Genting Malaysia Berhad
(Incorporated in Malaysia under Company No. 58019-U)
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SECOND QUARTERLY REPORT

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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	UNAUDITED INDIVIDUAL QUARTER Second quarter ended 30 June		UNAUDITED CUMULATIVE PERIOD Six months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	**1,226,492**	1,202,256	**2,571,662**	2,380,309
Cost of sales	**(755,948)**	(725,017)	**(1,557,433)**	(1,455,864)
Gross profit	**470,544**	477,239	**1,014,229**	924,445
Other income	**31,234**	21,231	**58,335**	52,700
Other expenses	**(87,677)**	(59,562)	**(149,737)**	(119,955)
Profit from operations before impairment losses	**414,101**	438,908	**922,827**	857,190
Impairment losses	**-**	-	**(110,876)**	(32,735)
Profit from operations	**414,101**	438,908	**811,951**	824,455
Share of results in jointly controlled entity	**29**	(49)	**21**	86
Profit before taxation	**414,130**	438,859	**811,972**	824,541
Taxation	**(108,594)**	(108,491)	**(234,174)**	(218,828)
Profit for the financial period	**305,536**	330,368	**577,798**	605,713
Profit attributable to:				
Equity holders of the Company	**305,690**	330,481	**578,054**	605,925
Minority interests	**(154)**	(113)	**(256)**	(212)
	305,536	330,368	**577,798**	605,713
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	**5.36**	5.78	**10.14**	10.59
Diluted earnings per share (sen)	**5.36**	5.77	**10.13**	10.58

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

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	UNAUDITED INDIVIDUAL QUARTER Second quarter ended 30 June		UNAUDITED CUMULATIVE PERIOD Six months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit for the financial period	**305,536**	330,368	**577,798**	605,713
Other comprehensive (loss)/income:				
Available-for-sale financial assets	**(93,340)**	311,200	**(317,376)**	311,200
Foreign currency exchange differences	**(40,013)**	(62,887)	**(148,985)**	36,952
Other comprehensive (loss)/income, net of tax	**(133,353)**	248,313	**(466,361)**	348,152
Total comprehensive income for the financial period	**172,183**	578,681	**111,437**	953,865
Total comprehensive income attributable to:				
Equity holders of the Company	**172,337**	578,794	**111,693**	954,077
Minority interests	**(154)**	(113)	**(256)**	(212)
	172,183	578,681	**111,437**	953,865

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

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

	Unaudited As at 30.06.2010 RM'000	Audited As at 31.12.2009 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	**3,501,442**	3,561,473
Land held for property development	**181,534**	181,534
Investment properties	**328,107**	337,206
Intangible asset	**11,576**	11,576
Jointly controlled entity	**1,481**	1,460
Available-for-sale financial assets	**1,246,527**	1,270,128
Other long term investments	**-**	410,714
Long term receivables	**29,905**	34,004
Deferred tax assets	**133**	133
	5,300,705	5,808,228
Current assets		
Inventories	**65,912**	62,026
Trade and other receivables	**191,492**	186,003
Amount due from other related companies	**25,085**	18,111
Amount due from jointly controlled entity	**20**	20
Financial assets at fair value through profit or loss	**133,732**	-
Available-for-sale financial asset	**250,025**	-
Short term investments	**-**	20,605
Cash and cash equivalents	**5,555,013**	5,251,039
	6,221,279	5,537,804
TOTAL ASSETS	**11,521,984**	11,346,032
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**590,669**	590,479
Reserves	**10,203,264**	10,254,277
Treasury shares	**(710,255)**	(707,497)
	10,083,678	10,137,259
Minority interests	**-**	6,920
TOTAL EQUITY	**10,083,678**	10,144,179
Non-current liabilities		
Other long term liabilities	**102,618**	104,418
Deferred tax liabilities	**255,232**	262,419
	357,850	366,837
Current liabilities		
Trade and other payables	**596,264**	635,300
Amount due to holding company	**14,336**	14,152
Amount due to other related companies	**86,212**	54,125
Taxation	**199,868**	131,439
Dividend payable	**183,776**	-
	1,080,456	835,016
TOTAL LIABILITIES	**1,438,306**	1,201,853
TOTAL EQUITY AND LIABILITIES	**11,521,984**	11,346,032
NET ASSETS PER SHARE (RM)	**1.77**	1.78

