



# GENTING BERHAD

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

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## SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the financial period ended 30 June 2000. The figures have not been audited.

### CONSOLIDATED INCOME STATEMENT

		<b>INDIVIDUAL QUARTER PRECEDING YEAR</b>	<b>CUMULATIVE PERIOD PRECEDING YEAR</b>		
		<b>CURRENT YEAR QUARTER 30/06/2000 RM'000</b>	<b>CORRES- PONDING QUARTER 30/06/1999 RM'000</b>	<b>CURRENT YEAR- TO-DATE 30/06/2000 RM'000</b>	
			<b>CORRES- PONDING PERIOD 30/06/1999 RM'000</b>		
1(a)	Turnover	<b>818,050</b>	N/R	<b>1,528,192</b>	1,577,823
(b)	Investment income	<b>7,341</b>	N/R	<b>7,987</b>	405
(c)	Other income including interest income	<b>26,846</b>	N/R	<b>41,341</b>	42,136
2(a)	Operating profit before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	<b>277,032</b>	N/R	<b>588,297</b>	719,608
(b)	Interest on borrowings	<b>(11,541)</b>	N/R	<b>(16,436)</b>	(3,576)
(c)	Depreciation and amortisation	<b>(52,726)</b>	N/R	<b>(104,780)</b>	(105,561)
(d)	Exceptional items	<b>(150,704)</b>	N/R	<b>(150,704)</b>	-
(e)	Operating profit after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	<b>62,061</b>	N/R	<b>316,377</b>	610,471

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		PRECEDING		PRECEDING	
		YEAR		YEAR	
		CURRENT	CORRES-	CURRENT	CORRES-
		YEAR	PONDING	YEAR-	PONDING
		QUARTER	QUARTER	TO-DATE	PERIOD
		30/06/2000	30/06/1999	30/06/2000	30/06/1999
		RM'000	RM'000	RM'000	RM'000
(f)	Share in the results of associated companies	<u>27,983</u>	N/R	<u>55,426</u>	<u>87,762</u>
(g)	Profit before taxation, minority interests and extraordinary items	<b>90,044</b>	N/R	<b>371,803</b>	698,233
(h)	Taxation	<u>(80,950)</u>	N/R	<u>(167,861)</u>	<u>(13,873)</u>
(i)	(i) Profit after taxation before deducting minority interests	<b>9,094</b>	N/R	<b>203,942</b>	684,360
	(ii) Minority interests	<u>14,674</u>	N/R	<u>(42,191)</u>	<u>(206,072)</u>
(j)	Profit after taxation attributable to Members of the Company	<b>23,768</b>	N/R	<b>161,751</b>	478,288
(k)	(i) Extraordinary items	-	N/R	-	-
	(ii) Minority interests	-	N/R	-	-
	(iii) Extraordinary items attributable to Members of the Company	<u>-</u>	N/R	<u>-</u>	<u>-</u>
(l)	Profit after taxation and extraordinary items attributable to Members of the Company	<u><b>23,768</b></u>	N/R	<u><b>161,751</b></u>	<u>478,288</u>

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/06/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/1999 RM'000	CURRENT YEAR-TO-DATE 30/06/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/1999 RM'000
3(a) Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any :				
(i) Basic [based on 704,338,954 shares] (sen)	3.4	N/R	23.0	67.9
(ii) Fully diluted [based on 704,338,954 shares] (sen)	3.4	N/R	23.0	67.9
4(a) Dividend per share (sen)	6.5	N/R	6.5	6.5
(b) Dividend description	Interim dividend per ordinary share, less 28% tax	N/R	Interim dividend per ordinary share, less 28% tax	Interim dividend per ordinary share, less 28% tax

