GENTING SINGAPORE

GENTING SINGAPORE PLC

2016 ANNUAL REPORT

ABOUT GENTING SINGAPORE

Genting Singapore PLC ("Genting Singapore" or "Company") was incorporated in 1984 in the Isle of Man. The Company was converted into a public limited company on 20 March 1987 and listed on the Main Board of the Singapore Exchange Securities Trading Limited on 12 December 2005. Genting Singapore is a constituent stock of the FTSE Straits Times Index and is one of the largest companies in Singapore by market capitalisation.

The principal activities of Genting Singapore and its subsidiaries (the "Group") are in the development, management and operation of integrated resort destinations including gaming, hospitality, MICE, leisure and entertainment facilities. Since 1984, the Group has been at the forefront of gaming and integrated resort development in Australia, the Bahamas, Malaysia, the Philippines, the United Kingdom and Singapore. Genting Singapore owns Resorts World Sentosa in Singapore, an award-winning destination resort and one of the largest integrated resort destinations in Asia, offering a casino, Adventure Cove Waterpark, S.E.A. Aquarium (one of the world's largest Oceanariums), Universal Studios Singapore theme park, MICE facilities, hotels, Michelin-starred restaurants and specialty retail outlets.

CONTENTS

CHAIRMAN'S STATEMENT

Dear fellow Shareholders,

The year 2016 was a year where the Asian gaming industry went through uncertainties and an unpredictable environment. Our flagship Integrated Resort business in Resorts World Sentosa "IR" went through a period of adjustment in strategy and has emerged to achieve a creditable set of results.

For the financial year ended 31 December 2016, the Group reported a revenue of $2.2 billion and an adjusted earnings before interests, tax, depreciation and amortization ("Adjusted EBITDA") of $779.0 million. Net profit for the year was $384.5 million, a significant growth on a year-on-year basis from $193.1 million in 2015.

Our net asset value per share, and cash and cash equivalents stood at 60.1 cents and $5.0 billion respectively, as at 31 December 2016.

We are attentive of creating good shareholders return. With this in mind, the Board of Directors has declared a maiden interim cash dividend of 1.5 cents per share in the third quarter of 2016. Together with a final dividend of 1.5 cents per share declared, the total dividend for the financial year ended 31 December 2016 is 3.0 cents per share, up 100% compared to the total 2015 dividend per share.

The Group continues to reward our shareholders and as a result, we will have a consistent and sustainable dividend policy moving forward.

With a subdued Asian gaming industry, we continue to exercise caution with our premium gaming customer business. In the foreign premium mass and mass market segment, we are committed to sustainable earnings growth following our efforts to enhance guests' gaming experience.

We are encouraged by the passing of the IR Promotion Bill in Japan and will be positioning the Group as a strong candidate for the bidding process. If we are successful in bidding for the Integrated Resort in Japan, this project will create significant value to the growth of the Group.

As part of our efforts in transforming Resorts World Sentosa ("RWS") into a premium lifestyle destination targeting Asia's affluent, we have created Asia's first Michelin Chef showcase restaurant, featuring different Michelin-starred chefs from around the world through its "Art at Curate" series. We are also proud to be the first Integrated Resort in the world to have achieved a total of seven Michelin stars across four of our celebrity chef restaurants. In addition, we partnered Ant Financial Services Group where we appointed Alipay as our preferred partner for China as well as the official sponsor of S.E.A. Aquarium and Resorts World Theatre. We look forward to building our business in strategic markets through this important partnership, leveraging on Alipay's brand presence and network in Greater China.

With your unwavering support and commitment, I am delighted to see RWS named as the Best Integrated Resort for the sixth consecutive year at the Travel Trade Gazette ("TTG") Travel Awards, reaffirming our position as the go-to leisure destination.

Complementing this award, Universal Studios Singapore remained the No.1 Amusement Park in Asia while its Halloween Horror Nights event took home the second consecutive award for the "Best Leisure Event" at Singapore Tourism Awards 2016.

RWS' non-gaming businesses were resilient. The Attractions businesses continue to attract and entertain visitors from across the region while our hotels on Sentosa consistently outperform industry-wide benchmarks with occupancy rates of more than 90%. Genting Hotel Jurong ("GHJ") has been growing exponentially, recording a high occupancy rate of 94% just within one and a half years of operations. Moving forward, given the prime location of GHJ, we welcome the development of the upcoming Singapore-Kuala Lumpur High Speed Rail Terminus that will be located within the neighbourhood of the hotel.

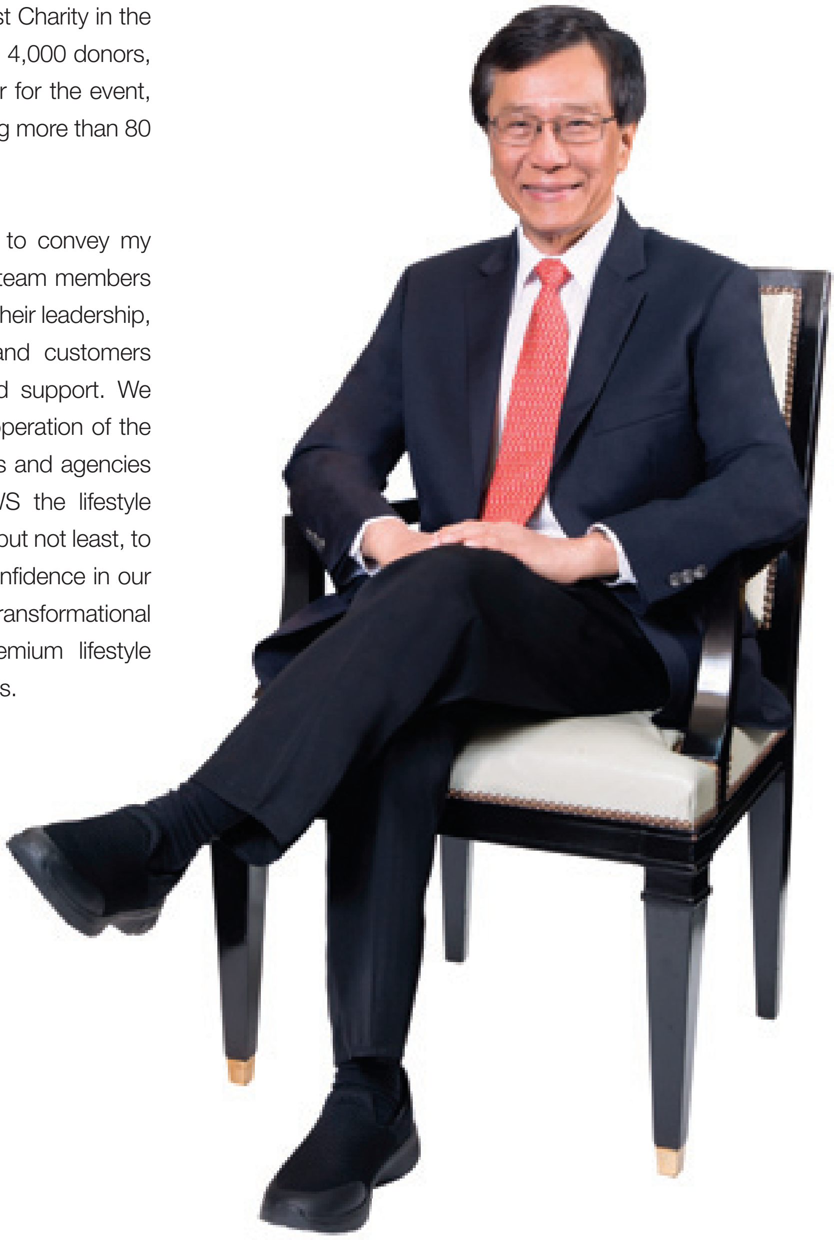
We are in the services industry, and the hard work from all our team members are the backbone of our organisation. The Group has invested more than $1.8 million annually in developing and conducting training in an effort to further enhance our team members' skill sets. We have also organised our very first in-house Career Carnival, showcasing interesting aspects of key jobs in Attractions, Hospitality and Resort Services.

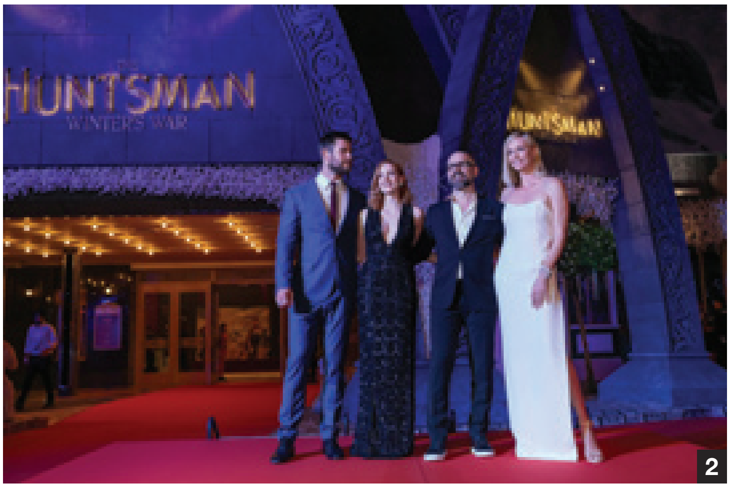
As part of giving back to the community, RWS Cares contributed to and supported with over $5.8 million in cash and in-kind donations to numerous charity organisations in Singapore, benefitting over 42,000 beneficiaries. We also hosted the inaugural Community Chest Charity in the Park at Universal Studios Singapore where 4,000 donors, beneficiaries and caregivers came together for the event, raising more than $2.3 million and benefiting more than 80 charities supported by Community Chest.

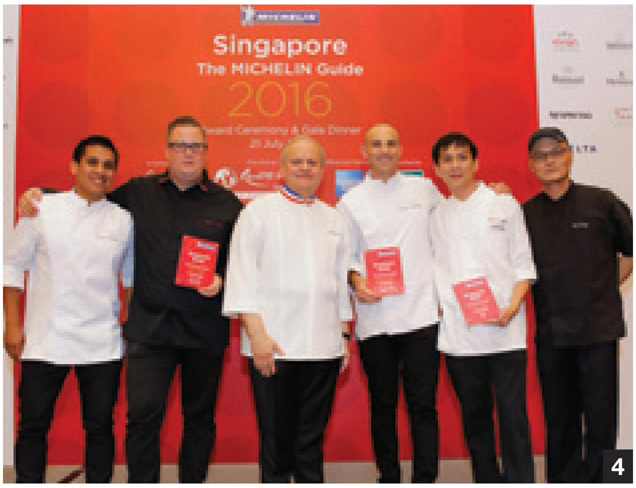
I would also like to take this opportunity to convey my utmost gratitude to all our stakeholders – team members for their dedication, management team for their leadership, Board of Directors for their guidance, and customers and business partners for their continued support. We appreciate the support, guidance and cooperation of the Singapore government and all its ministries and agencies in our continuing journey of making RWS the lifestyle vacation destination of choice in Asia. Last but not least, to all our shareholders, thank you for your confidence in our company as we continue to execute our transformational initiatives to anchor RWS as Asia's premium lifestyle destination and grow our business overseas.

Tan Sri Lim Kok Thay
Executive Chairman

As we aim to enhance customers' experiences in RWS, the Group consistently seeks ways to improve our products and offerings. We have recently completed the refurbishment works at Hard Rock Hotel and are now in the process of upgrading our Maritime Experiential Museum ("MEM"). Upon completion at the end of 2017, the MEM will be transformed into a world class edutainment attraction in Singapore.







2016 HIGHLIGHTS

1
MICHELIN CHEF SHOWCASE "ART AT CURATE"

Our strategic partnership with Michelin Guide Singapore and Robert Parker Wine Advocate has allowed us to create Asia's first Michelin Chef showcase restaurant. RWS brought in four stellar Michelin-starred chefs exhibiting different cuisines, namely Italian, French, Norwegian and Spanish, into Singapore. To serve a multi-sensory dining experience, each meal is exquisitely created and served with harmonious pairing of wine.

2
THE HUNTSMAN: WINTER'S WAR PREMIERE

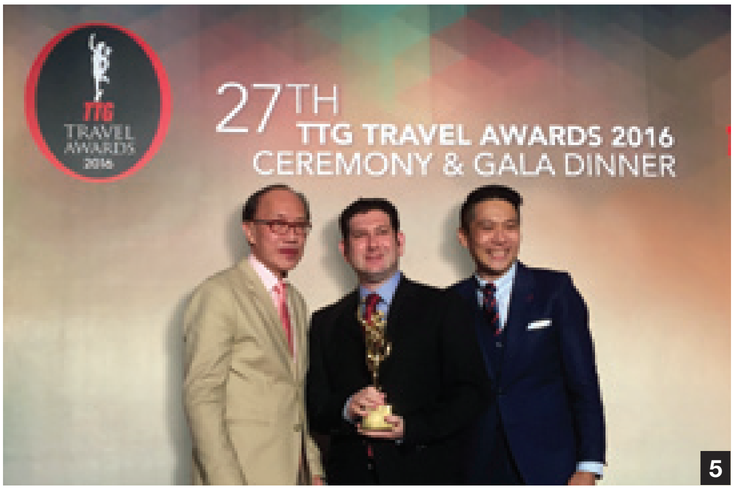
On 3 April 2016, Universal Studios Singapore hosted the Asia premiere of the movie "The Huntsman: Winter's War", featuring Chris Hemsworth, Oscar® winner Charlize Theron and Jessica Chastain. The event attracted a strong turnout of 7,000, with more than 150 international and regional media in attendance.

3
PARTNERSHIP WITH ANT FINANCIAL SERVICES GROUP

Through our strategic partnership with Ant Financial Services Group, Alipay was appointed as RWS' preferred partner for China as well as the official sponsor for S.E.A. Aquarium and Resorts World Theatre. This would allow RWS to expand our exposure and brand name by leveraging on Alipay's brand presence and broad network in Greater China.

4
7 MICHELIN STARS FOR OUR RESTAURANTS

RWS has become the first Integrated Resort in the world to receive a total of seven Michelin Stars across four celebrity chef restaurants (3-star Joël Robuchon Restaurant, 2-star L'Atelier de Joël Robuchon, 1-star Osia Steak and Seafood Grill and 1-star Forest 森). We also launched Fratelli, a new Italian restaurant helmed by two chefs with 3 Michelin stars.



5
WINNING TTG AWARDS FOR THE SIXTH TIME

RWS was once again awarded the Best Integrated Resort at the Travel Trade Gazette (TTG) Awards, making this the sixth in a row. This has reaffirmed our status as the most sought-after leisure destination in Asia Pacific. This accolade is an outstanding acknowledgement of our continued efforts in surpassing industry benchmarks and delivering to guests the memorable and premium experience as Asia's ultimate lifestyle destination resort.

6
UNIVERSAL STUDIOS SINGAPORE BREAKS RECORDS

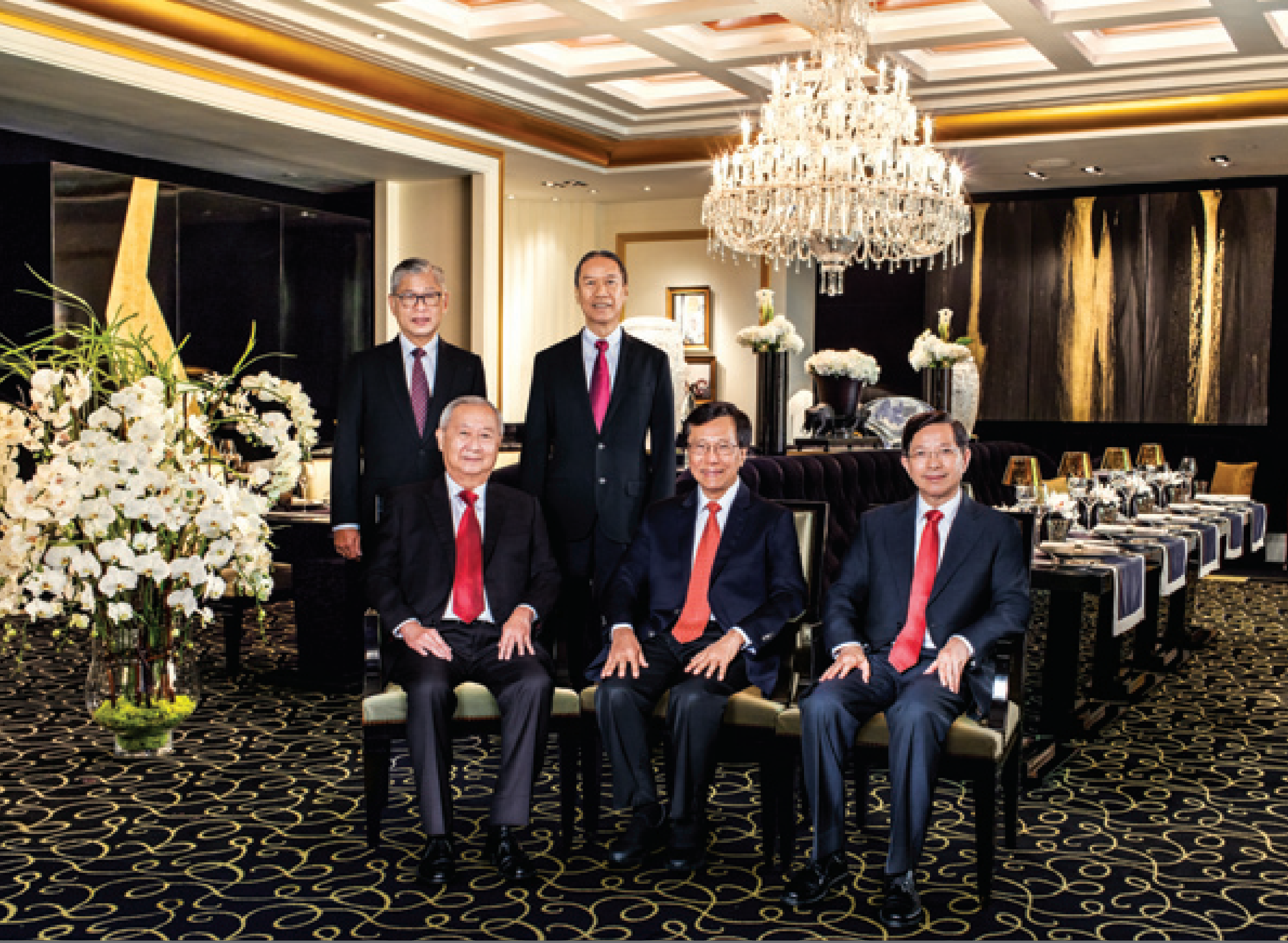
Universal Studios Singapore broke two Guinness World Records in 2016 for having the most people playing Monopoly in a single venue with 605 participants in March, and for the largest light bulb display at an indoor venue with 824,961 light bulbs in December, almost doubling the previous record held in Romania.

7
RESORTS WORLD SENTOSA CLINCHES MORE AWARDS

For the second consecutive year, Halloween Horror Nights received the award for the Best Leisure Event at the Singapore Tourism Awards 2016, establishing itself as Southeast Asia's most iconic and immersive Halloween event. Universal Studios Singapore also came in tops when it was voted as the No. 1 Amusement Park in Asia, endorsed by TripAdvisor Travellers' Choice 2016.

8
PROPERTY ENHANCEMENT PROJECTS AT RWS

Throughout the year, we have embarked on multiple upgrading works in the resort. We have completed refurbishment works at Hard Rock Hotel, and just begun the upgrading project at the Maritime Experiential Museum (MEM). Upon completion at the end of 2017, MEM will surprise as a world class edutainment establishment in Singapore, complementing RWS' existing cluster of iconic themed attractions.



Genting Singapore Board of Directors at Joël Robuchon Restaurant – the first and only 3 Michelin Stars Restaurant in Singapore

BOARD OF DIRECTORS

TAN SRI LIM KOK THAY

(last re-elected on 22 April 2014) has been a Director of Genting Singapore PLC (the "Company") since 24 October 1986. He has been the Chairman of the Company since 1 November 1993 and the Executive Chairman since 1 September 2005. He is responsible for formulating the Group's business strategies and policies.

Tan Sri Lim joined the Genting Group in 1976 and has served in various positions within the Group. He is the Chairman and Chief Executive of Genting Berhad and Genting Malaysia Berhad, as well as a Director and Chief Executive of Genting Plantations Berhad, all of which are listed on the Main Market of Bursa Malaysia Securities Berhad. He is also the Chairman and Chief Executive Officer of Genting Hong Kong Limited ("GENHK"), a company primary listed on the Main Board of The Stock Exchange of Hong Kong Limited and secondary listed on the Main Board of Singapore Exchange Securities Trading Limited and the Executive Chairman of Genting UK Plc. He is also a Director of Travellers International Hotel Group, Inc., a company listed on the Main Board of The Philippine Stock Exchange, Inc. and an associate of GENHK. He had served as a Director and the Chairman of the Board of Directors of Norwegian Cruise Line Holdings Ltd., which is listed on NASDAQ Global Select Market and was an associate of GENHK, from July 2011 to March 2015.

Tan Sri Lim is a Founding Member and a Permanent Trustee of The Community Chest, Malaysia. He also sits on the Boards of Trustees of several charitable organizations in Malaysia.

Tan Sri Lim holds a Bachelor of Science in Civil Engineering from the University of London. He attended the Programme for Management Development at the Harvard Business School, Harvard University in 1979. He is a Visiting Professor in the Department of Electrical and Electronic Engineering, Imperial College London and an Honorary Professor of Xiamen University, China. He was bestowed the national award, the Panglima Setia Mahkota, which carries the titleship of "Tan Sri" by the Yang Di Pertuan Agong of Malaysia on 1 June 2002.

TAN HEE TECK

(last re-elected on 21 April 2016) was appointed as a Director, and the President and Chief Operating Officer, of the Company on 19 February 2010. He has been the Chief Executive Officer of Resorts World at Sentosa Pte. Ltd. ("RWS") since 1 January 2007 and was appointed as the Chairman of RWS on 25 February 2015, and is responsible for the development, operations and business of the Company. He was responsible for the successful bidding of the Integrated Resort at Sentosa in 2006.

Prior to re-joining the Genting Group in 2004, Mr Tan was the Chief Operating Officer and Executive Director of DBS Vickers Securities (Singapore) Pte. Ltd., a wholly-owned subsidiary of DBS Group Holdings Ltd. He joined the Genting Group in 1982. Through the years he held senior corporate and operational positions within the Group, in many geographical regions.

Mr Tan serves as a Council member and Honorary Treasurer of the Singapore National Employers Federation. He is also a member of the Advisory Council on Community Relations in Defence - Main Council and Employer & Business Council, and on the board of the Singapore Hotel Association. Mr Tan is Vice President and co-founder of the charity organization - Leukemia and Lymphoma Foundation, Singapore, and a trustee of the SEA Research Foundation, Connecticut, USA.

Mr Tan is a Fellow of the Association of Chartered Certified Accountants, UK, a Fellow of the Institute of Singapore Chartered Accountants and a Chartered Accountant with the Malaysian Institute of Accountants. He has also completed the Advanced Management Program at the Harvard Business School.

LIM KOK HOONG

(last re-elected on 21 April 2015) was appointed as an Independent Director of the Company on 22 September 2005. He has over 30 years of experience as an auditor, serving as the regional managing partner for the ASEAN region in Arthur Andersen between 2000 and 2002. He was also a senior partner in Ernst & Young between 2002 and 2003.

Mr Lim sits on the boards of Global Logistic Properties Limited, Parkway Trust Management Limited (Manager of PLife REIT), Sabana Real Estate Investment Management Pte. Ltd. (Manager of Sabana REIT) and serves on the audit committee of the Agency for Science, Technology and Research. In December 2016, Mr Lim was appointed as a Non-Executive Independent Director of YTL Starhill Global REIT Management Limited (Manager of Starhill Global REIT) with effect from 1 January 2017. He had served on the board of Amtek Engineering Ltd from November 2010 to May 2015 and the board of Hoe Leong Corporation Ltd. from September 2005 to October 2014.

Mr Lim graduated from the University of Western Australia in 1971 with a Bachelor of Commerce. He is a member of the Institute of Chartered Accountants in Australia and the Institute of Singapore Chartered Accountants.

