GENTING SINGAPORE LIMITED
(Company Registration number: 201818581G)
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 December 2018

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(Company Registration Number: 201818581G)
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ANNUAL REPORT
For the financial year ended 31 December 2018

Contents

DIRECTORS' STATEMENT

For the financial year ended 31 December 2018

The Directors present their statement to the members together with the audited financial statements of Genting Singapore Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2018^.

In the opinion of the Directors,

(a) the financial statements set out on pages 8 to 85 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, the financial performance and cash flows of the Group, and the changes in equity of the Group and of the Company, for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are as follows:

Tan Sri Lim Kok Thay	(Executive Chairman)
Mr Tan Hee Teck	(President and Chief Operating Officer)
Mr Tjong Yik Min	
Mr Koh Seow Chuan	
Mr Jonathan Asherson	
Mr Tan Wah Yeow	
Ms Chan Swee Liang Carolina	(Appointed on 1 May 2018)

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Genting Singapore Performance Share Scheme.

Note:

^ *On 1 June 2018, the Company re-domiciled and transferred its registration from the Isle of Man to Singapore (the "Re-Domiciliation"). As a result of the Re-Domiciliation, the Company is governed by the Singapore Companies Act (Cap. 50) (the "Act") and this Directors' statement is presented pursuant to Section 201(16) of the Act.*

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings, none of the Directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of Director		Holdings in which the Director is deemed to have an interest	
	At 31.12.2018	At 1.1.2018 or date of appointment	**At 31.12.2018**	At 1.1.2018 or date of appointment
Genting Singapore Limited				
(Ordinary shares)				
Tan Sri Lim Kok Thay	**13,445,063**	13,445,063	**6,353,828,069**	6,353,828,069
Tan Hee Teck	**15,000,000**	14,177,877	**9,600**	9,600
Tjong Yik Min	**125,000**	-	**-**	-
(Performance shares)				
Tan Sri Lim Kok Thay	**750,000**	-	**-**	-
Tan Hee Teck	**750,000**	5,750,000	**-**	-
Tjong Yik Min	**125,000**	125,000	**-**	-
Koh Seow Chuan	**125,000**	125,000	**-**	-
Jonathan Asherson	**125,000**	-	**-**	-
Tan Wah Yeow	**125,000**	-	**-**	-
Genting Berhad				
(Ordinary shares)				
Tan Sri Lim Kok Thay	**68,119,980**	68,119,980	**1,630,711,110**	1,630,411,110
Tan Hee Teck	**-**	-	**20,000**	20,000
(Warrants*)				
Tan Sri Lim Kok Thay	**-**	17,029,995	**-**	407,602,777
Genting Malaysia Berhad				
(Ordinary shares)				
Tan Sri Lim Kok Thay	**14,140,100**	8,127,900	**2,797,414,489**	2,797,178,989
Tan Hee Teck	**-**	-	**80,000**	80,000
(Long Term Incentive Plan) Restricted Share Plan				
Tan Sri Lim Kok Thay	**3,921,725**	4,203,425	**172,200**	183,400

Directors' interests in shares or debentures (Continued)

	Holdings registered in the name of Director		Holdings in which the Director is deemed to have an interest	
	At 31.12.2018	At 1.1.2018 or date of appointment	**At 31.12.2018**	At 1.1.2018 or date of appointment
Performance Share Plan				
Tan Sri Lim Kok Thay	**8,499,894**	7,213,987	**347,543**	378,924
Genting Plantations Berhad (Ordinary shares)				
Tan Sri Lim Kok Thay	**369,000**	369,000	**407,005,000**	407,005,000
(Warrants)				
Tan Sri Lim Kok Thay	**73,800**	73,800	**81,401,000**	81,401,000

Note:
* The 2013/2018 Warrants of Genting Berhad had expired on 18 December 2018.

By virtue of Section 7 of the Act, Tan Sri Lim Kok Thay is deemed to have interests in shares of the subsidiaries held by the Company.

There were no changes in any of the above-mentioned interests in the Company between the end of financial year and 21 January 2019.

Genting Singapore Performance Share Scheme ("PSS")

On 8 August 2007, the shareholders of the Company approved the PSS for eligible Group executives, Group executive directors and non-executive directors, for an initial period of up to 7 August 2017 (the "Initial Period"). Under the PSS, the Company will deliver shares granted under an award by issuing new shares and/or transferring treasury shares to the participants. The awards represent the right of a participant to receive fully-paid shares free of charge, upon the participant satisfying the criteria set out in the PSS and upon satisfying such criteria as may be imposed. During the Initial Period, the total number of shares which may be awarded pursuant to awards granted under the PSS on any date shall not exceed 208,853,893 shares and when added to the number of shares issued and/or issuable under such other share-based incentives schemes of the Company, shall not exceed 5% of the total number of shares (excluding treasury shares) of the Company from time to time.

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

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"). During the Extended Period, the total number of shares which may be awarded pursuant to awards granted under the PSS on any date shall not exceed 420,433,143 shares and when added to the number of shares issued and/or issuable under the PSS prior to the Extended Period and such other share-based incentives schemes of the Company, shall not exceed 5% of the total number of 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. The PSS is administered by the Remuneration Committee.

During the financial year, the number of performance shares granted, vested and lapsed under the PSS are as follows:

	Number of Performance Shares				
Date of Grant	**At 1.1.2018**	**Granted**	**Vested**	**Lapsed**	**At 31.12.2018**
01.04.2014	5,000,000	-	(5,000,000)	-	-
01.04.2015	1,175,000	-	(1,155,000)	(20,000)	-
19.02.2016	310,000	-	(310,000)	-	-
23.02.2017	750,000	-	(750,000)	-	-
10.03.2017	3,695,000	-	(3,545,000)	(150,000)	-
05.03.2018	-	6,470,000	-	(190,000)	6,280,000
16.03.2018	-	125,000	-	-	125,000
02.05.2018	-	1,000,000	-	-	1,000,000
Total	**10,930,000**	**7,595,000**	**(10,760,000)**	**(360,000)**	**7,405,000**

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

The summary of the total number of performance shares granted, vested, lapsed and outstanding as at 31 December 2018 are as follows:

	Performance shares granted during financial year ended 31.12.2018	Aggregate performance shares granted since the commencement of the PSS to 31.12.2018	Aggregate performance shares vested since the commencement of the PSS to 31.12.2018	Aggregate performance shares lapsed since the commencement of the PSS to 31.12.2018	Aggregate performance shares outstanding as at 31.12.2018
Directors					
Tan Sri Lim Kok Thay	750,000	8,250,000	(7,260,000)	(240,000)	750,000
Tan Hee Teck	750,000	35,380,000	(32,469,100)	(2,160,900)	750,000
Tjong Yik Min	125,000	1,250,000	(1,093,000)	(32,000)	125,000
Koh Seow Chuan	125,000	1,130,000	(979,480)	(25,520)	125,000
Jonathan Asherson	125,000	125,000	-	-	125,000
Tan Wah Yeow	125,000	125,000	-	-	125,000
Other participants	5,595,000	115,363,000	(80,851,360)	(29,106,640)	5,405,000
	7,595,000	**161,623,000**	**(122,652,940)**	**(31,565,060)**	**7,405,000**

Share options

During the financial year, there were:

(a) no options granted to take up unissued shares of the Company; and

(b) no shares issued by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Audit and Risk Committee

At the date of this statement, the Audit and Risk Committee comprises the following members, all of whom are non-executive and independent Directors:

Mr Tan Wah Yeow (Chairman)
Mr Tjong Yik Min
Mr Koh Seow Chuan
Ms Chan Swee Liang Carolina

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Act, the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance 2012.

In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, their audit plans, the results of their examination and their evaluation of the Company's internal accounting control system.

The Audit and Risk Committee also reviewed, *inter alia*, the following:

- assistance provided by the Company's officers to the external auditor;
- quarterly financial information and annual financial statements of the Group and the statement of financial position and statement of changes in equity of the Company prior to their submission to the Directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Rules of the SGX-ST).

The Audit and Risk Committee has full access to the Management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers LLP, and has recommended to the Board of Directors that, PricewaterhouseCoopers LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Auditor

The auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors,

TAN SRI LIM KOK THAY	**MR TAN HEE TECK**
Executive Chairman	Director/President and Chief Operating Officer

Singapore
21 February 2019

GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000
Revenue	4	**2,539,235**	2,392,559
Cost of sales ^		**(1,385,409)**	(1,317,709)
Gross profit		**1,153,826**	1,074,850
Other operating income		**6,201**	100,571
Interest income		**72,342**	71,094
Administrative expenses		**(183,307)**	(161,591)
Selling and distribution expenses		**(62,751)**	(57,928)
Other operating expenses		**(11,119)**	(134,707)
Operating profit		**975,192**	892,289
Finance costs	5	**(35,913)**	(35,648)
Share of results of joint venture		**3,959**	3,385
Profit before taxation	6	**943,238**	860,026
Taxation	7	**(187,845)**	(174,471)
Net profit for the financial year		**755,393**	685,555
Other comprehensive (loss)/income, may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value loss		**-**	(7,413)
- Reclassification to profit or loss		**-**	4,321
Foreign currency exchange differences		**(74)**	104
Reclassification of foreign currency exchange differences		**-**	(9,859)
Other comprehensive loss for the financial year, net of tax		**(74)**	(12,847)
Total comprehensive income for the financial year		**755,319**	672,708

^ Included in cost of sales for the year ended 31 December 2018 is net impairment on trade receivables (Note 6) amounting to $58,070,000 (2017: $48,320,000).

GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000
Net profit attributable to:			
- Ordinary shareholders of the Company		**755,393**	601,000
- Holders of perpetual capital securities		**-**	84,555
		755,393	685,555
Total comprehensive income attributable to:			
- Ordinary shareholders of the Company		**755,319**	588,153
- Holders of perpetual capital securities		**-**	84,555
		755,319	672,708

	Note	Group 2018	Group 2017
Earnings per share attributable to ordinary shareholders of the Company			
Basic earnings per share (cents)	8	**6.27**	5.00
Diluted earnings per share (cents)	8	**6.27**	4.99

The notes on pages 19 to 85 form an integral part of these financial statements.

GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2018

		Group		Company	
		2018	2017	**2018**	2017
	Note	**$'000**	$'000	**$'000**	$'000
Non-current assets					
Property, plant and equipment	9	**4,857,046**	5,068,857	**130**	152
Intangible assets	10	**103,313**	124,812	**-**	-
Interests in joint venture	11	**58,252**	54,293	**-**	-
Interests in subsidiaries	12	**-**	-	**2,315,995**	1,631,145
Deferred tax assets	13	**171**	52	**-**	-
Financial assets at fair value through profit or loss	14	**221,131**	-	**-**	-
Available-for-sale financial assets	15	**-**	217,299	**-**	-
Trade and other receivables	16	**1,543**	3,040	**389,562**	417,544
		5,241,456	5,468,353	**2,705,687**	2,048,841
Current assets					
Asset classified as held for sale	17	**-**	11,786	**-**	-
Inventories	18	**48,806**	48,600	**-**	-
Trade and other receivables	16	**143,792**	126,907	**359,696**	459,150
Restricted cash	19	**118,851**	117,276	**-**	-
Cash and cash equivalents	19	**4,214,237**	3,833,904	**3,328,660**	2,868,836
		4,525,686	4,138,473	**3,688,356**	3,327,986
Less: Current liabilities					
Trade and other payables	20	**454,764**	462,741	**202,074**	402,666
Borrowings	21	**206,375**	203,137	**-**	-
Income tax liabilities		**201,573**	200,303	**38,448**	26,865
		862,712	866,181	**240,522**	429,531
Net current assets		**3,662,974**	3,272,292	**3,447,834**	2,898,455
Total assets less current liabilities		**8,904,430**	8,740,645	**6,153,521**	4,947,296

The notes on pages 19 to 85 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2018

		Group		Company	
		2018	2017	**2018**	2017
	Note	**$'000**	$'000	**$'000**	$'000
Equity					
Share capital	23	**5,527,705**	5,527,705	**5,527,705**	5,527,705
Treasury shares	23	**(35,349)**	(44,432)	**(35,349)**	(44,432)
Other reserves	24	**15,242**	32,556	**7,977**	11,065
Retained earnings/(accumulated losses)		**2,273,747**	1,925,729	**407,332**	(782,339)
Attributable to ordinary shareholders		**7,781,345**	7,441,558	**5,907,665**	4,711,999
Non-controlling interests		**2**	2	**-**	-
Total equity		**7,781,347**	7,441,560	**5,907,665**	4,711,999
Non-current liabilities					
Deferred tax liabilities	13	**288,728**	283,360	**-**	-
Borrowings	21	**832,195**	1,012,863	**245,799**	235,252
Provision for retirement gratuities	26	**490**	476	**57**	45
Other payables	20	**1,670**	2,386	**-**	-
		1,123,083	1,299,085	**245,856**	235,297
Total equity and non-current liabilities		**8,904,430**	8,740,645	**6,153,521**	4,947,296

The notes on pages 19 to 85 form an integral part of these financial statements.

GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2018

Group	Attributable to ordinary shareholders of the Company								
	Share capital $'000	Treasury shares $'000	Performance share reserve $'000	Fair value reserve $'000	Exchange translation reserve $'000	Retained earnings $'000	Subtotal $'000	Non-controlling interests $'000	Total $'000
As at 31 December 2017	**5,527,705**	**(44,432)**	**11,043**	**14,257**	**7,256**	**1,925,729**	**7,441,558**	**2**	**7,441,560**
Effect of adoption of New SFRS(I)s (Note 2.1)	**-**	**-**	**-**	**(14,257)**	**-**	**11,094**	**(3,163)**	**-**	**(3,163)**
As at 1 January 2018	**5,527,705**	**(44,432)**	**11,043**	**-**	**7,256**	**1,936,823**	**7,438,395**	**2**	**7,438,397**
Total comprehensive income/(loss)									
- Profit for the year	**-**	**-**	**-**	**-**	**-**	**755,393**	**755,393**	**-**	**755,393**
- Other comprehensive loss	**-**	**-**	**-**	**-**	**(74)**	**-**	**(74)**	**-**	**(74)**
Transactions with owners:									
Performance share schemes:									
- Value of employee services	**-**	**-**	**9,206**	**-**	**-**	**-**	**9,206**	**-**	**9,206**
- Treasury shares reissued	**-**	**9,083**	**(12,189)**	**-**	**-**	**3,106**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(421,575)**	**(421,575)**	**-**	**(421,575)**
Total transactions with owners	**-**	**9,083**	**(2,983)**	**-**	**-**	**(418,469)**	**(412,369)**	**-**	**(412,369)**
As at 31 December 2018	**5,527,705**	**(35,349)**	**8,060**	**-**	**7,182**	**2,273,747**	**7,781,345**	**2**	**7,781,347**

The notes on pages 19 to 85 form an integral part of these financial statements.

GENTING SINGAPORE LIMITED
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STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2018

	Attributable to ordinary shareholders of the Company									
Group	**Share capital $'000**	**Treasury shares $'000**	**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**
As at 1 January 2017	5,527,705	(66,730)	28,663	17,349	17,011	1,697,933	2,308,330	9,530,261	2	9,530,263
Total comprehensive income/(loss)										
- Profit for the year	-	-	-	-	-	601,000	84,555	685,555	-	685,555
- Other comprehensive loss	-	-	-	(3,092)	(9,755)	-	-	(12,847)	-	(12,847)
Transactions with owners:										
Performance share schemes:										
- Value of employee services	-	-	10,765	-	-	-	-	10,765	-	10,765
- Treasury shares reissued	-	22,298	(28,385)	-	-	6,087	-	-	-	-
Dividends paid	-	-	-	-	-	(360,751)	-	(360,751)	-	(360,751)
Perpetual capital securities distribution paid	-	-	-	-	-	-	(117,875)	(117,875)	-	(117,875)
Redemption of perpetual capital securities, net of transaction costs	-	-	-	-	-	(24,990)	(2,275,010)	(2,300,000)	-	(2,300,000)
Tax credit arising from perpetual capital securities	-	-	-	-	-	6,450	-	6,450	-	6,450
Total transactions with owners	-	22,298	(17,620)	-	-	(373,204)	(2,392,885)	(2,761,411)	-	(2,761,411)
As at 31 December 2017	5,527,705	(44,432)	11,043	14,257	7,256	1,925,729	-	7,441,558	2	7,441,560

The notes on pages 19 to 85 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2018

Company	Attributable to ordinary shareholders of the Company					
	Share capital $'000	Treasury shares $'000	Performance share reserve $'000	Exchange translation reserve $'000	(Accumulated losses)/retained earnings $'000	Total $'000
As at 1 January 2018	**5,527,705**	**(44,432)**	**11,043**	**22**	**(782,339)**	**4,711,999**
Total comprehensive income/(loss)						
- Profit for the year	-	-	-	-	1,608,140	1,608,140
- Other comprehensive loss	-	-	-	(105)	-	(105)
Transactions with owners:						
Performance share schemes:						
- Value of employee services	-	-	9,206	-	-	9,206
- Treasury shares reissued	-	9,083	(12,189)	-	3,106	-
Dividends paid	-	-	-	-	(421,575)	(421,575)
Total transactions with owners	-	9,083	(2,983)	-	(418,469)	(412,369)
As at 31 December 2018	**5,527,705**	**(35,349)**	**8,060**	**(83)**	**407,332**	**5,907,665**

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2018

Company	Attributable to ordinary shareholders of the Company						
	Share capital $'000	Treasury shares $'000	Performance share reserve $'000	Exchange translation reserve $'000	Accumulated losses $'000	Perpetual capital securities $'000	Total $'000
As at 1 January 2017	5,527,705	(66,730)	28,663	-	(951,781)	2,308,330	6,846,187
Total comprehensive income							
- Profit for the year	-	-	-	-	542,646	84,555	627,201
- Other comprehensive income	-	-	-	22	-	-	22
Transactions with owners:							
Performance share schemes:							
- Value of employee services	-	-	10,765	-	-	-	10,765
- Treasury shares reissued	-	22,298	(28,385)	-	6,087	-	-
Dividends paid	-	-	-	-	(360,751)	-	(360,751)
Perpetual capital securities distribution paid	-	-	-	-	-	(117,875)	(117,875)
Redemption of perpetual capital securities, net of transaction costs	-	-	-	-	(24,990)	(2,275,010)	(2,300,000)
Tax credit arising from perpetual capital securities	-	-	-	-	6,450	-	6,450
Total transactions with owners	-	22,298	(17,620)	-	(373,204)	(2,392,885)	(2,761,411)
As at 31 December 2017	5,527,705	(44,432)	11,043	22	(782,339)	-	4,711,999

