GENTING
BERHAD
Registration No. 196801000315 (7916-A)

PRESS RELEASE **For Immediate Release**

GENTING BERHAD ANNOUNCES FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 MARCH 2020

KUALA LUMPUR, 21 MAY 2020 - Genting Berhad today announced its financial results for the first quarter ended 31 March 2020 (“1Q20”).

In 1Q20, Group revenue was RM4,109.2 million, a decrease of 26% compared with that of the previous year’s corresponding quarter’s (“1Q19”) revenue of RM5,572.8 million.

Revenue and adjusted earnings before interest, tax, depreciation and amortisation (“EBITDA”) of Resorts World Sentosa (“RWS”) decreased by 37% and 53% respectively in 1Q20. The severity of the impact was partially mitigated by a series of cost control measures, including instituting a pay reduction scheme for all managerial team members, encouraging all employees to take their annual leave.

The respective resort operations of the Genting Malaysia Berhad (“GENM”) Group were temporarily closed from mid-March 2020 as per the respective government’s directives arising from Coronavirus Disease 2019 (“COVID-19”) outbreak.

Decreased revenue from Resorts World Genting (“RWG”) was mainly due to a decline in the overall business volume from both the gaming and non-gaming segments following the unprecedented disruptions to the business activities as a result of the COVID-19 outbreak. In addition, an exceptionally high hold percentage had been recorded in the mid to premium players segments in 1Q19. Consequently, EBITDA decreased in 1Q20 mainly due to the lower revenue, partially mitigated by lower costs relating to the premium players business.

Revenue from the leisure and hospitality businesses in United Kingdom (“UK”) and Egypt decreased mainly due to lower business volume from mass market segment and Cairo, Egypt as a result of temporary closure arising from COVID-19 outbreak.

The leisure and hospitality businesses in United States of America (“US”) and Bahamas decreased mainly due to lower revenue from Resorts World Casino New York City (“RWNYC”) which arose from lower business volume following the COVID-19 outbreak. This resulted in a lower EBITDA which was further impacted by higher payroll cost and operating expenses from RWNYC’s operations.

Total revenue from Plantation Division decreased in 1Q20 mainly due to softer demand for refined palm products of the Downstream Manufacturing segment. Plantation segment’s revenue was marginally higher, with higher palm product prices offset by lower fresh fruit bunches (“FFB”) production. EBITDA however increased due to better margins from higher palm product selling prices. Downstream Manufacturing’s EBITDA decreased due to lower sales volume from its refinery.

Revenue and EBITDA from the Power Division increased mainly due to higher generation from the Indonesian coal-fired Banten power plant as a consequence of the lower number of outage days in 1Q20 compared with 1Q19.

The Oil & Gas Division generated higher revenue and EBITDA in 1Q20 mainly due to higher average oil prices and a gain from the hedging of the oil price.

The adjusted loss before interest, tax, depreciation and amortisation from “Investments & Others" included net foreign exchange losses on net foreign currency denominated financial assets which was higher in 1Q20.

The Group suffered a loss before taxation of RM218.2 million in 1Q20 compared with a profit before taxation of RM1,179.1 million in 1Q19. The loss before taxation for 1Q20 was mainly due to the lower EBITDA, impairment losses of RM482.5 million as well as a share of loss from joint ventures and associates of RM108.0 million compared with a share of profit in 1Q19. The impairment losses arose mainly from GENM Group’s investment in certain assets. The share of loss from joint ventures and associates was mainly due to GENM Group’s share of loss in an associate, i.e. Empire Resorts, Inc (“Empire”) of RM100.1 million which arose mainly from GENM Group’s share of costs associated with the refinancing of Empire’s loans as well as depreciation and amortisation, whilst its share of Empire’s operating loss was RM13.5 million. The profit for 1Q19 had also included a gain on disposal of an indirect subsidiary in UK. However, higher pre-opening expenses had been recorded in 1Q19 by GENM mainly due to the provision of related costs as a result of the termination of contracts related to the outdoor theme park at RWG which had amounted to RM198.3 million.

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

a) The COVID-19 pandemic and the preventive measures taken by governments worldwide have placed significant pressure on the respective countries’ economies. The tourism, leisure & hospitality and gaming industries are among the hardest hit by this unprecedented crisis. As the global economy is expected to contract, governments worldwide have introduced economic stimuli packages and fiscal support to mitigate the impact of COVID-19. Additionally, gradual easing of containment measures worldwide would also encourage improvements in economic activity and growth.

   In Malaysia, the pandemic and Movement Control Order (“MCO”) that began on 18 March 2020 have impacted both external and domestic demand, resulting in marginal economic growth and the weakening of labour market conditions. However, economic activity has gradually resumed since the government eased the MCO which allowed more businesses to operate.

