

## **GENTING BERHAD**

*(Incorporated in Malaysia under Company No. 7916-A)*

### **SUMMARY OF KEY MATTERS DISCUSSED AT THE FIFTY-FIRST ANNUAL GENERAL MEETING OF GENTING BERHAD HELD AT 26<sup>th</sup> FLOOR, WISMA GENTING, JALAN SULTAN ISMAIL, 50250 KUALA LUMPUR ON THURSDAY, 20 JUNE 2019**

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#### ***PRESENT***

Tan Sri Lim Kok Thay	Chairman and Chief Executive and Shareholder
Tan Sri Foong Cheng Yuen	Deputy Chairman, Independent Non - Executive Director and Shareholder
Mr Lim Keong Hui	Deputy Chief Executive and Executive Director
Dato' Dr. R. Thillainathan	Independent Non - Executive Director and Shareholder
Datuk Chin Kwai Yoong	Independent Non - Executive Director
Madam Koid Swee Lian	Independent Non - Executive Director
Datuk Manharlal A/L Ratilal	Independent Non - Executive Director
Mr Eric Ooi Lip Aun	Independent Non - Executive Director

and senior management, company secretary, external auditors, poll administrators, independent scrutineers, share registrar and members present personally and acting as proxies, where applicable and by corporate representatives.

#### ***ABSENT WITH APOLOGIES***

Tan Sri Dr Lin See Yan	Independent Non - Executive Director
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#### **ADMINISTRATIVE**

The Chairman informed the meeting that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of any general meeting must be voted by poll. As the Chairman, Tan Sri Lim exercised the right to demand pursuant to Paragraph 68(A) of the Company's Constitution that poll be taken to vote on all the ordinary and special resolutions set out in the Notice of the 51<sup>st</sup> Annual General Meeting. The Chairman further informed that pursuant to Paragraph 74(A) of the Company's Constitution, on a poll, every member shall have one vote for every share of which he is the holder. Electronic voting system would be used to record the votes cast.

Symphony Merchant Sdn Bhd has been appointed as the poll administrator to conduct the E-polling and Ernst & Young Advisory Services Sdn Bhd has been appointed as the independent scrutineers to validate the votes cast. All the shareholders/proxies/corporate representatives present at the meeting venue had been given a handheld device which had been tagged with the number of shares owned/represented.

The poll results would be announced after each resolution has been voted upon.

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**SUMMARY OF KEY MATTERS DISCUSSED**

**LAYING OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND THE DIRECTORS' AND AUDITORS' REPORTS THEREON**

The audited financial statements for the financial year ended 31 December 2018 together with the reports of the directors and auditors thereon were laid before the Meeting. This agenda was meant for discussion only as under the provision of Section 251(1) of the Companies Act 2016, the audited financial statements did not require formal approval of the shareholders. Hence, the matter would not be put forth for voting.

Presentation on the financial highlights and business operations of the Group for the financial year ended 31 December 2018 covering inter-alia (1) Group Financial Highlights (2) Business Operations of Genting Malaysia, Genting Singapore, Genting Plantations, Resorts World Las Vegas and Genting Energy (3) Prospects of the Group by highlighting some of the key challenges and action plans to be taken by the Company to ensure that the businesses remain strong and deliver the best performance possible whilst operating in a very challenging environment.

The Company had received a letter dated 10 June 2019 from the Minority Shareholder Watch Group ("MSWG"), raising some points pertaining to (i) strategic and financial matters; and (ii) corporate governance matters and management's responses were provided thereto, all as shown on the slides projected through the television screens placed around the meeting hall.

On the matter of managing cost structure and operating efficiency, the meeting was informed that Tan Sri Lim Kok Thay, the Chairman and Chief Executive, has taken a 20% voluntary pay cut in the Company in consultation with the Remuneration Committee of the Company. It was highlighted that Tan Sri Lim's voluntary pay cut is not due to poor financial performance of the Company but a reminder to continue to ensure all business segments perform better and bring more benefit to shareholders in terms of higher dividends payout.

The Chairman emphasized that the Board always put shareholders' interest at heart and all decisions made are in the best interest of the Company. The vast experience of the members of the Board, and the professionalism and expertise of the senior management of the Group enabled the Group to anticipate and strategise in the changing and challenging operating environment. As highlighted during the presentation, the Group continued to generate higher earnings before interest, taxes, depreciation and amortization (EBITDA) level in 2018, although the net profits were partly affected by foreign exchange and some accounting standard practices which changes from time to time.

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The Group has been acting proactively and is in the midst of carrying out rationalisation exercise by implementing extensive cost and operational efficiency review in order to ensure that the Group continues to make profits which in turn will result in higher dividends for shareholders.

