GENTING
SINGAPORE
GENTING SINGAPORE LIMITED



Annual Report 2018


ABOUT GENTING SINGAPORE

Genting Singapore Limited (“Genting Singapore” or “Company”) was incorporated in 1984 in the Isle of Man. The Company was converted into a public limited company on 20 March 1987 and listed on the Main Board of the Singapore Exchange Securities Trading Limited on 12 December 2005. Genting Singapore re-domiciled and transferred its registration from the Isle of Man to Singapore on 1 June 2018. Genting Singapore is a constituent stock of the Straits Times Index and is one of the largest companies in Singapore by market capitalisation.

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

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CHAIRMAN'S STATEMENT

Dear fellow Shareholders,

I am pleased to report to you another year of good performance in 2018. Our revenue rose 6% to $2.5 billion while our net profit registered a stellar 28% year-on-year growth to $755 million, when we excluded the prior year's one-off gain of $96.3 million. Our earnings per share was 6.27 cents in 2018, a steady performance underpinned by both our gaming and non-gaming businesses. As at 31 December 2018, our cash and cash equivalents stood at $4.2 billion.

Our strong balance sheet puts us in good stead to embark on plans to expand our existing world class facilities as well as to seek strategic investment opportunities in Japan, where we are actively gearing up for the bidding process for Integrated Resorts ("IRs").

We are cautiously optimistic about leveraging on our experience in winning the IR bid in Singapore back in 2006 that led to significant tourism growth, in order to do the same in Japan soon. The IR industry in Japan is expected to be a stringently regulated one, so we are hopeful that our track record of operating in a very tightly regulated environment in Singapore will give us an edge over our competitors in the Japan IR bid.

Our gaming business recorded good performance notwithstanding global economic uncertainties and rising regional competition. We plan to continue our marketing focus on regional premium mass customers and VIP rolling volume with measured credit risk appetite. We are pleased that our casino license for Resorts World Sentosa ("RWS") has been renewed for another three years beginning 6 February 2019.

Mirroring the steady gaming sector achievement, our non-gaming businesses also enjoyed robust growth in 2018. Our primary attractions at RWS, namely Universal Studios Singapore, S.E.A. Aquarium, Adventure Cove Waterpark

As a corporate, we are dedicated to growing our Company and equally important is our commitment to give back to our community where we help the needy and underprivileged in our society.

and The Maritime Experiential Museum welcomed more than 7.5 million visitors during the year. Moving forward, we seek to create more excitement and boost interests through innovative and novel offerings in the vein of our 2018 TrollsTopia and Jurassic World: Explore & Roar in Universal Studios Singapore, as well as Ocean Dreams in S.E.A. Aquarium.

We are committed to maintaining our RWS resort as the premier visitor destination by re-investing in our facilities and refreshing our products.

Through an array of events such as "RWS Street Eats" and "The GREAT Food Festival", we have carved ourselves a unique niche market offering premier gourmet experiences. In addition, our Chinese New Year Fortune Street event and spectacular "RWS Football Fever 2018" brought a new level of excitement and experience to our guests.

Our hotels continued to outperform the industry with an average occupancy rate of over 94%. In 2018, our relentless efforts to provide customers with first class experiences paid off as we saw Equarius Hotel winning Best Business Hotel at the HRM Asia Readers' Choice Awards 2018 and Festive Hotel bagging Asia's Leading Family Resort at the 2018 World Travel Awards.

I am happy to report that our haul of awards did not end there. At the Singapore Tourism Awards 2018, RWS was the proud recipient of the Best Dining Experience award for CURATE restaurant. We also received our first Exceptional Achievement Award for Universal Studios Singapore's Halloween Horror Nights, one of Southeast Asia's most iconic Halloween events, which was voted Best Leisure Event for three consecutive years.

It is also an extreme honour for RWS to win its eighth consecutive crown as Best Integrated Resort in Asia Pacific at the prestigious Travel Trade Gazette ("TTG") Travel Awards 2018. This award reaffirms our position as the undisputed leading premier lifestyle destination in Asia.

As we celebrate our achievements, we understand the importance of giving back to the communities we live in. In 2018, RWS Cares contributed over $8.4 million in cash and in-kind benefiting over 40,000 beneficiaries. This is also our fifth year of corporate giving to Community Chest. Over 4,000 donors, volunteers, social service users and their families joined us at Community Chest Charity in the Park 2018, raising over $2.3 million in support of 80 social service organisations.

Corporate Social Responsibility is not narrowly defined by charitable donations alone. We also care about the impact we make on the environment by devoting resources to good business practices in our sustainability journey. On the conservation front, RWS is a firm believer of protecting our oceans. One of our latest and biggest initiatives to date is the "No Straws - Save Marine Life" campaign aimed at eliminating single-use plastic straws throughout the resort. This is in line with Singapore's effort towards becoming a Zero Waste Nation and we will continue to look into reducing other forms of single-use plastics on our premises.

We continue to reward our Shareholders for their trust and support in us. The Board of Directors has proposed a final dividend of 2.0 cents per share. Together with the interim dividend of 1.5 cents paid in September 2018, the total dividend for the financial year ended 31 December 2018 is 3.5 cents per share.

The outstanding achievements we have accomplished over the past year would not have been possible without the dedication and commitment of our team members, as well as the support of our customers, business partners, the Singapore Government and its agencies. I would like to take this opportunity to express my sincere appreciation and gratitude to all of you.

To all our Shareholders, I look forward to journeying with you as we continue to grow organically, as well as make strategic investments here in RWS and in Japan if the opportunity arises.

Tan Sri Lim Kok Thay
Executive Chairman

2018 HIGHLIGHTS

1

1. BEST INTEGRATED RESORT

RWS won **Best Integrated Resort at the 29th TTG Travel Awards 2018** for the eighth consecutive year, and **Best Integrated Resort (Asia Pacific) at the Travel Weekly Asia Readers' Choice Awards 2018**. This is a testament to the quality and unmatched variety of offerings, as well as the talent and professionalism of the RWS team and our commitment towards excellence.

2

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2. UNIVERSAL STUDIOS SINGAPORE'S HALLOWEEN HORROR NIGHTS

Universal Studios Singapore's Halloween Horror Nights has earned RWS the **Exceptional Achievement Award at the Singapore Tourism Awards 2018** in recognition of winning Best Leisure Event for three consecutive years from 2015 to 2017. The eighth edition of this award-winning event breaks new ground with its first ever collaboration with Netflix, together with Universal Studios Hollywood and Universal Orlando Resort, to bring the critically acclaimed series "Stranger Things" to life at Halloween Horror Nights 8.

3. RWS STEPS UP FOR CONSERVATION

Taking a greater stride towards ocean conservation, RWS embarked on a straw-free initiative where it has stopped providing plastic straws across its five themed attractions and dining establishments to reduce single-use plastics. This move will eliminate more than 3 million straws a year, helping to save our oceans and reduce marine plastic pollution. Our continuous efforts in environmental conservation have earned RWS the **Top Achievement Award (MNC) at the SPA Awards 2018 by the Singapore Packaging Agreement** for its efforts in waste minimisation and recycling.


4

4. RWS HOTELS - GUESTS FAVOURITES

Our hotels are a hot favourite amongst guests from all walks of life. At the **HRM Asia Readers' Choice Awards 2018**, Equarius Hotel won **Best Business Hotel**. It also picked up **Asia's Leading Hotel Suite award at the 2018 World Travel Awards**, recognised as the ultimate hallmark of industry excellence, while Festive Hotel was named **Asia's Leading Family Resort**.

5. RWS GIVES BACK

In the second year of RWS Cares' aRWSome Volunteer Day, RWS partnered with two Community Development Councils ("CDC"), South West CDC and Central Singapore CDC, to accomplish a larger scale home refurbishment project for the needy and elderly residents of Telok Blangah and Radin Mas. The event saw more than 370 team members volunteering and rolling up their sleeves for a full day of hard work.

5

6. THE MICE CHOICE

RWS hosted many prominent MICE events such as Asia Pacific Medical Education Conference 2018 and Supercomputing Asia 2018. We are cementing ourselves as the choice for MICE destination with unparalleled offerings. The Resorts World Convention Centre is a recipient of the inaugural **ASEAN MICE Venue Standard Award 2018 – 2020** as well as the winner for **Best Corporate MICE Venue (for large-scale events) at the HRM Asia Readers' Choice Awards 2018**.

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7. FOOTBALL FEVER AT RWS

RWS turned up the heat with Football Fever 2018 and scored big with huge turnouts at Resorts World Theatre and Resorts World Convention Centre Ballroom for selected World Cup screenings. These specially-converted immersive venues provided the most engaging spectator experience showcasing the ballroom's super wide 270-degree projection screens, complete with artificial soccer turf and multi-tiered stadium seating.

8. A FOODIE DESTINATION

As a well-rounded integrated resort, RWS continuously aims to provide diners with new gastronomical experiences. We completed four successful series of Art at CURATE with internationally renowned female guest chefs from Michelin-starred restaurants including Best Female Chef in Asia, Bongkoch 'Bee' Satongun. For the first time ever, Dutch celebrity chef Richard van Oostenbrugge ventures into Asia with the opening of table65 at RWS, a new fine-casual dining concept and the first overseas outpost of his highly successful one Michelin-starred Restaurant 212 in Amsterdam.

Genting Singapore Board of Directors at table65 – our fine-casual celebrity chef restaurant

BOARD OF DIRECTORS

TAN SRI LIM KOK THAY, 67 *(center)*
EXECUTIVE CHAIRMAN

Date of First Appointment / **24 October 1986**
Date of Last Re-election / **20 April 2017**
Country of Principal Residence / **Malaysia**
Member / **Nominating Committee**

Tan Sri Lim has been the Chairman of the Company since 1 November 1993 and the Executive Chairman since 1 September 2005. He is responsible for formulating the Group's business strategies and policies.

Tan Sri Lim joined the Genting Group in 1976 and has served in various positions within the Group. He is the Chairman and Chief Executive of Genting Berhad ("GENT") and Genting Malaysia Berhad ("GENM"), as well as the Deputy Chairman and Executive Director of Genting Plantations Berhad, all of which are listed on the Main Market of Bursa Malaysia Securities Berhad. He is also the Chairman and Chief Executive Officer of Genting Hong Kong Limited ("GENHK"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, and the Executive Chairman of Genting UK Plc. He is also a Director of Travellers International Hotel Group, Inc. ("Travellers"), a company listed on the Main Board of The Philippine Stock Exchange, Inc. and an associate of GENHK. During the period from July 2011 to March 2015, Tan Sri Lim had served as a Director and the Chairman of the Board of Directors of Norwegian Cruise Line Holdings Ltd., which was an associate of GENHK, and was listed on NASDAQ Global Select Market ("Nasdaq") until its transfer of listing from Nasdaq to the New York Stock Exchange in December 2017.

