



GENTING

BERHAD

**52nd AGM
Presentation
22 June 2020**



PRESENTATION AGENDA

1. Key Performance Highlights

2. Financial Highlights

3. Business Review

- Genting Malaysia
- Genting Singapore
- Resorts World Las Vegas
- Genting Plantations
- Genting Energy

4. Looking Ahead

5. Pre-submitted Questions from Shareholders, including MSWG

FY2019

Total Revenue

RM21.6 billion

↑ +4%



FY18: RM20.9 billion

Total Assets Employed

RM102.0 billion

↑ +6%



FY18: RM96.1 billion

Investments with operations in
9 countries
across 4 continents



Resorts World properties attracted more than

61 million

visitors worldwide

↑ +5%



FY18: 58 million

Employing over
55,000
people globally

↓ -2%



FY18: 56,000

Benefitted over
128,000
people in community philanthropy

↑ +11%



FY18: 115,000

Genting Berhad – Market Capitalisation

RM23.3 billion

as at 31 December 2019

↓ -1%

FY18: 23.5 billion



Consistent dividends to reward shareholders

22.0 sen

per ordinary share

↑ +2%

FY18: 21.5 sen

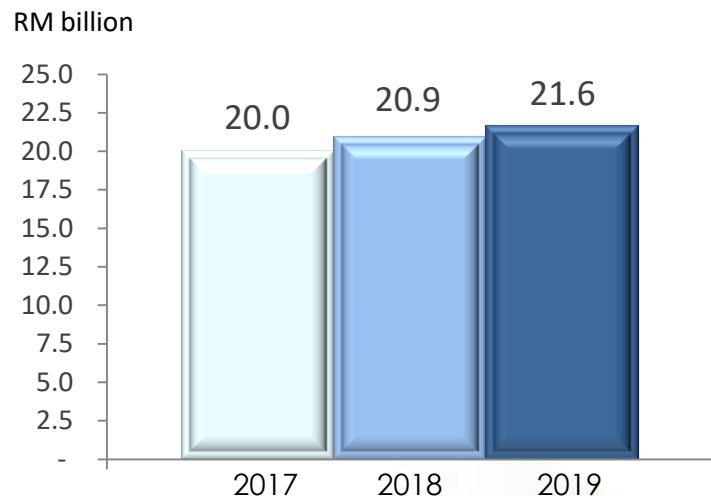


FINANCIAL HIGHLIGHTS

<i>in RM million</i>	FY 2019	FY 2018	YOY
Revenue	21,617	20,853	+4%
EBITDA	7,883	8,137	-3%
<i>EBITDA margin</i>	36%	39%	-3%
Profit before tax	4,583	3,418	+34%
Basic EPS (<i>sen</i>)	51.83	35.58	+46%
Total assets	102,016	96,141	+6%
NTA per share (<i>RM</i>)	9.18	8.90	+3%

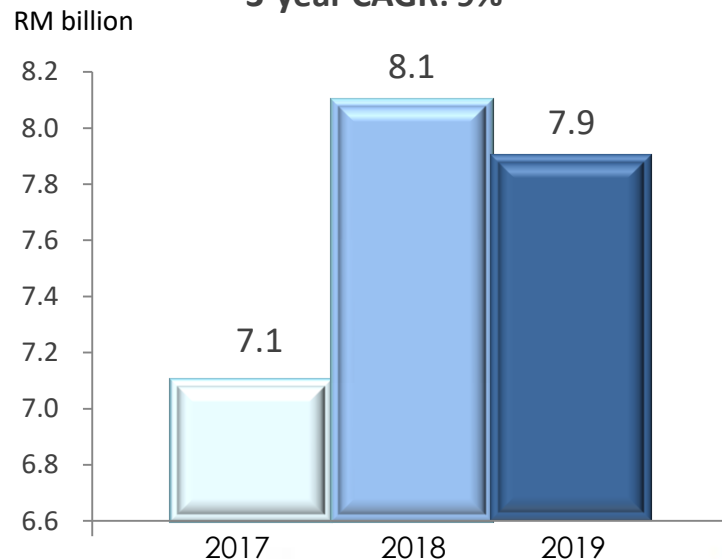
Revenue

3-year CAGR: 6%



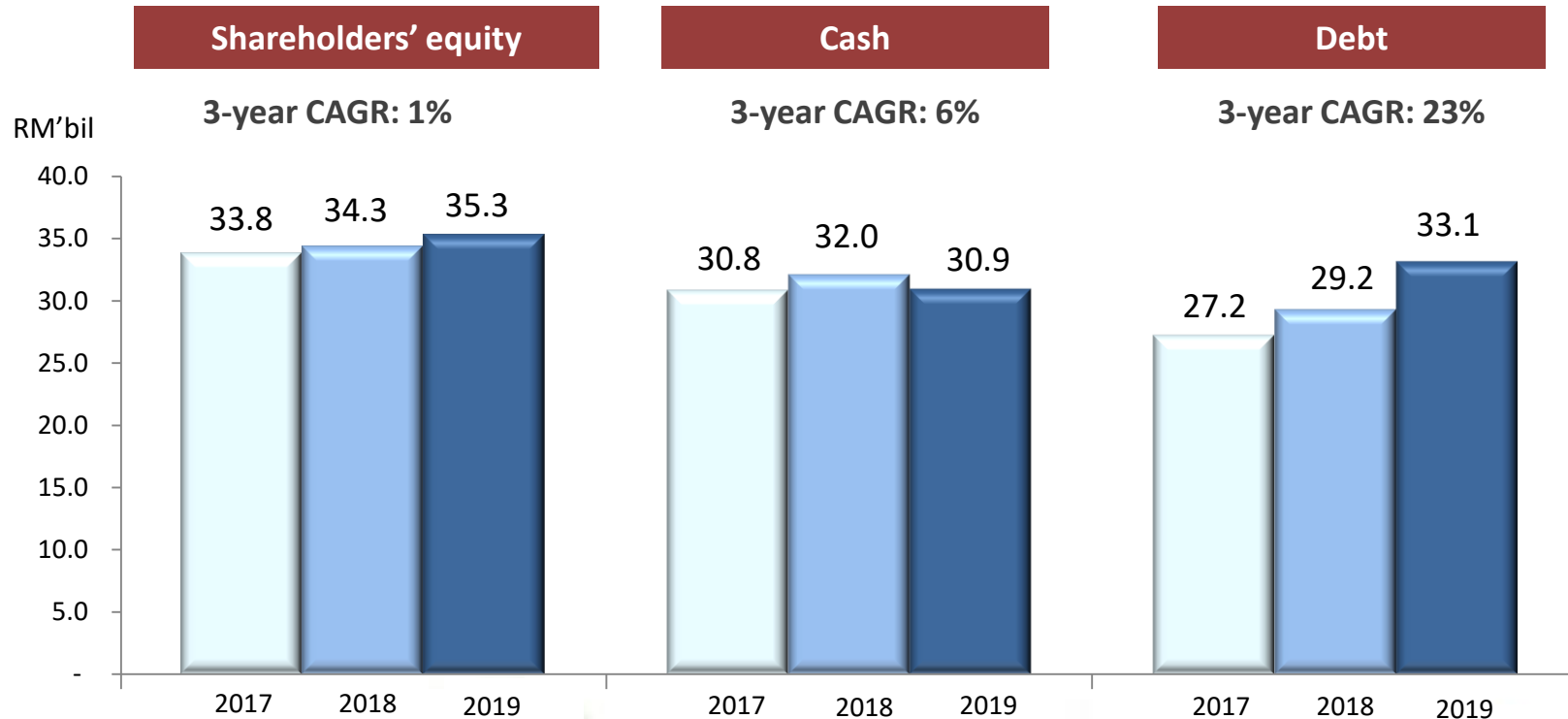
EBITDA

3-year CAGR: 9%



Sizeable capex made in recent years demonstrating results

FINANCIAL OVERVIEW

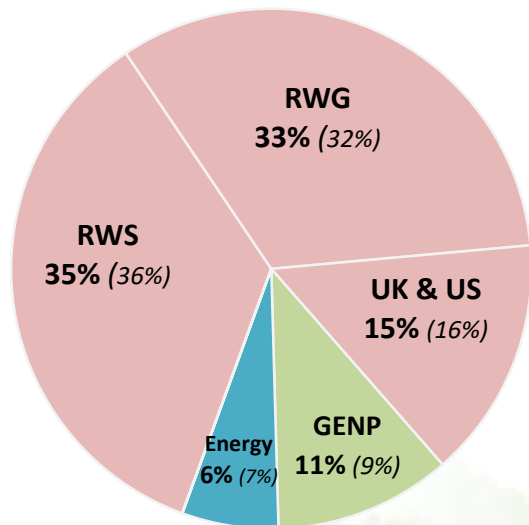


Strong shareholders' equity & cash position with additional debt taken for expansion

