GENTING MALAYSIA

GENTING MALAYSIA BERHAD
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PRESS RELEASE **For Immediate Release**

GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

- **Group achieved positive adjusted EBITDA in FY20 despite unprecedented challenges, anchored by the Malaysian operations**
- **Reopening of RWNYC since early-September 2020 has been well received**
- **Group's recalibrated operating structure and re-engineered processes places it in a good position to capitalise on the eventual recovery of the leisure and hospitality industry**

KUALA LUMPUR, 25 February 2021 – Genting Malaysia Berhad (Group) today announced its financial results for the fourth quarter (4Q20) and financial year ended 31 December 2020 (FY20).

In 4Q20, the Group's total revenue declined by 57% to RM1,041.1 million. The Group recorded adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) of RM170.4 million despite the leisure and hospitality business operating at a reduced capacity amid the prevalence of the Coronavirus Disease 2019 (COVID-19) pandemic. The Group recorded loss before tax (LBT) of RM285.1 million and net loss of RM258.2 million.

In FY20, the Group reported a 56% decline in total revenue to RM4,528.8 million, predominantly due to the unprecedented disruptions to the Group's global operations in the year resulting from the severe outbreak of the COVID-19 pandemic. Nevertheless, the Group achieved adjusted EBITDA of RM350.3 million. Including depreciation and amortisation, impairment losses and finance costs, the Group recorded LBT and net loss of RM2,137.5 million and RM2,361.5 million respectively.

4Q20 Results

The leisure and hospitality business in Malaysia recorded a 60% decline in revenue to RM644.7 million. The decrease was primarily due to travel restrictions imposed in line with the implementation of a Conditional Movement Control Order in most states in the country from 14 October 2020. Additionally, Resorts World Genting (RWG) continues to operate with reduced capacity in accordance with strict health and safety protocols consistent with the government's guidelines and global best practices since reopening in mid-June 2020. Consequently, overall lower volume of business was reported at the resort. Nevertheless, the impact to the Group's earnings was mitigated by higher hold percentage in the mid to premium players segment, coupled with lower operating expenses as well as a reduction in payroll and related costs due to lower headcount. The Group registered adjusted EBITDA of RM130.8 million.

In the United Kingdom (UK) and Egypt, the Group's revenue declined by 73% to RM116.1 million and the Group reported an adjusted loss before interest, taxation, depreciation and amortisation (LBITDA) of RM40.9 million. This was primarily due to the lower volume of business recorded as the Group's land-based casinos in the UK operated with reduced capacity following the resumption of operations since mid-August 2020. Additionally, these venues were periodically closed throughout the period in compliance with the government's directive to curb the spread of COVID-19. The Group's adjusted LBITDA was also attributable to higher debt provision. However, the Group registered payroll cost savings, which mitigated impact to earnings.

In the United States of America (US) and Bahamas, revenue from the Group's leisure and hospitality business recovered to 67% of the level recorded in the fourth quarter ended 31 December 2019 (4Q19) despite operating at a reduced capacity since reopening on 9 September 2020. Resorts World Casino New York City (RWNYC) had registered approximately the same level of gross gaming revenue as 4Q19 up until the property limited its operating hours from mid-November 2020 in compliance with the government mandate. The Group recorded an increase in adjusted EBITDA by 9% to RM70.9 million.

The Group's overall adjusted EBITDA was aided by higher foreign exchange translation gains on its USD denominated liabilities. Excluding this effect, the Group's overall adjusted EBITDA declined by 73% from the same period last year.

FY20 Results

The Group's leisure and hospitality segment in Malaysia registered a 56% decline in revenue to RM3,133.3 million, predominantly due to the three-month suspension of RWG's operations from 18 March 2020 in compliance with a nationwide government directive to contain the spread of COVID-19. Nevertheless, the resumption of the Group's business since 19 June 2020 had been well received despite the reduced capacity. In spite of the unprecedented challenges throughout the year, the Group achieved adjusted EBITDA of RM672.0 million.