By virtue of Tan Sri Lim's positions and his shareholding interests (directly or indirectly) in GENT, GENM, GENHK and Travellers and his indirect shareholding interests in Empire Resorts, Inc. (a company listed on NASDAQ Global Market and a holding company for various subsidiaries engaged in the hospitality and gaming industries), he is considered as having interests in businesses apart from the Group's business, which may compete indirectly with the Group's business. The Company's management team is separate and independent from the aforementioned companies. Further, the Company's Board of Directors comprises (other than Tan Sri Lim) five Independent Non-Executive Directors and an Executive Director who is not related to Tan Sri Lim.

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

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

TAN HEE TECK, 63 *(third from right)*
PRESIDENT AND CHIEF OPERATING OFFICER

Date of First Appointment / **19 February 2010**
Date of Last Re-election / **17 April 2018**
Country of Principal Residence / **Singapore**

Mr Tan has been the Chief Executive Officer of Resorts World at Sentosa Pte. Ltd. ("RWS") since 1 January 2007 and was appointed as the Chairman of RWS on 25 February 2015, and provides leadership and leads the management team at RWS. He was responsible for the successful bidding of the Integrated Resort at Sentosa in 2006.

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

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

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

TJONG YIK MIN, 66 *(third from left)*
LEAD INDEPENDENT DIRECTOR

Date of First Appointment / **22 September 2005**
Date of Last Re-election / **20 April 2017**
Country of Principal Residence / **Singapore**
Chairman / **Remuneration Committee**
Member / **Audit and Risk Committee**
Member / **Nominating Committee**

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

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

KOH SEOW CHUAN, 79 *(second from right)*
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of First Appointment / **12 May 2008**
Date of Last Re-election / **17 April 2018**
Country of Principal Residence / **Singapore**
Chairman / **Nominating Committee**
Member / **Audit and Risk Committee**

Mr Koh is the Founder of the architectural firm, DP Architects ("DPA"). He was responsible for the firm's many completed projects in Singapore, Kuala Lumpur and Jakarta. He continues to serve as DPA's Founder after retiring in 2004.

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

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

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

JONATHAN ASHERSON, 63 *(left)*
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of First Appointment / **12 May 2017**
Date of Last Re-election / **17 April 2018**
Country of Principal Residence / **Singapore**
Member / **Remuneration Committee**
Member / **Nominating Committee**

Mr Asherson has rich experience in regional strategy and business. In the course of his career, he has been Regional Director for ASEAN and Pacific at Rolls-Royce Singapore Pte. Ltd. ("Rolls-Royce") and had served as the Non-Executive Chairman of Rolls-Royce. He also held various positions in Siemens' industrial power business in China, Malaysia, Germany and the USA, and formerly served as President of the British Chamber of Commerce. Mr Asherson is the Chairman of the Singapore International Chamber of Commerce, an Independent Director of Sembcorp Industries Ltd and a Non-Executive Director of the UK Department for International Trade (ASEAN). He is also a council member of the Singapore National Employers' Federation, an advisor to the Singapore Institute of International Affairs and an advisory committee member for various educational and research institutes in Singapore and the UK.

Mr Asherson qualified as a chartered engineer and holds a BSc (Hons) degree in Mechanical Engineering from Kingston University. He was appointed as an Officer of the Most Excellent Order of the British Empire (OBE) in 2007 and was awarded the Public Service Medal (Friends of Singapore) at Singapore's National Day Awards in 2010.

TAN WAH YEOW, 58 *(right)*
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of First Appointment / **1 November 2017**
Date of Last Re-election / **17 April 2018**
Country of Principal Residence / **Singapore**
Chairman / **Audit and Risk Committee**

Mr Tan was a former Deputy Managing Partner of KPMG LLP Singapore and Head of KPMG Asia Pacific Healthcare Practice.

Mr Tan is currently a Non-Executive Independent Director of Mapletree Logistics Trust Management Ltd. (Manager of Mapletree Logistics Trust), M1 Limited and Sembcorp Marine Ltd, a Board Director of the Public Utilities Board and the Chairman and Board Director of PUB Consultants Private Limited. He also serves as a Non-Executive Director of VIVA Foundation for Children with Cancer and Gardens by the Bay. In addition, he is an Executive Committee Member of MILK (Mainly I Love Kids) Fund.

Mr Tan graduated from the London School of Economics and Political Science with a Bachelor of Science (Economics). He is a Fellow of the Institute of Singapore Chartered Accountants as well as the Institute of Chartered Accountants in England and Wales.

CHAN SWEE LIANG CAROLINA (CAROL FONG), 57
(second from left)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of First Appointment / **1 May 2018**
Date of Last Re-election / **-**
Country of Principal Residence / **Singapore**
Member / **Audit and Risk Committee**
Member / **Remuneration Committee**

Carol is the Group Chief Executive Officer of CGS-CIMB Securities (Singapore) Pte. Ltd. She has extensive experience in financial markets spanning over 33 years and held a number of senior managerial positions in various stockbroking firms.

Carol has been an active member of the SGX Securities Advisory Committee since 2009 and in July 2011, she assumed the role of Chairman of the SGX Securities Advisory Committee. Between September 2010-2013, she was also a Non-Executive Director of the Singapore Symphonia Company Limited. She is also an Independent Board member of the Leukemia and Lymphoma Foundation.

Carol was conferred the IBF Distinguished Fellow award in 2016. The IBF Distinguished Fellow is a significant role model who serves as a beacon of excellence for the financial industry.

Carol holds a BA degree from the National University of Singapore and a Diploma in Personnel Management. She has also completed the Executive Diploma in Directorship from Singapore Management University - Singapore Institute of Directors in 2018.

MANAGEMENT

TAN SRI LIM KOK THAY
Executive Chairman

TAN HEE TECK
President and Chief Operating Officer

LEE SHI RUH
Chief Financial Officer

NANAMI KASASAKI
Corporate Officer

LIEW LAN HING
Company Secretary

CORPORATE INFORMATION

BOARD OF DIRECTORS
Tan Sri Lim Kok Thay (*Executive Chairman*)
Tan Hee Teck (*President and Chief Operating Officer*)
Tjong Yik Min (*Lead Independent Director*)
Koh Seow Chuan (*Independent Non-Executive Director*)
Jonathan Asherson (*Independent Non-Executive Director*)
Tan Wah Yeow (*Independent Non-Executive Director*)
Chan Swee Liang Carolina (*Independent Non-Executive Director*)

AUDIT AND RISK COMMITTEE
Tan Wah Yeow (*Chairman*)
Tjong Yik Min
Koh Seow Chuan
Chan Swee Liang Carolina

NOMINATING COMMITTEE
Koh Seow Chuan (*Chairman*)
Tan Sri Lim Kok Thay
Tjong Yik Min
Jonathan Asherson

REMUNERATION COMMITTEE
Tjong Yik Min (*Chairman*)
Jonathan Asherson
Chan Swee Liang Carolina

COMPANY SECRETARY
Liew Lan Hing

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

INDEPENDENT AUDITOR
PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936
Partner-in-charge: Tan Boon Chok
(Appointed since the financial year ended 31 December 2017)

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10 Sentosa Gateway
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STOCK CODE
G13

INVESTOR RELATIONS
Email: ir@gentingsingapore.com

CORPORATE DIARY

23.02.2018
Release of the consolidated results of the Group for the financial year ended 31 December 2017.

23.03.2018
Notice of the Thirty-Third Annual General Meeting.
Notice of Extraordinary General Meeting.

16.04.2018
Announcement on the notice of books closure date for final dividend.

17.04.2018
Thirty-Third Annual General Meeting.
Extraordinary General Meeting.

18.04.2018
Announcement on the change of company secretary.

25.04.2018
Announcement on the proposed re-domiciliation of the Company.

01.05.2018
Announcement on the appointment of independent non-executive director and changes to the composition of the Board and Board Committees.

10.05.2018
Release of the first quarter financial results (for period ended 31 March 2018).

17.05.2018
Announcement on the proposed re-domiciliation of the Company
- Notice of books closure date
- Issue of new share certificates

01.06.2018
Announcement on the re-domiciliation of the Company and confirmation of registration in Singapore by the Accounting and Corporate Regulatory Authority of Singapore.

12.06.2018
Announcement on the re-domiciliation of the Company and discontinuance from the Isle of Man Registrar of Companies.

03.08.2018
Release of the second quarter financial results (for period ended 30 June 2018).

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

Announcement on the change of lead independent director and changes to the composition of the Board Committees.

08.11.2018
Release of the third quarter financial results (for period ended 30 September 2018).

31.01.2019
Announcement on the renewal of Resorts World at Sentosa Pte. Ltd.'s casino licence.

21.02.2019
Release of the consolidated results of the Group for the financial year ended 31 December 2018.

RWS MANAGEMENT TEAM

Mark Chee Weng Hun
Senior Vice President,
Legal & Compliance

Nanami Kasasaki
Executive Vice President,
Corporate Officer

Tan Hee Teck
Chairman and
Chief Executive Officer

Lee Shi Ruh
Executive Vice President,
Accounting & HR

Alan Teo Aung Peng
Assistant Chief
Operating Officer

FINANCIAL HIGHLIGHTS

2017		2018
2.39 billion	REVENUE	2.54 billion
1.15 billion	ADJUSTED EBITDA	1.23 billion
685.56 million	NET PROFIT	755.39 million
7.44 billion	SHAREHOLDERS' FUND	7.78 billion
9.61 billion	TOTAL ASSETS EMPLOYED	9.77 billion

All figures are in Singapore Dollars

CREDIT RATINGS Moody's Ratings **A3** Rating and Investment ("R&I") Ratings **A**

AWARDS AND ACCOLADES

TTG TRAVEL AWARDS 2018
Best Integrated Resort
RWS has won this award for 8 consecutive years

SINGAPORE TOURISM AWARDS 2018
Best Dining Experience – CURATE
Best Customer Service (Hotels) – Hard Rock Hotel Singapore
Best Customer Service (Food & Beverage) – Syun
Exceptional Achievement Award – Universal Studios Singapore's Halloween Horror Nights winning Best Leisure Event (2015, 2016 and 2017)

TRAVEL WEEKLY ASIA READERS' CHOICE AWARDS 2018
Best Theme Park – Universal Studios Singapore
Best Integrated Resort (Asia Pacific) – Resorts World Sentosa

TRIPADVISOR TRAVELLERS' CHOICE 2018
No. 1 Amusement Park in Asia – Universal Studios Singapore
Top 10 Water Parks in Asia – Adventure Cove Waterpark

WINE & DINE SINGAPORE'S TOP RESTAURANTS 2018
House of Stars (2 Stars) – CURATE, Osia Steak and Seafood Grill, Syun
House of Stars (1 Star) – Fratelli Trattoria, Ocean Restaurant

WORLD LUXURY HOTEL AWARDS 2018
Country Winner for Luxury Villa Resort – Beach Villas
Country Winner for Luxury All Suite Hotel – Crockfords Tower
Country Winner for Luxury Hotel – Equarius Hotel

WORLD LUXURY SPA AWARDS 2018
Country Winner for Luxury Resort Spa – ESPA

COMMUNITY CHEST AWARDS 2018
Charity Platinum Award – Resorts World Sentosa

HRM ASIA READERS' CHOICE AWARDS 2018
Best Corporate MICE Venue (for large-scale events) – Resorts World Sentosa
Best Business Hotel – Equarius Hotel

2018 WORLD TRAVEL AWARDS
Asia's Leading Family Resort – Festive Hotel
Asia's Leading Hotel Suite – Equarius Hotel

SPA AWARDS 2018 BY THE SINGAPORE PACKAGING AGREEMENT
Top Achievement Award (MNC) – Resorts World Sentosa

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

YEAR IN REVIEW

The Group delivered an outstanding performance for 2018 with an Adjusted EBITDA of $1.23 billion, up 7% from the previous year, notwithstanding that the year had been mired with a host of global uncertainties.