**Note :**  
**N/R – Not required**

**GENTING BERHAD**  
**CONSOLIDATED BALANCE SHEET**

	<b>UNAUDITED AS AT END OF CURRENT PERIOD 30/06/2000 RM'000</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/1999 RM'000</b>
1. <b>FIXED ASSETS</b>	<b>3,842,354</b>	3,701,075
2. <b>REAL PROPERTY ASSETS</b>	<b>649,917</b>	653,652
3. <b>ASSOCIATED COMPANIES</b>	<b>1,333,332</b>	1,449,266
4. <b>INVESTMENTS</b>	<b>202,860</b>	167,057
5. <b>EXPLORATION COST</b>	<b>431,164</b>	437,638
6. <b>CURRENT ASSETS</b>		
Property development	235,219	229,758
Stocks	111,957	109,586
Trade debtors	148,434	149,030
Amount due from associated company	446,080	-
Other debtors, deposits and prepayments	119,931	149,338
Short-term investments	760,923	981,905
Bank balances and deposits	1,987,901	1,410,600
	<u><b>3,810,445</b></u>	<u>3,030,217</u>
7. <b>LESS CURRENT LIABILITIES</b>		
Trade creditors	102,361	102,775
Other creditors and accrued expenses	322,442	337,950
Short-term borrowings	383,344	840
Provision for taxation	272,138	279,900
Dividends	96,353	63,390
	<u><b>1,176,638</b></u>	<u>784,855</u>
8. <b>NET CURRENT ASSETS</b>	<u><b>2,633,807</b></u>	<u>2,245,362</u>
	<u><b>9,093,434</b></u>	<u>8,654,050</u>
9. <b>SHAREHOLDERS' FUNDS</b>		
<b>SHARE CAPITAL</b>	<b>352,169</b>	352,169
<b>RESERVES</b>		
Share Premium	97,803	97,803
Revaluation Reserves	404,038	404,182
Unappropriated Profit	4,945,218	4,816,284
Other Reserves	63,165	118,467
	<u><b>5,862,393</b></u>	<u>5,788,905</u>
10. <b>MINORITY INTERESTS</b>	<b>2,612,649</b>	2,574,950
11. <b>LONG-TERM LIABILITIES</b>	<b>429,960</b>	106,753
12. <b>DEFERRED TAXATION</b>	<b>18,345</b>	15,976
13. <b>PROVISION FOR RETIREMENT GRATUITIES</b>	<b>170,087</b>	167,466
	<u><b>9,093,434</b></u>	<u>8,654,050</u>
14. <b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>8.32</b>	8.22

## GENTING BERHAD

### NOTES TO THE QUARTERLY REPORT

1. The accounting policies and methods of computation adopted for the quarterly financial statements are consistent with those adopted for the financial statements for the year ended 31 December 1999.
2. The exceptional item for the current quarter and current year-to-date represents provision for diminution in value of short-term quoted shares.
3. There are no extraordinary items for the current year-to-date.
4. Taxation charges for the current year-to-date include the following:
  - (a) Deferred tax charge of RM8,424,000.
  - (b) An underprovision relating to prior years amounting to RM296,000.
5. The results for the current year-to-date do not include any pre-acquisition profits.
6. The results for the current year-to-date do not include any profit or loss on sale of investments and properties which are not in the ordinary course of business.
7. (a) The dealings in quoted securities for the current year-to-date are as follows:

	Total RM'000
Total purchases	126,395
Total disposals	126,553
Total loss on disposals	13,016

- (b) The details of the investments in quoted shares as at 30 June 2000 are as set out below:

	Total RM'000
Total investments at cost	2,255,023
Total investments at book value	1,653,303
Total investments at market value as at 30 June 2000	4,147,393

8. There have been no material changes in the composition of the Company and of the Group for the current year-to-date.

9. On 12 April 2000, Commerce International Merchant Bankers Berhad (“CIMB”) announced on behalf of the Company, the following corporate proposals :
- (i) Proposed acquisition of a parcel of leasehold land and disposal of two parcels of freehold land in Genting Highlands by subsidiaries of Resorts World Bhd, a 55.2% owned subsidiary of the Company ;
  - (ii) Proposed purchase of own shares representing up to ten percent (10%) of the issued and paid-up share capital of the Company through the Kuala Lumpur Stock Exchange ;
  - (iii) Proposed amendments to the Memorandum and Articles of Association of the Company, pursuant to (ii) above and in line with the amended provision of section 67A of the Companies Act, 1965.

As at 17 August 2000, being the latest practicable date, all required approvals in respect of the above proposals have been obtained.

10. The business operations of the Group’s Leisure and Hospitality Division, Plantation Division and Paper Division are subject to seasonal fluctuations. The results of the Leisure and Hospitality Division are affected by major festive seasons and holidays. The production of fresh fruit bunches (“FFB”) is seasonal in nature with crop peaking in the second half of the year.
11. During the current year-to-date, Resorts World (Labuan) Limited, a wholly-owned subsidiary of Resorts World Bhd, which in turn is a 55.2% owned subsidiary of the Company, issued the following Euro Medium Term Notes (“Notes”) :

Amount '000	Issue Date	Maturity Date	Interest Type
SGD100,000	26/5/2000	26/5/2003	Fixed rate
USD26,000	16/6/2000	16/6/2003	Floating rate based on SIBOR
USD84,000	16/6/2000	16/6/2001	Floating rate based on SIBOR

The above Notes are guaranteed by Resorts World Bhd and are redeemable in full on the respective maturity dates.