Revenue 3-year CAGR: 6%

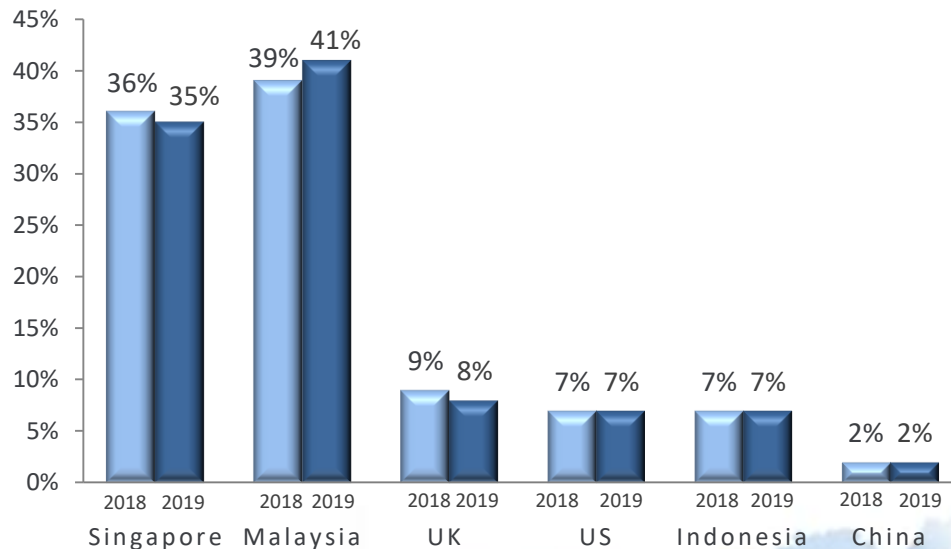
Revenue by business

Leisure & Hospitality – 83% (84%)



Revenue by location

Less than 50% contribution from Malaysia



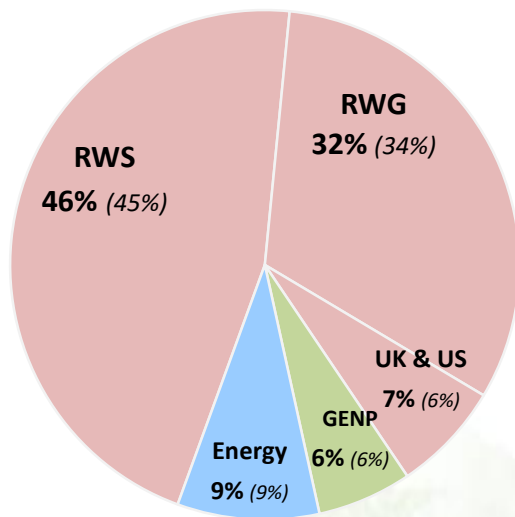
(XX) – refer to FY 2019 figures

(XX) – refer to FY 2018 figures

EBITDA 3-year CAGR: 9%

EBITDA by business

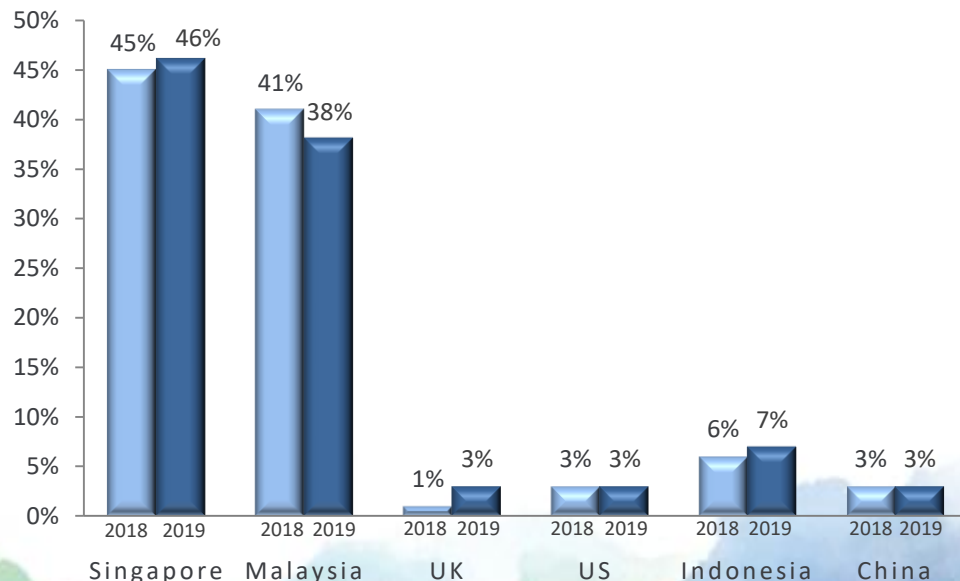
Leisure & Hospitality – 85% (85%)