In the UK and Egypt, the Group reported lower revenue by 61% to RM651.9 million and an adjusted LBITDA of RM172.5 million. This was mainly due to the five-month temporary closure of the Group's land-based gaming business in the UK from mid-March 2020, in addition to the curfews and further regional lockdowns which resulted in the recurrent suspension of the Group's land-based operations since the venues reopened with reduced capacity from mid-August 2020. As at 31 December 2020, the Group's land-based casinos in the UK remain temporarily closed.

In the US and Bahamas, the Group's operations recorded a 59% decrease in revenue to RM604.5 million and an adjusted LBITDA of RM162.5 million. This was primarily due to the lower volume of business registered following the suspension of the Group's resort operations in the US and Bahamas from mid-March 2020. RWNYC resumed business with reduced capacity on 9 September 2020 to positive response while Resorts World Bimini (RW Bimini) has reopened since 26 December 2020.

The Group remains resolute in its efforts to preserve liquidity and strengthen its financial resilience during this incredibly challenging period. However, the Group is also mindful of returning value to shareholders amid the unprecedented environment. Therefore, the Board of Directors has declared a special single-tier dividend of 8.5 sen per ordinary share. Including this, total dividend for FY20 would amount to 14.5 sen per ordinary share, comprising an interim single-tier dividend of 6.0 sen per ordinary share and the special single-tier dividend as mentioned above.

Outlook

Global economic conditions are expected to continue recovering, aided by the progressive roll-out of mass vaccination programmes. However, ongoing concerns and uncertainties amid the fluidity of the COVID-19 situation worldwide remain a significant downside risk. In Malaysia, near-term growth will be impacted by existing containment measures implemented to curb the spread of COVID-19. Nevertheless, the local economy is projected to gradually improve in the longer-term, supported by the recovery in global demand as well as domestic monetary and fiscal measures.

The outlook for the global tourism, leisure and hospitality industries remain highly uncertain. While the regional gaming market has continued to register some level of recovery, significant challenges will persist in the coming year given the negative impact of the pandemic on the sector.

The Group maintains its cautious stance on the near-term prospects of the leisure and hospitality industry.

In Malaysia, the introduction of a second Movement Control Order in various states since 22 January 2021 will impact the Group’s business following the temporary closure of RWG, Resorts World Langkawi (“RW Langkawi”) and Resorts World Kijal (“RW Kijal”) during this period. RWG has resumed operations since 16 February 2021 while RW Langkawi and RW Kijal recommenced business on 19 February 2021. The Group has recalibrated its operating structure and re-engineered its processes as well as its cost base to address the unprecedented challenges and to capitalise on the eventual recovery of the leisure and hospitality sector. The Group will also continue placing emphasis on the safety and wellbeing of the RWG community as part of the RWG StaySafe Promise. Meanwhile, the highly anticipated outdoor theme park, Genting SkyWorlds, is targeted to open by the middle of 2021. The theme park is a key growth initiative for the Group in Malaysia.

In the UK, the Group’s land-based casinos remain temporarily closed in compliance with government directives to limit the spread of COVID-19. Despite the challenges, the Group is confident that the comprehensive measures in place emphasising cost optimisation and business efficiencies will provide the framework for the Group to pivot quickly once the venues reopen.