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

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

	Attributable to equity holders of the Company								
	Share Capital	Share Premium	Available-for-sale Financial Assets Reserve	Other Reserves	Treasury Shares	Retained Earnings	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	590,479	1,105,957	887,932	(147,664)	(707,497)	8,408,052	10,137,259	6,920	10,144,179
Effects of adopting FRS 139	-	-	19,015	-	-	(1,644)	17,371	-	17,371
Restated balance	590,479	1,105,957	906,947	(147,664)	(707,497)	8,406,408	10,154,630	6,920	10,161,550
Share based payments under ESOS	-	-	-	23	-	-	23	-	23
Issue of shares	190	3,676	-	-	-	-	3,866	-	3,866
Buy-back of shares	-	-	-	-	(2,758)	-	(2,758)	-	(2,758)
Distribution by a subsidiary	-	-	-	-	-	-	-	(6,664)	(6,664)
Appropriation: Final dividend declared for the year ended 31 December 2009	-	-	-	-	-	(183,776)	(183,776)	-	(183,776)
Total comprehensive (loss)/income for the period	-	-	(317,376)	(148,985)	-	578,054	111,693	(256)	111,437
At 30 June 2010	590,669	1,109,633	589,571	(296,626)	(710,255)	8,800,686	10,083,678	-	10,083,678
At 1 January 2009	590,180	1,100,164	-	(129,102)	(627,571)	7,384,070	8,317,741	7,338	8,325,079
Share based payments under ESOS	-	-	-	14	-	-	14	-	14
Issue of shares	41	798	-	-	-	-	839	-	839
Buy-back of shares	-	-	-	-	(13,917)	-	(13,917)	-	(13,917)
Appropriation: Final dividend declared for the year ended 31 December 2008	-	-	-	-	-	(171,534)	(171,534)	-	(171,534)
Total comprehensive income for the period	-	-	311,200	36,952	-	605,925	954,077	(212)	953,865
At 30 June 2009	590,221	1,100,962	311,200	(92,136)	(641,488)	7,818,461	9,087,220	7,126	9,094,346

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

GENTING MALAYSIA BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Unaudited Six months ended 30 June	
	2010 RM'000	2009 RM'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**811,972**	824,541
Adjustments for:		
Depreciation of property, plant and equipment	**129,645**	133,885
Interest income	**(44,770)**	(38,500)
Investment income	**(16,299)**	(2,481)
Impairment losses	**110,876**	32,735
Provision for diminution in value of short term investment	**-**	969
Fair value loss on financial assets at fair value through profit or loss	**32,447**	-
Provision for retirement gratuities	**625**	7,673
Share of results in jointly controlled entity	**(21)**	(86)
Gain on disposal of land held for property development	**-**	(2,918)
Gain on disposal of investments	**-**	(18,481)
Other non-cash items and adjustments	**5,245**	2,555
	217,748	115,351
Operating profit before working capital changes	**1,029,720**	939,892
Net change in current assets	**(18,790)**	(20,205)
Net change in current liabilities	**(11,464)**	(16,533)
	(30,254)	(36,738)
Cash generated from operations	**999,466**	903,154
Net tax paid	**(172,911)**	(161,989)
Retirement gratuities paid	**(2,825)**	(3,545)
Other net operating receipts	**(1,089)**	435
	(176,825)	(165,099)
Net Cash Flow From Operating Activities	**822,641**	738,055
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	**(74,728)**	(65,793)
Purchase of financial assets at fair value through profit or loss	**(154,637)**	-
Purchase of available-for-sale financial assets	**(309,445)**	-
Proceeds from disposal of land held for property development	**-**	7,500
Purchase of investments	**-**	(381,694)
Proceeds from disposal of investments	**13,129**	198,397
Other investments	**63,512**	38,722
Net Cash Flow From Investing Activities	**(462,169)**	(202,868)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	**3,866**	839
Buy-back of shares	**(2,758)**	(13,917)
Net Cash Flow From Financing Activities	**1,108**	(13,078)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**361,580**	522,109
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**5,251,039**	4,542,962
EFFECT OF CURRENCY TRANSLATION	**(57,606)**	24,001
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**5,555,013**	5,089,072
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	**3,019,301**	2,870,095
Money market instruments	**2,535,712**	2,218,977
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**5,555,013**	5,089,072

