GENTING MALAYSIA

**SECOND QUARTERLY REPORT**

Quarterly report on consolidated results for the six months ended 30 June 2021. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

| | UNAUDITED INDIVIDUAL QUARTER Second quarter ended 30 June | | UNAUDITED CUMULATIVE PERIOD Six months ended 30 June | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **RM'000** | RM'000 | **RM'000** | RM'000 |
| **Revenue** | **817,868** | 114,910 | **1,441,218** | 2,070,778 |
| Cost of sales | **(860,701)** | (790,235) | **(1,673,638)** | (2,426,793) |
| **Gross loss** | **(42,833)** | (675,325) | **(232,420)** | (356,015) |
| Other income | **96,696** | 45,458 | **141,074** | 120,723 |
| Other expenses | **(257,809)** | (209,964) | **(523,153)** | (500,138) |
| Other gains/(losses) | **7,813** | 7,311 | **(6,671)** | (11,978) |
| Loss from operations before impairment losses | **(196,133)** | (832,520) | **(621,170)** | (747,408) |
| Impairment losses | **(23,774)** | (14,820) | **(31,059)** | (361,131) |
| **Loss from operations** | **(219,907)** | (847,340) | **(652,229)** | (1,108,539) |
| Finance costs | **(100,510)** | (118,530) | **(182,501)** | (203,872) |
| Share of results in an associate | **(50,618)** | (78,621) | **(95,981)** | (178,729) |
| **Loss before taxation** | **(371,035)** | (1,044,491) | **(930,711)** | (1,491,140) |
| Taxation | **4,319** | 121,313 | **62,680** | 114,046 |
| **Loss for the financial period** | **(366,716)** | (923,178) | **(868,031)** | (1,377,094) |
| **Loss attributable to:** | | | | |
| Equity holders of the Company | **(348,113)** | (900,421) | **(831,704)** | (1,318,378) |
| Non-controlling interests | **(18,603)** | (22,757) | **(36,327)** | (58,716) |
| | **(366,716)** | (923,178) | **(868,031)** | (1,377,094) |
| **Loss per share attributable to equity holders of the Company:** | | | | |
| Basic loss per share (sen) | **(6.16)** | (15.93) | **(14.71)** | (23.32) |
| Diluted loss per share (sen) | **(6.16)** | (15.93) | **(14.71)** | (23.32) |

*(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2020.)*

**GENTING MALAYSIA BERHAD**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

| | UNAUDITED INDIVIDUAL QUARTER Second quarter ended 30 June | | UNAUDITED CUMULATIVE PERIOD Six months ended 30 June | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| | **RM'000** | RM'000 | **RM'000** | RM'000 |
| **Loss for the financial period** | **(366,716)** | (923,178) | **(868,031)** | (1,377,094) |
| **Other comprehensive income/(loss)** | | | | |
| **Item that will not be reclassified subsequently to profit or loss:** | | | | |
| Changes in the fair value of equity investments at fair value through other comprehensive income | **-** | (53,165) | **-** | (53,165) |
| **Items that may be reclassified subsequently to profit or loss:** | | | | |
| Cash flow hedges | | | | |
| - Fair value gain/(loss) | **2,385** | (808) | **2,970** | (3,228) |
| Foreign currency exchange differences | | | | |
| - Exchange differences on translation of foreign operations | **54,343** | (85,068) | **357,814** | 200,038 |
| - Reclassification to profit or loss upon disposal of a subsidiary | **(29,287)** | - | **(29,287)** | - |
| | **25,056** | (85,068) | **328,527** | 200,038 |
| **Other comprehensive income/(loss), net of tax** | **27,441** | (139,041) | **331,497** | 143,645 |
| **Total comprehensive loss for the financial period** | **(339,275)** | (1,062,219) | **(536,534)** | (1,233,449) |
| **Total comprehensive loss attributable to:** | | | | |
| Equity holders of the Company | **(319,219)** | (1,042,607) | **(485,467)** | (1,163,052) |
| Non-controlling interests | **(20,056)** | (19,612) | **(51,067)** | (70,397) |
| | **(339,275)** | (1,062,219) | **(536,534)** | (1,233,449) |

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2020.)*

**GENTING MALAYSIA BERHAD**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT 30 JUNE 2021**

| | **UNAUDITED As at 30.06.2021 RM'000** | As at 31.12.2020 RM'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | **16,282,268** | 16,052,434 |
| Land held for property development | **180,518** | 184,596 |
| Investment properties | **1,805,908** | 1,729,677 |
| Intangible assets | **4,365,264** | 4,247,655 |
| Right-of-use assets | **737,815** | 741,623 |
| Associate | **1,145,020** | 1,052,174 |
| Joint venture | **40** | - |
| Financial assets at fair value through other comprehensive income | **64,421** | 62,320 |
| Financial assets at fair value through profit or loss | **127,425** | 118,072 |
| Other non-current assets | **101,821** | 102,250 |
| Deferred tax assets | **32,789** | 31,664 |
| | **24,843,289** | 24,322,465 |
| **Current assets** | | |
| Inventories | **128,270** | 121,393 |
| Trade and other receivables | **546,692** | 563,501 |
| Amounts due from related companies | **15,876** | 28,345 |
| Amounts due from an associate | **19,761** | - |
| Financial assets at fair value through profit or loss | **-** | 362,585 |
| Restricted cash | **7,881** | 29,163 |
| Cash and cash equivalents | **4,992,573** | 2,452,905 |
| | **5,711,053** | 3,557,892 |
| Assets classified as held for sale | **36,853** | 406,750 |
| | **5,747,906** | 3,964,642 |
| **TOTAL ASSETS** | **30,591,195** | 28,287,107 |
| **EQUITY AND LIABILITIES** | | |
| **Equity attributable to equity holders of the Company** | | |
| Share capital | **1,764,424** | 1,764,424 |
| Reserves | **13,154,253** | 14,135,312 |
| Treasury shares | **(985,868)** | (987,934) |
| | **13,932,809** | 14,911,802 |
| **Non-controlling interests** | **(462,247)** | (411,180) |
| **TOTAL EQUITY** | **13,470,562** | 14,500,622 |
| **Non-current liabilities** | | |
| Other long term liabilities | **275,909** | 312,112 |
| Long term borrowings | **12,850,305** | 9,069,908 |
| Amount due to a related company | **11,978** | 11,577 |
| Lease liabilities | **689,012** | 705,115 |
| Deferred tax liabilities | **691,705** | 707,208 |
| Derivative financial instruments | **1,037** | 2,849 |
| | **14,519,946** | 10,808,769 |
| **Current liabilities** | | |
| Trade and other payables | **2,191,554** | 2,437,230 |
| Amount due to holding company | **9,675** | 12,919 |
| Amounts due to related companies | **21,717** | 22,015 |
| Amount due to an associate | **-** | 16,733 |
| Short term borrowings | **246,137** | 319,296 |
| Lease liabilities | **121,096** | 144,098 |
| Derivative financial instruments | **3,464** | 4,248 |
| Taxation | **7,044** | 20,000 |
| | **2,600,687** | 2,976,539 |
| Liabilities classified as held for sale | **-** | 1,177 |
| | **2,600,687** | 2,977,716 |
| **TOTAL LIABILITIES** | **17,120,633** | 13,786,485 |
| **TOTAL EQUITY AND LIABILITIES** | **30,591,195** | 28,287,107 |
| **NET ASSETS PER SHARE (RM)** | **2.46** | 2.64 |

