

Report of the Directors

The Directors of **GENTING BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the subsidiary companies 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 and oil and gas exploration.

The principal activities of the associated companies include cruise and cruise related operations and the generation and supply of electric power.

Details of the principal activities of the Group are set out in Note 39 to the financial statements.

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

FINANCIAL RESULTS

	Group RM Million	Company RM Million
(Loss)/profit from ordinary activities before taxation	(322.7)	379.4
Taxation	(352.0)	(104.4)
(Loss)/profit from ordinary activities after taxation	(674.7)	275.0
Minority shareholders' interests	429.2	-
Net (loss)/profit for the year	(245.5)	275.0

DIVIDENDS

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

- (i) a final dividend of 12.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM63,390,505.86 in respect of the financial year ended 31 December 1999 was paid on 31 July 2000; and
- (ii) an interim dividend of 6.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM32,963,064.98 in respect of the financial year ended 31 December 2000 was paid on 31 October 2000.

The Directors recommend payment of a final dividend of 12.5 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 30 July 2001 to shareholders registered in the Register of Members at the close of business on 9 July 2001. 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 RM63,390,505.86.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES, DEBENTURES AND SHARE OPTION

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

The following Option 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 2000:

Option expiry date	Subscription price per share	No. of shares
15 December 2004	RM19.80	3,412,000

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

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 (Resigned on 16 November 2000)
Mr Quah Chek Tin
Encik Nik Hashim bin Nik Yusoff
Tan Sri Mohd Amin bin Osman
Tan Sri Gunn Chit Tuan
Mr Teo Eng Siong (Ceased to be the Alternate to Mr Colin Au Fook Yew on 16 November 2000)

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

	1.1.2000	Acquired/(Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	6,681,000	-	6,681,000
Tun Mohammed Hanif bin Omar	-	200	200
Dato' Lim Kok Thay	2,553,000	784,200	3,337,200
Mr Quah Chek Tin	1,000	-	1,000
Tan Sri Mohd Amin bin Osman	8,000	-	8,000

Shareholdings in which the Director is deemed to have an interest

	1.1.2000	Acquired/(Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	11,523,996	-	11,523,996

Share Option in the names of Directors

	1.1.2000	Offered/(Exercised)	31.12.2000
	(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
Tan Sri Mohd Amin bin Osman	400,000	-	400,000

INTEREST IN RESORTS WORLD BHD

Shareholdings in the names of Directors

	1.1.2000	Acquired/(Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	-	1,629,000 (711,000)	918,000
Tun Mohammed Hanif bin Omar	-	1,000	1,000
Mr Quah Chek Tin	1,000	-	1,000
Tan Sri Mohd Amin bin Osman	122,000	-	122,000

Share Option in the names of Directors

	1.1.2000	Offered/(Exercised)	31.12.2000
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	300,000	-	300,000
Tun Mohammed Hanif bin Omar	500,000	-	500,000
Dato' Lim Kok Thay	175,000	-	175,000

INTEREST IN ASIATIC DEVELOPMENT BERHAD

Shareholdings in the names of Directors

	1.1.2000	Acquired/(Disposed)	31.12.2000
	(Number of ordinary shares of 50 sen each)		
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

INTEREST IN GENTING INTERNATIONAL PLC

Shareholdings in the name of Director

	1.1.2000	Acquired/(Disposed)	31.12.2000
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	1,832,468	-	1,832,468

Apart from the above disclosures:

- (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 financial statements 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) Resorts World Limited ("RWL"), an indirect wholly owned subsidiary of Resorts World Bhd ("RWB"), which in turn is a 55.2% owned subsidiary of the Company has subscribed for a total of 609,781,993 Ordinary Shares of US\$0.10 each in a corporation in which Tan Sri Lim Goh Tong and Dato' Lim Kok Thay have interests as set out below via the conversion of US\$442,499,850 out of the US\$480 million Floating Rate Convertible Unsecured Loan Notes ("Notes") issued to RWL under the Note Purchase Agreements between the corporation and RWL; and repaid RWL the remaining Notes of US\$37,500,150 not converted into ordinary shares of the corporation:
 - (a) Tan Sri Lim Goh Tong is a shareholder of the corporation, a preference unit holder of a Trust which is a substantial shareholder of the corporation ("the Trust"), and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
 - (b) Dato' Lim Kok Thay is a director, shareholder and call option holder of the corporation, a director of another corporation which is the trustee of the Trust, a preference unit holder of the Trust, and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
- (ii) RWL, Genting Overseas Holdings Limited and Palomino Limited, all of which are subsidiaries of the Company have disposed of a total of 29,110,200 Ordinary Shares of Norwegian Kroner 2.30 each representing approximately 10.88% in NCL Holding ASA to a corporation in which Tan Sri Lim Goh Tong and Dato' Lim Kok Thay have interests as set out below:
 - (a) Tan Sri Lim Goh Tong is a shareholder of the holding company of the corporation, a preference unit holder of a Trust which is a substantial shareholder of the holding company of the corporation ("the Trust"), and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
 - (b) Dato' Lim Kok Thay is a director, shareholder and call option holder of the holding company of the corporation, a director of another corporation which is the trustee of the Trust, a preference unit holder of the Trust, and has a deemed interest in the units of the Trust by virtue of him being a beneficiary of a discretionary trust which holds the units in the Trust.
- (iii) 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.
- (iv) A company in which Tan Sri Lim Goh Tong is a director and a substantial shareholder has:
 - (a) 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; and
 - (b) acquired approximately 3.04 hectares of freehold vacant land in the Mukim and District of Bentong, Pahang Darul Makmur from Genting Highlands Berhad, a wholly owned subsidiary of RWB.
- (v) Genting Centre of Excellence Sdn Bhd, a 70% owned subsidiary of RWB has acquired approximately 3.04 hectares of leasehold vacant land in the Mukim and District of Bentong, Pahang Darul Makmur from Tan Sri Lim Goh Tong.

- (vi) Tan Sri Mohd Amin bin Osman has been retained as a consultant to provide management and ancillary services to the Company and retained by RWB to provide advisory services.

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, Tan Sri Mohd Amin bin Osman and Tan Sri Gunn Chit Tuan 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 income statements 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 allowances for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance 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 allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the financial statements of the Group or of the Company misleading;
- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements 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 those highlighted in the financial statements; 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.

AUDITORS

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

On behalf of the Board,

TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman

DATO' LIM KOK THAY
Managing Director

Kuala Lumpur
18 April 2001