



GENTING MALAYSIA BERHAD
Registration No. 198001004236 (58019-U)

EXTRAORDINARY GENERAL MEETING

**PROPOSED DISPOSAL OF THE MIAMI LAND FOR A TOTAL CASH CONSIDERATION OF
USD1.225 BILLION (APPROXIMATELY RM5.482 BILLION)**

Principal Adviser



AmInvestment Bank

15 JUNE 2023

I. Brief Information on the Miami Land

The Miami Land comprises four parcels of land located in Miami, Florida measuring approximately 673,691 sq. ft. It is located close to commercial, residential and shopping areas and is located directly across the street from the Adrienne Arsht Center for the Performing Arts of Miami-Dade County. Brief details of the land are as follows:-

Parcel	A	B	C	D
Land area (sq. ft.)	246,390	273,106	85,853	68,342
Tenure of land (years)	Freehold	Freehold	Freehold	Leasehold (90 years expiring on 9 May 2107 with an option to renew for another 25 years)
Audited NBV as at 31 December 2022	USD243 million (RM1,088 million)			USD12 million (RM54 million)
Valuation Date	18 April 2023			
Market Value	USD690 million (RM3,088 million)	USD380 million (RM1,700 million)	USD129 million (RM577 million)	USD24 million (RM107 million)
Encumbrances	Free from encumbrances			Subject to easement (right of access for specified purpose(s)) and encroachments (partial or gradual displacement of an existing use by another use) outlined in the County Lease and Development Agreement

I. Brief Information on the Miami Land (cont'd)



II. Rationale for the Proposed Disposal

Growth of Miami property market

The Miami property market has grown significantly since GENM's acquisition of the Miami Land in 2011.

Unlock the value of non-core asset

GENM can capitalise on the growth of the property market and unlock significant value in a non-core asset at an attractive price.

Significant gain on disposal

Estimated gain on disposal of USD967 million (approximately RM4.3 billion) regardless of whether it is an Equity Sale or Asset Sale.

