8	**-**	-

45. 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	
	2019	2018	**2019**	2018
(iv) Rental and related services (cont'd)				
• Letting of premises by FWHR.	**-**	-	**13.9**	11.6
• Rental of premises to FWHR.	**-**	-	**1.7**	1.7
• 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".	**231.0**	223.8	**225.7**	221.3
• License fee for the use of "Resorts World" and "Genting" intellectual property in the US and Bahamas charged by:				
• GENT Group	**31.2**	-	**-**	-
• RWI Group	**43.7**	69.6	**-**	-
• 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.	**1.1**	1.0	**-**	-
• Licensing fee for the use of gaming software charged by :				
• GENT Group	**1.5**	-	**1.0**	-
• RWI Group	**2.1**	2.9	**1.2**	1.5
• Licensing fee for the use of Dynamic Reporting System charged by:				
• GENT Group	**0.8**	-	**0.7**	-
• RWI Group	**1.0**	2.1	**0.9**	1.5
(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.	**-**	-	**28.9**	29.0
• Provision of loyalty programme management services by Genting WorldCard Services Sdn Bhd, an indirect wholly-owned subsidiary of the Company.	**-**	-	**3.5**	3.5
(vii) Investments				
• Progress biling to Genting Utilities & Services Sdn Bhd, a wholly-owned subsidiary of the Company in relation to the construction of infrastructure facilities.	**-**	-	**8.4**	54.2
• Progress billing to indirect wholly-owned subsidiaries of the Company in relation to the construction of infrastructure facilities.				
• Aliran Tunas Sdn Bhd	**-**	-	**45.6**	1.0
• Netyield Sdn Bhd	**-**	-	**3.9**	-
• Recovery of project related expenses from GENT.	**-**	15.0	**-**	-
• Acquisition of shares of Common Stock in Empire Resorts, Inc. ("Empire") by the Group from Kien Huat Realty III Limited ("KH").	**573.2**	-	**-**	-
• Acquisition of shares of Common Stock in Empire by the Group from the shareholders of Empire unaffiliated with KH.	**109.5**	-	**-**	-
• Purchase of building improvement by the Group from GENHK Group.	**20.2**	-	**-**	-
(viii) Borrowings				
• Interest bearing advances from GENM Capital Berhad, a wholly-owned subsidiary of the Company.	**-**	-	**-**	2,600.0
• Finance costs charged on the interest bearing advances by GENM Capital Berhad.	**-**	-	**375.6**	305.2

45. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(c) Directors' and key management's remuneration

The remuneration of Directors and other members of key management is as follows:

	Group and Company	
	2019	2018
Wages, salaries and bonuses	**65.9**	61.8
Defined contribution plan	**11.0**	10.6
Other short term employee benefits	**0.7**	0.5
Provision for retirement gratuities	**4.7**	7.3
Employee Share Scheme	**39.8**	34.9
	122.1	115.1
Estimated monetary value of benefits-in-kind	**2.0**	2.2
	124.1	117.3

The outstanding balances as at 31 December 2019 and 2018, arising from sale/purchase of services, and payments made on behalf/receipts from the holding company, subsidiaries, related companies and associate are disclosed in Notes 20, 21 and 28. The outstanding balances arising from other related sales/purchases are not material as at 31 December 2019 and 2018.

46. SUBSIDIARIES AND ASSOCIATE

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2019	2018		
Direct Subsidiaries				
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 to the leisure and hospitality and transport industry
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 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	**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

46. SUBSIDIARIES AND ASSOCIATE (cont'd)

	Effective Percentage of Ownership 2019	2018	Country of Incorporation	Principal Activities
Direct Subsidiaries (cont'd)				
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 Peace Limited	**100.0**	-	Cayman Islands	Owner and charterer of vessel
Orient Peace Operations Limited	**100.0**	-	Hong Kong, SAR	Operator of vessel
Orient Wonder International Limited	**100.0**	100.0	Bermuda	Owner and operator 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
Worldwide Leisure Limited	**100.0**	-	Isle of Man	Leisure and entertainment activities (including gaming operations) onboard vessel
+ Ascend International Holdings Limited	**100.0**	100.0	Hong Kong, SAR	Dormant
Genting ePay Services Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Genting Highlands Tours and Promotion Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Ikhlas Tiasa Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
Orient Star International Limited	**100.0**	100.0	Bermuda	Dormant
Indirect Subsidiaries				
* ABC Biscayne LLC	**100.0**	100.0	United States of America	Letting of property
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
+ Authentic Gaming Limited	**100.0**	-	Malta	Live casino provider
+ Authentic Gaming Malta Limited	**100.0**	-	Malta	Live casino provider
# 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	Investment holding
# 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
# 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