   However, RWG, Resorts World Awana, Resorts World Kijal and Resorts World Langkawi remain closed until further notice. Nevertheless, the GENM Group is currently preparing for the resumption of operations and is focused on leveraging domestic demand to drive visitation and revenue. As development works on the outdoor theme park (“OTP”) were affected by the MCO, the GENM Group is working on a revised timeline for the completion and opening of the OTP;

b) Given the fluidity of the unfolding COVID-19 situation, the Genting Singapore Limited ("GENS") Group remains pessimistic on its outlook for the remaining year. To cope with potentially volatile and long drawn recovery process, GENS will adopt an agile and continuous learning mindset to align its cost structure with the new norm. At the same time, as a SG Clean accredited organisation committed to upholding good sanitation and hygiene standards, GENS will establish more stringent health and safety protocols and safety measures to restore consumer confidence and ensure employee safety.

While its financial performance for 2020 will be severely affected, GENS Group has strategically built up a strong balance sheet over years that will enable it to continue operating smoothly and pursuing growth both at RWS and globally within GENS's core expertise despite the ongoing crisis.

Japan IR investment opportunity continues to feature in GENS's long term growth strategy. GENS has been engaged in the ongoing Request for Concept ("RFC") by Yokohama City and is anticipating the launch of the Request-for-Proposal ("RFP") in the second half of 2020;

c) In the UK and Egypt, Resorts World Birmingham, the GENM Group's other land-based casinos in the UK and Crockfords Cairo continue to be temporarily closed until further notice. However, the GENM Group's digital business in the UK, GentingBet, continues to operate in line with expectations;

d) In the US and Bahamas, RWNYC, Resorts World Catskills and Resorts World Bimini continue to be temporarily closed until further notice. Whilst construction of RWNYC's expansion has been halted in compliance with government directives, the GENM Group expects the development of the project to restart shortly.

GENM Group and GENS Group have made the following additional comments in respect of their expected performance.

While the full extent of the impact of COVID-19 on GENM Group's financial performance and operations for the financial year ending 31 December 2020 ("FY2020") is uncertain at this point in time, the GENM Board wishes to caution that GENM Group expects its financial results for the remaining period of FY2020 to be adversely impacted.

In the meantime, GENM Group will continue to implement various aggressive cost control measures across all its operating entities, including a reduction in operational expenditure such as payroll and related costs and the cancellation or deferment of non-essential capital expenditure. GENM Group has also put in place stringent health and precautionary measures at all its properties to ensure the safety and well-being of its employees and visitors at all times. These measures are part of GENM Group's ongoing initiative as it prepares for the recovery of the leisure and hospitality sector.

The pandemic has been absolutely devastating to the tourism industry across the world. GENS's flagship property, RWS too has been severely affected and will continue to face significant challenges.

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 dependent principally on the movements in palm products prices and the GENP Group's FFB production.

The COVID-19 pandemic continues to severely affect economies worldwide and thus, the GENP Group expects palm oil prices to be primarily influenced by the impact of the pandemic on factors such as the demand and supply dynamics of palm oil and other substitute oils and fats, global economic conditions and the implementation of higher biodiesel mandates by Indonesia and Malaysia.

Given the notable year-on-year decline in FFB production in 1Q20, the GENP Group expects to make up for the deficit in the remaining months of the year underpinned by additional mature areas and favourable age profile of its Indonesia operations. However, the overall demand in the near term will likely be subdued, with the decline in uptake thus far unlikely to be recouped.

The Property segment derived minimal sales during the MCO and with the bearish sentiment on the economic outlook, its performance for the rest of the year will be negatively impacted. Meanwhile, the Premium Outlets® will focus its efforts on building up patronage following the resumption of operations in early May 2020.

The outlook for the Downstream Manufacturing segment for the rest of this year will be challenging due to weak demand for its products stemming from the COVID-19 pandemic. Further, demand for discretionary blending for biodiesel has subsided due to the prevailing unfavourable palm oil gas oil ("POGO") spread;

f) The Banten power plant in Indonesia has achieved almost 100% availability since February despite the COVID-19 pandemic. Plant efficiency is expected to be good and contribute positive earnings as power industry is classified as an essential industry. The earnings from the Jangi wind farm in Gujarat, India is expected to improve arising from the higher wind season from May to August;

g) Global crude oil prices fell drastically mainly due to the breakdown of the original OPEC-Plus agreement and unprecedented demand destruction brought about by the COVID-19 pandemic, where Brent crude prices had dropped to as low as USD19.33/bbl on 21 April 2020. Despite the negative outlook in global oil prices, Chengdaoxi block carries low-sulfur oil profile and its revenue is expected to improve marginally following the revision in the International Maritime Organisation's global sulfur limit since 1 January 2020, which is noticeable from the higher local selling price compared with international Brent crude price since September 2019.