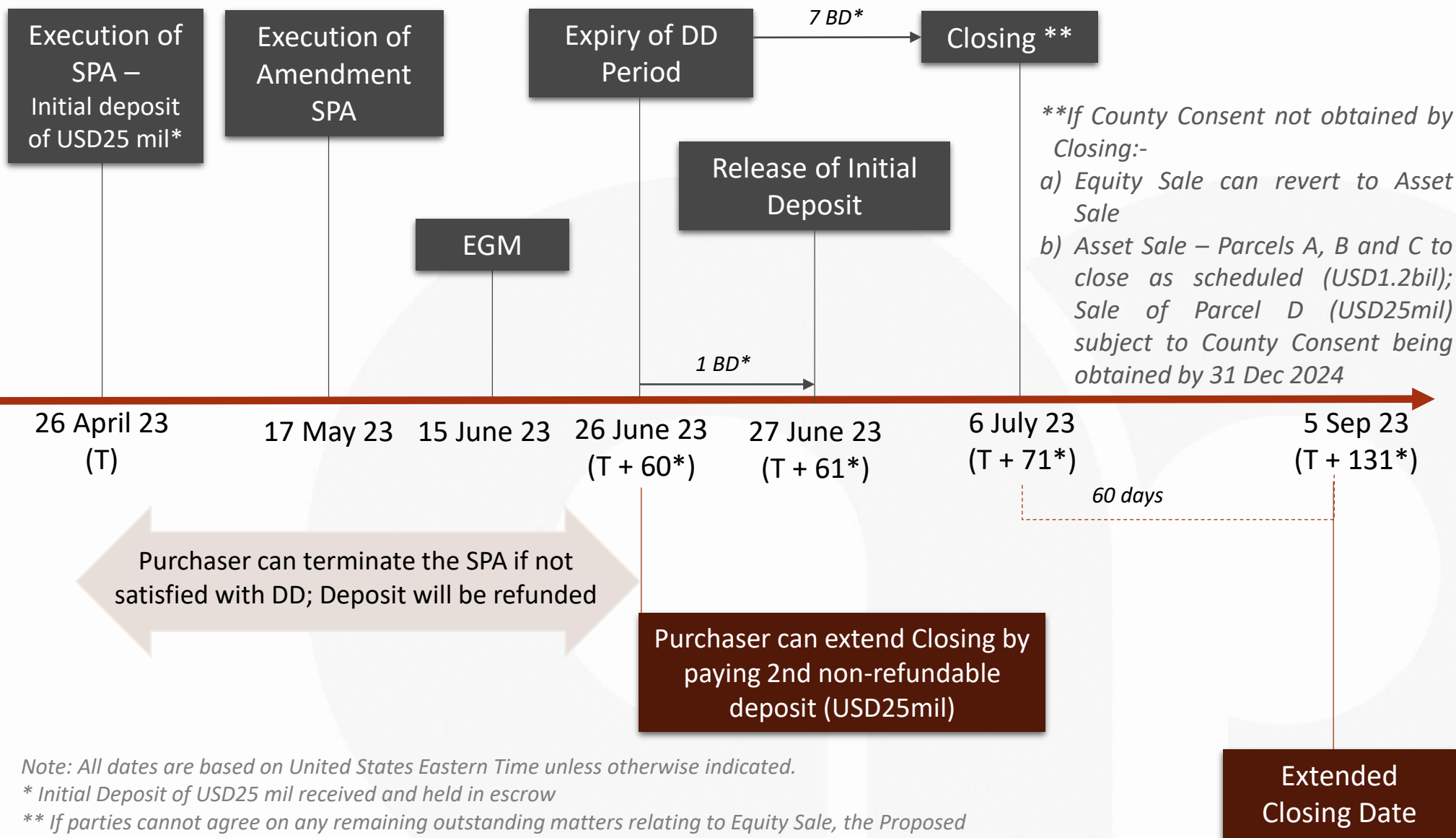
The cash proceeds from the Proposed Disposal are intended to be utilised for the funding of future investments as and when they arise and to defray estimated tax and other expenses relating to the Proposed Disposal.

III. Basis for the Disposal Consideration

The disposal consideration of USD1.225 billion remains unchanged regardless of whether the Proposed Disposal is effected by way of an equity sale or asset sale. The disposal consideration was arrived at on a willing buyer-willing seller basis after taking into account the following factors:

- a) Strong growth shown by Miami's property market since 2011;
- b) Market value of the Miami Land of USD1.223 billion (approximately RM5.47 billion) as ascribed by the independent valuer;
- c) The net assets value ("NAV") of RW Miami of USD249 million as at 31 December 2022 (after adjustments for equity sale, leaving just the Miami Land in the company);
- d) Estimated gain on disposal of approximately USD967 million (approximately RM4.3 billion); and
- e) The form of payment of the Disposal Consideration which will be entirely in cash. Further, the Disposal Consideration translates to:
 - Equity Sale - an implied price to book ratio (PBR) of approximately five (5) times based on the adjusted NAV of RW Miami as at 31 December 2022; and
 - Asset Sale - a premium of approximately 400% over GENM's cost of investment for the Miami Land.

IV. Key Terms and Timeline



Note: All dates are based on United States Eastern Time unless otherwise indicated.

* Initial Deposit of USD25 mil received and held in escrow

** If parties cannot agree on any remaining outstanding matters relating to Equity Sale, the Proposed Disposal shall revert to an Asset Sale.

BD = Business Days ; DD = Due Diligence ; * Based on Clear Days (i.e. excluding Public Holidays)

Pre-EGM Submitted Questions from Shareholders

As stipulated in the Administrative Guide for this EGM, only questions which are related to the EGM will be answered by the Board.