In the US, the Group is focused on strengthening its market leading position in the state of New York with the introduction of world-class integrated resort amenities at RWNYC. The development of the new upscale 400-room Hyatt Regency JFK at Resorts World New York hotel is progressing well and is set to open in phases from the middle of 2021. The Group will also continue capitalising on synergies between RWNYC and Resorts World Catskills to grow business volume and improve the overall margins of its US operations. In the Bahamas, the Group remains focused on driving visitation and spend at RW Bimini by leveraging the new attractions introduced at the resort as part of its partnership with renowned brands.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER 4Q2020 RM'Mil	INDIVIDUAL QUARTER 4Q2019 RM'Mil	Variance 4Q20 vs 4Q19 RM'Mil	Variance 4Q20 vs 4Q19 %	FINANCIAL YEAR ENDED 31 DECEMBER 2020 RM'Mil	FINANCIAL YEAR ENDED 31 DECEMBER 2019 RM'Mil	Variance FY20 vs FY19 RM'Mil	Variance FY20 vs FY19 %
Revenue								
Leisure & Hospitality								
- Malaysia	**644.7**	1,604.8	-960.1	-60%	**3,133.3**	7,066.6	-3,933.3	-56%
- United Kingdom and Egypt	**116.1**	422.3	-306.2	-73%	**651.9**	1,676.4	-1,024.5	-61%
- United States of America and Bahamas	**245.5**	368.5	-123.0	-33%	**604.5**	1,469.4	-864.9	-59%
	1,006.3	2,395.6	-1,389.3	-58%	**4,389.7**	10,212.4	-5,822.7	-57%
Property	**17.4**	27.6	-10.2	-37%	**75.3**	101.7	-26.4	-26%
Investments & others	**17.4**	18.8	-1.4	-7%	**63.8**	92.8	-29.0	-31%
	1,041.1	2,442.0	-1,400.9	-57%	**4,528.8**	10,406.9	-5,878.1	-56%
Adjusted EBITDA/(LBITDA)								
Leisure & Hospitality								
- Malaysia	**130.8**	415.1	-284.3	-68%	**672.0**	2,048.2	-1,376.2	-67%
- United Kingdom and Egypt	**(40.9)**	59.8	-100.7	->100%	**(172.5)**	231.6	-404.1	->100%
- United States of America and Bahamas	**70.9**	65.3	5.6	9%	**(162.5)**	289.3	-451.8	->100%
	160.8	540.2	-379.4	-70%	**337.0**	2,569.1	-2,232.1	-87%
Property	**(2.8)**	11.9	-14.7	->100%	**21.6**	49.3	-27.7	-56%
Investments & others	**12.4**	(0.7)	13.1	>100%	**(8.3)**	23.0	-31.3	->100%
Adjusted EBITDA	**170.4**	551.4	-381.0	-69%	**350.3**	2,641.4	-2,291.1	-87%
Pre-operating expenses	**(27.4)**	(11.4)	-16.0	->100%	**(84.2)**	(64.9)	-19.3	-30%
Property, plant and equipment written off	**(1.7)**	(4.7)	3.0	64%	**(19.2)**	(23.0)	3.8	17%
Net gain/(loss) on disposal of property, plant and equipment	**1.4**	-	1.4	NC	**0.9**	(1.7)	2.6	>100%
Net gain on disposal of investment properties	**-**	132.1	-132.1	NC	**-**	132.1	-132.1	NC
Impairment losses	**(49.6)**	(28.2)	-21.4	-76%	**(590.7)**	(67.6)	-523.1	->100%
Reversal of previously recognised Impairment losses	**-**	2.5	-2.5	NC	**-**	13.6	-13.6	NC
Gain on disposal of a subsidiary	**-**	-	-	-	**-**	123.8	-123.8	NC
Redundancy costs	**(15.8)**	-	-15.8	NC	**(146.6)**	-	-146.6	NC
Others	**4.9**	(6.8)	11.7	>100%	**4.2**	(22.3)	26.5	>100%
EBITDA/(LBITDA)	**82.2**	634.9	-552.7	-87%	**(485.3)**	2,731.4	-3,216.7	->100%
Depreciation and amortisation	**(269.1)**	(279.5)	10.4	4%	**(1,118.7)**	(1,070.6)	-48.1	-4%
Interest income	**6.8**	23.5	-16.7	-71%	**83.5**	110.5	-27.0	-24%
Finance costs	**(60.6)**	(60.4)	-0.2	0%	**(331.9)**	(250.3)	-81.6	-33%
Share of results in an associate	**(44.4)**	(31.6)	-12.8	-41%	**(285.1)**	(31.6)	-253.5	->100%
(Loss)/profit before taxation	**(285.1)**	286.9	-572.0	->100%	**(2,137.5)**	1,489.4	-3,626.9	->100%
Taxation	**26.9**	(4.7)	31.6	>100%	**(224.0)**	(157.2)	-66.8	-42%
(Loss)/profit for the financial period	**(258.2)**	282.2	-540.4	->100%	**(2,361.5)**	1,332.2	-3,693.7	->100%
Basic (loss)/earnings per share (sen)	**(4.26)**	5.30	-9.6	->100%	**(40.05)**	24.68	-64.7	->100%
Diluted (loss)/earnings per share (sen)	**(4.26)**	5.29	-9.6	->100%	**(40.05)**	24.64	-64.7	->100%

