

The Directors of **GENTING BERHAD** have pleasure in submitting their report and the audited accounts of the Group and of the Company for the financial year ended 31 December 1998.

### PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, plantations, property development and management, tours and travel related services, investments, manufacturing and trading in paper and paper related products, generation and supply of electric power and oil and gas exploration.

Details of the principal activities of the Group are set out in Note 30 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

### RESULTS

The audited results of the operations of the Group and of the Company for the financial year are as follows:

	<b>Group RM million</b>	<b>Company RM million</b>
Profit before taxation	909.7	394.3
Taxation	(364.1)	(108.9)
Profit after taxation	545.6	285.4
Minority shareholders' interests	(131.3)	-
Profit attributable to shareholders of Genting Berhad	414.3	285.4
Unappropriated profit at beginning of the year	3,491.1	1,872.1
Profit available for appropriation	3,905.4	2,157.5
Appropriations:		
Interim dividend		
- 6.5 sen less 28% tax	(33.0)	(33.0)
Proposed final dividend		
- 12.0 sen less 28% tax	(60.9)	(60.9)
	(93.9)	(93.9)
Unappropriated profit at end of the year	3,811.5	2,063.6

### DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

- (i) a final dividend of 14.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM 70,997,366 in respect of the financial year ended 31 December 1997 was paid on 30 July 1998; and
- (ii) an interim dividend of 6.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM 32,963,063 in respect of the financial year ended 31 December 1998 was paid on 30 October 1998.

The Directors recommend payment of a final dividend of 12.0 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 18 June 1999 to shareholders registered in the Register of Members at the close of business on 24 May 1999. Based on the issued and paid-up share capital of the Company as at the date of this report, the final dividend would amount to RM 60,854,886.

### RESERVES AND PROVISIONS

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 23 to the accounts.

## ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS

There were no issue of shares or debentures during the financial year.

The following Options to take up unissued ordinary shares of the Company previously granted to executive employees of the Group under The Genting Employees' Share Option Scheme for Executives were outstanding as at 31 December 1998:

Option expiry date	Subscription price per share	No. of shares
15 December 1999	RM 19.80	<u>3,722,000</u>

The shares under the aforesaid Options may be exercised in full or in respect of 1,000 shares or a multiple thereof on the payment of the requisite subscription price within the respective quarters in the preceding twelve months of the Option expiry date. The persons to whom the Options have been issued have no right to participate by virtue of the Options in any share issue of any other company.

On 9 March 1999, the Securities Commission approved the Company's application to extend the Option and exercise periods of the outstanding Options for an additional five (5) years from 15 December 1999 to 15 December 2004 ("Proposed Extension") subject to the approval of the shareholders of the Company at a general meeting to be convened.

The Proposed Extension thereby extends the Option period of the outstanding Options to the maximum ten (10) years permissible under Section 68 of the Companies Act, 1965 as amended by the Companies (Amendment) (No. 2) Act 1998 which came into force on 1 November 1998.

## DIRECTORATE

The Directors who served since the date of the last report are:

Tan Sri Lim Goh Tong  
Tun Mohammed Hanif bin Omar  
Dato' Lim Kok Thay  
Mr Colin Au Fook Yew  
Encik Nik Hashim bin Nik Yusoff  
Tan Sri Mohd Amin bin Osman  
Dato' Lim Tee Keong (Resigned on 1 January 1999)  
Tan Sri Gunn Chit Tuan  
Mr Quah Chek Tin (Appointed on 12 April 1999)  
Mr Teo Eng Siong (Alternate to Mr Colin Au Fook Yew)

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company, Resorts World Bhd, Asiatic Development Berhad and Genting International PLC, all of which are subsidiaries of the Company as set out below:

## INTEREST IN THE COMPANY

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	6,681,000	–	6,681,000
Dato' Lim Kok Thay	2,553,000	–	2,553,000
Mr Colin Au Fook Yew	768,000	(750,000)	18,000
Tan Sri Mohd Amin bin Osman	6,000	2,000	8,000
Shareholdings in which the Director is deemed to have an interest	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	11,523,996	–	11,523,996
Share Options in the names of Directors	1.1.1998	Offered/(Exercised)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	600,000	–	600,000
Tun Mohammed Hanif bin Omar	500,000	–	500,000
Dato' Lim Kok Thay	400,000	–	400,000
Mr Colin Au Fook Yew	400,000	–	400,000
Tan Sri Mohd Amin bin Osman	400,000	–	400,000
Dato' Lim Tee Keong	100,000	–	100,000

**INTEREST IN RESORTS WORLD BHD**

<b>Shareholdings in the names of Directors</b>	<b>1.1.1998</b>	<b>Acquired/(Disposed)</b>	<b>31.12.1998</b>
	<b>(Number of ordinary shares of 50 sen each)</b>		
Dato' Lim Kok Thay	2,610,000	—	2,610,000
Mr Colin Au Fook Yew	24,000	—	24,000
Tan Sri Mohd Amin bin Osman	122,000	—	122,000
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	120,000	—	120,000