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

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

a) Accounting Policies and Methods of Computation

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2009, except for the adoption of new FRSs, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 January 2010. The adoption of these FRSs, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the followings FRSs as set out below:

FRS 101 (revised) "Presentation of Financial Statements"

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

FRS 139 "Financial Instruments: Recognition and Measurement"

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

i) <u>Available-for-sale financial assets</u>

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

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

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

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

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

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

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

ii) Loans and receivables

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

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

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

iii) Fair value through profit or loss

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

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

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

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

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

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

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

FRS 8 "Operating Segments"

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

Amendment to FRS 117 "Leases"

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

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

IC Interpretation 13 "Customer Loyalty Programmes"

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

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

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

Comparative Figures

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

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

b) Seasonal or Cyclical Factors

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

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

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

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

   A fair value loss of RM318.9 million in the investment in Genting HK is recognised directly in the statement of comprehensive income during the six months ended 30 June 2010. This fair value loss of RM318.9 million represents the decline in Genting HK's share price to USD0.19 per share as at 30 June 2010 from the Group's carrying value of USD0.26 per share as at 31 December 2009.

ii) The Group has further reviewed its investment in Walker Digital Gaming, LLC ("WDG") for potential impairment, in view of WDG's shift in its business and operational strategies to penetrate the competitive gaming equipment market. This shift in strategy resulted in a re-assessment of the Group's current carrying value of its investment in WDG. Consequently, an impairment loss of RM108.0 million, being the excess of the carrying value over the recoverable amount, has been charged to the profit or loss in the first quarter ended 31 March 2010.

iii) Foreign currency exchange losses of RM149.0 million during the six months ended 30 June 2010 as disclosed in the statement of comprehensive income arose from the translation of the Group's net investments in foreign operations.

iv) Net fair value loss on financial assets at fair value through profit or loss ("FVTPL") of RM32.4 million during the six months ended 30 June 2010 arose from the changes in fair value of the Group's investments in FVTPL.

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

d) Material Changes in Estimates

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

e) Changes in Debt and Equity Securities

i) The Company issued 1,902,000 new ordinary shares of 10 sen each, for cash, arising from the exercise of options granted under the Executive Share Option Scheme for Eligible Executives of Genting Malaysia Berhad during the six months ended 30 June 2010 at the following exercise prices:

Exercise price (RM)	**No. of options exercised during the six months ended 30 June 2010**
1.700	35,000
1.898	285,000
2.064	1,572,000
2.134	10,000
	1,902,000

ii) At the Annual General Meeting of the Company held on 9 June 2010, the shareholders of the Company had approved, amongst others,

(I) the proposed renewal of the authority for the Company to purchase its own shares of an aggregate amount of up to 10% of its prevailing issued and paid-up share capital at anytime; and

(II) the proposed exemption under Practice Note 2.9.10 of the Malaysian Code on Take-Overs and Mergers, 1998 to Genting Berhad (“GENT”) and persons acting in concert with it from the obligation to undertake a mandatory take-over offer on the remaining voting shares in the Company not already owned by them, upon the purchase by the Company of its own shares pursuant to the renewal of the authority for the purchase of own shares (“Proposed Exemption”).

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

During the six months ended 30 June 2010, the Company had repurchased a total of 1,000,000 ordinary shares of 10 sen each of its issued share capital from the open market for a total consideration of RM2.8 million. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

f) Dividends Paid

No dividend has been paid for the six months ended 30 June 2010.

g) Segment Information

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

Segment analysis for the six months ended 30 June 2010 is set out below:

	Leisure & Hospitality RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue					
External	2,531,241	11,486	28,935	-	2,571,662
Inter segment	775	4,331	35,224	(40,330)	-
	2,532,016	15,817	64,159	(40,330)	2,571,662
Adjusted EBITDA	1,013,509	9,496	3,897	-	1,026,902
Total Assets	4,041,622	776,763	7,112,962	(409,363)	11,521,984

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

Adjusted EBITDA for reportable segments	1,026,902
Impairment losses	(110,876)
Depreciation and amortisation	(132,697)
Interest income	44,770
Share of results in jointly controlled entity	21
Fair value loss on financial assets at fair value through profit or loss	(32,447)
Investment income	16,299
Profit before taxation	811,972

h) Valuation of Property, Plant and Equipment

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

i) Material Events Subsequent to the end of Financial Period

i) Proposed acquisition of Genting Singapore PLC's casino businesses in the United Kingdom for a total cash consideration of GBP340 million

On 1 July 2010, the Company announced that Genting Worldwide (UK) Limited (formerly known as Feste Limited), a wholly-owned subsidiary of Genting Worldwide Limited which in turn is a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Genting Singapore PLC ("GENS") to acquire from GENS its casino operations in the United Kingdom for a total cash consideration of GBP340 million ("Proposed Acquisition"), which may be adjusted in accordance with the adjustment mechanism. The consideration was arrived at after arm's length negotiations and on a willing-buyer and willing-seller basis.