46. SUBSIDIARIES AND ASSOCIATE (cont'd)

	Effective Percentage of Ownership 2019	Effective Percentage of Ownership 2018	Country of Incorporation	Principal Activities
Indirect Subsidiaries (cont'd)				
* 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 operator
Genting East Coast USA Limited	**100.0**	100.0	Isle of Man	Investment holding
# Genting ER Limited	**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**	100.0	Malta	Online casino and sportsbook operator
# 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
+ Genting Spain PLC	**100.0**	100.0	Malta	Online casino and sportsbook operator
+ 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

46. SUBSIDIARIES AND ASSOCIATE (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2019	2018		
Indirect Subsidiaries (cont'd)				
+ 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
+ Xi'an Ascend Software Technology Co., Ltd.	**100.0**	100.0	China	Research and development and provision of IT related services
# Genting (Gibraltar) Limited	**100.0**	-	Gibraltar	Pre-operating
# 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
# 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 Empire LLC (formerly known as Ocean Front Acquisition, LLC)	**100.0**	100.0	United States of America	Dormant
# Genting Las Vegas LLC	**100.0**	100.0	United States of America	Dormant

46. SUBSIDIARIES AND ASSOCIATE (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2019	2018		
Indirect Subsidiaries (cont'd)				
Gentinggi Quarry Sdn Bhd	**100.0**	100.0	Malaysia	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
# 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
# Westcliff Casino Limited	**100.0**	100.0	United Kingdom	Dormant
WorldCard Services Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
# Waters Solihull Limited (In Member's Voluntary Liquidation)	**100.0**	100.0	United Kingdom	In liquidation
Cotedale Limited	**-**	100.0	United Kingdom	Dissolved
Crockfords Club Limited	**-**	100.0	United Kingdom	Dissolved
Cromwell Sporting Enterprises Limited	**-**	100.0	United Kingdom	Dissolved
Gameover Limited	**-**	100.0	United Kingdom	Dissolved
Genting Ibico Holdings Limited	**-**	100.0	Isle of Man	Dissolved
Harbour House Casino Limited	**-**	100.0	United Kingdom	Dissolved
The Colony Club Limited	**-**	100.0	United Kingdom	Dissolved
Tower Casino Group Limited	**-**	100.0	United Kingdom	Dissolved
Westcliff (CG) Limited	**-**	100.0	United Kingdom	Dissolved
Genting Irama Sdn Bhd	**-**	100.0	Malaysia	Struck-off
Coastbright Limited	**-**	100.0	United Kingdom	Disposed
Associate				
# Genting Empire Resorts LLC (formerly known as Hercules Topco LLC)	**49.0**	-	United States of America	Investment holding

\+ 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.

47. CONTINGENT LIABILITY

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

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

48. 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 2020.

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 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance of the Group and of the Company for the financial year then ended.

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 2020.

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 74 to 160 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	)	**KOH POY YONG**
abovenamed **KOH POY YONG** at KUALA LUMPUR	)	
in the State of FEDERAL TERRITORY	)	
on 27 February 2020		

Before me,

TAN SEOK KETT
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To The Members of Genting Malaysia Berhad
(Incorporated in Malaysia)
Registration No. 198001004236 (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 2019, 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 2019 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 74 to 160.

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 of 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 of 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 of 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 financial 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.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P. O. Box 10192, 50706 Kuala Lumpur, Malaysia
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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 assessment of property, plant and equipment and casino licenses related to the Group's leisure and hospitality segment in Bimini The Group has property, plant and equipment and casino licenses (definite life) related to its Bimini operations with aggregate carrying values of RM1,544.4 million as at 31 December 2019. We focused on this area due to continued losses recorded since the commencement of the Bimini 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. The disclosures are included in Notes 2, 15 and 18 to 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 reliability of management's forecast by comparing their previous years' forecasted results against past trends of actual results; • 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.
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, casino licences and trademarks in relation to its United Kingdom ("UK") operations totalling to RM2,100.2 million as at 31 December 2019. 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 46.9% 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, a net impairment loss of RM5.2 million was recorded for casino licences 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 the reliability of management's forecast by comparing their previous years' forecasted results against past trends of actual results; • Assessed management's basis for the value in use cash flows by reference to the approved 2020 budget; • Checked that the growth rate did not exceed the growth rates for leisure and hospitality industry in which the CGUs operate and are consistent with the forecasts included in industry reports; • Checked that 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 discount rate and EBITDA 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.

There are no key audit matters to report for the Company.

