



GENTING MALAYSIA BERHAD
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PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
FIRST QUARTER ENDED 31 MARCH 2020**

- **Temporary suspension of the Group's resort operations worldwide since mid-March amid the Coronavirus Disease 2019 (COVID-19) outbreak**
- **Implementation of aggressive cost rationalisation efforts**
- **Health and safety a key priority as the Group emphasises stringent protocols across all operating entities**

KUALA LUMPUR, 21 May 2020 – Genting Malaysia Berhad (Group) today announced its financial results for the first quarter ended 31 March 2020 (1Q20).

The Group's total revenue declined by 29% to RM1,955.9 million while adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) decreased by 48% to RM355.4 million. This was primarily due to the temporary disruptions to the Group's resort operations worldwide caused by the COVID-19 outbreak which severely impacted business volumes. The Group registered loss before tax and net loss of RM446.6 million and RM453.9 million respectively.

The Malaysian leisure and hospitality business reported lower revenue and adjusted EBITDA by 36% and 40% to RM1,225.1 million and RM331.2 million respectively. The decline was mainly attributable to a decrease in overall volume of business in the Group's gaming and non-gaming segments following the unprecedented disruptions to the Group's operations amid the COVID-19 outbreak. Operations at Resorts World Genting (RWG), Resorts World Awana, Resorts World Kijal and Resorts World Langkawi were temporarily suspended since mid-March in compliance with the Movement Control Order (MCO) announced by the Prime Minister. Additionally, the decline in revenue was also attributable to lower hold percentage in the mid to premium players segment as compared to the same period last year. Nevertheless, the impact to adjusted EBITDA was mitigated by lower costs incurred in the premium players business.

In the United Kingdom (UK) and Egypt, the Group's revenue declined by 11% to RM371.2 million. The decrease was primarily attributable to lower volume of business in the mass market segment, coupled with lower contributions from Crockfords Cairo in Egypt. The Group's results were also impacted by the temporary closures of Resorts World Birmingham, the Group's other land-based casinos in the UK and Crockfords Cairo since mid-March in line with government directives. Adjusted EBITDA decreased by 44% to RM22.8 million in the period.

In the United States (US) and Bahamas, the Group reported a 13% decline in revenue to RM320.7 million mainly due to lower volume of business recorded at Resorts World Casino New York City (RWNYC) following the temporary closure of RWNYC and Resorts World Bimini (RW Bimini) since mid-March amid the COVID-19 outbreak. Adjusted EBITDA was also lower by 78% to RM14.7 million, largely due to the decline in revenues registered coupled with higher payroll and operating expenses incurred at RWNYC.

During the period, the Group has recognised its share of Empire Resorts, Inc (Empire)'s loss of RM100.1 million. This was primarily due to costs associated with the refinancing of Empire's debts as well as depreciation and amortisation. Business volumes at Resorts World Catskills (RWC) also declined following the temporary suspension of operations at the resort since mid-March due to the COVID-19 outbreak. Nevertheless, operating results at RWC recorded marked improvements up until the closure, with gaming revenues at the property registering a 31% increase in the first two months of 2020 from the same period last year.

The Group's overall adjusted EBITDA includes the impact of foreign exchange translation loss on the Group's USD denominated liabilities of RM17.1 million, as compared to a foreign exchange translation loss on its USD denominated assets of RM0.7 million in the same period last year.

Outlook

The COVID-19 pandemic and the preventive measures taken by governments worldwide have placed significant pressure on the respective countries' economies. The tourism, leisure & hospitality and gaming industries are among the hardest hit by this unprecedented crisis. As the global economy is expected to contract, governments worldwide have introduced economic stimuli packages and fiscal support to mitigate the impact of COVID-19. Additionally, gradual easing of containment measures worldwide would also encourage improvements in economic activity and growth.

In Malaysia, the pandemic and MCO that began on 18 March 2020 have impacted both external and domestic demand, resulting in marginal economic growth and the weakening of labour market conditions. However, economic activity has gradually resumed since the government eased the MCO which allowed more businesses to operate.

However, RWG, Resorts World Awana, Resorts World Kijal and Resorts World Langkawi remain closed until further notice. Nevertheless, the Group is currently preparing for the resumption of operations and is focused on leveraging domestic demand to drive visitation and revenue. As development works on the outdoor theme park (OTP) were affected by the MCO, the Group is working on a revised timeline for the completion and opening of the OTP.

In the US and Bahamas, RWNYS, RWC and RW Bimini continue to be temporarily closed until further notice. Whilst construction of RWNYS's expansion has been halted in compliance with government directives, the Group expects the development of the project to restart shortly.

In the UK and Egypt, Resorts World Birmingham, the Group's other land-based casinos in the UK and Crockfords Cairo continue to be temporarily closed until further notice. However, the Group's digital business in the UK, GentingBet, continues to operate in line with expectations.

While the full extent of the impact of COVID-19 on the Group's financial performance and operations for the financial year ending 31 December 2020 (FY2020) is uncertain at this point in time, the Board wishes to caution that the Group expects its financial results for the remaining period in FY2020 to be adversely impacted.