The notes on pages 19 to 85 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000
Net cash inflow from operating activities	A	**1,146,414**	1,255,876
Investing activities			
Property, plant and equipment:			
- Proceeds from disposals		**3,372**	394
- Purchases		**(119,625)**	(76,084)
Additions of intangible assets		**(2,477)**	(2,214)
Proceeds from disposal of assets and liabilities classified as held for sale		**11,904**	596,273
Proceeds from disposal of financial assets at fair value through profit or loss		**1,475**	-
Proceeds from disposal of available-for-sale financial assets, net of transaction costs		**-**	5,838
Purchase of available-for-sale financial assets		**-**	(67,340)
Net cash (outflow)/inflow from investing activities		**(105,351)**	456,867
Financing activities			
Proceeds from issuance of bonds, net of transaction costs		**-**	238,284
Interest paid		**(26,862)**	(24,959)
Dividends paid		**(421,575)**	(360,751)
Redemption of perpetual capital securities		**-**	(2,300,000)
Perpetual capital securities distribution paid		**-**	(117,875)
Repayment of bank borrowings		**(210,000)**	(192,500)
Repayment of finance lease liabilities		**(3,574)**	(2,739)
Restricted cash (deposit pledged as security for loan repayments and interest)		**(1,575)**	(14,188)
Net cash outflow from financing activities		**(663,586)**	(2,774,728)
Increase/(decrease) in cash and cash equivalents		**377,477**	(1,061,985)
Beginning of financial year		**3,833,904**	4,963,436
Net inflow/(outflow)		**377,477**	(1,061,985)
Effects of exchange rate changes		**2,856**	(67,547)
End of financial year	19	**4,214,237**	3,833,904

The notes on pages 19 to 85 form an integral part of these financial statements.

GENTING SINGAPORE LIMITED
AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2018

Note A – Net cash inflow from operating activities

	Group	
	2018	2017
	$'000	$'000
Profit before taxation for the financial year	**943,238**	860,026
Adjustments for:		
Property, plant and equipment:		
- Depreciation	**291,541**	259,191
- Net gain on disposals	**(2,978)**	(311)
- Written off	**2,522**	14,855
- Impairment	**3,208**	5,971
Amortisation of:		
- Intangible assets	**23,976**	23,721
- Borrowing costs	**8,857**	10,104
Net impairment on trade receivables	**58,070**	48,320
Impairment on asset classified as held for sale	**-**	1,214
Gain on disposal of assets and liabilities classified as held for sale	**(118)**	(96,285)
Loss on disposal of available-for-sale financial assets, net of transaction costs	**-**	4,331
Fair value gain on financial assets at fair value through profit or loss	**(3,097)**	-
Share-based payment	**9,206**	10,765
Inventory write-down	**2,434**	406
Finance charges	**27,056**	25,544
Unrealised foreign exchange (gain)/loss	**(4,645)**	67,038
Interest income	**(72,342)**	(71,094)
Share of results of joint venture	**(3,959)**	(3,385)
Loss on liquidation of subsidiary	**-**	2
Provision of retirement gratuities	**58**	20
	339,789	300,407
Operating cash flows before movements in working capital	**1,283,027**	1,160,433
Changes in working capital:		
(Increase)/decrease in inventories	**(2,640)**	12,504
(Increase)/decrease in trade and other receivables	**(57,653)**	19,403
Increase in trade and other payables	**51,866**	65,801
	(8,427)	97,708
Cash generated from operating activities	**1,274,600**	1,258,141
Interest received	**53,172**	76,258
Net taxation paid	**(181,319)**	(78,247)
Retirement gratuities paid	**(39)**	(276)
Net cash inflow from operating activities	**1,146,414**	1,255,876

The notes on pages 19 to 85 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2018

Reconciliation of liabilities arising from financing activities

Group	Bank borrowings $'000	Finance leases $'000	Bonds $'000	Total $'000
2018				
Beginning of financial year	**978,103**	**2,645**	**235,252**	**1,216,000**
Principal payments	**(210,000)**	**(3,574)**	**-**	**(213,574)**
Non-cash changes				
- Additions	**-**	**16,938**	**-**	**16,938**
- Foreign exchange movement	**-**	**149**	**10,200**	**10,349**
- Amortisation of borrowing costs	**8,510**	**-**	**347**	**8,857**
End of financial year	**776,613**	**16,158**	**245,799**	**1,038,570**
2017				
Beginning of financial year	1,160,572	3,443	-	1,164,015
Principal payments	(192,500)	(2,739)	-	(195,239)
Non-cash changes				
- Additions	-	2,253	238,284	240,537
- Foreign exchange movement	-	(312)	(3,105)	(3,417)
- Amortisation of borrowing costs	10,031	-	73	10,104
End of financial year	978,103	2,645	235,252	1,216,000

1. GENERAL

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

On 1 June 2018, the Company re-domiciled and transferred its registration from the Isle of Man to Singapore (the "Re-Domiciliation"), and changed its name from Genting Singapore PLC to Genting Singapore Limited.

The address of the Company's registered 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 Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

Following the Re-Domiciliation, the Group has adopted SFRS(I)s on 1 January 2018. These financial statements for the year ended 31 December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I)s. The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with International Financial Reporting Standards ("IFRSs"), including International Accounting Standards and Interpretations adopted by the International Accounting Standard Board. SFRS(I)s comprise standards and interpretations that are equivalent to IFRSs. Financial statements that have been prepared in accordance and complied with IFRSs are deemed to have also complied with SFRS(I)s. The Company elected not to present the separate statement of comprehensive income and the separate statement of cash flows for the financial year ended 31 December 2018 since these were not mandatory subsequent to the Re-Domiciliation.

The preparation of financial statements in conformity with SFRS(I)s 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(a) Interpretations and amendments to published standards effective in 2018

On 1 January 2018, the Group has adopted the new SFRS(I)s that are effective for financial year beginning on or after 1 January 2018:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*

The Group's assessment of the impact arising from the adoption of SFRS(I) 9 and SFRS(I) 15 (the "New SFRS(I)s") are set out below.

Classification and measurement of financial assets

On 1 January 2018, the Group's financial instruments amounting to $217,299,000 that were previously classified as available-for-sale financial assets as at 31 December 2017 have been reclassified to financial assets at fair value through profit or loss as they did not meet the criteria to be classified either as fair value through other comprehensive income or at amortised cost. Related fair value reserve of $14,257,000 has been transferred to retained earnings on 1 January 2018.

Impairment of financial assets

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses. Based on the assessments undertaken, the Group has provided for an additional impairment allowance of $3,163,000 relating to trade receivables as at 31 December 2017. This has been recognised in retained earnings as of 1 January 2018.

Revenue recognition

The New SFRS(I)s establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. An entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Under the New SFRS(I)s, complimentary goods or services provided by the Group is allocated to the appropriate revenue type based on the goods or services provided, at the standalone selling price of each good or service. Loyalty points are awarded to customers under the Group's loyalty programme which entitle them to redeem goods and services. Upon redemption, the standalone selling price of each good or service is allocated to the respective revenue type.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(a) Interpretations and amendments to published standards effective in 2018 (Continued)

Revenue recognition (Continued)

The retrospective adoption has resulted in comparative figures included in revenue being restated with total revenue remaining unchanged (2018: $170,372,000):

Group	As previously stated $'000	Effect of the New SFRS(I)s $'000	As restated $'000
2017			
Gaming	1,746,217	(157,314)	1,588,903
Non-gaming and others	646,342	157,314	803,656
	2,392,559	-	2,392,559

Presentation of contract liabilities

The Group has also changed the presentation of certain amounts in trade and other payables as at 31 December 2017 on adopting the New SFRS(I)s. Contract liabilities amounted to $157,839,000 (Note 20) and was previously presented as "deferred income", "other payables" and "retention monies and deposits" of $66,156,000, $79,695,000 and $11,988,000 respectively.

There was no change to the statement of financial position of the Group as at 1 January 2017 arising from the retrospective adoption.

(b) Interpretations and amendments to published standards effective in 2019 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 2019, which the Group has not early adopted:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

(b) Interpretations and amendments to published standards effective in 2019 and after (Continued)

The Group anticipates that the adoption of these new standards will not have a material impact on the financial statements of the Group except for the following:

SFRS(I) 16 *Leases*

SFRS(I) 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the lease item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The Group will apply the standard from its mandatory adoption date of 1 January 2019 using the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $4,745,000 (Note 28).

The Group has assessed that the adoption of the new standard will not have significant impact on the Group's financial statements. However, some additional disclosures will be required from next financial year.

There are no other standards that are not yet effective that would be expected to have a material impact on the entity in the current or foreseeable future reporting periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 unless the transaction provides evidence of an impairment indicator of the transferred asset. 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(a) Subsidiaries (Continued)

(ii) Acquisitions (Continued)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(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 are adjusted against the carrying amount of the investment.

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) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue recognition (Continued)

Gaming revenue represents net house takings, which is the aggregate of wins and losses arising from gaming play, and is reported after deduction of goods and services tax, commissions, discounts and loyalty points awarded to customers. Complimentary goods or services provided by the Group is allocated to the appropriate revenue type based on the goods and services provided, at the standalone selling price of each good and service.

Hotel room revenue is recognised at the time of room occupancy.

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

Food and beverage and retail sales are recognised when goods are delivered or services are rendered to the customers.

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.

2.4 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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. All other repair 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

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 at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets.

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.

Goodwill is allocated to cash-generating units ("CGUs") 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).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(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;
- 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(d) Computer software (Continued)

Computer software are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful life of 10 years.