TJONG YIK MIN

(last re-elected on 21 April 2015) was appointed as an Independent Director of the Company on 22 September 2005.

Mr Tjong had served as Executive Director and Group President of Singapore Press Holdings Limited; Executive Director and Group Chief Executive Officer of Yeo Hiap Seng Ltd; Permanent Secretary, Ministry of Communications; Director of Internal Security Department; and Chairman of Civil Aviation Authority of Singapore.

Mr Tjong graduated from the University of Newcastle with a Bachelor of Engineering (Industrial Engineering) in 1975. He also holds a Bachelor of Commerce (Economics) from the University of Newcastle and a Master of Science (Industrial Engineering) from the National University of Singapore. Mr Tjong was awarded the Public Administration Medal (Gold) in 1988 and the Public Service Medal in 2005.

KOH SEOW CHUAN

(last re-elected on 21 April 2016) was appointed as an Independent Director of the Company on 12 May 2008. Founder of the architectural firm, DP Architects ("DPA"), he was responsible for the firm's many completed projects in Singapore, Kuala Lumpur and Jakarta. He continues to serve as DPA's Founder after retiring in 2004.

Mr Koh is currently the Chairman of the Visual Arts Cluster Advisory Board and sits on the Board of LASALLE College of the Arts and VIVA Foundation for Children with Cancer. He is also the Honorary President of the Federation of International Philately, Switzerland.

Mr Koh graduated from the University of Melbourne in 1963 and is a Fellow of the Singapore Institute of Architects, a Fellow of the Royal Australia Institute of Architects, a Member of the Royal Institute of British Architects as well as the Malaysia Institute of Architects.

He was conferred the Royal Institute of British Architects Worldwide Design Award in 2005 and the President's Design Award in 2006 for his role in The Esplanade – Theatres on the Bay. He also received The Distinguished Patron of Arts Award in 2015.

MANAGEMENT

TAN SRI LIM KOK THAY
Executive Chairman

TAN HEE TECK
President and Chief Operating Officer

LEE SHI RUH
Chief Financial Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS
Tan Sri Lim Kok Thay (*Executive Chairman*)
Tan Hee Teck (*President and Chief Operating Officer*)
Lim Kok Hoong (*Independent Non-Executive Director*)
Tjong Yik Min (*Independent Non-Executive Director*)
Koh Seow Chuan (*Independent Non-Executive Director*)

AUDIT AND RISK COMMITTEE
Lim Kok Hoong (*Chairman*)
Tjong Yik Min
Koh Seow Chuan
Tan Hee Teck

NOMINATING COMMITTEE
Koh Seow Chuan (*Chairman*)
Lim Kok Hoong
Tan Sri Lim Kok Thay

REMUNERATION COMMITTEE
Tjong Yik Min (*Chairman*)
Lim Kok Hoong
Tan Sri Lim Kok Thay

COMPANY SECRETARIES
Joscelyn Tan Bee Leng
Declan Thomas Kenny

REGISTERED AGENT
First Names (Isle of Man) Limited
First Names House
Victoria Road, Douglas
Isle of Man, IM2 4DF, British Isles
Tel : +44 1624 630600
Fax : +44 1624 624469

REGISTRARS AND TRANSFER OFFICE
Castle Hill (Registrars) Limited
First Names House
Victoria Road, Douglas
Isle of Man, IM2 4DF, British Isles
Tel : +44 1624 630600
Fax : +44 1624 624469

SINGAPORE TRANSFER AGENT
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Tel: +65 6227 6660
Fax: +65 6225 1452

INDEPENDENT AUDITOR
PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PwC Building
Singapore 048424
Partner-in-charge: Lee Chian Yorn
(Appointed since the financial year ended
31 December 2012)

REGISTERED OFFICE
First Names House
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Fax : +44 1624 624469

**HEAD OFFICE AND SINGAPORE
BRANCH REGISTERED OFFICE**
10 Sentosa Gateway
Resorts World Sentosa
Singapore 098270
Tel: +65 6577 8888
Fax: +65 6577 8890

FINANCIAL HIGHLIGHTS

REVENUE

2.23 billion
(2.40 billion in 2015)

SHAREHOLDERS' FUND

9.53 billion
(9.63 billion in 2015)

ADJUSTED EBITDA

0.78 billion
(0.92 billion in 2015)

TOTAL ASSETS EMPLOYED

11.45 billion
(12.03 billion in 2015)

NET PROFIT

0.38 billion
(0.19 billion in 2015)

CREDIT RATINGS

Moody's Ratings A3
Fitch Ratings A-

All figures are in Singapore Dollars

CORPORATE DIARY

29.01.2016
Announcement on the renewal of Resorts World at Sentosa Pte. Ltd.'s casino licence.

18.02.2016
Release of the consolidated results of the Group for the financial year ended 31 December 2015.

28.03.2016
Notice of the Thirty-First Annual General Meeting.

01.04.2016
Announcement on the distribution payment for S$500,000,000 5.125% Perpetual Subordinated Capital Securities.

20.04.2016
Announcement on the notice of books closure date for final dividend.

21.04.2016
Thirty-First Annual General Meeting.

13.05.2016
Release of the first quarter financial results (for period ended 31 March 2016).

08.07.2016
Announcement on the change of registered office.

04.08.2016
Release of the second quarter financial results (for period ended 30 June 2016).

03.10.2016
Announcement on the distribution payment for S$500,000,000 5.125% Perpetual Subordinated Capital Securities.

03.11.2016
Release of the third quarter financial results (for period ended 30 September 2016).

03.11.2016
Announcement on the notice of books closure date for interim dividend.

11.11.2016
Announcement on the disposal of interest in an integrated resort in Jeju, Korea.

03.01.2017
Announcement on the completion of disposal of interest in an integrated resort in Jeju, Korea.

22.02.2017
Release of the consolidated results of the Group for the financial year ended 31 December 2016.


Overview of Resorts World Sentosa

YEAR IN REVIEW

2016 was a year of adjustment for both the Asian gaming and tourism industries. After two years of continued volatility and challenges in the operating environment, the market saw encouraging signs of improvement in the latter half of the year. In 2016, the Group delivered an Adjusted EBITDA of $779.0 million.

The Group has been able to maintain Resorts World Sentosa (RWS) in a leadership position as Asia Pacific's most sought-after leisure destination for the sixth consecutive year at the 27th Travel Trade Gazette (TTG) Awards, attracting more than 20 million visitors from across the region. Universal Studios Singapore continued to reign as Asia's top amusement park for the third year running while Adventure Cove Waterpark maintained its position as one of the top 10 waterparks in Asia, endorsed by TripAdvisor Travellers' Choice 2016.

Our F&B business has also outperformed with an achievement of 7 Michelin stars across 4 restaurants in the Singapore Michelin Guide 2016, setting a record in the world.

With the changing operating environment, we need to innovate and re-invent ourselves to grow and remain relevant to deliver shareholder value. As part of this transformation effort, we have embarked on establishing strategic partnerships and alliances to expand our distribution network and leverage on brand association. Key initiatives taken this year included partnering Ant Financial Services Group to appoint Alipay, China's largest mobile payment and lifestyle app service provider, as our preferred partner for Greater China and the creation of new premium lifestyle events such as the Michelin Guide's Art at Curate dining series, Michelin Guide's inaugural Gala Dinner, RWS' Oktoberfest and a Hollywood blockbuster movie premiere. These efforts advanced our brand positioning and allowed us to achieve better tactical reach to the selected markets.

To further underscore RWS' commitment to drive sustainable growth, the resort has also embarked on a significant refurbishment programme, commencing with rooms upgrades at Hard Rock Hotel, Hotel Michael and Crockfords Tower, facilities enhancement at Adventure Cove Waterpark and the revamp of Maritime Experiential Museum. The Museum will become a world-class edutainment attraction in Singapore, complementing RWS' existing cluster of iconic themed attractions when it re-opens at the end of 2017.

As the market shifts towards the growing affluent Asian middle class, RWS, with its strong foundation of world-class facilities and expertise in delivering exceptional tourism experiences, is well poised to anchor itself as Asia's premium lifestyle destination.

GAMING

During the year, the Group embarked on a focused strategy to enhance the gaming experience for our foreign mass and premium mass segments. We have tailored our Genting Rewards program to accord enhanced player benefits and initiated exclusive outreach events especially with our overseas members. With the on-going uncertainties in the gaming industry, we remain cautious of the VIP business.

ATTRACTIONS

This year saw a vibrant landscape of exciting entertainment and leisure events all year round, across all our award-winning attractions.

To sustain top-of-mind interest amongst regional visitors, Universal Studios Singapore added a new marquee event in July 2016 – Soak Out Water Party, to an already action-packed events calendar with Easter Eggstravaganza and Santa's All-Star Christmas. This year also marked the sixth and biggest run of the iconic Halloween Horror Nights with a record number of five new haunted houses, two terrifying scare zones and two spectacular live shows. As an attestation of its appeal, 2015's Halloween Horror Nights 5 was awarded the Best Leisure Event award at the Singapore Tourism Awards 2016. This is the marquee event's second consecutive win.

The park also hosted its first movie premiere, The Huntsman: Winter's War on 3 April 2016, graced by Hollywood stars Chris Hemsworth, Charlize Theron and Jessica Chastain. The successful red carpet event saw a strong turnout of 7,000, with more than 150 international and regional media in attendance.

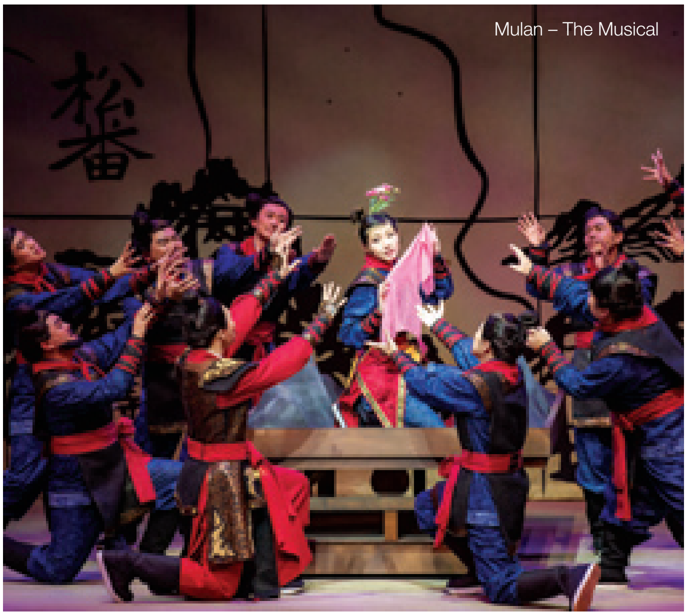
RWS has a culture of challenging itself to achieve events that set new exemplary benchmarks. On 9 March 2016, Universal Studios Singapore achieved another first in the Guinness World Records title for the "Most people playing Monopoly at a single venue", with 605 participants. Then on 17 November 2016, Universal Studios Singapore announced its second Guinness World Records as the record holder for the "Largest light bulb display in an indoor venue", with 824,961 light bulbs illuminating its first-ever experiential festive light display for its Christmas celebration.

This year, S.E.A. Aquarium directed its focus on new education programming such as Imagine|Native, Singapore's first ever marine-themed educational book fair and Tropical Seafest, a new conservation-themed festival targeted at young children.

Over at Adventure Cove Waterpark, the park re-opened on 17 October 2016 following a month-long refurbishment to the pools and facilities. With the newly installed night lights, the park was able to host evening events such as the "Sip and Slide" pool party on 22 October 2016 where guests were treated to a night of live, exciting entertainment in a pool setting.

Hello Hokkaido! – first Hokkaido food festival and travel fair at RWS

ENTERTAINMENT


Mulan – The Musical

RWS hosted numerous events with glitz and glamour across the resort throughout 2016. RWS is honoured to be chosen as event partner by Michelin Guide to host the inaugural Michelin Guide Singapore Award Ceremony and Gala Dinner on 21 July 2016. In addition, RWS added 2 new signature events – Oktoberfest and Hello Hokkaido!. The Resort welcomed 1,000 guests in its inaugural one-night-only Oktoberfest, where guests were treated to an all-you-can-eat traditional German buffet, fun fair activities and live band performance by a renowned German band. In November 2016, Hello Hokkaido! met with resounding success. Held over 10 days, it was the first Hokkaido food festival and travel fair to take place in RWS, and presented the largest showcase of Hokkaido's very best food, entertainment and culture in one location.

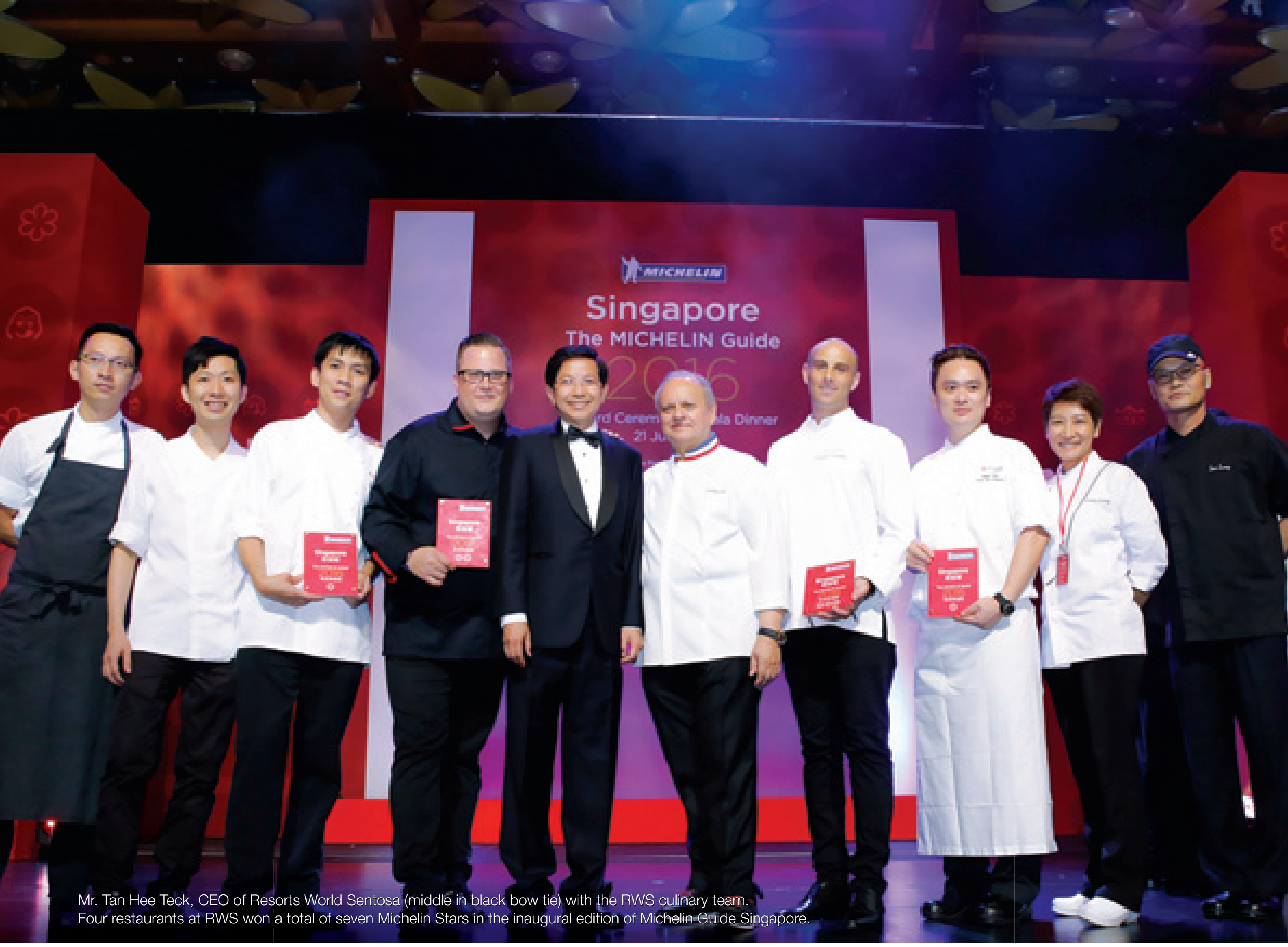
RWS Theatre consistently engages its audience with world-class entertainment acts. This year, in line with RWS' vision of becoming an Asian Entertainment Hub, the theatre housed several award-winning Asian performances. We also had our second original production of 2016, Mulan - The Musical, a Mandarin production starring Lee Chien-Na as well as local stars Pierre Png and Ann Kok. This change of genre received commendable response.

HOTELS

RWS constantly seeks to refresh its product offerings to enhance guests' experience. As at 31 December 2016, our hotels continue to register above-industry-average of more than 90% occupancy rate. Currently, our hotels are embarking on a series of refurbishment programmes to present a refreshed identity to continually excite and wow our guests. For Phase 1, Hard Rock Hotel completed its full renovation of 364 rooms and suites, lobby lounge and main restaurant in December 2016.

SPA

At ESPA, our luxury spa offering continues to win many awards including Luxury Resort Spa 2016 – World Luxury Spa Awards, Best Spa - Expat Living, Best Spa-cation 2016 - Harper's Bazaar and Best Girl's Day Out Spa 2016 – The Singapore Women's Weekly.



Mr. Tan Hee Teck, CEO of Resorts World Sentosa (middle in black bow tie) with the RWS culinary team.
Four restaurants at RWS won a total of seven Michelin Stars in the inaugural edition of Michelin Guide Singapore.

CURATE is conceptualised as Asia's first Michelin restaurant to showcase the finest culinary creations by different Michelin-starred chefs from around the world through its "Art at Curate" series.

FOOD & BEVERAGE (F&B)

To further augment RWS' position as Asia's ultimate dining destination, we introduced CURATE restaurant at the start of the year.

We curated 4 "Art at Curate" events featuring Chef Massimiliano Alajmo from Italy; Chef Guy Martin from France; Chef Esben Holmboe Bang from Norway and Chef Ramón Freixa from Spain, with resounding response from the public and media alike.

Following the Michelin Guide Singapore Award Ceremony in July 2016, RWS became the first Integrated Resort in the world to be awarded seven Michelin stars (3-star Joël Robuchon Restaurant, 2-star L'Atelier de Joël Robuchon, 1-star Osia Steak and Seafood Grill and 1-star Forest 森). This has helped Singapore to cement its position as a gastronomic gateway to Asia's finest cuisines and showcase the vibrancy in Singapore's dining landscape. Our newly minted Michelin star restaurants have also reported a 10% to 25% increase in patronage. Adding to our Michelin star-studded year, we revamped Palio and re-opened with an upscale Italian restaurant, Fratelli, helmed by 3-Michelin-starred chefs, brothers Enrico and Roberto Cerea.

Our in-house home-grown chefs continue to do well in international culinary competitions. Chef Kenny Kong was one of the finalists for the Pastry Chef of the Year at the World Gourmet Summit 2016. Chef Yew Eng Tong emerged second at Bocuse d'Or Asia Pacific 2016 and was a finalist at KitchenAid Chef of the Year. Chef Triston Fang from Ocean Restaurant was part of Team Singapore in the World Culinary Olympics 2016 where the team achieved double gold medals in the Hot Dish and Cold Display categories.

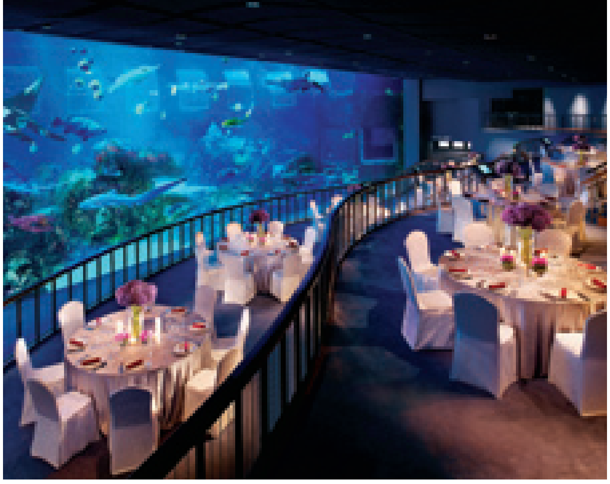
MEETINGS, INCENTIVES, CONVENTIONS AND EXHIBITIONS (MICE)

RWS continues to be a popular MICE destination that offers a myriad of unique event experiences to corporations and individuals. We welcomed and hosted an extensive range of events such as 2016 IBM Hundred Percent Club, Helloworld Owner Managers Conference, Harley-Davidson Asia Pacific Retail Readiness, SIBCON 2016 and Herbalife APEX 2016 - Qualifiers Party.

Ocean Gallery continues to be a choice wedding venue for couples in and around Singapore. Overall in 2016, RWS witnessed a three-fold year-on-year increase in the number of weddings held in its venues.

To further enhance our range of event spaces, we introduced Adventure Cove Waterpark as another exciting evening location, following a facility upgrade with new audio, visual and lighting systems.

S.E.A. Aquarium™ - The Ocean Gallery



HUMAN CAPITAL

Team members are our greatest assets, and our commitment to their development remains strongly ingrained as a key cornerstone of our Human Capital strategy. In July and August 2016, we organised our very first in-house Career Carnivals which showcased interesting aspects of key jobs in Attractions, Hospitality and Resort Services. Team members learned more about their career paths and what it takes for advancement. Those considering a change of roles also had the opportunity to learn about the diverse job offerings available in the resort.

We invest more than $1.8 million annually in developing and conducting training to upskill our team members, enabling them to deliver quality services to our guests. As one of the largest Approved Training Organisation in Singapore, we delivered over 30 hours of training on average to each team member annually in more than 80 Workplace Skill Qualification (WSQ) modules for Attractions, Hotels, F&B, Service Excellence, IT and Gaming. Going forward, we endeavour to deepen the learning application of our team members to continue to drive for people excellence in RWS.