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2020.)*

**GENTING MALAYSIA BERHAD**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

| | Attributable to equity holders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share Capital | Fair Value Reserve | Cash Flow Hedges Reserve | Other Reserves | Treasury Shares | Retained Earnings | Total | Non-controlling Interests | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance at 1 January 2021 | 1,764,424 | (83,898) | (6,939) | 1,413,025 | (987,934) | 12,813,124 | 14,911,802 | (411,180) | 14,500,622 |
| Loss for the financial period | - | - | - | - | - | (831,704) | (831,704) | (36,327) | (868,031) |
| Other comprehensive (loss)/income | - | - | 2,970 | 343,267 | - | - | 346,237 | (14,740) | 331,497 |
| Total comprehensive (loss)/income for the financial period | - | - | 2,970 | 343,267 | - | (831,704) | (485,467) | (51,067) | (536,534) |
| Transactions with owners: | | | | | | | | | |
| Buy-back of shares | - | - | - | - | (21,257) | - | (21,257) | - | (21,257) |
| Performance-based employee share scheme | - | - | - | 8,086 | - | - | 8,086 | - | 8,086 |
| Employee share scheme shares vested to employees | - | - | - | (23,323) | 23,323 | - | - | - | - |
| Transfer of employee share scheme shares purchase price difference on shares vested | - | - | - | (2,737) | - | 2,737 | - | - | - |
| Appropriation: | | | | | | | | | |
| Special single-tier dividend declared for the financial year ended 31 December 2020 | - | - | - | - | - | (480,355) | (480,355) | - | (480,355) |
| Total transactions with owners | - | - | - | (17,974) | 2,066 | (477,618) | (493,526) | - | (493,526) |
| At 30 June 2021 | 1,764,424 | (83,898) | (3,969) | 1,738,318 | (985,868) | 11,503,802 | 13,932,809 | (462,247) | 13,470,562 |

*(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 2020.)*

**GENTING MALAYSIA BERHAD**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)**
**FOR THE SIX MONTHS ENDED 30 JUNE 2020**

| | Attributable to equity holders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share Capital | Fair Value Reserve | Cash Flow Hedges Reserve | Other Reserves | Treasury Shares | Retained Earnings | Total | Non-controlling Interests | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance at 1 January 2020 | 1,764,424 | (30,733) | (5,172) | 1,560,855 | (998,094) | 16,206,357 | 18,497,637 | (327,607) | 18,170,030 |
| Loss for the financial period | - | - | - | - | - | (1,318,378) | (1,318,378) | (58,716) | (1,377,094) |
| Other comprehensive (loss)/income | - | (53,165) | (3,228) | 211,719 | - | - | 155,326 | (11,681) | 143,645 |
| Total comprehensive (loss)/income for the financial period | - | (53,165) | (3,228) | 211,719 | - | (1,318,378) | (1,163,052) | (70,397) | (1,233,449) |
| Transactions with owners: | | | | | | | | | |
| Buy-back of shares | - | - | - | - | (30,145) | - | (30,145) | - | (30,145) |
| Performance-based employee share scheme | - | - | - | 20,438 | - | - | 20,438 | - | 20,438 |
| Employee share scheme shares vested to employees | - | - | - | (40,305) | 40,305 | - | - | - | - |
| Transfer of employee share scheme shares purchase price difference on shares vested | - | - | - | (10,492) | - | 10,492 | - | - | - |
| Appropriation: | | | | | | | | | |
| Special single-tier dividend declared for the financial year ended 31 December 2019 | - | - | - | - | - | (508,108) | (508,108) | - | (508,108) |
| Final single-tier dividend declared for the financial year ended 31 December 2019 | - | - | - | - | - | (282,662) | (282,662) | - | (282,662) |
| Total transactions with owners | - | - | - | (30,359) | 10,160 | (780,278) | (800,477) | - | (800,477) |
| At 30 June 2020 | 1,764,424 | (83,898) | (8,400) | 1,742,215 | (987,934) | 14,107,701 | 16,534,108 | (398,004) | 16,136,104 |

*(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 2020.)*

**GENTING MALAYSIA BERHAD**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

| | **UNAUDITED Six months ended 30 June** | |
|---|---|---|
| | **2021** | 2020 |
| | **RM'000** | RM'000 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss before taxation | **(930,711)** | (1,491,140) |
| Adjustments for: | | |
| Depreciation and amortisation | **539,047** | 562,416 |
| Property, plant and equipment written off | **7,666** | 2,591 |
| Net (gain)/loss on disposal of property, plant and equipment | **(70)** | 763 |
| Finance costs | **182,501** | 203,872 |
| Interest income | **(9,750)** | (62,094) |
| Investment income | **(8,639)** | (12,074) |
| Dividend income | **(3,099)** | (2,479) |
| Impairment losses | **31,059** | 361,131 |
| Employee share grant scheme expenses | **8,086** | 20,438 |
| Gain on disposal of a subsidiary | **(64,357)** | - |
| Share of results in an associate | **95,981** | 178,729 |
| Net exchange loss – unrealised | **12,647** | 14,677 |
| Other non-cash items and adjustments | **(904)** | (21,092) |
| | **790,168** | 1,246,878 |
| **Operating loss before working capital changes** | **(140,543)** | (244,262) |
| Net change in current assets | **30,725** | (60,870) |
| Net change in current liabilities | **(365,537)** | (317,991) |
| | **(334,812)** | (378,861) |
| **Cash used in operations** | **(475,355)** | (623,123) |
| Net tax paid | **(20,076)** | (51,344) |
| Retirement gratuities paid | **(2,612)** | (5,422) |
| | **(22,688)** | (56,766) |
| **Net Cash Flow From Operating Activities** | **(498,043)** | (679,889) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Addition of property, plant and equipment | **(421,437)** | (548,044) |
| Addition of investment properties | **(16,144)** | (75) |
| Proceeds from disposal of property, plant and equipment | **1,113** | 521 |
| Proceeds from disposal of a subsidiary | **442,725** | - |
| Proceeds from disposal of financial assets at fair value through profit or loss | **356,378** | 278,556 |
| Interest received | **7,950** | 58,159 |
| Investment in an associate | **(151,545)** | (192,081) |
| Other investing activities | **67,978** | 56,014 |
| **Net Cash Flow From Investing Activities** | **287,018** | (346,950) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Buy-back of shares | **(21,257)** | (30,145) |
| Repayment of borrowings, redemption of medium term note and payment of transaction costs | **(3,561,043)** | (42,464) |
| Proceeds from bank borrowings and issuance of senior notes | **7,071,869** | 1,392,511 |
| Repayment of lease liabilities | **(109,501)** | (66,484) |
| Dividend paid | **(480,355)** | (508,108) |
| Finance costs paid | **(195,111)** | (234,936) |
| **Net Cash Flow From Financing Activities** | **2,704,602** | 510,374 |
| **NET MOVEMENT IN CASH AND CASH EQUIVALENTS** | **2,493,577** | (516,465) |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD** | **2,452,905** | 6,476,398 |
| **EFFECT OF CURRENCY TRANSLATION** | **46,091** | 23,217 |
| **CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD** | **4,992,573** | 5,983,150 |

| | | |
|---|---|---|
| **ANALYSIS OF CASH AND CASH EQUIVALENTS** | | |
| Bank balances and deposits | **3,879,163** | 3,552,227 |
| Money market instruments | **1,113,410** | 2,430,923 |
| **CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD** | **4,992,573** | 5,983,150 |

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2020.)*

## DISPOSAL OF A SUBSIDIARY

Fair value of the net assets disposed and net cash inflow on disposal of a subsidiary, as disclosed in Part I Note (j) of this interim financial report are analysed as follows:

| | As at date of disposal RM'000 |
|---|---|
| Property, plant and equipment | 265,204 |
| Investment properties | 129,336 |
| Intangible assets | 12,742 |
| Cash and cash equivalents | 3,939 |
| Trade and other receivables | 456 |
| Trade and other payables | (83) |
| Net assets disposed | 411,594 |
| Reclassification of currency translation reserve | (29,287) |
| | 382,307 |
| Gain on disposal of a subsidiary | 64,357 |
| Total cash consideration | 446,664 |
| Less: cash and cash equivalents disposed | (3,939) |
| Net cash inflow on disposal of a subsidiary | 442,725 |

**Part I: Compliance with Malaysian Financial Reporting Standard ("MFRS") 134**

***a) Accounting Policies and Methods of Computation***

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 "Interim Financial Reporting" and paragraph 9.22 of Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements. The financial information for the six months ended 30 June 2021 have been reviewed by the Company's auditor in accordance with the International Standards on Review Engagements ("ISRE") 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020. The accounting policies, presentation and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2020 except for the adoption of amendments to published standards for the Group for the financial year beginning 1 January 2021:

- Amendments to MFRS 16 "COVID-19-Related Rent Concessions"
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 "Interest Rate Benchmark Reform-Phase 2"

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

***b) Seasonal or Cyclical Factors***

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

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

There were no unusual items affecting the assets, liabilities, equity, net income or cashflows of the Group for the six months ended 30 June 2021.