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 2019 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' 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 of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

(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 on 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 for the current financial 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.

INDEPENDENT AUDITORS' REPORT (cont'd)

To The Members of Genting Malaysia Berhad
(Incorporated in Malaysia)
Registration No. 198001004236 (58019 - U)

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 46 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
LLP0014401-LCA & AF 1146
Chartered Accountants

NG GAN HOOI
02914/04/2021 J
Chartered Accountant

Kuala Lumpur
27 February 2020

LIST OF PROPERTIES HELD
as at 31 December 2019

LOCATION	TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2019 (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	171.8	38	1982
2 Genting Highlands, Bentong	Freehold	Built-up : 95,485 sq.metres	23-storey Resort Hotel & Car Park	104.0	27	1992
3 Genting Highlands, Bentong	Freehold	Built-up : 471,406 sq.metres	22-storey First World Hotel & Car Park	955.2	5 & 20	2000 & 2014
4 Genting Highlands, Bentong	Freehold	Built-up : 19,688 sq.metres	10-storey Theme Park Hotel	70.7	48	1989
5 Genting Highlands, Bentong	Freehold	Built-up : 11,902 sq.metres	10-storey Theme Park Hotel-Valley Wing	11.2	44	1989
6 Genting Highlands, Bentong	Freehold	Built-up : 88,794 sq.metres	7-storey Sky Avenue Complex	1,496.2	4	2016
7 Genting Highlands, Bentong	Freehold	Built-up : 29,059 sq.metres	16-storey Residential Staff Complex I	21.7	36	1989
8 Genting Highlands, Bentong	Freehold	Built-up : 28,804 sq.metres	19-storey Residential Staff Complex II	10.2	27	1992
9 Genting Highlands, Bentong	Freehold	Built-up : 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park	40.2	27	1992
10 Genting Highlands, Bentong	Freehold	Built-up : 41,976 sq.metres	25-storey Residential Staff Complex V	36.7	23	1996
11 Genting Highlands, Bentong	Freehold	Built-up : 70,010 sq.metres	25-storey Residential Staff Complex VIII & Car Park	54.0	13	2007
12 Genting Highlands, Bentong	Freehold	Built-up : 178,401 sq.metres	27-storey Residential Staff Complex IX & Car Park	352.0	3	2016
13 Genting Highlands, Bentong	Freehold	Built-up : 4,109 sq.metres	5-storey Sri Layang Staff Residence	9.9	25	1989
14 Genting Highlands, Bentong	Freehold	Built-up : 18,397 sq.metres	8-level Car Park I	1.0	36	1989
15 Genting Highlands, Bentong	Freehold	Built-up : 1,086 sq.metres	5-storey Bomba building	0.5	36	1989
16 Genting Highlands, Bentong	Freehold	Built-up : 1,503 sq.metres	Petrol Station	1.7	21	1999
17 Genting Highlands, Bentong	Freehold	Built-up : 2,769 sq.metres	4-storey Staff Recreation Centre	2.2	27	1992
18 Genting Highlands, Bentong	Freehold	Built-up : 540 sq.metres	2 units of of Kayangan Apartments	0.2	39	1989 & 1990
19 Genting Highlands, Bentong	Freehold	Built-up : 7,666 sq.metres	Awana @ Resorts World Genting Complex	14.8	33	1989
20 Genting Highlands, Bentong	Freehold	Built-up : 20,516 sq.metres	23-storey Awana Tower Hotel	21.5	26	1993
21 Genting Highlands, Bentong	Freehold	Built-up : 17,010 sq.metres	174 units of Awana Condominium	14.7	33	1989
22 Genting Highlands, Bentong	Freehold	Built-up : 8,756 sq.metres	79 units of Ria Apartments (Pahang Tower)	9.2	33	1989
23 Genting Highlands, Bentong	Freehold	Built-up : 39,260 sq.metres	Awana Sky Central	155.8	4	2016
24 Genting Highlands, Bentong	Freehold	Built-up : 191,658 sq.metres	8-level GHPO Car Park	186.1	4	2016
25 Genting Highlands, Bentong	Freehold	Land : 3,295 hectares	7 plots of land & improvements	394.4	-	1989
			1 plot of land & improvements	6.0	-	1996
			10 plots of land & improvements	66.5	-	1989
			1 plot of land & improvements	0.1	-	1991
			68 plots of land & improvements	233.7	-	1989
			3 plots of land & improvements	24.9	-	2002
			13 plots of land & improvements	9.7	-	1996
26 Genting Highlands, Bentong	Leasehold (unexpired lease period of 74 years)	Land : 6 hectares	2 plots of land & improvements	0.4	-	1994
27 Genting Highlands, Bentong	Leasehold (unexpired lease period of 39 years)	Land : 5 hectares	3 plots of land	0.5	-	1995
28 Genting Highlands, Bentong	Leasehold (unexpired lease period of 71 years)	Land : 3 hectares	1 plot of educational land	1.2	-	2000
29 Bukit Tinggi, Bentong	Leasehold (unexpired lease period of 75 years)	Built-up : 49 sq.metres	1 unit of Meranti Park Apartment	0.1	20	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	351.4	23	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 & Carpark	47.5	23	1997
3 Genting Highlands, Hulu Selangor	Freehold	Built-up : 3,008 sq.metres	2 & 4-storey Gohtong Jaya security building	4.0	22	1998
4 Genting Highlands, Hulu Selangor	Freehold	Built-up : 5,406 sq.metres	47 units of Ria Apartments (Selangor Tower)	5.9	33	1989
5 Genting Highlands, Hulu Selangor	Freehold	Land : 596 hectares	3 plots of building land	12.3	-	1989
			18 plots of building land	40.5	-	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 76 years)	Land : 18 hectares	5 plots of vacant industrial land & improvements	14.8	-	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	33	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 carpark	226.4	34	2009