At the Extraordinary General Meeting of the Company held on 24 August 2010, the shareholders of the Company had approved the Proposed Acquisition. The Proposed Acquisition is expected to be completed in the second half of this year.

i) Material Events Subsequent to the end of Financial Period (Cont'd)

ii) Development and operation of a Video Lottery Facility at Aqueduct Racetrack

On 29 June 2010, Genting New York LLC ("Genting NY"), an indirect wholly-owned subsidiary of the Company, submitted a formal bid to the New York State Division of Lottery ("New York Lottery") to allow Genting NY to participate in the bidding process to develop and operate a Video Lottery Facility at the Aqueduct Racetrack in the city of New York, United States of America ("Project").

On 3 August 2010, New York Lottery had recommended to the New York Governor for Genting NY to be awarded the New York video lottery licence for the Project.

Subsequently on 17 August 2010, the New York State Office of the Governor issued a press release announcing the approval by the Governor, Senate Conference Leader and Assembly Speaker of the New York Lottery's recommendation, subject to review and approval by the Office of the Attorney General and Office of the State Comptroller.

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

j) Changes in the Composition of the Group

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

k) Changes in Contingent Liabilities or Contingent Assets

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

l) Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2010 are as follows:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements:	
- Contracted	150,956
- Not contracted	295,411
	446,367

m) Significant Related Party Transactions

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

		Current quarter RM'000	**Current financial year-to-date RM'000**
i)	Provision of technical know-how and management expertise in the resort's operations by GENT Group to the Group.	97,586	210,878
ii)	Licensing Fee for the use of "Genting" and "Awana" logo charged by GENT to the Group.	41,470	87,920
iii)	Provision of GENT Group Management and Support Service by GENT Group to the Group.	747	1,467
iv)	International Sales and Marketing services provided by GENS to the Group.	11,293	23,569
v)	Provision of management and promotion of loyalty programme by a wholly-owned subsidiary of GENS to the Group.	1,067	2,132
vi)	Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by GENS Group to the Group.	4,779	9,822
vii)	Provision of information technology technical support services by GENS Group to the Group.	1,556	2,986
viii)	Provision of information technology services for ad hoc projects by GENS Group to the Group.	468	1,083
ix)	Provision of Customer Interaction Centre services by a wholly-owned subsidiary of GENS Group to the Group.	2,453	4,701
x)	Rental charges for premises by the Company to Oriregal Creations Sdn Bhd.	363	718
xi)	Rental charges and related services by the Group to GENT Group.	811	1,617
xii)	Rental charges and related services by the Group to Genting Plantations Berhad Group.	341	682
xiii)	Rental charges and related services by the Group to GENS Group.	449	907

