GENTING BERHAD

Registration No. 196801000315 (7916-A)

PRESS RELEASE **For Immediate Release**

GENTING BERHAD ANNOUNCES THIRD QUARTER RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

KUALA LUMPUR, 26 NOVEMBER 2020 - Genting Berhad today announced its financial results for the third quarter ("3Q20") and nine months ended 30 September 2020 ("YTD 3Q20").

Revenue of the Group was RM3,298.8 million in 3Q20 which is a significant improvement compared with revenue of RM1,108.0 million in the second quarter of 2020 ("2Q20"). Consequently, an adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") of RM1,095.3 million was recorded in 3Q20 compared with an adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") of RM578.7 million in 2Q20. The significant improvement was mainly attributable to the Leisure & Hospitality Division of the Group following the resumption of business with reduced capacity of most of the resort properties of the Group in 3Q20. These resort properties were temporarily closed in 2Q20 as a result of the Coronavirus Disease 2019 ("COVID-19") outbreak.

In comparison with the previous year's corresponding quarter ("3Q19"), the Group revenue declined by 38% from RM5,295.0 million to RM3,298.8 million. The decline in revenue came mainly from the Leisure & Hospitality Division of the Group.

As Singapore entered phase two of the gradual recovery, Resorts World Sentosa ("RWS") started welcoming guests back to Universal Studios Singapore and S.E.A. Aquarium from 1 July 2020 with all necessary safe management measures in place. Whilst grappling with the ongoing COVID-19 pandemic, RWS continues to experience weak demand with decline in its revenue and EBITDA in 3Q20.

The lower revenue from Resorts World Genting ("RWG") in 3Q20 was mainly due to lower business volume from the general market and non-gaming segments as the resort continues to operate with reduced capacity. The volume of business from the mid to premium players segment was relatively the same as that in 3Q19 despite the lower capacity. Consequently, a lower EBITDA was recorded due to the lower revenue which was partially mitigated by a reduction in payroll and related costs as a result of lower headcount and lower operating expenses.

Reduced revenue from the leisure and hospitality business in United Kingdom ("UK") and Egypt in 3Q20 was mainly due to lower business volume after operations at Genting Malaysia Berhad ("GENM") Group's UK casinos resumed with reduced capacity in mid-August 2020. Casino operations in Cairo, Egypt and certain land-based casinos in the UK remained temporarily closed throughout 3Q20. LBITDA was recorded due to the lower revenue and higher debts provision which were partially mitigated by lower payroll costs.

The leisure and hospitality business in United States of America ("US") and Bahamas recorded a reduction in revenue due to the temporary closure of Resorts World Casino New York City ("RWNYC operations") which resumed operations with reduced capacity since 9 September 2020. Consequently, LBITDA was recorded due to lower revenue which was partially mitigated by lower payroll costs and operating expenses of RWNYC operations.

GENM Group's leisure and hospitality business worldwide reported a lower cost structure in 3Q20 as a result of the recalibration of GENM Group's operating structure and rightsizing of its workforce in response to the unprecedented disruptions to its operations amid the COVID-19 pandemic.

The Plantation Division's revenue and EBITDA increased in 3Q20 mainly due to stronger palm products prices and higher demand for its refined palm products. EBITDA from Downstream Manufacturing increased mainly on account of higher sales volume from its refinery.

Revenue and EBITDA of the Power Division were impacted by the unscheduled shut of the Banten Plant during 3Q20, thus resulting in lower net generation from the Banten Plant.

The revenue and EBITDA of the Property Division decreased in 3Q20 mainly due to lower sales from Genting Plantations Berhad ("GENP")'s properties.

Lower revenue and EBITDA from the Oil & Gas Division were mainly due to lower average oil prices in 3Q20.

A profit before taxation of RM60.1 million was recorded for 3Q20 compared with RM954.1 million in 3Q19. The lower profit before taxation was mainly due to the lower EBITDA in 3Q20. The share of results in joint ventures and associates for 3Q20 included GENM Group's share of loss in an associate, i.e. Empire Resorts, Inc. ("Empire") of RM62.0 million which was attributable to share of Empire's operating loss of RM20.3 million and financing costs as well as depreciation and amortisation of RM41.7 million. Empire's operating performance was adversely impacted by the temporary closure of Resorts World Catskills ("RWC"), which resumed operations with reduced capacity in early September 2020. This share of loss in Empire was offset by an increased share of profit from the improved performance of the Meizhou Wan power plant in China. The Group's profit before taxation in 3Q19 had included a net reversal of pre-operating expenses by the GENM Group amounting to RM91.2 million mainly due to the reversal of provision of termination related costs of RM101.4 million in respect of the outdoor theme park at RWG following the finalisation of claims from certain contractors by GENM.