LIST OF PROPERTIES HELD (cont'd)

as at 31 December 2019

LOCATION	TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2019 (RM'million)	AGE OF BUILDING (Years)	YEAR OF ACQUISITION
MALAYSIA						
STATE OF TERENGGANU DARUL IMAN						
1 Kijal, Kemaman	Leasehold (unexpired lease period of 72 years)	Land : 259 hectares	4 plots of resort/property development land	1.3	-	1997
		Land : 51 hectares	18-hole Resorts World Kijal Golf Course	5.9	-	1997
		Built-up : 35,563 sq.metres	7-storey Resorts World Kijal Hotel	53.9	23	1997
		Built-up : 1,757 sq.metres	27 units of Baiduri Apartments	0.7	23	1997
		Built-up : 7,278 sq.metres	96 units of Angsana Apartments	4.8	23	1997
	Leasehold (unexpired lease period of 72 years)	Land : 18 hectares	17 plots of resort/property development land	1.4	-	2002
	Leasehold (unexpired lease period of 82 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 68 years)	Land : 14 hectares	5 plots of building land	9.5	-	1997
		Built-up : 20,957 sq.metres	3-5 storey Resorts World Langkawi Hotel, Convention Centre & Multipurpose Hall	52.6	22	1997
UNITED KINGDOM						
1 Newcastle	Freehold	Built-up : 1,464 sq.metres	Casino Club	12.6	25	2010
2 Salford	Freehold	Built-up : 1,058 sq.metres	Casino Club	7.6	22	2010
3 Wirral	Freehold	Built-up : 860 sq.metres	Casino Club	6.3	40	2010
4 Leicester	Freehold	Built-up : 755 sq.metres	Casino Club	8.1	40	2010
5 Bournemouth	Freehold	Built-up : 860 sq.metres	Casino Club	6.7	120	2010
6 Southampton	Freehold	Built-up : 797 sq.metres	Casino Club	11.1	120	2010
7 Bolton	Freehold	Built-up : 808 sq.metres	Casino Club	4.3	120	2010
8 Glasgow	Freehold	Built-up : 3,402 sq.metres	Casino Club	31.8	133	2010
9 Bristol	Freehold	Built-up : 873 sq.metres	Casino Club	7.1	73	2010
10 Margate	Freehold	Built-up : 1,326 sq.metres	Casino Club	10.8	63	2010
11 Torquay	Freehold	Built-up : 1,495 sq.metres	Casino Club	3.2	30	2010
12 Crockfords	Freehold	Built-up : 1,907 sq.metres	Casino Club	287.6	249	2010
13 31 Curzon Street next to Crockfords	Freehold	Built-up : 307 sq.metres	Office	36.6	243	2010
14 Cromwell Mint	Freehold	Built-up : 2,061 sq.metres	Casino Club	46.6	108	2010
15 Brighton (9 Preston St)	Freehold	Built-up : 85 sq.metres	Vacant retail building	0.3	53	2010
16 508 Sauchiehall St. Glasgow	Freehold	Built-up : 292 sq.metres	Vacant retail building	1.6	133	2011
17 London - 2 Stanhope Row	Freehold	Built-up : 2,709 sq.metres	Hotel	253.9	26	2011
18 London - 17A Market Mew	Freehold	Built-up : 244 sq.metres	Residential apartment	13.3	55	2011
19 London - 36 Hertford Street	Freehold	Built-up : 747 sq.metres	Residential apartment	62.2	85	2011
20 London - 37 Hertford Street	Freehold	Built-up : 471 sq.metres	Residential apartment	41.8	245	2011
21 Luton (Luton Casino & Luton Electric)	Leasehold (unexpired lease period of 972 years)	Built-up : 984 sq.metres	2 Casino Clubs	9.2	38	2010
22 Brighton	Leasehold (unexpired lease period of 956 years)	Built-up : 458 sq.metres	Casino Club	4.3	59	2010
23 Westcliff Electric	Leasehold (unexpired lease period of 55 years)	Built-up : 836 sq.metres	Casino Club	30.1	93	2010
24 Westcliff	Leasehold (unexpired lease period of 55 years)	Built-up : 4,529 sq.metres	Casino Club	2.8	93	2010
25 Derby	Leasehold (unexpired lease period of 16 years)	Built-up : 2,150 sq.metres	Casino Club	<0.1	10	2010
26 Birmingham Edgbaston	Leasehold (unexpired lease period of 15 years)	Built-up : 1,488 sq.metres	Casino Club	15.0	111	2010
27 Liverpool Renshaw Street	Leasehold (unexpired lease period of 19 years)	Built-up : 1,498 sq.metres	Casino Club	14.7	118	2010
28 London - 16 Stanhope Row	Leasehold (unexpired lease period of 727 years)	Built-up : 103 sq.metres	Residential Apartment	4.4	85	2011
29 Lytham St. Anne's	Leasehold (unexpired lease period of 22 years)	Built-up : 790 sq.metres	Vacant	0.0	38	2010
30 Sheffield	Leasehold (unexpired lease period of 24 years)	Built-up : 2,973 sq.metres	Casino Club	32.1	12	2010
31 Resorts World Birmingham	Leasehold (unexpired lease period of 94 years)	Built-up : 39,948 sq.metres	Resort (Casino, hotel, restaurants and shops)	633.8	4	2015
32 AB Leicester/Cank St (Leicester Electric)	Leasehold (unexpired lease period of 0 year)	Built-up : 68 sq.metres	Vacant	0.0	92	2010
33 Liverpool Queen Square	Leasehold (unexpired lease period of 13 years)	Built-up : 2,230 sq.metres	Casino Club	16.8	31	2010
34 Palm Beach	Leasehold (unexpired lease period of 0 year)	Built-up : 1,489 sq.metres	Casino Club	11.9	26	2010
35 Coventry	Leasehold (unexpired lease period of 8 years)	Built-up : 1,309 sq.metres	Casino Club	4.9	27	2012