Pre-EGM Submitted Questions from Shareholders

(Capitalised terms used herein shall have the same meanings as those defined in the Circular dated 31 May 2023 in relation to the Proposed Disposal, unless otherwise stated.)

Question 1:

- (a) What is the overall benefit of the Proposed Disposal to shareholders?
- (b) Will there be a capital reduction or bonus issue as a result of the Proposed Disposal?

Reply to Question 1 (a):

As mentioned in the presentation by AmInvestment Bank earlier as well as in Section 3 of the Circular, the Proposed Disposal provides GENM with the opportunity:-

- (a) to capitalise on the growth of the property market in Miami since 2011;
- (b) unlock significant value in a non-core asset at an attractive price; and
- (c) enhance GENM's cash position which will provide GENM the financial flexibility for its operations and future investments as and when they arise.

GENM expects to realise an estimated gain on disposal of USD967 million (approx. RM4,328 million).

Reply to Question 1 (b):

Apart from the Proposed Disposal, there are no other corporate proposals contemplated by the Company at this juncture.

Question 2 :

- (a) When is the Proposed Disposal expected to be completed and the proceeds received?**
- (b) What is the risk of non-completion of the Proposed Disposal?
- (c) If the current purchaser is not able to complete the deal, is there any alternative interested purchaser in the pipeline to purchase the land?

Reply to Question 2 (a):

As highlighted in the presentation by AmInvestment Bank earlier, the Proposed Disposal is expected to be completed by 6 July 2023 or by 5 September 2023 (if the Purchaser extends the Closing by another 60 Calendar Days) for all parcels (including Parcel D if county consent is obtained).

However, if County Consent for Parcel D is not obtained by the above Closing Dates, the Closing Date in respect of Parcel D only shall take place 10 Business Days after and if RW Miami obtains the County Consent by 31 December 2024.

Proceeds from the Proposed Disposal shall be received on the Closing Date.

Question 2:

(a) When is the Proposed Disposal expected to be completed and the proceeds received?

(b) What is the risk of non-completion of the Proposed Disposal?

(c) If the current purchaser is not able to complete the deal, is there any alternative interested purchaser in the pipeline to purchase the land?

Reply to Question 2 (b):

As disclosed in Section 4.1 of the Circular, the Proposed Disposal is subject to fulfilment and/or waiver of condition precedents or occurrence of events under the SPA. Amongst others, in the event the due diligence outcome is not satisfactory to the Purchaser, the Proposed Disposal may not be consummated.

Notwithstanding this, GENM will take all reasonable steps to ensure the fulfilment of the conditions precedent for the purpose of completing the Proposed Disposal.

Question 2:

- (a) When is the Proposed Disposal expected to be completed and the proceeds received?
- (b) What is the risk of non-completion of the Proposed Disposal?
- (c) If the current purchaser is not able to complete the deal, is there any alternative interested purchaser in the pipeline to purchase the land?**

Reply to Question 2 (c):

GENM is working closely with the Purchaser to close the Proposed Disposal and is not aware, at this juncture, of any matters which will affect the completion of the deal.

Question 3:

GENM currently owns quite a number of properties including hotel, office & retail in Miami USA. With the sale of the Miami Land, appreciate if GENM can provide the strategy going forward for the rest of the properties in Miami.

(a) Would GENM exit all properties in Miami considering there would not be any casino?

(b) How much is the valuation of the rest of the properties in Miami?

Reply to Question 3 (a):

GENM (through other subsidiaries) owns the remaining 15.15 acres of adjacent land in Miami Downtown, which houses amongst others, the Hilton Miami Downtown Hotel and office blocks tenanted to third parties.

GENM currently does not have any plans to dispose of the remaining properties and land in Miami. Notwithstanding this, GENM will evaluate any offers/opportunities that may arise, if it enhances shareholders' value.

Reply to Question 3 (b):

Given that there are currently no plans for disposal of such properties, GENM has not undertaken any independent valuation for the rest of the properties in Miami.

THANK YOU

