GENTING

BERHAD

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PRESS RELEASE **For Immediate Release**

GENTING BERHAD ANNOUNCES SECOND QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2020

KUALA LUMPUR, 27 AUGUST 2020 - Genting Berhad today announced its financial results for the second quarter ("2Q20") and first half ("1H20") of 2020.

In 2Q20, Group revenue was RM1,108.0 million, a decrease of 80% compared with the previous year's corresponding quarter's ("2Q19") revenue of RM5,445.7 million. The decrease in revenue came mainly from the Leisure & Hospitality segment of the Group.

The significant drop in Resorts World Sentosa's ("RWS") revenue and the adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") suffered in 2Q20 was due to the devastating effect of the Coronavirus Disease 2019 ("COVID-19") global pandemic. RWS suspended all guest offerings, hotels and the casino from 6 April 2020 to 30 June 2020 and implemented a series of cost containment measures including payroll rationalisation and other productivity initiatives. As tourism is the main driver of RWS's business and the pandemic has caused major disruptions to the global travel and tourism industry, its operations and financial performance have been severely impacted.

Decreased revenue from Resorts World Genting ("RWG") in 2Q20 was due mainly to the decline in the overall volume of business from gaming and non-gaming segments arising from the temporary closure of its operations from 18 March 2020 to 19 June 2020 when operations resumed with limited capacity. Consequently, LBITDA was recorded due to the lower revenue which was partially mitigated by a reduction in payroll costs as a result of lower headcount.

The lower revenue from the leisure and hospitality business in United Kingdom ("UK") and Egypt in 2Q20 was due mainly to the temporary suspension of operations of the land-based casinos during 2Q20. LBITDA was recorded due to the lower revenue and higher debts provision which were partially mitigated by lower payroll costs and operating expenses following the temporary closure of the land-based casino operations.

A reduction in revenue was recorded from the leisure and hospitality business in United States of America ("US") and Bahamas due to temporary closure of the resort operations in the US and Bahamas during 2Q20 and a change in accounting estimate on revenue recognition of RM38.4 million relating to Resorts World Casino New York City's operations ("RWNYC"). Consequently, LBITDA was recorded which was partially mitigated by lower payroll costs and operating expenses at RWNYC due to its temporary closure.

The Plantation Division's revenue increased in 2Q20 due mainly to higher palm products prices which eclipsed the lower sales from Downstream Manufacturing. Consequently, adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") improved due to the higher revenue despite lower fresh fruit bunches ("FFB") production.

Lower revenue and EBITDA from the Power segment were due mainly to lower net generation from the Banten Plant as a result of the unscheduled shut of the plant during 2Q20.

Lower revenue from the Oil & Gas segment was due mainly to lower average oil prices in 2Q20. However, EBITDA was higher due mainly to a gain from the hedging of the oil price.

A lower LBITDA was recorded from "Investments & Others" in 2Q20 due mainly to higher net foreign exchange gains on net foreign currency denominated financial assets compared with 2Q19.

A loss before tax of RM1,660.2 million was recorded for 2Q20 compared with a profit before tax of RM1,329.9 million in 2Q19. The loss was due mainly to LBITDA and higher impairment losses recorded in 2Q20. A share of loss from joint ventures and associates was recorded in 2Q20 compared with a share of profit in 2Q19. The share of loss was mainly attributable to Genting Malaysia Berhad ("GENM") Group's share of loss in an associate, i.e. Empire Resorts, Inc ("Empire") which related mainly to financing costs and depreciation and amortisation. In addition, Empire's operating performance had been adversely impacted by the temporary closure of Resorts World Catskills ("RWC") from mid-March 2020. Consequently, GENM Group's share of Empire's operating loss for 2Q20 was RM26.1 million. Profit before tax for 2Q19 had included a reversal of pre-operating expenses of RM65.9 million by the GENM Group mainly in relation to the reversal of provision of termination related costs of RM60.2 million in respect of the outdoor theme park at RWG following the finalisation of claims from certain contractors by GENM.