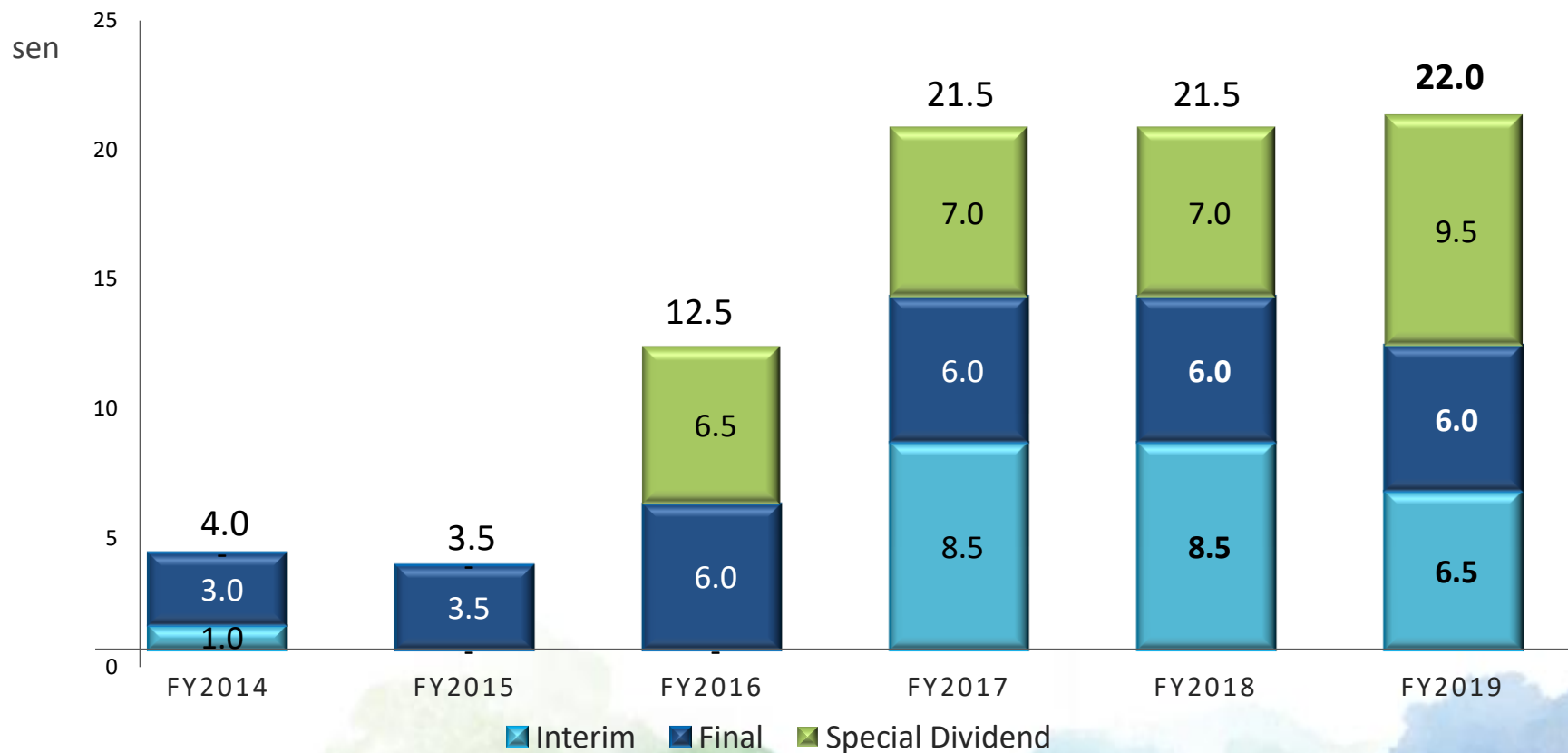
(xx) – refer to FY 2018 figures

EBITDA by location

Internationally diversified, 62% earnings outside Malaysia




DIVIDEND PER SHARE





CAPITAL COMMITMENTS FOR GLOBAL EXPANSION

<i>In RM million</i>	31 Dec 2019	31 Dec 2018	
Genting Malaysia - Malaysia	2,687	3,099	
- UK	352	250	
- US & Bahamas	1,737	2,390	
Genting Singapore	14,685	818	SGD4.5 billion RWS 2.0 started in 2019.
Genting Plantations - Malaysia	617	578	
- Indonesia	987	796	
Genting Energy - Power	101	67	
- Oil & Gas	203	62	
Resorts World Las Vegas	9,996	13,607	USD4.3 billion RWLV – ongoing construction, to complete by Summer 2021.
Others	6	523	
Total FY2019	31,371	22,190	 41%

FY2019 Financial Highlights

Revenue

RM10.4bn

↑ 5%

Adjusted EBITDA

RM2.6bn

↓ 8%

- Higher revenue mainly due to higher hold percentage in the mid to premium players segment and improvement in non-gaming revenue at Resorts World Genting
- Adjusted EBITDA impacted by higher casino duties imposed on Resorts World Genting



FY2019 – KEY STATISTICS

28.7 million

visitors

↑11%

(FY18: 25.9 million)



76%

day-trippers

(FY18: 73%)



5.0 million

loyalty members

↑9%

(FY18: 4.6million)



10,500

hotel rooms

7 Hotels



95%

average hotel

occupancy rate

(FY18: 97%)



RM219

average hotel room rate

↑>100%

(FY18: RM106)



MALAYSIA

2019 Highlights



Five-Star
Hotel

Crockfords Hotel

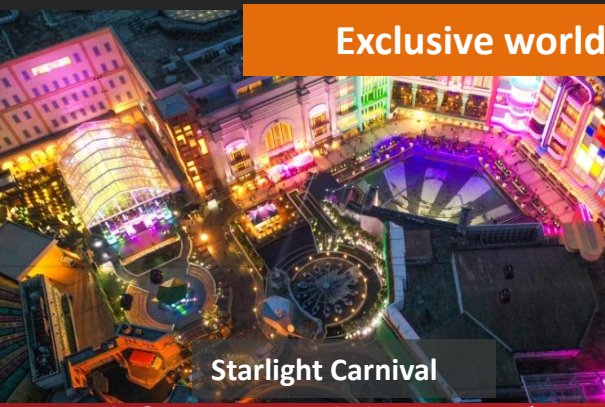


Malaysia's first and only Forbes Travel Guide 5-Star Hotel



Sky VR

Exclusive world-class attractions promising endless entertainment



Starlight Carnival



CNY in the Sky



Winter Wonderland

MALAYSIA

2019 Highlights



FUHU by Zouk



Diverse F&B options providing distinct dining experiences



Ed's Easy Diner

The Laughing Fish by Harry Ramsden

Gaining recognition in the global arena

Service excellence in leisure & hospitality



Crockfords Hotel – Five-Star Award

**2019 Forbes Travel Guide Star Ratings
by Forbes Travel Guide**

Acknowledgments of Good corporate governance and regulatory compliance



Genting Malaysia Berhad – Finalist

**PwC Malaysia's Building Trust
Award 2019 by PwC Malaysia**



Genting UK – Head of AML/MLRO or
AML Team of the Year Award

**Global Regulatory Awards by Gambling
Compliance Global Regulatory Awards**

Financial Highlights

(£'million)	FY2019	FY2018	Change
Revenue	316.8	330.1	↓4%
Adjusted EBITDA	43.8	33.8	↑29%
Adjusted EBITDA Margin	14%	10%	

- Revenue impacted by lower hold % in the premium players segment
- Higher adjusted EBITDA mainly due to adoption of MFRS16 (new accounting standard), partially offset by lower debts recovery
- Visitors ↓3% to 4.0m in FY19 (FY18: 4.1m)





Financial Highlights

(USD million)	FY2019	FY2018	Change
Revenue	354.6	343.1	↑3%
Adjusted EBITDA	69.7	75.7	↓8%
Adjusted EBITDA Margin	20%	22%	

- RWNYC continues to lead the Northeast US region with approx. 42% market share by gaming revenue
- Improvement in revenue mainly due to higher business volume at RWNYC
- Adjusted EBITDA impacted by higher payroll and operating expenses at RWNYC
- RW Bimini continues to record lower operating losses as operational efficiencies improve

Transforming RWNYC into a premium integrated resort destination

- Additional gaming space opened in September 2019
- Upcoming new attractions: 400-room hotel (targeted to open first quarter of 2021), various new dining, entertainment and retail outlets



- **November 2019: 49% indirectly owned by Genting Malaysia**
- **One of four commercial gaming-licensed casinos in the New York State**
- **150 live table games, ~1,600 VGMs, over 400 rooms in 2 premium hotels and various F&B outlets**



FY2019 Financial Highlights

Revenue

~S\$2.48bn

↓ 2%

EBITDA

>S\$1.19bn

↓ 3%

Resorts World Sentosa

ASIA'S PREMIUM LIFESTYLE DESTINATION



**Best Integrated
Resort**
9th consecutive year



*Singapore Tourism
Awards 2019*

**Best Meetings/
Incentives
Organiser Award**



*Michelin Guide
Singapore 2019*

**One Michelin Star
*table65***



*World Travel
Awards 2019*

**Asia's Leading
Theme Park
Resort**



2019 HIGHLIGHTS

World-Class Attractions

UNIVERSAL STUDIOS SINGAPORE®

Sesame Street - 50 Years and Counting



Halloween Horror Nights 9

5 Haunted Houses | 2 Scare Zones | 1 Carnival Zone (New)



S.E.A. AQUARIUM

Glowing Ocean

Spotlight on signs and signals emitted by marine life to hint at adverse effects of climate change



Guardians of the S.E.A.A



Science in the S.E.A.A



Kayak and Klean

ACCREDITED BY THE
**ASSOCIATION
OF ZOOS &
AQUARIUMS**

Re-accreditation by
Association of Zoos
and Aquariums

2019 HIGHLIGHTS

First-in-Singapore MICE Events

Singapore MICE Forum (Island Edition)