Resorts World Sentosa ("RWS") cemented its position as the region's most preferred lifestyle destination with its 8th consecutive win of Best Integrated Resort at the Travel Trade Gazette ("TTG") Travel Awards, attracting more than 20 million visitors in 2018. RWS was also honoured with the Exceptional Achievement Award at the Singapore Tourism Awards 2018 in recognition of Universal Studios Singapore's Halloween Horror Nights winning Best Leisure Event for three consecutive years.

GAMING

During the year, the foreign VIP business was encouraging. Bolstered by a robust and well-received events calendar, we continue to refine our offerings to cater to this premium segment.

Furthermore, the new products and services that were introduced in 2017 bore fruit throughout 2018 and this generated commendable growth in our regional mass market and premium mass segments. Additionally, we observed healthy growth in the electronic gaming segments.

Nevertheless, amidst an increase in regional casino openings, economic uncertainties and tightening of cross-border monetary movements, we remain cautious on the higher end premium mass and VIP segments.

HOTELS

RWS's resort hotels and Genting Hotel Jurong continue to achieve higher than industry-average occupancy rate exceeding 94% for 2018.

Amongst our achievements for the year, Equarius Hotel won Asia's Leading Hotel Suite while Festive Hotel won Asia's Leading Family Resort respectively at the 2018 World Travel Awards, which is recognised as the ultimate hallmark of industry excellence. Our team member also won Best Customer Service (Hotels) Award at the Singapore Tourism Awards 2018, a testament to the high standards provided at our hotels. Equarius Hotel was also named Best Business Hotel in the HRM Asia Readers' Choice Awards 2018.

FOOD AND BEVERAGE

RWS continues to provide fresh culinary concepts to cement its position as a leading dining destination. table65 by Chef Richard van Oostenbrugge (formerly from two Michelin-starred Bord'Eau) opened in December 2018. This is his first venture into Asia and an extension of his highly successful one Michelin-starred Restaurant 212 in Amsterdam.

At the Singapore Tourism Awards 2018, one of our Specialty restaurants, CURATE, clinched the award for the Best Dining Experience.

Meanwhile, our team members continue to be recognised for their outstanding performance, including awards at the World Chefs Congress 2018 and Best Customer Service for Food & Beverage at the Singapore Tourism Awards 2018.


table65

We are also supporting Singapore Tourism Board's initiatives to promote Singaporeans to join the hospitality industry under their 2018 recruitment campaign "100 Ambassadors of Happiness".


Lawn at Equarius Hotel

MEETINGS, INCENTIVES, CONFERENCES AND EXHIBITIONS

RWS cements its position as a popular MICE destination with its wide selection of venues to cater to any events.

The Equarius Ballroom reopened in November 2018 after a comprehensive renovation which increased the seating capacity up to 800 pax. This will allow RWS to accommodate 400-800 pax events and capitalise on the natural daylight from both sides of the ballroom.

Meanwhile, Resorts World Convention Centre ("RWCC") added a 270-degree mega screen capability to create visually stunning and immersive events such as the 2018 World Cup semi-finals and final which were screened "live" attracting over 6,000 guests.

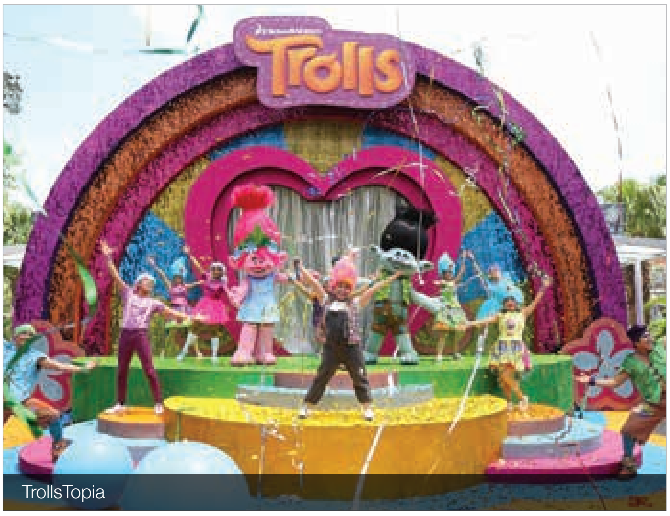
During the year, RWCC also played host to several prominent MICE events including the APAC Medical Education Conference, Supercomputing Asia 2018 and Digitize ASEAN 2018.

Amongst its accolades, RWCC is a recipient of the inaugural ASEAN MICE Venue Standard Award 2018-2020 as well as the winner for Best Corporate MICE Venue (for large-scale events) at the HRM Asia Readers' Choice Awards 2018.


Newly revamped Equarius Ballroom

ATTRACTIONS

2018 was an exciting year for Universal Studios Singapore which was named No. 1 Amusement Park in Asia by TripAdvisor Travellers' Choice for the fifth year running. The park added two new movie-themed special events to its calendar, alongside the signature A Universal Christmas event. Based on DreamWorks Animation's "Trolls", TrollsTopia created an immersive world with interactive Virtual Reality experiences. In June 2018, the park was transformed with an augmented reality experience, a life-size gyrosphere, and two all-new live shows for the Jurassic World: Explore & Roar event. A newly designed festive parade was added to our A Universal Christmas event offerings. On



TrollsTopia


Halloween Horror Nights' collaboration with Netflix's "Stranger Things"

top of its action-packed calendar, Universal Studios Singapore also continued to expand its offerings with new merchandise launches such as the Minion Monsters series retail assortment.

Adding on to its list of accolades, Universal Studios Singapore was awarded Best Theme Park at the Travel Weekly Asia Readers' Choice Awards 2018. Its annual event, Universal


Ocean Dreams

Release of sea turtles

"No Straws - Save Marine Life" campaign

Studios Singapore's Halloween Horror Nights, also received its first Exceptional Achievement Award at the Singapore Tourism Awards 2018 in recognition of it winning Best Leisure Event for three consecutive years (2015, 2016 and 2017). One of the key highlights of the eighth edition of this award-winning event was the first-ever tie-up with the popular series – Netflix's "Stranger Things", together with the Universal Orlando Resort and Universal Studios Hollywood. This edition also saw the return of the well-received Zombie Laser Tag with a bigger, obstacle-filled area.

Conservation and Education continue to be the two key pillars in S.E.A. Aquarium.

Through engagements with the public and collaborations with experts, S.E.A. Aquarium takes on a multi-prong approach to marine conservation.

After more than two years of rehabilitation under the care of the curatorial and animal health teams of S.E.A. Aquarium at RWS, the aquarium released two rescued sea turtles into the waters around Singapore in hopes that they breed and increase their populations in the wild. With the support and assistance from the National Parks Board, the two threatened marine species were released on the morning of 19 June 2018 – "Hawke" the hawksbill turtle returned to the waters of Sisters' Islands Marine Park while "Louie" the green sea turtle to the waters of Pulau Semakau.

Spearheaded by Guardians of the S.E.A.A. ("GOTS"), RWS is taking steps to reduce single-use plastics starting with a "No Straws - Save Marine Life" campaign. As of 1 October 2018, the integrated resort stopped providing plastic straws across its dining establishments and five themed attractions, including Universal Studios Singapore and S.E.A. Aquarium.

New education programmes, complementing the school syllabuses from Pre-School to Post-Secondary schools were also introduced this year to allow the students to gain better understanding of marine science and conservation through engaging activities. RWS was conferred the Partner of Academy of Singapore Teachers in recognition of the education team's invaluable contributions to the professional development of Ministry of Education officers by hosting teachers for work attachments and organising professional development sessions.

To top it up, marquee events and public programmes were also refreshed this year. Ocean Dreams, a signature public programme, offers a new enchanting sleepover with an overnight immersive experience, complete with a guided tour to explore nocturnal marine wonders of our blue planet. Guests drift into slumber as they camp in a tent in the Open Ocean Gallery with countless marine animals gliding by and they wake up to aquarists interacting with Manta Rays in a special feeding session.

In September 2018, Spooky Seas had a new twist to it with "Meet the Quirky", as strange and wacky fishes were introduced under the over-arching theme for Halloween. Five different species of rare and bizzare aquatic animals, including Bumphead Parrotfish, Elephant Fish, Paddlefish, Tasselled Wobbegong Shark and Vampire Fish were introduced during this period. In December 2018, the aquarium was transformed into a "Glowing Ocean" where thematic décor and Instagram-worthy light installations enthrall audiences young and old.

Adventure Cove Waterpark continues to churn out a splashing good time for our audiences with key events across the 2018 calendar year. Youths and families enjoying the mid-year school holidays joined our inaugural water-fun filled event Splash Bash. In June 2018, Adventure Cove Waterpark hosted Aqua Beats along with a club partner, setting the stage for the waterpark to become a prime party event venue. The waterpark closed the year with a bang with Fun in The Sun, a new event held on weekends and public holidays, complete with new water games, DJ music and lots of new game props.

ENTERTAINMENT

RWS started 2018 with great luck and fortune with a massive showcase of masters from 10 different schools of divination in the inaugural Chinese New Year Fortune Street in February 2018.