***d) Material Changes in Estimates***

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

***e) Changes in Debt and Equity Securities***

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

During the six months ended 30 June 2021, the Company had acquired 6.8 million ordinary shares from the open market for a cash consideration of RM21.3 million. The share buy-back was made pursuant to the approval obtained from the Company's shareholders at the Company's Annual General Meeting held on 22 June 2020. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016.

During the six months ended 30 June 2021, 6.7 million treasury shares amounting to RM23.3 million have been transferred to the Eligible Employees under the Employee Share Grant Scheme pursuant to Section 127(7)(c) of the Companies Act 2016.

**Issuance of Senior Notes due 2026**

In February 2021, Genting New York LLC and GENNY Capital Inc., indirect wholly-owned subsidiaries of the Company, issued USD525,000,000 aggregate principal amount of the Senior Notes due in 2026 ("Notes #1"). The Notes #1 bear interest at a rate of 3.3% per annum, payable semi-annually.

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

**Issuance of Senior Unsecured Notes due 2031**

In April 2021, GENM Capital Labuan Limited, a direct wholly-owned subsidiary of the Company, issued USD1,000,000,000 aggregate principal amount of 3.882% senior unsecured notes due in 2031 ("Notes #2"). The Notes #2 is fully and unconditionally guaranteed by the Company. Interest is payable semi-annually.

**Redemption of Medium Term Notes ("MTN")**

On 11 May 2021, GENM Capital Berhad, a direct wholly-owned subsidiary of the Company, had early redeemed RM1.25 billion in nominal value of the RM2.60 billion in nominal value of MTNs issued on 31 March 2017 under the MTN programme.

Other than the above, there were no other material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the six months ended 30 June 2021.

## f) *Dividend Paid*

Dividend paid during the six months ended 30 June 2021 is as follows:

| | **RM'Mil** |
|---|---|
| Special single-tier dividend for the year ended 31 December 2020 paid on 6 April 2021 | |
| 8.5 sen per ordinary share | 480.4 |

## g) *Segment Information*

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

The Group is organised into the following main business segments:

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

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

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

## *g) Segment Information (Cont'd)*

Segment analysis for the six months ended 30 June 2021 is set out below:

| | Leisure & Hospitality | | | | Property | Investments & Others | Total |
|---|---|---|---|---|---|---|---|
| | **Malaysia RM'Mil** | **United Kingdom and Egypt RM'Mil** | **United States of America and Bahamas RM'Mil** | **Total RM'Mil** | **RM'Mil** | **RM'Mil** | **RM'Mil** |
| **Revenue** | | | | | | | |
| Total revenue | 539.8 | 225.5 | 609.2 | 1,374.5 | 40.4 | 72.8 | 1,487.7 |
| Inter segment | (2.9) | - | - | (2.9) | (3.7) | (39.9) | (46.5) |
| External | 536.9 | 225.5 | 609.2 | 1,371.6 | 36.7 | 32.9 | 1,441.2 |
| **Adjusted (LBITDA)/EBITDA** | (177.8) | (37.4) | 177.9 | (37.3) | (7.0) | (20.5) | (64.8) |
| Main foreign currency | RM | GBP | USD | | RM/USD | | |
| Exchange ratio of 1 unit of foreign currency to RM | | 5.6885 | 4.0982 | | 4.0982 | | |

During the six months ended 30 June 2021, revenue from the leisure & hospitality segment of RM1,371.6 million comprised gaming revenue and non-gaming revenue of RM1,138.9 million and RM232.7 million respectively. Non-gaming revenue included hotel room revenue which is recognised when services are rendered to the customers over their stay at the hotel, F&B revenue which is recognised when the services are rendered to the customers and rental income which is recognised on a straight-line basis over the lease term.

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

| | **RM'Mil** |
|---|---|
| Adjusted LBITDA for reportable segments | (64.8) |
| Pre-operating expenses | (63.4) |
| Property, plant and equipment written off | (7.7) |
| Impairment losses | (31.1) |
| Redundancy costs | (10.9) |
| Net gain on disposal of property, plant and equipment | 0.1 |
| Gain on disposal of a subsidiary | 64.3 |
| Others | (9.4) |
| **LBITDA** | (122.9) |
| Depreciation and amortisation | (539.0) |
| Interest income | 9.7 |
| Finance costs | (182.5) |
| Share of results in an associate | (96.0) |
| **Loss before taxation** | (930.7) |

*g) Segment Information (Cont'd)*

| | Leisure & Hospitality | | | | Property | Investments & Others | Total |
|---|---|---|---|---|---|---|---|
| | Malaysia | United Kingdom and Egypt | United States of America and Bahamas | Total | | | |
| | RM'Mil | RM'Mil | RM'Mil | RM'Mil | RM'Mil | RM'Mil | RM'Mil |
| **Segment Assets** | 11,369.8 | 4,602.3 | 6,737.7 | 22,709.8 | 2,138.8 | 1,410.1 | 26,258.7 |
| **Segment Liabilities** | 1,470.1 | 1,136.6 | 593.1 | 3,199.8 | 92.6 | 33.1 | 3,325.5 |
| Main foreign currency | RM | GBP | USD | | RM/USD | | |
| Exchange ratio of 1 unit of foreign currency to RM | | 5.7804 | 4.1560 | | 4.1560 | | |

| | RM'Mil |
|---|---|
| A reconciliation of segment assets to total assets is as follows: | |
| Segment assets | 26,258.7 |
| Interest bearing instruments | 2,962.5 |
| Associate | 1,145.0 |
| Unallocated corporate assets | 188.2 |
| Assets classified as held for sale | 36.8 |
| **Total assets** | 30,591.2 |

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

| | |
|---|---|
| Segment liabilities | 3,325.5 |
| Interest bearing instruments | 13,096.4 |
| Unallocated corporate liabilities | 698.7 |
| **Total liabilities** | 17,120.6 |

*h) Property, Plant and Equipment*

During the six months ended 30 June 2021, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM527.1 million.

*i) Material Event Subsequent to the end of Financial Period*

There were no material events subsequent to the end of the current financial period ended 30 June 2021 that have not been reflected in this interim financial report.

### *j) Changes in the Composition of the Group*

**Disposal of PLM Properties (UK) Pte. Ltd. ("PLM"), an owner of a hotel and adjoining residential apartments in London**

On 24 May 2021, Genting Worldwide (UK) Limited, an indirect wholly-owned subsidiary of the Company entered into a Share Purchase Agreement with BCC Pine Bidco Limited to dispose of its entire equity interest in PLM for a total cash consideration of GBP77.0 million (equivalent to approximately RM446.7 million). The Group realised a gain of approximately GBP6.1 million (equivalent to approximately RM64.3 million, including the realisation of reserve on exchange differences) from the disposal. The disposal was completed on 25 June 2021 and PLM ceased to be an indirect wholly-owned subsidiary of the Company.

Other than the above, there were no other material changes in the composition of the Group for the six months ended 30 June 2021.