AWARDS AND ACCOLADES

TTG TRAVEL AWARDS 2016
Best Integrated Resort
RWS has won this award for 6 consecutive years

2016 SINGAPORE TOURISM AWARDS
Best Leisure Event - Universal Studios Singapore
Halloween Horror Nights 5
Best Customer Service (Hotels) – Hard Rock Hotel

MICHELIN GUIDE SINGAPORE
Three Michelin stars - Joël Robuchon Restaurant
Two Michelin stars - L'Atelier de Joël Robuchon
One Michelin star - Forest
One Michelin star - Osia Steak and Seafood Grill

TRIPADVISOR TRAVELLERS' CHOICE 2016
No. 1 Amusement Park in Asia - Universal Studios Singapore
No. 6 Water Park in Asia - Adventure Cove Waterpark

TRIPEXPERT
2016 Experts' Choice Award - Resorts World Sentosa

COMMUNITY CHEST AWARDS 2016
Corporate Platinum Award - Resorts World Sentosa

TRAVEL WEEKLY ASIA READERS CHOICE AWARDS
Best Integrated Resort – Resorts World Sentosa
Best Theme Park – Universal Studios Singapore

SINGAPORE TATLER'S BEST RESTAURANT AWARDS 2016
Feng Shui Inn, Forest, Joël Robuchon Restaurant,
L'Atelier de Joël Robuchon, Ocean Restaurant,
Osia Steak and Seafood Grill, Syun

WINE AND DINE SINGAPORE'S TOP RESTAURANTS 2016
Wine List Award (Silver) –
Joël Robuchon Restaurant, L'Atelier de Joël Robuchon
House of Stars (3 stars) –
Joël Robuchon Restaurant, L'Atelier de Joël Robuchon
House of Stars (1 star) –
Forest, Ocean Restaurant, Osia Steak and Seafood Grill, Syun

WORLD LUXURY AWARDS SPA AWARDS 2016
Luxury Resort Spa - Country Winner

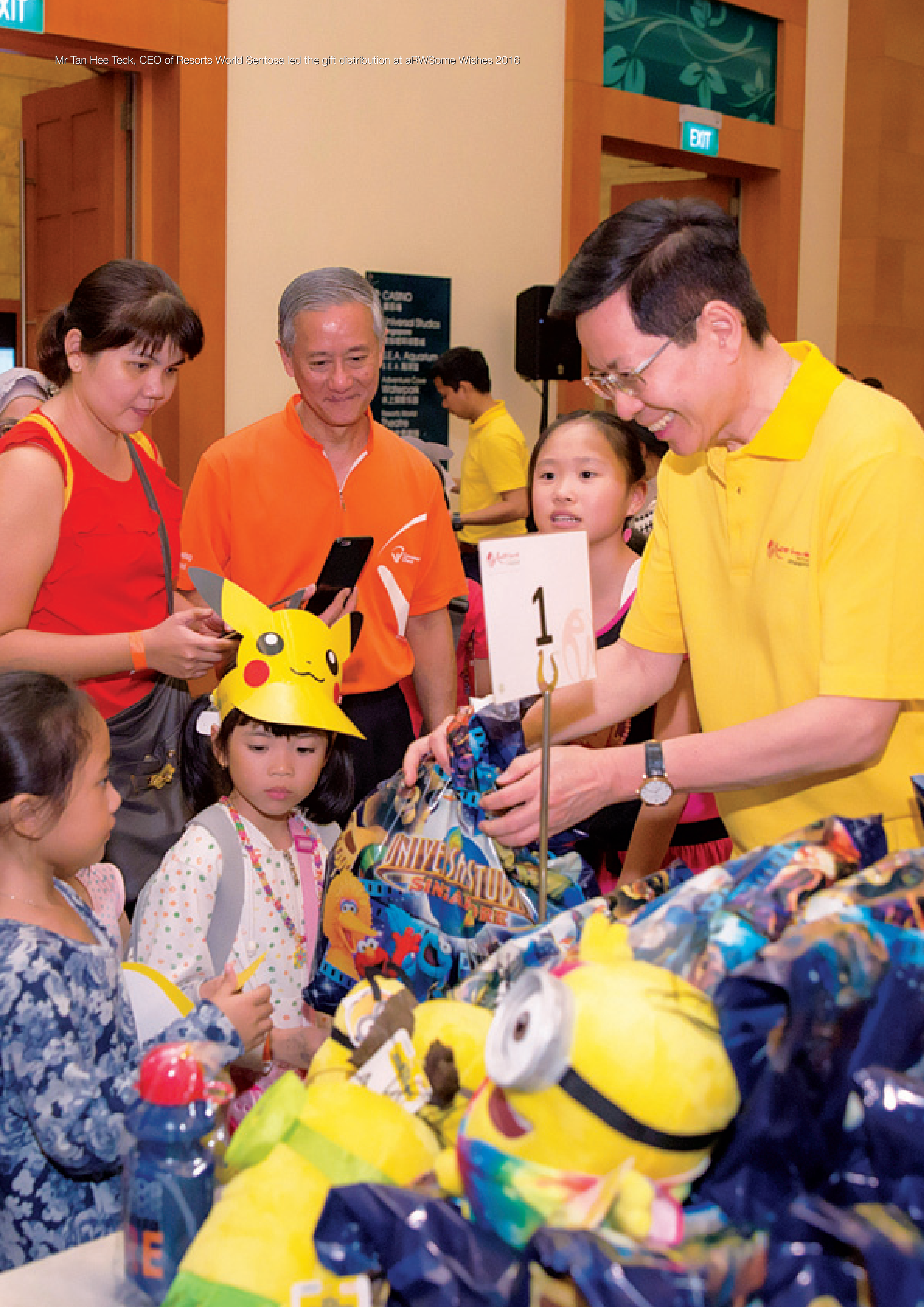
THE SINGAPORE WOMEN'S WEEKLY SPA AWARDS 2016
Girls Day Out Spa (Ultimate Hammam Ritual) - ESPA
Bespoke Massage (Social Spa for Two) – ESPA

THE MARKETING EVENTS AWARDS 2016
Best Event (PR/Guerilla Marketing Stunt) Silver Award -
Universal Studios Singapore Halloween Horror Nights 5

BUILDING & CONSTRUCTION AUTHORITY (BCA) GREEN MARK AWARD FOR EXISTING NON-RESIDENTIAL BUILDINGS
Platinum Award - Resorts World Convention Centre

For the complete list of awards and accolades,
please refer to http://www.rwsentosa.com

Mr Tan Hee Teck, CEO of Resorts World Sentosa led the gift distribution at aRWSome Wishes 2016



RWS Cares

Genting Singapore continues to embed in our corporate culture the tradition of sharing and caring for our environment and the people around us.

EMPOWERMENT AND ENGAGEMENT

In 2016, Genting Singapore, through its CSR platform known as RWS Cares, contributed to and supported with over $5.8 million in cash and in-kind donations to numerous charity organisations in Singapore, benefitting many beneficiaries with different needs. This contribution included our support for fundraising events such as ChildAid and Community Chest Charity in the Park.

Children and youths remain a key focus in our CSR outreach as we believe every child has potential within them for greater achievements that can be nurtured to bring out their distinct strengths and therefore contribute to society. As such, 73% of our donations went towards children and youth causes in 2016.

We continue to deepen our community engagement in Singapore by working with Community Chest to touch the lives of the underprivileged as part of RWS' five-year commitment of $5 million in corporate giving. In January 2016, Universal Studios Singapore hosted the inaugural Community Chest Charity in the Park where 4,000 donors, beneficiaries and caregivers came together for an evening full of fun. This event raised more than $2.3 million benefiting more than 80 charities supported by Community Chest.

Genting Singapore also advocates volunteerism amongst its team members. Our team members, including senior management, volunteered their time at aRWSome Wishes where everyone joined hands to raise funds and share Christmas cheer with 350 underprivileged children, treating them to a visit to S.E.A. Aquarium. We also launched the aRWSome Wishes Charity Drive to encourage our guests to play their part for charity. For every ticket purchased to the S.E.A. Aquarium and Pokémon Research Exhibition in the month of December, RWS Cares pledged $10 to Community Chest. The Charity Drive successfully raised $300,000 for Community Chest.

As we seek to empower the community, we partnered Students Care Service and brought 10 out-of-school youths onboard the aRWSome Apprenticeship programme. RWS provided two months of mentorship and training where they came under the tutelage of our experienced team members to handle events at the integrated resort.

To celebrate the love for reading with underprivileged children in Singapore, RWS organised its first nation-wide book donation drive in March 2016, in partnership with People's Association.

Beach clean-up at Tanah Merah where more than 888kg of trash were collected.

The book donation drive was an extension of Imagine|Native – A Creative Fest for Kids! held at S.E.A. Aquarium. More than 10,000 new and pre-loved children's books were collected and distributed to children from low income families across five districts in Singapore.

Genting Singapore also welcomed ChildAid, Singapore's largest annual children's charity concert, back to Resorts World Theatre in November 2016. This year, over $2 million was raised to help children and youth with school pocket money and to provide structured arts training programmes to develop young artistic talents.

ENVIRONMENTAL CONSERVATION

In June 2016, we celebrated the annual World Oceans Day by spearheading several conservation activities. RWS broke the Singapore Book of Records for the largest bottle cap mural and largest photo pledge wall. More than 60,000 used plastic bottles' caps were collected by team members and visitors. The finale for World Oceans Day celebration saw team members and their families participating in the largest ever beach clean-up at Tanah Merah coastline, collecting more than 888kg of trash.

RWS' second edition of the nationwide Recycling Art Competition received close to 170 entries from schools across Singapore, triple that of last year's.

Designed and constructed entirely by pre-school, primary and secondary students, the colourful sculptures reflected the students' creative talents and innovative use of recyclable materials to raise greater awareness of environmental conservation and the vulnerability of our oceans.

In November 2016, we commissioned Nature Society of Singapore to carry out a survey of the wild birdlife across RWS. Findings revealed that wild birdlife has returned since the completion of the integrated resort. The survey recorded 43 species – both resident and migratory – within RWS, representing more than a third of the total species across Sentosa island. Our extensive eco-friendly green roofs and walls as well as lush gardens and ponds around the resort support avian biodiversity, reinstating the natural environment conducive for birdlife to flourish.

For the sixth consecutive year, RWS participated in the Earth Hour global movement on 19 March 2016 by dimming non-essential lightings across the resort for one hour and encouraging team members to play a part by switching off air-conditioning and electronic equipment when not in use. RWS also supported the Public Utilities Board during the Singapore World Water Day by turning our buildings blue on the night of 22 March 2016.

On the sustainability front, we started new initiatives by recycling used coffee powder as garden mulch and contributed used soap bars from our hotels to a non-government organisation under our Soap for Hope initiative to benefit the community. We also installed a bio-digestor from January 2016 to convert the resort's food waste into water and sludge waste, with some 110 tons of food waste treated since August 2016.

CORPORATE GOVERNANCE

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Set out below is the report, which outlines the corporate governance policies and statements adopted by the Company, which generally comply with the principles and guidelines (unless otherwise stated) set out in the Singapore Code of Corporate Governance 2012 (the "Code").

A. BOARD OF DIRECTORS

(i) The Board's Conduct of its Affairs

The Board has overall responsibility for the proper conduct of the Company's business including overseeing the Group's business performance and affairs, setting and guiding strategic directions and objectives, and providing entrepreneurial leadership. The Board meets on a quarterly basis and additionally as required. Matters specifically reserved for the Board's decision include overall strategic direction, interested person transactions, annual operating plan, capital expenditure plan, material acquisitions and disposals, major capital projects and the monitoring of the Group's operating and financial performance. Formal Board Committees established by the Board in accordance with the Code, namely, the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee, assist the Board in the discharge of its duties.

During the financial year ended 31 December 2016 ("FY2016"), the number of Board and Board Committee meetings held and the attendance at those meetings are set out below:

	Board	***Audit and Risk Committee***	***Nominating Committee***	***Remuneration Committee***
Name of Directors	***Number of Meetings Attended***	*****Number of Meetings Attended***	***Number of Meetings Attended***	***Number of Meetings Attended***
Tan Sri Lim Kok Thay	4 out of 4	^1 out of 5	1 out of 1	1 out of 1
Mr Tan Hee Teck	4 out of 4	4 out of 5	^1 out of 1	^1 out of 1
Mr Lim Kok Hoong	4 out of 4	5 out of 5	1 out of 1	1 out of 1
Mr Tjong Yik Min	4 out of 4	5 out of 5	^1 out of 1	1 out of 1
Mr Koh Seow Chuan	4 out of 4	5 out of 5	1 out of 1	^1 out of 1

Notes:

* The total number of Audit and Risk Committee meetings is inclusive of the special meeting held between the Independent Non-Executive Directors who are members of the Audit and Risk Committee and the external auditor without the presence of any Non-Independent Executive Director.

^ Non-members of the Audit and Risk Committee, Nominating Committee and Remuneration Committee attended the respective meetings held during FY2016 by invitation.

The Company's Articles of Association provide for the convening of Board or Board Committee meetings by way of telephonic or similar means of communication.

Newly appointed Directors are provided with information about the Group and are encouraged to visit the sites of the Group's operating units to familiarise themselves with the Group's business practices. They will also be acquainted with key senior executives and provided with their contact details, so as to facilitate Board interaction with, and independent access to such executives. Upon appointment of a new Director, a formal letter setting out his duties, obligations and the commitment expected of him, will be issued to him. The Company maintains a policy for Directors to receive training, at the Company's expense, in areas relevant to them in the discharge of their duties as Directors or Board Committee members, such as relevant new laws or updates on commercial areas. The Directors are also updated at each Board meeting on business and strategic developments. Where required, the Company Secretaries and external professionals bring to the Directors' attention relevant updates on accounting standards and regulations.

(ii) Board Balance

The Company is led by an effective Board comprising a majority of Independent Non-Executive Directors. The Non-Independent Executive Directors are Tan Sri Lim Kok Thay, the Executive Chairman, and Mr Tan Hee Teck, the President and Chief Operating Officer ("COO"). Mr Lim Kok Hoong, Mr Tjong Yik Min and Mr Koh Seow Chuan are the Independent Non-Executive Directors, who provide the strong and independent element required for the Board to function effectively. The Independent Non-Executive Directors constructively challenge, critically review and thoroughly discuss key issues and help develop proposals on strategy, as well as review the performance of Management in meeting identified goals and monitor the reporting of performance. They also participate as members of and/or chair each of the Audit and Risk Committee, Remuneration Committee and Nominating Committee. All Directors take decisions objectively in the interests of the Company.

The Directors have wide ranging experience and collectively provide competencies in areas such as hospitality, resort management, gaming and leisure, accounting, finance, architecture, entrepreneurial and management experience and other relevant industry knowledge. They all have occupied or are currently occupying senior positions in the public and/or private sectors.

Taking into account the nature and scope of the Group's business, the Board considers that (i) its Directors possess the necessary competencies to lead and guide the Group, and (ii) the current Board size with a majority of Independent Non-Executive Directors, is appropriate to facilitate effective decision making.

A brief profile of each of the Directors is presented on pages 8 and 9 of this Annual Report.

The Executive Chairman, and the President and COO are separate persons to ensure an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making. The Executive Chairman is responsible for formulating the Group's business strategies and policies, and the effective functioning of the Board. He facilitates and encourages constructive relations within the Board, and between the Board and Management. With the support of the Company Secretaries and Management, he ensures that the Directors receive accurate, timely and clear information and ensures effective communications with the shareholders. The President and COO is responsible for the Group's overall business development as well as the day-to-day operations and management. The Executive Chairman, and the President and COO are not related to each other.

(iii) Board Membership and Nominating Committee

The Nominating Committee comprises three members, the majority of whom, including its Chairman, are Independent Non-Executive Directors. The members of the Nominating Committee are as follows:

1.	Mr Koh Seow Chuan	Chairman and Independent Non-Executive Director
2.	Mr Lim Kok Hoong	Member and Independent Non-Executive Director
3.	Tan Sri Lim Kok Thay	Member and Non-Independent Executive Director

The Nominating Committee Chairman, Mr Koh Seow Chuan, is also the Lead Independent Director of the Company.

The principal functions of the Nominating Committee include the following:

1. recommend to the Board the appointment of new Executive and Non-Executive Directors;

2. review the Board's succession plan, in particular for the Chairman, and the President and COO;

3. evaluate and determine the independence of each Non-Executive Director;

4. review, assess and if thought fit, recommend Directors who retire by rotation to be put forward for re-election; and

5. assess the effectiveness of the Board as a whole and the contributions of each Director.

The role and functions of the Nominating Committee are set out in the Nominating Committee terms of reference approved by the Board.

The Company's Articles of Association provide that not less than one-third of the Directors shall retire from office by rotation, at each Annual General Meeting ("AGM"), and that all Directors shall retire from office at least once in every three years. A retiring Director is eligible for re-election. All new Directors appointed by the Board shall only hold office until the next AGM, and be eligible for re-appointment at the AGM.

During the year under review, the Nominating Committee evaluated and assessed the effectiveness of the Board, and the performance and independence of each Director. To assist the Nominating Committee in its evaluation and assessment, each Director submitted his written assessment of the Board's effectiveness, and of the other Directors' contributions. The Board evaluation process took into account, among others, the Board composition; size of Board; quality and timeliness of information; interaction with Management and balance of focus between internal matters and external concerns. The Directors' assessment focused on, among others, interactive skills; industry knowledge; attendance at meetings and commitments of Directors.

Following such review, the Nominating Committee and Board were of the view that the Board and Board Committees operated effectively and each Director contributed to the effectiveness of the Board. The Nominating Committee and Board were also satisfied that each Director devoted sufficient time and attention to the affairs of the Company. In view of the current Board size and the foregoing evaluations, the Nominating Committee does not see a need for a separate evaluation of the Board Committees during the year under review.

Although some of the Directors have other listed company board representations or principal commitments, based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees, and their time commitment to the affairs of the Company, the Nominating Committee believes that it would not be necessary to put a maximum limit on the number of listed company board representations and other principal commitments of each Director. However, the Nominating Committee will continue to review from time to time, the respective Directors' board representations and other principal commitments to ensure that all Directors are able to meet the demands of the Group and discharge their duties adequately.

The Board does not impose any limit on the length of service of the Independent Non-Executive Directors, as the Board takes the view that a more critical consideration in ascertaining the effectiveness of each such Director's independence is his ability to exercise independence of mind and judgment to act honestly and in the best interests of the Company.

The Nominating Committee (with Mr Lim Kok Hoong abstaining in relation to all deliberations relating to himself) has determined that each of Mr Lim Kok Hoong and Mr Tjong Yik Min be considered independent, notwithstanding that they have served on the Board for more than nine years. The Nominating Committee considered that Mr Lim Kok Hoong and Mr Tjong Yik Min have each demonstrated independent judgment at Board and Board Committee meetings and was of the view that they have exercised independent judgment in the best interests of the Company in the discharge of their respective Director's duties.

Taking into account the foregoing, as well as each Independent Non-Executive Director's confirmation of his independence or otherwise, as contemplated under Guideline 2.3 of the Code, the Nominating Committee (save for Mr Lim Kok Hoong and Mr Koh Seow Chuan who abstained from deliberations relating to themselves) considered and determined that Mr Lim Kok Hoong, Mr Tjong Yik Min and Mr Koh Seow Chuan are Independent Non-Executive Directors. The Nominating Committee viewed that they are independent in character and judgment and there were no circumstances which would likely affect or appear to affect such Directors' judgment.

The Board concurred with the reasons set forth by the Nominating Committee and was of the view that Mr Lim Kok Hoong, Mr Tjong Yik Min and Mr Koh Seow Chuan should be considered as Independent Non-Executive Directors.

Tan Sri Lim Kok Thay, the Executive Chairman, and Mr Tan Hee Teck, the President and COO, are Non-Independent Executive Directors.

Mr Koh Seow Chuan, the Nominating Committee Chairman, was appointed as the Lead Independent Director with effect from 4 November 2013. Shareholders with any concern may contact the Lead Independent Director directly, when contact through the Executive Chairman, the President and COO or the Chief Financial Officer has failed to resolve or is inappropriate. The Lead Independent Director also coordinates an annual meeting, or as required, with the other Independent Non-Executive Directors without the presence of the other Directors, and provides feedback to the Executive Chairman.

The Directors standing for re-election at the forthcoming AGM are Tan Sri Lim Kok Thay and Mr Tjong Yik Min, who will retire by rotation pursuant to the Company's Articles of Association. Taking into account, among others, these Directors' participation during and outside the formal Board and Board Committee meetings, as well as their contributions, the Board accepted the Nominating Committee's recommendations to put forth these Directors for re-election at the forthcoming AGM.

(iv) Access To Information

To assist the Board in the discharge of their duties, Management supplies the Board with complete, adequate and timely information. Notice of meetings, setting out the agenda together with the supporting papers providing the background and explanatory information such as resources needed, financial impact, expected benefits, risk analysis, mitigation measures, conclusions and recommendations, are sent to the Directors in time to enable them to peruse, obtain additional information and/or seek further clarification on the matters to be deliberated. Employees who possess the relevant knowledge and where necessary, external consultants or advisers, are invited to attend the Board or Board Committee meetings to answer any queries the Directors may have. The Board also has separate and independent access to members of Management.

Directors have access to all information and records of the Company and also the advice and services of the Company Secretaries. The Company Secretaries ensure good information flows between the Board and the Board Committees and between the Independent Non-Executive Directors and Management, and that Board procedures are followed. They facilitate orientation of new Directors and organise training programmes for the Directors as required. One of the Company Secretaries attends all Board and Board Committee meetings.

As a Group practice, any Director who wishes to seek independent professional advice in the furtherance of his duties may do so at the Group's expense.

B. REMUNERATION MATTERS

The Remuneration Committee comprises the following Directors:

1.	Mr Tjong Yik Min	Chairman and Independent Non-Executive Director
2.	Mr Lim Kok Hoong	Member and Independent Non-Executive Director
3.	Tan Sri Lim Kok Thay	Member and Non-Independent Executive Director

The Board believes that the Remuneration Committee benefits from the experiences and expertise of Tan Sri Lim Kok Thay as the Executive Chairman. Directors do not participate in decisions regarding their own remuneration packages. As the Remuneration Committee comprises a majority of Independent Non-Executive Directors, the Board believes that the independence of the Remuneration Committee will not be compromised.

The principal functions of the Remuneration Committee include the following:

1. review and recommend to the Board a framework of remuneration for all employees. These include policy matters with regards to annual salary adjustments and variable bonuses;

2. review and recommend to the Board specific remuneration packages for Directors; and

3. administer the Genting Singapore Performance Share Scheme ("PSS").

The roles and functions of the Remuneration Committee are set out in the Remuneration Committee terms of reference approved by the Board.

During the year under review, the Remuneration Committee reviewed and recommended for the Board's approval, the compensation for employees of various grades including the bonus payments and annual salary increments. The Remuneration Committee further considered and recommended for the Board's approval, the grant of share awards to eligible persons under the PSS.

The fee structure for the Independent Non-Executive Directors takes into account factors such as increased focus on risk and governance issues, the responsibilities and level, and quality of contributions including attendance and time spent at and outside the formal environment of Board and Board Committee meetings, and increased reporting obligations in compliance with the Casino Control Act (Cap. 33A).

Financial Year Ending 31 December 2017

The Remuneration Committee also reviewed the fee structure for the Directors. Taking into account, amongst others, the significant increase in overall responsibilities and the increased focus on compliance and governance issues, the Board agreed with the Remuneration Committee's recommendation to propose a revision of the Directors' fee structure from the financial year ending 31 December 2017 as follows:

		Current Fees per annum	**Proposed Increased Fees per annum**
Board Members	Non-Independent Executive Directors	$12,000	$15,000
	Independent Non-Executive Directors	$120,000	$150,000
Audit and Risk Committee	Chairman	$80,000	$120,000
	Members	$60,000	$75,000
Nominating Committee	Chairman	$45,000	$50,000
	Members	$33,750	$35,000
Remuneration Committee	Chairman	$45,000	$65,000
	Members	$33,750	$45,000

Notes:
- Non-Independent Executive Directors who serve on any Board Committees are not entitled to receive additional fees for serving on any such Board Committees.
- Attendance fees payable to each Director: $3,000 per meeting and $1,000 per teleconference meeting.

The Directors' fees are computed based on the anticipated number of Directors, as well as Board and Board Committee meetings, for the financial year ending 31 December 2017, assuming full attendance by all the Directors. In the event that the amount proposed is insufficient, approval will be sought at the next AGM before payments are made to the Directors for the shortfall.

To facilitate the payment of Directors' fees during the financial year in which the fees are incurred, the Board resolved to accept the Remuneration Committee's above recommendations and submit the Directors' fees for the financial year ending 31 December 2017 for approval by the shareholders at the forthcoming AGM.

The Remuneration Committee is also responsible for proposing the remuneration packages of the Executive Chairman, and the President and COO. In carrying out its duties, the Remuneration Committee has joint discussions with the Head of Human Resources, and has the discretion to invite any officer to attend the meetings. The Remuneration Committee may also obtain such external or other independent professional advice as it considers necessary.

CORPORATE GOVERNANCE

The remuneration packages of the Executive Chairman, and the President and COO comprise a base salary, variable bonus and long-term incentives (being grant of share awards). Their packages are managed in totality and based on comparable benchmarks. They are also dependent on the Group's performance. The service contracts of the Executive Chairman, and the President and COO do not contain any onerous removal clauses.

The Independent Non-Executive Directors have no service contracts. Directors do not participate in decisions regarding their own remuneration packages.

All the Directors have been granted share awards under the PSS. Details of the PSS are set out in Note 22 to the financial statements.

There are no termination, retirement or post-employment benefits granted to the Directors or the top five key Management personnel in FY2016.