2.7 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures 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 and joint ventures, the differences between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (see accounting policy 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 and joint ventures 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

The accounting for financial assets before 1 January 2018 are as follows:

(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.

(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 statements 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(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.

(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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

The accounting for financial assets from 1 January 2018 are as follows:

(a) Classification and measurement

The Group classifies its financial assets in the following categories: amortised cost and fair value through profit or loss. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(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 debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(d) Subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, quoted and unquoted debt securities.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(d) Subsequent measurement (Continued)

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in other gains and losses.

(e) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The Group measures the loss allowance at an amount equal to lifetime expected credit losses.

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.

Government grants relating to expenses are presented as a deduction of the related expense.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2.14 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) Defined contribution plans

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 certain 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Employee benefits (Continued)

(c) Long-term employee benefits (Continued)

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 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 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 granted at the grant date and the number of shares 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 that are expected to become vested.

The fair value of services received from the employees of the Company and its subsidiaries in exchange for the grant of the shares 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 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. 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 vesting of shares, reserves relating to the vested shares will be transferred to retained earnings.

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 due to the modification, as measured at the date of the modification.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases (Continued)

(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 costs 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.

2.18 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income tax (Continued)

(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 associates, 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 treasury shares account.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 of the 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.

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 subjected to income taxes in numerous jurisdictions in which the Group operates, mainly in Singapore. 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 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 (Notes 7 and 13), where applicable, in the period in which such determination is made.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Impairment of trade receivables

As at 31 December 2018, the Group's trade receivables amounted to $333,658,000, majority of which are related to casino debtors. Trade receivables are grouped based on shared credit risk characteristics and days past due, with expected loss rates assessed based on the Group's historical credit loss experience.

The Group further evaluates the expected credit loss on customers on a case-by-case basis, which will be assessed based on indicators such as changes in financial capability of the debtor, and default or significant delay in payments.

The Group's credit risk exposure for trade receivables is set out in Note 29(d).

4. REVENUE

	Group	
	2018	2017
	$'000	$'000 (restated)
Gaming	**1,678,987**	1,588,903
Non-gaming		
- Hotel rooms	**225,094**	222,613
- Attractions	**446,145**	407,008
- Other non-gaming	**162,996**	148,252
	834,235	777,873
Others	**26,013**	25,783
	2,539,235	2,392,559

5. FINANCE COSTS

	Group	
	2018	2017
	$'000	$'000
Interest expense:		
- Bank borrowings	**21,862**	21,834
- Bonds	**1,637**	304
- Finance lease liabilities	**1,157**	743
Amortisation of borrowing costs	**8,857**	10,104
Others	**2,400**	2,663
	35,913	35,648

6. PROFIT BEFORE TAXATION

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

	Group	
	2018	2017
	$'000	$'000
Directors' remuneration:		
- Fees and meeting allowances	**1,500**	1,306
- Other emoluments	**19,298**	21,960
Employee benefits (excluding directors' remuneration) [(1)]:		
- Salaries and related costs	**456,672**	441,317
- Employer's contribution to defined contribution plan	**46,354**	44,617
- Provision of retirement gratuities	**58**	20
- Share-based payment	**5,651**	3,700
Auditors' remuneration:		
- PwC Singapore	**1,806**	1,816
- Other auditors	**61**	60
Non-audit fees paid/payable to auditors	**542**	1,006
Duties and taxes [(2)]	**297,846**	284,471
Depreciation of property, plant and equipment	**291,541**	259,191
Amortisation of intangible assets	**23,976**	23,721
Net impairment on trade receivables	**58,070**	48,320
Inventory write-down	**2,434**	406
Included in other operating income:		
- Gain on disposal of assets and liabilities classified as held for sale	**(118)**	(96,285)
- Gain on disposal of property, plant and equipment	**(2,978)**	(311)
- Fair value gain on financial assets at fair value through profit or loss	**(3,097)**	-
Included in other operating expenses:		
- Write-off of property, plant and equipment	**2,522**	14,855
- Impairment of property, plant and equipment	**3,208**	5,971
- Net foreign exchange loss	**5,388**	108,335
- Impairment on asset classified as held for sale	**-**	1,214
- Loss on disposal of available-for-sale financial assets, net of transaction costs	**-**	4,331
Rental expenses on operating leases	**4,844**	3,984
Advertising and promotion	**47,582**	41,987
Utilities	**46,293**	41,955
Legal, professional and management fees	**17,668**	14,141

(1) The Group received government grants of $4,936,000 (2017: $6,191,000) 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	
	2018	2017
	$'000	$'000
Taxation for current financial year:		
- Current tax	**184,101**	191,197
- Deferred tax	**2,831**	(17,827)
	186,932	173,370
(Over)/under provision in prior financial years:		
- Current tax	**(1,505)**	26
- Deferred tax	**2,418**	1,075
	913	1,101
Total tax expense	**187,845**	174,471

Reconciliation of effective tax rate

	Group	
	2018	2017
	$'000	$'000
Profit before taxation	**943,238**	860,026
Share of results of joint venture, net of tax	**(3,959)**	(3,385)
Profit before taxation and share of results of joint venture	**939,279**	856,641
Tax calculated at tax rate of 17%	**159,677**	145,629
Tax effects of:		
- Expenses not deductible for tax purposes	**29,934**	45,105
- Under provision in prior financial years	**913**	1,101
- Different tax rates in other countries	**(6,443)**	(2,799)
- Tax incentives	**(593)**	(409)
- Income not subject to tax	**(1,004)**	(18,655)
- Deferred tax assets not recognised	**1,297**	674
- Withholding tax	**4,064**	3,825
Total tax expense	**187,845**	174,471

Income tax recognised directly in equity is as follows:

	Group	
	2018	2017
	$'000	$'000
Tax credit arising from perpetual capital securities	**-**	6,450

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.

	Group	
	2018	2017
	$'000	$'000
Net profit attributable to ordinary shareholders of the Company	**755,393**	601,000

	Group	
	2018	2017
	'000	'000
Weighted average number of ordinary shares of the Company	**12,044,309**	12,024,712
Adjustment for:		
- Share-based compensation plans	**11,704**	25,024
Adjusted weighted average number of ordinary shares of the Company	**12,056,013**	12,049,736

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

	Group	
	2018	2017
Basic earnings per share (cents)	**6.27**	5.00
Diluted earnings per share (cents)	**6.27**	4.99

9. PROPERTY, PLANT AND EQUIPMENT

Group 2018	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 $'000	Exhibit animals $'000	Construction-in-progress $'000	Total $'000
Cost								
Beginning of financial year	132,445	18,162	3,905,712	989,307	2,467,673	24,403	10,342	7,548,044
Exchange differences	-	-	(653)	29	-	-	-	(624)
Additions	-	30	5,652	61,295	9,022	770	13,050	89,819
Disposals	-	-	-	(15,243)	(87)	-	-	(15,330)
Written off	-	-	(1,448)	(20,169)	(1,961)	(179)	-	(23,757)
Reclassification	-	-	-	6,046	-	-	(6,046)	-
Cost adjustment	-	-	(7,327)	2,888	770	-	-	(3,669)
End of financial year	132,445	18,192	3,901,936	1,024,153	2,475,417	24,994	17,346	7,594,483
Accumulated depreciation and impairment								
Beginning of financial year	-	4,887	636,631	898,511	928,465	10,693	-	2,479,187
Exchange differences	-	-	(340)	12	-	-	-	(328)
Depreciation	-	725	96,780	61,458	130,957	1,621	-	291,541
Disposals	-	-	-	(14,899)	(37)	-	-	(14,936)
Written off	-	-	(540)	(19,935)	(713)	(47)	-	(21,235)
Impairment	-	-	3,208	-	-	-	-	3,208
End of financial year	-	5,612	735,739	925,147	1,058,672	12,267	-	2,737,437
Net book value								
End of financial year	132,445	12,580	3,166,197	99,006	1,416,745	12,727	17,346	4,857,046

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2017	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	18,162	3,857,807	963,328	2,501,313	26,346	6,811	7,506,212
Exchange differences	-	-	(568)	(46)	3	-	-	(611)
Additions	-	-	53,059	42,475	14,581	257	10,293	120,665
Disposals	-	-	(1)	(7,249)	(267)	(86)	-	(7,603)
Written off	-	-	(4,731)	(15,912)	(12,439)	(2,114)	(1,257)	(36,453)
Reclassification	-	-	-	6,080	(575)	-	(5,505)	-
Reclassification to assets classified as held for sale	-	-	-	-	(34,279)	-	-	(34,279)
Cost adjustment	-	-	146	631	(664)	-	-	113
End of financial year	132,445	18,162	3,905,712	989,307	2,467,673	24,403	10,342	7,548,044
Accumulated depreciation and impairment								
Beginning of financial year	-	4,162	550,901	875,660	824,872	9,029	-	2,264,624
Exchange differences	-	-	(158)	(46)	2	-	-	(202)
Depreciation	-	725	86,155	44,991	125,059	2,261	-	259,191
Disposals	-	-	-	(7,170)	(267)	(83)	-	(7,520)
Written off	-	-	(949)	(15,439)	(4,696)	(514)	-	(21,598)
Impairment	-	-	682	180	5,109	-	-	5,971
Reclassification	-	-	-	335	(335)	-	-	-
Reclassification to assets classified as held for sale	-	-	-	-	(21,279)	-	-	(21,279)
End of financial year	-	4,887	636,631	898,511	928,465	10,693	-	2,479,187
Net book value								
End of financial year	**132,445**	**13,275**	**3,269,081**	**90,796**	**1,539,208**	**13,710**	**10,342**	**5,068,857**

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of leasehold land, certain machinery and motor vehicles held under finance leases are $763,401,000 (2017: $783,724,000) and $15,732,000 (2017: $4,919,000) respectively. Included in additions are machineries acquired under finance leases amounting to $16,938,000 (2017: $2,253,000).