LIST OF PROPERTIES HELD (cont'd)
as at 31 December 2019

LOCATION	TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2019 (RM'million)	AGE OF BUILDING (Years)	YEAR OF ACQUISITION
UNITED KINGDOM						
36 Edinburgh York Place	Leasehold (unexpired lease period of 0 year)	Built-up : 767 sq.metres	Casino Club	<0.1	158	2010
37 Nottingham	Leasehold (unexpired lease period of 7 years)	Built-up : 2,508 sq.metres	Casino Club	<0.1	26	2010
38 Stoke	Leasehold (unexpired lease period of 12 years)	Built-up : 2,415 sq.metres	Casino Club	4.3	41	2010
39 Colony	Leasehold (unexpired lease period of 0 year)	Built-up : 1,594 sq.metres	Casino Club	20.3	111	2010
40 Manchester	Leasehold (unexpired lease period of 7 years)	Built-up : 3,003 sq.metres	Casino Club	6.0	111	2010
41 Birmingham Star City	Leasehold (unexpired lease period of 8 years)	Built-up : 6,503 sq.metres	Casino Club	<0.1	26	2010
42 Blackpool	Leasehold (unexpired lease period of 14 years)	Built-up : 1,354 sq.metres	Casino Club	8.5	111	2010
43 Birmingham Hurst Street	Leasehold (unexpired lease period of 2 years)	Built-up : 1,181 sq.metres	Casino Club	<0.1	61	2010
44 Reading (Reading Club & Reading Electric)	Leasehold (unexpired lease period of 12 years)	Built-up : 1,682 sq.metres	2 Casino Clubs	8.7	41	2010
45 Carlton Derby (Derby Maxims)	Leasehold (unexpired lease period of 14 years)	Built-up : 546 sq.metres	Vacant	<0.1	111	2010
46 Edinburg Fountain Park	Leasehold (unexpired lease period of 12 years)	Built-up : 2,415 sq.metres	Casino Club	14.7	26	2010
47 Plymouth	Leasehold (unexpired lease period of 5 years)	Built-up : 575 sq.metres	Casino Club	<0.1	78	2010
48 London China Town	Leasehold (unexpired lease period of 3 years)	Built-up : 600 sq.metres	Casino Club	0.4	58	2011
49 Plymouth Derry Cross	Leasehold (unexpired lease period of 14 years)	Built-up : 2,137 sq.metres	Vacant	<0.1	13	2010
50 Portsmouth Electric	Leasehold (unexpired lease period of 1 year)	Built-up : 120 sq.metres	Casino Club	0.5	83	2010
51 Southampton Harbour House	Leasehold (unexpired lease period of 12 years)	Built-up : 1,254 sq.metres	Vacant	<0.1	158	2010
52 Southport Floral Gardens	Leasehold (unexpired lease period of 14 years)	Built-up : 1,580 sq.metres	Casino Club	10.3	12	2010
UNITED STATES OF AMERICA						
1 1601 Biscayne Boulevard, Miami	Freehold	Land : 0.1 hectare	1 plot of building land	52.9	-	2011
		Built-up : 120,309 sq.metres	5-storey Omni Office Building	292.7	45	2011
		Built-up : 64,103 sq.metres	3-storey Omni Retail Building		45	2011
		Built-up : 78,968 sq.metres	29-storey Omni Hilton Hotel	296.3	43	2011
2 Downtown Miami, Miami	Freehold	Land : 0.9 hectare	1 plot of building land	68.5	-	2011
		Built-up : 74 sq.metres	Checkers Drive-In Restaurant		27	2011
		Land : 5.6 hectares	1 plot of building land	961.8	-	2011
		Built-up : 70,421 sq.metres	7-storey Miami Herald Building		57	2011
		Built-up : 2,388 sq. metres	2-storey Boulevard Shops		90	2011
		Land : 0.5 hectare	10 plots of vacant land	16.3	-	2011
		Built-up : 389 sq.metres	1 unit of Marquis Condominium	6.6	12	2011
3 Queens, New York	Leasehold (unexpired lease period of 29 years)	Built-up : 52,955 sq.metres	Casino	1,897.9	79	2010
	Leasehold (unexpired lease period of 29 years)	Built-up : 5,667 sq.metres	Casino - Podium 1A	262.8	1	2019
BAHAMAS						
1 North Bimini	Freehold	Land : 6.6 hectares	1 plot of building land	18.5	-	2013
		Built-up : 929 sq.metres	Casino	169.7	7	2013
		Built-up : 12,295 sq.metres	Jetty	203.3	6	2014
		Land : 6.4 hectares	Resort land with hotel	742.3	5	2015
		Built-up : 17,130 sq.metres				
2 Bimini, Bahamas	Freehold	Land : 0.5 hectare	Warehouse	7.5	2	2018
		Land : 5.2 hectares	Beach club	69.6	1	2019
		Built-up 2,323 sq.metres	Warehouse building	6.9	2	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 16 March 2020

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares*	% of Shares
Less than 100	3,377	3.640	21,554	0.000
100 – 1,000	22,633	24.396	17,123,720	0.303
1,001 – 10,000	50,635	54.580	225,906,330	4.001
10,001 – 100,000	14,343	15.460	408,698,565	7.240
100,001 to less than 5% of issued shares	1,782	1.921	2,362,681,612	41.850
5% and above of issued shares	3	0.003	2,631,217,159	46.606
Total	**92,773**	**100.000**	**5,645,648,940**	**100.000**

Note: * Excluding 292,395,708 shares bought back and retained by the Company as treasury shares.