Disclosure on Directors' remuneration

The Company believes that the disclosure in bands of $250,000 provides sufficient overview of the remuneration of the Directors. The Directors of the Company still in service as at the end of the financial year, whose total remuneration during the financial year fall within the following bands, are as follows:

Name of Director	**Fee**	**Salary**	**Bonus**	**Defined Benefits Plan**	**Benefits-in-kind**	**Total Remuneration**[1]	**Share Awards**[2]
	(%)	(%)	(%)	(%)	(%)	(%)	
Non-Independent Executive Directors							
From $7,500,000 to below $7,750,000							
Tan Sri Lim Kok Thay	0.4	73.1	26.4	0.1	0.0	100	750,000
From $2,750,000 to below $3,000,000							
Mr Tan Hee Teck	1.5	61.4	36.3	0.8	0.0	100	750,000
Independent Non-Executive Directors							
From $250,000 to below $500,000							
Mr Lim Kok Hoong	100	0.0	0.0	0.0	0.0	100	100,000
Mr Tjong Yik Min	100	0.0	0.0	0.0	0.0	100	100,000
Mr Koh Seow Chuan	100	0.0	0.0	0.0	0.0	100	100,000

Notes:

(1) Total Remuneration is the sum of Fees, Salary, Bonus, Defined Benefits Plan and Benefits-in-kind for FY2016.

(2) Long-term incentives are granted in the form of share awards. The figures refer to the number of share awards which were granted in 2016 under the PSS. The subsequent vesting of these share awards is subject to pre-agreed service and/or performance conditions being achieved over the performance period.

Disclosure on remuneration of top five key Management personnel (who are not Directors of the Company)

The Company has provided a Group-wide cross-section of top five key Management personnel's remuneration and their names in bands of $250,000. The Company believes that this disclosure, which provides sufficient overview of the remuneration of the Group while maintaining confidentiality of employee remuneration matters, is in the best interests of the Group given the competitive conditions in our industry.

The remuneration of the top five key Management personnel of the Group (who are not Directors of the Company) still in service as at the end of the financial year, whose total remuneration during the financial year fall within the following bands, is as follows:

Key Management Personnel	Total Remuneration[(1)]	Share Awards[(2)]
Ms Lee Shi Ruh	*From $500,000 to below $750,000*	250,000
Mr Yap Chee Yuen	*From $500,000 to below $750,000*	75,000
Mr Lee On Nam	*From $500,000 to below $750,000*	150,000
Mr Jason Edward Pearce	*From $250,000 to below $500,000*	75,000
Mr Jason Charles Horkin	*From $250,000 to below $500,000*	100,000

Notes:

(1) Total Remuneration is the sum of Fees, Salary, Bonus, Defined Benefits Plan and Benefits-in-kind for FY2016.

(2) Long-term incentives are granted in the form of share awards. The figures refer to the number of share awards which were granted in 2016 under the PSS. The subsequent vesting of these share awards is subject to pre-agreed service and/or performance conditions being achieved over the performance period.

The aggregate remuneration (including share awards) of the five key Management personnel above in FY2016 was $3,113,343.

During FY2016, no executive of the Group was an immediate family member (as defined in the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual) of any Director of the Company.

C. ACCOUNTABILITY AND AUDIT

(i) Accountability

The Board provides a balanced and understandable assessment of the Group's performance, position and prospects through the financial statements, the annual review of operations in the Annual Report; announcements to the SGX-ST and the quarterly analysts briefings. In turn, Management provides the Board with balanced and understandable accounts of the Group's performance, position and prospects on a regular basis. Regular reports are submitted by Resorts World at Sentosa Pte. Ltd., the Company's indirect wholly-owned subsidiary, to the Casino Regulatory Authority of Singapore (the "Authority"), in compliance with the Casino Control Act (Cap. 33A), its regulations, the approved internal control codes and guiding principles (pursuant to Section 138 of the Casino Control Act (Cap. 33A)) or as otherwise directed by the Authority.

The Directors are also required by the Isle of Man Companies Act 2006 and the rules and regulations of the SGX-ST to prepare full year financial statements for each financial year. The financial statements as set out in this Annual Report have been prepared in accordance with International Financial Reporting Standards and the Isle of Man Companies Act 2006, and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group for the financial year.

(ii) Audit and Risk Committee

The Audit and Risk Committee comprises four members, the majority of whom, including the Audit and Risk Committee Chairman, are Independent Non-Executive Directors. The members of the Audit and Risk Committee are as follows:

1.	Mr Lim Kok Hoong	Chairman and Independent Non-Executive Director
2.	Mr Tjong Yik Min	Member and Independent Non-Executive Director
3.	Mr Koh Seow Chuan	Member and Independent Non-Executive Director
4.	Mr Tan Hee Teck	Member and Non-Independent Executive Director

The Audit and Risk Committee Chairman, Mr Lim Kok Hoong, was formerly a senior partner of Ernst & Young, and brings with him a wealth of accounting and financial expertise and experience. The other Audit and Risk Committee members have accounting or related financial management experience. The Board believes that the presence of Mr Tan Hee Teck, a Non-Independent Executive Director, will provide the Independent Non-Executive members with a clearer understanding of the Group's business and any business issues that may arise. As the Audit and Risk Committee is made up of a majority of Independent Non-Executive Directors, the Board believes that the independence of the Audit and Risk Committee will not be compromised.

The principal functions of the Audit and Risk Committee include the following:

1. review the audit plans of the external auditor and the internal auditor, including the results of the external and internal auditors' review and evaluation of the adequacy of the Group's internal control systems including but not limited to financial, operational and compliance controls and risk management policies and systems;

2. oversee the Group's risk management process and framework, including the following:

   - review the level of risk tolerance, the risk strategies and policies adopted to ensure accurate and timely reporting of significant exposures and critical risks; and

   - review the risk reports and Management's response to the findings;

3. review the annual consolidated financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with international financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;

4. review the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required in accordance with the rules and regulations of the SGX-ST, before submission to the Board for approval;

5. review and discuss with external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

6. meet with the external auditor and with the internal auditor without the presence of Management, at least annually, to discuss any problems and concerns they may have;

7. review annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditor;

8. review the effectiveness of the internal audit function;

9. review the co-operation given by the Management to the external auditor;

10. consider the appointment, remuneration, terms of engagement, reappointment and if necessary, removal of the external auditor taking into consideration independence and objectivity of such external auditor;

11. review, approve and ratify any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

12. review conflicts of interest;

13. review and implement arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;

14. undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit and Risk Committee; and

15. undertake generally such other functions and duties as may be required by applicable laws or regulations, the SGX-ST Listing Manual and/or guided by the Code.

The role and functions of the Audit and Risk Committee are set out in the Audit and Risk Committee terms of reference approved by the Board.

During the year under review, the activities of the Audit and Risk Committee included the review of the volume and nature of the non-audit services provided by the external auditor. The Audit and Risk Committee did not find anything that would cause them to believe that the nature and provision of such services would affect the independence and objectivity of the external auditor given that such services relate largely to compliance with the Casino Control Act (Cap. 33A) and with requirements of other regulatory authorities. Hence, the Audit and Risk Committee recommended that PricewaterhouseCoopers LLP ("PwC") be nominated for re-appointment as auditor at the AGM to be held on 20 April 2017. PwC has indicated their willingness to accept re-appointment. Details of audit and non-audit fees paid/payable to PwC are found in Note 6 to the financial statements.

The Company is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of its auditor.

The Audit and Risk Committee also met up with the internal and external auditors without the presence of Management, to address any concerns in respect of their findings in FY2016.

Through the Audit and Risk Committee, the Company maintains an appropriate and transparent relationship with the external auditor. The external auditor is invited to attend the Audit and Risk Committee meetings to present its audit plans and reports and to answer any queries the Audit and Risk Committee may have on the financial statements. During the year under review, the external auditor highlighted to the Audit and Risk Committee and the Board, significant matters that required the Audit and Risk Committee's and the Board's attention arising from their audit of the financial statements. In this regard, the Audit and Risk Committee reviewed, and discussed with the external auditor, the following significant matters:

- *Estimates involved in tax provisions*

  Management assesses certain tax risks and evaluates certain contentious tax matters by consulting external tax advisors. The claims of capital allowances, the taxability of certain income and tax deductibility of certain expenses requires Management to apply judgment in assessing the probability of tax positions not within the control of the Group, especially if the issues are not common and have few precedents.

  The Audit and Risk Committee reviewed the Management's processes and controls in identifying and calculating the provisions. The Audit and Risk Committee agreed with Management's assessment that the provisions are properly accounted for. The Audit and Risk Committee was of the view that Management's best estimates of the provisions for income tax and deferred taxation are adequate and appropriate.

- *Impairment of trade receivables*

  In assessing the impairment of trade receivables, Management reviews such trade receivables for objective evidence of impairment. Impairment assessment, performed quarterly, requires significant judgment in relation to credit evaluation. Credit Committee assesses the credit quality of customers taking into account the customer's payment profile, credit exposure and other factors.

  The Audit and Risk Committee reviewed Management's process and methodology for assessing the impairment of trade receivables. After consideration, the Audit and Risk Committee was satisfied that the impairment of trade receivables in respect of the year under review is adequate and appropriate.

The Audit and Risk Committee also has access to and receives periodic updates from the external auditor as required, to keep abreast of changes to accounting standards and issues which impact the Company's financial statements. The Audit and Risk Committee is authorised to investigate any matter within its terms of reference. In discharging its duties, the Audit and Risk Committee is provided with adequate resources, has full access to, and the co-operation of, the Management and the internal auditor. The Audit and Risk Committee has full discretion to invite any Director, executive officer, external consultant or adviser to attend its meetings.

The Company has in place a comprehensive whistle-blowing policy to provide guidance for employees and external parties on how to raise concerns in order that issues can be addressed. Please refer to section G for more details on the policy.

(iii) Risk Management, Internal Controls and Internal Audit

The Board is responsible for the Group's system of internal control and risk management (including financial, operational, compliance and information technology controls) and for reviewing its adequacy and effectiveness.

The Internal Audit Department ("Internal Audit") is responsible for undertaking regular and systematic review of the internal controls to provide the Audit and Risk Committee and the Board with assurance that the systems of internal control are effective in addressing the risks identified. Such review is performed based on the Standards for the Professional Practices of Internal Auditing set by The Institute of Internal Auditors. Internal Audit reports primarily to the Audit and Risk Committee Chairman on audit matters, and to the President and COO on administrative matters. Internal Audit functions independently of the activities it audits.

On a quarterly basis, Internal Audit submits audit reports and the plan status for review and approval by the Audit and Risk Committee. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by Management.

The Audit and Risk Committee reviews and approves the annual internal audit plans. The Audit and Risk Committee also ensures that the internal audit function is adequately resourced and has appropriate standing within the Group to perform its functions effectively.

The Risk Management Committee is responsible for monitoring the implementation of the Group's risk management policies and processes, and their effectiveness for the Group. This committee is chaired by Executive Vice President, Corporate Services. A risk management framework has been developed and meets the principles and guidelines of the Code. All business units are involved in identifying and evaluating risks in a bottom up approach. The heads of business units are required to provide assurance to the Audit and Risk Committee for their respective risks and the effectiveness of the risk controls. Material findings and recommendations in respect of significant risk matters are regularly reported to the Audit and Risk Committee.

In respect of FY2016, the Board has received assurance from the President and COO and the Chief Financial Officer: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the information furnished to the Board and the internal and external audits conducted, the Board, with concurrence of the Audit and Risk Committee, is satisfied that the system of internal controls, including financial, operational, compliance and information technology controls, and risk management system were adequate and effective in meeting the needs of the Group's existing business objectives, having addressed the critical risk areas. While acknowledging their responsibility for the system of internal controls and risk management, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide an absolute assurance in this regard, or absolute assurance against the occurrence of material errors, losses, poor judgment in decision-making, human errors, fraud or other irregularities.

D. COMMUNICATION WITH SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to shareholders, investors and public at large. Hence, all material price-sensitive information is released through the SGXNet, and then posted on the corporate website of the Company so that all shareholders, investors and the general public are updated of the latest developments on a timely and consistent basis.

The Company's AGM is an important forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group. The Company's Articles of Association permit a member of the Company to appoint one or two proxies to attend and vote at the AGM, instead of the member. The Company also permits shareholders who hold shares through nominees to attend the AGM as observers, subject to availability of seats.

In addition, the Group maintains a corporate website at www.gentingsingapore.com. The website has a dedicated and easily identifiable "Investors" section where shareholders and other interested parties can find useful information relating to the Group's latest financial information, news and announcements and annual reports.

Quarterly conference calls are held for analysts after each results announcement. Members of the key Management team including the President and COO as well as the Chief Financial Officer participate in these conference calls.

The Group has a dedicated in-house Investor Relations team and holds regular update briefings with analysts. The Group also hosts individual and group meetings and property tours with investors to give them a better understanding of the businesses of the Group. The Group also participates in relevant investors forums held in Singapore and abroad.

Dividend Policy

The Group is continuously sourcing appropriate investment opportunities in the leisure, hospitality and gaming industries. Typically, investments in these industries are likely to be substantial and the returns on such investments may not be immediate or realised in the short-term. As such, the Company does not have a fixed dividend policy.

Conduct of Shareholder Meetings

Shareholders are informed of shareholders' meetings through notices published in the press and released via SGXNet. Shareholders are accorded the opportunity to raise relevant questions and to communicate their views at shareholders' meetings. Voting in absentia such as by mail, email or fax has not been implemented as issues remain over the shareholder authentication and other related security concerns.

If any shareholder is unable to attend a shareholders' meeting, he is allowed to appoint up to 2 proxies to vote on his behalf at such meeting through proxy forms.

Separate resolutions are proposed at shareholders' meetings on each distinct issue, unless the resolutions are inter-dependent and linked so as to form one significant proposal. Information on each item in the AGM agenda is disclosed in the AGM notice. The chairpersons of the various Board Committees, Management, the external auditor and where necessary, the advisors, are present to assist the Directors to answer any relevant queries by the shareholders.

Commencing from the AGM held on 21 April 2015, the Company subjects all resolutions to voting by poll. The results of the votes are announced during the AGM itself and are also released via SGXNet.

E. SECURITIES TRANSACTIONS

The Company complies with the best practices in dealings in securities, as set out under Rule 1207(19) of the SGX-ST Listing Manual. In this regard, the Company has adopted a Code of Best Practices on Dealings in Securities, to provide appropriate guidance to Directors and officers on dealings in the Company's securities. All Directors and officers are not permitted to deal in the securities of the Company during the period commencing two weeks before the announcement of the Company's first, second and third quarter results, and one month before the announcement of its annual results, and ending on the date of the announcement of the relevant results. Reminders are issued prior to the applicable trading black-outs, and all officers are required to acknowledge and confirm their compliance on an annual basis. The Company's Directors and officers, who are expected to observe insider trading laws at all times, are also reminded not to deal in the Company's securities on short-term considerations, or whilst in possession of unpublished material price-sensitive information relating to the securities of the Company.

F. CODE OF CONDUCT

The Company has adopted a Code of Conduct, which provides guidance on the principles and best practices of the Company, founded on the basis of promoting the highest standards of personal and professional integrity, honesty and values, in employees' daily activities.

The Code of Conduct covers various aspects that employees are expected to ensure compliance with in the course of their employment and/or representing the Company. These aspects include conflicts of interests, confidentiality of information, fair dealing, non-solicitation, entertainment and gifts, rightful use of the Company's information and assets, communication with media and authorities, workplace safety and environment, and all applicable statutory and regulatory requirements. Employees are required to comply with the Company's policies at all times. The Company adopts a zero level of tolerance towards fraudulent behavior and/or willful misconduct by its employees.

Through the employees' observance of such principles and best practices, the Company believes that the public's confidence in the Management of the Company will be further enhanced.

G. WHISTLE-BLOWING POLICY

The Company is committed to achieving compliance with all applicable laws and regulations, accounting and audit standards. The Audit and Risk Committee has accordingly established the whistle-blowing policy to guide employees and external parties to raise concerns or complaints about possible improprieties regarding fraud or matters of financial reporting. Employees and external parties will be protected from reprisals where complaints are made in good faith, and are assured that their reports will be treated fairly. The Compliance Department maintains a record of all concerns or complaints, the investigation and resolution, and prepares a periodic summary thereof for the Audit and Risk Committee. The Company's whistle-blowing policy is available on the Company's website at www.gentingsingapore.com. Such arrangements help ensure independent investigation of matters raised and allow appropriate actions to be taken.

H. MATERIAL CONTRACTS

Except as disclosed under section I, no material contracts to which the Company or any of its subsidiaries is a party which involved the interest of the Directors or controlling shareholders subsisted at, or have been entered into, in FY2016.

I. INTERESTED PERSON TRANSACTIONS

Name of interested persons	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Genting Hong Kong Limited Group		
Sale of Goods and Services	1,617	14
Purchase of Goods and Services	6	2,796
Genting Malaysia Berhad Group		
Sale of Goods and Services	188	24
Purchase of Goods and Services	28	36
Genting Berhad Group		
Sale of Goods and Services	–	1
Purchase of Goods and Services	37	143
International Resort Management Services Pte. Ltd.		
Sale of Goods and Services	331	–

The Directors present their report on the activities and financial statements of Genting Singapore PLC (the "**Company**") and its subsidiaries (the "**Group**") for the financial year ended 31 December 2016.

DIRECTORS

The following persons have served on the Board as Directors of the Company since the beginning of the financial year and to date:

Tan Sri Lim Kok Thay
Mr Tan Hee Teck
Mr Lim Kok Hoong
Mr Tjong Yik Min
Mr Koh Seow Chuan

CAPITAL STRUCTURE

Changes in share capital

There was no change in the Company's issued and paid-up share capital during the financial year ended 31 December 2016. As at 31 December 2016, the number of ordinary shares in issue was 12,094,026,824 of which 79,651,300 were held by the Company as treasury shares.

Genting Singapore Performance Share Scheme ("PSS")

On 8 August 2007, the shareholders of the Company approved the adoption of the PSS for an initial duration of up to 10 years from the date of adoption, from 8 August 2007 to 7 August 2017 (both dates inclusive) (the "**Initial Period**"). The objective of the PSS is to attract and retain the Group's executives, executive directors and non-executive directors, who are in the position to drive the growth of the Company. The PSS gives the Company flexibility in relation to the Group's remuneration package for the Group's executives, executive directors and non-executive directors and allows the Group to manage its fixed overheads. On 21 April 2016, the shareholders of the Company approved amendments to the rules of the PSS and the extension of the duration of the PSS for a further period of 10 years, from 8 August 2017 to 7 August 2027 (both dates inclusive) (the "**Extended Period**").

Under the PSS, the Company may grant to participants awards which represent the right of such participants to receive fully paid shares free of charge, upon such participants satisfying the criteria set out in the PSS and such conditions as may be imposed. The number of shares which are the subject of each award shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account various criteria including those set out in the rules of the PSS. The Company will deliver shares to be received under an award by issuing new shares and/or transferring treasury shares to the participant.

The total number of shares which may be awarded pursuant to awards granted under the PSS during the Initial Period shall not exceed 208,853,893 shares, and when added to the number of shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 5% of the total number of issued shares of the Company (excluding treasury shares) from time to time. The total number of shares which may be awarded pursuant to awards granted under the PSS during the Extended Period shall not exceed 420,433,143 shares, and when added to the number of shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 5% of the total number of issued shares of the Company (excluding treasury shares) from time to time.

CAPITAL STRUCTURE (CONTINUED)

Genting Singapore Performance Share Scheme ("PSS") (Continued)

During the financial year, awards comprising an aggregate of 6,020,000 shares were granted under the PSS. As at 31 December 2016, awards comprising a total cumulative number of 148,851,000 shares have been granted under the PSS, of which 87,033,940 shares have vested and awards comprising an aggregate of 30,087,060 shares have lapsed due to resignations and forfeitures. The total number of outstanding awards as at 31 December 2016 comprised an aggregate of 31,730,000 shares.

Details of the PSS are set out in Note 22 to the financial statements.

The PSS is administered by the Remuneration Committee comprising Mr Tjong Yik Min (Chairman of the Remuneration Committee), Mr Lim Kok Hoong and Tan Sri Lim Kok Thay.

DIVIDENDS

The Board of Directors is pleased to propose the payment of a tax exempt (one-tier) final dividend of 1.5 cent per ordinary share, subject to the approval of shareholders at the Annual General Meeting ("**AGM**") of the Company which is scheduled to be held on 20 April 2017.

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP ("**PwC**"), Singapore have offered themselves for re-appointment as auditor of the Company.

On behalf of the Board,

TAN SRI LIM KOK THAY
Executive Chairman

22 February 2017

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Revenue	4	**2,228,050**	2,400,898	**464,344**	330,072
Cost of sales		**(1,538,552)**	(1,708,244)	**–**	–
Gross profit		**689,498**	692,654	**464,344**	330,072
Other operating income		**104,868**	197,374	**113,663**	174,062
Fair value loss on derivative financial instruments		**–**	(239,341)	**–**	–
Administrative expenses		**(159,660)**	(92,334)	**(30,919)**	(34,445)
– Prior years' property tax refund		***2,140***	*102,742*	**–**	–
– Others		***(161,800)***	*(195,076)*	***(30,919)***	*(34,445)*
Selling and distribution expenses		**(54,551)**	(56,855)	**–**	–
Other operating expenses		**(32,749)**	(163,883)	**(19,257)**	(22,499)
Operating profit		**547,406**	337,615	**527,831**	447,190
Finance costs	5	**(44,553)**	(54,523)	**–**	–
Share of results of joint ventures and associate		**(6,234)**	(3,828)	**–**	–
Profit before taxation	6	**496,619**	279,264	**527,831**	447,190
Taxation	7	**(112,072)**	(86,204)	**(16,257)**	(14,634)
Net profit for the financial year		**384,547**	193,060	**511,574**	432,556
Other comprehensive (loss)/income, may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets					
– Fair value loss		**(30,337)**	(106,069)	**–**	–
– Reclassification to profit or loss		**10,395**	150,376	**–**	–
Foreign currency exchange differences		**8,930**	533	**–**	–
Reclassification of foreign currency exchange differences		**3**	451	**–**	–
Other comprehensive (loss)/income for the financial year, net of tax		**(11,009)**	45,291	**–**	–
Total comprehensive income for the financial year		**373,538**	238,351	**511,574**	432,556

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		Group		Company	
		2016	**2015**	**2016**	**2015**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Net profit/(loss) attributable to:					
– Ordinary shareholders of the Company		**266,349**	75,186	**393,376**	314,681
– Holders of perpetual capital securities		**118,198**	117,875	**118,198**	117,875
– Non-controlling interests		**–**	(1)	**–**	–
		384,547	193,060	**511,574**	432,556
Total comprehensive income/(loss) attributable to:					
– Ordinary shareholders of the Company		**255,340**	120,477	**393,376**	314,681
– Holders of perpetual capital securities		**118,198**	117,875	**118,198**	117,875
– Non-controlling interests		**–**	(1)	**–**	–
		373,538	238,351	**511,574**	432,556

		Group	
		2016	**2015**
Earnings per share attributable to ordinary shareholders of the Company	8		
Basic (Singapore cents)		**2.22**	0.62
Diluted (Singapore cents)		**2.21**	0.62

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

		Group		Company	
		2016	**2015**	**2016**	**2015**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Non-current assets					
Property, plant and equipment	9	**5,241,588**	5,487,403	**229**	318
Intangible assets	10	**146,321**	101,020	**–**	–
Interests in joint ventures and associate	11	**50,908**	129,972	**–**	–
Interests in subsidiaries	12	**–**	–	**1,982,495**	2,286,551
Deferred tax assets	13	**26**	1,743	**–**	–
Available-for-sale financial assets	14	**163,365**	207,347	**–**	–
Trade and other receivables	15	**3,054**	248,566	**462,528**	707,492
		5,605,262	6,176,051	**2,445,252**	2,994,361
Current assets					
Assets classified as held for sale	16	**515,269**	31,941	**–**	–
Inventories	17	**61,510**	57,186	**–**	–
Trade and other receivables	15	**197,743**	646,379	**885,512**	483,434
Restricted cash	18	**103,088**	113,223	**–**	–
Cash and cash equivalents	18	**4,963,436**	5,002,063	**3,771,777**	3,565,367
		5,841,046	5,850,792	**4,657,289**	4,048,801
Less: Current liabilities					
Liabilities classified as held for sale	16	**3,576**	–	**–**	–
Trade and other payables	19	**349,663**	412,372	**238,576**	239,279
Bank borrowings	20	**182,469**	164,224	**–**	–
Finance leases	21	**3,121**	2,606	**–**	–
Income tax liabilities		**93,777**	67,946	**17,520**	25
		632,606	647,148	**256,096**	239,304
Net current assets		**5,208,440**	5,203,644	**4,401,193**	3,809,497
Total assets less current liabilities		**10,813,702**	11,379,695	**6,846,445**	6,803,858