During the financial year, the Group has drawn up plans to retire certain assets. The estimated useful lives of these assets have been revised in accordance with the plans. The changes in estimates were applied prospectively.

The revision of the estimated useful lives of these assets has resulted in a $42,118,000 increase in current year's depreciation expense. This change in estimated useful lives is expected to result in an increase in depreciation expense of about $98,544,000 and $19,026,000 in financial years 2019 and 2020, respectively. We do not expect this change to have a material impact on depreciation expense for subsequent financial years.

Company	Computer equipment, fixtures and fittings $'000	Construction-in-progress $'000	Total $'000
2018			
Cost			
Beginning of financial year	**359**	**-**	**359**
Additions	**29**	**16**	**45**
End of financial year	**388**	**16**	**404**
Accumulated depreciation			
Beginning of financial year	**207**	**-**	**207**
Depreciation	**67**	**-**	**67**
End of financial year	**274**	**-**	**274**
Net book value			
End of financial year	**114**	**16**	**130**
2017			
Cost			
Beginning and end of financial year	359	-	359
Accumulated depreciation			
Beginning of financial year	130	-	130
Depreciation	77	-	77
End of financial year	207	-	207
Net book value			
End of financial year	152	-	152

10. INTANGIBLE ASSETS

Group	Trademarks and tradenames $'000	Goodwill on acquisition $'000	Licences $'000	Computer software $'000	Total $'000
2018					
Cost					
Beginning of financial year	**1,057**	**83,049**	**81,162**	**18,556**	**183,824**
Additions	**-**	**-**	**-**	**2,477**	**2,477**
End of financial year	**1,057**	**83,049**	**81,162**	**21,033**	**186,301**
Accumulated amortisation					
Beginning of financial year	-	-	**47,498**	**11,514**	**59,012**
Amortisation	-	-	**22,521**	**1,455**	**23,976**
End of financial year	-	-	**70,019**	**12,969**	**82,988**
Net book value					
End of financial year	**1,057**	**83,049**	**11,143**	**8,064**	**103,313**
2017					
Cost					
Beginning of financial year	1,057	83,051	81,162	16,342	181,612
Additions	-	-	-	2,214	2,214
Disposal of subsidiary	-	(2)	-	-	(2)
End of financial year	1,057	83,049	81,162	18,556	183,824
Accumulated amortisation					
Beginning of financial year	-	-	24,976	10,315	35,291
Amortisation	-	-	22,522	1,199	23,721
End of financial year	-	-	47,498	11,514	59,012
Net book value					
End of financial year	1,057	83,049	33,664	7,042	124,812

Amortisation expense of $23,976,000 (2017: $23,721,000) has been included in cost of sales.

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	
	2018 **$'000**	2017 $'000
Goodwill attributable to:		
Singapore	**83,047**	83,047
Malaysia	**2**	2
	83,049	83,049

10. INTANGIBLE ASSETS (CONTINUED)

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. The cash flow projection covers a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed 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 2018 include a growth rate and weighted average cost of capital ("WACC") of 2.0% and 7.3% (2017: 2.0%, 6.2%) respectively.

Based on the impairment test, no impairment is required for goodwill attributed to the Singapore CGU. A reasonably possible change in a key assumption on which management has based its determination of the CGU's recoverable amount would not cause its carrying amount to exceed its recoverable amount.

11. INTERESTS IN JOINT VENTURE

	Group	
	2018	2017
	$'000	$'000
Share of net assets of joint venture:		
DCP (Sentosa) Pte. Ltd.	**58,252**	54,293

On 15 April 2008, RWSPL 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.

11. INTERESTS IN JOINT VENTURE (CONTINUED)

The summarised financial information of DCP is as follows:

	2018	2017
	$'000	$'000
Non-current assets		
Intangible asset – leasehold land use right	**5,202**	5,310
Property, plant and equipment	**50,361**	52,182
Other receivables	**50**	-
	55,613	57,492
Current assets		
Trade and other receivables	**6,343**	2,419
Cash and cash equivalents	**23,006**	18,993
	29,349	21,412
Current liabilities		
Trade and other payables	**(3,781)**	(3,379)
Income tax liabilities	**(1,299)**	(298)
	(5,080)	(3,677)
Non-current liability		
Deferred tax liabilities	**(7,067)**	(7,361)
Net assets	**72,815**	67,866
Revenue	**19,870**	18,424
(Expenses)/income include:		
- Depreciation and amortisation	**(3,098)**	(3,072)
- Interest income	**161**	87
Profit before taxation	**5,947**	5,090
Taxation	**(998)**	(859)
Profit after taxation and total comprehensive income	**4,949**	4,231

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:

	2018	2017
	$'000	$'000
Net assets		
Beginning of financial year	**67,866**	63,635
Profit after taxation and total comprehensive income	**4,949**	4,231
End of financial year	**72,815**	67,866
Carrying value of Group's interest in DCP	**58,252**	54,293

12. INTERESTS IN SUBSIDIARIES

	Company	
	2018	2017
	$'000	$'000
Unquoted shares - at cost	**242,038**	242,188
Less: Allowance for impairment	**(43)**	(43)
	241,995	242,145
Amount due from subsidiary	**2,074,000**	1,389,000
Net investment in subsidiaries	**2,315,995**	1,631,145

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

The movements in allowance for impairment are as follows:

	Company	
	2018	2017
	$'000	$'000
Beginning of financial year	**43**	40
Allowance charged to profit or loss	**-**	3
End of financial year	**43**	43

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

Indirect subsidiary	**Country of incorporation**	**Effective equity interest**		**Principal activities**
		2018	2017	
RWSPL	Singapore	**100%**	100%	Development and operation of an Integrated Resort at Sentosa

The financial statements of this subsidiary are audited by PricewaterhouseCoopers LLP, Singapore.

The Group has complied with Rules 712 and 715 of the listing manual issued by the SGX-ST in relation to the appointment of its auditors.

13. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined prior to offsetting, are shown in the statements of financial position:

	Group	
	2018 $'000	2017 $'000
Deferred tax assets		
To be recovered after one year	**171**	52
Deferred tax liabilities		
To be settled after one year	**(288,728)**	(283,360)
Total deferred taxes	**(288,557)**	(283,308)

Details of deferred taxes prior to offsetting are as follows:

Group	Beginning of financial year $'000	Credited/ (charged) to profit or loss $'000	Reclassified to liabilities held for sale $'000	End of financial year $'000
2018				
Deferred tax assets				
Provisions	**23,262**	**(22,947)**	**-**	**315**
Deferred tax liabilities				
Property, plant and equipment	**(304,962)**	**17,806**	**-**	**(287,156)**
Intangible assets	**(1,608)**	**(108)**	**-**	**(1,716)**
	(306,570)	**17,698**	**-**	**(288,872)**
Total deferred taxes	**(283,308)**	**(5,249)**	**-**	**(288,557)**
2017				
Deferred tax assets				
Provisions	10,027	13,219	16	23,262
Deferred tax liabilities				
Property, plant and equipment	(308,601)	3,639	-	(304,962)
Intangible assets	(1,502)	(106)	-	(1,608)
	(310,103)	3,533	-	(306,570)
Total deferred taxes	(300,076)	16,752	16	(283,308)

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2018	**2017**
	$'000	**$'000**
As at 31 December 2017	**-**	-
Reclassification at 1 January 2018 (Notes 2.1 and 15)	**217,299**	-
Fair value gain	**3,097**	-
Disposals	**(1,475)**	-
Exchange differences	**2,210**	-
As at 31 December 2018	**221,131**	-
Quoted debt securities [a]	**183,137**	-
Unquoted debt securities [b]	**37,994**	-
	221,131	-

[a] The investments in portfolio of quoted debt securities have no fixed maturity or coupon rate.

[b] The investments in unquoted debt securities represent unquoted investment in a foreign corporation and an investment fund.

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2018	**2017**
	$'000	**$'000**
Quoted debt securities	**-**	180,643
Unquoted debt securities	**-**	36,656
	-	217,299

On 1 January 2018, the Group has adopted SFRS(I) 9 and the entire amount of $217,299,000 has been reclassified to financial assets at fair value through profit or loss (Note 14).

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables	**333,658**	252,156	**-**	-
Amounts due from subsidiaries	**-**	-	**45,031**	29,763
Other receivables	**32,148**	13,180	**24,451**	8,052
Amounts due from fellow subsidiaries	**8**	38	**-**	-
Loan to a subsidiary	**-**	-	**392,710**	500,220
	365,814	265,374	**462,192**	538,035
Less: Impairment (Note 29(d))	**(239,070)**	(156,253)	**(102,570)**	(78,989)
	126,744	109,121	**359,622**	459,046
Deposits	**5,818**	9,365	**2**	3
Prepayments	**11,230**	8,421	**72**	101
	143,792	126,907	**359,696**	459,150
Non-current				
Amounts due from subsidiaries	**-**	-	**179,287**	198,051
Loan to a subsidiary	**-**	-	**262,500**	270,000
	-	-	**441,787**	468,051
Less: Impairment (Note 29(d))	**-**	-	**(52,225)**	(50,507)
	-	-	**389,562**	417,544
Prepayments	**1,543**	3,040	**-**	-
	1,543	3,040	**389,562**	417,544

The loans and amounts due from subsidiaries are mainly non-trade in nature, unsecured and interest-free except for $655,210,000 (2017: $770,220,000) which are interest bearing, and $389,562,000 (2017: $417,544,000) which repayments is not expected within the next 12 months. The current loan and amounts due from subsidiaries are repayable on demand.

