

GENM MALAYSIA BERHAD (“GENM” OR “COMPANY”)

- I. PROPOSED ACQUISITION BY GENM OF SHARES IN EMPIRE RESORTS, INC. FROM KIEN HUAT REALTY III LIMITED (“KH”)
 - II. PROPOSED JOINT VENTURE BETWEEN GENM AND KH TO PRIVATISE EMPIRE RESORTS, INC. (“EMPIRE”)
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(The definitions used in this announcement shall have the same meanings as that used in our announcement dated 6 August 2019 (“**Initial Announcement**”) unless stated otherwise.) All capitalised terms used herein shall unless otherwise defined, have the same meanings as ascribed thereto in the Initial Announcement.

We refer to the Initial Announcement and the letter from Bursa Malaysia Securities Berhad (“**Bursa**”) dated 14 August 2019 (reference number: IQL-14082019-00002). We have reviewed Empire’s most recent quarterly report on Form 10-Q for the period ended 30 June 2019, filed with the United States Securities and Exchange Commission on 9 August 2019 (“**10-Q**”). GENM played no part in the preparation of Empire’s 10-Q and as such, is unable to provide any view on Empire’s deliberations regarding the contents of its 10-Q. A copy of the 10-Q can be found at the following site: <https://www.sec.gov/Archives/edgar/data/906780/000090678019000006/nyny-06302019x10q.htm>

GENM’s response to the letter from Bursa is as follows:

According to Empire’s 10-Q, Empire stated that it believes that its current cash, cash equivalents, cash generated from operations and available funding pursuant to KH’s current commitments will provide sufficient liquidity to fund debt service requirements, Empire’s operations and the expected costs of developing the golf course (“**Golf Course Project**”) adjacent to its casino, Resorts World Catskills (“**RWC**”), until the first quarter of 2020. Furthermore, based on our analysis from public filings, we believe that, with immediate improvements to Empire’s operations following an expeditious consummation of the Proposed Merger, Empire’s present liquidity challenges can be met.

In the 10-Q, Empire identified multiple options to address its current liquidity challenges, including, seeking arrangements to provide additional liquidity, making reductions to its cost structure, restructuring of its and its subsidiaries existing debt terms and pursuing the joint non-binding proposal submitted by GENM and KH to acquire all outstanding shares of capital stock held by Empire stockholders unaffiliated with KH (“**Proposal**”). If these alternatives are unsuccessful, Empire has indicated that it may pursue a voluntary Chapter 11 bankruptcy proceeding in respect of its subsidiary that owns the Catskills casino operations. GENM strongly believes that the Proposal is the best alternative available to Empire’s stockholders and that the Proposal is also in the best interests of GENM’s shareholders. Additional details regarding the Proposal can be found in the Initial Announcement and GENM’s response to Bursa’s letter dated 14 August 2019 (reference number: IQL-14082019-00001).

GENM has participated in the New York Gaming market for almost a decade and currently operates Resorts World New York (“**RWNY**”), the best performing asset in the said market and one of the highest grossing slot operations in the world. RWNY, under GENM’s leadership and management, has demonstrated a successful track record in New York both in terms of development and operations. The Company has carefully evaluated the investment into Empire and has deemed it a worthwhile investment based on numerous factors, including, without limitation:

- RWC is one of the newest and highest quality gaming assets in the northeast U.S., with over USD 900 million invested. It is one of the closest gaming facilities to New York City offering live table games including Baccarat and Blackjack.
- RWC is also nestled in a scenic mountain range development that includes the third party USD 200 million Kartrite Resort. The Kartrite Resort is one of the most modern and state of the art indoor waterpark developments in the US, with 324 brand-new all suite luxury rooms that offer a family attraction for all ages.
- GENM, because of its established management in New York, is in a unique position to take advantage of synergies between its existing operations at RWNY and the RWC. This will

provide both RWNY and RWC with economies of scale resulting in a net cost reduction, thus improving earnings.

- Additionally, the Company will be able to leverage the customer bases of both New York operations to form a combined marketing approach that will maximize gaming revenue while improving margins.
- RWC is in a favorable position to take advantage of the emerging Sports Wagering market in New York. Empire is opening an on-site sports book and is in prime position in the eventuality of the enactment of mobile sports betting.
- RWC has the opportunity to develop a Video Lottery Facility in Orange County, New York adjacent to Woodbury Commons, one of the premier outlet shopping malls in North America.
- Successful execution of the Proposed Merger would place GENM in a position to more deeply access the New York market and provide both GENM and Empire the opportunity to compete more effectively in northeastern US region's current competitive gaming landscape.

As discussed in the Empire 10-Q and its other public filings, RWC opened as recently as February 2018. Empire is currently developing the Golf Course Project and pursuing the New York State Legislature authorized development of an electronic gaming machine facility in Orange County, New York. GENM's and KH's acquisition of Empire via the Proposed Merger is expected to provide Empire the opportunity to complete its projects and embark on a path to stability and growth for the benefit of all stakeholders.

This announcement is dated 15 August 2019.