In 1H20, Group revenue was RM5,217.2 million, a decrease of 53% compared with RM11,018.5 million in first half of 2019 ("1H19"). The decrease came primarily from the Leisure & Hospitality segment as a result of the COVID-19 outbreak.

The significant decline in revenue and EBITDA of RWS for 1H20 was due to the devastating effect of the COVID-19 global pandemic. At the onset of the pandemic, visitor arrivals had dropped very significantly from February 2020. Further, in line with the Singapore Government's directive, all guest offerings, hotels and the casino were suspended from 6 April 2020 to 30 June 2020 thus affecting the revenue and EBITDA for 1H20.

Lower revenue from RWG was due mainly to the temporary closure of the operations from 18 March 2020 to 19 June 2020 when operations resumed with limited capacity. In addition, an exceptionally high hold percentage from the mid to premium players segment was registered in 1H19. EBITDA consequently fell in 1H20 due to lower revenue, partially mitigated by a reduction in payroll 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. This resulted in LBITDA as revenue declined following their temporary closures.

The leisure and hospitality business in the US and Bahamas recorded lower revenue due mainly to the decline in business volume following the temporary closure of the US and Bahamas resort operations since mid-March 2020. LBITDA arose due mainly to the lower revenue following the temporary closure of its resorts.

Higher revenue and EBITDA from the Plantation segment increased in 1H20 due mainly to higher palm products prices which outweighed the lower FFB production. However, revenue and EBITDA from Downstream Manufacturing declined due to softer demand for biodiesel and refined palm products.

Revenue from Power Division for 1H20 comprised mainly revenue from sale of electricity by the Indonesian Banten Plant which increase was due to higher generation. EBITDA was however marginally lower compared with 1H19.

The Oil & Gas Division recorded higher revenue and EBITDA due mainly to a gain from the hedging of the oil price.

A loss before tax of RM1,878.4 million was recorded for 1H20 compared with a profit before tax of RM2,509.0 million recorded in 1H19. The loss was due mainly to the lower EBITDA in 1H20, higher impairment losses and a share of loss from joint ventures and associates which was contributed mainly by GENM Group's share of loss in Empire of RM178.1 million. The loss was due mainly to costs associated with the refinancing of Empire's loans and depreciation and amortisation. GENM Group's share of Empire's operating loss was RM39.6 million. The profit before tax for 1H19 had included a gain of RM138.7 million from the disposal of a subsidiary.

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

a) The global economy is expected to contract this year as the COVID-19 pandemic caused severe disruptions to economic activity worldwide. In addition, escalating geopolitical and trade tensions adds downward pressure and uncertainties to the global economy. In Malaysia, the gradual and progressive reopening of the economy since early May has enabled the recovery of economic activities.

   The tourism, leisure and hospitality and gaming industries are among the sectors hardest hit by the pandemic. As the COVID-19 situation continues to evolve, pandemic-related fears and uncertainty may result in the slow recovery of this sector.

   In Malaysia, GENM Group is heartened by the positive reception to the phased reopening of RWG. GENM Group will continue leveraging domestic demand to drive traffic growth and revenue whilst actively managing its cost base. Meanwhile, GENM Group is focused on the completion of the outdoor theme park which is targeted to open in mid-2021;

b) The global COVID-19 pandemic has caused major disruptions to the global travel and tourism industry. With tourism being the main driver of Genting Singapore Limited ("GENS") Group's business, its operations and financial performance have been severely impacted.

As Singapore moves carefully towards the recovery phase from the pandemic, GENS is working closely with the authorities on its SGD4.5 billion mega expansion plan ("RWS 2.0") to transform its Integrated Resort ("IR") to be a centre piece of Singapore's tourism. The timeline of the project will however be impacted due to design changes required by safety management measures and disruption to the construction industry and global supply chain caused by the pandemic. It is also envisioned that new design changes will be necessary to adapt to the post COVID-19 environment.

