GENTING BERHAD
(No. 7916-A)

PRESS RELEASE **For Immediate Release**

GENTING BERHAD ANNOUNCES SECOND QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2019

KUALA LUMPUR, 29 AUGUST 2019 - Genting Berhad today announced its financial results for the second quarter ("2Q19") and first half ("1H19") of 2019.

In 2Q19, Group revenue was RM5,445.7 million, an increase of 13% compared with the previous year's corresponding quarter's ("2Q18") revenue of RM4,823.3 million.

Revenue of Resorts World Sentosa ("RWS") increased in 2Q19 with contribution mainly from the gaming segment. VIP rolling business segment recorded high win percentage whilst the underlying mass gaming business experienced significant declines during 2Q19. The decline would have been further impacted if not for considerable increased spending to tap the regional markets. The primary attractions at RWS recorded an average daily visitation of over 20,000 whilst its hotels continued to register a respectable occupancy rate of 85%. Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") was also higher in 2Q19, driven by the higher revenue from gaming segment and accordingly, impairment on gaming receivables increased compared with 2Q18.

Increased revenue from Resorts World Genting ("RWG") was mainly attributed to an improved hold percentage in the mid to premium players segments. However, the overall business volume from gaming segment declined in 2Q19 due mainly to reduction in incentives offered to the players as part of RWG's cost rationalisation initiatives. The opening of new attractions under the Genting Integrated Tourism Plan has been well received and contributed to a significant increase in non-gaming revenue. Despite the higher revenue, EBITDA has decreased marginally.

Whilst revenue from the casino businesses in United Kingdom ("UK") and Egypt decreased due mainly to lower contribution from interactive business, EBITDA was higher due mainly to the impact of adoption of MFRS 16.

Higher revenue from the leisure and hospitality businesses in United States of America ("US") and Bahamas was due mainly to the stronger US Dollar exchange rate to the Malaysian Ringgit. Higher volume of business was also recorded from Resorts World Casino New York City ("RWNYC") operations. EBITDA improved due to lower operating loss from Bimini operations which resulted from improved operational efficiencies.

Total revenue from Plantation Division increased in 2Q19 due mainly to Downstream Manufacturing, arising from higher demand for its refinery and biodiesel products. EBITDA likewise increased for Downstream Manufacturing attributable to higher sales, capacity utilisation and improved margins. Revenue and EBITDA from the plantation segment however declined on the back of lower palm products prices which outweighed the higher fresh fruit bunches ("FFB") production.

Revenue and EBITDA from the Power Division increased compared with 2Q18 due mainly to higher generation from the Indonesian Banten coal-fired power plant ("Banten Plant").

The Oil & Gas Division generated lower revenue and EBITDA in 2Q19 due mainly to lower average oil prices.

The adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") from "Investments & Others" included net foreign exchange gains on net foreign currency denominated financial assets which was lower in 2Q19.

The Group's profit before tax for 2Q19 was RM1,329.9 million, an increase of 19% compared with RM1,117.5 million in 2Q18. The profit before tax for 2Q18 had been impacted by a net fair value loss of RM206.5 million on the Group's financial assets at fair value through profit or loss.

In 1H19, Group revenue was RM11,018.5 million, an increase of 9% compared with RM10,074.1 million in first half of 2018 ("1H18").

RWS delivered a stable financial performance in 1H19, with increase in both revenue and EBITDA. Increased revenue was contributed mainly by the gaming segment.

The higher revenue from RWG was mainly attributable to an exceptionally high hold percentage from the mid to premium players segments. However, the overall business volume from gaming segment declined in 1H19 due to a reduction of incentives offered to the players. The non-gaming segment has also contributed to an increase in revenue. EBITDA increased marginally attributable to the higher revenue and lower payroll and related expenses as the number of employees was reduced. This was partially offset by higher casino duty.

Marginally lower revenue was recorded by the casino businesses in UK and Egypt. Improvement in EBITDA was due mainly to the impact of adoption of MFRS 16, partially offset by lower debts recovery in 1H19.

Higher revenue from the leisure and hospitality businesses in US and Bahamas was due mainly to the stronger US Dollar exchange rate to the Malaysian Ringgit. Higher volume of business was also recorded from RWNYC operations. EBITDA likewise increased due mainly to lower operating loss from Bimini operations as a result of improved operational efficiencies and higher revenue from Hilton Miami Downtown Hotel.