Following a question-and-answer session between the Shareholders and the Management/Directors, the following salient points were covered:

- The corporate representative from MSWG thanked the Management and the Board for the fine and satisfactory presentation of all business segments and the answers to MSWG's queries. He commented that (i) the format in the Corporate Governance Overview Report is good and (ii) the Company has provided an adequate disclosure for its compliance with the Malaysian Code on Corporate Governance ("MCCG") in its Annual Report 2018. However, the Company may consider achieving higher compliance and disclosure standards moving forward such as gender diversity. The representative also requested the Company to provide a written reply to MSWG's letter dated 10 June 2019.
- In respect of the request from shareholders to consider bigger venue for holding future AGMs, the Chairman apologised for the shortcoming and conveyed his preference of holding the AGMs at the head quarter's venue and will endeavour to accommodate all shareholders who are attending AGMs until such time when the numbers outgrow the hall, then may consider other venue. Some shareholders also suggested for the Company to consider giving door gift to proxies (non members) who are senior citizens.
- In respect of the risk related to the legal suit by Wynn Resorts ("Plaintiff") against Resorts World Las Vegas, the shareholders were informed that the suit has been amicably settled out of court and not a single cent was paid by the Group to the Plaintiff. The construction of the proposed Resorts World Las Vegas project is expected to complete by the end of 2020.
- On the frequency of renewal of the various casino gaming licenses issued to the companies within the Group, the shareholders were informed that it is renewable every quarterly by the Ministry of Finance for Resorts World Genting, every 3 years renewal by the Casino Regulatory Authority of Singapore for Resorts World Sentosa whilst for Resorts World Las Vegas, the gaming license will only need to be approved by the Nevada Gaming Control Board once till revoked.

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- On the question of whether the Company's power plants located at Banten, Indonesia is safe as it is located close to an earthquake zone and is volcano eruption prone, it was emphasized that before embarking on any new business venture, the Group has always undertaken feasibility assessment and the power plants were designed and built by internal expertise and professionals in accordance with the international safety standards and guidelines. The power plants are also insured against natural disasters with high premium paid. The Group has plan for initial public offering of the assets under Power, Oil and Gas division to monetize the Group's investment at the right time.
- As for the Oil and Gas exploration activities, the Group is close to the production of gas for the Kasuri block to sell to third party petrochemical companies.
- On whether there are sufficient utilities and power to supply to Genting Highlands vicinity in view of the rapid and massive property development of luxurious service apartments by third party developers, it was noted that Genting Utilities & Services Sdn Bhd, a subsidiary of GENM does not have any issue in providing electricity supply services to that area. The Group will also be looking at optimizing resources and investing in additional infrastructure to ensure sufficient power and water supply are available to the expanding population in Genting Highlands.
- On a question whether the Group has any plan of exploring/investing in solar energy in Malaysia in view of the new government's initiative to promote renewable energy, the Group has a power plant i.e. Jangi Wind Farm in Gujarat that generate power via wind which the Group built from scratch. There is currently no plan in exploring the solar energy in Malaysia but the Genting Energy Division is reviewing the feasibility of investing in the solar field at the appropriate time.
- The Group has taken proactive actions to minimise the impact of Brexit including refinancing the UK casinos, transferring of the investments from the United Kingdom to Europe, divestment of major clubs, namely Maxim clubs by GENM group, establishing a casino in Egypt by GENM, and will continue to explore setting up gaming opportunities in other parts of Europe.
- In respect of the increase in the Group's impairment from RM675 million (year 2017) to RM2 billion (year 2018), it was explained that the significant increase was mainly due to the impairment of GENM's investment in the promissory notes issued by Mashpee Wampanoag Tribe ("Tribe") amounting to approximately RM1.8 billion which recoverability was in doubt and uncertain. The impairment loss of this

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investment could be reversed if and when the Tribe's land rights are secured and the promissory notes are assessed to be recoverable. Around RM200 million was the impairment for the Group's investment in certain life science companies. In 2017, the impairment amount relates primarily to the casino operations in the UK, available for sale investment portfolio, investment in associates and property, plant and equipment. The recoverability of the investment made and future cashflows from its operations are uncertain as a result of the economic sentiment. The impairment items for financial year 2018 and 2017 were different.