### *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 2020.

### *l) Capital Commitments*

Authorised capital commitments not provided for in the financial statements as at 30 June 2021 are as follows:

| | **RM'Mil** |
|---|---|
| Contracted | 746.5 |
| Not contracted | 2,171.4 |
| | 2,917.9 |
| Analysed as follows: | |
| - Property, plant and equipment | 2,912.4 |
| - Investments | 5.5 |
| | 2,917.9 |

### *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 six months ended 30 June 2021 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 Genting Berhad ("GENT") Group to the Group. | 2,138 | 7,985 |
| ii) | Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group. | 9,148 | 20,643 |
| iii) | Provision of management and support services by GENT Group to the Group. | 1,785 | 3,740 |
| iv) | Income from rental and related services provided to GENT Group. | 1,609 | 3,215 |
| v) | Licensing fee for the use of "Resorts World" and "Genting" intellectual property in the United States of America and the Bahamas charged by Resorts World Inc Pte Ltd ("RWI") Group to the Group. | 19,235 | 34,170 |
| vi) | Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group. | 2,086 | 4,064 |
| vii) | Income from rental of premises to Warisan Timah Holdings Sdn Bhd. | 172 | 415 |

### *m) Significant Related Party Transactions (Cont'd)*

The related party transactions of the Group carried out during the six months ended 30 June 2021 are as follows (cont'd):

| | | Current quarter RM'000 | Current financial year-to-date RM'000 |
|---|---|---|---|
| viii) | Income from rental of office space to Genting Hong Kong Limited ("GENHK") Group. | 1,460 | 3,001 |
| ix) | Provision of maintenance and construction services by an entity connected with shareholder of BB Entertainment Ltd to the Group. | 4,532 | 7,046 |
| x) | Licensing fee for the use of gaming software and system charged by RWI Group to the Group. | 788 | 2,126 |
| xi) | Provision of crewing, technical support and administrative support services by GENHK Group to the Group. | 3,319 | 6,461 |
| xii) | Provision of support and management services by the Group to Empire Resorts, Inc. ("Empire") | 2,138 | 4,871 |
| xiii) | Subscription of Series L Preferred Stock of Empire by the Group. | - | 151,545 |

### *n) Fair Value of Financial Instruments*

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

As at 30 June 2021, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

| | Level 1 RM'Mil | Level 2 RM'Mil | Level 3 RM'Mil | Total RM'Mil |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss | - | - | 127.4 | 127.4 |
| Financial assets at fair value through other comprehensive income | - | - | 64.4 | 64.4 |
| | - | - | 191.8 | 191.8 |
| **Financial liability** | | | | |
| Derivative financial instruments | - | 4.5 | - | 4.5 |

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2020.

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

***1) Review of Performance***

Financial review for the current quarter and financial year to date compared with the corresponding periods last year

The results of the Group are tabulated below:

| | INDIVIDUAL QUARTER | | | | SIX MONTHS ENDED 30 JUNE | | | |
|---|---|---|---|---|---|---|---|---|
| | 2Q2021 | 2Q2020 | Var | | 2021 | 2020 | Var | |
| | RM'Mil | RM'Mil | RM'Mil | % | RM'Mil | RM'Mil | RM'Mil | % |
| **Revenue** | | | | | | | | |
| Leisure & Hospitality | | | | | | | | |
| - Malaysia | **237.9** | 82.2 | 155.7 | >100% | **536.9** | 1,307.3 | -770.4 | -59% |
| - United Kingdom and Egypt | **185.3** | 33.2 | 152.1 | >100% | **225.5** | 404.4 | -178.9 | -44% |
| - United States of America and Bahamas | **352.9** | (31.6) | 384.5 | >100% | **609.2** | 289.1 | 320.1 | >100% |
| | **776.1** | 83.8 | 692.3 | >100% | **1,371.6** | 2,000.8 | -629.2 | -31% |
| Property | **18.9** | 16.9 | 2.0 | 12% | **36.7** | 40.1 | -3.4 | -8% |
| Investments & others | **22.9** | 14.2 | 8.7 | 61% | **32.9** | 29.9 | 3.0 | 10% |
| | **817.9** | 114.9 | 703.0 | >100% | **1,441.2** | 2,070.8 | -629.6 | -30% |
| | | | | | | | | |
| **Adjusted (LBITDA)/EBITDA** | | | | | | | | |
| Leisure & Hospitality | | | | | | | | |
| - Malaysia | **(94.2)** | (214.7) | 120.5 | 56% | **(177.8)** | 116.5 | -294.3 | ->100% |
| - United Kingdom and Egypt | **14.3** | (103.9) | 118.2 | >100% | **(37.4)** | (81.1) | 43.7 | 54% |
| - United States of America and Bahamas | **109.3** | (176.4) | 285.7 | >100% | **177.9** | (161.7) | 339.6 | >100% |
| | **29.4** | (495.0) | 524.4 | >100% | **(37.3)** | (126.3) | 89.0 | 70% |
| Property | **20.1** | 6.5 | 13.6 | >100% | **(7.0)** | 16.8 | -23.8 | ->100% |
| Investments & others | **(3.9)** | 2.3 | -6.2 | ->100% | **(20.5)** | (21.3) | 0.8 | 4% |
| **Adjusted EBITDA/(LBITDA)** | **45.6** | (486.2) | 531.8 | >100% | **(64.8)** | (130.8) | 66.0 | 50% |
| | | | | | | | | |
| Pre-operating expenses | **(25.5)** | (21.2) | -4.3 | -20% | **(63.4)** | (40.8) | -22.6 | -55% |
| Property, plant and equipment written off | **(7.2)** | - | -7.2 | NC | **(7.7)** | (3.2) | -4.5 | ->100% |
| Net (loss)/gain on disposal of property, plant and equipment | **(0.1)** | (0.3) | 0.2 | 67% | **0.1** | (0.8) | 0.9 | >100% |
| Impairment losses | **(23.8)** | (14.8) | -9.0 | -61% | **(31.1)** | (361.1) | 330.0 | 91% |
| Gain on disposal of a subsidiary | **64.3** | - | 64.3 | NC | **64.3** | - | 64.3 | NC |
| Redundancy costs | **(8.0)** | (71.5) | 63.5 | 89% | **(10.9)** | (71.5) | 60.6 | 85% |
| Others | **(0.5)** | 0.6 | -1.1 | ->100% | **(9.4)** | - | -9.4 | NC |
| **EBITDA/(LBITDA)** | **44.8** | (593.4) | 638.2 | >100% | **(122.9)** | (608.2) | 485.3 | 80% |
| | | | | | | | | |
| Depreciation and amortisation | **(270.4)** | (279.6) | 9.2 | 3% | **(539.0)** | (562.4) | 23.4 | 4% |
| Interest income | **5.7** | 25.7 | -20.0 | -78% | **9.7** | 62.1 | -52.4 | -84% |
| Finance costs | **(100.5)** | (118.6) | 18.1 | 15% | **(182.5)** | (203.9) | 21.4 | 10% |
| Share of results in an associate | **(50.6)** | (78.6) | 28.0 | 36% | **(96.0)** | (178.7) | 82.7 | 46% |
| **Loss before taxation** | **(371.0)** | (1,044.5) | 673.5 | 64% | **(930.7)** | (1,491.1) | 560.4 | 38% |

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

Financial review for the current quarter compared with the immediate preceding quarter