In YTD 3Q20, Group revenue was RM8,516.0 million, a decrease of 48% compared with RM16,313.5 million in the previous year's nine months ("YTD 3Q19"). The decrease came primarily from the Leisure & Hospitality Division due to the COVID-19 outbreak.

RWS recorded a significant decline in revenue and EBITDA for YTD 3Q20 due to the devastating effect of the COVID-19 global pandemic. All its guest offerings, hotels and the casino were temporarily suspended from 6 April 2020 to 30 June 2020, thus affecting the revenue and EBITDA for YTD 3Q20.

Lower revenue from RWG was mainly due to the temporary closure of its operations since 18 March 2020. Operations resumed from 19 June 2020 with reduced capacity. In addition, a high hold percentage from the mid to premium players segment was registered in YTD 3Q19. EBITDA consequently fell in YTD 3Q20 primarily due to lower revenue, partially mitigated by a reduction in payroll and related costs as a result of lower headcount.

Revenue from the casino business in UK and Egypt was impacted by the temporary suspension of the land-based casinos' operations from mid-March to mid-August 2020. In addition, casino operations in Cairo, Egypt and certain land-based casinos in the UK remained temporarily closed as at 30 September 2020. The lower revenue resulted in LBITDA for YTD 3Q20 but was partially mitigated by lower payroll and other operating costs.

The leisure and hospitality business in the US and Bahamas recorded lower revenue mainly due to the decline in business volume following the temporary closure of the resort operations in the US and Bahamas since mid-March 2020. RWNYC resumed operations with reduced capacity in early September 2020.

Plantation Division's revenue was higher buoyed by better palm products prices which more than compensated for the impact of weaker crop. EBITDA was similarly higher as the impact of stronger palm products prices eclipsed that of lower fresh fruit bunches ("FFB") production. However, EBITDA from Downstream Manufacturing declined with both its biodiesel and refinery operations registered lower capacity utilisation along with margin compression.

Lower revenue and EBITDA from the Power Division for YTD 3Q20 was mainly due to the higher number of days of unscheduled shut of the Banten Plant during the period.

The decline in revenue and EBITDA of the Property Division was mainly attributable to lower sales from GENP's properties.

Lower average oil prices contributed to lower revenue from the Oil & Gas Division. However, EBITDA improved over YTD 3Q19 due primarily to a gain from the hedging of the oil price and lower operating costs.

A loss before taxation of RM1,818.3 million was recorded for YTD 3Q20 compared with a profit before taxation of RM3,463.1 million recorded in YTD 3Q19. The loss was mainly due to the lower EBITDA in YTD 3Q20, higher net impairment losses, lower interest income and a share of net loss in joint ventures and associates which was contributed mainly by GENM Group's share of loss in Empire of RM240.7 million. Empire's loss was mainly due to costs associated with the refinancing of Empire's loans and depreciation and amortisation. GENM Group's share of Empire's operating loss was RM59.9 million. Higher pre-opening expenses were recorded in YTD 3Q20 mainly attributable to development projects undertaken by the Leisure & Hospitality Division. The profit before taxation for YTD 3Q19 had included a gain of RM138.7 million from the disposal of a subsidiary.

The State of Nevada has deemed construction 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 and government officials to ensure it meets the social distancing requirements. As of 1 November 2020, RWLV has finished the curtain wall except for a few damaged pieces and all cranes have been dismantled. The interior room build outs continue and furniture installation has started. On the low-rise casino podium, the basement level is substantially completed and final preparation to obtain the temporary certificate of occupancy is underway. Millwork and tiles are being installed on the casino level and on the pool deck, all pool vessels have been installed, large pools completed with gummite and tiles, and all large trees are in their planters. Exterior work on the retail promenade is 65% completed and work continues along the middle section, working towards the South section. The Theater structural work continues, and wall framing has started. Temporary certificate of occupancy has been obtained for the central plant and the fire building. Total development and land costs incurred as of 30 September 2020 were approximately USD2.7 billion.

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

The global economy is expected to gradually recover, albeit at an uneven pace in the near-term. However, significant downside risks remain mainly due to uncertainties surrounding the COVID-19 situation globally. In Malaysia, economic activity is projected to improve supported by monetary and fiscal measures. Nevertheless, the introduction of targeted actions to contain the COVID-19 outbreak is expected to affect the recovery momentum of the domestic economy.

The recovery prospects of the leisure, hospitality, and tourism sectors globally remain highly uncertain as the COVID-19 situation continues to evolve. While the regional gaming markets have registered signs of early recovery, the industry is expected to remain challenging in the near-term.