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") had commenced the front end engineering design ("FEED") work since the third quarter of 2019. Arising from the lockdown policy implemented by the local government as a result of the global pandemic, progress of the FEED has slowed down and the revised target completion date is postponed to end of third quarter of 2020. Utilising 1.7 trillion cubic feet of discovered gas reserves, GOKPL plans to supply about 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) The State of Nevada has deemed construction as an essential licensed business and hence construction of Resorts World Las Vegas ("RWLV") continues to progress despite COVID-19 challenges. RWLV continues to work with the state and federal Occupational Safety and Health Administration ("OSHA") and government officials to ensure it meets the social distancing requirements. As of 24 April 2020, RWLV is nearing completion on the curtain wall for all Towers and dismantling of three cranes is complete. On the low-rise casino podium, framing and drywall continuing on all levels and structural steel is almost completed on the pool deck. Concrete foundations and walls are near complete for the main Retail Promenade and structure steel is being erected on the nightlife venue. Construction is complete on the Central Plant and Fire Building and testing for the Total Cost of Ownership ("TCO") is underway. Total development and land costs incurred as of 31 March 2020 were approximately USD2.1 billion.

Projected to open in Summer 2021, RWLV will combine traditional and modern architecture, weaving a new luxury hotel experience into the fabric of Las Vegas with Asian-inspired touches, progressive technology and world-class guests service. Updated plans for the USD4.3 billion luxury resort-casino include new amenities such as a 5,000-capacity state-of-the-art theater scalable to host A-list residencies and corporate events; a dynamic 75,000-square-foot nightlife and daylife concept; a 50-foot diameter video globe which will display over 6,000-square-feet of captivating LED content; and additional luxury suites, villas and penthouses with individual lobby experiences, open balconies and a sky casino.

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GENTING BERHAD SUMMARY OF RESULTS	1Q20 RM'million	1Q19 RM'million	1Q20 vs 1Q19 %	4Q19 RM'million	1Q20 vs 4Q19 %
Revenue					
Leisure & Hospitality					
- Malaysia	1,223.3	1,907.7	-36	1,602.9	-24
- Singapore	1,226.6	1,932.9	-37	1,853.9	-34
- UK and Egypt	371.2	419.3	-11	422.3	-12
- US and Bahamas	320.3	367.0	-13	368.5	-13
	3,141.4	4,626.9	-32	4,247.6	-26
Plantation					
- Oil Palm Plantation	344.5	342.8	-	379.2	-9
- Downstream Manufacturing	344.9	398.5	-13	371.2	-7
	689.4	741.3	-7	750.4	-8
- Intra segment	(141.4)	(140.3)	-1	(141.0)	-
	548.0	601.0	-9	609.4	-10
Power	258.4	196.7	+31	279.2	-7
Property	47.0	47.7	-1	62.5	-25
Oil & Gas	87.2	74.4	+17	76.9	+13
Investments & Others	27.2	26.1	+4	27.4	-1
	4,109.2	**5,572.8**	-26	**5,303.0**	-23
(Loss)/profit for the period					
Leisure & Hospitality					
- Malaysia	436.2	702.4	-38	575.7	-24
- Singapore	476.8	1,021.5	-53	909.5	-48
- UK and Egypt	22.8	41.0	-44	59.7	-62
- US and Bahamas	14.7	66.0	-78	65.3	-77
	950.5	1,830.9	-48	1,610.2	-41
Plantation					
- Oil Palm Plantation	119.4	104.7	+14	108.4	+10
- Downstream Manufacturing	14.2	22.0	-35	13.8	+3
	133.6	126.7	+5	122.2	+9
Power	102.8	75.1	+37	108.3	-5
Property	15.5	18.3	-15	26.1	-41
Oil & Gas	70.5	55.1	+28	51.8	+36
Investments & Others	(64.2)	(50.6)	-27	(52.1)	-23
Adjusted EBITDA	1,208.7	2,055.5	-41	1,866.5	-35
Net fair value gain on derivative financial instruments	-	0.3	-100	-	-
Net fair value (loss)/gain on financial assets at fair value through profit or loss	(14.6)	18.3	>-100	15.9	>-100
Net gain on disposal of a subsidiary and investment properties	-	138.7	-100	132.1	-100
Net gain/(loss) on derecognition and changes in shareholding of joint ventures and associates	52.7	-	NM	(0.2)	>100
Net impairment losses	(482.5)	(17.8)	>-100	(13.5)	>-100
Depreciation and amortisation	(675.0)	(625.3)	-8	(667.7)	-1
Interest income	145.5	174.7	-17	159.0	-8
Finance cost	(261.4)	(293.7)	+11	(270.2)	+3
Share of results in joint ventures and associates	(108.0)	42.4	>-100	(9.3)	>-100
Others	(83.6)	(314.0)	+73	(93.1)	+10
(Loss)/profit before taxation	**(218.2)**	**1,179.1**	>-100	**1,119.5**	>-100
Taxation	(124.7)	(207.7)	+40	(184.3)	+32
(Loss)/profit for the period	**(342.9)**	**971.4**	>-100	**935.2**	>-100
Basic (loss)/earnings per share (sen)	(3.44)	14.59	>-100	13.73	>-100

NM= Not meaningful

About GENTING:

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 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 also have tie ups with established names such as Universal Studios, Premium Outlets, Zouk, Hard Rock Hotel, Hilton and other renowned international brand partners. For more information, visit www.genting.com.

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