The results of the Group are tabulated below:

| | **INDIVIDUAL QUARTER 2Q2021 RM'Mil** | **PRECEDING QUARTER 1Q2021 RM'Mil** | **Var RM'Mil** | **%** |
|---|---|---|---|---|
| **Revenue** | | | | |
| Leisure & Hospitality | | | | |
| - Malaysia | **237.9** | 299.0 | -61.1 | -20% |
| - United Kingdom and Egypt | **185.3** | 40.2 | 145.1 | >100% |
| - United States of America and Bahamas | **352.9** | 256.3 | 96.6 | 38% |
| | **776.1** | 595.5 | 180.6 | 30% |
| Property | **18.9** | 17.8 | 1.1 | 6% |
| Investments & others | **22.9** | 10.0 | 12.9 | >100% |
| | **817.9** | 623.3 | 194.6 | 31% |
| | | | | |
| **Adjusted (LBITDA)/EBITDA** | | | | |
| Leisure & Hospitality | | | | |
| - Malaysia | **(94.2)** | (83.6) | -10.6 | -13% |
| - United Kingdom and Egypt | **14.3** | (51.7) | 66.0 | >100% |
| - United States of America and Bahamas | **109.3** | 68.6 | 40.7 | 59% |
| | **29.4** | (66.7) | 96.1 | >100% |
| Property | **20.1** | (27.1) | 47.2 | >100% |
| Investments & others | **(3.9)** | (16.6) | 12.7 | 77% |
| **Adjusted EBITDA/(LBITDA)** | **45.6** | (110.4) | 156.0 | >100% |
| | | | | |
| Pre-operating expenses | **(25.5)** | (37.9) | 12.4 | 33% |
| Property, plant and equipment written off | **(7.2)** | (0.5) | -6.7 | ->100% |
| Net gain/(loss) on disposal of property, plant and equipment | **(0.1)** | 0.2 | -0.3 | ->100% |
| Impairment losses | **(23.8)** | (7.3) | -16.5 | ->100% |
| Gain on disposal of a subsidiary | **64.3** | - | 64.3 | NC |
| Redundancy costs | **(8.0)** | (2.9) | -5.1 | ->100% |
| Others | **(0.5)** | (8.9) | 8.4 | 94% |
| **EBITDA/LBITDA** | **44.8** | (167.7) | 212.5 | >100% |
| | | | | |
| Depreciation and amortisation | **(270.4)** | (268.6) | -1.8 | -1% |
| Interest income | **5.7** | 4.0 | 1.7 | 43% |
| Finance costs | **(100.5)** | (82.0) | -18.5 | -23% |
| Share of results in an associate | **(50.6)** | (45.4) | -5.2 | -11% |
| **Loss before taxation** | **(371.0)** | (559.7) | 188.7 | 34% |

NC: Not comparable

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

#### a) Quarter ended 30 June 2021 ("2Q 2021") compared with quarter ended 30 June 2020 ("2Q 2020")

The Group's revenue in 2Q 2021 was RM817.9 million, more than seven times of the level reported in 2Q 2020. The Group's leisure and hospitality segment recorded lower revenue in 2Q 2020 as a result of the temporary closure of the Group's resort operations worldwide since mid-March 2020 in compliance with the respective government's directives amid the outbreak of the COVID-19 pandemic.

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

1. higher revenue from the leisure and hospitality businesses in the United States of America ("US") and Bahamas by RM384.5 million, mainly due to better performance from Resorts World Casino New York City ("RWNYC"). The property recommenced its business since September 2020. RWNYC has achieved almost similar levels of business pre-COVID in 2019 amid operating with reduced capacity. Resort operations in the US and Bahamas were closed throughout 2Q 2020;

2. higher revenue from the leisure and hospitality business in Malaysia by RM155.7 million mainly due to an increase in the overall volume of business from gaming and non-gaming segments as a result of the easing of operational and travel restrictions. Resorts World Genting ("RWG") has been temporarily closed since 1 June 2021 compared with the temporary closure of operations from mid-March to mid-June 2020; and

3. higher revenue from the leisure and hospitality businesses in the United Kingdom ("UK") and Egypt by RM152.1 million, largely due to the Group's land-based casinos in the UK which have re-opened since mid-May 2021 compared to a temporary suspension of the land-based casino operations throughout 2Q 2020.

The Group reported adjusted EBITDA of RM45.6 million in 2Q 2021 as compared to adjusted LBITDA of RM486.2 million in 2Q 2020, mainly due to:

1. adjusted EBITDA of RM109.3 million from the leisure and hospitality businesses in the US and Bahamas as compared to adjusted LBITDA of RM176.4 million in 2Q 2020, mainly due to higher revenue offset by higher payroll and related costs following the resumption of its operations;

2. lower adjusted LBITDA from the leisure and hospitality business in Malaysia by RM120.5 million or 56%, mainly due to higher revenue and a reduction in payroll and related costs as a result of lower headcount; and

3. adjusted EBITDA of RM14.3 million from the leisure and hospitality businesses in the UK and Egypt as compared to adjusted LBITDA of RM103.9 million in 2Q 2020. This was primarily attributable to higher revenue and lower debts provision, offset by higher payroll and related costs following the resumption of its operations since mid-May 2021.

The Group's loss before taxation in 2Q 2021 was RM371.0 million compared with RM1,044.5 million in 2Q 2020, lower by 64%, mainly due to:

1. adjusted EBITDA as mentioned above;

2. recognition of a gain on disposal of a subsidiary of RM64.3 million as mentioned in Part I (j);

3. lower redundancy costs by RM63.5 million. The Group incurred redundancy costs of RM71.5 million in 2Q 2020 as a result of the recalibration of the Group's operating structure and rightsizing of its workforce following the temporary closure of the resort operations worldwide;

4. lower share of losses in an associate, Genting Empire Resorts LLC, the holding company of Empire Resorts, Inc. ("Empire"), of RM50.6 million compared to RM78.6 million in 2Q 2020. The lower share of losses was mainly due to an improvement in Empire's operating performance following the resumption of its operations since September 2020.

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

### b) Financial period for the six months ended 30 June 2021 ("1H 2021") compared with six months ended 30 June 2020 ("1H 2020")

The Group's revenue in 1H 2021 was RM1,441.2 million, a decrease of 30% from RM2,070.8 million in 1H 2020. The Group's leisure and hospitality segment recorded lower revenue due to the unprecedented disruptions caused to the Group's business activities amid the COVID-19 outbreak. The decrease was mainly due to:

1. lower revenue from the leisure and hospitality business in Malaysia by RM770.4 million or 59%, mainly due to the decline in the overall business volume from gaming and non-gaming segments following the re-imposition of movement control orders and announcement of total lockdown by the Government. This has resulted in a temporary closure of RWG for approximately 2 months during 1H 2021. Additionally, the implementation of strict travel restrictions nationwide had resulted in lower visitation to RWG;

2. lower revenue from the leisure and hospitality businesses in the UK and Egypt by RM178.9 million or 44%, mainly due to temporary closure of land-based casinos in the UK from early January to mid-May 2021 amid a national lockdown in response to the outbreak of COVID-19; mitigated by

3. higher revenue from the leisure and hospitality businesses in the US and Bahamas by RM320.1 million primarily due to an increase in business volume of RWNYC operations as limits on capacity and operating hours were progressively eased throughout 1H 2021.

The Group's adjusted LBITDA in 1H 2021 was RM64.8 million compared with RM130.8 million in 1H 2020, lower by 50%. This was mainly due to:

1. adjusted EBITDA of RM177.9 million from the leisure and hospitality businesses in the US and Bahamas compared with adjusted LBITDA of RM161.7 million in 1H 2020, mainly due to higher revenue; and

2. lower adjusted LBITDA from the leisure and hospitality businesses in the UK and Egypt by RM43.7 million or 54%, mainly due to lower payroll and related costs as a result of lower headcount and lower debts provision, offset by lower revenue.

The above were offset by:

3. adjusted LBITDA of RM177.8 million from the leisure and hospitality business in Malaysia compared to adjusted EBITDA of RM116.5 million in 1H 2020. This was primarily due to lower revenue mitigated by a reduction in payroll and related costs as a result of lower headcount.