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

		Group		Company	
		2016	**2015**	**2016**	**2015**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Equity					
Share capital	22	**5,527,705**	5,527,705	**5,527,705**	5,527,705
Treasury shares	22	**(66,730)**	(78,129)	**(66,730)**	(78,129)
Perpetual capital securities	23	**2,308,330**	2,308,330	**2,308,330**	2,308,330
Other reserves	24	**63,023**	77,792	**28,663**	32,423
Retained earnings/(accumulated losses)		**1,697,933**	1,790,052	**(951,781)**	(986,689)
Attributable to ordinary shareholders and perpetual capital securities holders		**9,530,261**	9,625,750	**6,846,187**	6,803,640
Non-controlling interests		**2**	8	**–**	–
Total equity		**9,530,263**	9,625,758	**6,846,187**	6,803,640
Non-current liabilities					
Deferred tax liabilities	13	**300,102**	283,247	**–**	–
Bank borrowings	20	**978,103**	1,460,361	**–**	–
Finance leases	21	**322**	3,418	**–**	–
Provision for retirement gratuities	26	**735**	900	**258**	218
Other long term liabilities	27	**4,177**	6,011	**–**	–
		1,283,439	1,753,937	**258**	218
Total equity and non-current liabilities		**10,813,702**	11,379,695	**6,846,445**	6,803,858

The financial statements from pages 35 to 105 were approved and authorised for issue by the Board of Directors on 22 February 2017 and signed on behalf by:

TAN SRI LIM KOK THAY
Executive Chairman

MR TAN HEE TECK
Director/President and Chief Operating Officer

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Group	Attributable to ordinary shareholders of the Company						Perpetual capital securities $'000	Subtotal $'000	Non-controlling interests $'000	Total $'000
	Share capital $'000	Treasury shares $'000	Share option and performance share reserve $'000	Fair value reserve $'000	Exchange translation reserve $'000	Retained earnings $'000				
2016										
Beginning of financial year	5,527,705	(78,129)	32,423	37,291	8,078	1,790,052	2,308,330	9,625,750	8	9,625,758
Total comprehensive income/(loss)										
– Profit for the year	–	–	–	–	–	266,349	118,198	384,547	–	384,547
– Other comprehensive (loss)/income	–	–	–	(19,942)	8,933	–	–	(11,009)	–	(11,009)
Transactions with owners:										
Treasury shares reissued pursuant to performance share schemes	–	11,399	(14,557)	–	–	3,158	–	–	–	–
Share option and performance share schemes:										
– Value of employee services	–	–	10,797	–	–	–	–	10,797	–	10,797
Dividends paid	–	–	–	–	–	(360,370)	–	(360,370)	–	(360,370)
Perpetual capital securities distribution paid	–	–	–	–	–	–	(118,198)	(118,198)	–	(118,198)
Tax charge arising from perpetual capital securities	–	–	–	–	–	(1,256)	–	(1,256)	–	(1,256)
Liquidation of subsidiary	–	–	–	–	–	–	–	–	(8)	(8)
Non-controlling interests on incorporation of subsidiary	–	–	–	–	–	–	–	–	2	2
Total transactions with owners	–	11,399	(3,760)	–	–	(358,468)	(118,198)	(469,027)	(6)	(469,033)
End of financial year	5,527,705	(66,730)	28,663	17,349	17,011	1,697,933	2,308,330	9,530,261	2	9,530,263

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Group	Attributable to ordinary shareholders of the Company										
	Share capital $'000	Treasury shares $'000	Capital redemption reserve $'000	Share option and performance share reserve $'000	Fair value reserve $'000	Exchange translation reserve $'000	Retained earnings $'000	Perpetual capital securities $'000	Subtotal $'000	Non-controlling interests $'000	Total $'000
2015											
Beginning of financial year	5,573,050	–	(11,558)	54,609	(7,016)	7,094	1,778,808	2,308,330	9,703,317	9	9,703,326
Total comprehensive income/(loss)											
– Profit/(loss) for the year	–	–	–	–	–	–	75,186	117,875	193,061	(1)	193,060
– Other comprehensive income	–	–	–	–	44,307	984	–	–	45,291	–	45,291
Transactions with owners:											
Issuance of shares	3,609	–	–	–	–	–	–	–	3,609	–	3,609
Reclassification upon share cancellation	(11,558)	–	11,558	–	–	–	–	–	–	–	–
Repurchase of shares	(37,396)	(78,129)	–	–	–	–	–	–	(115,525)	–	(115,525)
Share option and performance share schemes:											
– Value of employee services	–	–	–	20,079	–	–	–	–	20,079	–	20,079
– Transfer of share option and performance share reserve to retained earnings	–	–	–	(42,265)	–	–	42,265	–	–	–	–
Dividends paid	–	–	–	–	–	–	(120,847)	–	(120,847)	–	(120,847)
Perpetual capital securities distribution paid	–	–	–	–	–	–	–	(117,875)	(117,875)	–	(117,875)
Tax credit arising from perpetual capital securities	–	–	–	–	–	–	14,640	–	14,640	–	14,640
Total transactions with owners	(45,345)	(78,129)	11,558	(22,186)	–	–	(63,942)	(117,875)	(315,919)	–	(315,919)
End of financial year	5,527,705	(78,129)	–	32,423	37,291	8,078	1,790,052	2,308,330	9,625,750	8	9,625,758

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Attributable to ordinary shareholders of the Company					
Company	**Share capital $'000**	**Treasury shares $'000**	**Share option and performance share reserve $'000**	**Accumulated losses $'000**	**Perpetual capital securities $'000**	**Total $'000**
2016						
Beginning of financial year	5,527,705	(78,129)	32,423	(986,689)	2,308,330	6,803,640
Profit and total comprehensive income for the year	–	–	–	393,376	118,198	511,574
Transactions with owners:						
Treasury shares reissued pursuant to performance share schemes	–	11,399	(14,557)	3,158	–	–
Share option and performance share schemes:						
– Value of employee services	–	–	10,797	–	–	10,797
Dividends paid	–	–	–	(360,370)	–	(360,370)
Perpetual capital securities distribution paid	–	–	–	–	(118,198)	(118,198)
Tax credit arising from perpetual capital securities	–	–	–	(1,256)	–	(1,256)
Total transactions with owners	–	11,399	(3,760)	(358,468)	(118,198)	(469,027)
End of financial year	5,527,705	(66,730)	28,663	(951,781)	2,308,330	6,846,187

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Company	Attributable to ordinary shareholders of the Company						
	Share capital $'000	Treasury shares $'000	Capital redemption reserve $'000	Share option and performance share reserve $'000	Accumulated losses $'000	Perpetual capital securities $'000	Total $'000
2015							
Beginning of financial year	5,573,050	–	(11,558)	54,609	(1,237,428)	2,308,330	6,687,003
Profit and total comprehensive income for the year	–	–	–	–	314,681	117,875	432,556
Transactions with owners:							
Issuance of shares	3,609	–	–	–	–	–	3,609
Reclassification upon share cancellation	(11,558)	–	11,558	–	–	–	–
Repurchase of shares	(37,396)	(78,129)	–	–	–	–	(115,525)
Share option and performance share schemes:							
– Value of employee services	–	–	–	20,079	–	–	20,079
– Transfer of share option and performance share reserve to accumulated losses	–	–	–	(42,265)	42,265	–	–
Dividends paid	–	–	–	–	(120,847)	–	(120,847)
Perpetual capital securities distribution paid	–	–	–	–	–	(117,875)	(117,875)
Tax credit arising from perpetual capital securities	–	–	–	–	14,640	–	14,640
Total transactions with owners	(45,345)	(78,129)	11,558	(22,186)	(63,942)	(117,875)	(315,919)
End of financial year	5,527,705	(78,129)	–	32,423	(986,689)	2,308,330	6,803,640

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Net cash inflow from operating activities	A	**1,164,832**	1,261,927	**38,146**	111,517
Investing activities					
Property, plant and equipment:					
– Proceeds from disposal		**942**	1,070	**–**	–
– Purchases		**(69,636)**	(174,182)	**(15)**	(332)
Additions of intangible assets		**(68,508)**	(2,212)	**–**	–
Proceeds from disposal of asset classified as held for sale		**30,111**	–	**–**	–
Dividend income received		**–**	12,760	**456,978**	319,500
Purchase of available-for-sale financial assets		**–**	(51,922)	**–**	–
Proceeds from disposal/redemption of available-for-sale financial assets and derivative financial instruments, net of transaction costs		**13,631**	808,162	**–**	–
Investment in an associate and transaction costs		**(176,662)**	–	**–**	–
Loan to an associate		**–**	(138,374)	**–**	–
Proceeds from disposal of joint venture		**–**	192	**–**	–
(Increase)/decrease in amounts due from joint venture		**(4)**	(4)	**4**	(4)
Decrease in amounts due from subsidiaries		**–**	–	**145,530**	288,516
Net cash (outflow)/inflow from investing activities		**(270,126)**	455,490	**602,497**	607,680

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		Group		Company	
		2016	2015	2016	2015
	Note	$'000	$'000	$'000	$'000
Financing activities					
Net proceeds from issuance of shares		**–**	3,609	**–**	3,609
Repurchase of shares		**–**	(115,525)	**–**	(115,525)
Interest paid		**(34,259)**	(42,365)	**–**	–
Dividends paid		**(360,370)**	(120,847)	**(360,370)**	(120,847)
Perpetual capital securities distribution paid		**(118,198)**	(117,875)	**(118,198)**	(117,875)
Net repayment of borrowings and transaction costs		**(475,000)**	(88,775)	**–**	–
Repayment of finance lease liabilities		**(2,459)**	(2,211)	**–**	–
Restricted cash (deposit pledged as security for loan and interest repayments)		**10,135**	26,033	**–**	–
Net cash outflow from financing activities		**(980,151)**	(457,956)	**(478,568)**	(350,638)
(Decrease)/increase in cash and cash equivalents		**(85,445)**	1,259,461	**162,075**	368,559
Beginning of financial year		**5,002,063**	3,697,494	**3,565,367**	3,151,661
Net (outflow)/inflow		**(85,445)**	1,259,461	**162,075**	368,559
Effects of exchange rate changes		**46,818**	45,108	**44,335**	45,147
End of financial year	18	**4,963,436**	5,002,063	**3,771,777**	3,565,367

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		Group		Company	
		2016	2015	2016	2015
Note		$'000	$'000	$'000	$'000
A	**Cash flows from operating activities**				
	Net profit for the financial year	**496,619**	279,264	**527,831**	447,190
	Adjustments for:				
	Property, plant and equipment:				
	– Depreciation	**273,492**	323,923	**104**	18
	– Net gain on disposal	**(847)**	(599)	**–**	–
	– Written off	**5,464**	9,283	**–**	–
	– Impairment	**10,808**	4,774	**–**	–
	Amortisation of:				
	– Intangible assets	**23,207**	20,226	**–**	–
	– Borrowing costs	**10,987**	10,992	**–**	–
	Impairment charged/(write-back) on:				
	– Trade receivables	**235,124**	270,693	**–**	–
	– Other receivables	**456**	–	**456**	–
	– Amounts due from subsidiaries	**–**	–	**(119,452)**	22,499
	– Investment in subsidiaries	**–**	–	**40**	–
	Waiver of amounts due from subsidiaries	**–**	–	**138,668**	11,085
	Bad debts written off	**–**	23	**–**	–
	Impairment on asset classified as held for sale	**2,827**	–	**–**	–
	Gain on disposal on asset classified as held for sale	**(996)**	–	**–**	–
	Impairment on available-for-sale financial assets	**13,649**	63,374	**–**	–
	(Gain)/loss on disposal of available-for-sale financial assets, net of transaction costs	**(3,241)**	87,208	**–**	–
	Fair value loss on derivative financial instruments	**–**	239,341	**–**	–
	Share-based payment	**10,741**	20,079	**8,282**	12,221
	Inventory write-down	**147**	227	**–**	–
	Finance charges	**33,566**	43,531	**–**	–
	Unrealised foreign exchange (gain)/loss	**(44,732)**	2,073	**(45,758)**	(51,300)
	Dividend income	**–**	(12,760)	**(457,187)**	(321,507)
	Interest income	**(83,868)**	(61,670)	**(95,293)**	(86,115)
	Share of results of joint ventures and associate	**6,234**	3,828	**–**	–
	(Write-back)/provision of retirement gratuities	**(38)**	(211)	**40**	(10)
	Net gain on liquidation/disposal of joint ventures	**–**	(60)	**–**	–
		492,980	1,024,275	**(570,100)**	(413,109)
	Operating cash flows before movements in working capital	**989,599**	1,303,539	**(42,269)**	34,081

The notes on pages 47 to 105 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Note		Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
A	**Cash flows from operating activities (Continued)**				
	Changes in working capital:				
	Increase in inventories	**(4,472)**	(3,767)	**–**	–
	Decrease in trade and other receivables	**213,824**	194,180	**–**	622
	Decrease in trade and other payables	**(41,190)**	(147,747)	**(2,899)**	(5,179)
		168,162	42,666	**(2,899)**	(4,557)
	Cash generated from/(used in) operating activities	**1,157,761**	1,346,205	**(45,168)**	29,524
	Interest received	**71,572**	43,122	**83,331**	82,088
	Net taxation paid	**(64,375)**	(127,188)	**(17)**	(95)
	Retirement gratuities paid	**(126)**	(212)	**–**	–
	Net cash inflow from operating activities	**1,164,832**	1,261,927	**38,146**	111,517

The notes on pages 47 to 105 form an integral part of these financial statements.

1. GENERAL

The Company is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST").

The address of the registered office of the Company is First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF, British Isles.

The address of the head office is 10 Sentosa Gateway, Resorts World Sentosa, Singapore 098270.

The Company's principal activity is that of an investment holding company. The principal activities of the Company's subsidiaries include the development and operation of integrated resort, operation of casinos, provision of sales and marketing support services to leisure and hospitality related businesses and investments.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(a) Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Group has adopted the amended IFRS that are effective for financial year beginning on or after 1 January 2016:

- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38
- Annual Improvements to IFRSs 2012-2014 cycle
- Disclosure Initiative – Amendments to IAS 1

The adoption of these amendments did not have any significant impact on the current period or any prior period and is not likely to affect future periods.

(b) Interpretations and amendments to published standards effective in 2017 and after

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2017 or later, which the Group has not early adopted:

- Amendments to IAS 12 – *Recognition of Deferred Tax Assets for Unrealised Losses* (1)
- Amendments to IAS 7 – *Disclosure Initiative* (1)
- IFRS 9 *Financial instruments* (2)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) Interpretations and amendments to published standards effective in 2017 and after (Continued)

- Amendments to IFRS 9 *Financial instruments* on hedge accounting [(2)]
- IFRS 15 *Revenue from contracts with customers* [(2)]
- IFRS 16 *Leases* [(3)]

(1) Applies to annual periods beginning on or after 1 January 2017, with early application permitted.

(2) Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

(3) Applies to annual periods beginning on or after 1 January 2019, with early application permitted.

The Group is assessing the impact of adoption of the above IFRS.

2.2 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between the Group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and the statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group. Under this method, the cost of an acquisition of a subsidiary or business is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The cost of acquisition also includes the fair value of any contingent consideration arrangement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(a) Subsidiaries (Continued)

(ii) Acquisitions (Continued)

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (see accounting policy note on intangible assets). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and the liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) Joint ventures

The Group's interests in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition results of joint ventures in profit or loss and its share of post-acquisition movements within reserve is recognised in other comprehensive income. These post-acquisition movements and distributions received from joint ventures are adjusted against the carrying amount of the investment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(b) Joint ventures (Continued)

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint ventures that is attributable to the other venturers. The Group does not recognise its share of profits or losses from joint ventures that results from the purchase of assets by the Group from joint ventures, until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately in profit or loss.

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

(c) Associates

Associates are entities over which the Group has significant influence but not control, generally accompanied by a shareholding giving rise to between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss (see accounting policy note on impairment of non-financial assets).

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements and distributions received from the associates are adjusted against the carrying amount of the investments.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

When the Group loses significant influence, investments in associates are derecognised. Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(d) Transactions with non-controlling interests

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group’s activities. Revenue attributable to the award of benefits measured at fair value is deferred until they are utilised. Revenue is shown as net of goods and services tax, and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group’s activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Revenue from integrated resort

Gaming revenue represents net house takings, which is the aggregate of wins and losses arising from gaming play. Revenue is reported after deduction of goods and services tax, commissions, discounts and loyalty points awarded to customers.

Hotel room revenue is recognised based on room occupancy. Other hotel revenue, food and beverage and retail sales are recognised when the goods are delivered or services are rendered to the customers.

Attraction revenue is recognised when tickets are used. Revenue from annual passes is amortised over the period of their validity.

Convention revenue is recognised when the related services are rendered or the events are held.

Rental income from retail outlets, net of any incentives given to the lessee, is recognised on a straight-line basis over the period of the respective lease terms.

(b) Dividend income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition (Continued)

(c) Management fee income

Management fee income represents fees for management services provided and is recognised in the period in which the services are rendered.

(d) Revenue from sales and marketing services

Revenue from sales and marketing services is recognised in the period in which the services are rendered.

2.4 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.5 Property, plant and equipment

All property, plant and equipment except for freehold land is initially recognised at cost and is subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs and realised gains or losses on qualifying cash flow hedges incurred specifically for the construction or development of the asset. Depreciation is calculated using the straight-line method to allocate the depreciable amounts of property, plant and equipment less their estimated residual values over their estimated useful lives as follows:

	Estimated useful lives
Freehold properties and improvements	30-60 years
Leasehold land, properties and improvements	30-99 years
Machinery, computer equipment, fixtures, fittings and motor vehicles	2-5 years
Public attractions, theme park equipment, mechanical and electrical system and aircraft	10-30 years
Exhibit animals	5-15 years

Freehold land is stated at cost and is not depreciated. Leasehold land is depreciated over the lease period of 60 to 99 years. Leasehold properties and improvements are depreciated over 30 to 60 years on a straight-line basis.

The depreciation of leasehold land is capitalised during the period of construction as part of construction-in-progress in property, plant and equipment until the construction is completed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

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

Construction-in-progress consists of assets and property under construction. Assets include acquired computer hardware, computer software licence and implementation cost incurred in bringing the computer system to use.

Construction-in-progress is stated at cost and is not depreciated. Costs include borrowing costs and other directly related expenditure incurred during the period of construction and up to the completion of the construction. Construction-in-progress relating to assets and property under construction is reclassified to the respective categories of property, plant and equipment upon completion of the project.

For major construction-in-progress, the cost is supported by qualified quantity surveyors' certification of work done.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the recoverable amount of the asset is assessed and if it is estimated to be less than its carrying amount, the carrying amount of the assets is written down immediately to its recoverable amount (see accounting policy note on impairment of non-financial assets).

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

2.6 Intangible assets

(a) Goodwill on acquisition

Goodwill on acquisition represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary and joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of joint ventures is included in the carrying amount of the investment and is tested for impairment as part of the investment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill on acquisition of subsidiaries is tested at least annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(a) Goodwill on acquisition (Continued)

Goodwill is allocated to cash-generating units ("CGU"s) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

(b) Trademarks and tradenames

Trademarks and tradenames are initially recognised at cost and are subsequently carried at cost less any accumulated impairment losses. Trademarks and tradenames have an indefinite useful life as it is maintained through continuous marketing and upgrading. Trademarks and tradenames are tested annually for impairment. Where an indication of impairment exists, the carrying amount of trademarks and tradenames are assessed and written down immediately to its recoverable amount (see accounting policy note on impairment of non-financial assets).

(c) Licences

Casino and theme park licences are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Such cost is amortised using the straight-line method over 3 to 30 years, which is the shorter of its economic useful life and periods of contractual right. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Amortisation is recognised in profit or loss unless the amount can be capitalised as part of construction-in-progress. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

(d) Computer software

Computer software that does not form an integral part of other related hardware is treated as an intangible asset. Costs that are directly associated with development and acquisition of computer software programmes by the Group are capitalised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(d) Computer software (Continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

Expenditure that enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Computer software programmes under development are not amortised.

2.7 Investments in subsidiaries, joint ventures and associate

Investments in subsidiaries, joint ventures and associate are carried at cost less accumulated impairment losses in the Group's and Company's statements of financial position. On disposal of investments in subsidiaries, joint ventures and associate, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. When an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (see accounting policy note on impairment of non-financial assets).

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested at least annually for impairment. Assets that are subject to amortisation and depreciation, and investments in subsidiaries, joint ventures and associate are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment is charged to profit or loss. Impairment is reversed only to the extent that the reversal does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment been recognised in prior years for the same asset. The reversal is recognised in profit or loss. Impairment on goodwill is not reversed once recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets

(a) Classification

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 purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss on initial recognition are those that are managed and their performances are evaluated on a fair value basis, in accordance with the investment strategy of the Group. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities or expected to be realised later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are presented as 'trade and other receivables', 'restricted cash' and 'cash and cash equivalents' in the statement of financial position.

(iii) Available-for-sale financial assets

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

(b) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in profit or loss. Any amount in other comprehensive income relating to the asset is reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss, which are recognised at fair value, and transaction costs are expensed in profit or loss.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of the financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) 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 and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For loans and receivables, an impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the financial assets. Adverse changes in background, reputation and financial capability of the debtor, and default or significant delay in payments are objective evidence that receivables are impaired. The carrying amount of loans and receivables is reduced through the use of an impairment allowance account. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line items in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(e) Impairment (Continued)

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

For debt securities classified as available-for-sale, the Group uses the criteria as above for loans and receivables. For equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised as an expense in profit or loss. Impairment losses recognised in profit or loss on equity securities are not reversed through profit or loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Approved government grants relating to qualifying expenditure are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate, unless they are directly attributable to the construction of an item of property, plant and equipment, in which case, they are set off against the asset.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), deposits held at call with banks and other short term highly liquid investments with original maturities of 12 months or less.

2.13 Trade and other payables

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits include wages, salaries, bonus and paid annual leave. These benefits are recognised in profit or loss when incurred and are measured on an undiscounted basis, unless they can be capitalised as part of the cost of a self-constructed asset.

(b) Post-employment benefits

The Group contributes to defined contribution plans for some of its employees under which the Group pays fixed contributions into the employees provident funds in certain countries in which it operates on a mandatory, contractual or voluntary basis and will have no legal or constructive obligations to pay further contributions if those funds do not hold sufficient assets to pay all employees the benefits relating to services provided in the current and prior periods. The Group's contributions to such plans are recognised in profit or loss as employee benefits expense when they are due, unless they can be capitalised as part of the cost of a self-constructed asset.

(c) Long-term employee benefits

The Group provides retirement gratuities under a retirement gratuity scheme that was established in 1991 by the Board of Directors of the ultimate holding corporation for executives and executive directors of the Company and certain subsidiaries. The level of retirement gratuities payable is in relation to the past services rendered. The gratuity is calculated based on employees' basic salary for each completed year of service. Such benefits vest on the employees when they reach retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the reporting date on high quality corporate bonds or government bond which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of provision for retirement gratuities. The differences arising from the application of such discounting as well as any past service costs and the effects of any curtailments or settlements, if any, are recognised immediately in profit or loss. Such retirement gratuities payable are classified as current liabilities where it is probable that a payment will be made within the next 12 months.

