GENTING PLANTATIONS

PRESS RELEASE **For Immediate Release**

GENTING PLANTATIONS REPORTS SECOND QUARTER AND FIRST HALF 2020 FINANCIAL RESULTS

KUALA LUMPUR, Aug 26 – Genting Plantations Berhad today reported its financial results for the second quarter ("2Q 2020") and first half ("1H 2020") ended 30 June 2020.

The Group's revenue for 2Q 2020 improved year-on-year underpinned by the higher palm products prices which eclipsed the lower sales registered by the Property and Downstream Manufacturing segments. On the other hand, the Group registered a year-on-year decline in revenue for 1H 2020 as the combined effects of lower FFB production, lower property sales and softer demand for biodiesel and refined palm products outstripped the impact of higher palm products prices.

The Group's achieved crude palm oil price in 2Q 2020 and 1H 2020 were RM2,325 per metric tonne ("mt") and RM2,465 per mt respectively, whilst palm kernel price in 2Q 2020 and 1H 2020 were RM1,295 per mt and RM1,439 per mt respectively.

The Group's FFB production in 2Q 2020 and 1H 2020 declined year-on-year largely due to the lagged effect of dry weather conditions in 2019 which crimped crop output this year.

EBITDA for the Plantation segment for 2Q 2020 and 1H 2020 improved year-on-year, with the impact of higher palm products selling prices outweighing the lower FFB production.

EBITDA for the Property segment for 2Q 2020 and 1H 2020 were higher year-on-year despite the lower revenue, mainly due to the gain derived from sale of an investment property.

The Biotechnology segment incurred lower year-on-year losses for 2Q 2020 and 1H 2020 in tandem with its lower research and development expenditure.

The Downstream Manufacturing segment posted a year-on-year decline in EBITDA for 2Q 2020 and 1H 2020, with both its biodiesel and refinery operations registering lower sales and capacity utilisation along with margin compression.

The Group's prospects for the second half of 2020 ("2H 2020") will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the Group's FFB production.

The Group expects palm products prices to be primarily 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.

Barring any weather anomalies, the Group expects FFB production to register an improvement in 2H 2020 underpinned by a recovery in crop output from the lagged effect of drought in 2019. Notwithstanding the crop recovery in 2H 2020, production for the full year of 2020 is anticipated to at best match the level attained in 2019.

The Property segment’s performance in 2H 2020 is expected to be constrained by the uncertain economic outlook weighing on purchasers’ sentiments. Separately, the patronage and sales of both the Premium Outlets® have shown encouraging recovery towards the end of 2Q 2020 and is likely to improve in 2H 2020 subject to the COVID-19 pandemic situation.

The Biotechnology segment will continue developing commercial solutions and applications to enhance the yield and productivity of oil palm.

The outlook for the Downstream Manufacturing segment for the rest of this year remains 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 Board of Directors has declared an interim single-tier dividend of 6.0 sen per ordinary share. In comparison, the interim single-tier dividend declared for the corresponding period of 2019 amounted to 3.5 sen per ordinary share.

A summary of the quarterly results is shown in Table 1.

TABLE 1:

RM' Million	2Q 2020	2Q 2019	%	1H 2020	1H 2019	%
Revenue						
Plantation	325.7	253.4	*+29*	665.8	594.3	*+12*
Property	3.6	31.2	*-88*	28.9	53.8	*-46*
Biotechnology	0.4	-	-	0.5	-	-
Downstream Manufacturing	333.5	343.9	*-3*	678.4	742.4	*-9*
	663.2	628.5	*+6*	1,373.6	1,390.5	*-1*
Inter segment	(118.9)	(102.8)	*-16*	(260.3)	(243.1)	*-7*
Revenue - external	544.3	525.7	*+4*	1,113.3	1,147.4	*-3*
Adjusted EBITDA						
Plantation	100.8	64.2	*+57*	219.3	171.2	*+28*
Property	7.2	6.8	*+6*	12.7	10.6	*+20*
Biotechnology	(1.5)	(4.5)	*+67*	(4.7)	(8.2)	*+43*
Downstream Manufacturing	1.9	12.6	*-85*	16.0	34.6	*-54*
Others*	3.8	5.5	*-31*	16.9	3.7	*>100*
	112.2	84.6	*+33*	260.2	211.9	*+23*
EBITDA	111.9	87.5	*+28*	266.9	214.6	*+24*
Profit before tax	38.8	25.9	*+50*	129.5	85.8	*+51*
Profit for the financial period	30.9	18.3	*+69*	101.6	60.4	*+68*
Basic EPS (sen)	2.52	2.55	*-1*	12.70	7.69	*+65*

**Changes in the "Others" category mainly reflect the impact from foreign currency translation position arising from foreign exchange movements.*

About Genting Plantations Berhad

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 64,600 hectares in Malaysia and some 178,200 hectares (including the *Plasma* scheme) in Indonesia held through joint ventures. It owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 580 metric tonnes per hour. In addition, the Group has ventured into the manufacturing of downstream palm-based products.

Genting Plantations has also diversified into property development to unlock the value of its strategically-located landbank and has invested significantly in biotechnology in a major effort to apply genomics-based solutions to increase crop productivity and sustainability.

For more information, visit www.gentingplantations.com.

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