In Malaysia, the government's implementation of a Conditional Movement Control Order in most of the states in the country will have an impact on GENM Group's business. Nevertheless, GENM Group will continue to re-engineer itself to adapt to the new operating environment to drive productivity and efficiency whilst ensuring the health and safety of its guests, employees and the community in RWG. Meanwhile, GENM Group remains committed to the timely completion of its outdoor theme park, which is targeted to open by the middle of 2021.

In the UK, GENM Group's land-based casinos which reopened on 15 August 2020 have temporarily closed since 4 November 2020 in compliance with the latest government directives. To cope with the fluidity of the new operating environment, GENM Group will continue to be agile in its approach at streamlining its cost structure and identifying operational efficiencies. Meanwhile, Crockfords Cairo has resumed operations since 18 October 2020.

In the US, GENM Group is encouraged by the positive reception to the resumption of RWNYC and RWC's operations since 9 September 2020. GENM Group will continue to develop its strong local market exposure by executing various strategies to drive visitation and frequency of play at both properties. Meanwhile, the ongoing expansion project at RWNYC is progressing well. The new 400-room Hyatt Regency JFK at Resorts World New York hotel is expected to open in stages from next year, complete with various F&B and retail options as well as state-of-the-art conference and meeting spaces. In the Bahamas, operations at Resorts World Bimini remains suspended until further notice and GENM Group will continue to actively manage its operating costs.

GENM Group maintains its cautious stance on the near-term prospects of the leisure and hospitality industry. Given the dynamic operating environments both locally and abroad, uncertainties surrounding the full impact of the pandemic on GENM Group's operations and financial performance remain. GENM Board wishes to caution that GENM Group expects its financial results for the financial year ending 31 December 2020 to be adversely impacted.

COVID-19 has caused an unprecedented crisis for the travel and tourism industry. As part of Genting Singapore Limited ("GENS") Group's journey towards eventual recovery of tourism, it is seizing this period of adversity to re-imagine and re-adapt RWS's guest offerings. For example, with travel restrictions still in place and the festive season round the corner, RWS has rolled out specially-curated staycation packages for local residents by pairing up its uniquely themed destination hotels with trips to its attractions or dining experience at its award-winning restaurants. RWS also curated the Aqua Gastronomy Experience, a multi-sensorial dining experience at S.E.A. Aquarium where diners get to enjoy culinary artistry featuring 100% sustainably sourced seafood in a surreal underwater world setting with all their marine life.

Looking ahead, GENS Group's growth strategy includes its commitment to develop the SGD4.5 billion mega expansion in Singapore. In this era of the new norm, GENS will re-imagine an innovative RWS 2.0 which will propel RWS to new heights as the region's top leisure and tourism destination. Additionally, as part of the GENS Group's geographical diversification strategy, it is keenly exploring the Yokohama integrated resort opportunity in Japan. GENS will evaluate the conditions of the Request-for-Proposal (RFP) and the investment environment when the formal bidding process begins and will respond with a proposal if these conditions meet the GENS Group's investment criteria.

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.

GENP Group's prospects for the remaining months of 2020 will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and GENP Group's FFB production.

Despite the headwinds from the COVID-19 pandemic, palm product prices have staged a rebound by the end of third quarter of 2020, trading at levels immediately prior to the pandemic outbreak. GENP Group expects palm products prices to continue to be influenced by factors such as the demand and supply dynamics of palm oil and substitute oils and fats, global economic conditions and the implementation of higher biodiesel mandates by Indonesia and Malaysia. These factors are in turn contingent on the impact from the COVID-19 pandemic.

GENP Group expects the recovery in crop output from the lagged effect of drought in 2019 to continue into fourth quarter of 2020, barring any adverse impact arising from the forecasted La Nina weather event. Notwithstanding the crop recovery, production for the full year of 2020 is unlikely to surpass the level attained in 2019.

In view of the prevailing uncertain economic outlook weighing on purchasers' sentiments, the Property segment will focus on marketing its offerings to the broader market. Meanwhile, the patronage and sales of both the Premium Outlets® have shown encouraging recovery towards the end of third quarter of 2020 but the recent upsurge in local COVID-19 cases and the reimposition of Conditional Movement Control Order in multiple states will adversely affect its performance in fourth quarter of 2020.

The outlook for the Downstream Manufacturing segment for the remaining months of the year continues to be challenging as demand for its products is expected to remain uncertain in the wake of the COVID-19 pandemic and the prevailing unfavourable palm oil gas oil ("POGO") spread.

The performance of the Banten power plant in Indonesia has returned to normal with high availability subsequent to the unscheduled outage in the second quarter of this year. The plant is expected to maintain its high availability up to end of December before a minor scheduled outage. The performance of the Jangi wind farm in Gujarat, India will be impacted by the low wind season from October to March where the installation of the copper cap will be carried out to mitigate the probability of lightning strikes and thus improve the wind farm's availability factor.