(d) Share-based compensation benefits

The Group operates equity-settled, share-based compensation plans, where shares and/or options are issued by the Company to eligible executives and directors of the Group. The value of the employee services received in exchange for the grant of the shares and/or options is recognised as an expense with a corresponding entry to reserves over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and/or options granted at the grant date and the number of shares and/or options vested by vesting date, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the estimates of the number of shares and/or options that are expected to become vested and/or exercisable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits (Continued)

(d) Share-based compensation benefits (Continued)

The fair value of services received from the employees of the ultimate holding corporation and its subsidiaries in exchange for the grant of the shares and/or options are essentially services rendered in the past, are charged out to profit or loss immediately, unless they can be capitalised as part of the cost of a self-constructed asset. Before the end of the vesting period, at each reporting date, the Company will revise its estimates of the number of shares and/or options that are expected to be vested at the vesting date and it recognises the impact of this revision in profit or loss with a corresponding adjustment to equity. After the vesting date, no adjustment to profit or loss is made. The proceeds received net of any directly attributable transaction costs are credited to share capital account when the shares and/or options are exercised. For performance shares that are expected to be granted, due to services received before grant date, the total amount to be recognised over the vesting period is determined by reference to the fair value of the performance shares at the end of the reporting period, until the date of grant has been established. Upon expiry of options and vesting of shares, reserves relating to the expired options and vested shares will be transferred to retained earnings.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Where the terms of a share-based compensation plan are modified, the expense that has yet to be recognised for the award, is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the share and/or options due to the modification, as measured at the date of the modification.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

2.16 Borrowings and borrowing costs

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Borrowings and borrowing costs (Continued)

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

Borrowing costs including commitment fees on credit facilities, amortisation of transaction costs and interest expenses, are recognised in profit or loss unless they are directly attributable to the construction-in-progress, in which case, they are capitalised as part of the cost of the self-constructed asset during the construction period.

2.17 Leases

(a) When the Group is the lessee – Operating leases

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

(b) When the Group is the lessee – Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are allocated between liability and finance charges. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under a finance lease is depreciated over the shorter of the estimated useful life of the asset and the lease term.

(c) When the Group is the lessor – Operating leases

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it arises from a transaction or event which is recognised, in the same or different period, in other comprehensive income or directly in equity. Tax relating to transactions or events recognised in other comprehensive income or directly in equity is also recognised in other comprehensive income or directly in equity respectively.

(a) Current tax

Current tax is calculated according to the tax laws of each jurisdiction in which the Company and its subsidiaries operate and includes all taxes based upon the taxable income and is measured using the tax rates and tax laws which are applicable at the reporting date.

(b) Deferred tax

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled; and based on the tax consequences that will follow from the manner in which the Group expects, at the same reporting date, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associate, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 Share capital, treasury shares and perpetual capital securities

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

Incremental costs directly attributable to the issue of new shares or options or perpetual capital securities are shown in equity as a deduction, net of tax, from the proceeds. The proceeds received net of any directly attributable transaction costs are credited to share capital or perpetual capital securities.

When shares recognised as equity are acquired, the consideration paid, including any directly attributable transaction costs, are recorded in the capital redemption reserve or treasury shares account.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Share capital, treasury shares and perpetual capital securities (Continued)

Upon completion of share cancellation, the carrying amounts of the shares purchased are immediately transferred from the capital redemption reserve and deducted against share capital.

When the Company purchases its own ordinary shares ("treasury shares"), they are presented as a deduction from total equity until they are cancelled, sold or reissued.

When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in equity.

2.20 Assets and disposal groups classified as held for sale

Assets and disposal groups are classified as held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2.21 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in the functional currency of the Company which is Singapore Dollars ("$").

(b) Transactions and balances

Foreign currency transactions of each entity in the Group are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the closing rates at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Foreign currency translation (Continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the reporting date;

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

(iii) all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated and qualifying as net investment hedges, are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate at the reporting date.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

2.23 Segment reporting

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. When a change in the probability of an outflow of economic resources occurs so that outflow is probable, it will then be recognised as a provision.

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

2.25 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially at fair value plus transaction costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less, where appropriate, cumulative amortisation recognised.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will not necessarily equal the related actual results.

(a) Taxation

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes that includes the estimate of the amount of capital allowances for items within the leasehold improvements and fixtures and fittings asset categories, the taxability of certain income and the deductibility of certain expenses.

Where the final tax outcome of tax liabilities is different from the amounts that were initially recorded, such differences will impact the income tax liabilities and deferred tax assets and liabilities (Note 7 and Note 13), where applicable, in the period in which such determination is made.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment. Adverse changes in background reputation and financial capability of the debtor, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor.

Where there is objective evidence of impairment, management uses estimates based on credit-worthiness of the debtors, past repayment history for each debtor and historical loss experience for debtors with similar credit risk characteristics to determine the amount to be impaired. The methodology and assumptions used are reviewed regularly to reduce any differences between the estimated loss and actual loss experience. See Note 29 for the Group's management of credit risk and carrying amount of trade receivables that are past due and impaired/not impaired, and movement in allowance for impairment.

4. REVENUE

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Gaming operations	**1,588,486**	1,749,053	**–**	–
Non-gaming operations	**637,450**	650,308	**–**	–
Dividend income	**–**	–	**457,187**	321,507
Management fees	**–**	–	**7,125**	8,565
Others	**2,114**	1,537	**32**	–
	2,228,050	2,400,898	**464,344**	330,072

5. FINANCE COSTS

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Interest expense:				
– Bank borrowings	**29,662**	39,058	**–**	–
– Finance lease liabilities	**1,036**	1,618	**–**	–
– Amortisation of borrowing costs	**10,987**	10,992	**–**	–
Others	**2,868**	2,855	**–**	–
	44,553	54,523	**–**	–

6. PROFIT BEFORE TAXATION

Included in the profit before taxation are the following expenses/(income) by nature:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Directors' remuneration:				
– Fees and meeting allowances	**892**	848	**892**	848
– Other emoluments	**16,098**	24,444	**12,157**	20,195
Employee benefits (excluding directors' remuneration) [1]:				
– Salaries and related costs	**452,185**	488,410	**9,168**	5,710
– Employer's contribution to defined contribution plan	**42,927**	45,632	**361**	756
– (Write-back)/provision for retirement gratuities	**(38)**	(211)	**40**	(10)
– Share-based payment	**4,222**	9,374	**1,763**	1,516
Auditors' remuneration				
– PwC Singapore	**1,778**	1,900	**465**	500
– Other PwC firms	**32**	34	**–**	–
Non-audit fees paid/payable to PwC Singapore	**299**	323	**26**	107
Duties and taxes [2]	**279,666**	217,068	**–**	–
Property, plant and equipment:				
– Depreciation	**273,492**	323,923	**104**	18
– Net gain on disposal	**(847)**	(599)	**–**	–
– Written off	**5,464**	9,283	**–**	–
– Impairment	**10,808**	4,774	**–**	–
Amortisation of intangible assets	**23,207**	20,226	**–**	–
Impairment charged/(write-back) on:				
– Trade receivables	**235,124**	270,693	**–**	–
– Other receivables	**456**	–	**456**	–
– Amounts due from subsidiaries	**–**	–	**(119,452)**	22,499
– Investment in subsidiaries	**–**	–	**40**	–
Waiver of amounts due from subsidiaries	**–**	–	**138,668**	11,085
Impairment on asset classified as held for sale	**2,827**	–	**–**	–
Gain on disposal of asset classified as held for sale	**(996)**	–	**–**	–
Impairment on available-for-sale financial assets	**13,649**	63,374	**–**	–
(Gain)/loss on disposal of available-for-sale financial assets, net of transaction costs	**(3,241)**	87,208	**–**	–
Fair value loss on derivative financial instruments	**–**	239,341	**–**	–
Inventory write-down	**147**	227	**–**	–
Net foreign exchange gain	**(15,866)**	(121,378)	**(18,005)**	(83,803)
Dividend income	**–**	(12,760)	**(457,187)**	(321,507)
Interest income	**(83,868)**	(61,670)	**(95,293)**	(86,115)
Rental expenses on operating leases	**4,899**	5,102	**330**	327
Advertising and promotion	**34,995**	40,284	**–**	–
Utilities	**52,626**	65,276	**–**	–
Legal, professional and management fees	**15,712**	18,101	**3,250**	2,099

(1) The Group received government grants of $14,344,000 (2015: $12,938,000) that were set off against the qualifying employee compensation.

(2) Includes property tax and casino tax that is levied on the casino's Gross Gaming Revenue.

7. TAXATION

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Taxation for current financial year:				
– Current tax	**95,750**	83,519	**16,264**	14,664
– Deferred tax	**8,054**	35,931	**–**	–
	103,804	119,450	**16,264**	14,664
(Over)/under provision in prior financial years:				
– Current tax	**(5,819)**	(48,483)	**(7)**	(30)
– Deferred tax	**14,087**	15,237	**–**	–
	8,268	(33,246)	**(7)**	(30)
Total tax expense	**112,072**	86,204	**16,257**	14,634

Reconciliation of effective tax rate

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Profit before taxation	**496,619**	279,264	**527,831**	447,190
Share of loss of joint ventures and associate, net of tax	**6,234**	3,828	**–**	–
Profit before taxation and share of results of joint ventures and associate	**502,853**	283,092	**527,831**	447,190
Tax calculated at tax rate of 17%	**85,485**	48,126	**89,731**	76,022
Tax effects of:				
– Expenses not deductible for tax purposes	**66,045**	27,162	**29,205**	8,976
– Under/(over) provision in prior financial years	**8,268**	(33,246)	**(7)**	(30)
– Different tax regimes [1]	**(2,071)**	54,564	**–**	–
– Tax incentives	**(1,552)**	(2,107)	**(105)**	(108)
– Income not subject to tax	**(46,563)**	(15,614)	**(102,567)**	(70,226)
– Tax losses not allowed to be carried forward	**1,480**	166	**–**	–
– Withholding tax	**980**	7,153	**–**	–
Total tax expense	**112,072**	86,204	**16,257**	14,634

[1] Taxation on overseas profits has been calculated based on the taxable income for the respective financial year at rates of taxation prevailing in countries where the Group operates.

7. TAXATION (CONTINUED)

Income tax recognised directly in equity is as follows:

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Tax (charge)/credit arising from perpetual capital securities	**(1,256)**	14,640

8. EARNINGS PER SHARE

The basic and diluted earnings per ordinary share have been calculated based on Group's net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding.

	2016	**2015**
	$'000	**$'000**
Net profit attributable to ordinary shareholders of the Company	**266,349**	75,186

	2016	**2015**
	'000	**'000**
Weighted average number of ordinary shares of the Company	**12,011,735**	12,047,978
Adjustment for:		
– Share-based compensation plans	**26,944**	37,387
Adjusted weighted average number of ordinary shares of the Company	**12,038,679**	12,085,365

Earnings per share attributable to ordinary shareholders of the Company is as follows:

	2016	**2015**
Basic earnings per share (Singapore cents)	**2.22**	0.62
Diluted earnings per share (Singapore cents)	**2.21**	0.62

9. PROPERTY, PLANT AND EQUIPMENT

Group 2016	Freehold land $'000	Freehold properties and improvements $'000	Leasehold land, properties and improvements $'000	Machinery, computer equipment, fixtures, fittings and motor vehicles $'000	Public attractions, theme park equipment, mechanical and electrical system and aircraft $'000	Exhibit animals $'000	Construction-in-progress $'000	Total $'000
Cost								
Beginning of financial year	132,445	18,142	3,858,413	942,630	2,500,547	27,049	5,510	7,484,736
Exchange differences	–	–	(2,311)	(72)	(1)	–	–	(2,384)
Additions	–	20	8,476	26,752	7,570	23	6,740	49,581
Disposals	–	–	–	(5,551)	(23)	–	–	(5,574)
Written off	–	–	(3,567)	(9,843)	(2,356)	(726)	(122)	(16,614)
Reclassification	–	–	(99)	5,416	–	–	(5,317)	–
Cost adjustment	–	–	(3,105)	3,996	(4,424)	–	–	(3,533)
End of financial year	132,445	18,162	3,857,807	963,328	2,501,313	26,346	6,811	7,506,212
Accumulated depreciation and impairment								
Beginning of financial year	–	3,437	465,963	822,869	698,331	6,733	–	1,997,333
Exchange differences	–	–	(515)	(56)	(3)	–	–	(574)
Depreciation	–	725	80,538	67,435	122,345	2,449	–	273,492
Disposals	–	–	–	(5,277)	(8)	–	–	(5,285)
Written off	–	–	(799)	(9,454)	(744)	(153)	–	(11,150)
Impairment	–	–	5,717	140	4,951	–	–	10,808
Reclassification	–	–	(3)	3	–	–	–	–
End of financial year	–	4,162	550,901	875,660	824,872	9,029	–	2,264,624
Net book value								
End of financial year	132,445	14,000	3,306,906	87,668	1,676,441	17,317	6,811	5,241,588

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2015	Freehold land $'000	Freehold properties and improvements $'000	Leasehold land, properties and improvements $'000	Machinery, computer equipment, fixtures, fittings and motor vehicles $'000	Public attractions, theme park equipment, mechanical and electrical system and aircraft $'000	Exhibit animals $'000	Construction-in-progress $'000	Total $'000
Cost								
Beginning of financial year	132,445	18,142	3,848,444	826,251	2,541,690	27,049	135,740	7,529,761
Exchange differences	–	–	116	(17)	1	–	–	100
Additions	–	–	4,740	28,732	17,071	30	43,505	94,078
Disposals	–	–	–	(5,344)	(204)	–	–	(5,548)
Written off	–	–	(3,660)	(17,935)	(4,282)	(30)	(1,178)	(27,085)
Reclassification	–	–	71,610	60,001	40,946	–	(172,557)	–
Reclassification to asset classified as held for sale (Note 16(b))	–	–	–	–	(62,506)	–	–	(62,506)
Cost adjustment	–	–	(62,837)	50,942	(32,169)	–	–	(44,064)
End of financial year	132,445	18,142	3,858,413	942,630	2,500,547	27,049	5,510	7,484,736
Accumulated depreciation and impairment								
Beginning of financial year	–	2,713	390,642	709,980	613,073	4,261	–	1,720,669
Exchange differences	–	–	9	(12)	1	–	–	(2)
Depreciation	–	724	74,082	134,326	113,132	2,486	–	324,750
Disposals	–	–	–	(4,417)	(74)	–	–	(4,491)
Written off	–	–	(177)	(17,008)	(603)	(14)	–	(17,802)
Reclassification to asset classified as held for sale (Note 16(b))	–	–	–	–	(30,565)	–	–	(30,565)
Impairment	–	–	1,407	–	3,367	–	–	4,774
End of financial year	–	3,437	465,963	822,869	698,331	6,733	–	1,997,333
Net book value								
End of financial year	132,445	14,705	3,392,450	119,761	1,802,216	20,316	5,510	5,487,403

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of leasehold land, certain machinery and motor vehicles held under finance leases are $761,424,000 (2015: $774,378,000) and $4,530,000 (2015: $6,586,000) respectively. Included in additions are machineries acquired under finance leases amounting to $80,000 (2015: $7,636,000).

There was no depreciation charge on leasehold land, properties and improvements that has been capitalised as part of construction-in-progress of the Group during the financial year (2015: $827,000).

	Machinery, computer equipment, fixtures, fittings, and motor vehicles	
	2016	**2015**
Company	**$'000**	**$'000**
Cost		
Beginning of financial year	**344**	12
Additions	**15**	332
End of financial year	**359**	344
Accumulated depreciation		
Beginning of financial year	**26**	8
Depreciation	**104**	18
End of financial year	**130**	26
Net book value		
End of financial year	**229**	318

10. INTANGIBLE ASSETS

Group	Trademarks/ Tradenames $'000	Goodwill on acquisition $'000	Licences $'000	Computer software $'000	Total $'000
2016					
Cost					
Beginning of financial year	**1,057**	**83,051**	**72,162**	**13,834**	**170,104**
Additions	**–**	**–**	**66,000**	**2,508**	**68,508**
Written off	**–**	**–**	**(57,000)**	**–**	**(57,000)**
End of financial year	**1,057**	**83,051**	**81,162**	**16,342**	**181,612**
Accumulated amortisation					
Beginning of financial year	**–**	**–**	**59,738**	**9,346**	**69,084**
Amortisation	**–**	**–**	**22,238**	**969**	**23,207**
Written off	**–**	**–**	**(57,000)**	**–**	**(57,000)**
End of financial year	**–**	**–**	**24,976**	**10,315**	**35,291**
Net book value					
End of financial year	**1,057**	**83,051**	**56,186**	**6,027**	**146,321**
2015					
Cost					
Beginning of financial year	1,057	83,051	72,162	11,622	167,892
Additions	–	–	–	2,212	2,212
End of financial year	1,057	83,051	72,162	13,834	170,104
Accumulated amortisation					
Beginning of financial year	–	–	40,217	8,641	48,858
Amortisation	–	–	19,521	705	20,226
End of financial year	–	–	59,738	9,346	69,084
Net book value					
End of financial year	1,057	83,051	12,424	4,488	101,020

Amortisation expense of $23,207,000 (2015: $20,226,000) has been included in cost of sales.

The Casino Regulatory Authority of Singapore has approved the Group's application on the renewal of casino licence agreement for another 3 years commencing 6 February 2016.

10. INTANGIBLE ASSETS (CONTINUED)

Goodwill is allocated to the Group's CGUs identified according to geographical area. A segment-level summary of the allocation of goodwill with indefinite useful life is as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Goodwill attributable to:		
Singapore	**83,047**	83,047
Malaysia	**4**	4
	83,051	83,051

The goodwill attributed to the Singapore CGU mainly arose from the acquisition of the remaining 25% equity interest in Resorts World at Sentosa Pte. Ltd. ("RWSPL") which developed the first integrated resort in Singapore. The impairment test for goodwill relating to the Singapore CGU was assessed using the value-in-use method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated below. The growth rate is below the long-term average growth rate for the leisure and hospitality industry in which the CGU operates.

Key assumptions used in the value-in-use calculation for 2016 include a growth rate and weighted average cost of capital ("WACC") of 1.00% and 6.88% (2015: 2.00%, 6.64%) respectively.

Based on the impairment test, no impairment is required for goodwill attributed to the Singapore CGU.

11. INTERESTS IN JOINT VENTURES AND ASSOCIATE

	Group	
	2016	**2015**
	$'000	**$'000**
Share of net assets/(liabilities) of joint ventures:		
DCP (Sentosa) Pte. Ltd. (a)	**50,908**	46,861
Autumnglow Pte. Ltd. (Note 16(a))	**–**	(3)
	50,908	46,858
Share of net assets of an associate:		
Landing Jeju Development Co., Ltd. (b)	**–**	83,114
	50,908	129,972

11. INTERESTS IN JOINT VENTURES AND ASSOCIATE (CONTINUED)

(a) On 15 April 2008, RWSPL, a wholly-owned subsidiary of Star Eagle Holdings Limited ("SEHL"), a wholly-owned subsidiary of the Company, entered into a joint venture with Sentosa Leisure Management Pte. Ltd. ("SLM") to build and operate a district cooling plant on Sentosa Island, Singapore, through the formation of DCP (Sentosa) Pte. Ltd. ("DCP"), a private company incorporated in Singapore. RWSPL and SLM own 80% and 20% of the share capital of DCP respectively. DCP is deemed to be a joint venture of the Group, as both RWSPL and SLM have contractually agreed to the sharing of control in DCP.

The summarised financial information of DCP is as follows:

	2016 $'000	2015 $'000
Non-current assets		
Intangible asset – leasehold land use right	**5,418**	5,526
Property, plant and equipment	**54,475**	56,826
	59,893	62,352
Current assets		
Trade and other receivables	**2,407**	2,561
Cash and cash equivalents	**11,501**	10,778
	13,908	13,339
Current liabilities		
Trade and other payables	**(3,367)**	(11,352)
Non-current liabilities		
Deferred tax liabilities	**(6,799)**	(5,763)
Net assets	**63,635**	58,576
Revenue	**21,267**	25,378
(Expenses)/income include:		
– Depreciation and amortisation	**(2,916)**	(2,956)
– Interest income	**100**	63
– Interest expense	**(3)**	(179)
Profit before taxation	**6,096**	7,250
Taxation	**(1,037)**	(1,218)
Profit after taxation and total comprehensive income	**5,059**	6,032

DCP does not have any contingent liabilities.

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in DCP, is as follows:

	2016 $'000	2015 $'000
Net assets		
Beginning of financial year	**58,576**	52,544
Profit after taxation and total comprehensive income	**5,059**	6,032
End of financial year	**63,635**	58,576
Carrying value of Group's interest in DCP	**50,908**	46,861

11. INTERESTS IN JOINT VENTURES AND ASSOCIATE (CONTINUED)

(b) On 27 March 2014, the Group acquired 50% equity interest in Landing Jeju Development Co., Ltd. ("LJDC"), a company incorporated in Korea, for approximately $97,471,000. On 15 June 2016, the Group subscribed for an additional 15,000,000 ordinary shares in LJDC for a total subscription amount of $175,810,000, net of transaction costs. As at 31 December 2016, interests in LJDC has been reclassified as part of disposal group classified as held for sale (Note 16(a)).

The summarised financial information of LJDC in 2015 is as follows:

	$'000
Non-current assets	185,368
Current assets	490,167
Current liabilities	(5,693)
Non-current liabilities	(503,615)
Net assets	166,227
Revenue	–
Loss before taxation	(21,941)
Taxation	4,650
Loss after taxation and total comprehensive loss	(17,291)

LJDC did not have any contingent liabilities.

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in LJDC in 2015, is as follows:

	$'000
Net assets	
Beginning of financial year	182,196
Loss after taxation and total comprehensive loss	(17,291)
Currency translation differences	1,322
End of financial year	166,227
Carrying value of Group's interest in LJDC	83,114
Proportionate share in associate's capital commitment	177,301

12. INTERESTS IN SUBSIDIARIES

	Company	
	2016	**2015**
	$'000	**$'000**
Unquoted shares – at cost	**243,535**	247,134
Less: Allowance for impairment	**(40)**	–
	243,495	247,134
Amounts due from subsidiaries	**1,739,000**	2,039,417
Net investment in subsidiaries	**1,982,495**	2,286,551

The movements in allowance for impairment are as follows:

	Company	
	2016	**2015**
	$'000	**$'000**
Beginning of financial year	**–**	–
Allowance charged to profit or loss	**40**	–
End of financial year	**40**	–

Details of the Company's significant subsidiary are as follows:

Indirect subsidiary	Country of incorporation	Effective equity interest 2016	Effective equity interest 2015	Principal activities
RWSPL	Singapore	**100%**	100%	Development and operation of an Integrated Resort at Sentosa

The financial statements of this subsidiary are audited by PwC Singapore.

The Group has complied with Rule 712 and 715 of the listing manual issued by Singapore Exchange Securities Trading Limited in relation to the appointment of its auditors.

The amounts due from subsidiaries are mainly non-trade in nature, unsecured and interest-free. Repayments are not expected within the next 12 months. These amounts are considered part of net investments in subsidiaries.

13. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

	Group 2016 $'000	Group 2015 $'000
Deferred tax assets		
To be recovered after one year	**26**	1,743
Deferred tax liabilities		
To be settled after one year	**(300,102)**	(283,247)

The following amounts, determined prior to offsetting, are shown in the statement of financial position:

Group	Beginning of financial year $'000	(Charged)/ credited to profit or loss $'000	Reclassified to liabilities held for sale $'000	Exchange differences $'000	End of financial year $'000
2016					
Deferred tax assets					
Property, plant and equipment	**1,349**	**(1,349)**	**–**	**–**	**–**
Provisions	**26**	**–**	**–**	**–**	**26**
Tax losses	**368**	**(368)**	**–**	**–**	**–**
	1,743	**(1,717)**	**–**	**–**	**26**
Deferred tax liabilities					
Property, plant and equipment	**(309,249)**	**648**	**–**	**–**	**(308,601)**
Intangible assets	**(1,306)**	**(196)**	**–**	**–**	**(1,502)**
Provisions	**27,308**	**(20,876)**	**3,569**	**–**	**10,001**
	(283,247)	**(20,424)**	**3,569**	**–**	**(300,102)**
2015					
Deferred tax assets					
Property, plant and equipment	–	1,349	–	–	1,349
Provisions	89	(58)	–	(5)	26
Tax losses	–	368	–	–	368
	89	1,659	–	(5)	1,743
Deferred tax liabilities					
Property, plant and equipment	(311,590)	2,341	–	–	(309,249)
Intangible assets	(1,107)	(199)	–	–	(1,306)
Provisions	82,277	(54,969)	–	–	27,308
	(230,420)	(52,827)	–	–	(283,247)

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable.