World Congress on Maritime Heritage



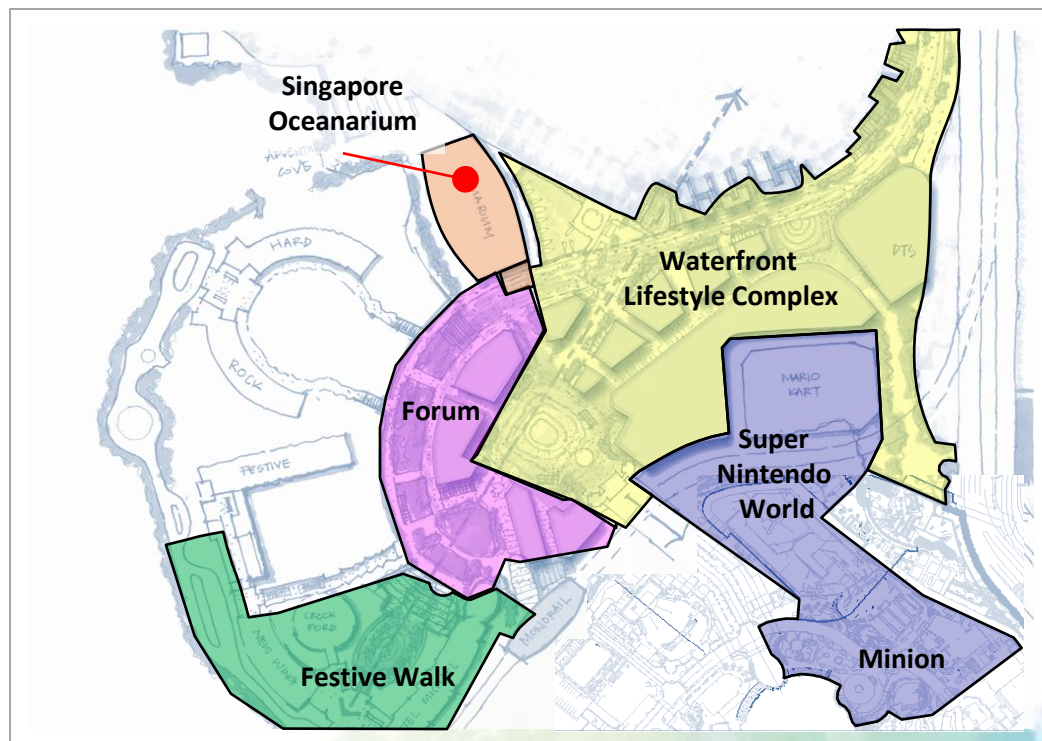
The Special Event Asia



Skift Forum Asia (Inaugural Asia edition)



RWS 2.0 - Continuing the journey as the best integrated resort in Asia Pacific



~ 50%

New Gross
Floor Area

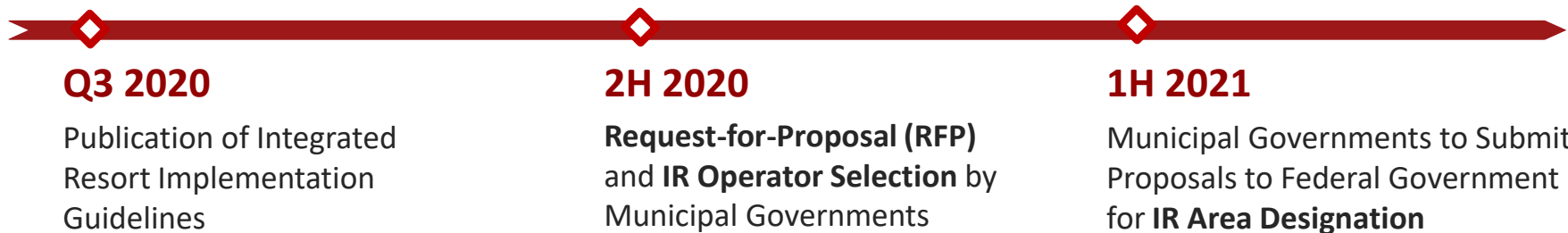
> 164,000m²

New attractions, entertainment
and lifestyle offerings

- Transformation of **world class attractions**
- **Centrepiece** of the Greater Southern Waterfront
- Spur new wave of **tourism growth for Singapore**



NATIONAL TIMELINE



Prime location on Las Vegas Strip

- 1) 88-acre site - good accessibility and visibility
- 2) “New” centre of the Las Vegas Strip, close to other key attractions:
 - Las Vegas Convention Center
 - Wynn Las Vegas & Encore Resort
 - Sands Expo and Convention Center
 - Fashion Show Mall



2019 HIGHLIGHTS



November 2019 - updated plans announced for the USD4.3 billion luxury resort-casino.

- 5,000-capacity state-of-the-art theatre scalable to host A-list celebrity residencies and corporate events;
- 75,000 square feet of nightlife and day life concept;
- 50 feet diameter video globe with over 6,000 square feet of LED content;
- additional luxury suites, villas and penthouses with individual lobby experiences, open balconies and a sky casino.

Partnering HILTON for a multi-brand Las Vegas resort

- Resorts World Las Vegas and Hilton partnered to bring three of Hilton's premium brands (Hilton Hotels & Resorts, LXR Hotels & Resorts and Conrad Hotels & Resorts) as well as the Hilton Honors loyalty programme to the new resort, when it opens in Summer 2021.

HILTON PREMIER BRANDS



L X R
HOTELS & RESORTS

CONRAD
HOTELS & RESORTS™

LOYALTY PROGRAMME



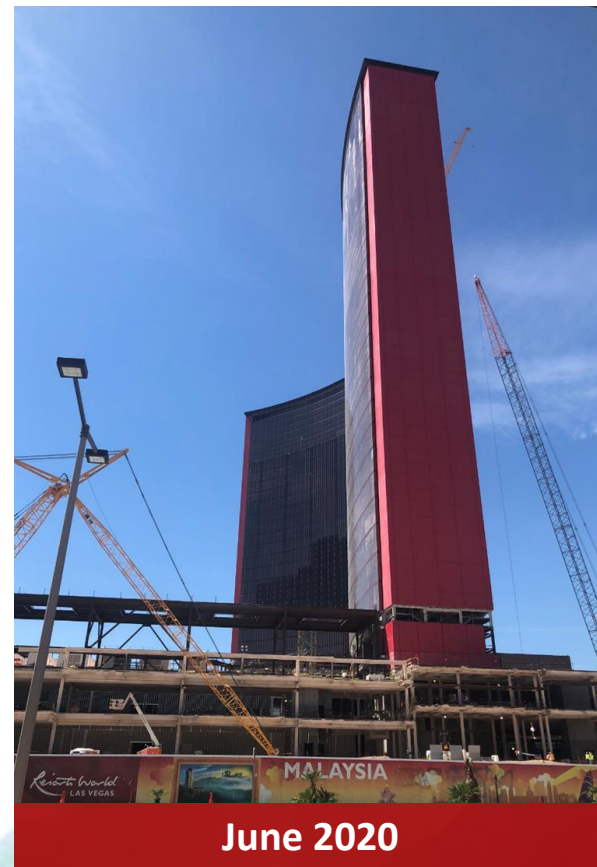
Total development and land costs as at 31 Dec 2019: ~USD1.9 billion



To feature a myriad of premier facilities and amenities to appeal to a wide array of domestic and international business and leisure guests.

- Next-generation casino (100,000 sq ft);
- Two resort towers (3,500 rooms);
- Meeting and banquet space (250,000 sq ft);
- World-class spa (30,000 sq ft);
- Pool complex with seven unique pool experiences covering 250,000 sq ft including an infinity pool.
- West Tower LED screen covering 100,000 sq ft (one of the largest LED building displays in the United States) and East Tower LED screen covering 19,000 sq ft;
- Extensive food and beverage portfolio with variety of cuisine from authentic street food to Michelin star dining, including concepts new to the Las Vegas Strip.