17. ASSET CLASSIFIED AS HELD FOR SALE

As at 31 December 2017, the asset classified as held for sale represented an aircraft owned by a wholly-owned subsidiary of the Company. The sale was completed in 2018.

18. INVENTORIES

	Group	
	2018	2017
	$'000	$'000
Retail stocks	**4,482**	4,291
Food, beverage and hotel supplies	**18,633**	19,123
Stores and technical spares	**25,691**	25,186
	48,806	48,600

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $82,286,000 (2017: $79,105,000).

19. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Short term deposits with banks	**3,752,652**	3,135,417	**3,076,117**	2,503,635
Cash and bank balances	**461,585**	698,487	**252,543**	365,201
Cash and cash equivalents in the statement of cash flows	**4,214,237**	3,833,904	**3,328,660**	2,868,836
Restricted cash	**118,851**	117,276	**-**	-

Restricted cash represents deposit pledged as security for loan repayments and interest (Note 21).

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Trade payables	**1,116**	526	**353**	28
Accrued operating liabilities	**209,437**	188,156	**8,281**	8,257
Accrued capital expenditure	**11,159**	53,054	**-**	-
Retention monies and deposits	**4,664**	9,515	**-**	-
Contract liabilities	**161,957**	157,839	**-**	-
Other payables	**60,918**	51,930	**168**	241
Amounts due to:				
- Ultimate holding corporation	**32**	62	**-**	-
- Immediate holding corporation	**34**	107	**26**	95
- Subsidiaries	**-**	-	**193,246**	394,031
- Fellow subsidiaries	**-**	14	**-**	14
- Joint venture	**5,447**	1,538	**-**	-
	454,764	462,741	**202,074**	402,666
Non-current				
Retention monies and deposits	**329**	35	**-**	-
Other payables	**1,341**	2,351	**-**	-
	1,670	2,386	**-**	-

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.

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.

Contract liabilities include loyalty program liabilities, customer advances and outstanding chips liabilities.

The following table summarises the liability activity related to contracts with customers:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Balance as at 1 January	**157,839**	129,533	**-**	-
Balance as at 31 December	**161,957**	157,839	**-**	-
Increase	**4,118**	28,306	**-**	-

Performance obligations that are contracted for but whose revenue has not been recognised in the financial statements, are expected to be recognised as revenue in the next financial year.

21. BORROWINGS

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings (a)	**203,017**	201,490	**-**	-
Finance leases (Note 22)	**3,358**	1,647	**-**	-
	206,375	203,137	**-**	-
Non-current				
Bank borrowings (a)	**573,596**	776,613	**-**	-
Bonds (b)	**245,799**	235,252	**245,799**	235,252
Finance leases (Note 22)	**12,800**	998	**-**	-
	832,195	1,012,863	**245,799**	235,252
Total borrowings	**1,038,570**	1,216,000	**245,799**	235,252

(a) Bank borrowings

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.

As at 31 December 2017, banker's guarantees of $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. Pursuant to the terms of the Development Agreement, SDC returned these banker's guarantees which were subsequently cancelled by the issuing banks in July 2018.

Bank borrowings of the Group are substantially secured over assets of the Singapore leisure and hospitality business segment (Note 31).

(b) Bonds

On 24 October 2017, the Company issued an unsecured and unsubordinated Japanese Yen-denominated bonds with a principal amount of Japanese Yen 20,000,000,000 (approximately $240,240,000) in Japan, acting through its Japan branch. The bonds have a coupon rate of 0.669% per annum and are due for repayment five years from the issue date.

22. 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	
	2018	2017
	$'000	$'000
Finance lease liabilities - minimum lease payments:		
- Not later than one year	**4,900**	2,033
- Between one and five years	**14,415**	1,116
- Later than five years	**1,492**	-
	20,807	3,149
Less: Future finance charges on finance leases	**(4,649)**	(504)
Present value of finance lease liabilities	**16,158**	2,645
The present value of finance lease liabilities is as follows (Note 21):		
- Not later than one year	**3,358**	1,647
- Between one and five years	**11,352**	998
- Later than five years	**1,448**	-
	16,158	2,645

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.

23. SHARE CAPITAL AND TREASURY SHARES

	Share capital		Treasury shares	
Group and Company	**No. of shares '000**	**Amount $'000**	**No. of shares '000**	**Amount $'000**
2018				
Beginning of financial year	**12,094,027**	**5,527,705**	**(54,792)**	**(44,432)**
Treasury shares reissued	**-**	**-**	**10,760**	**9,083**
End of financial year	**12,094,027**	**5,527,705**	**(44,032)**	**(35,349)**
2017				
Beginning of financial year	12,094,027	5,527,705	(79,651)	(66,730)
Treasury shares reissued	-	-	24,859	22,298
End of financial year	12,094,027	5,527,705	(54,792)	(44,432)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

23. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(a) Treasury shares

At the Annual General Meeting ("AGM") of the Company held on 17 April 2018, 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.

(b) 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.

As at 31 December 2018, 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**
Investment in an associate	**412,271**
Purchase of property, plant and equipment	**169,648**
Payment of operating expenses of the Company and its subsidiaries	**267,442**
	1,160,590
Balance unutilised	**384,661**
Total proceeds	**1,545,251**

24. OTHER RESERVES

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Performance share reserve (a)	**8,060**	11,043	**8,060**	11,043
Fair value reserve (b)	**-**	14,257	**-**	-
Exchange translation reserve (c)	**7,182**	7,256	**(83)**	22
	15,242	32,556	**7,977**	11,065

(a) Performance share reserve

Performance share reserve comprise cumulative fair value of services received from employees measured at the date of grant for unvested equity-settled performance shares under the 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 participants.

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.

24. OTHER RESERVES (CONTINUED)

(a) Performance share reserve (Continued)

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 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 2018 was $1.128 (2017: $1.004).

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

	Group and Company	
	2018	2017
Beginning of financial year	**10,930,000**	31,730,000
Granted	**7,595,000**	5,177,000
Lapsed	**(360,000)**	(1,118,000)
Issued	**(10,760,000)**	(24,859,000)
End of financial year	**7,405,000**	10,930,000

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

	Number of PSS granted	
	2018	2017
Directors		
Tan Sri Lim Kok Thay	**8,250,000**	7,500,000
Mr Tan Hee Teck	**35,380,000**	34,630,000
Mr Lim Kok Hoong	**-**	1,125,000
Mr Tjong Yik Min	**1,250,000**	1,125,000
Mr Koh Seow Chuan	**1,130,000**	1,005,000
Mr Jonathan Asherson	**125,000**	-
Mr Tan Wah Yeow	**125,000**	-
	46,260,000	45,385,000

Other than Tan Sri Lim Kok Thay, Mr Tan Hee Teck and Ms Tan Hsieh Lee who have been granted 750,000, 750,000 and 1,150,000 PSS shares respectively during the financial year, no other employee has received 5% or more of the total number of awards granted during the financial year.

(b) Fair value reserve

Fair value reserve includes the cumulative change in the fair value of available-for-sale investments until the investments are derecognised or impaired. The entire amount was reclassified to retained earnings on 1 January 2018 upon the adoption of the New SFRS(I)s (Note 2.1).

24. OTHER RESERVES (CONTINUED)

(c) Exchange translation reserve

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	
	2018	2017
	$'000	$'000
Final dividends paid in respect of the previous financial year of 2.0 cents (2017: 1.5 cents) per ordinary share	**240,900**	180,372
Interim dividends paid in respect of current financial year of 1.5 cents (2017: 1.5 cents) per ordinary share	**180,675**	180,379

On 3 August 2018, the Directors approved the interim dividend of 1.5 cents per ordinary share in respect of the financial year ended 31 December 2018. The dividend has been accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ended 31 December 2018.

The Directors proposed the payment of a final dividend of 2.0 cents per ordinary share, in respect of the financial year ended 31 December 2018, 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 2019, after it has been approved by shareholders at the AGM.

26. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**476**	735	**45**	258
Charged/(credited) to profit or loss	**58**	20	**12**	(39)
Payment made	**(39)**	(276)	**-**	(174)
Exchange differences	**(5)**	(3)	**-**	-
End of financial year	**490**	476	**57**	45

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. 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 were 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 had a right to defer this distribution under certain conditions.

The Institutional and Retail Securities had no fixed maturity and were 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 were unpaid or deferred, the Company would 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.

In 2017, the Board of Directors approved to distribute the payments for the Institutional and Retail Securities. The Institutional Securities distribution amounting to $45,746,000 and $46,505,000 were paid on 13 March 2017 and 12 September 2017 respectively. The Retail Securities distribution amounting to $12,777,000 and $12,847,000 were paid on 18 April 2017 and 19 October 2017 respectively.

The Company fully redeemed the Institutional and Retail Securities on 12 September 2017 and 19 October 2017 respectively.

28. COMMITMENTS

(a) Capital commitments

	Group	
	2018	2017
	$'000	$'000
Authorised capital expenditure not provided for in the financial statements:		
Contracted - property, plant and equipment	**61,682**	45,388

28. COMMITMENTS (CONTINUED)

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

The Company leases offices and the Group leases offices and equipment under non-cancellable operating lease agreements. These leases have varying terms and renewal rights.