In the meantime, the Group will continue to implement various aggressive cost control measures across all its operating entities, including a reduction in operational expenditure such as payroll and related costs and the cancellation or deferment of non-essential capital expenditure. The Group has also put in place stringent health and precautionary measures at all its properties to ensure the safety and well-being of its employees and visitors at all times. These measures are part of the Group's ongoing initiative as it prepares for the recovery of the leisure and hospitality sector.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		PRECEDING QUARTER		Variance	
	1Q2020	1Q2019	1Q20 vs 1Q19		4Q2019	1Q20 vs 4Q19		
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	%	
Revenue								
Leisure & Hospitality								
- Malaysia	1,225.1	1,909.5	-684.4	-36%	1,604.8	-379.7	-24%	
- United Kingdom and Egypt	371.2	419.3	-48.1	-11%	422.3	-51.1	-12%	
- United States of America and Bahamas	320.7	367.0	-46.3	-13%	368.5	-47.8	-13%	
	<u>1,917.0</u>	<u>2,695.8</u>	<u>-778.8</u>	<u>-29%</u>	<u>2,395.6</u>	<u>-478.6</u>	<u>-20%</u>	
Property	23.2	26.7	-3.5	-13%	27.6	-4.4	-16%	
Investments & others	15.7	13.1	2.6	20%	18.8	-3.1	-16%	
	<u>1,955.9</u>	<u>2,735.6</u>	<u>-779.7</u>	<u>-29%</u>	<u>2,442.0</u>	<u>-486.1</u>	<u>-20%</u>	
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	331.2	555.6	-224.4	-40%	415.1	-83.9	-20%	
- United Kingdom and Egypt	22.8	41.0	-18.2	-44%	59.8	-37.0	-62%	
- United States of America and Bahamas	14.7	66.0	-51.3	-78%	65.3	-50.6	-77%	
	<u>368.7</u>	<u>662.6</u>	<u>-293.9</u>	<u>-44%</u>	<u>540.2</u>	<u>-171.5</u>	<u>-32%</u>	
Property	10.3	14.9	-4.6	-31%	11.9	-1.6	-13%	
Investments & others	(23.6)	6.6	-30.2	->100%	(0.7)	-22.9	->100%	
	<u>355.4</u>	<u>684.1</u>	<u>-328.7</u>	<u>-48%</u>	<u>551.4</u>	<u>-196.0</u>	<u>-36%</u>	
Pre-operating expenses	(19.6)	(210.6)	191.0	91%	(11.4)	-8.2	-72%	
Property, plant and equipment written off	(3.2)	(0.7)	-2.5	->100%	(4.7)	1.5	32%	
Net loss on disposal of property, plant and equipment	(0.5)	(3.7)	3.2	86%	-	-0.5	NC	
Net gain on disposal of investment properties	-	-	-	-	132.1	-132.1	NC	
Impairment losses	(346.3)	(17.8)	-328.5	->100%	(28.2)	-318.1	->100%	
Reversal of previously recognised impairment losses	-	-	-	-	2.5	-2.5	NC	
Gain on disposal of a subsidiary	-	123.8	-123.8	NC	-	-	-	
Others	(0.6)	-	-0.6	NC	(6.8)	6.2	91%	
	<u>(14.8)</u>	<u>575.1</u>	<u>-589.9</u>	<u>->100%</u>	<u>634.9</u>	<u>-649.7</u>	<u>->100%</u>	
(LBITDA)/EBITDA								
Depreciation and amortisation	(282.8)	(256.6)	-26.2	-10%	(279.5)	-3.3	-1%	
Interest income	36.4	31.9	4.5	14%	23.5	12.9	55%	
Finance costs	(85.3)	(67.8)	-17.5	-26%	(60.4)	-24.9	-41%	
Share of results in an associate	(100.1)	-	-100.1	NC	(31.6)	-68.5	->100%	
	<u>(446.6)</u>	<u>282.6</u>	<u>-729.2</u>	<u>->100%</u>	<u>286.9</u>	<u>-733.5</u>	<u>->100%</u>	
Taxation	<u>(7.3)</u>	<u>(29.5)</u>	<u>22.2</u>	<u>75%</u>	<u>(4.7)</u>	<u>-2.6</u>	<u>-55%</u>	
	<u>(453.9)</u>	<u>253.1</u>	<u>-707.0</u>	<u>->100%</u>	<u>282.2</u>	<u>-736.1</u>	<u>->100%</u>	
(Loss)/profit for the financial period								
	<u>(7.39)</u>	<u>4.75</u>	<u>-12.1</u>	<u>->100%</u>	<u>5.30</u>	<u>-12.7</u>	<u>->100%</u>	
Basic (loss)/earnings per share (sen)								
	<u>(7.39)</u>	<u>4.74</u>	<u>-12.1</u>	<u>->100%</u>	<u>5.29</u>	<u>-12.7</u>	<u>->100%</u>	
Diluted (loss)/earnings per share (sen)								

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 RM13 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 about 40 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 new outdoor theme park will add to RWG's extensive entertainment offerings upon completion.

In the UK, Genting Malaysia owns and operates about 40 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 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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