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

1) Review of Performance

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER			**PRECEDING QUARTER**		**SIX MONTHS ENDED 30 JUNE**		
	2Q2010 RM'Mil	**2Q2009 RM'Mil**	**Var %**	**1Q2010 RM'Mil**	**Var %**	**2010 RM'Mil**	**2009 RM'Mil**	**Var %**
Revenue								
Leisure & Hospitality	**1,202.3**	1,170.3	3%	1,328.9	-10%	**2,531.2**	2,340.0	8%
Property	**5.8**	1.0	+>100%	5.7	2%	**11.5**	2.0	+>100%
Others	**18.4**	30.9	-40%	10.6	74%	**29.0**	38.3	-24%
	1,226.5	1,202.2	2%	1,345.2	-9%	**2,571.7**	2,380.3	8%
Adjusted EBITDA								
Leisure & Hospitality	**472.3**	467.1	1%	541.2	-13%	**1,013.5**	924.4	10%
Property	**4.5**	0.4	+>100%	5.0	-10%	**9.5**	4.0	+>100%
Others	**3.1**	3.1	-	0.8	+>100%	**3.9**	4.8	-19%
	479.9	470.6	2%	547.0	-12%	**1,026.9**	933.2	10%
Impairment losses	**-**	-	-	(110.9)	100%	**(110.9)**	(32.7)	->100%
Depreciation and amortisation	**(66.3)**	(67.7)	2%	(66.4)	0%	**(132.7)**	(134.5)	1%
Interest income	**25.0**	17.8	40%	19.8	26%	**44.8**	38.5	16%
Share of results in jointly controlled entity	**0.0**	(0.0)	+>100%	(0.0)	+>100%	**0.0**	0.1	->100%
Gain on disposal of investments	**-**	15.8	-100%	-	-	**-**	18.5	-100%
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(34.0)**	-	->100%	1.6	->100%	**(32.4)**	-	->100%
Investment income	**9.6**	2.5	+>100%	6.7	43%	**16.3**	2.5	+>100%
Provision for diminution in value of short term investments	**-**	(0.1)	100%	-	-	**-**	(1.0)	100%
Profit before taxation	**414.2**	438.9	-6%	397.8	4%	**812.0**	824.6	-2%

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

Total revenue increased by 2% to RM1,226.5 million mainly due to the better underlying performance of the leisure and hospitality business. The improved financial performance was mainly due to better luck factor in the premium players business in the current quarter ended 30 June 2010.

However, profit before taxation was RM414.2 million which is lower by RM24.7 million or 6% mainly due to the following:

- fair value loss of RM34.0 million arising from the Group's investments in financial assets at fair value through profit or loss ("FVTPL");
- gain on disposal of investments of RM15.8 million in the same quarter last year;
  mitigated by
- better luck factor in the premium players business; and
- higher interest & investment income by RM14.3 million.

Excluding the fair value loss, gain on disposal of investments and interest & investment income, the Group's profit before taxation would have increased by 3%.

1) Review of Performance (Cont'd)

b) Financial period for the six months ended 30 June 2010 compared with six months ended 30 June 2009

Total revenue increased by 8% to RM2,571.7 million mainly due to overall higher volume of business and better luck factor in the premium players business during the first half of this year.

Profit before tax was RM812.0 million, which is lower by 2% mainly due to the following:

- impairment loss arising from the Group's investment in available-for-sale financial asset ("AFS") of RM108.0 million as mentioned in Part I (c)(ii) above. Included in the profit before taxation in the six months ended 30 June 2009 was an impairment loss of RM30.4 million on the Group's investment in AFS;
- fair value loss of RM32.4 million arising from the Group's investments in FVTPL;
- gain on disposal of investments of RM18.5 million last year;
  mitigated by
- overall higher volume of business and better luck factor in the premium players business; and
- higher interest & investment income by RM20.1 million.

Excluding the impairment losses, fair value loss, gain on disposal of investments and interest & investment income, the Group's profit before taxation would have increased by 12%.

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

The Group registered a higher profit before taxation of RM414.2 million in the current quarter ended 30 June 2010 compared with RM397.8 million in the preceding quarter ended 31 March 2010.

The higher profit before taxation is mainly due to the following:

- impairment loss arising from the Group's investment in AFS of RM108.0 million as mentioned in Part I (c)(ii) above in the preceding quarter;
  which is offset by
- fair value loss of RM34.0 million arising from the Group's investments in FVTPL during the current quarter ended 30 June 2010; and
- weaker luck factor in the premium players business and lower volume of business during the current quarter ended 30 June 2010.

3) Prospects

The Group is cautiously optimistic about its prospects as regional competition continues to impact the Group's performance. Whilst business has been resilient, the Group will continue to closely monitor the competitive environment and intensify its plans to meet growing competition.

4) Variance of Actual Profit from Forecast Profit

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

5) Taxation

Taxation charges for the current quarter and six months ended 30 June 2010 are as follows:

	Current quarter ended 30 June 2010	**Six months ended 30 June 2010**
	RM'000	**RM'000**
Current taxation charge:		
Malaysian income tax charge	109,958	241,255
Foreign income tax charge	66	107
Deferred tax charge	(1,406)	(7,340)
	108,618	234,022
Prior years' taxation:		
Income tax over provided	(12)	(1)
Deferred tax (over)/under provided	(12)	153
	108,594	234,174

The effective tax rate of the Group for the current quarter ended 30 June 2010 (before the adjustment of taxation in respect of prior years) is higher than the statutory tax rate mainly due to non-deductible expenses and mitigated by tax incentives.