The Group's loss before taxation in 1H 2021 was RM930.7 million compared with RM1,491.1 million in 1H 2020, lower by 38%, mainly due to:

1. impairment losses of RM361.1 million in relation to the assets of Resorts World Birmingham and Resorts World Bimini as well as certain casino licenses and assets in the UK during 1H 2020;

2. lower share of losses in Empire of RM96.0 million compared to RM178.7 million in 1H 2020. The lower share of losses was mainly due to an improvement in Empire's operating performance following the resumption of its operations since September 2020 and the Group's share of costs associated with the refinancing of Empire's loans during 1H 2020;

3. recognition of a gain on disposal of a subsidiary of RM64.3 million;

4. lower redundancy costs by RM60.6 million; and

5. lower adjusted LBITDA as mentioned above.

## *2) Material Changes in Loss before Taxation for the Current Quarter ("2Q 2021") compared with the Immediate Preceding Quarter ("1Q 2021")*

Loss before taxation for 2Q 2021 of RM371.0 million as compared to RM559.7 million in 1Q 2021, mainly due to:

1. adjusted EBITDA of RM14.3 million from the leisure and hospitality businesses in the UK and Egypt as compared to adjusted LBITDA of RM51.7 million in 1Q 2021. This was mainly due to higher revenue as the Group's land-based casinos in the UK have re-opened since mid-May 2021;

2. higher adjusted EBITDA from the leisure and hospitality businesses in the US and Bahamas by RM40.7 million or 59%. This was mainly due to higher revenue from RWNYC operations following the relaxation of operating restrictions since early April 2021 by New York State Government; and

3. recognition of a gain on disposal of a subsidiary of RM64.3 million.

## *3) Prospects*

Global economic recovery is expected to continue, albeit at an uneven pace across advanced economies and emerging markets. However, challenges to global growth persist given ongoing concerns surrounding the evolving COVID-19 situation worldwide and potential risks of heightened financial market volatility. In Malaysia, economic recovery is expected to be delayed by the earlier re-imposition of containment measures nationwide and increased spread of COVID-19.

While international travel has shown early signs of revival, the recent COVID-19 developments will continue to pose uncertainties to the outlook for the tourism, leisure, and hospitality sectors. The regional gaming market is expected to remain challenging in the short-term.

The Group maintains its cautious stance on the near-term prospects of the leisure and hospitality industry.

In Malaysia, the government's announcement of a nationwide total lockdown will significantly impact the Group's business following the temporary closure of RWG since 1 June 2021. While the Group remains focused on implementing various initiatives to create a stronger platform for sustainable long-term growth and profitability, the Group will continue to closely monitor its cost base as it navigates the challenging operating and business environment. The health and safety of guests, employees and the RWG community remain central to the Group's efforts and the Group will continue to prioritise the inoculation of its entire workforce. Meanwhile, the timely completion of Genting SkyWorlds continues to be a key focus.

In the UK, the Group is encouraged by the recovery momentum seen since the resumption of its land-based casinos on 17 May 2021. The Group will continue to ramp up its operations to drive revenue and business volumes as COVID-19 restrictions are relaxed across the region. Meanwhile, the Group will also continue to assess its cost structure to better align its operations with the fluid new operating environment.

In the US, RWNYC and Resorts World Catskills ("RWC") continue to record strong rebound in demand with the easing of pandemic-related restrictions in the New York State. The Group will place increased focus on developing its strong local market exposure by leveraging synergies between RWNYC and RWC to drive business volumes and improve the overall margins of its US operations. Meanwhile, the Group's new hotel, Hyatt Regency JFK Airport at Resorts World New York, which opened on 6 August 2021 will also be a catalyst for growth. In the Bahamas, the Group will continue enhancing the accessibility and infrastructure at Resorts World Bimini, in addition to capitalising on partnerships with renowned brands to drive visitation to the resort.

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

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

## *5) Taxation*

Taxation (credit)/charges for the current quarter and six months ended 30 June 2021 are as follows:

| | Current quarter ended 30 June 2021 RM'000 | Six months ended 30 June 2021 RM'000 |
|---|---|---|
| Current taxation | | |
| Malaysian income tax charge | 2,013 | 4,343 |
| Foreign income tax charge | (1,159) | 5,919 |
| | 854 | 10,262 |
| Deferred tax charged/(credit) | 31,718 | (36,359) |
| | 32,572 | (26,097) |
| Prior period taxation | | |
| Income tax over provided | (36,891) | (36,583) |
| | (4,319) | (62,680) |

The effective tax rate of the Group for the current quarter ended 30 June 2021 is lower than the statutory tax rate mainly due to adjustment for over provision of prior period taxation as a result of utilisation of available tax losses of certain subsidiaries for group relief claims. This is offset by an increase in the future tax rate which has been enacted at the reporting date for certain jurisdiction where the group operates.

The effective tax rate of the Group for the six months ended 30 June 2021 is lower than the statutory tax rate mainly due to adjustment for over provision of prior period taxation as a result of utilisation of available tax losses of certain subsidiaries for group relief claims and current period's tax losses and deductible temporary differences not recognised. These are offset by an increase in future tax rate which has been enacted at the reporting date for certain jurisdiction where the group operates.

## *6) Status of Corporate Proposals Announced*

There were no corporate proposals announced but not completed as at 19 August 2021.

## *7) Group Borrowings*

The details of the Group's borrowings as at 30 June 2021 are as set out below:

| | As at 30.06.2021 | | | | As at 31.12.2020 |
|---|---|---|---|---|---|
| | Secured/ Unsecured | Foreign Currency 'Mil | | RM Equivalent 'Mil | RM Equivalent 'Mil |
| Short term borrowings | Secured | USD | - | - | 120.5 |
| | Secured | GBP | 14.2 | 82.0 | 78.9 |
| | Unsecured | USD | 14.9 | 61.8 | 1.3 |
| | Unsecured | RM | N/A | 102.3 | 118.6 |
| | | | | 246.1 | 319.3 |
| Long term borrowings | Secured | USD | 167.2 | 694.8 | 1,956.6 |
| | Secured | GBP | 39.8 | 230.0 | 217.3 |
| | Unsecured | USD | 1,607.1 | 6,679.2 | 400.5 |
| | Unsecured | RM | N/A | 5,246.3 | 6,495.5 |
| | | | | 12,850.3 | 9,069.9 |
| Total borrowings | Secured | USD | | 694.8 | 2,077.1 |
| | Secured | GBP | | 312.0 | 296.2 |
| | Unsecured | USD | | 6,741.0 | 401.8 |
| | Unsecured | RM | | 5,348.6 | 6,614.1 |
| | | | | 13,096.4 | 9,389.2 |

## *8) Outstanding Derivatives*

As at 30 June 2021, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

| Types of Derivative | Contract/Notional Value RM'000 | Fair Value Liabilities RM'000 |
|---|---|---|
| Interest Rate Swaps | | |
| GBP | | |
| - Less than 1 year | 86,706 | 3,464 |
| - More than 1 year | 231,215 | 1,037 |
| | | 4,501 |

Other than the above, there is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2020:

(a) the credit risk, market risk and liquidity risk associated with these financial derivatives;

(b) the cash requirements of the financial derivatives; and

(c) the policy in place for mitigating or controlling the risks associated with these financial derivatives.

## *9) Fair Value Changes of Financial Liabilities*

As at 30 June 2021, the Group does not have any financial liabilities measured at fair value through profit or loss.

## *10) Changes in Material Litigation*

There are no pending material litigations as at 19 August 2021.

## *11) Dividend Proposed or Declared*

No dividend has been proposed or declared for the current quarter and six months ended 30 June 2021.