Note: features and renderings are subject to change





June 2018



June 2019



June 2020

FY2019 Financial Highlights

Revenue	EBITDA	PBT
RM2.27 bn	RM433mn	RM185mn
↑ 19%	↓ 1%	↓ 11%

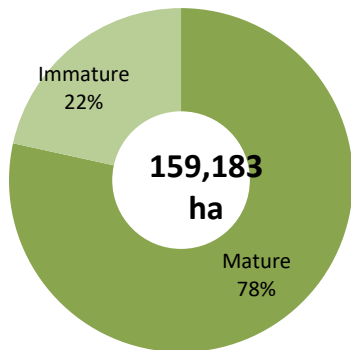
FY2019 Statistics

CPO selling price	PK selling price	FFB output
RM2,048/mt	RM1,179/mt	2.2 million mt
↓ 3%	↓ 30%	↑ 5%



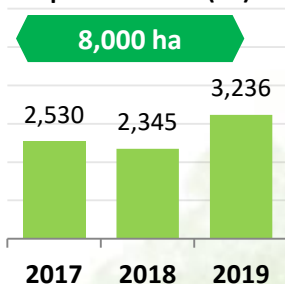
Replanting Programme

2019 planted area - Malaysia



Average palm age:
11.5 years

Replanted areas (ha)

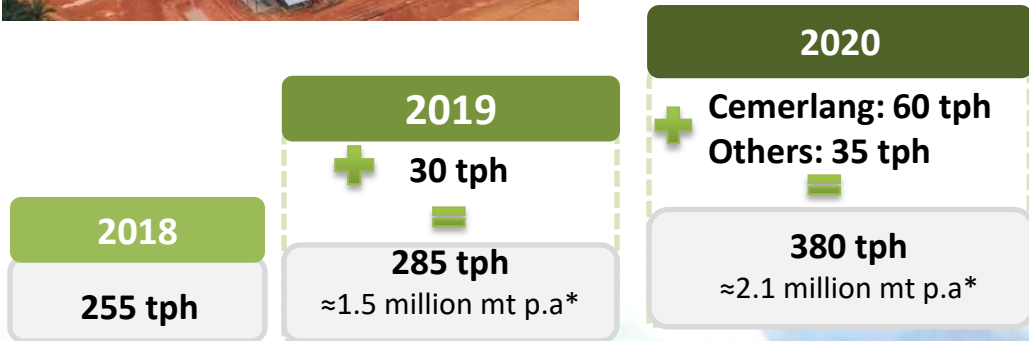


Increasing Milling Capacity



Cemerlang Oil Mill

- 5th oil mill in Indonesia,
- target to complete: 2H2020



Note: tph denotes metric tonnes per hour * Full annual capacity

Continuous adoption of latest technologies to improve efficiency



Genting Plantations Mapping System

A cloud based platform to digitalise Genting Plantations' land ownership and documentation

GPMS

Biometrics

Facial Recognition Attendance Device

Improve labour management

Drone

Usage of drones

Mapping, palm counting and assessment of floods and hot spots

OYP apps

Oil Yield Project apps

Digitalise recording of FFB quality inspection



Higher Yields from In-house Marker-Driven Planting Materials

Continuous development of intellectual property

- Collaboration with the biggest global agriculture leader, **Corteva AgriScience**
- Affirmation by Scientific Advisory Panel

On-going data collection

- Established high throughput genotyping lab to screen high yielding planting materials
- Planted >1,000 Ha and on-going data collection

Encouraging yield increment

- Encouraging early yield
- GENP using high yielding marker-assisted breeding seeds for its replanting

Seed production facility

- Obtained seed production licence from **MPOB**
- Expansion of seed production facility

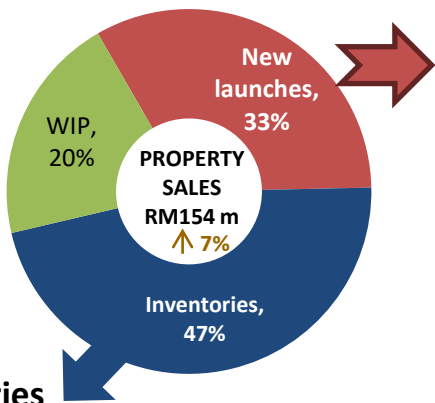
Enhancing Plant Health through Sustainable Microbial Solutions



2019: Inventories reduced by 42%

2020: Affordable pricing for broader market

Property sales breakdown



2019: Genting Indahpura Raintree Residences Phase 2

Double-Storey Link Bungalows (Feb'19)

Price: RM1.15m, 100% sold

Double-Storey Cluster Homes (Feb'19)

Price: RM880k–RM980k, 67% sold

Double-Storey Semi-Detached (Sep'19)

Price: RM1.30m, 50% sold

2020:

New launches - Genting Indahpura

RMBJ Townhouses (Aug 2020)

Price: RM150k



Double-Storey Terrace – Kensington 2 (Aug 2020)

Price: RM543k

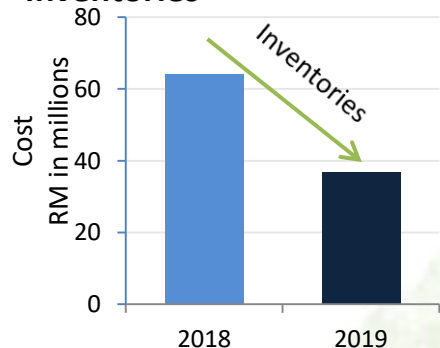


Double-Storey Terrace – Ledang Homes (Oct 2020)

Price: RM512k



Inventories



Improved performance with additional 45,000 sf leasable area in Johor



Johor Premium Outlets®

GLA: 310,000 sq ft

No. of stores: 150

No. of visitors: >4 million

2019 new stores:

Prada, Bottega, Kenzo, Godiva,
 Outlet by Club 21, Stuart
 Weitzman and North Face

Genting Highlands Premium Outlets®

GLA: 280,000 sq ft

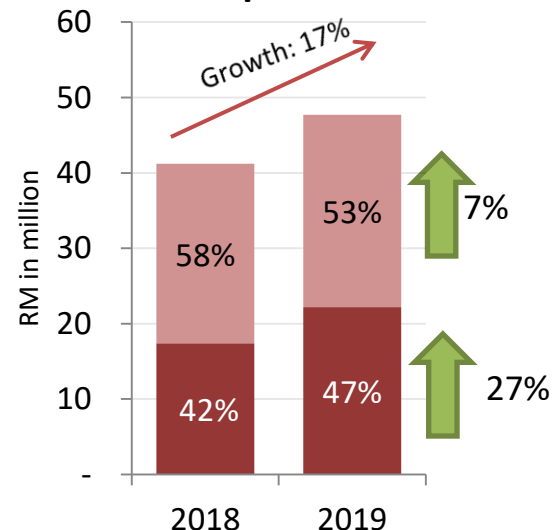
No. of stores: 150

No. of visitors: >6 million

2019 new stores:

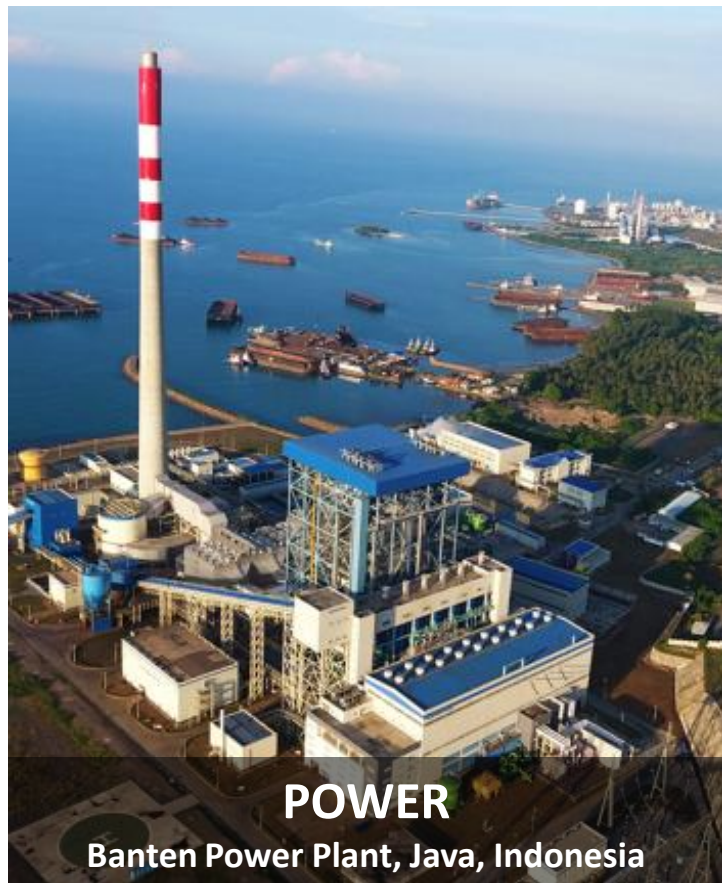
Burberry, Longchamps

Share of JV profit



Upcoming brands

Fendi, Valentino



FY2019 Financials Highlights

Revenue

RM1.38bn

↓1%

Adjusted EBITDA

RM0.67bn

↓8%



INDONESIA – BANTEN POWER PLANT



- 660MW coal-fired power plant in Banten, West Java, Indonesia; indirect 55% equity interest
- **High Availability** of 99.17% vs 80% required under the power purchase agreement
- On 29 January 2019, the project successfully raised an investment grade 20-year US\$775million 6.875% project bond to refinance its existing senior debt



bsi.

Certificate of Registration

ENERGY MANAGEMENT SYSTEM - ISO 50001:2018

This is to certify that:

PT Lestari Banten Energi
Dewa Salira
Kecamatan Palo Anjari
Kabupaten Serang
Provinsi Banten
Indonesia 42455

Welds Certificate No:

ENMS 706347

and operates an Energy Management System which complies with the requirements of ISO 50001:2018 for the following scope:

Generation of Electricity for Thermal Power Plant using Coal/Fossil.

For and on behalf of BSI:

A
Chris Cheung, Head of Compliance & Risk - Asia Pacific

Original Registration Date: 2019-09-18
Latest Revision Date: 2019-09-18

Effective Date: 2019-09-18
Expiry Date: 2023-09-17

Page: 1 of 2



...making excellence a habit.

This certificate may be used externally, and remains the property of BSI and is issued by the conditions of contract.
An external user may not be allowed to use the BSI logo or the BSI name in any way without the prior written consent of BSI.
Any use of the BSI logo or the BSI name in any way without the prior written consent of BSI is prohibited.
This certificate is valid only if it is signed by the holder of the certificate and the signatory of the ISO 50001:2018 requirements have been determined according to the requirements.
Information and Contact: BSI, 389 Chiswick Lane, Uxbridge, Middlesex UB8 3PH, UK. Tel: +44 (0) 20 899 6900.
BSI Customer Care, 389 Chiswick Lane, Uxbridge, Middlesex UB8 3PH, UK. Tel: +44 (0) 20 899 6900.
A member of the BSI Group of Companies.

- “Environmentally Friendly Company (Graded as Good)” – 3rd consecutive year, awarded by the Serang Regional Municipal, Indonesia
- “Refinancing Deal of the Year 2019” – awarded by Project Finance International
- “Best New Bond (Indonesia) – Country Award 2019” – awarded by The Asset
- “ISO 50001:2018 Energy Management System” certification



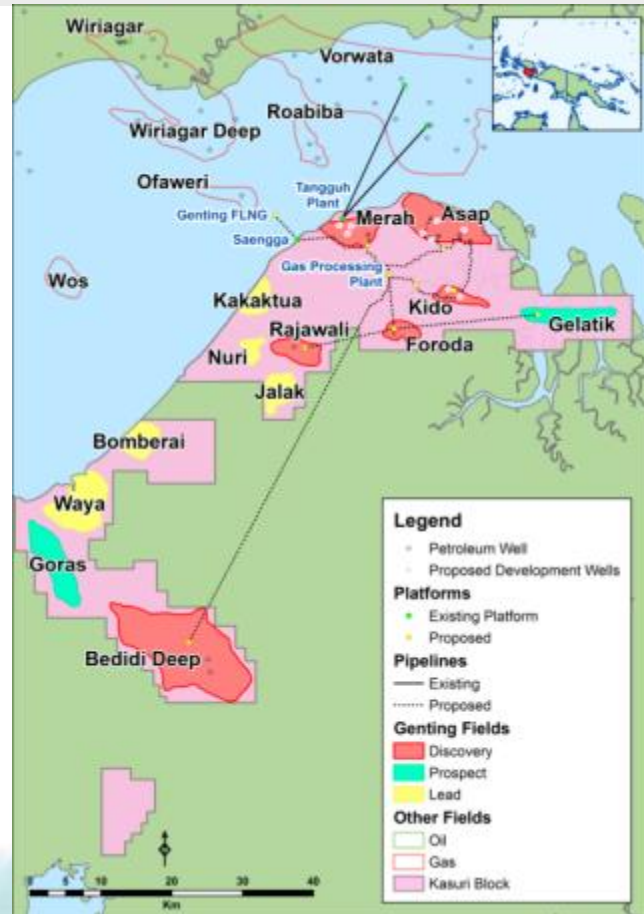
- 49% owned Meizhou Wan Phase I and II
- In April 2019, Meizhou Wan Power Plant Phase I & II were merged into a single project company - **SDIC Genting Meizhou Wan Electric Power Company Limited**
- 2,786 MW coal-fired power plant in Fujian province, China
- Expected to improve operational efficiency of the power plants
- Awarded the **2018-2019 China National Quality Engineering Award – Gold Prize** by China Association of Construction Enterprise Management (CACEM)

INDIA – JANGI WIND FARM



- Wholly-owned 92MW Jangi wind farm in state of Gujarat, India
- Genting Energy's first renewable project – relies only on natural wind power to generate electricity.
- Does not produce any atmospheric emissions.
- Consistently High Availability Rate
(2019: 98.9%: 2018: 98.2%)
- Capacity factor of 28.3% achieved in 2019
(2018: 26%)

- Kasuri block is located in West Papua, Irian Jaya
- Drilled 10 wells, extensive 2D and 3D seismic carried out in 2019
- POD 1 will utilise 1.7 tcf of Gas Initially In Place (“GIIP”) in the Roabiba formation in the Asap, Merah and Kido structures
- Gas to be sold to a proposed 3rd party petrochemical plant for 20 years; pending internal and Government approval
- Front End Engineering Design work and Environmental Impact Assessment - in progress



CHINA – CHENGDAOXI OIL FIELD

- Positive performance in 2019
- Delivered 2.8 million barrels of oil in 2019 (similar to 2018)



- Production cost per barrel being kept low
- Plan to drill 3 new wells in 2020

KEY CHALLENGES

UNPRECEDENTED & CHALLENGING TIMES :

- The COVID-19 pandemic and preventive measures taken have placed significant pressure on economies worldwide
- Tourism, leisure & hospitality and gaming industries among the hardest hit
- Subdued demand for palm products
- Economic stimuli packages and fiscal support by governments worldwide mitigate impact
- Easing of containment measures encourage improvements in economic activity and growth
- Full extent of the impact of COVID-19 is uncertain at this juncture

FOCUS:

- Implementation of aggressive cost control measures to continue across all operating entities
- Health and safety remain key priorities to protect employees and customers
- Implementation of stringent health and safety measures group-wide
- Re-engineered processes and developed a comprehensive safety plan in line with government guidelines and global best practices

UPDATES

RESORTS WORLD GENTING

- Reopened on 19 June 2020 with enhanced safety measures in place
- New outdoor theme park, to be named “Genting SkyWorlds”, is targeted to open in the second quarter of 2021
- Leverage domestic demand to drive visitation and revenue

UK & EGYPT

- Retail shopping outlets at RW Birmingham reopened on 15 June 2020
- Authorities have indicated that land-based casinos in the UK can resume operations from 4 July 2020
- Preparations to resume operations are currently underway

US & BAHAMAS

- RWNyc and RW Catskills remain temporarily closed
- Preparations to resume operations are currently underway
- Construction works for the expansion project at RWNyc has restarted on 8 June 2020
- RW Bimini will resume operations on 1 July 2020

RESORTS WORLD SENTOSA

- Resumed dine-in services at some restaurants from 19 June 2020
- Other guest offerings remain suspended for now, with preparation for reopening with enhanced safe management measures in line with government’s health directives.