In relation to GENS's Japan IR investment opportunity, GENS Group has participated in the Request-for-Concept (RFC) by Yokohama City and will continue to monitor the developments in anticipation of the launch of Request-for-Proposal (RFP) in the second half of 2020;

c) In the UK, a majority of GENM Group's land-based gaming operations have recommenced since 15 August 2020. Given the unprecedented challenges, GENM Group will continue to be nimble in its approach at managing its cost structure to align with the new operating environment. Retail shopping outlets at Resorts World Birmingham and GENM Group's interactive business continue to operate in line with expectations;

d) In the US, RWNYC and RWC remain temporarily shuttered until further notice. In the Bahamas, operations at Resorts World Bimini reopened on 2 July 2020 but have been suspended since 25 July 2020 amid renewed concerns from local authorities surrounding the pandemic. GENM Group will continue to proactively manage its operating cost structure as it navigates through the dynamic situation in the US and Bahamas. In the meantime, development work for the expansion project at RWNYC is currently underway and GENM Group is working towards the completion of the first phase of the new 400-room hotel, which is expected to open by the first quarter of 2021;

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

GENM Group maintains a cautious stance on the near-term prospects of the leisure and hospitality industry. Whilst GENM Group is encouraged by the resumption of its business in Malaysia and the UK, 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.

For the rest of the year, GENS Group remains pessimistic on the overall financial performance as global travel remains highly restrictive.

e) Genting Plantations Berhad ("GENP") Group's prospects for the second half 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.

GENP 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, GENP Group expects FFB production to register an improvement in second half of 2020 underpinned by a recovery in crop output from the lagged effect of drought in 2019. Notwithstanding the crop recovery in second half of 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 second half of 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 second quarter of 2020 and is likely to improve in second half of 2020 subject to the COVID-19 pandemic situation.

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 spread;

f) The Banten power plant in Indonesia has undergone some festive reserve shut down and unplanned outage in the second quarter of 2020 but its performance is expected to pick up in the second half of 2020. The Jangi wind farm in Gujarat, India has not performed up to expectation despite higher wind season from May to August due mainly to higher ambient temperature;

g) Global crude oil prices fell drastically in second quarter of 2020 due mainly to the breakdown of the original OPEC-Plus agreement and unprecedented demand destruction brought about by the COVID-19 pandemic, where Brent crude prices dropped to less than USD20/bbl in April 2020. Since then, the Brent crude prices have shown recovery with average price in the region of USD45/bbl currently. Chengdaoxi block carries low-sulphur oil profile and its revenue is expected to improve marginally following the revision in International Maritime Organisation's global sulphur limit since 1 January 2020. This is noticeable from the higher local selling price compared to 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 ("GOKP") commenced the front end engineering design ("FEED") work from the third quarter of 2019. The progress of the FEED has slowed down due to the lockdown policy implemented by the local government as a result of the global pandemic and the revised target completion date is further postponed to end of first 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 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 and government officials to ensure it meets the social distancing requirements. As of 13 August 2020, RWLV has finished the curtain wall for all towers except the crane leave out areas and four of the five cranes have been dismantled. RWLV activated its 100,000-square-foot LED screen on its west tower for America's Independence Day, showing a digital fireworks display. The interior room build outs continue and furniture has been ordered. On the low-rise casino podium, the basement level is nearing substantial completion while the main casino millwork is starting installation. Structural steel and concrete pours are complete on the pool deck and 95% complete for the main retail promenade and nightlife venue. Temporary certificate of occupancy was obtained for the central plant and the fire building. Total development and land costs incurred as of 30 June 2020 were approximately USD2.4 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.

The Board of Directors has declared an interim single-tier dividend of 6.5 sen per ordinary share for 1H20 which is similar to that declared in 1H19.