## *12) Loss before Taxation*

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

| | Current quarter ended 30 June 2021 RM'000 | Six months ended 30 June 2021 RM'000 |
|---|---|---|
| **Charges:** | | |
| Depreciation and amortisation | 270,433 | 539,047 |
| Property, plant and equipment written off | 7,118 | 7,666 |
| Net loss on disposal of property, plant and equipment | 97 | - |
| Impairment losses | 23,774 | 31,059 |
| Net foreign currency exchange losses | - | 6,612 |
| Finance costs: | | |
| - Interest on borrowings | 133,452 | 238,579 |
| - Other finance costs | 25,977 | 66,618 |
| - Less: capitalised costs | (58,919) | (122,696) |
| Finance costs charged to income statements | 100,510 | 182,501 |
| Redundancy costs | 7,950 | 10,864 |

### *12) Loss before Taxation (Cont'd)*

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

| | Current quarter ended 30 June 2021 RM'000 | Six months ended 30 June 2021 RM'000 |
|---|---|---|
| **Credits:** | | |
| Gain on disposal of a subsidiary | 64,357 | 64,357 |
| Net gain on disposal of property, plant and equipment | - | 70 |
| Net foreign currency exchange gain | 6,096 | - |
| Interest income | 5,720 | 9,750 |
| Investment income | 361 | 8,639 |
| Dividend income | 1,558 | 3,099 |

### *13) Loss per share*

(a) The loss used as the numerator in calculating basic and diluted loss per share for the current quarter and six months ended 30 June 2021 are as follows:

| | Current quarter ended 30 June 2021 RM'000 | Current financial year-to-date ended 30 June 2021 RM'000 |
|---|---|---|
| Loss for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted loss per share) | (348,113) | (831,704) |

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share for the current quarter and six months ended 30 June 2021 are as follows:

| | Current quarter ended 30 June 2021 Number of Shares ('000) | Current financial year-to-date ended 30 June 2021 Number of Shares ('000) |
|---|---|---|
| Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic loss per share) | 5,653,194 | 5,653,081 |
| Adjustment for dilutive effect of Employee Share Scheme (**) | - | - |
| Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted loss per share) | 5,653,194 | 5,653,081 |

*(*) The weighted average number of ordinary shares in issue during the current quarter and six months ended 30 June 2021 excludes the weighted average treasury shares held by the Company.*

*(**)The calculation of diluted loss per share for the current quarter and six months ended 30 June 2021 did not take into account the Employee Share Scheme of the Company as it had an anti-dilutive effect on the basic loss per share. Therefore, the diluted loss per share is the same as basic loss per share.*

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

The audit report of the Group's annual financial statements for the financial year ended 31 December 2020 was not qualified.

### *15) Approval of Interim Financial Statements*

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 August 2021.

**GENTING MALAYSIA BERHAD**
**198001004236 (58019-U)**

**PRESS RELEASE** **For Immediate Release**

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2021**

- **Group's US operations continue to record improved operating trends as COVID-19 restrictions are eased**
- **Group's UK venues reopen to positive reception**
- **Temporary closure of resort operations in Malaysia delays Group's recovery**

**KUALA LUMPUR, 26 August 2021 –** Genting Malaysia Berhad (Group) today announced its financial results for the second quarter (2Q21) and half year ended 30 June 2021 (1H21).

In 2Q21, the Group recorded total revenue of RM817.9 million, more than seven times of the level reported in the second quarter ended 30 June 2020 (2Q20), while adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) recovered to RM45.6 million. This was primarily due to the severe impact of the Coronavirus Disease 2019 (COVID-19) pandemic on the Group's business in 2Q20, which resulted in the temporary closure of its resort operations worldwide. The Group registered loss before tax (LBT) and net loss of RM371.0 million and RM366.7 million respectively in 2Q21.

In 1H21, the Group reported a 30% decrease in total revenue to RM1,441.2 million, predominantly due to the significant disruptions to the Group's operations in Malaysia and the United Kingdom (UK) throughout the period as a result of the COVID-19 pandemic. Nevertheless, the Group's adjusted loss before interest, taxation, depreciation and amortisation (LBITDA) narrowed by 50% to RM64.8 million. The Group recorded LBT of RM930.7 million and net loss of RM868.0 million.

## 2Q21 Results

Revenue from the Group's leisure and hospitality business in Malaysia more than doubled to RM237.9 million while adjusted LBITDA improved by 56% to RM94.2 million. This was mainly due to the easing of operational restrictions at Resorts World Genting (RWG) in addition to an increase in interstate travel as compared to 2Q20, which was adversely impacted by the 3-month suspension of the Group's operations from mid-March 2020 due to the COVID-19 pandemic. The Group also reported payroll and related cost savings from lower headcount in the period. However, RWG has been temporarily closed since 1 June 2021 in compliance with the government's implementation of a nationwide total lockdown amid a resurgence in COVID-19 cases in the country.

In the UK and Egypt, the Group registered revenue of RM185.3 million, more than five times of the level recorded in 2Q20, and adjusted EBITDA of RM14.3 million. The recovery in earnings was predominantly due to the reopening of Resorts World Birmingham and the Group's land-based casinos in the UK since 17 May 2021, which have been well received. In contrast, the Group's venues in the UK and Egypt were temporarily closed throughout 2Q20 in compliance with the directives of local authorities due to the outbreak of COVID-19. As a result of the resumption of its operations in the UK, the Group recorded higher payroll costs and operating expenses in the period.

In the United States of America (US) and Bahamas, the Group reported revenue of RM352.9 million and adjusted EBITDA of RM109.3 million, mainly attributable to the relaxation of COVID-19 restrictions in the current quarter and the temporary closure of the Group's resort operations in the US and Bahamas throughout 2Q20. The improvement in earnings was also driven by the swift recovery registered at Resorts World Casino New York City (RWNYC), with the property achieving approximately the same level of gross gaming revenue this quarter as compared to the corresponding quarter in 2019. The Group recorded higher payroll and related costs against 2Q20 following the resumption of its operations.

**1H21 Results**

The leisure and hospitality segment in Malaysia recorded lower revenue by 59% to RM536.9 million and adjusted LBITDA of RM177.8 million. This was predominantly due to the decline in overall volume of business, as the Group's resort properties were subject to partial or full suspension of operations of varying durations throughout the period in compliance with the government's directives to curb the spread of COVID-19. Additionally, the implementation of strict travel restrictions nationwide had adversely impacted visitation to RWG. Nevertheless, the impact to the Group's earnings was mitigated by a reduction in payroll and related costs as a result of lower headcount.

In the UK and Egypt, revenue from the Group's operations declined by 44% to RM225.5 million, primarily due to the temporary closure of the Group's venues in the UK from the beginning of 2021 until mid-May 2021 amid a national lockdown in response to the outbreak of COVID-19. Notwithstanding the challenging operating environment, adjusted LBITDA improved by 54% to RM37.4 million, aided by payroll and related cost savings and lower bad debt expenses.

In the US and Bahamas, revenue from the Group's leisure and hospitality business had more than doubled to RM609.2 million and the Group recorded adjusted EBITDA of RM177.9 million. The rebound in earnings was primarily attributable to the increase in volume of business at RWNYC as limits on capacity and operating hours were progressively eased throughout the period, with all restrictions lifted by June 2021.

**Outlook**

Global economic recovery is expected to continue, albeit at an uneven pace across advanced economies and emerging markets. However, challenges to global growth persist given ongoing concerns surrounding the evolving COVID-19 situation worldwide and potential risks of heightened financial market volatility. In Malaysia, economic recovery is expected to be delayed by the earlier re-imposition of containment measures nationwide and increased spread of COVID-19.

While international travel has shown early signs of revival, the recent COVID-19 developments will continue to pose uncertainties to the outlook for the tourism, leisure, and hospitality sectors. The regional gaming market is expected to remain challenging in the short-term.

The Group maintains its cautious stance on the near-term prospects of the leisure and hospitality industry.