Sealing its foothold as a premium lifestyle destination, RWS continued to present the crowd-favourite Street Eats in August 2018, featuring more than 20 hawkers from all around the region. Following closely, The GREAT Food Festival

The GREAT Food Festival

Football Fever 2018 at Resorts World Ballroom

Musical TARU

returns for its second edition amidst high anticipations. Touted as Singapore's largest food festival, it tantalised visitors with three thematic zones, featuring over 20 RWS celebrity chefs, renowned guest chefs as well as Asia's first Master of Wine, Ms Jeannie Cho Lee.

Excitement and sporting festivities raged on in June as scores of World Cup soccer fans descended onto Resorts World Theatre ("RWT") and the Resorts World Convention Centre ("RWCC") Ballroom. These specially-converted immersive venues broadcasted matches from the Round of 16s up till the Finals, showcasing the ballroom's super wide 270-degree projection screens, and artificial soccer pitch with multi-tiered stadium seating.

Continuing its vision of being the Asian Entertainment Hub, RWT presented "Super Mommy" in June 2018. Set in a three-generation household, this top-tier musical from Taiwan resonated with many Singaporeans as it grappled with real-life issues of family trials and tribulations. RWT continued to house many iconic events, from the prestigious "Miss World Singapore", to the Tony Award-nominated "Soul of Shaolin", to the grand-closing ceremony of the South Asian Film Festival. Rounding up the year in December, "Musical TARU" graced the local entertainment scene with a fantastical adventure set in a museum where its enthralling life-sized dinosaur fossils come alive. Starring local and regional celebrities Wong Jinglun, Ling Xiao and Freya Lim, this show took audiences on a magical roller-coaster ride of laughs, excitement and mystique.

HUMAN CAPITAL

As the workplace evolves with accelerating connectivity and technology, we aspire to design and organise jobs in a more productive way while engaging team members in meaningful development and growth for the future. Partnering with various stakeholders including e2i (Employment & Employability Institute) and South West Community Development Council, we engaged our team members through our very own Learning Festival – highlighting and providing opportunities for them to understand the skills required in tomorrow's economy. From bite-size learning on app-based platforms to structured training, every team member had something to explore and embark on their personal journey of continuous upskilling for the future.

This year, we also embarked on efforts to collaborate and strengthen the Singaporean core in our workforce through a series of initiatives. This includes the review of the career pathways for critical roles; accentuating the skill and competency mapping of present and future roles and continued adopting of robotic process automation and technology to enhance our efficiency and productivity. This allows us to progressively develop team members into more meaningful and rewarding roles.

Mr Tan Hee Teck, CEO of Resorts World Sentosa (in yellow), Adviser Sam Tan (in white) and Mayor Denise Phua (in green) hard at work cooking noodles for the elderly during aRWSome Volunteer Day

RWS Cares

ENGAGEMENT AND EMPOWERMENT

Genting Singapore strongly believes in making a positive impact in our local communities by empowering and engaging the underprivileged among them. We have spearheaded many meaningful activities through our corporate social responsibility (CSR) platform known as RWS Cares, reaching out to over 40,000 beneficiaries in Singapore.

In 2018, Genting Singapore contributed to and enabled over $8.4 million in cash and in-kind donations to various charity organisations. As children, youths and seniors remain the key focus in our CSR engagement, more than 78% of our total donations went towards these three key causes in 2018. With our one-day Volunteer Leave, which team members can utilise to take part in CSR events organised or endorsed by RWS Cares, we clocked 8,524 volunteer hours in 2018, which translated to $262,000 worth in salary cost.

Volunteers on aRWSome Volunteer Day

Performers and guests at ChildAid charity concert held at Resorts World Sentosa as the Official Venue Partner
© Singapore Press Holdings Ltd

BUILDING A MORE INCLUSIVE SOCIETY

Genting Singapore is aligned to the national movement towards building a more caring and inclusive society. Over the year, we have supported a series of events dedicated to the special needs community through cash donations and in-kind sponsorships aimed at empowering this community.

We were the Official Venue Partner in support of An ExtraOrdinary Celebration concert on 10 November 2018 organised by ExtraOrdinary People Limited, where over 500 differently abled children with special needs came together to put up Singapore's largest inclusive concert. This is a first-of-its-kind effort to celebrate inclusivity and appreciate parents and educators in the special needs community.

Sponsoring the venue for A Very Special Walk, a signature fundraiser organised by Autism Resource Centre (Singapore) on 28 July 2018, we enabled the raising of over $1 million to help adults with autism by equipping them with essential skills training, job matching and placement. In addition, in support of this community, we made contributions, as one of the largest donors, to the first residential home in Singapore for adults with intellectual disabilities located at Compassvale Bow.

We also participated in Sport Singapore's second Inclusive Sports Festival held from 3 to 5 August 2018 at the Singapore Sports Hub. As Singapore's first and only accredited Disabled Divers International Centre offering diving programmes at the S.E.A. Aquarium for those with disabilities, our divers provided the participants with the opportunity to try out disabled diving in a safe and supervised environment, promoting inclusivity through sports.

SUPPORTING FUND-RAISING EVENTS

Leveraging RWS's position as a social integration hub, Genting Singapore supported various charitable organisations in their fund-raising efforts that enabled them to raise more donations for the betterment of their beneficiaries.

Approaching the final year of RWS's five-year commitment of $5 million in corporate giving to Community Chest, Universal Studios Singapore hosted the third edition of Community Chest Charity in the Park on 20 January 2018. Graced by Minister for Trade and Industry Mr Chan Chun Sing, the event not only brought together more than 4,000 donors, beneficiaries, caregivers and volunteers, it raised about $2.3 million in support of 80 social service organisations and promoted inclusiveness within the community.

Cheque presentation with Mr Chan Chun Sing, Minister for Trade and Industry (center) and Mr Tan Hee Teck, CEO of Resorts World Sentosa (in yellow)

Welcoming back the 10th edition of Children for Children on 4 October 2018, RWS participated as co-organiser and official venue sponsor for a Children's Day celebration. Over 1,000 primary school children on financial assistance were treated to a musical at Resorts World Theatre and a learning journey to the S.E.A. Aquarium and The Maritime Experiential Museum on this special day. The charity event raised over $300,000 for The Business Times Budding Artists Fund.

Continuing our partnership with Singapore Press Holdings for the 14th edition of ChildAid in November 2018 as Official Venue Partner, we successfully raised over $2 million for The Straits Times School Pocket Money Fund, which gives needy children money for food and transport, as well as The Business Times Budding Artists Fund, which pays for arts training to develop disadvantaged young artistic talents.

ADVOCATING VOLUNTEERISM

Genting Singapore believes that being socially responsible to those around us is not a mere afterthought but a philosophy ingrained in the way we carry out our business.

In the second year of RWS's annual home cleaning and refurbishment project held on 17 August 2018, over 370 senior management and team members rolled up their sleeves and clocked over 3,000 volunteer hours to spruce up 45 rental homes in Telok Blangah and Radin Mas. RWS also treated over 100 elderly beneficiaries to a National Day-themed lunch party, with food specially prepared by award-winning celebrity chef Sam Leong of RWS's Forest森.

During aRWSome Wishes on 30 November 2018, our team members hosted over 500 underprivileged children to a day of fun at Universal Studios Singapore and purchased Christmas presents for all of them through their personal contributions. In addition to being the first in Singapore to witness the dazzling light-up of A Universal Christmas, the children also joined the Santa's Snowy Sleigh Ride parade by striding down the New York street together with Mr Tan Hee Teck, Chief Executive Officer ("CEO") of RWS and Ms Denise Phua, Mayor of Central Singapore District. RWS also designed an eco-friendly Christmas e-card and pledged $5 to Community Chest for every card sent, with donations channeled towards Compassvale Bow Adult Disability Home, Singapore's first specialised home for adults with autism.

aRWSome Wishes - A child beneficiary receiving her present

ENVIRONMENTAL CONSERVATION

Over the last year, we have taken greater strides to help conserve our living environment in anchoring a more sustainable tomorrow for ourselves and future generations.

Genting Singapore has embarked on major efforts to reduce single-use plastics, starting with a 'No Straws – Save Marine Life' campaign spearheaded by Guardians of the S.E.A.A. ("GOTS"), the conservation group of S.E.A. Aquarium which was established in 2017. RWS's five themed attractions and dining establishments have stopped providing guests with plastic straws. This move to save the ocean and reduce marine plastic pollution will potentially eliminate more than three million plastic straws a year (approximately 1.2 tonnes).

Since the establishment of GOTS, the conservation group has continued to inspire change, and take collective action to help safeguard the health of the oceans and protect its inhabitants.

Reef clean-up of the waters around Pulau Hantu Kechil

With support from the National Parks Board, GOTS released two rescued sea turtles into the waters around Singapore on 19 June 2018 in hopes that they breed and increase their populations in the wild. After more than two years of rehabilitation and care by the curatorial and animal health teams at the S.E.A. Aquarium, "Hawke" the hawksbill turtle returned to the waters of Sisters' Islands Marine Park and "Louie" the green sea turtle was released into the waters of Pulau Semakau. Both turtles have been excellent animal ambassadors, shedding light on the plight of their wild population.

In 2018, we organised five beach, reef and mangrove cleanups where over 350 members of the public and our team members participated in, and we successfully removed 905.5kg of trash from Singapore's shorelines, doing our part to keep our waterways beautiful.

To further support Singapore's national effort towards becoming a Zero Waste Nation, GOTS collaborated with Zero Waste SG to shore up a year-long nationwide BYO (Bring Your Own) Schools Programme. Involving 20 schools and over 24,700 students, the programme helped save more than 32,600 plastic disposables from ending up as waste. With students being more aware of plastic disposables and marine litter through assembly talks and interactive booths, many are now motivated to bring their own reusables and reduce the use of plastic disposables via a reward system.

GOTS also rolled out 14 public engagement initiatives in 2018, reaching out to more than 115,000 people. These included interactive booths at community events and schools, working with partners like governmental agencies, educational institutions, grassroots organisations and other like-minded organisations such as Kranji Farmers' Market.

We continue to support the global Earth Hour movement on 24 March 2018 by switching off all non-essential lightings across the resort for an hour and encouraging team members to play a part by switching off printers, computers and air-conditioning when not in use. In celebration of Singapore World Water Day on 22 March 2018, we partnered Public Utilities Board, Singapore's national water agency, to turn our waterfront façade to blue and 'Make Every Drop Count' as a pledge of commitment towards water sustainability and support for water conservation.

RWS joined the INCUBATE partnership at the CleanEnviro Summit Singapore in July 2018, demonstrating our strong commitment to leveraging technologies and innovation to transform environmental services such as cleaning, waste management and recycling. Our partnership with the National Environment Agency will help us develop more effective and eco-friendly solutions to serve guests better and make a positive impact on the environment.