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2016 $'000	2015 $'000
Quoted equity securities (i)	**9,885**	28,862
Quoted debt securities (i)	**110,351**	106,971
Unquoted equity securities (ii)	**43,129**	71,514
	163,365	207,347

(i) The investments in quoted equity securities and portfolio of quoted debt securities have no fixed maturity or coupon rate.

During the current financial year, the Group recognised an impairment of $13,649,000 (2015: $63,374,000) on quoted equity securities due to a significant and prolonged decline in value.

(ii) The investments in unquoted equity securities represent unquoted investment in foreign corporations and investment funds.

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current				
Trade receivables	**340,694**	793,865	**–**	–
Amounts due from subsidiaries	**–**	–	**482,896**	80,858
Other receivables	**19,789**	34,034	**12,821**	10,644
Amounts due from:				
– Fellow subsidiaries	**16**	16	**–**	–
– Associate	**223**	1,071	**–**	–
– Joint ventures	**8**	72	**–**	4
Loan to a subsidiary	**–**	–	**412,567**	412,343
	360,730	829,058	**908,284**	503,849
Less: Allowance for impairment (Note 29(d)(ii))	**(184,033)**	(220,755)	**(22,887)**	(20,461)
	176,697	608,303	**885,397**	483,388
Deposits	**13,585**	30,149	**1**	4
Prepayments	**7,461**	7,927	**114**	42
	197,743	646,379	**885,512**	483,434
Non-current				
Amounts due from subsidiaries	**–**	–	**276,487**	641,970
Amounts due from associate	**–**	245,127	**–**	–
Loan to a subsidiary	**–**	–	**300,000**	300,000
Other receivables	**–**	290	**–**	–
	–	245,417	**576,487**	941,970
Less: Allowance for impairment (Note 29(d)(ii))	**–**	–	**(113,959)**	(234,478)
	–	245,417	**462,528**	707,492
Prepayments	**3,054**	3,149	**–**	–
	3,054	248,566	**462,528**	707,492

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

The loans and amounts due from subsidiaries and joint venture are mainly non-trade in nature, unsecured and interest-free except for $712,567,000 (2015: $712,343,000) which are interest bearing. The current loan and amounts due from subsidiaries are repayable on demand.

The amount due from associate is non-trade in nature, unsecured and interest-free except for $Nil (2015: $235,903,000) which bore a fixed interest rate. During the current financial year, arising from the disposal of an associate as disclosed in Note 16(a), the amount due from associate has been reclassified to disposal group classified as held for sale accordingly.

16. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) Disposal group classified as held for sale

On 11 November 2016, the Board of Directors announced the following disposals ("disposal group"):

- Algona Pte. Ltd., a direct wholly-owned subsidiary, entered into a conditional sale and purchase agreement with Landing International Development Limited ("LIDL") to dispose its 100% interest in Callisto Business Limited ("Callisto"). Callisto's disposal includes its wholly-owned subsidiary, Happy Bay Pte. Ltd., which in turn owns 50% of LJDC ("Callisto Group") that is developing an integrated resort in Jeju, Korea.
- Genting International Resorts Management Limited ("GIRML"), an indirect wholly-owned subsidiary, entered into a conditional sale and purchase agreement with LIDL's direct wholly-owned subsidiary, Landing Singapore Limited to dispose GIRML's 50% interest in Autumnglow Pte. Ltd. ("Autumnglow").

The assets and liabilities relating to Callisto Group and Autumnglow are included in investments and other leisure and hospitality segments.

The Group has subsequently completed the disposals of Callisto Group and Autumnglow on 3 January 2017 (Note 32).

(i) Details of the assets of disposal group classified as held for sale are as follows:

	Group	
	2016 $'000	**2015 $'000**
Interest in associate	**258,386**	–
Trade and other receivables	**256,883**	–
	515,269	–

(ii) Details of the liabilities directly associated with disposal group classified as held for sale are as follows:

	Group	
	2016 $'000	**2015 $'000**
Share of net liabilities of joint venture	**4**	–
Trade and other payables	**3**	–
Deferred tax liabilities (Note 13)	**3,569**	–
	3,576	–

16. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (CONTINUED)

(b) Asset classified as held for sale

Details of asset classified as held for sale are as follows:

	Group	
	2016	2015
	$'000	$'000
Property, plant and equipment	**–**	31,941

As at 31 December 2015, the asset classified as held for sale represents an aircraft owned by a wholly-owned subsidiary of the Company. The sale has been completed in 2016.

17. INVENTORIES

	Group	
	2016	2015
	$'000	$'000
Retail stocks	**8,823**	6,224
Food, beverage and hotel supplies	**27,094**	27,369
Stores and technical spares	**25,593**	23,593
	61,510	57,186

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $81,509,000 (2015: $76,265,000).

18. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Short term deposits with banks	**4,299,698**	4,254,873	**3,533,043**	3,244,898
Cash and bank balances	**663,738**	747,190	**238,734**	320,469
Cash and cash equivalents in the statements of cash flows	**4,963,436**	5,002,063	**3,771,777**	3,565,367
Restricted cash	**103,088**	113,223	**–**	–

Restricted cash represents deposit pledged as security for loan and interest repayments.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	**2,874**	4,273	**69**	30
Accrued operating liabilities	**163,698**	193,773	**5,777**	8,575
Accrued capital expenditure	**11,275**	15,854	**–**	–
Retention monies and deposits	**19,441**	34,874	**–**	–
Deferred income	**51,499**	61,642	**–**	–
Other payables	**99,251**	101,695	**183**	260
Amounts due to:				
– Ultimate holding corporation	**57**	57	**–**	–
– Immediate holding corporation	**103**	162	**98**	117
– Subsidiaries	**–**	–	**232,435**	230,279
– Fellow subsidiaries	**16**	42	**14**	18
– Joint venture	**1,449**	–	**–**	–
	349,663	412,372	**238,576**	239,279

Retention monies refer to amounts withheld from contractors' claim for work done in accordance with contractual rights, which are progressively released upon the completion of the project.

The amounts due to ultimate holding corporation, immediate holding corporation, subsidiaries and fellow subsidiaries are mainly non-trade in nature, unsecured, interest-free and are repayable on demand.

20. BANK BORROWINGS

	Group	
	2016	**2015**
	$'000	**$'000**
Current		
Secured, interest bearing	**182,469**	164,224
Non-current		
Secured, interest bearing	**978,103**	1,460,361

On 23 March 2015, the Group executed a facility agreement for syndicated senior secured credit facilities ("New Facilities") of $2,270,000,000 for the purpose of refinancing the Group's existing facilities of $4,192,500,000 obtained in 2011.

The repayment of the bank borrowings commenced on 23 September 2015 with half-yearly repayment dates. All bank borrowings must be repaid by 23 March 2020. The carrying amounts of non-current borrowings approximate their fair values at the reporting date.

Banker's guarantees of $10,000,000 (2015: $10,000,000) were obtained and held by Sentosa Development Corporation ("SDC"), as part of the conditions in the Development Agreement entered into with SDC.

These banker's guarantees and the bank borrowings of the Group are substantially secured over assets of the Singapore leisure and hospitality business segment (Note 31).

21. FINANCE LEASES

The Group leases certain machinery and motor vehicles from third parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal value at the end of the lease term.

	Group	
	2016	**2015**
	$'000	**$'000**
Finance lease liabilities – minimum lease payments:		
– No later than one year	**3,538**	3,804
– Between one and five years	**330**	3,840
	3,868	7,644
Less: Future finance charges on finance leases	**(425)**	(1,620)
Present value of finance lease liabilities	**3,443**	6,024
The present value of finance lease liabilities is as follows:		
– No later than one year	**3,121**	2,606
– Between one and five years	**322**	3,418
	3,443	6,024

Finance lease liabilities are secured by the rights to the leased assets (Note 9), where the lessors shall be entitled to ownership of the assets in the event of default by the Group.

22. SHARE CAPITAL AND TREASURY SHARES

The share capital of the Group and Company is set out below:

	2016		2015	
	No. of shares '000	**$'000**	**No. of shares '000**	**$'000**
Issued and fully paid, with no par value				
Beginning of financial year	**12,094,027**	**5,527,705**	12,106,580	5,573,050
Arising from new issues ((i) and (ii))	**–**	**–**	37,137	3,609
Shares cancelled during the year (iii)	**–**	**–**	(49,690)	(48,954)
End of financial year	**12,094,027**	**5,527,705**	12,094,027	5,527,705

(i) No new ordinary shares of the Company were issued under the Genting Singapore PLC Employee Share Option Scheme (2015: 16,784,587);

(ii) No new ordinary shares of the Company were issued under the Genting Singapore Performance Share Scheme (2015: 20,352,550); and

(iii) The Company did not cancel any of its ordinary shares (2015: 49,690,200).

22. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(a) Treasury shares

At the AGM of the Company held on 21 April 2016, the shareholders of the Company approved the renewal of the authority for the Company to purchase its shares of up to 10% of the issued and paid-up share capital of the Company at any point in time.

During the financial year, the Company did not acquire any of its shares through purchases on the SGX-ST (2015: 92,171,300) nor pay any amount in respect of any such purchases (2015: $78,129,000).

As at 31 December 2016, the number of ordinary shares in issue was 12,094,026,824 of which 79,651,300 were held by the Company as treasury shares (2015: 12,094,026,824 of which 92,171,300 were held as treasury shares).

(b) Genting Singapore PLC Employee Share Option Scheme (the "Scheme")

On 8 September 2005, the Board of Directors, pursuant to their powers under the then existing Articles of Association of the Company and Isle of Man law, adopted the Scheme. The Scheme comprised share options ("Options") issued to selected executive employees and certain directors of the Company, its subsidiaries, the ultimate holding corporation and its subsidiaries ("grantees"). The Scheme is administered by the Remuneration Committee comprising Mr Tjong Yik Min (Chairman of the Remuneration Committee), Mr Lim Kok Hoong and Tan Sri Lim Kok Thay.

The Scheme provided an opportunity for grantees who had contributed significantly to the performance and development of the Group to participate in the growth of the Group.

Under the Scheme, the total number of shares over which the Remuneration Committee may grant Options shall not exceed two and one half per cent of the total issued shares of the Company as at the date of offer of Options. On 8 September 2005 ("Offer Date"), Options were granted to the grantees to subscribe for an aggregate of 63,206,000 shares. The consideration for the grant of the Options to each of the grantees was US$1.

The issue of Options pursuant to the Scheme was one-off and there had no further issue of any Options under the Scheme. The Options granted can only be exercised by the grantees with effect from the third year of the Offer Date and the number of new shares comprised in the Options which a grantee can subscribe for from the third year onwards shall at all times be subject to a maximum of 12.5% rounded up to the next 1,000 shares of the allowable allotment for each grantee.

The fair value of the Options was determined using the "Trinomial" model based on the closing market price at the Offer Date, the exercise price, expected volatility based on its historical volatility, option life and a risk free interest rate of 3.95% to 4.15% based on the yield on US Treasury Bonds maturing between 5 to 10 years and an assumption of zero dividends.

The Scheme was for a duration of ten years and the Options expired on 7 September 2015.

22. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(b) Genting Singapore PLC Employee Share Option Scheme (the "Scheme") (Continued)

Movement in the number of Options for the period from 1 January 2015 to 7 September 2015 was as follows:

Beginning of financial year	17,034,048
Lapsed	(249,461)
Exercised	(16,784,587)
End of financial year	–

The weighted average market price per share in 2015 was $0.913, exercised at the adjusted price of US$0.1579.

A summary of the cumulative Options granted to the Directors of the Company since the commencement of the Scheme to 7 September 2015 are set out below:

Name of Directors	**Adjusted number of option shares granted ***
Tan Sri Lim Kok Thay	**5,941,463**
Mr Tan Hee Teck	**3,501,177**
Mr Lim Kok Hoong	**583,496**
Mr Tjong Yik Min	**583,496**
	10,609,632

* Incorporated adjustments for the Rights Issue

22. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(c) Genting Singapore Performance Share Scheme ("PSS")

On 8 August 2007, the shareholders of the Company approved the adoption of the PSS for the Initial Period of 10 years. The objective of the PSS is to attract and retain the Group's executives, executive directors and non-executive directors, who are in the position to drive the growth of the Company. The PSS gives the Company flexibility in relation to the Group's remuneration package for the Group's executives, executive directors and non-executive directors and allows the Group to manage its fixed overheads. On 21 April 2016, the shareholders of the Company approved amendments to the rules of the PSS and the Extended Period.

Under the PSS, the Company may grant to participants awards which represent the right of such participants to receive fully paid shares free of charge, upon such participants satisfying the criteria set out in the PSS and such conditions as may be imposed. The number of shares which are the subject of each award shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account various criteria including those set out in the rules of the PSS. The Company will deliver shares to be received under an award by issuing new shares and/or transferring treasury shares to the participant.

The total number of shares which may be awarded pursuant to awards granted under the PSS during the Initial Period shall not exceed 208,853,893 shares, and when added to the number of shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 5% of the total number of issued shares of the Company (excluding treasury shares) from time to time. The total number of shares which may be awarded pursuant to awards granted under the PSS during the Extended Period shall not exceed 420,433,143 shares, and when added to the number of shares issued and/or issuable under such other share-based incentive schemes of the Company, shall not exceed 5% of the total number of issued shares of the Company (excluding treasury shares) from time to time.

The vesting of performance shares granted under PSS is subject to the achieving of pre-agreed service and/or performance conditions over the performance period.

For performance share grants in 2011 and 2012 with pre-agreed performance conditions, the fair value was determined based on the Monte Carlo simulation model. Key inputs to the model include the Company's closing market price at the date of grant and assumptions as below:

	Year of grant	
	2011	**2012**
3-Year monthly volatility	44.14% – 44.25%	23.64% – 42.79%
Dividend yield	0.46% – 0.50%	0.59% – 0.75%
Risk-free interest rate	0.46% – 0.49%	0.34% – 0.40%

The volatility measured as the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last 3 years.

For performance share grants with pre-agreed service conditions, the fair value was determined based on the Company's closing market price at the date of grant. The weighted average fair value per share granted in 2016 was $0.714 (2015: $0.933).

22. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(c) Genting Singapore Performance Share Scheme ("PSS") (Continued)

Movements in the number of performance shares outstanding are as follows:

	2016	2015
Beginning of financial year	**43,380,000**	53,453,500
Granted	**6,020,000**	15,580,000
Lapsed	**(5,150,000)**	(5,300,950)
Issued	**(12,520,000)**	(20,352,550)
End of financial year	**31,730,000**	43,380,000

A summary of the cumulative performance shares granted to the Directors of the Group since the commencement of the PSS are set out below:

Name of Directors	Number of PSS granted 2016	2015
Tan Sri Lim Kok Thay	**7,500,000**	6,750,000
Mr Tan Hee Teck	**33,880,000**	33,130,000
Mr Lim Kok Hoong	**1,000,000**	900,000
Mr Tjong Yik Min	**1,000,000**	900,000
Mr Koh Seow Chuan	**880,000**	780,000
	44,260,000	42,460,000

Other than Tan Sri Lim Kok Thay and Mr Tan Hee Teck who have been granted 750,000 PSS shares during the financial year, no employee has received 5% or more of the total number of awards granted during the financial year.

(d) Renounceable underwritten rights issue ("2009 Rights Issue")

The Company had on 9 September 2009 announced that the Company would be undertaking a renounceable rights issue of up to 2,043,716,094 new ordinary shares in the capital of the Company at an issue price of $0.80 for each rights share on the basis of one right share for every 5 existing ordinary shares in the Company held by the shareholders on 23 September 2009. Based on the issued share capital of the Company on 23 September 2009, 1,931,564,264 rights shares were available under the 2009 Rights Issue. The 2009 Rights Issue was oversubscribed and raised gross proceeds of approximately $1.55 billion for the Company. The 2009 Rights Issue was completed on 21 October 2009 with the listing and quotation of 1,931,564,264 rights shares on the Main Board of the SGX-ST.

22. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(d) Renounceable underwritten rights issue ("2009 Rights Issue") (Continued)

As at 31 December 2016, the proceeds from the 2009 Rights Issue have been utilised in accordance with its stated use and the breakdown is as follows:

	$'000
Cost of issuance	37,832
Repayment of term loan facilities taken for the acquisition of Genting UK PLC	30,675
Net repayment of revolving credit facility taken for the working capital of the Group's UK operations	70,000
Subscription of shares in subsidiaries	172,722
Loan to an associate	412,271
Purchase of property, plant and equipment	169,648
Payment of operating expenses of the Company and its subsidiaries	212,213
	1,105,361
Balance unutilised	439,890
Total proceeds	1,545,251

23. PERPETUAL CAPITAL SECURITIES

On 12 March 2012, the Company issued $1,800,000,000 5.125% perpetual capital securities ("Institutional Securities") at an issue price of 100 per cent.

On 18 April 2012, the Company issued $500,000,000 5.125% perpetual capital securities ("Retail Securities") at an issue price of 100 per cent.

Holders of these Institutional and Retail Securities are conferred a right to receive distribution on a semi-annual basis from their issue date at the rate of 5.125% per annum, subject to a step-up rate from 12 September 2022 and 18 October 2022 respectively. The Company has a right to defer this distribution under certain conditions.

The Institutional and Retail Securities have no fixed maturity and are redeemable in whole, but not in part, at the Company's option on or after 12 September 2017 for the Institutional Securities and 18 October 2017 for the Retail Securities at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

These perpetual capital securities were issued for the Company's general corporate purposes as well as to finance capital expenditure and the expansion of its business.

During the financial year, the Board of Directors have approved to distribute the payments for the Institutional and Retail Securities. Accordingly, the Institutional Securities distributions amounting to $45,999,000 and $46,505,000 were paid on 14 March 2016 and 13 September 2016 respectively. The distribution for Retail Securities amounting to $12,847,000 and $12,847,000 were paid on 18 April 2016 and 18 October 2016 respectively.

24. OTHER RESERVES

Capital redemption reserve represents the amount of the shares purchased.

Share option and performance share reserve comprise cumulative fair value of services received from employees measured at the date of grant for unvested equity-settled share options and performance shares.

Fair value reserve includes the cumulative change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Exchange translation reserve comprise foreign exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from the presentation currency of the Group.

25. DIVIDENDS

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Final dividends paid in respect of the previous financial year of 1.5 cent (2015: 1 cent) per ordinary share	**180,185**	120,847
Interim dividends paid in respect of current financial year of 1.5 cent (2015: nil) per ordinary share	**180,185**	–

On 3 November 2016, the Directors approved the interim dividend of 1.5 cent per ordinary share in respect of the financial year ended 31 December 2016. The dividend has been accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ended 31 December 2016.

The Directors proposed the payment of a final dividend of 1.5 cent per ordinary share, in respect of the financial year ended 31 December 2016, subject to the approval of shareholders at the next AGM of the Company. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2017, after it has been approved by shareholders at the AGM.

26. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**900**	1,335	**218**	228
Exchange differences	**(1)**	(12)	**–**	–
(Credited)/charged to profit or loss	**(38)**	(211)	**40**	(10)
Payment made	**(126)**	(212)	**–**	–
	735	900	**258**	218

Retirement gratuities are payable to certain employees upon their retirement. The gratuities provided are factored for discount rates, based on interest rates available in the market for bonds with AAA ratings, and attrition rates based on age bands.

27. OTHER LONG TERM LIABILITIES

	Group	
	2016	**2015**
	$'000	**$'000**
Retention monies and deposits	**–**	8
Deferred income	**4,177**	6,003
	4,177	6,011

Retention monies refer to amounts withheld from contractors' claim for work done in accordance with contractual rights, which are progressively released upon the completion of the project.

28. COMMITMENTS

Capital commitments

	Group	
	2016	**2015**
	$'000	**$'000**
Authorised capital expenditure not provided for in the financial statements:		
Contracted – property, plant and equipment	**38,073**	14,363
Commitment to provide funding to associate company, if called	**–**	108,293

Operating lease commitments – Where the Group and Company is a lessee

The Group leases offices, buildings and equipment under non-cancellable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights.

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

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Not later than one year	**1,005**	1,975	**330**	55
Between one year and five years	**612**	566	**55**	–
	1,617	2,541	**385**	55

Operating lease commitments – Where the Group is a lessor

The Group leases out retail space under non-cancellable operating leases. These leases have varying terms, escalation clauses and renewal rights. Generally, the lessees are required to pay contingent rents computed based on their turnover achieved during the lease period.

28. COMMITMENTS (CONTINUED)

Operating lease commitments – Where the Group is a lessor (Continued)

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

	Group	
	2016	**2015**
	$'000	**$'000**
Not later than one year	**19,613**	19,271
Between one year and five years	**18,744**	12,389
More than five years	**1,152**	131
	39,509	31,791

29. FINANCIAL RISK MANAGEMENT

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

The Group operates within clearly defined guidelines that are approved by the Board of Directors. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

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

(a) Foreign currency exchange risk

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The Group is exposed to foreign currency exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies. To manage these exposures, the Group takes advantage of any natural offsets of the Group's revenue and expenses denominated in foreign currencies and may from time to time enter into foreign exchange forward contracts for a portion of the remaining exposure relating to these forecast transactions when deemed appropriate.

The Group and Company's principal net foreign currency exposure mainly relates to the United States Dollar ("USD").

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency exchange risk (Continued)

The Group and Company's currency exposure is as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	USD	**USD**	**USD**	**USD**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Trade and other receivables	**7,739**	5,292	**55,623**	77,596
Cash and cash equivalents	**959,835**	1,524,381	**916,472**	1,504,209
	967,574	1,529,673	**972,095**	1,581,805
Financial liabilities				
Trade and other payables	**(3,046)**	(3,280)	**(181)**	(186)
Finance lease	**(3,383)**	(5,939)	**–**	–
	(6,429)	(9,219)	**(181)**	(186)
Net currency exposure	**961,145**	1,520,454	**971,914**	1,581,619

If the USD changes against the Singapore Dollar ("SGD") by 1% (2015: 1%) with all other variables being held constant, the effects on profit before tax will be as follows:

	Increase/(decrease)			
	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
USD against SGD				
– Strengthened	**9,611**	15,205	**9,719**	15,816
– Weakened	**(9,611)**	(15,205)	**(9,719)**	(15,816)

(b) Price risk

The Group is exposed to equity securities price risk from its quoted securities classified as available-for-sale financial assets and derivative financial instruments. To manage its price risk arising from these investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Price risk (Continued)

If prices for quoted securities classified as available-for-sale financial assets and derivative financial instruments change by 1% (2015: 1%) respectively with all other variables being held constant, the effects on other comprehensive income will be as follows:

	Increase/(decrease)	
	Group	
	2016	2015
	$'000	$'000
– Increased by 1%	**1,202**	1,358
– Decreased by 1%	**(1,202)**	(1,358)

The Company is not exposed to price risk.

(c) Interest rate risk

Interest rate risk arises mainly from the Group's short-term deposits and borrowings. The Group's short-term deposits are placed at prevailing interest rates.

The Group manages this risk through the use of floating rate debt and derivative financial instruments. The Group enters into interest rates swaps from time to time, where appropriate, to generate the desired interest rate profile.

If the annual interest rates had increased/decreased by 100 basis point (2015: 100 basis point) with all other variables including tax rate being held constant, the profit before taxation will be lower/higher by $14,132,000 (2015: $17,151,000) as a result of higher/lower interest expense on these borrowings.

The Company is not exposed to interest rate risk.

(d) Credit risk

Credit risk is the potential financial loss resulting from the failure of counterparties of the Group, to settle their financial and contractual obligation, as and when they fall due.

Financial assets that potentially subject the Group to concentrations of credit risk consist principally of available-for-sale financial assets, trade and other receivables, cash and cash equivalents and restricted cash. The Group's main class of financial assets are cash and cash equivalents, trade and other receivables and available-for-sale financial assets. The Group's cash and cash equivalents are placed with creditworthy financial institutions.

In managing credit risk exposure from trade receivables, the Group has established a Credit Committee and processes to evaluate the creditworthiness of its counterparties. The counterparty's payment profile and credit exposure are continuously monitored by the Credit Committee, together with the operational policies and guidelines. Credit exposure to an individual counterparty is restricted by the credit limits set by the Credit Committee based on the ongoing credit evaluation.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

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

The top 10 trade debtors of the Group represented 34% (2015: 22%) of trade receivables. The Group also establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to specific counterparties. Subsequently when the Group is satisfied that no recovery of such losses is possible, the trade receivables are considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired trade receivables.