Global crude oil prices have shown their recovery and stabilise at prices ranging from USD40/bbl to USD45/bbl recently. The drop in oil prices has been mitigated through oil price hedging and coupled with stringent cost controls, Chengdaoxi block will continue to contribute above its budget.

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 ("GOKP") 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, the progress of the FEED has been delayed, with the completion date rescheduled to the second quarter of 2021. Utilising 1.7 trillion cubic feet of discovered gas reserves, GOKP plans to supply about 170 million cubic feet per day of natural gas until the end of the production sharing contract to a petrochemical plant in West Papua, which is in the plan and will be built by a third party.

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GENTING BERHAD SUMMARY OF RESULTS	3Q20 RM'million	3Q19 RM'million	3Q20 vs 3Q19 %	YTD 3Q20 RM'million	YTD 3Q19 RM'million	YTD 3Q20 vs 3Q19 %
Revenue						
Leisure & Hospitality						
- Malaysia	1,179.5	1,793.6	-34	2,483.6	5,455.8	-54
- Singapore	833.1	1,802.8	-54	2,137.7	5,671.6	-62
- UK and Egypt	131.4	414.7	-68	535.8	1,254.1	-57
- US and Bahamas	69.7	355.8	-80	358.3	1,100.9	-67
	2,213.7	4,366.9	-49	5,515.4	13,482.4	-59
Plantation						
- Oil Palm Plantation	355.2	300.0	+18	1,028.1	896.4	+15
- Downstream Manufacturing	399.6	266.1	+50	1,078.0	1,008.5	+7
	754.8	566.1	+33	2,106.1	1,904.9	+11
- Intra segment	(128.0)	(127.2)	-1	(387.9)	(370.3)	-5
	626.8	438.9	+43	1,718.2	1,534.6	+12
Power	244.7	293.3	-17	740.2	781.1	-5
Property	35.0	61.3	-43	101.0	162.2	-38
Oil & Gas	70.2	78.7	-11	226.7	232.6	-3
Investments & Others	108.4	55.9	+94	214.5	120.6	+78
	3,298.8	**5,295.0**	-38	**8,516.0**	**16,313.5**	-48
(Loss)/profit for the period						
Leisure & Hospitality						
- Malaysia	534.8	698.1	-23	660.4	2,075.6	-68
- Singapore	448.5	868.0	-48	686.1	2,818.7	-76
- UK and Egypt	(102.3)	85.8	>-100	(194.3)	171.9	>-100
- US and Bahamas	(79.9)	55.4	>-100	(242.0)	224.0	>-100
	801.1	1,707.3	-53	910.2	5,290.2	-83
Plantation						
- Oil Palm Plantation	120.3	54.3	>100	338.6	222.1	+52
- Downstream Manufacturing	11.9	10.0	+19	27.9	44.6	-37
	132.2	64.3	>100	366.5	266.7	+37
Power	101.6	135.0	-25	305.8	345.3	-11
Property	10.6	21.2	-50	39.5	57.0	-31
Oil & Gas	53.3	59.7	-11	176.9	163.1	+8
Investments & Others	(3.5)	(18.6)	+81	(73.6)	(105.8)	+30
Adjusted EBITDA	1,095.3	1,968.9	-44	1,725.3	6,016.5	-71
Net fair value (loss)/gain on derivative financial instruments	-	(0.1)	+100	-	0.2	-100
Net fair value (loss)/gain on financial assets at fair value through profit or loss	(7.5)	15.7	>-100	(29.1)	37.6	>-100
Net gain on derecognition and change in shareholding of associates and joint ventures	14.6	36.8	-60	65.3	36.8	+77
Gain on disposal of a subsidiary	-	-	-	-	138.7	-100
Net impairment losses	(206.1)	(364.2)	+43	(774.8)	(385.2)	>-100
Depreciation and amortisation	(577.8)	(689.0)	+16	(1,841.9)	(1,964.2)	+6
Interest income	71.3	179.9	-60	323.4	561.5	-42
Finance cost	(241.7)	(265.6)	+9	(820.7)	(826.8)	+1
Share of results in joint ventures and associates	62.8	43.1	+46	(57.1)	98.6	>-100
Others	(150.8)	28.6	>-100	(408.7)	(250.6)	-63
Profit/(loss) before taxation	**60.1**	**954.1**	-94	**(1,818.3)**	**3,463.1**	>-100
Taxation	(481.4)	(236.6)	>-100	(411.1)	(717.2)	+43
(Loss)/profit for the period	**(421.3)**	**717.5**	>-100	**(2,229.4)**	**2,745.9**	>-100
Basic (loss)/earnings per share (sen)	(3.40)	7.94	>-100	(27.25)	38.10	>-100

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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