Apart from the above, there have been no other issuance and repayment of debt and equity securities, shares buy-back, shares cancellation, shares held as treasury shares and resale of treasury shares for the current year-to-date.

12. The details of the Group’s borrowings as at 30 June 2000 are as set out below:

	Secured/ Unsecured	Foreign Currency '000	RM Equivalent '000
Short-term borrowings	Secured	RMB 406	186
	Unsecured	USD 100,760 AUD 119	382,888 270
Long-term borrowings	Secured	-	82,000
	Unsecured	SGD 100,000 USD 26,000 -	220,400 98,800 19,672

The total amount of long-term borrowings of RM420,872,000 is shown as part of long-term liabilities on the balance sheet. The balance of RM9,088,000 for the current year-to-date refers to other long-term liabilities including deferred membership fees and unearned premium.

13. Details of contingent liabilities of the Group as at 17 August 2000, being the latest practicable date, are as follows:

<u>Secured</u>	<u>RM'000</u>
(i) Guarantees given by a subsidiary company to third parties in relation to certain property development activity in Sydney, Australia.	4,156
<u>Unsecured</u>	
(ii) Counter indemnity given by a subsidiary company to a local licensed bank for a bank guarantee issued on behalf of its wholly-owned subsidiary company.	5,000

14. As at 17 August 2000, being the latest practicable date, the Group has the following financial instruments with off balance sheet risks :

(a) Foreign Currency Contracts

Currency	Contract Amounts '000	Transaction Dates	Expiry Dates
Swiss Francs	7,193	3/12/1999 to 16/8/2000	30/8/2000 to 30/11/2000
French Francs	41,501	3/12/1999 to 16/8/2000	18/8/2000 to 30/11/2000
Japanese Yen	459,061	31/7/2000	30/8/2000
Deutsche Marks	2,013	11/8/2000	25/8/2000
US Dollars	121	19/7/2000	21/8/2000

As foreign currency contracts are entered into to hedge the Group's committed purchases in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

(b) Singapore Dollar ("SGD")/US Dollar ("USD") Cross-Currency Swap ("CCS")

As disclosed in Note 11 above, the Group issued Euro Medium Term Notes ("Notes") of SGD100 million on 26 May 2000. These Notes are due to mature on 26 May 2003.

The Group then entered into 2 CCS agreements, first on the issue date of the Notes and the second on 3 August 2000. The effect of the 2 CCS agreements are to convert the SGD Notes into a fixed rate USD liability.

The swaps terminate on the maturity of the loan, i.e. 26 May 2003.

(c) USD Interest Rate Swap ("IRS")

As disclosed in Note 11 above, the Group also issued Notes for USD26 million. These Notes are due to mature on 16 June 2003.

The Group entered into an IRS agreement on 8 August 2000 and the effect of this transaction is to effectively fix the interest rate payable on that tranche of the loan.

These instruments are executed with a creditworthy financial institution and the Directors are of the view that the possibility of non-performance by the financial institution is remote on the basis of its financial strength.

Financial derivative hedging instruments are used in the Group's risk management of foreign currency and interest rate risk exposures of its financial liabilities. Hedge accounting principles are applied for the accounting of the underlying exposures and their hedge instruments. The underlying foreign currency liabilities are translated at their respective hedged exchange rate, and differential interest receipts and payments arising from interest rate derivative instruments are accrued, so as to match the net differentials with the related expenses on the hedged liabilities.

15. There are no pending material litigations as at 17 August 2000, being the latest practicable date.

16. Segment analysis for the current year-to-date is set out below:

	<b>Turnover 30/06/2000 RM'000</b>	<b>Profit/(Loss) Before Tax 30/06/2000 RM'000</b>	<b>Assets Employed 30/06/2000 RM'000</b>
<b>By activity</b>			
Leisure & Hospitality	1,048,569	433,596	2,574,258
Plantations	86,543	21,151	476,281
Properties	43,345	2,481	1,212,482
Paper	209,663	36,226	836,342
Oil & Gas	-	(44,380)	441,157
	<u>1,388,120</u>	<u>449,074</u>	<u>5,540,520</u>
Investment in associated companies	723,881	55,426	1,333,596
Non-segment items			
- interest-bearing investments	-	24,906	2,550,145
- equity investments & others	140,072	(157,603)	845,811
	<u>2,252,073</u>	<u>371,803</u>	<u>10,270,072</u>
Adjustment relating to share of operating revenue of associated companies	<u>(723,881)</u>	<u>-</u>	<u>-</u>
	<u>1,528,192</u>	<u>371,803</u>	<u>10,270,072</u>

17. The Group registered a pre-tax profit of RM90.0 million for the current quarter, a decrease of RM191.8 million or 68% compared to the preceding quarter. The decline is mainly due to an exceptional loss of RM150.7 million included in the current quarter's results arising from the provision for diminution in value of short-term quoted shares. The results were also affected by the write-off of costs incurred in the Oil & Gas Division as well as lower profit contribution from the Property Division.