Increase in total revenue from Plantation Division was mainly attributable to Downstream Manufacturing with higher demand for its refinery and biodiesel products. However, the plantation segment's revenue was lower in 1H19 due to lower palm products selling prices which outstripped the impact of higher FFB production. Consequently, EBITDA for the Plantation Division declined compared with 1H18.

Increased revenue and EBITDA from the Power Division was attributable to higher generation by the Banten Plant and the Jangi wind farm.

Revenue and EBITDA from the Oil & Gas Division were impacted by lower average oil prices.

The lower LBITDA recorded from "Investments & Others" was due mainly to lower net foreign exchange losses on net foreign currency denominated financial assets for 1H19.

The Group's profit before tax for 1H19 declined by 2%, from RM2,557.9 million recorded in 1H18 to RM2,509.0 million. Higher depreciation and amortisation charges were recorded in 1H19, attributable mainly to the Genting Singapore Limited ("GENS") Group as it has drawn up plans to retire certain assets in connection with the expansion and transformation of its integrated resort. The profit before tax for 1H19 had also been impacted by the provision for termination related costs of RM138.0 million by Genting Malaysia Berhad ("GENM") as well as a loss on a discontinued cash flow hedge. These were partially offset by the gain on disposal of Coastbright Limited, an indirect wholly owned subsidiary of GENM.

The performance of the Group for the remaining period of the current financial year may be impacted as follows:

a) In Malaysia, the GENM Group is continuing work on the development of the outdoor theme park following the resolution of the legal dispute surrounding the park. Details on the opening date of the outdoor theme park will be made available in due course. Meanwhile, the GENM Group will continue focusing its efforts on rationalising its operating cost structure and improving overall operational efficiencies at RWG. Additionally, the GENM Group will place emphasis on building its service delivery and product offerings to enhance the quality of guest experience. To this end, the GENM Group will leverage the new assets to grow key business segments while emphasising yielding capabilities and database marketing efforts to drive revenue growth;

b) The seemingly strong growth in gaming revenue was largely driven by a favourable win percentage. The underlying revenue drivers have been impacted by various factors that will continue to affect RWS's business through the rest of this year. RWS maintains its cautious stance on the premium segment as the regional economic environment faces uncertainty and will impact consumer confidence. Nevertheless, RWS will continue to innovate its offerings to enhance and diversify its appeal to various target markets around the region.

   Looking ahead, GENS is embarking on the implementation phase of RWS's SGD4.5 billion mega expansion plans which will again elevate its position as the region's premier Integrated Resort ("IR") destination. Beginning with the complete revamp of the existing theatre into a first-of-its-kind Adventure Dining Playhouse scheduled for re-opening in 2021, RWS is on track to execute the development plans to progressively unveil an exciting series of marquee attractions with new and enhanced visitor experiences. This transformation will also include two new luxury hotels of 1,100 keys and state-of-the-art Meetings, Incentives, Conferences and Exhibitions ("MICE") facilities.

   In relation to the GENS Group's plan for the Japan IR opportunity, it has fully met the application guidelines and qualifying criteria of the Osaka Request-for-Concept ("RFC") and received the confirmation notice that its RFC registration was officially approved by the local government. Having operated a highly successful IR that encompasses the full spectrum of a true IR in

Singapore, GENS is well-positioned to submit a world-class concept which will enhance Japan's appeal as a global MICE and leisure destination;

c) In the UK, the GENM Group will continue reviewing its operations to identify streamlining opportunities to improve operational efficiencies. Additionally, the GENM Group remains steadfast in delivering sustainable performance by managing business volatility in the premium players segment as well as strengthening its position in the mass market segment. The GENM Group will also continue to put in place measures to encourage higher levels of visitation and volume of business at Resorts World Birmingham;

d) In the US, RWNYC maintained its position as market leader in terms of gaming revenue in the Northeast US region. Nevertheless, the GENM Group remains focused on executing various initiatives to drive visitation and frequency of play at the property. Meanwhile, the first phase of the GENM Group's expansion at RWNYC is expected to open by the end of this year while the development of the remaining facilities is progressing well. Once completed, the expansion will position the GENM Group to capitalise on growing opportunities in the New York State amid an increasingly competitive landscape. In Miami, the GENM Group will continue to leverage the Hilton Miami Downtown hotel to drive visitation and revenue at the property. In the Bahamas, the GENM Group will place emphasis on improving the connectivity and infrastructure at Resorts World Bimini. The GENM Group will also focus on enhancing the attractions at the resort by leveraging partnerships with renowned brands to grow visitation and encourage higher spend;