In Malaysia, the government's announcement of a nationwide total lockdown will significantly impact the Group's business following the temporary closure of RWG since 1 June 2021. While the Group remains focused on implementing various initiatives to create a stronger platform for sustainable long-term growth and profitability, the Group will continue to closely monitor its cost base as it navigates the challenging operating and business environment. The health and safety of guests, employees and the RWG community remain central to the Group's efforts and the Group will continue to prioritise the inoculation of its entire workforce. Meanwhile, the timely completion of Genting SkyWorlds continues to be a key focus.

In the UK, the Group is encouraged by the recovery momentum seen since the resumption of its land-based casinos on 17 May 2021. The Group will continue to ramp up its operations to drive revenue and business volumes as COVID-19 restrictions are relaxed across the region. Meanwhile, the Group will also continue to assess its cost structure to better align its operations with the fluid new operating environment.

In the US, RWNYC and Resorts World Catskills (RWC) continue to record strong rebound in demand with the easing of pandemic-related restrictions in the New York State. The Group will place increased focus on developing its strong local market exposure by leveraging synergies between RWNYC and RWC to drive business volumes and improve the overall margins of its US operations. Meanwhile, the Group's new hotel, Hyatt Regency JFK Airport at Resorts World New York, which opened on 6 August 2021 will also be a catalyst for growth. In the Bahamas, the Group will continue enhancing the accessibility and infrastructure at Resorts World Bimini, in addition to capitalising on partnerships with renowned brands to drive visitation to the resort.

A summary table of the results is attached below.

| GENTING MALAYSIA BERHAD<br>SUMMARY OF RESULTS | INDIVIDUAL QUARTER 2Q2021 RM'Mil | INDIVIDUAL QUARTER 2Q2020 RM'Mil | Variance 2Q21 vs 2Q20 RM'Mil | Variance 2Q21 vs 2Q20 % | SIX MONTHS ENDED 30 JUNE 2021 RM'Mil | SIX MONTHS ENDED 30 JUNE 2020 RM'Mil | Variance 1H21 vs 1H20 RM'Mil | Variance 1H21 vs 1H20 % |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Leisure & Hospitality | | | | | | | | |
| - Malaysia | **237.9** | 82.2 | 155.7 | >100% | **536.9** | 1,307.3 | -770.4 | -59% |
| - United Kingdom and Egypt | **185.3** | 33.2 | 152.1 | >100% | **225.5** | 404.4 | -178.9 | -44% |
| - United States of America and Bahamas | **352.9** | (31.6) | 384.5 | >100% | **609.2** | 289.1 | 320.1 | >100% |
| | **776.1** | 83.8 | 692.3 | >100% | **1,371.6** | 2,000.8 | -629.2 | -31% |
| Property | **18.9** | 16.9 | 2.0 | 12% | **36.7** | 40.1 | -3.4 | -8% |
| Investments & others | **22.9** | 14.2 | 8.7 | 61% | **32.9** | 29.9 | 3.0 | 10% |
| | **817.9** | 114.9 | 703.0 | >100% | **1,441.2** | 2,070.8 | -629.6 | -30% |
| **Adjusted (LBITDA)/EBITDA** | | | | | | | | |
| Leisure & Hospitality | | | | | | | | |
| - Malaysia | **(94.2)** | (214.7) | 120.5 | 56% | **(177.8)** | 116.5 | -294.3 | ->100% |
| - United Kingdom and Egypt | **14.3** | (103.9) | 118.2 | >100% | **(37.4)** | (81.1) | 43.7 | 54% |
| - United States of America and Bahamas | **109.3** | (176.4) | 285.7 | >100% | **177.9** | (161.7) | 339.6 | >100% |
| | **29.4** | (495.0) | 524.4 | >100% | **(37.3)** | (126.3) | 89.0 | 70% |
| Property | **20.1** | 6.5 | 13.6 | >100% | **(7.0)** | 16.8 | -23.8 | ->100% |
| Investments & others | **(3.9)** | 2.3 | -6.2 | ->100% | **(20.5)** | (21.3) | 0.8 | 4% |
| **Adjusted EBITDA/(LBITDA)** | **45.6** | (486.2) | 531.8 | >100% | **(64.8)** | (130.8) | 66.0 | 50% |
| Pre-operating expenses | **(25.5)** | (21.2) | -4.3 | -20% | **(63.4)** | (40.8) | -22.6 | -55% |
| Property, plant and equipment written off | **(7.2)** | - | -7.2 | NC | **(7.7)** | (3.2) | -4.5 | ->100% |
| Net (loss)/gain on disposal of property, plant and equipment | **(0.1)** | (0.3) | 0.2 | 67% | **0.1** | (0.8) | 0.9 | >100% |
| Impairment losses | **(23.8)** | (14.8) | -9.0 | -61% | **(31.1)** | (361.1) | 330.0 | 91% |
| Gain on disposal of a subsidiary | **64.3** | - | 64.3 | NC | **64.3** | - | 64.3 | NC |
| Redundancy costs | **(8.0)** | (71.5) | 63.5 | 89% | **(10.9)** | (71.5) | 60.6 | 85% |
| Others | **(0.5)** | 0.6 | -1.1 | ->100% | **(9.4)** | - | -9.4 | NC |
| **EBITDA/(LBITDA)** | **44.8** | (593.4) | 638.2 | >100% | **(122.9)** | (608.2) | 485.3 | 80% |
| Depreciation and amortisation | **(270.4)** | (279.6) | 9.2 | 3% | **(539.0)** | (562.4) | 23.4 | 4% |
| Interest income | **5.7** | 25.7 | -20.0 | -78% | **9.7** | 62.1 | -52.4 | -84% |
| Finance costs | **(100.5)** | (118.6) | 18.1 | 15% | **(182.5)** | (203.9) | 21.4 | 10% |
| Share of results in an associate | **(50.6)** | (78.6) | 28.0 | 36% | **(96.0)** | (178.7) | 82.7 | 46% |
| **Loss before taxation** | **(371.0)** | (1,044.5) | 673.5 | 64% | **(930.7)** | (1,491.1) | 560.4 | 38% |
| **Taxation** | **4.3** | 121.3 | -117.0 | -96% | **62.7** | 114.0 | -51.3 | -45% |
| **Loss for the financial period** | **(366.7)** | (923.2) | 556.5 | 60% | **(868.0)** | (1,377.1) | 509.1 | 37% |
| **Basic loss per share (sen)** | **(6.16)** | (15.93) | 9.8 | 61% | **(14.71)** | (23.32) | 8.6 | 37% |
| **Diluted loss per share (sen)** | **(6.16)** | (15.93) | 9.8 | 61% | **(14.71)** | (23.32) | 8.6 | 37% |

NC : Not comparable

**About Genting Malaysia**

Genting Malaysia is one of the leading leisure and hospitality corporations in the world. Listed on Bursa Malaysia with approximately RM17 billion in market capitalisation, 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 over 30 casinos in the United Kingdom (UK) and Crockfords Cairo in Egypt. Genting Malaysia also owns and operates two seaside resorts in Malaysia, namely Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi island.

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 park 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 Genting SkyWorlds outdoor theme park will add to RWG's extensive entertainment offerings upon completion.

In the UK, Genting Malaysia owns and operates over 30 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 800 rooms across three hotels, video gaming machines, diverse bar and restaurant choices, exciting shows and memorable events. The recent debut of the Group's new hotel, Hyatt Regency JFK Airport at Resorts World New York, marks a significant milestone in the Group's vision of bringing an integrated resort, popular in key global destinations, to New York City. 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.

For more information, visit http://www.gentingmalaysia.com or contact ir.genm@genting.com.

For information on the major properties of Genting Malaysia
Resorts World Genting, visit www.rwgenting.com
Genting Casinos UK Limited, visit www.gentingcasinos.co.uk
Resorts World Casino New York City, visit www.rwnewyork.com
Resorts World Catskills, visit www.rwcatskills.com
Resorts World Birmingham, visit www.resortsworldbirmingham.co.uk
Resorts World Bimini, visit www.rwbimini.com

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