CORPORATE GOVERNANCE

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Set out below is the report, which outlines the corporate governance policies, statements, processes and practices adopted by the Company during the financial year ended 31 December 2018, which generally comply with the principles and guidelines set out in the Singapore Code of Corporate Governance 2012 (the "Code"). Deviation from any guideline of the Code is disclosed and explained in this report.

A. BOARD OF DIRECTORS

(i) The Board's Conduct of its Affairs

The Board has overall responsibility to lead and control the Company, and for the proper conduct of the Company's business including overseeing the Group's business performance and affairs, setting and guiding strategic directions and objectives, providing entrepreneurial leadership, establishing a framework of prudent and effective controls, reviewing management performance, identifying key stakeholder groups, setting the Company's values and standards, and considering sustainability issues as part of its strategic formulation.

The Board meets on a quarterly basis and additionally as required. Matters specifically reserved for the Board's decision include overall strategic direction, interested person transactions, annual operating plan, capital expenditure plan, material acquisitions and disposals, major capital projects and the monitoring of the Group's operating and financial performance. The Group has internal guidelines which set out the authorisation limits for approval by Management of capital expenditures and operating expenses up to certain material limits, above which Board approval is required.

Formal Board Committees established by the Board in accordance with the Code and the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules, namely, the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee, assist the Board in the discharge of its duties. Clear terms of reference ("TOR") set out the duties, authority and accountabilities of each committee as well as qualifications for committee membership, in line with the Code, where applicable. The TORs are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance.

During the financial year ended 31 December 2018 ("FY2018"), the number of Board and Board Committee meetings held and the attendance at those meetings are set out below:

	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Name of Directors	**Number of Meetings Attended**	***Number of Meetings Attended**	**Number of Meetings Attended**	**Number of Meetings Attended**
Tan Sri Lim Kok Thay	4 out of 4	^2 out of 5	1 out of 1	+1 out of 4
Mr Tan Hee Teck	4 out of 4	#^4 out of 5	^1 out of 1	^1 out of 4
Mr Tjong Yik Min>	4 out of 4	5 out of 5	^1 out of 1	4 out of 4
Mr Koh Seow Chuan	4 out of 4	5 out of 5	1 out of 1	^1 out of 4
Mr Jonathan Asherson	4 out of 4	^5 out of 5	1 out of 1	4 out of 4
Mr Tan Wah Yeow	4 out of 4	5 out of 5	–	–
Ms Chan Swee Liang Carolina@	3 out of 4	3 out of 5	–	3 out of 4

Notes:

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

^ Non-members of the Audit and Risk Committee, Nominating Committee and Remuneration Committee attended the respective meetings held during FY2018 by invitation.

+ Tan Sri Lim Kok Thay stepped down as a member of the Remuneration Committee on 1 May 2018.

Mr Tan Hee Teck stepped down as a member of the Audit and Risk Committee on 1 May 2018.

> Mr Tjong Yik Min was appointed as a member of the Nominating Committee on 3 August 2018.

@ Ms Chan Swee Liang Carolina was appointed as a Director on 1 May 2018.

The Company's Constitution (adopted on 1 June 2018 in connection with the re-domiciliation and transfer of registration of the Company from the Isle of Man to Singapore) provides for the convening of Board or Board Committee meetings by way of telephonic or similar means of communication.

Newly appointed Directors are provided with information about the Group and are encouraged to visit the sites of the Group's operating units to familiarise themselves with the Group's business practices. They will also be acquainted with key senior executives and provided with their contact details, so as to facilitate Board interaction with, and independent access to such executives. Upon appointment of a new Director, a formal letter setting out his duties, obligations and the commitment expected of him, will be issued to him. The Company maintains a policy for Directors to receive training, at the Company's expense, in areas relevant to them in the discharge of their duties as Directors or Board Committee members, such as relevant new laws or updates on commercial areas. The Board values ongoing professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on, and contribute to, the Board. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment.

The Directors are also updated at each Board meeting on business and strategic developments. Where required, the Company Secretary and external professionals bring to the Directors' attention relevant updates on accounting standards and regulations.

(ii) Board Balance

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

The Board is committed to board diversity and will continue to consider the differences in the skill sets, gender, age, ethnicity and educational, business and professional background of Directors in determining the optimal composition of the Board as part of the process for appointment of new Directors and Board succession planning. The Directors have wide ranging experience and collectively provide competencies in areas such as hospitality, resort management, gaming and leisure, accounting, finance, architecture, entrepreneurial and management experience, as well as knowledge of the Company and other relevant industry knowledge. They all have occupied or are currently occupying senior positions in the public and/or private sectors.

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

A brief profile of each of the Directors is presented on pages 8 to 10 of this Annual Report.

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

(iii) Board Membership and Nominating Committee

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

- Mr Koh Seow Chuan — Chairman and Independent Non-Executive Director
- Tan Sri Lim Kok Thay — Member and Non-Independent Executive Director
- Mr Tjong Yik Min — Member and Independent Non-Executive Director
- Mr Jonathan Asherson — Member and Independent Non-Executive Director

Mr Tjong Yik Min, a member of the Nominating Committee, is the Lead Independent Director of the Company.

The principal functions of the Nominating Committee include the following:

- recommend to the Board the appointment of new Executive and Non-Executive Directors;
- review the Board's succession plan, in particular for the Executive Chairman, and the President and COO;
- evaluate and determine the independence of each Non-Executive Director;
- review, assess and if thought fit, recommend Directors who retire by rotation to be put forward for re-election; and
- assess the effectiveness of the Board as a whole and the contributions of each Director.

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

The Company's Constitution provides that at least one-third of the Directors shall retire from office by rotation at each Annual General Meeting ("AGM"), and that all Directors shall retire from office at least once every three years. A retiring Director is eligible for re-election. All new Directors appointed by the Board shall only hold office until the next AGM, and be eligible for re-appointment at the AGM. The Nominating Committee is charged with the responsibility of re-nomination having regard to the Director's contribution and performance (such as attendance, preparedness, participation and candor), with reference to the results of the assessment of the performance of the individual Director by his peers.

During the year under review, the Nominating Committee evaluated and assessed the effectiveness of the Board, and the performance and independence of each Director. To assist the Nominating Committee in its evaluation and assessment, each Director submitted his written assessment of the Board's effectiveness, and of the other Directors' contributions. The performance criteria for the Board evaluation took into account, among others, the Board composition; size of Board; degree of independence; quality and timeliness of information; interaction with Management; balance of focus between internal matters and external concerns; and Board accountability. The Directors' performance criteria focused on, among others, interactive skills; industry knowledge; attendance at meetings and commitments of Directors. The performance criteria have not changed since the previous financial year.

The compiled evaluation and assessment results are presented and discussed at the Nominating Committee meeting. Key areas for improvement and relevant follow-up actions are highlighted at the meeting. Through the Board and Management's continuous efforts, a new female Independent Non-Executive Director was appointed in 2018 to enhance Board diversity, independence and effectiveness, and as part of the Board's succession plan.

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

Although some of the Directors have other listed company board representations or principal commitments, based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees, and their time commitment to the affairs of the Company, the Nominating Committee believes that it would not be necessary to put a maximum limit on the number of listed company board representations and other principal commitments of each Director. The Nominating Committee takes the view that the number of listed company directorships a Director may hold should be considered on a case-by-case basis, as each Director's available time and attention may be affected by many different factors, including the nature of his responsibilities for his other commitments. However, the Nominating Committee will continue to review from time to time, the respective Directors' board representations and other principal commitments to ensure that all Directors are able to meet the demands of the Group and discharge their duties adequately. The Company has no alternate Directors on its Board.

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

The Nominating Committee is responsible for reviewing the succession plans for the Board. In this regard, it has put in place a formal process for the renewal of the Board and the selection of new Directors. Where the need to appoint a new Director arises, the Nominating Committee will determine the role and the desirable competencies for a particular appointment to enhance the existing Board composition. The Nominating Committee will prepare a shortlist of candidates with the appropriate profile and qualities for nomination and/or engage external search consultants to search for the candidates. The Nominating Committee will assess the candidates' suitability and make recommendations to the Board for approval. As part of the Board's succession plan and efforts in enhancing diversity, Ms Chan Swee Liang Carolina was appointed as a Director of the Company during the year under review.

The Nominating Committee reviews annually the independence declaration made by the Independent Non-Executive Directors based on the criterion of independence under the guidelines provided in the Code. The independence of Directors who have served on the Board for more than nine years from the respective date of their first appointment is subject to rigorous review by the Nominating Committee.

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

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

The Board concurred with the reasons set forth by the Nominating Committee and was of the view that Mr Tjong Yik Min, Mr Koh Seow Chuan, Mr Jonathan Asherson, Mr Tan Wah Yeow and Ms Chan Swee Liang Carolina should be considered as Independent Non-Executive Directors.

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

Mr Tjong Yik Min was appointed as the Lead Independent Director in place of Mr Koh Seow Chuan on 3 August 2018. Shareholders with any concern may contact the Lead Independent Director directly, when contact through the Executive Chairman, the President and COO, or the Chief Financial Officer has failed to resolve or is inappropriate. The Lead Independent Director also coordinates an annual meeting, or such meeting as required, with the other Independent Non-Executive Directors without the presence of the other Directors, and provides feedback to the Executive Chairman. Mr Tjong Yik Min, who is due to retire by rotation pursuant to Regulation 112 of the Company's Constitution, has expressed his intention to retire and will not be seeking re-election at the forthcoming AGM.

The Directors standing for re-election at the forthcoming AGM are Tan Sri Lim Kok Thay and Ms Chan Swee Liang Carolina. Taking into account, among others, these Directors' participation during and outside the formal Board and Board Committee meetings, as well as their contributions, the Board accepted the Nominating Committee's recommendations to put forth these Directors for re-election at the forthcoming AGM.

Detailed information on Directors to be re-elected is set out under "Board of Directors" and Explanatory Notes to "Notice of AGM" in the Annual Report, in accordance with Rule 720(6) of the SGX-ST Listing Rules. Tan Sri Lim Kok Thay and Ms Chan Swee Liang Carolina have individually given a negative disclosure on each of the items as set out in Appendix 7.4.1 (a) to (k) of the SGX-ST Listing Rules, except for the following matters falling under (j) and (k) in respect of Tan Sri Lim Kok Thay which occurred after the Company was listed in 2005:

(a) From 2005 to 2012, Tan Sri Lim Kok Thay was a director of Resorts World at Sentosa Pte. Ltd. ("RWS"), the Company's indirect wholly-owned subsidiary. In the course of its operations since 2010, RWS has encountered investigations relating to certain statutory requirements pertaining to its operations, including requirements relating to the Casino Regulatory Authority of Singapore ("CRA") and requirements relating to the Building and Construction Authority of Singapore.