e) The Genting Plantations Berhad ("GENP") Group's prospects for the rest of the year will track the performance of its mainstay Plantation segment, which is in turn dependant principally on the movements in palm products prices and the GENP Group's FFB production. Palm products prices are influenced by factors such as the demand and supply dynamics of palm oil and other substitute oils and fats, weather patterns, currency exchange fluctuations, global economic conditions as well as relevant government policies such as biodiesel mandates and import/export tax regimes.

The GENP Group expects its FFB production growth to extend into the second half of 2019, supported by its Indonesia operations with additional mature areas and a better age profile as well as the recovery in output from its Malaysian operations. However, the overall performance of its Plantation segment will be adversely impacted should the prevailing low palm products prices persist for the rest of the year.

Despite registering higher property sales in first half of 2019, the outlook for the property market generally remains soft and therefore the Property segment will align its offerings to the broader market demand. Meanwhile, the Premium Outlets are expected to perform well in the second half of 2019 with the introduction of new tenants such as Bottega Veneta, Prada, Longchamp and Burberry along with the contribution from the third phase of Johor Premium Outlets.

The Downstream Manufacturing segment continues to focus on expanding its export markets. Meanwhile, the local demand for biodiesel is expected to improve following the implementation of the mandatory B7 and B10 mandates but may be moderated by domestic competition;

f) The operational availability and efficiency of the Banten power plant in Indonesia are expected to be stable and continue to contribute positive cash flows to the Group's performance. In Gujarat, India, contribution from the Jangi wind farm has improved due to better wind speed but is expected to slow down arising from the seasonal factors where the peak wind season falls between May and August;

g) Production from the Chengdaoxi oil field in China is expected to be stable at about 8,000 barrels of oil per day, but this will be impacted by the fluctuating oil prices with the continuous tension from the trade war between the US and China. This will impact on the contribution from Genting CDX Singapore Pte Ltd. With the approval from the Ministry of Energy and Mineral Resources of Indonesia on the Plan of Development for the Kasuri block, Genting Oil Kasuri Pte Ltd ("GOKPL") will enter into the development phase of the project, with the front end engineering design work which commenced recently. Utilising 1.7 trillion cubic feet of discovered gas in place, GOKPL plans to supply 170 million cubic feet per day of natural gas for 20 years to a petrochemical plant in West Papua, which is in the plan and will be built by a third party; and

h) Construction of Resorts World Las Vegas ("RWLV") continues to progress well. As of 10 August 2019, RWLV has completed concrete work for both the West and East Towers, topping off at the 69^{th} level. Structural steel construction has been completed for the low-rise casino podium. Total development and land costs incurred as of 30 June 2019 were approximately USD1.5 billion. RWLV, an iconic must-see luxury destination resort, is designed to appeal to a wide array of domestic and international tourists as well as business and leisure guests. The first phase is estimated to cost approximately USD4.1 billion.

The Board of Directors has declared an interim single-tier dividend of 6.5 sen per ordinary share compared with 8.5 sen per ordinary share for the corresponding period of 2018.