RESORTS WORLD LAS VEGAS

- Target opening in Summer 2021 with construction currently in progress.

GENTING PLANTATIONS

- Plantation operations (Peninsular Malaysia and Indonesia) continued during MCO period.
- Property operations and Premium Outlets® resumed operations in early May 2020. Focus on building up property sales and patronage to Premium Outlets

GENTING ENERGY

- Power and Oil & Gas operations – business as usual

**REPLY TO PRE-SUBMITTED QUESTIONS FROM
THE SHAREHOLDERS, INCLUDING
MINORITY SHAREHOLDERS
WATCH GROUP (“MSWG”)**

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 1:

The Group profit before tax increased to RM4,582.6 million in FY 2019 from RM3,418.4 million in FY 2018 mainly due to a substantial decrease in impairment losses to RM404.6 million in FY 2019 from RM2,008.5 million in FY 2018. (Page 84 of Annual Report - AR)

What accounted for the substantial reduction in impairment losses?

Reply to Question 1:

As stated in page 30 of the Annual Report (Management's Discussion and Analysis of Business Operations and Financial Performance), the impairment losses in 2018 related mainly to impairment loss of RM1,834.3 million on Genting Malaysia Berhad's ("GENM") investment in the promissory notes issued by the Mashpee Wampanoag Tribe. The impairment loss was due to the uncertainty of recovery of the promissory notes following the United States of America Federal Government's decision in September 2018 concluding that the Mashpee Wampanoag Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Mashpee Wampanoag Tribe to have the land in trust for an integrated gaming resort development.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 2:

The ongoing development of the new outdoor theme park in Resorts World Genting is approaching the final stages and Genting Malaysia remains focused on its timely completion. Genting Malaysia will continue to leverage on its quality assets to grow key business segments. (Page 3 of AR) To what extent has the Covid -19 pandemic delayed its progress and when is it expected to be fully completed?

Reply to Question 2:

The Movement Control Order, a preventive measure by the Government of Malaysia in response to the COVID-19 pandemic in the country on 18 March 2020, resulted in development works at the new outdoor theme park (“OTP”) to be halted. There were also travel restrictions on foreign consultants and specialists entering Malaysia to complete the OTP. As the Government has since allowed local construction activities to re-commence, development works have resumed. GENM is targeting to open the OTP in the 2nd quarter of 2021.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 3:

Over the past decade, the Group has invested in life science and biotechnology companies that are involved in various stages of research and development (“R&D”) for new treatments and new ways to improve health and lifestyle. (Page 4 of AR) Has there been any significant achievements especially in commercialising it ?

Reply to Question 3:

The Group’s life sciences and biotechnology companies are progressing in various stages of research and development (“R&D”). We continue to monitor the progress of the companies’ R&D efforts and would update our shareholders when there is any significant development towards commercialisation.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 4:

In the field of renewable energy, the Group has invested in Elevance Renewable Sciences, a company that utilises a Nobel Prize winning metathesis technology to create specialty chemicals from natural oils. What are the latest developments? Has the investment yielded any return? If not, what is the expected timeframe for returns?

Reply to Question 4:

Despite having a proven proprietary technology which can convert natural oils into specialty chemicals and having identified numerous applications in which its products could add value, Elevance Renewable Sciences Inc (“ERS”) continues to face challenges given slow market adoption of its products. In addition, the volatile global economic conditions and most recently, the weak oil prices and the outbreak of the COVID-19 pandemic have negatively affected sales, in particular to its oil field customers. Although the management of ERS has taken steps to rationalize its operations, given the lack of near to medium term prospects and the challenging environment which is expected to continue, ERS has taken steps to divest a substantial portion of its assets in order to return capital to its shareholders. As such, Genting Berhad has taken steps to write down the investment in ERS.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 5:

In Indonesia, Genting Energy has a 55% stake in the 660-megawatt supercritical coal-fired Banten power plant (Phase I) which commenced operation in 2017. It continued to achieve more than 90% availability factor and contributed positively throughout 2019.

Revenue from the Power Division declined in 2019 mainly due to lower net generation from the Banten power plant in Indonesia and lower coal prices. (Page 30 of AR)

How is it that the Banten power plant has lower net generation when it continued to achieve more than 90% availability factor and contributed positively throughout 2019?

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Reply to Question 5:

	Net generation gWh	Afa %
2019	4,226	91.6
2018	4,270	88.7
	(45)	
	-1.04%	

Banten power plant has a take-or-pay Power Purchase Agreement. As long as the plant is available annually to the state utility company, PLN, for 80% of the time, the company will receive full capacity payment. The plant has maintained very high availability, exceeding 80% throughout its operation.

The lower generation by 1% in 2019 was caused by grid limitation when PLN shut down one grid line for upgrading work in Q1 2019. It has no impact on the bottom line of the power plant. Continuous cost optimisation and improvement in operational efficiency have contributed positively to profitability of the Banten Power Plant.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 6:

Despite higher average oil prices achieved in 2019, revenue from the Oil & Gas Division decreased mainly due to lower production. (Page 30 of AR)

What was the amount of production in 2019 and 2018 and reasons for the lower production?

Reply to Question 6:

The total production in 2019 was marginally lower than 2018, ie less than 0.3% reduction.

The decrease in 2019 revenue was due to the drop in Genting's participating interest from 57% to 49% with effect from 16th April 2018.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 7:

The Group has recognised an impairment loss of RM284.8 million of its investment in a life sciences company due to the adverse performance of its business activities, on the basis that the carrying values exceed recoverable amounts (Page 154 of AR). What is the nature of these business activities and any further impairment loss to be expected in 2020?

Reply to Question 7:

The company is involved in creating specialty chemicals used primarily in the production of personal care products, detergents, fuel and lubricants. To the best of our knowledge, we do not expect further material impairment in 2020.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 8:

Impairment losses and write-off of receivables increased from RM168.8 million in FY 2018 to RM312.6 million in FY 2019. (Page 134 of AR) What were the reasons for such a substantial increase and the probability of recovering the receivables?

Reply to Question 8:

The impairment losses and write-off of receivables were substantially from Genting Singapore ("GENS") which trade receivables balance has increased by 23% compared with the previous year as shown in Note 15 of GENS' financial statements (SGD411k vs SGD334k). As disclosed in Genting Singapore's Annual Report (Page 100), the majority of the trade receivables relate to casino debtors. GENS Group has established a credit committee and processes to evaluate the credit worthiness of its counterparties whereby the payment profile and credit exposure are continuously monitored by the credit committee. Where receivables are written off, the GENS Group continues to engage in enforcement activity to attempt to recover the receivables due.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 9:

Given the Covid-19 pandemic, how is the Group preparing itself to face the new business landscape?

Reply to Question 9:

The 'new normal' of coexisting with the pandemic will see GENM Group's resort operations reopening on a staggered basis in line with the expected business volume. GENM Group has implemented stringent health and safety protocols across its properties in line with the government's guidelines and global best practices to ensure a safe environment for all guests and employees. GENM Group has also re-engineered its business processes with more emphasis on the use of technology (e.g. e-cash) to improve operational efficiencies and to curb the spread of the virus.