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 16 MARCH 2020
(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	15.941
2. Genting Berhad	900,000,000	15.941
3. Genting Berhad	831,217,159	14.723
4. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)*	137,356,900	2.433
5. Genting Berhad	96,241,500	1.705
6. Cartaban Nominees (Asing) Sdn Bhd *GIC Private Limited For Government of Singapore (C)*	93,480,843	1.656
7. CIMB Group Nominees (Tempatan) Sdn Bhd *CIMB Bank Berhad (EDP 2)*	58,853,600	1.042
8. Cartaban Nominees (Asing) Sdn Bhd *Exempt AN For State Street Bank & Trust Company (WEST CLT OD67)*	55,326,600	0.980
9. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Vanguard Total International Stock Index Fund*	51,678,219	0.915
10. Genting Berhad	49,430,500	0.876
11. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Vanguard Emerging Markets Stock Index Fund*	40,846,437	0.724
12. Cartaban Nominees (Tempatan) Sdn Bhd *PAMB For Prulink Equity Fund*	33,473,900	0.593
13. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)*	33,335,900	0.590
14. DB (Malaysia) Nominee (Asing) Sdn Bhd *BNYM SA/NV For Eastspring Investments - Asian Local Bond Fund*	27,168,200	0.481
15. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (LSF)*	22,601,800	0.400
16. Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad For Public Regular Savings Fund (N14011940100)*	21,425,400	0.380
17. HSBC Nominees (Asing) Sdn Bhd *BBH And Co Boston For Matthews Asian Growth And Income Fund*	20,648,400	0.366
18. Lim Kok Thay	20,003,648	0.354
19. Genting Berhad	18,900,000	0.335
20. Maybank Investment Bank Berhad *IVT (16)*	18,891,800	0.335
21. Cartaban Nominees (Asing) Sdn Bhd *GIC Private Limited For Monetary Authority of Singapore (H)*	18,806,628	0.333
22. Citigroup Nominees (Asing) Sdn Bhd *CBNY For Dimensional Emerging Markets Value Fund*	18,442,500	0.327
23. DB (Malaysia) Nominee (Asing) Sdn Bhd *The Bank of New York Mellon For Pension Reserves Investment Trust Fund*	17,641,500	0.312
24. DB (Malaysia) Nominee (Asing) Sdn Bhd *SSBT Fund VA12 For IVA International Fund*	16,122,900	0.286
25. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN For AIA Bhd.*	15,801,200	0.280
26. DB (Malaysia) Nominee (Asing) Sdn Bhd *SSBT Fund VA11 For IVA Worldwide Fund*	14,977,700	0.265
27. DB (Malaysia) Nominee (Asing) Sdn Bhd *SSBT Fund RKB7 For Wells Fargo Emerging Markets Equity Fund*	14,496,300	0.257
28. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (Par 2)*	13,951,800	0.247
29. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Blackrock Institutional Trust Company, N.A. Investment Funds For Employee Benefit Trusts*	13,914,600	0.246
30. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For MSCI Equity Index Fund B - Malaysia*	13,796,270	0.244