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GENTING BERHAD SUMMARY OF RESULTS	2Q20 RM'million	2Q19 RM'million	2Q20 vs 2Q19 %	1H20 RM'million	1H19 RM'million	1H20 vs 1H19 %
Revenue						
Leisure & Hospitality						
- Malaysia	80.8	1,754.5	-95	1,304.1	3,662.2	-64
- Singapore	78.0	1,935.9	-96	1,304.6	3,868.8	-66
- UK and Egypt	33.2	420.1	-92	404.4	839.4	-52
- US and Bahamas	(31.7)	378.1	>-100	288.6	745.1	-61
	160.3	4,488.6	-96	3,301.7	9,115.5	-64
Plantation						
- Oil Palm Plantation	328.4	253.6	+29	672.9	596.4	+13
- Downstream Manufacturing	333.5	343.9	-3	678.4	742.4	-9
	661.9	597.5	+11	1,351.3	1,338.8	+1
- Intra segment	(118.5)	(102.8)	-15	(259.9)	(243.1)	-7
	543.4	494.7	+10	1,091.4	1,095.7	-
Power	237.1	291.1	-19	495.5	487.8	+2
Property	19.0	53.2	-64	66.0	100.9	-35
Oil & Gas	69.3	79.5	-13	156.5	153.9	+2
Investments & Others	78.9	38.6	>100	106.1	64.7	+64
	1,108.0	**5,445.7**	-80	**5,217.2**	**11,018.5**	-53
(Loss)/profit for the period						
Leisure & Hospitality						
- Malaysia	(310.6)	675.1	>-100	125.6	1,377.5	-91
- Singapore	(239.2)	929.2	>-100	237.6	1,950.7	-88
- UK and Egypt	(114.8)	45.1	>-100	(92.0)	86.1	>-100
- US and Bahamas	(176.8)	102.6	>-100	(162.1)	168.6	>-100
	(841.4)	1,752.0	>-100	109.1	3,582.9	-97
Plantation						
- Oil Palm Plantation	98.9	63.1	+57	218.3	167.8	+30
- Downstream Manufacturing	1.8	12.6	-86	16.0	34.6	-54
	100.7	75.7	+33	234.3	202.4	+16
Power	101.4	135.2	-25	204.2	210.3	-3
Property	13.4	17.5	-23	28.9	35.8	-19
Oil & Gas	53.1	48.3	+10	123.6	103.4	+20
Investments & Others	(5.9)	(36.6)	+84	(70.1)	(87.2)	+20
Adjusted (LBITDA)/EBITDA	(578.7)	1,992.1	>-100	630.0	4,047.6	-84
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	(7.0)	3.6	>-100	(21.6)	21.9	>-100
Net (loss)/gain on derecognition and change in shareholding of associates	(2.0)	-	NM	50.7	-	NM
Gain on disposal of a subsidiary	-	-	-	-	138.7	-100
Impairment losses	(86.2)	(3.2)	>-100	(568.7)	(21.0)	>-100
Depreciation and amortisation	(589.1)	(649.9)	+9	(1,264.1)	(1,275.2)	+1
Interest income	106.6	206.9	-48	252.1	381.6	-34
Finance cost	(317.6)	(267.5)	-19	(579.0)	(561.2)	-3
Share of results in joint ventures and associates	(11.9)	13.1	>-100	(119.9)	55.5	>-100
Others	(174.3)	34.8	>-100	(257.9)	(279.2)	+8
(Loss)/profit before taxation	**(1,660.2)**	**1,329.9**	>-100	**(1,878.4)**	**2,509.0**	>-100
Taxation	195.0	(272.9)	>100	70.3	(480.6)	>100
(Loss)/profit for the period	**(1,465.2)**	**1,057.0**	>-100	**(1,808.1)**	**2,028.4**	>-100
Basic (loss)/earnings per share (sen)	(20.41)	15.57	>-100	(23.85)	30.16	>-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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