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

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Not later than one year	**2,550**	1,016	**330**	55
Between one and five years	**2,195**	461	**55**	-
	4,745	1,477	**385**	55

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

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

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

	Group	
	2018	2017
	$'000	$'000
Not later than one year	**16,686**	13,826
Between one and five years	**16,686**	10,278
Later than five years	**126**	646
	33,498	24,750

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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

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's and Company's principal net foreign currency exposures mainly relate to the United States Dollar ("USD").

The Group's and Company's currency exposures are as follows:

	Group		Company	
	2018	2017	**2018**	2017
USD	**$'000**	$'000	**$'000**	$'000
Financial assets				
Financial assets at fair value through profit or loss	**105,941**	-	**-**	-
Available-for-sale financial assets	**-**	103,852	**-**	-
Trade and other receivables	**2,320**	4,773	**752**	15,596
Cash and cash equivalents	**126,094**	879,577	**125,679**	870,777
	234,355	988,202	**126,431**	886,373
Financial liabilities				
Trade and other payables	**(5,203)**	(2,154)	**(550)**	(522)
Finance leases	**(16,151)**	(2,611)	**-**	-
	(21,354)	(4,765)	**(550)**	(522)
Net currency exposures	**213,001**	983,437	**125,881**	885,851

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency exchange risk (Continued)

If the USD changes against the Singapore Dollar ("SGD") by 1% (2017: 1%) with all other variables being held constant, the effects on profit before taxation will be as follows:

	Increase/(decrease)			
	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
USD against SGD				
- Strengthened	**2,130**	9,834	**1,259**	8,859
- Weakened	**(2,130)**	(9,834)	**(1,259)**	(8,859)

(b) Price risk

The Group is exposed to securities price risk from its quoted securities classified as financial assets at fair value through profit or loss (2017: available-for-sale financial assets). 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.

If prices for quoted securities change by 1% (2017: 1%) respectively with all other variables being held constant, the effects on profit before taxation and other comprehensive income will be as follows:

	Increase/(decrease)	
	Group	
	2018	2017
	$'000	$'000
Profit before taxation		
Increased by 1%	**1,831**	-
Decreased by 1%	**(1,831)**	-
Other comprehensive income		
Increased by 1%	**-**	1,806
Decreased by 1%	**-**	(1,806)

The Company is not exposed to price risk.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk

Interest rate risk arises mainly from the Group's and the Company's short-term deposits and borrowings. Short-term deposits are placed at prevailing interest rates and are substantially independent of interest rates risk. The Group's bank borrowings bears floating interest rate.

If the annual interest rates levied on bank borrowings had increased/decreased by 100 basis point (2017: 100 basis point) with all other variables including tax rate being held constant, the profit before taxation will be lower/higher by $8,719,000 (2017: $10,790,000) as a result of higher/lower interest expense on these bank borrowings.

(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.

The Group's main class of financial assets that are subject to credit risk are trade and other receivables, financial assets at fair value through profit or loss, cash and cash equivalents and restricted cash. The Group's financial assets except trade and other receivables are subjected to immaterial credit loss.

As the Group does 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.

Trade receivables

In managing credit risk exposure from trade receivables, majority of which are related to casino debtors, 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. The top 10 trade debtors of the Group represented 19% (2017: 24%) of trade receivables.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

Trade receivables (Continued)

In measuring the lifetime expected credit losses, the Group uses the provision matrix method where trade receivables are grouped based on shared credit risk characteristics and days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced. The Group has considered forward-looking information and determined that it does not significantly affect the historical credit losses.

The Group considers a trade receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments.

Trade receivables are written off when there is no reasonable expectation of recovery, with the case-by-case assessment performed based on indicators such as insolvency or demise. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. No trade receivables were written off during the year.

The Group's credit risk exposure in relation to trade receivables as at 31 December 2018 and 1 January 2018 are as follows:

Group	Not past due $'000	Past due less than 3 months $'000	Past due 3 to 6 months $'000	Past due more than 6 months $'000	Total $'000
31 December 2018					
Trade receivables	84,768	91,634	50,325	106,931	333,658
Allowance for impairment	(10,557)	(71,318)	(50,264)	(106,931)	(239,070)
Total	74,211	20,316	61	-	94,588
1 January 2018					
Trade receivables	91,732	73,219	20,916	66,289	252,156
Allowance for impairment *	(7,968)	(65,019)	(20,632)	(65,797)	(159,416)
Total	83,764	8,200	284	492	92,740

* The effect of adoption of the New SFRS(I)s of $3,163,000 has been included in the amount as at 1 January 2018 (Note 2.1)

The Company has no exposure to trade receivables past due not impaired.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

Other receivables

The Group and the Company use the below internal credit risk categories for other receivables which are subject to expected credit losses approach permitted under SFRS(I) 9. The 4 categories reflect the respective credit risk and how the loss provision is determined for each of those categories as follows:

Category	Description	Basis for recognition of expected credit losses
• Performing	Low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses
• Under-performing	Significant increase in credit risk since initial recognition.	Lifetime expected credit losses
• Non-performing	Evidence indicating that the asset is impaired.	Lifetime expected credit losses
• Write-off	No reasonable expectation of recovery.	Amount is written off

The Company has no financial assets that are subject to more than immaterial credit losses where the expected credit loss model has been applied except for amounts due from subsidiaries (Note 16).

The movements in allowance for impairment on trade and other receivables are as follows:

	Group	Company
	$'000	$'000
As at 31 December 2017	**156,253**	**129,496**
Effect of adoption of New SFRS(I)s (Note 2.1)	**3,163**	**-**
As at 1 January 2018	**159,416**	**129,496**
Allowance charged to profit or loss	**79,671**	**24,209**
Allowance utilised	**(14)**	**-**
Exchange differences	**(3)**	**1,090**
As at 31 December 2018	**239,070**	**154,795**

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

Previous accounting policy for impairment on trade and other receivables

The Group established an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance was estimated losses that relate to specific counterparties. Subsequently when the Group was satisfied that no recovery of such losses was possible, the trade receivables were considered irrecoverable and the amount charged to the allowance account was 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 and organisations. 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

The Group had 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	2017 $'000
Past due less than 3 months	12,233
Past due 3 to 6 months	283
Past due 6 to 12 months	212
Past due over 12 months	294
	13,022

The Company had no exposure to trade receivables past due but not impaired.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

Previous accounting policy for impairment on trade and other receivables (Continued)

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

The movements in allowance for impairment are as follows:

	Group 2017 $'000	Company 2017 $'000
Beginning of financial year	184,033	136,846
Allowance charged to profit or loss	103,593	2,561
Allowance utilised	(131,348)	(487)
Exchange differences	(25)	(9,424)
End of financial year	156,253	129,496

In 2017, the Group's gross trade and other receivables individually determined to be past due and for which impairment had been provided, amounted to $156,253,000. In assessing these individual debts for impairment, the Group had considered the factors such as adverse changes in financial capability of the debtor, and default or significant delay in payments.

In 2017, the Company's gross amounts due from subsidiaries determined to be impaired was $129,496,000.

(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 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	Over 5 years $000
Group				
2018				
Trade and other payables *	**292,807**	**1,377**	**293**	**-**
Bank borrowings	**231,475**	**580,139**	**-**	**-**
Bonds	**1,654**	**1,654**	**250,187**	**-**
Finance leases	**4,900**	**3,669**	**10,746**	**1,492**
	530,836	**586,839**	**261,226**	**1,492**
2017				
Trade and other payables *	304,902	1,904	482	-
Bank borrowings	231,960	230,253	579,576	-
Bonds	1,586	1,586	241,568	-
Finance leases	2,033	1,031	85	-
	540,481	234,774	821,711	-
Company				
2018				
Trade and other payables *	**202,074**	**-**	**-**	**-**
Bonds	**1,654**	**1,654**	**250,187**	**-**
	203,728	**1,654**	**250,187**	**-**
2017				
Trade and other payables *	402,666	-	-	-
Bonds	1,586	1,586	241,568	-
	404,252	1,586	241,568	-

* Excludes contract liabilities

(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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Capital risk management (Continued)

In order to optimise the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back issued shares, take on new debt or sell assets to reduce debt.

Consistent with the industry, the Group monitors capital utilisation based on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings. Total capital is calculated as equity attributable to ordinary shareholders of the Company plus total debt.

The gearing ratios are as follows:

	Group	
	2018	2017
	$'000	$'000
Total debt	**1,038,570**	1,216,000
Total equity attributable to ordinary shareholders of the Company	**7,781,345**	7,441,558
Total capital	**8,819,915**	8,657,558
Gearing ratio	**12%**	14%

There were no changes in the Group's approach to capital management during the current financial year.

The Group was in compliance with externally imposed capital requirements for the financial years ended 31 December 2018 and 2017.

(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).

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value estimation (Continued)

Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2018				
Assets				
Financial assets at fair value through profit or loss (Note 14)	**183,137**	**-**	**37,994**	**221,131**
2017				
Assets				
Available-for-sale financial assets (Note 15)	180,643	-	36,656	217,299

There were no transfers between Level 1 and Level 2.