Total	**3,588,832,204**	**63.568**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 16 MARCH 2020

	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Genting Berhad ("GENT")	2,795,789,159	49.52	-	-
Kien Huat Realty Sdn Berhad ("KHR")	1,198,930	0.02	2,795,789,159[(1)]	49.52
Kien Huat International Limited ("KHIL")	-	-	2,796,988,089[(2)]	49.54
Parkview Management Sdn Bhd ("PMSB") as trustee of a discretionary trust	-	-	2,796,988,089[(2)]	49.54
Tan Sri Lim Kok Thay	20,003,648	0.35	2,796,992,189[(3)]	49.54
Lim Keong Hui	648,938	0.01	2,796,992,189[(3)]	49.54

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 in turn 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 Summerhill Trust Company (Isle of Man) Limited ("STC") 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 STC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENM.

DIRECTORS' SHAREHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 16 MARCH 2020

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[(5a)]	20,003,648	0.3543	2,796,992,189[(1)]	49.5424	4,365,094	11,007,068
Tan Sri Dato' Seri Alwi Jantan	597,000	0.0106	-	-	-	-
Mr Lim Keong Hui	648,938	0.0115	2,796,992,189[(1)]	49.5424	1,264,000	4,211,046
Dato' Sri Lee Choong Yan	2,704,674	0.0479	-	-	1,499,700	4,246,757
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 [(5b)]	540,000	0.0096	-	-	-	-
Dato' Koh Hong Sun	10,000	0.0002	-	-	-	-

INTEREST IN GENTING BERHAD ("GENT"), A COMPANY WHICH OWNS 49.52% 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	1,649,846,610[(2)]	42.8467
Mr Lim Keong Hui	-	-	1,649,846,610[(2)]	42.8467
Mr Quah Chek Tin [(5c)]	6,250	0.0002	-	-
Mr Teo Eng Siong	62,500	0.0016	-	-

DIRECTORS' SHAREHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 16 MARCH 2020 (CONT'D)

INTEREST IN GENTING PLANTATIONS BERHAD ("GENP"), A SUBSIDIARY OF GENTING BERHAD

	No. of Shares			
Name	**Direct Interest**	**% of Shares**	**Deemed Interest**	**% of Shares**
Tan Sri Lim Kok Thay	442,800	0.0494	488,406,000(3)	54.4368
Mr Lim Keong Hui	-	-	488,406,000(3)	54.4368
Mr Teo Eng Siong	9,600	0.0011	-	-

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	14,945,063	0.1238	6,353,828,069(4)	52.6642	750,000
Mr Lim Keong Hui	-	-	6,353,828,069(4)	52.6642	-
Tan Sri Dato' Seri Alwi Jantan	1,264,192	0.0105	-	-	-
Dato' Sri Lee Choong Yan	937,585	0.0078	-	-	-
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 in turn 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 Summerhill Trust Company (Isle of Man) Limited ("STC") 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 STC 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 beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares in KHIL which in turn owns 100% of the voting shares in 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.