In Malaysia, GENM Group will initially focus on the domestic market through various marketing initiatives and packages. A similar strategy is in place to tap the international market when the borders re-open.

As for Genting Singapore, to cope with potentially volatile and a long drawn recovery process, Genting Singapore will adopt an agile and continuous learning mindset to align its cost structure with the new norm. Genting Singapore will establish more stringent health and safety protocols and safety measures to restore consumer confidence and ensure employee safety.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 1: STRATEGY & FINANCIAL MATTERS

Question 10:

How does the Group plan to address the downward pressure on operating performance especially the bottom-line performance?

Reply to Question 10:

In response to the challenging conditions caused by the pandemic, GENM had embarked on austerity measures to ensure the long-term sustainability of its business. At the onset of this pandemic, GENM's management team worldwide volunteered to reduce their salaries by up to 20%.

GENM Group also restructured its operations worldwide and rightsized its workforce to mitigate the company's financial losses amid the pandemic. GENM Group will focus on ramping up its business volumes when the businesses reopen and will continue to review its operating costs.

The severity of the impact was partially mitigated by Genting Singapore through a series of cost control measures, including instituting a pay reduction scheme for all managerial team members and encouraging all employees to take their annual leave.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 2: CORPORATE GOVERNANCE MATTERS

Question 1:

At the Group level, the total CEO's remuneration has decreased (17.5%) from RM183.07 million in FY 2018 to RM151.09 million in FY 2019. Similarly, at the Company level, the quantum has declined (14.0%) from RM58.95 million in FY 2018 to RM50.7 million in FY 2019. However, MSWG is of the view that the remuneration is still on the high side.

MSWG, therefore, would like the Board to review the CEO's remuneration for FY 2020.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 2: CORPORATE GOVERNANCE MATTERS

Reply to Question 1:

In response to the comments on the CEO's remuneration, we would like to highlight the following points:

- *The Chairman and Chief Executive succeeded his late father, the Founder, and was accorded a level of pay similar to his father's when he took over the role*
- *The Chairman's salary was rebased to 80% in 2019*
- *Based on global benchmark, Chairman's total remuneration for Genting Berhad is below the 75th percentile compared to his peers in the gaming industry*
- *Chairman's job and function as Chief Executive of the Company include his involvement in the day-to-day responsibilities in the listed subsidiaries under his leadership to grow the Group and expand. Investing in new businesses globally can offer better returns to the Group which in turn could enhance shareholders' value by eventually spinning off some businesses for potential listing at the appropriate time. It is always the Board's objective to continue to enhance the value of the shares of the Company by focusing on long term and sustainable growth.*

It is to be noted that if an adjustment is made in respect of certain benefits which relate to prior years, there is actually a drop in the Chairman's total remuneration in 2019 of 17.5% compared with 2018.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 2: CORPORATE GOVERNANCE MATTERS

Question 2:

Practice 4.5 of Malaysian Code on Corporate Governance (MCCG) stipulates that the board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

The Company departs from the Practice and proposes a timeframe of 10 years to apply the Practice. MSWG is of the view that the timeframe is unduly long and the application of the Practice should be expedited.

Reply to Question 2:

Although a timeframe of 10 years is provided, the Board is mindful of the target of at least 30% women directors and has hence taken the initial step to appoint one female director. In future, when sourcing for suitable candidates to fill up any vacant Board positions, the Board will give due consideration to identify suitably qualified women candidates, in line with the recommendation of MCCG.

PRE-SUBMITTED QUESTIONS FROM MSWG:

PART 2: CORPORATE GOVERNANCE MATTERS

Question 3:

Practice 4.6 of MCCG stipulates that in identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

The Company departs from the Practice and proposes a timeframe of 10 years to apply the Practice. MSWG is also of the view that the timeframe is unduly long and the application of the Practice should be expedited.

Reply to Question 3:

Although a timeframe of 10 years is provided, the Board is open to utilizing independent sources to identify suitably qualified candidates, where necessary, as explained on page 60 of the 2019 Annual Report.

PRE-SUBMITTED QUESTIONS FROM SHAREHOLDERS:

1. ADMINISTRATIVE MATTERS

We have received questions from shareholders pertaining to requests for vouchers for attending the AGM.

Kindly be informed that since this meeting is being conducted on a fully virtual basis, there will be no distribution of door gifts or food vouchers for the 52nd AGM. Our main method of rewarding shareholders is through payment of dividends.

2. OUTLOOK/STRATEGY MATTERS

We have received questions from shareholders pertaining to the business outlook and our investment strategies.

Our Group remains focused on completing our key property developments, expansions and upgrades in Malaysia, Singapore and USA despite the extremely challenging time. At the same time, we will always monitor and evaluate any good business opportunity that may arise.

PRE-SUBMITTED QUESTIONS FROM SHAREHOLDERS:

3. CORPORATE FINANCE MATTERS

We have received questions from shareholders pertaining to any need for Genting Berhad to do capital and fund raising exercises to reduce borrowings, refinance or restructure the company.

We continuously review our capital and funding requirements based on our operational and development requirements and undertake such capital and fund raising exercises as and when the need arises.

PRE-SUBMITTED QUESTIONS FROM SHAREHOLDERS:

4. INVESTMENT MATTERS

Question 1:

Is Japan Integrated Resort project practical, as even Las Vegas Sands has also withdrawn from it?
What are Genting's strengths in the bid?

Reply to Question 1:

- *Japan is possibly one of the last major regulated gaming markets and offers Genting Singapore an opportunity to diversify into a new geographical market.*
- *Genting Singapore expects the return of the Japan Integrated Resort project to be commensurate with market expectations and conditions of similar projects in the leisure, hospitality and gaming industry.*
- *Whilst Genting Singapore has been engaged in the Request-for-Concept by Yokohama City and is anticipating the launch of the Request-for-Proposal in 2H 2020, there is no certainty that Genting Singapore will eventually submit a bid after considering all relevant factors, if Genting Singapore determines that it is not in its interests to do so.*

Genting Singapore has:

- *Strong track record*
- *Expertise and experience gained in all its Integrated Resort projects, in particular, Resorts World Sentosa*
- *Strong financial position*
- *Experience in working closely with the Singaporean regulators and government agencies, given the similarity between the Singapore and Japanese gaming and Integrated Resort regulations*

PRE-SUBMITTED QUESTIONS FROM SHAREHOLDERS:

4. INVESTMENT MATTERS

Question 2:

What are Genting's plans in Miami?

Reply to Question 2:

Genting Malaysia has various land and buildings in Miami, including the Miami Hilton Hotel and is looking at various opportunities to enhance its surrounding land bank.

PRE-SUBMITTED QUESTIONS FROM SHAREHOLDERS:

4. INVESTMENT MATTERS

Question 3:

What are Resorts World Las Vegas' strengths in Las Vegas' highly competitive environment?
Does Genting plan to list Resorts World Las Vegas on US stock market?

Reply to Question 3:

Resorts World Las Vegas' strengths are listed below :

- 1. Total new built from grounds up that took into account all the changes in travel trends and lessons learnt from customers to give customers the experience they seek in partnership with top and leading brands in hospitality, food & beverage, spa and more.*
- 2. Longest strip frontage at the latest buzz centre in Las Vegas Strip, offering customers a great view of the strip*
- 3. Experienced team selected and drawn from well established players on the strip*

The Group constantly evaluates its investments and seeks to improve on their capital structure and value in the best interest of Genting Berhad. Should such listing opportunity arise in the future, the Group would consider and evaluate all relevant factors at that time. However, there are no such plans at this juncture.

End of CFO Presentation

Disclaimer

Some of the statements made in this presentation which are not statements of historical facts are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Genting Berhad and its subsidiaries ("Group") about its business and the industry and markets in which it operates. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors some of which are beyond the control of the Group and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. The Group does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.