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GENTING BERHAD SUMMARY OF RESULTS	2Q19 RM'million	2Q18 RM'million	2Q19 vs 2Q18 %	1H19 RM'million	1H18 RM'million	1H19 vs 1H18 %
Revenue						
Leisure & Hospitality						
- Malaysia	1,754.5	1,590.1	+10	3,662.2	3,187.9	+15
- Singapore	1,935.9	1,656.8	+17	3,868.8	3,666.0	+6
- UK and Egypt	420.1	436.0	-4	839.4	848.4	-1
- US and Bahamas	378.1	344.8	+10	745.1	691.1	+8
	4,488.6	4,027.7	+11	9,115.5	8,393.4	+9
Plantation						
- Oil Palm Plantation	253.6	290.9	-13	596.4	626.7	-5
- Downstream Manufacturing	343.9	194.6	+77	742.4	476.5	+56
	597.5	485.5	+23	1,338.8	1,103.2	+21
- Intra segment	(102.8)	(105.6)	+3	(243.1)	(216.3)	-12
	494.7	379.9	+30	1,095.7	886.9	+24
Power	291.1	251.5	+16	487.8	469.1	+4
Property	53.2	47.0	+13	100.9	95.6	+6
Oil & Gas	79.5	80.9	-2	153.9	166.5	-8
Investments & Others	38.6	36.3	+6	64.7	62.6	+3
	5,445.7	**4,823.3**	+13	**11,018.5**	10,074.1	+9
Profit for the period						
Leisure & Hospitality						
- Malaysia	675.1	688.9	-2	1,377.5	1,371.9	-
- Singapore	929.2	803.9	+16	1,950.7	1,886.3	+3
- UK and Egypt	45.1	29.6	+52	86.1	60.1	+43
- US and Bahamas	102.6	77.6	+32	168.6	142.4	+18
	1,752.0	1,600.0	+10	3,582.9	3,460.7	+4
Plantation						
- Oil Palm Plantation	63.1	95.5	-34	167.8	248.2	-32
- Downstream Manufacturing	12.6	4.6	>100	34.6	5.0	>100
	75.7	100.1	-24	202.4	253.2	-20
Power	135.2	114.1	+18	210.3	203.9	+3
Property	17.5	17.1	+2	35.8	36.2	-1
Oil & Gas	48.3	56.8	-15	103.4	117.7	-12
Investments & Others	(36.6)	15.5	>-100	(87.2)	(143.3)	+39
Adjusted EBITDA	1,992.1	1,903.6	+5	4,047.6	3,928.4	+3
Net fair value gain on derivative financial instruments	-	2.8	-100	0.3	1.7	-82
Net fair value gain/(loss) on financial assets at fair value through profit or loss	3.6	(206.5)	>100	21.9	(206.1)	>100
Gain on disposal of a subsidiary	-	-	-	138.7	-	NM
Impairment losses	(3.2)	(33.3)	+90	(21.0)	(33.3)	+37
Depreciation and amortisation	(649.9)	(523.3)	-24	(1,275.2)	(1,049.5)	-22
Interest income	206.9	221.2	-6	381.6	431.5	-12
Finance cost	(267.5)	(255.8)	-5	(561.2)	(506.8)	-11
Share of results in joint ventures and associates	13.1	71.7	-82	55.5	95.6	-42
Others	34.8	(62.9)	>100	(279.2)	(103.6)	>-100
Profit before taxation	**1,329.9**	**1,117.5**	+19	**2,509.0**	**2,557.9**	-2
Taxation	(272.9)	(293.9)	+7	(480.6)	(616.9)	+22
Profit for the period	**1,057.0**	**823.6**	+28	**2,028.4**	**1,941.0**	+5
Basic earnings per share (sen)	15.57	10.01	+56	30.16	25.75	+17

NM= Not meaningful

About GENTING (www.genting.com):

Genting Berhad is principally an investment holding and management company. While the Company was incorporated in 1968 and listed in 1971, the Genting Group was founded in 1965 when its Founder, the late Tan Sri Lim Goh Tong started the journey to realise his vision of building a mountaintop resort in Malaysia.

Today, the Genting Group comprises Genting Berhad and its listed companies; Genting Malaysia Berhad, Genting Plantations Berhad and Genting Singapore Limited, as well as its wholly owned unlisted subsidiaries Genting Energy Limited and Resorts World Las Vegas LLC.

Led by Tan Sri Lim Kok Thay, the Group is involved in leisure and hospitality, oil palm plantations, power generation, oil and gas, property development, life sciences and biotechnology activities, with operations spanning across the globe, including in Malaysia (the Group's country of origin), Singapore, Indonesia, India, China, the United States of America, Bahamas, the United Kingdom and Egypt. In the core leisure and hospitality business, the Genting Group and its brand affiliates similarly controlled by Tan Sri Lim Kok Thay (namely Genting Hong Kong Limited and Empire Resorts, Inc.), market and offer a suite of products under a number of premier brands including **Genting, Resorts World, Genting Grand, Genting Club, Crockfords, Maxims, Crystal Cruises, Dream Cruises** and **Star Cruises.** The Genting Group of companies also have tie ups with established names such as Universal Studios®, Premium Outlets®, Hard Rock Hotel, Zouk and other renowned international brand partners.

For more information, please visit the following websites:
www.genting.com
www.gentingmalaysia.com
www.gentingsingapore.com
www.gentingplantations.com
www.gentinghk.com

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