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. 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 debt 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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value estimation (Continued)

The following table presents the changes in Level 3 instruments:

	Group	
	2018	2017
	$'000	$'000
Beginning of financial year	**36,656**	43,129
Disposals	**(1,475)**	(585)
Fair value gain recognised in profit or loss	**1,991**	-
Fair value loss recognised in other comprehensive income	**-**	(5,888)
Exchange differences	**822**	-
End of financial year	**37,994**	36,656

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

(h) Financial instruments by category

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

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost	**4,465,650**	-	**4,077,846**	-
Loans and receivables	**-**	4,069,666	**-**	3,745,429
Financial assets at fair value through profit or loss	**221,131**	-	**-**	-
Available-for-sale financial assets	**-**	217,299	**-**	-
Financial liabilities at amortised cost	**1,333,047**	1,523,288	**447,873**	637,918

30. RELATED PARTY DISCLOSURES

The Company's immediate holding corporation is Genting Overseas Holdings Limited, a company incorporated in the Isle of Man. The ultimate holding corporation is Genting Berhad, 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	
	2018	2017
	$'000	$'000
(i) Sales of goods and/or services to:		
- Subsidiaries of a substantial shareholder	**1,392**	2,176
- A joint venture	**1,107**	1,171
	2,499	3,347
(ii) Purchases of goods and/or services from:		
- Subsidiaries of a substantial shareholder	**(2,687)**	(3,150)
- A joint venture	**(19,870)**	(18,424)
	(22,557)	(21,574)

30. RELATED PARTY DISCLOSURES (CONTINUED)

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	
	2018	2017
	$'000	$'000
Non-executive directors		
- Fees and meeting allowances	**1,425**	1,222
- Share-based payment	**560**	375
	1,985	1,597
Executive directors		
- Fees and meeting allowances	**75**	84
- Salaries, bonus and other emoluments	**15,714**	14,692
- Defined contribution plan	**29**	203
- Share-based payment	**2,995**	6,690
	18,813	21,669
Total	**20,798**	23,266
Key management personnel (excluding directors' remuneration)		
- Salaries, bonus and other emoluments	**6,100**	6,839
- Defined contribution plan	**192**	178
- Share-based payment	**1,652**	1,259
Total	**7,944**	8,276

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 gain/loss on disposal of assets and liabilities classified as held-for-sale, share-based payment, net exchange gain/loss relating to investments and other income/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, financial assets at fair value through profit or loss, 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 and finance leases.

31. SEGMENT INFORMATION (CONTINUED)

	Leisure and Hospitality			
<u>Group</u>	Singapore	Others *	Investments	Total
2018	**$'000**	**$'000**	**$'000**	**$'000**
Gaming	**1,678,987**	**-**	**-**	**1,678,987**
Non-gaming	**834,235**	**-**	**-**	**834,235**
Other revenue	**23,453**	**767**	**5,967**	**30,187**
Inter-segment revenue	**-**	**-**	**(4,174)**	**(4,174)**
External revenue	**2,536,675**	**767**	**1,793**	**2,539,235**
Adjusted EBITDA	**1,260,702**	**(6,852)**	**(24,175)**	**1,229,675**
Share of results of joint venture	**3,959**	**-**	**-**	**3,959**
Depreciation of property, plant and equipment	**(290,426)**	**-**	**(1,115)**	**(291,541)**
Amortisation of intangible assets	**(23,976)**	**-**	**-**	**(23,976)**
Assets				
Segment assets	**5,875,922**	**21,067**	**3,811,730**	**9,708,719**
Interests in joint venture	**58,252**	**-**	**-**	**58,252**
Deferred tax assets				**171**
Consolidated total assets				**9,767,142**
Segment assets include:				
Additions to:				
- Property, plant and equipment	**89,220**	**-**	**599**	**89,819**
- Intangible assets	**2,477**	**-**	**-**	**2,477**
Liabilities				
Segment liabilities	**444,818**	**2,195**	**9,911**	**456,924**
Borrowings				**1,038,570**
Income tax liabilities				**201,573**
Deferred tax liabilities				**288,728**
Consolidated total liabilities				**1,985,795**

* Other leisure and hospitality segment mainly represents other support services.

31. SEGMENT INFORMATION (CONTINUED)

	Leisure and Hospitality			
Group	**Singapore**	**Others ***	**Investments**	**Total**
2017	**$'000**	**$'000**	**$'000**	**$'000**
Gaming ^	1,588,903	-	-	1,588,903
Non-gaming ^	777,873	-	-	777,873
Other revenue ^	23,669	469	6,167	30,305
Inter-segment revenue	-	-	(4,522)	(4,522)
External revenue	2,390,445	469	1,645	2,392,559
Adjusted EBITDA	1,172,064	(5,983)	(14,907)	1,151,174
Share of results of joint venture	3,385	-	-	3,385
Depreciation of property, plant and equipment	(258,038)	-	(1,153)	(259,191)
Amortisation of intangible assets	(23,721)	-	-	(23,721)
Assets				
Segment assets	6,194,502	18,614	3,339,365	9,552,481
Interests in joint venture	54,293	-	-	54,293
Deferred tax assets				52
Consolidated total assets				9,606,826
Segment assets include:				
Additions to:				
- Property, plant and equipment	120,464	-	201	120,665
- Intangible assets	2,214	-	-	2,214
Liabilities				
Segment liabilities	454,017	1,981	9,605	465,603
Borrowings				1,216,000
Income tax liabilities				200,303
Deferred tax liabilities				283,360
Consolidated total liabilities				2,165,266

* Other leisure and hospitality segment mainly represents other support services.

^ Revenue for the prior periods were restated due to adoption of the New SFRS(I)s with total revenue remaining unchanged. Refer to Note 2.1 for details.

31. SEGMENT INFORMATION (CONTINUED)

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

	Group	
	2018	2017
	$'000	$'000
Adjusted EBITDA for reportable segments	**1,229,675**	1,151,174
Share-based payment	**(9,206)**	(10,765)
Net exchange loss relating to investments	**(2,512)**	(109,337)
Depreciation and amortisation	**(315,517)**	(282,912)
Interest income	**72,342**	71,094
Finance costs	**(35,913)**	(35,648)
Share of results of joint venture	**3,959**	3,385
Gain on disposal of assets and liabilities classified as held for sale	**118**	96,285
Other income/(expenses) *	**292**	(23,250)
Profit before taxation	**943,238**	860,026

* 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) are sales and marketing services relating to the Group's leisure and hospitality related businesses 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, financial assets at fair value through profit or loss and available-for-sale financial assets.

	Group	
	2018	2017
	$'000	$'000
Revenue		
Singapore	**2,538,799**	2,392,182
Asia Pacific (excluding Singapore)	**436**	377
	2,539,235	2,392,559
Non-current assets		
Singapore	**5,016,141**	5,243,700
Asia Pacific (excluding Singapore)	**4,013**	7,302
	5,020,154	5,251,002

There is no revenue derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue.

32. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 21 February 2019.

INDEPENDENT AUDITOR'S REPORT

To the Members of Genting Singapore Limited

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Genting Singapore Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company 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 comprehensive income of the Group for the financial year ended 31 December 2018;
- the consolidated statement of financial position of the Group as at 31 December 2018;
- the statement of financial position of the Company as at 31 December 2018;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial 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 Singapore Standards on Auditing ("SSAs"). 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 for the financial year ended 31 December 2018. 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 Matter	How our audit addressed the Key Audit Matter
1. *Estimation of 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 evaluating 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.*** ***As at 31 December 2018, the Group had income tax provisions of $202 million and deferred tax liabilities of $289 million.***	We updated our understanding of management's processes and controls for identifying and calculating tax-related provisions. We read all relevant correspondences with the tax authorities, in particular those relating to the availability of capital allowances for certain assets and the deductibility of certain expenses. We considered relevant historical assessments issued by tax authorities and obtained an understanding of the latest position in all open tax matters relating to material items including the conclusions reached during the year. Where management engaged external experts, we assessed the experts' independence and qualifications and also considered their professional advice. With the advice of our tax specialists, we considered relevant information gathered through the above procedures in assessing the reasonableness of management's revisions to its estimates and management's assumptions regarding the Group's tax positions. Based on procedures performed, we found management's assessment on the availability of capital allowances for certain assets and deductibility of certain expenses in determining the Group's tax provision to be 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, majority of which were related to casino debtors, was a key audit matter as significant judgement was involved in determining the expected credit losses. These significant judgements included: (i) grouping of trade receivables based on shared credit risk characteristics and days past due; (ii) expected loss rates based on historical credit loss experience; and (iii) identification of indicators of when trade receivables are credit impaired.*** ***As at 31 December 2018, allowance for impairment amounted to $239 million and an impairment charge of $58 million was recognised for the year ended 31 December 2018.***	We updated our understanding of the processes for credit assessment and approval, and impairment assessment of trade receivables. We tested the operating effectiveness of relevant controls including the following: • checked on a sampling basis that credit assessment has been appropriately completed in accordance with the Group's standard operating procedures for credit granting; • 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 reviewed the credit evaluation and monitoring files relating to selected trade receivables. We held discussions with the chairperson of the credit committee about these trade receivables to understand the judgements exercised in assessing the expected credit loss of these trade receivables. We assessed the appropriateness of judgements made by management based on historical trend of collections and external data. We involved our credit risk and accounting specialist in assessing the assumptions and methodologies used in the estimation of expected credit losses. Based on the above, we are satisfied that the judgements made by management are appropriate.

Other Information

Management is responsible for the other information. The other information comprises the chairman's statement, 2018 highlights, board of directors, management and corporate information, financial highlights, year in review, corporate social responsibility, corporate diary, corporate governance, directors' statement and group offices (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Company's Annual Report ("the Other Sections") which are 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 Other Sections, 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 SSAs.

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 Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 SSAs 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 SSAs, 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and the other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Boon Chok.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 21 February 2019