(b) As an associate of RWS, the Company is subject to certain notification requirements under the Casino Control Act (Cap. 33A) ("CCA"). In 2015 and 2017, the CRA undertook investigations into late notifications by the Company pertaining to the incorporation of new subsidiaries and de-registration of a dormant entity. The incorporations and de-registration had been publicly announced by the Company. The investigations concluded with letters of warning, with no further action taken by the CRA.

(c) As an associate of RWS, Tan Sri Lim Kok Thay is also subject to notification requirements under the CCA. In or around 2015, the CRA undertook an investigation into Tan Sri Lim Kok Thay's omission to notify a gaming investment by Genting Hong Kong Limited ("GENHK") in Korea in 2014 ("Transaction"). Details of the Transaction had been publicly announced by GENHK and its partner, a company listed in Hong Kong. The investigation concluded with a letter of warning, with no further action taken by the CRA.

For matters occurring prior to the Company's listing, please refer to the disclosures made in the Company's prospectus dated 2 December 2005.

(iv) Access To Information

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

Directors have access to all information and records of the Company and also the advice and services of the Company Secretary. The Company Secretary ensures good information flows between the Board and the Board Committees and between the Independent Non-Executive Directors and Management, and that Board procedures are followed. The Company Secretary facilitates orientation of new Directors and organises training programmes for the Directors as required. The Company Secretary attends all Board and Board Committee meetings. The appointment and removal of the Company Secretary are subject to the approval of the Board.

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

B. REMUNERATION MATTERS

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

- Mr Tjong Yik Min — Chairman and Independent Non-Executive Director
- Mr Jonathan Asherson — Member and Independent Non-Executive Director
- Ms Chan Swee Liang Carolina — Member and Independent Non-Executive Director

The principal functions of the Remuneration Committee include the following:

- review and recommend to the Board a framework of remuneration for all employees. These include policy matters with regards to annual salary adjustments and variable bonuses;
- review and recommend to the Board specific remuneration packages for Directors; and
- administer the Genting Singapore Performance Share Scheme ("PSS").

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

The Remuneration Committee ensures that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. The Remuneration Committee takes into account factors such as increased focus on risk and governance issues, the responsibilities and level, and quality of contributions including attendance and time spent at and outside the formal environment of Board and Board Committee meetings, and increased reporting obligations in compliance with the CCA.

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

All the Directors, except for Ms Chan Swee Liang Carolina who was appointed in 2018, have been granted share awards under the PSS. Details of the PSS are set out in Note 24(a) to the financial statements.

Except for Mr Lim Kok Hoong who resigned as a Director of the Company on 1 January 2018 and was granted an ex-gratia payment, there are no termination, retirement or post-employment benefits granted to the Directors or the top five key management personnel in FY2018.

The Remuneration Committee reviews and recommends the framework of remuneration for the Executive Chairman, the President and COO, and key management personnel. In doing so, they adopt the compensation principles of ensuring sustainability in the long run, linking rewards to performance, and targeted rewards such as performance shares for selected employees.

In carrying out its duties, the Remuneration Committee has joint discussions with the Head of Human Resources, and has the discretion to invite any officer to attend the meetings. The Remuneration Committee may also obtain such external or other independent professional advice as it considers necessary. For FY2018, an external independent consultant, Mercer (Singapore) Pte. Ltd. ("Mercer"), was appointed to conduct a market benchmarking study for key senior management compensation. The Company has no relationship with Mercer that would affect their independence.

Remuneration for the Executive Chairman and the President and COO

The remuneration packages of the Executive Chairman, and the President and COO comprise a base salary, variable bonus and grant of share awards. A proportion of the remuneration of the Executive Chairman, and the President and COO is in the form of variable or "at risk" compensation, given in the form of performance share awards. The performance share awards are designed to align the interests of the Executive Chairman, and the President and COO with those of shareholders and link rewards to corporate and individual performance. The service contracts of the Executive Chairman, and the President and COO contain reasonable termination clauses, which are not overly generous, or adverse to the Company.

Remuneration for key management personnel

The remuneration packages of the key management personnel also comprise a base salary, variable bonus and grant of share awards. A proportion of the remuneration of the key management personnel is in the form of variable or "at risk" compensation, given in the form of performance share awards. The performance share awards have a deferred payment schedule, and may be withheld or forfeited if any key management personnel are undergoing any investigations or disciplinary proceedings.

The Remuneration Committee recognises that the Group operates in a multifaceted environment and reviews remuneration through a process that considers Group, business unit and individual performance as well as relevant comparative remuneration in the market. The performance evaluation for the Executive Chairman, the President and COO and the key management personnel has been conducted in accordance with the above considerations.

Remuneration for other employees

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

Financial year ending 31 December 2019

The Remuneration Committee also reviewed the fee structure for the Directors which was last revised in 2017. The Remuneration Committee recommended and the Board resolved to adopt the same fee structure without changes for the financial year ending 31 December 2019 ("FY2019") as follows:

Fee Structure for Non-Independent Executive Directors (on a per annum basis)	**Fee Structure for Independent Non-Executive Directors (on a per annum basis)**						
	Board	**Audit and Risk Committee**		**Remuneration Committee**		**Nominating Committee**	
	Member	**Chairman**	**Member**	**Chairman**	**Member**	**Chairman**	**Member**
$15,000	$150,000	$120,000	$75,000	$65,000	$45,000	$50,000	$35,000

Notes:

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

The Directors' fees are computed based on the anticipated number of Directors, as well as Board and Board Committee meetings. For FY2019, assuming full attendance by all the Directors, the Directors' fees will be $1,930,000, subject to the shareholders' approval at the forthcoming AGM. In the event that the amount proposed is insufficient, approval will be sought at the next AGM before payments are made to the Directors for the shortfall.

To facilitate the payment of Directors' fees during the financial year in which the fees are incurred, the Board resolved to accept the Remuneration Committee's above recommendations and submit the Directors' fees for FY2019 for approval by the shareholders at the forthcoming AGM.

Disclosure on Directors' remuneration

The Company believes that the disclosure in bands of $250,000 provides sufficient overview of the remuneration of the Directors. The Directors still in service as at the end of FY2018, whose total remuneration during FY2018 fall within the following bands, are as follows:

Name of Director	Fee	Salary	Bonus	Defined Contribution Plan	Benefits-in-kind	Total Remuneration(1)	Share Awards(2)
	(%)	(%)	(%)	(%)	(%)	(%)	
Non-Independent Executive Directors							
From $10,000,000 to below $10,250,000							
Tan Sri Lim Kok Thay	0.4	51.0	48.5	0.1	0.0	100	750,000
From $5,500,000 to below $5,750,000							
Mr Tan Hee Teck	0.7	32.4	66.5	0.4	0.0	100	750,000
Independent Non-Executive Directors							
From $250,000 to below $500,000							
Mr Tjong Yik Min	100	0.0	0.0	0.0	0.0	100	125,000
Mr Koh Seow Chuan	100	0.0	0.0	0.0	0.0	100	125,000
Mr Jonathan Asherson	100	0.0	0.0	0.0	0.0	100	125,000
Mr Tan Wah Yeow	100	0.0	0.0	0.0	0.0	100	125,000
From $0 to below $250,000							
Ms Chan Swee Liang Carolina[@]	100	0.0	0.0	0.0	0.0	100	0

[@] Ms Chan Swee Liang Carolina was appointed as a Director on 1 May 2018.

Notes:

(1) Total Remuneration is the sum of Fees, Salary, Bonus, Defined Contribution Plan and Benefits-in-kind for FY2018.

(2) The figures refer to the number of share awards which were granted in 2018 under the PSS. The subsequent vesting of these share awards is subject to pre-agreed service and/or performance conditions being achieved over the performance period.

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

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

The remuneration of the top five key management personnel of the Group (who are not Directors of the Company) still in service as at the end of FY2018, whose total remuneration during FY2018 fall within the following bands, is as follows:

Key Management Personnel	Total Remuneration[(1)]	Share Awards[(2)]
Ms Lee Shi Ruh	*From $500,000 to below $750,000*	300,000
Ms Nanami Kasasaki	*From $500,000 to below $750,000*	300,000
Mr Lee On Nam	*From $500,000 to below $750,000*	275,000
Mr Alan Teo Aung Peng	*From $250,000 to below $500,000*	150,000
Mr Mark Chee Weng Hun	*From $250,000 to below $500,000*	75,000

Notes:

(1) Total Remuneration is the sum of Fees, Salary, Bonus, Defined Contribution Plan and Benefits-in-kind for FY2018.

(2) The figures refer to the number of share awards which were granted in 2018 under the PSS. The subsequent vesting of these share awards is subject to pre-agreed service and/or performance conditions being achieved over the performance period.

The aggregate remuneration (including share awards) of the five key management personnel above in FY2018 was $4,206,000.

During FY2018, no executive of the Group was an immediate family member (as defined in the SGX-ST Listing Rules) of any Director.

C. ACCOUNTABILITY AND AUDIT

(i) Accountability

The Board provides a balanced and understandable assessment of the Group's performance, position and prospects through the annual review of operations in the Annual Report, the quarterly financial statements and other announcements released via the SGXNet and the quarterly analysts briefings. In turn, Management provides the Board with balanced and understandable accounts of the Group's performance, position and prospects on a regular basis and as when the Board requires. Regular reports are submitted by RWS to the CRA, in compliance with the CCA, its regulations, the approved internal control codes and guiding principles (pursuant to Section 138 of the CCA) or as otherwise directed by the CRA.

The Directors are also required by the Companies Act (Cap. 50) and the rules and regulations of the SGX-ST to prepare full year financial statements for each financial year. The financial statements as set out in this Annual Report have been prepared in accordance with Singapore Financial Reporting Standards (International) and the Companies Act (Cap. 50), and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group for the financial year.

In compliance with Rule 720(1) of the SGX-ST Listing Rules, the Company has procured undertakings from all its Directors and executive officers in the form prescribed by the SGX-ST.

(ii) Audit and Risk Committee

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

- Mr Tan Wah Yeow — Chairman and Independent Non-Executive Director
- Mr Tjong Yik Min — Member and Independent Non-Executive Director
- Mr Koh Seow Chuan — Member and Independent Non-Executive Director
- Ms Chan Swee Liang Carolina — Member and Independent Non-Executive Director

The Audit and Risk Committee Chairman, Mr Tan Wah Yeow, was formerly the Deputy Managing Partner of KPMG LLP in Singapore. He brings with him a wealth of accounting and financial expertise and experience to the Audit and Risk Committee. The other Audit and Risk Committee members have accounting or related financial management experience. No member of the Audit and Risk Committee is a former partner or director of the Company's existing auditing firm, PricewaterhouseCoopers LLP ("PwC").