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

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

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

7) Quoted Securities other than Securities in Existing Subsidiaries

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

	Current quarter ended 30 June 2010	**Six months ended 30 June 2010**
	RM'000	**RM'000**
Total purchases at cost	-	1,229

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

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

	Available-for-Sale Financial Assets	**Financial Assets at Fair Value through Profit or Loss**
	RM'000	**RM'000**
Total investments at cost	1,195,076	27,073
Total investments at market value	882,797	19,142

8) Status of Corporate Proposals Announced

i) Proposed acquisition of Genting Singapore PLC's casino businesses in the United Kingdom for a total cash consideration of GBP340 million

On 1 July 2010, the Company announced that Genting Worldwide (UK) Limited (formerly known as Feste Limited), a wholly-owned subsidiary of Genting Worldwide Limited which in turn is a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Genting Singapore PLC ("GENS") to acquire from GENS its casino operations in the United Kingdom for a total cash consideration of GBP340 million ("Proposed Acquisition"), which may be adjusted in accordance with the adjustment mechanism. The consideration was arrived at after arm's length negotiations and on a willing-buyer and willing-seller basis.

At the Extraordinary General Meeting of the Company held on 24 August 2010, the shareholders of the Company had approved the Proposed Acquisition. The Proposed Acquisition is expected to be completed in the second half of this year.

ii) Development and operation of a Video Lottery Facility at Aqueduct Racetrack

On 29 June 2010, Genting New York LLC ("Genting NY"), an indirect wholly-owned subsidiary of the Company, submitted a formal bid to the New York State Division of Lottery ("New York Lottery") to allow Genting NY to participate in the bidding process to develop and operate a Video Lottery Facility at the Aqueduct Racetrack in the city of New York, United States of America ("Project").

On 3 August 2010, New York Lottery had recommended to the New York Governor for Genting NY to be awarded the New York video lottery licence for the Project.

Subsequently on 17 August 2010, the New York State Office of the Governor issued a press release announcing the approval by the Governor, Senate Conference Leader and Assembly Speaker of the New York Lottery's recommendation, subject to review and approval by the Office of the Attorney General and Office of the State Comptroller.

Other than the above, there were no other corporate proposals announced but not completed as at 19 August 2010.

9) Group Borrowings and Debt Securities

There are no borrowings and debt securities as at 30 June 2010.

10) Outstanding derivatives

There are no outstanding derivatives as at 30 June 2010.

11) Fair Value Changes of Financial Liabilities

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

12) Changes in Material Litigation

There are no pending material litigations as at 19 August 2010.

13) Dividend Proposed or Declared

(a) (i) An interim dividend for the half year ended 30 June 2010 has been declared by the Directors.

(ii) The interim dividend for the period ended 30 June 2010 is 3.60 sen per ordinary share of 10 sen each, less 25% tax.

(iii) The interim dividend declared and paid for the previous year corresponding period ended 30 June 2009 was 3.00 sen per ordinary share of 10 sen each, less 25% tax.

(iv) The interim dividend shall be payable on 21 October 2010.

(v) Entitlement to the interim dividend:

A Depositor shall qualify for entitlement to the interim dividend only in respect of:

(I) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 30 September 2010 in respect of ordinary transfers; and

(II) Shares bought on the Bursa Malaysia on a cum entitlement basis according to the rules of the Bursa Malaysia.

(b) Total dividend payable for the current financial year-to-date is 3.60 sen per ordinary share of 10 sen each, less 25% tax.

14) Earnings per share ("EPS")

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

	Current quarter ended <u>30 June 2010</u> <u>RM'000</u>	**Current financial year-to-date ended <u>30 June 2010</u> <u>RM'000</u>**
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	305,690	578,054

14) *Earnings per share ("EPS") (Cont'd)*

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

	Current quarter ended 30 June 2010	**Current financial year-to-date ended 30 June 2010**
	Number of Shares ('000)	**Number of Shares ('000)**
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,698,894	5,698,549
Adjustment for share options granted under the Executive Share Option Scheme for Eligible Executives of Genting Malaysia Berhad	8,961	9,172
Weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	5,707,855	5,707,721

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

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

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

16) *Approval of Interim Financial Statements*

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 August 2010.