(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 in turn owns ordinary shares in GENP. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares 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.

(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.

DIRECTORS' SHAREHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 16 MARCH 2020 (CONT'D)

Notes: (cont'd)

(5) The following disclosures are made pursuant to Section 59(11)(c) of the Companies Act 2016:

(a) Interests of Tan Sri Lim Kok Thay's children (other than Mr Lim Keong Hui who is a director of the Company) in the Company are as follows:

Name	Ordinary Shares	No. of Performance Shares granted	
		Restricted Share Plan	Performance Share Plan
Lim Keong Han	5,786 (negligible)	11,100	41,680
Lim Keong Loui	-	37,800	155,720

(b) Mr Teo's child holds 2,000 ordinary shares (negligible) in the Company.
(c) 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 2019, or entered into since the end of the previous financial year are disclosed in Note 45 to the financial statements under "Significant Related Party Disclosures" on pages 151 to 155 of this Annual Report.

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CORPORATE OFFICE

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Genting UK Plc
Genting Club Star City
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Genting New York, LLC
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Resorts World Bimini
C/O Bimini Superfast Operations LLC
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RESORTS

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69000 Pahang, Malaysia
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Resorts World Birmingham
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Resorts World Casino New York City
110-00 Rockaway Blvd.
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T : +1 888 888 8801
E : guestfeedback@rwnewyork.com
www.rwnewyork.com

Resorts World Catskills
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Monticello, NY 12701, USA
T : +1 833 586 9358
E : guestservices@rwcatskills.com
www.rwcatskills.com

Resorts World Bimini
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Commonwealth of the Bahamas
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Resorts World Kijal
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Terengganu, Malaysia
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F : +609 864 1688
www.rwkijal.com

Resorts World Langkawi
Tanjung Malai,
07000 Langkawi
Kedah, Malaysia
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www.rwlangkawi.com

SALES & RESERVATIONS OFFICES

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17th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
T : +603 2718 1118
F : +603 2718 1888
Enquiry E-mail:
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
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
T : +603 2301 6686
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
Genting Highlands Resort
69000 Pahang, Malaysia
Membership Hotline:
T : +603 6105 2028

Genting Club
Resorts World Genting
Genting Highlands Resort
69000 Pahang, Malaysia
T : +603 6105 9009
F : +603 6105 9388

Genting Malta Limited
53, Sir Adrian Dingli Street,
Sliema,
SLM 1902, Malta
www.gentingcasino.com

Resorts World Tours Sdn Bhd

Resorts World OneHub
Lower Ground Floor, Wisma Genting
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50250 Kuala Lumpur, Malaysia
T : +603 2333 3214 / 6663 / 6702
(Airline ticketing)
+603 2333 6303 / 6504 / 6704 / 3254 / 3210
(Tours Division)
F : +603 2333 6995
E : resorts.world.tour@rwgenting.com

Limousine Service Counter (KLIA Sepang)
Lot MTBAP S1
Arrival Hall, Level 3,
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)
Genting Highlands Resort
69000 Pahang, Malaysia
T : +603 6105 9584 / 9585
E : transportreservation-limousine@rwgenting.com

Genting Transport Reservations Centre
(For buses and limousines)
Level T1, Genting Lower Skyway
69000 Genting Highlands
Pahang, Malaysia
T : +603 6105 9215 / 9287

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 *
60 Paya Lebar Road,
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T : +65 6823 9888
F : +65 6822 7282

<u>China – Shanghai</u>
Widuri Pelangi Sdn Bhd #
RM1404 LanSheng Building, 2-8,
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F : +86 21 6329 6256

<u>Genting Rewards</u>
Genting WorldCard Services Sdn Bhd
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F : +603 2333 6611
E : hotline@gentingrewards.com.my
www.rwgenting.com/gentingrewards

** Sales Office*   *# Representative Office*

GENTING PREMIER BRANDS

GENTING

Resorts World GENTING

Resorts World AWANA

Resorts World KIJAL

Resorts World LANGKAWI

Resorts World CASINO NEW YORK CITY

Resorts World CATSKILLS CASINO • RESORT

Resorts World BIMINI BAHAMAS RESORT • CASINO • MARINA

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