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

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

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

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

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

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

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

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

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

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

- review the effectiveness of the internal audit function;

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

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

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

- review conflicts of interest;

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

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

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

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

During the year under review, the activities of the Audit and Risk Committee included the review of the volume and nature of the non-audit services provided by the external auditor. The Audit and Risk Committee did not find anything that would cause them to believe that the nature and provision of such services would affect the independence and objectivity of the external auditor given that such services relate largely to compliance with the CCA and with requirements of other regulatory authorities. Hence, the Audit and Risk Committee recommended that PwC be nominated for re-appointment as auditor at the AGM to be held on 17 April 2019. PwC has indicated their willingness to accept re-appointment. Details of audit and non-audit fees paid/payable to PwC are found in Note 6 to the financial statements.

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

The Audit and Risk Committee also met up with the internal and external auditors without the presence of Management, to address any concerns in respect of their findings in FY2018.

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

- *Estimation of tax provisions*

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

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

- *Impairment of trade receivables*

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

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

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

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

(iii) Risk Management, Internal Controls and Internal Audit

The Board is responsible for determining the Group's levels of risk appetite and risk policies, and overseeing Management in the design, implementation and monitoring of the Group's system of internal control (including financial, operational, compliance and information technology controls) and risk management systems, and for reviewing its adequacy and effectiveness.

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

The appointment, termination and remuneration of the Head of Internal Audit are reviewed and endorsed by the Audit and Risk Committee Chairman. The Head of Internal Audit has unfettered access to the Group's documents, records, properties and personnel, as well as access to the Audit and Risk Committee.

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

The Audit and Risk Committee reviews and approves the annual internal audit plans. Annually, the Audit and Risk Committee also ensures that the internal audit function is independent, effective, adequately resourced and has appropriate standing within the Group to perform its functions effectively. The Head of Internal Audit and all of the Internal Audit staff of managerial grade and above are either Chartered Accountants, Certified Information System Auditors or Certified Internal Auditors. A private session is scheduled annually for the Audit and Risk Committee to meet up with the Head of Internal Audit, without the presence of Management, to discuss any specific matters or concerns.

Based on the reports and plans submitted by Internal Audit, the Audit and Risk Committee is satisfied that in respect of the year under review, the internal audit function of the Group is independent, effective and adequately resourced.

The Risk Management Committee is responsible for monitoring the implementation of the Group's risk management policies and processes, and their effectiveness for the Group. This committee is chaired by the Chief Financial Officer. A risk management framework has been developed and meets the principles and guidelines of the Code. Under the risk management framework, the Group has set risk appetite statements and specific risk parameters, to align Management in the identification, assessment, and review of risks. All business units are involved in identifying and evaluating risks in a bottom up approach. The heads of business units are required to provide assurance for their respective risks and the effectiveness of the risk controls. Material findings and recommendations in respect of significant risk matters are regularly reported to the Audit and Risk Committee.

In respect of FY2018, the Board has received assurance from the President and COO, and the Chief Financial Officer: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's and the Group's operations and finances; and (b) regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on the information furnished to the Board and the internal and external audits conducted, the Board, with concurrence of the Audit and Risk Committee, is satisfied that the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems were adequate and effective in meeting the needs of the Group's existing business objectives, having addressed the critical risk areas.

The Group's system of internal controls and risk management provides reasonable assurance against foreseeable events that may adversely affect the Group's business objectives. The Board notes no system of internal controls and risk management can provide absolute assurance in this regard, or against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

D. COMMUNICATION WITH SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to shareholders, investors and public at large. Hence, all material price-sensitive information is released through SGXNet, and then posted on the corporate website of the Company so that all shareholders, investors and the general public are updated of the latest developments on a timely and consistent basis. On the rare occasion where such information is inadvertently disclosed to a select group, the same information will be released to the public via SGXNet and/or the press as promptly as possible.

The Company's AGM is an important forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group. The Company's Constitution permits a member of the Company to appoint not more than two proxies to attend and vote at the AGM on his behalf. The relevant intermediaries (as defined in the Companies Act (Cap. 50)) may appoint more than two proxies.

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

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

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

Dividend Policy

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

Conduct of Shareholders' Meetings

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

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

The Company subjects all resolutions to voting by poll and shareholders are informed of the applicable rules and voting procedures. The results of the votes are announced during the AGM itself and are also released via SGXNet.

E. SECURITIES TRANSACTIONS

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

F. CODE OF CONDUCT

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

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

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

G. WHISTLE-BLOWING POLICY

The Company and its group of companies are committed to achieving compliance with all applicable laws and regulations, accounting and audit standards. The Audit and Risk Committee has accordingly established the whistle-blowing policy to guide employees and external parties to raise concerns or complaints about possible improprieties regarding abuse of power, non-compliance of rules and regulations/code of conduct and fraud/misconduct. Employees and external parties will be protected from reprisals where complaints are made in good faith, and are assured that their reports will be treated fairly. The Whistle Blow Team from Internal Audit

Department maintains a record of all concerns or complaints, the investigation and resolution, and prepares a periodic summary thereof for the Audit and Risk Committee. The Company's whistle-blowing policy is available on the Company's website at www.gentingsingapore.com to facilitate the reporting of possible improprieties. It includes a dedicated hotline number, email address and a direct channel to the Audit and Risk Committee Chairman. Such arrangements help ensure independent investigation of matters raised and allow appropriate actions to be taken.

H. MATERIAL CONTRACTS

Except as disclosed under section I, no material contracts to which the Company or any of its subsidiaries is a party which involved the interest of the Directors or controlling shareholders subsisted at, or have been entered into, in FY2018.

I. INTERESTED PERSON TRANSACTIONS

Name of interested persons	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Genting Hong Kong Limited Group		
Sale of Goods and Services	292	776
Purchase of Goods and Services	–	2,666
Genting Malaysia Berhad Group		
Sale of Goods and Services	123	18
Purchase of Goods and Services	7	26
International Resort Management Services Pte. Ltd.		
Sale of Goods and Services	88	158
Purchase of Goods and Services	22	–
Warisan Timah Holdings Sdn Bhd		
Sale of Goods and Services	110	–

CORPORATE GOVERNANCE DISCLOSURE GUIDE

Disclosures pursuant to the Corporate Governance Disclosure Guide issued by the Singapore Exchange Limited on 29 January 2015.

Guideline	Questions	How has the Company complied?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Please refer to page 22 of this Annual Report.
Board Responsibility		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	Please refer to page 22 of this Annual Report.
Members of the Board		
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees? (b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate. (c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	Please refer to pages 23 and 25 of this Annual Report.
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors	Please refer to pages 24 and 25 of this Annual Report.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Ms Chan Swee Liang Carolina was appointed on 1 May 2018. She completed the Executive Diploma in Directorship in 2018.
	(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Please refer to page 23 of this Annual Report.

CORPORATE GOVERNANCE DISCLOSURE GUIDE

Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number? (b) If a maximum number has not been determined, what are the reasons? (c) What are the specific considerations in deciding on the capacity of directors?	Please refer to page 25 of this Annual Report.
Board Evaluation		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year? (b) Has the Board met its performance objectives?	Please refer to page 25 of this Annual Report.
Independence of Directors		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Please refer to page 23 of this Annual Report.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	No.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Please refer to page 26 of this Annual Report.
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Please refer to page 30 of this Annual Report.

Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? (b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Please refer to page 31 of this Annual Report.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	Please refer to page 31 of this Annual Report.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria. (b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes? (c) Were all of these performance conditions met? If not, what were the reasons?	Please refer to page 29 of this Annual Report.
Risk Management and Internal Controls		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Please refer to page 27 of this Annual Report.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Please refer to page 35 of this Annual Report.

CORPORATE GOVERNANCE DISCLOSURE GUIDE

Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems. (b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Please refer to pages 34 to 36 of this Annual Report.
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year. (b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	Please refer to page 33 and Note 6 to the financial statements on page 79 of this Annual Report.
Communication with Shareholders		
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors? (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role? (c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Please refer to page 36 of this Annual Report.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.

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 48 to 116 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' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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
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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

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.

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.

AUDIT AND RISK COMMITTEE (CONTINUED)

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
Executive Chairman

MR TAN HEE TECK
Director/President and Chief
Operating Officer

Singapore
21 February 2019

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
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

^ 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).

The notes on pages 57 to 116 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'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
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 57 to 116 form an integral part of these financial statements.

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**	**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 57 to 116 form an integral part of these financial statements.

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 57 to 116 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Attributable to ordinary shareholders of the Company					
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

The notes on pages 57 to 116 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Attributable to ordinary shareholders of the Company						
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 57 to 116 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 57 to 116 form an integral part of these financial statements.

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 57 to 116 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

The notes on pages 57 to 116 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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.

2.2 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(a) Subsidiaries (Continued)

(i) Consolidation (Continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Group accounting (Continued)

(a) Subsidiaries (Continued)

(iii) Disposals

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

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

(b) Joint ventures

The Group's interests in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition results of joint ventures in profit or loss and its share of post-acquisition movements within reserve is recognised in other comprehensive income. These post-acquisition movements and distributions 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

2.5 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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(a) Goodwill on acquisition (Continued)

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).

(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;

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets (Continued)

(d) Computer software (Continued)

- 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (Continued)

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.

2.9 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(e) Impairment (Continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

(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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2.12 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases (Continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income tax (Continued)

(b) Deferred tax (Continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2.24 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 $'000	Group 2017 $'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 $'000	Group 2017 $'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 $'000	Group 2017 $'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	Group 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 $'000	2017 $'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 $'000	2017 $'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 2018	Effective equity interest 2017	Principal activities
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 $'000	Group 2017 $'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

Group and Company	Share capital No. of shares '000	Share capital Amount $'000	Treasury shares No. of shares '000	Treasury shares 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.

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).

24. OTHER RESERVES (CONTINUED)

(a) Performance share reserve (Continued)

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).

(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.

27. PERPETUAL CAPITAL SECURITIES (CONTINUED)

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

(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

28. COMMITMENTS (CONTINUED)

(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.

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").

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency exchange risk (Continued)

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

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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Price risk (Continued)

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 $'000	2017 $'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.

(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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

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.

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 $'000	Company $'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**

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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (Continued)

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

(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.

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.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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.

30. RELATED PARTY DISCLOSURES (CONTINUED)

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 $'000	Group 2017 $'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)

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 $'000	Group 2017 $'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)

Group	Leisure and Hospitality			
	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)

Group	Leisure and Hospitality			
	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.