NC : Not comparable

About Genting Malaysia

Genting Malaysia is one of the leading leisure and hospitality corporations in the world. Listed on Bursa Malaysia with approximately RM17 billion in market capitalisation, Genting Malaysia owns and operates major resort properties including Resorts World Genting (RWG) in Malaysia, Resorts World Casino New York City (RWNYC) and Resorts World Catskills (RWC) (which is 49%-owned via an associate company) in the United States (US), Resorts World Bimini (RW Bimini) in the Bahamas, Resorts World Birmingham and over 30 casinos in the United Kingdom (UK) and Crockfords Cairo in Egypt. Genting Malaysia also owns and operates two seaside resorts in Malaysia, namely Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi island.

With about 10,500 rooms across seven distinct hotels, RWG is Malaysia's premier integrated resort destination. The resort also features wide-ranging leisure and entertainment facilities, including gaming, theme park and amusement attractions, dining and retail outlets, as well as international shows and business convention facilities. Genting Highlands Premium Outlets (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill further complements the various attractions at RWG. Additionally, the Genting SkyWorlds outdoor theme park will add to RWG's extensive entertainment offerings upon completion.

In the UK, Genting Malaysia owns and operates over 30 casinos, making it one of the largest leisure and entertainment businesses in the country. The Group also operates an online gaming platform comprising an online casino and sports book operation which provides customers a seamless multi-channel gaming experience. Additionally, Genting Malaysia operates Resorts World Birmingham, the first integrated leisure complex of its kind in the UK, offering gaming and entertainment facilities, retail and dining outlets and a 182-room four-star hotel. In the Middle East, Crockfords Cairo, an exclusive casino nestled within the posh surroundings of The Nile Ritz-Carlton Hotel in Cairo, is the Group's first venture into the region.

In the US, Genting Malaysia's RWNYC, the first and only video gaming machine facility in New York City, and RWC, a premium destination resort situated within the scenic Catskills Mountains in the State of New York, collectively offer the ultimate gaming, hospitality and entertainment experience, featuring a live table games casino, over 400 rooms across two hotels, video gaming machines, diverse bar and restaurant choices, exciting shows and memorable events. Additionally, the Group embarked on an expansion project at RWNYC to expand its facilities and attractions, including the development of a new upscale 400-room hotel. Over in Miami, the Group owns the 527-room Hilton Miami Downtown which sits on 30 acres of prime freehold waterfront land.

In the Bahamas, the Group operates RW Bimini, which features a casino, Hilton at RW Bimini, restaurants and bars, various resort amenities as well as the largest yacht and marina complex on the island surrounded by turquoise waters and white-sand beaches.

Genting Malaysia is a member of the Genting Group, one of Asia's leading and best-managed multinational companies. The Genting Group is led by Tan Sri Lim Kok Thay, a visionary entrepreneur who has successfully established the Resorts World brand as a leader in the leisure and hospitality sector in Malaysia, Singapore, the Philippines, the US, the Bahamas and the UK. Tan Sri Lim Kok Thay also has significant investments in other industries globally including oil palm plantations, property development, power generation, oil and gas, cruise and biotechnology.

For more information, visit http://www.gentingmalaysia.com or contact ir.genm@genting.com.

For information on the major properties of Genting Malaysia
Resorts World Genting, visit www.rwgenting.com
Genting Casinos UK Limited, visit www.gentingcasinos.co.uk
Resorts World Casino New York City, visit www.rwnewyork.com
Resorts World Catskills, visit www.rwcatskills.com
Resorts World Birmingham, visit www.resortsworldbirmingham.co.uk
Resorts World Bimini, visit www.rwbimini.com

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