- The trade and other receivables amount disclosed under Note 32 of the Company's Financial Statements for the financial year ended 31 December 2018 of RM700 million was primarily derived from Resorts World Sentosa ("RWS") which gives credit to its premium players. The amount is considered to be at manageable level as compared to the amounts recorded for the past few years. The credit policy had been reviewed by RWS at a more prudent level and the amount commensurate with the increase in revenue in line with the growing business of RWS.
- In respect of the life sciences investment in Elevance Renewable Sciences, Inc ("ERS"), an indirect 47.7% associate of the Company, the Group's investment policy is no difference from fund managers which manage diversified investment portfolios and the risks associated with it but the Group has the advantage of having business relationship with the investee companies. If opportunity for commercialisation of the products arises, the Group is able to capitalise on it. On the reason for written off the impairment cost for the investment in ERS, it was clarified that the Group has taken a prudent approach to write it off first while monitoring the carrying value of the investment as there was no clear path to exit at this juncture since the business is still ongoing. ERS is using Nobel prize winning technology to create high value specialty personal care and beauty products, ERS has recently announced the use of synthetic molecule to replace silicone in its beauty care products.

Further, if the investments in life sciences and biotechnology companies are successful, it could benefit Malaysia as a whole. For instance, the successful establishment of the Genting Dementia Care Centre is a result of the collaboration through some of the Group's investment in life sciences field.

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- On the suggestion to involve more young employees, the Chairman recognized that young employees, being future leaders of the Group, are the best resources and believes they understand the changes in the market more and thus able to contribute for the betterment of the Group. He was proud to highlight the philanthropic effort of the Group to encourage the involvement of young staff through voluntary work, in particular, The Community Chest and the Genting Dementia Care Centre which provide financial support for education and healthcare charitable activities as part of the Group's corporate social responsibility efforts.

**THE POLL RESULTS**

The poll results for Ordinary Resolutions 1 to 10 and Special Resolution which were duly verified and confirmed by Ernst & Young Advisory Services Sdn Bhd, the Independent Scrutineers, as displayed through the plasma televisions placed around the meeting hall are as follows:

RESOLUTION	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1 - To approve the declaration of a final single-tier dividend of 6.0 sen per ordinary share for the financial year ended 31 December 2018 to be paid on 25 July 2019 to members registered in the Record of Depositors on 28 June 2019.	<b>2,901,048,068</b>	<b>99.958606</b>	<b>1,201,360</b>	<b>0.041394</b>
Ordinary Resolution 2 - To approve the payment of Directors' fees of RM1,122,000 for the financial year ended 31 December 2018	<b>2,821,809,134</b>	<b>99.730453</b>	<b>7,626,664</b>	<b>0.269547</b>

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RESOLUTION	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3 - To approve the payment of Directors' benefits-in-kind for the period from 20 June 2019 until the next annual general meeting of the Company in 2020	<b>2,900,361,454</b>	<b>99.944057</b>	<b>1,623,464</b>	<b>0.055943</b>
Ordinary Resolution 4 - To re-elect Mr Lim Keong Hui as a Director pursuant to Paragraph 99 of the Company's Constitution	<b>2,818,992,460</b>	<b>97.187503</b>	<b>81,578,458</b>	<b>2.812497</b>
Ordinary Resolution 5 - To re-elect Datuk Manharlal A/L Ratilal as a Director pursuant to Paragraph 104 of the Company's Constitution	<b>2,897,800,546</b>	<b>99.854342</b>	<b>4,227,022</b>	<b>0.145658</b>
Ordinary Resolution 6 - To re-elect Mr Eric Ooi Lip Aun as a Director pursuant to Paragraph 104 of the Company's Constitution	<b>2,891,962,406</b>	<b>99.662843</b>	<b>9,783,450</b>	<b>0.337157</b>
Ordinary Resolution 7 - To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	<b>2,856,089,388</b>	<b>98.539788</b>	<b>42,322,968</b>	<b>1.460212</b>

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RESOLUTION	Vote For		Vote Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8 - To approve the authority to Directors pursuant to Sections 75 and 76 of the Companies Act 2016	<b>2,741,879,761</b>	<b>94.490382</b>	<b>159,875,645</b>	<b>5.509618</b>
Ordinary Resolution 9 - To approve the proposed renewal of the authority for the Company to purchase its own shares	<b>2,883,277,239</b>	<b>99.731960</b>	<b>7,749,100</b>	<b>0.268040</b>
Ordinary Resolution 10 - To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	<b>1,191,019,306</b>	<b>99.397208</b>	<b>7,222,910</b>	<b>0.602792</b>
Special Resolution - To approve the proposed adoption of a new Constitution of the Company	<b>2,900,376,446</b>	<b>99.957237</b>	<b>1,240,810</b>	<b>0.042763</b>

Based on the poll results, all resolutions as set out in the Notice of the 51<sup>st</sup> Annual General Meeting of the Company were duly carried.