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

STATISTICS OF SHAREHOLDINGS

AS AT 4 MARCH 2019

Issued and paid-up capital	:	S$5,527,705,425.50
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
No. of issued shares (excluding treasury shares)	:	12,057,234,674
No. of treasury shares	:	36,792,150
Percentage of treasury shares	:	0.31%
No. of subsidiary holdings[1]	:	0
Percentage of subsidiary holdings[1]	:	0%

Note:

(1) "Subsidiary holdings" is defined in the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act (Cap. 50).

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of shareholders	%	Number of Shares (excluding treasury shares)	%
1 – 99	600	0.81	12,175	0.00
100 – 1,000	7,666	10.32	4,788,582	0.04
1,001 – 10,000	37,443	50.40	210,922,434	1.75
10,001 – 1,000,000	28,458	38.31	1,453,048,306	12.05
1,000,001 and above	119	0.16	10,388,463,177	86.16
Total	**74,286**	**100.00**	**12,057,234,674**	**100.00**

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

Substantial Shareholders (5% or more)	Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%
Genting Overseas Holdings Limited ("GOHL")	6,353,685,269	52.6960	–	–
Genting Berhad ("GENT")[2]	–	–	6,353,685,269	52.6960
Kien Huat Realty Sdn Berhad ("KHR")[3]	142,800	0.0012	6,353,685,269	52.6960
Kien Huat International Limited ("KHI")[4]	–	–	6,353,828,069	52.6972
Parkview Management Sdn Bhd ("Parkview")[5]	–	–	6,353,828,069	52.6972
Tan Sri Lim Kok Thay[1]	14,195,063	0.1178	6,353,828,069	52.6972
Lim Keong Hui[6]	–	–	6,353,828,069	52.6972

Notes:

(1) Tan Sri Lim Kok Thay is the Executive Chairman. He is a director of GENT, certain companies within the GENT Group and certain companies which are substantial shareholders of GENT. Tan Sri Lim Kok Thay is also one of the beneficiaries of a discretionary trust, the trustee of which is Parkview (please see Note (5) for information on this trust). A discretionary trust is one in which the trustee (and in the case where the trustee is a company, its board of directors) has full discretion to decide which beneficiaries will receive, and in whichever proportion of the income or assets of the trust when it is distributed and also how the rights attached to any shares held by the trust are exercised. The deemed interests of Parkview in the shares of the Company are explained in Note (5). On account of Tan Sri Lim Kok Thay being a beneficiary of the discretionary trust, he is deemed interested in the shares of the Company by virtue of the deemed interest of Parkview.

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

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

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

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

(5) Parkview acts as trustee of a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay and certain members of his family. Parkview, through its wholly-owned company, namely KHI, owns the entire issued voting share capital of KHR. As such, Parkview is deemed to be interested in the shares of the Company held through KHR and GOHL. Parkview is owned by the late Puan Sri Lim (Nee Lee) Kim Hua (mother of Tan Sri Lim Kok Thay) as to one share; Tan Sri Lim Kok Thay holding two shares, and Mr Lim Keong Hui holding three shares. The board members of Parkview are Tan Sri Lim Kok Thay and Mr Lim Keong Hui.

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

TWENTY (20) LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	% of Issued Shares (excluding Treasury Shares)
1.	GENTING OVERSEAS HOLDINGS LIMITED	6,353,685,269	52.69
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	1,153,904,151	9.57
3.	DBS NOMINEES PTE LTD	766,024,555	6.35
4.	DBSN SERVICES PTE LTD	441,310,481	3.66
5.	HSBC (SINGAPORE) NOMINEES PTE LTD	269,865,011	2.24
6.	RAFFLES NOMINEES (PTE.) LIMITED	230,784,086	1.91
7.	PHILLIP SECURITIES PTE LTD	208,813,657	1.73
8.	RHB SECURITIES SINGAPORE PTE LTD	181,340,360	1.50
9.	OCBC SECURITIES PRIVATE LTD	115,419,269	0.96
10.	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	85,338,464	0.71
11.	UOB KAY HIAN PTE LTD	81,578,773	0.68
12.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	50,423,137	0.42
13.	MAYBANK KIM ENG SECURITIES PTE. LTD.	42,120,643	0.35
14.	UNITED OVERSEAS BANK NOMINEES PTE LTD	35,975,447	0.30
15.	DB NOMINEES (SINGAPORE) PTE LTD	33,300,363	0.28
16.	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	32,464,890	0.27
17.	MERRILL LYNCH (SINGAPORE) PTE LTD	22,069,906	0.18
18.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	21,248,188	0.18
19.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	19,596,631	0.16
20.	TAN HEE TECK	15,750,000	0.13
	Total	10,161,013,281	84.27

PUBLIC FLOAT

Based on the information available to the Company as at 4 March 2019, approximately 47.01% of the issued shares (excluding treasury shares) of the Company was held by the public. Therefore, Rule 723 of the Listing Rules of the SGX-ST has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth Annual General Meeting of Genting Singapore Limited (the "**Company**") will be held at Resorts World Ballroom West, Resorts World Convention Centre, Basement 2, 8 Sentosa Gateway, Resorts World Sentosa, Singapore 098269 on Wednesday, 17 April 2019 at 10.00 a.m. for the following purposes:

ROUTINE BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 and the Auditor's Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of $0.02 per ordinary share for the financial year ended 31 December 2018. **(Resolution 2)**

3. To re-elect Tan Sri Lim Kok Thay, who is retiring by rotation pursuant to Regulation 112 of the Company's Constitution and who, being eligible, offers himself for re-election. **(Resolution 3)**

4. To note the retirement of Mr Tjong Yik Min, who is retiring by rotation pursuant to Regulation 112 of the Company's Constitution and will not be seeking re-election.

5. To re-elect Ms Chan Swee Liang Carolina, who is retiring pursuant to Regulation 116 of the Company's Constitution and who, being eligible, offers herself for re-election. **(Resolution 4)**

6. To approve Directors' fees of up to $1,930,000 for the financial year ending 31 December 2019 (FY2018: up to $1,877,000). **(Resolution 5)**

7. To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as ordinary resolutions:

Proposed Share Issue Mandate

8. THAT, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to: **(Resolution 7)**

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for: (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, and (ii) any subsequent bonus issue or consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "**subsidiary holdings**" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company ("**AGM**") or the date by which the next AGM is required by law to be held, whichever is the earlier.

<u>Proposed Renewal of the General Mandate for Interested Person Transactions</u>

9. THAT: **(Resolution 8)**

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as the term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 2 April 2019 (the "**Letter**") with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in paragraph (a) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

<u>Proposed Renewal of the Share Buy-Back Mandate</u>

10. THAT: **(Resolution 9)**

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") transacted on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors (subject to the requirements of the Companies Act) at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held;

(ii) the date on which purchases and acquisitions of issued ordinary shares in the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

(c) in this Resolution:

(i) "**Average Closing Price**" means the average of the closing market prices of a share over the last five (5) market days, on which transactions in the shares were recorded, preceding the day of the Market Purchase or the date on which the Company announces an Off-Market Purchase offer stating the purchase price and the relevant terms of the equal access scheme, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

(ii) "**Maximum Limit**" means 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)) as at the date of passing of this Resolution;

(iii) "**Maximum Price**" in relation to a share to be purchased, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) not exceeding:

(aa) in the case of a Market Purchase: 105% of the Average Closing Price;

(bb) in the case of an Off-Market Purchase: 120% of the Average Closing Price; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated by this Resolution.

11. To transact any other business of which due notice shall have been given.

By Order of the Board

Liew Lan Hing
Company Secretary
2 April 2019

Explanatory Notes:

a. **Ordinary Resolution 3** is to re-elect Tan Sri Lim Kok Thay who is retiring by rotation pursuant to Regulation 112 of the Constitution of the Company. Detailed information on Tan Sri Lim can be found under "**Board of Directors**" and "**Corporate Governance**" in the Annual Report 2018.

   Tan Sri Lim Kok Thay will, upon re-election as a director, continue to serve as the Executive Chairman of the Company and a member of the Nominating Committee. Tan Sri Lim is considered a non-independent executive director. The relationship of Tan Sri Lim with the Company and its substantial shareholders can be found under "**Statistics of Shareholdings**" in the Annual Report 2018.

b. **Ordinary Resolution 4** is to re-elect Ms Chan Swee Liang Carolina who is retiring by rotation pursuant to Regulation 116 of the Constitution of the Company. Detailed information on Ms Chan can be found under "**Board of Directors**" and "**Corporate Governance**" in the Annual Report 2018.

   Ms Chan Swee Liang Carolina will, upon re-election as a director, continue to serve as a member of the Audit and Risk Committee and the Remuneration Committee. Ms Chan is considered an independent director. There are no material relationships (including immediate family relationships) between Ms Chan and the other Directors, the Company or its 10% shareholders.

c. **Ordinary Resolution 5**, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is during the financial year ending 31 December 2019.

   The Directors' fees are computed based on the anticipated number of Directors, as well as Board and Board Committee meetings, for the financial year ending 31 December 2019, assuming full attendance by all the Directors. In the event that the amount proposed is insufficient, approval will be sought at the next AGM before payments are made to the Directors for the shortfall.

d. **Ordinary Resolution 7**, if passed, will empower the Directors from the date of this AGM to the next AGM to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), with a sub-limit of 20% for issues other than on a pro-rata basis to all members. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at 4 March 2019 (the "**Latest Practicable Date**"), the Company had 36,792,150 treasury shares and no subsidiary holdings.

e. **Ordinary Resolution 8**, if passed, will renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as the term is used in Chapter 9 of the Listing Manual of the SGX-ST) or any of them to enter into certain interested person transactions with certain classes of interested persons as described in the Appendix to the Letter. Please refer to the Appendix to the Letter for more information.

f. **Ordinary Resolution 9**, if passed, will entitle the Directors to effect the purchase or acquisition of shares via market purchase(s) or off-market purchase(s), after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Company may use internal or external sources of funds to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

   The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy-Back Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 December 2018, based on certain assumptions, are set out in paragraph 3.6 of the Letter. Please refer to the Letter for more details.

Notes:

1. Each of the Resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named. Where there is only one proxy appointed and the shareholding is not specified, the proxy shall be deemed to represent 100% of the shareholding.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting in person at the AGM if he finds that he is able to do so. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked, and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.
5. The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, or if submitted by electronic communication (as defined in the Companies Act, Chapter 50 of Singapore), be received, not less than 72 hours before the time appointed for holding the AGM and at any adjournment thereof.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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GENTING SINGAPORE LIMITED

(Company Registration No. 201818581G)