**Share Options in the names of Directors**

	<b>1.1.1998</b>	<b>Offered/(Lapsed)</b>	<b>31.12.1998</b>
	<b>(Number of unissued ordinary shares of 50 sen each)</b>		
Tan Sri Lim Goh Tong	1,000,000	(700,000)	300,000
Tun Mohammed Hanif bin Omar	1,000,000	(500,000)	500,000
Dato' Lim Kok Thay	650,000	(475,000)	175,000
Dato' Lim Tee Keong	300,000	(200,000)	100,000

**INTEREST IN ASIATIC DEVELOPMENT BERHAD**

<b>Shareholdings in the names of Directors</b>	<b>1.1.1998</b>	<b>Acquired/(Disposed)</b>	<b>31.12.1998</b>
	<b>(Number of ordinary shares of 50 sen each)</b>		
Tan Sri Lim Goh Tong	437,500	—	437,500
Dato' Lim Kok Thay	144,000	—	144,000
Tan Sri Mohd Amin bin Osman	164,000	—	164,000
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	8,000	—	8,000

**INTEREST IN GENTING INTERNATIONAL PLC**

<b>Shareholdings in the names of Directors</b>	<b>1.1.1998</b>	<b>Acquired/(Disposed)</b>	<b>31.12.1998</b>
	<b>(Number of ordinary shares of US\$0.10 each)</b>		
Tan Sri Lim Goh Tong	1,832,468	—	1,832,468
Dato' Lim Kok Thay	623,000	—	623,000
Mr Colin Au Fook Yew	529,200	—	529,200

**Shareholdings in which the Director is deemed to have an interest**

	<b>1.1.1998</b>	<b>Acquired/(Disposed)</b>	<b>31.12.1998</b>
	<b>(Number of ordinary shares of US\$0.10 each)</b>		
Dato' Lim Kok Thay	4,649,598	—	4,649,598

**Share Options in the name of Director**

	<b>1.1.1998</b>	<b>Offered/(Relinquished)</b>	<b>31.12.1998</b>
	<b>(Number of unissued ordinary shares US\$0.10 each)</b>		
Tan Sri Lim Goh Tong	500,000	(500,000)	—

**Call Options in the names of Directors**

	<b>1.1.1998</b>	<b>Acquired/(Relinquished)</b>	<b>31.12.1998</b>
	<b>(Number of unissued ordinary shares of US\$0.10 each)</b>		
Dato' Lim Kok Thay	1,000,000	(1,000,000)	—
Mr Colin Au Fook Yew	1,000,000	(1,000,000)	—
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	200,000	(200,000)	—

Apart from the above disclosure:

- (a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- (b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the accounts or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) Tan Sri Mohd Amin bin Osman has been retained as a consultant to provide management and ancillary services to the Company.
- (ii) Tan Sri Mohd Amin bin Osman has been retained by Resorts World Bhd ("RWB"), a subsidiary of the Company to provide advisory services.
- (iii) Certain companies in which Dato' Lim Tee Keong is a director and a substantial shareholder rent their premises at the Genting Highlands Resort from RWB and its wholly-owned subsidiaries, Genting Golf Course Bhd and Genasa Sdn Bhd. The tenancies were terminated on 5 February 1999.
- (iv) A company in which Dato' Lim Kok Thay is a director and a substantial shareholder has retained Asiatic Development Berhad, a subsidiary of the Company to provide plantation advisory services.
- (v) A company in which Tan Sri Lim Goh Tong is a director and substantial shareholder has rented approximately 5.87 hectares of land in the Mukim of Batang Kali, District of Ulu Selangor, Selangor to Genting Utilities & Services Sdn Bhd, a wholly-owned subsidiary of RWB.
- (vi) A corporation in which Tan Sri Lim Goh Tong is a shareholder, Dato' Lim Kok Thay and Mr Colin Au Fook Yew are respectively directors, shareholders and call option holders, and Tan Sri Mohd Amin bin Osman and Mr Teo Eng Siong are call option holders has issued and allotted 125,000,000 new ordinary shares of US\$0.10 each to Resorts World Limited, an indirect wholly-owned subsidiary of RWB for a cash consideration of US\$262.5 million.
- (vii) RWB has extended a housing loan to Mr Quah Chek Tin to enable him to acquire a home.

Mr Quah Chek Tin is due to retire in accordance with Article 104 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Encik Nik Hashim bin Nik Yusoff is due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Tan Sri Lim Goh Tong and Tan Sri Mohd Amin bin Osman retire pursuant to Section 129 of the Companies Act, 1965 and that separate resolutions will be proposed for their re-appointment as Directors under the provision of Section 129 (6) of the said Act to hold office until the next Annual General Meeting of the Company.

#### **OTHER STATUTORY INFORMATION**

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Group and of the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the accounts of the Group and of the Company misleading;

- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the accounts of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the accounts of the Group and of the Company, that would render any amount stated in the respective accounts misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the exceptional items as reported in Note 6 to the accounts; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

On behalf of the Board

**TUN MOHAMMED HANIF BIN OMAR**

**DATO' LIM KOK THAY**

Kuala Lumpur  
12 April 1999