(i) Financial assets that are neither past due nor impaired

Cash and cash equivalents, restricted cash and available-for-sale financial assets are neither past due nor impaired as they are placed with creditworthy financial institutions. Trade and other receivables that are neither past due nor impaired are substantially from companies and individuals with a good collection track record with the Group and individuals with good creditworthiness.

(ii) Financial assets that are past due and/or impaired

For the Group, there is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Past due less than 3 months	**30,365**	88,300	**–**	–
Past due 3 to 6 months	**16,066**	93,518	**–**	–
Past due 6 to 12 months	**12,369**	147,941	**–**	–
Past due over 12 months	**74**	145,821	**–**	–
	58,874	475,580	**–**	–

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

(ii) Financial assets that are past due and/or impaired (Continued)

The movements in allowance for impairment are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**220,755**	574,307	**254,939**	218,223
Allowance charged to profit or loss	**275,509**	270,693	**(118,996)**	22,499
Allowance utilised	**(312,244)**	(624,246)	**–**	–
Exchange differences	**13**	1	**903**	14,217
End of financial year	**184,033**	220,755	**136,846**	254,939

The Group's gross trade and other receivables individually determined to be past due and for which impairment has been provided, amounted to $184,033,000 (2015: $220,755,000). In assessing these individual debts for impairment, the Group has considered the factors as elaborated in Note 3(b).

The Company's gross amounts due from subsidiaries determined to be impaired is $136,846,000 (2015: $254,939,000).

(e) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

Cash flow forecasting is performed in the operating entities of the Group and aggregated for Group purposes. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal ratio targets.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (Continued)

The table below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period as at reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Group			
2016			
Trade and other payables *	**298,164**	**–**	**–**
Bank borrowings	**216,200**	**236,111**	**813,380**
Finance leases	**3,538**	**320**	**10**
	517,902	**236,431**	**813,390**
2015			
Trade and other payables *	350,730	–	8
Bank borrowings	224,277	245,365	1,404,396
Finance leases	3,804	3,514	326
	578,811	248,879	1,404,730
Company			
2016			
Trade and other payables *	**238,576**	**–**	**–**
2015			
Trade and other payables *	239,279	–	–

* Excludes deferred income

(f) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group defines "capital" as all components of equity.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry, the Group monitors capital based on a gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings (including 'current and non-current borrowings' and 'finance leases' as shown in the statements of financial position). Total capital is calculated as equity attributable to ordinary shareholders of the Company and perpetual capital securities holders plus total debt.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Capital risk management (Continued)

The Group's strategy in 2016, which was unchanged from 2015, was to maintain the gearing ratio below 66%. The gearing ratios are as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Total debt	**1,164,015**	1,630,609
Total equity attributable to ordinary shareholders of the Company and perpetual capital securities holders	**9,530,261**	9,625,750
Total capital	**10,694,276**	11,256,359
Gearing ratio	**11%**	14%

The Group was in compliance with externally imposed capital requirements at the reporting dates.

(g) Fair value estimation

The following table presents the Group's assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Group				
2016				
Assets				
Available-for-sale financial assets (Note 14)	**120,236**	**–**	**43,129**	**163,365**
2015				
Assets				
Available-for-sale financial assets (Note 14)	135,833	–	71,514	207,347

There were no transfers between Level 1 and Level 2.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value estimation (Continued)

The fair value of financial instruments traded in active markets is based on closing quoted market prices on the last market day at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Changing one or more of the unobservable inputs in the valuation technique used for Level 3 instruments will not significantly impact the fair value of these instruments. The assessment of the fair value of unquoted equity securities is performed on a quarterly basis based on the latest available data such as underlying net asset value of the investee entity to approximate the fair value as at reporting date.

The following table presents the changes in Level 3 instruments:

	Group	
	2016	**2015**
	$'000	**$'000**
Beginning of financial year	**71,514**	42,496
Disposals	**(6,379)**	–
Fair value (loss)/gain recognised in other comprehensive income	**(22,006)**	31,018
Repayment	**–**	(2,000)
End of financial year	**43,129**	71,514

The fair value of current and non-current financial assets and liabilities approximate their carrying amounts.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(h) Financial instruments by category

The aggregate carrying amounts of financial instruments are categorised as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Loans and receivables	**5,256,806**	5,999,155	**5,119,703**	4,756,251
Available-for-sale financial assets	**163,365**	207,347	**–**	–
Financial liabilities at amortised cost	**1,462,179**	1,981,347	**238,576**	239,279

30. RELATED PARTY DISCLOSURES

The Company's immediate holding corporation is Genting Overseas Holdings Limited ("GOHL"), a company incorporated in the Isle of Man. The ultimate holding corporation is Genting Berhad ("GB"), a company incorporated in Malaysia and whose shares are listed on the Bursa Malaysia Securities Berhad.

In addition to the information disclosed elsewhere in the consolidated financial statements, the following significant transactions took place between the Group and related parties:

		Group	
		2016	**2015**
		$'000	**$'000**
(i)	Sales of goods and/or services to subsidiaries of a substantial shareholder	**1,962**	812
(ii)	Purchases of goods and/or services from:		
	– Subsidiaries of a substantial shareholder	**(2,802)**	(2,526)
	– Joint venture	**(21,267)**	(25,378)
		(24,069)	(27,904)
(iii)	Interest income receivable from an associate	**11,757**	5,496

30. RELATED PARTY DISCLOSURES (CONTINUED)

		Company 2016 $'000	Company 2015 $'000
(i)	Purchases of goods and/or services from subsidiaries	**(1,068)**	(1,128)
(ii)	Management fees received/receivable from a subsidiary	**7,125**	8,565
(iii)	Interest income received/receivable from subsidiaries	**36,199**	47,418
(iv)	Dividend income received/receivable from subsidiaries	**457,187**	321,507
(v)	Dividends paid to immediate holding corporation	**(190,611)**	(63,537)

Key management remuneration (including directors' remuneration):

Key management remuneration includes fees, salaries, bonus, commission and other emoluments computed based on the costs incurred by the Group, and where the Group did not incur any costs, the value of the benefit.

The remuneration of directors and the key management personnel are analysed as follows:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-executive directors				
– Fees and meeting allowances	**817**	776	**817**	776
– Share-based payment	**216**	279	**216**	279
	1,033	1,055	**1,033**	1,055
Executive directors				
– Fees and meeting allowances	**75**	72	**75**	72
– Salaries, bonus and other emoluments	**9,549**	13,710	**5,620**	9,474
– Defined contribution plan	**30**	29	**18**	16
– Share-based payment	**6,303**	10,426	**6,303**	10,426
	15,957	24,237	**12,016**	19,988
Total	**16,990**	25,292	**13,049**	21,043
Key management personnel (excluding directors' remuneration)				
– Salaries, bonus and other emoluments	**6,687**	8,667	**2,717**	2,584
– Defined contribution plan	**150**	114	**76**	61
– Share-based payment	**1,418**	1,336	**792**	405
Total	**8,255**	10,117	**3,585**	3,050

31. SEGMENT INFORMATION

Management has determined the operating segments based on the reports that are used by the chief operating decision-maker to make strategic decisions.

The chief operating decision-maker considers the business from both business and geographic perspectives.

Business segment

The Singapore leisure and hospitality segment derives revenue from the development and operation of the integrated resort.

Under the Development Agreement signed between the SDC and the Group, the Group is required to construct, develop and operate a resort with a comprehensive range of integrated and synergised amenities for recreation, entertainment and lifestyle uses. This includes key attractions such as hotels, event facilities, retail, dining, entertainment shows, themed attractions and casino, which must be at all times operated and managed together. Each key attraction cannot be closed without prior written approval from SDC.

The investment business derives revenue from investing in assets to generate future income and cash flows.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA"). This measurement basis excludes the effects of fair value changes on derivative financial instruments, gain/loss on disposal of available-for-sale financial assets, share-based payment, net exchange gain/loss relating to investments and other expenses which include impairment/write-off/gain/loss on disposal of property, plant and equipment, pre-opening/development expenses and other non-recurring adjustments.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables, available-for-sale financial assets, restricted cash and cash and cash equivalents.

Segment liabilities comprise all liabilities other than current and deferred tax liabilities, borrowings, finance leases and derivative financial instruments.

31. SEGMENT INFORMATION (CONTINUED)

	Leisure and Hospitality			
	Singapore	Others *	Investments	Total
	$'000	$'000	$'000	$'000
Group				
2016				
Gaming revenue	1,588,486	–	–	1,588,486
Non-gaming revenue	637,450	–	–	637,450
Others	–	441	6,830	7,271
Inter-segment revenue	–	–	(5,157)	(5,157)
External revenue	2,225,936	441	1,673	2,228,050
Adjusted EBITDA	799,539	(3,238)	(17,305)	778,996
Share of results of joint ventures and associate	4,047	(10,281)	–	(6,234)
Depreciation of property, plant and equipment	(272,391)	–	(1,101)	(273,492)
Amortisation of intangible assets	(23,207)	–	–	(23,207)
Assets				
Segment assets	6,356,988	838,843	4,199,543	11,395,374
Interests in joint venture	50,908	–	–	50,908
Deferred tax assets				26
Consolidated total assets				11,446,308
Segment assets include:				
Additions to:				
– Property, plant and equipment	49,440	–	142	49,582
– Intangible assets	68,508	–	–	68,508
Liabilities				
Segment liabilities	344,327	6,400	7,424	358,151
Borrowings and finance leases				1,164,015
Income tax liabilities				93,777
Deferred tax liabilities				300,102
Consolidated total liabilities				1,916,045

* Other leisure and hospitality segment mainly represent interest in an associate and other support services.

31. SEGMENT INFORMATION (CONTINUED)

	Leisure and Hospitality			
	Singapore	Others *	Investments	Total
	$'000	$'000	$'000	$'000
Group				
2015				
Gaming revenue	1,749,053	–	–	1,749,053
Non-gaming revenue	650,308	–	–	650,308
Others	–	163	6,708	6,871
Inter-segment revenue	–	–	(5,334)	(5,334)
External revenue	2,399,361	163	1,374	2,400,898
Adjusted EBITDA	921,969	(2,376)	(4,586)	915,007
Share of results of joint ventures and associate	4,826	(8,648)	(6)	(3,828)
Depreciation of property, plant and equipment	(322,836)	–	(1,087)	(323,923)
Amortisation of intangible assets	(20,226)	–	–	(20,226)
Assets				
Segments assets	7,297,983	555,161	4,041,984	11,895,128
Interests in joint ventures and associate	46,861	83,111	–	129,972
Deferred tax assets				1,743
Consolidated total assets				12,026,843
Segment assets include:				
Additions to:				
– Property, plant and equipment	93,586	–	492	94,078
– Intangible assets	2,212	–	–	2,212
Liabilities				
Segment liabilities	407,849	1,210	10,224	419,283
Borrowings and finance leases				1,630,609
Income tax liabilities				67,946
Deferred tax liabilities				283,247
Consolidated total liabilities				2,401,085

* Other leisure and hospitality segment mainly represent interest in an associate and other support services.

31. SEGMENT INFORMATION (CONTINUED)

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

	Group	
	2016 $'000	2015 $'000
Adjusted EBITDA for reportable segments	**778,996**	915,007
Fair value loss on derivative financial instruments	**–**	(239,341)
Gain/(loss) on disposal of available-for-sale financial assets, net of transaction costs	**3,241**	(87,208)
Impairment on available-for-sale financial assets	**(13,649)**	(63,374)
Share-based payment	**(10,741)**	(20,079)
Net exchange gain relating to investments	**19,990**	130,390
Depreciation and amortisation	**(296,699)**	(344,149)
Interest income	**83,868**	61,670
Finance costs	**(44,553)**	(54,523)
Share of results of joint ventures and associate	**(6,234)**	(3,828)
Other expenses *	**(17,600)**	(15,301)
Profit before taxation	**496,619**	279,264

* Other expenses include impairment/write-off/gain/(loss) on disposal of property, plant and equipment, pre-opening/development expenses and other non-recurring adjustments.

Geographical information

The Group operates predominantly in Asia. The main business of the Group is in leisure and hospitality operations in Singapore where the development and operation of an integrated resort contributes most of its revenue. The operations in other geographical areas in the Asia Pacific (excluding Singapore) include development of an integrated resort in Korea and other investments.

Revenue is classified based on the location in which revenue is derived. Sales between segments are eliminated. Non-current assets exclude deferred tax assets and available-for-sale financial assets.

	Group	
	2016 $'000	2015 $'000
Revenue		
Singapore	**2,227,509**	2,400,270
Asia Pacific (excluding Singapore)	**541**	628
	2,228,050	2,400,898
Non-current assets		
Singapore	**5,433,394**	5,627,325
Asia Pacific (excluding Singapore)	**8,477**	339,636
	5,441,871	5,966,961

There are no revenue or assets generated from or located in the Isle of Man. There are no revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue.

32. SUBSEQUENT EVENT

On 3 January 2017, the Group completed the disposals of Callisto Group and Autumnglow. Subsequent to completion, the Group has ceased to have any equity interest in Callisto Group and Autumnglow. The total cash consideration for the disposals is approximately US$411,100,000 (approximately $596,273,000) and the gain on the disposals is approximately $96,300,000.

33. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 February 2017.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GENTING SINGAPORE PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Genting Singapore PLC (the "Company") and its subsidiaries (the "Group") and the financial statements of the Company are properly drawn up in accordance with the provisions of the International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2016, and of the financial performance, changes in equity and cash flows of the Company and the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of financial position of the Group as at 31 December 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended;
- the statement of financial position of the Company as at 31 December 2016;
- the statement of comprehensive income of the Company for the year then ended;
- the statement of changes in equity of the Company for the year then ended;
- the statement of cash flows of the Company for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters – Group

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Estimates involved in tax provisions	
See Note 3(a) of the financial statements for related accounting policies, estimates and judgements for further information. This was a key audit matter because of the significant judgement involved in the capital allowances claim for items within the leasehold improvements and fixtures and fittings asset categories which are not common and have few precedents, and the deductibility of certain expenses such as borrowing costs. As at 31 December 2016, the Group has recognised income tax provisions of $94 million and deferred tax liabilities of $300 million in the statement of financial position.	We updated our understanding of management's processes and controls for identifying and calculating tax-related provisions. We obtained an understanding of the latest position in all open tax matters relating to material items including the conclusions reached during the year and checked that management has revised its estimates of tax provisions accordingly. We also read all relevant correspondences with the tax authorities, in particular those relating to the availability of capital allowances claim for certain assets, and checked that management has made adequate provisions. Based on procedures performed, management's assessment on the availability of capital allowances claim for certain assets and deductibility of expenses in the Group's tax provision is consistent with our understanding.

Key Audit Matter	How our audit addressed the Key Audit Matter
2. Impairment of trade receivables	
See Note 3(b) of the financial statements for the related accounting policies, estimates and judgements and Note 29(d) for the credit risk exposure. The impairment of trade receivables was a key audit matter as significant judgement was involved in evaluating the credit risk of casino debtors with outstanding debts and determining whether the trade receivables should be impaired. For the year ended 31 December 2016, an impairment on trade receivables of $235 million was recognised, of which majority are related to casino debtors.	We updated our understanding of the process for credit assessment and approval, and impairment assessment of trade receivables. We tested the operating effectiveness of relevant manual and automated controls including the following: • checked on a sampling basis that credit assessment has been appropriately completed in accordance with the Company's standard operating procedures for casino debtors with credit granted; • checked on a sampling basis the authorisation of credit based on the Group's approval matrix for credit transactions; and • read the minutes of all the meetings of the Credit Committee (which is responsible for the monitoring of trade receivables and approval of impairment provisions) and checked that monitoring and credit risk assessment is performed. We held discussions with the chairperson of the Credit Committee about selected past due trade receivables to understand the judgement exercised in assessing the collectability of these trade receivables, particularly on trade receivables that were past due but not impaired. We read the credit evaluation and monitoring files of selected casino debtors. We assessed the appropriateness of provision for impairment based on historical trend of collections and external data on those selected casino debtors. Based on the above, we are satisfied that the assumptions used in management's assessment are appropriate.

Key audit matters – Company

We have determined that there are no key audit matters to communicate in our report which arise from the audit of the financial statements of the Company.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, 2016 Highlights, Board of Directors, Management and Corporate Information, Financial Highlights, Year In Review, Corporate Social Responsibility, Corporate Diary, Corporate Governance, Report of the Directors and Group Offices (but does not include the financial statements and our independent auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Statistics of Shareholdings which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Statistics of Shareholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Isle of Man Companies Act and International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chian Yorn.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 22 February 2017

STATISTICS OF SHAREHOLDINGS

AS AT 28 FEBRUARY 2017

Issued and paid-up capital	:	US$3,710,508,383.33
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
No. of issued shares (excluding treasury shares)	:	12,024,670,524
No. of treasury shares	:	69,356,300
Percentage of treasury shares	:	0.58%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of shareholders	%	Number of Shares (excluding treasury shares)	%
1 – 99	576	0.73	11,007	0.00
100 – 1,000	7,894	9.98	4,940,266	0.04
1,001 – 10,000	39,828	50.33	224,185,545	1.86
10,001 – 1,000,000	30,698	38.79	1,530,076,697	12.73
1,000,001 and above	136	0.17	10,265,457,009	85.37
Total	**79,132**	**100.00**	**12,024,670,524**	**100.00**

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

(i) The interests of the Directors in shares of the Company as recorded in the Register of Directors' Shareholdings are set out below:

Directors [1]	Direct Interest (Number of shares)			Deemed Interest (Number of shares)	
	At beginning of year	At end of year	As at 21/01/2017	At beginning of year	At end of year and as at 21/01/2017
Tan Sri Lim Kok Thay [2]	11,945,063	12,695,063	12,695,063	6,353,828,069 [2]	6,353,828,069 [2]
Tan Hee Teck	11,677,877	4,427,877	4,427,877	9,600	9,600
Lim Kok Hoong	94,496	–	–	–	–
Tjong Yik Min	–	–	–	–	–
Koh Seow Chuan	321,000	–	–	–	–

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY (CONTINUED)

(ii) Shares awarded to the Directors under the approved Genting Singapore Performance Share Scheme ("PSS") are set out below:

Directors	Granted in financial year ended 31/12/2016	Aggregate granted since the commencement of the PSS to 31/12/2016	Aggregate vested since the commencement of the PSS to 31/12/2016	Aggregate outstanding as at 31/12/2016#
Tan Sri Lim Kok Thay	750,000	7,500,000	6,510,000	750,000
Tan Hee Teck	750,000	33,880,000	11,969,100	21,750,000
Lim Kok Hoong	100,000	1,000,000	868,000	100,000
Tjong Yik Min	100,000	1,000,000	868,000	100,000
Koh Seow Chuan	100,000	880,000	754,480	100,000

\# *Figures take into account share awards lapsed in 2011 and 2012.*

SUBSTANTIAL SHAREHOLDERS (AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Substantial Shareholders (5% or more)	Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%
Genting Overseas Holdings Limited ("GOHL")	6,353,685,269	52.8387	–	–
Genting Berhad ("GENT") (3)	–	–	6,353,685,269	52.8387
Kien Huat Realty Sdn Berhad ("KHR") (4)	142,800	0.0012	6,353,685,269	52.8387
Kien Huat International Limited ("KHI") (5)	–	–	6,353,828,069	52.8399
Parkview Management Sdn Berhad ("Parkview") (6)	–	–	6,353,828,069	52.8399
Tan Sri Lim Kok Thay (2)	13,445,063	0.1118	6,353,828,069	52.8399
Lim Keong Hui (7)	–	–	6,353,828,069	52.8399

Notes:

(1) The Directors have been granted awards pursuant to the PSS of the Company. The vesting of the awards under the PSS is contingent upon achievement of various performance targets.

(2) Tan Sri Lim Kok Thay is the Executive Chairman. He is a director of GENT, certain companies within the GENT Group and certain companies which are substantial shareholders of GENT. Tan Sri Lim Kok Thay is also one of the beneficiaries of a discretionary trust, the trustee of which is Parkview (please see Note (6) for information on this trust). A discretionary trust is one in which the trustee (and in the case where the trustee is a company, its board of directors) has full discretion to decide which beneficiaries will receive, and in whichever proportion of the income or assets of the trust when it is distributed and also how the rights attached to any shares held by the trust are exercised. The deemed interests of Parkview in the shares of the Company are explained in Note (6). On account of Tan Sri Lim Kok Thay being a beneficiary of the discretionary trust, he is deemed interested in the shares of the Company by virtue of the deemed interest of Parkview.

(3) GOHL is a wholly-owned subsidiary of GENT. Therefore, GENT is deemed to be interested in the shares of the Company held by GOHL.

(4) KHR and its wholly-owned subsidiary control more than 20% of the voting share capital of GENT. KHR is deemed to be interested in the shares of the Company held by itself and GOHL.

SUBSTANTIAL SHAREHOLDERS (AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS) (CONTINUED)

(5) The voting share capital of KHR is wholly-owned by KHI. Therefore, KHI is deemed to be interested in the shares of the Company through KHR and GOHL.

(6) Parkview acts as trustee of a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay and certain members of his family. Parkview, through its wholly-owned company, namely KHI, owns the entire issued voting share capital of KHR. As such, Parkview is deemed to be interested in the shares of the Company held through KHR and GOHL. Parkview is owned by Amaline (M) Sdn Berhad (a company controlled by Tan Sri Lim Kok Thay); Puan Sri Lim (Nee Lee) Kim Hua (mother of Tan Sri Lim Kok Thay); Tan Sri Lim Kok Thay and Ms Roselind Niap Kam Lian each holding one share respectively, and Mr Gerard Lim Ewe Keng holding two shares. The board members of Parkview are Tan Sri Lim Kok Thay and Dato' Joseph Lai Khee Sin.

(7) Mr Lim Keong Hui is one of the beneficiaries of a discretionary trust, the trustee of which is Parkview. On account of Mr Lim Keong Hui being a beneficiary of the discretionary trust, he is deemed interested in the shares of the Company by virtue of the deemed interest of Parkview.

TWENTY (20) LARGEST SHAREHOLDERS

	Name of Shareholders	Number of Shares	% of Issued Shares (excluding Treasury Shares)
1.	GENTING OVERSEAS HOLDINGS LIMITED	6,353,685,269	52.84
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	1,137,231,191	9.46
3.	DBS NOMINEES PTE LTD	575,127,512	4.78
4.	HSBC (SINGAPORE) NOMINEES PTE LTD	390,535,202	3.25
5.	RAFFLES NOMINEES (PTE) LTD	238,587,072	1.98
6.	RHB SECURITIES SINGAPORE PTE LTD	206,923,236	1.72
7.	DBSN SERVICES PTE LTD	206,000,614	1.71
8.	PHILLIP SECURITIES PTE LTD	162,445,785	1.35
9.	UNITED OVERSEAS BANK NOMINEES PTE LTD	125,116,300	1.04
10.	OCBC SECURITIES PRIVATE LTD	124,011,313	1.03
11.	CIMB SECURITIES (SINGAPORE) PTE LTD	92,872,736	0.77
12.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	83,320,917	0.69
13.	UOB KAY HIAN PTE LTD	81,519,504	0.68
14.	DB NOMINEES (SINGAPORE) PTE LTD	67,372,133	0.56
15.	MAYBANK KIM ENG SECURITIES PTE LTD	38,558,321	0.32
16.	BNP PARIBAS SECURITIES SERVICES	32,265,107	0.27
17.	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	31,216,680	0.26
18.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	21,119,845	0.18
19.	CITIBANK CONSUMER NOMINEES PTE LTD	16,574,054	0.14
20.	ABN AMRO NOMINEES SINGAPORE PTE LTD	15,875,711	0.13
	Total	10,000,358,502	83.16

PUBLIC FLOAT

Based on the information available to the Company as at 28 February 2017, approximately 46.95% of the issued shares (excluding treasury shares) of the Company was held by the public, and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

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