18. The business from the Group's Leisure and Hospitality Division remains stable. However, the casino operations continue to be affected by stiff competition from overseas casinos. In spite of a 9% increase in FFB production, the performance of the Plantation Division was affected by weak commodity prices. The average achieved crude palm oil and palm kernel prices for the current year-to-date were much lower than the prices achieved during the same period last year. The performance of the Property Division also declined on the back of slow demand, particularly for commercial and industrial properties.

There has not arisen in the interval between 30 June 2000 and 17 August 2000, being the latest practicable date, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company and of the Group.

19. Barring unforeseen circumstances, the Directors are of the opinion that the Group's performance is expected to be satisfactory for the remaining period of the year. However, goodwill will arise in the event that the Group subscribes for the new equity shares of Star Cruises PLC, as disclosed in Note 23 below. This goodwill will be written off through the Profit and Loss Account in accordance with the Group's accounting policy.
20. There are no explanatory comments on variances of actual profit from forecast profit and shortfall in profit guarantee since it is not applicable.

21. (a) An interim ordinary dividend for the half year ended 30 June 2000 has been declared by the Directors.
- (b) (i) The interim dividend for the half-year ended 30 June 2000 shall amount to 6.5 sen per ordinary share of 50 sen each, less 28% tax.
- (ii) The interim dividend declared for the previous year corresponding period amounted to 6.5 sen per ordinary share of 50 sen each, less 28% tax.
- (iii) Total interim dividend

	<b>2000</b>	1999
	<b>RM'000</b>	RM'000
Interim – 6.5 sen less 28% tax (1999 : 6.5 sen less 28% tax) per share	<b>32,963</b>	32,963

- (c) The interim dividend shall be payable on 31 October 2000.
- (d) Entitlement to the interim dividend
- A Depositor shall qualify for entitlement to the interim dividend only in respect of :
- (i) Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 11 October 2000 in respect of ordinary transfers; and
- (ii) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

22. As at 30 June 2000, the Company has 3,447,000 unissued ordinary shares outstanding under the Genting Employees' Share Option Scheme ("GESOS"). In accordance with the provisions laid down by Malaysian Accounting Standards Board No. 13 on Earnings Per Share, share options are dilutive when they are issued for no consideration or where a portion of the outstanding share options are deemed dilutive in situations where the exercise price of the options is below its fair value.

Since the exercise price of the GESOS is above the fair value of the Company's shares for the current quarter, the option is deemed non dilutive.

23. On 19 May 2000, Resorts World Bhd (“RWB”), a 55.2% owned subsidiary of the Company, through CIMB, announced the proposed cash subscription (“Proposed Cash Subscription”) by Resorts World Limited (“RWL”), a wholly-owned subsidiary of Sierra Springs Sdn Bhd (“SSSB”), which in turn is a wholly-owned subsidiary of RWB, of up to USD480 million in new equity shares and/or new securities convertible into equity shares (collectively referred to as “New Securities”) of Star Cruises PLC (“SCPLC”).

On 4 August 2000, RWB via an ordinary resolution contained in a circular to the shareholders had proposed to seek a mandate from their shareholders at an Extraordinary General Meeting (“EGM”) on 21 August 2000, to authorise SSSB to authorise RWL to subscribe for cash, New Securities of SCPLC, subject to the following conditions :-

- (a) the issue of the New Securities by SCPLC is in conjunction with a placement or offering which is also available to other institutional and/or private investors ;
- (b) the subscription price of the New Securities to be paid by RWL shall be at the same price as that subscribed by the other institutional and/or private investors ;
- (c) the total number of the New Securities subscribed by RWL shall not exceed 60% of the total number of the New Securities to be issued by SCPLC ;
- (d) the total subscription price of the New Securities subscribed by RWL shall not exceed USD480 million ;
- (e) the approval by the shareholders of RWB shall be valid only for a period of one year from the date of the EGM convened for this purpose unless earlier revoked or varied by ordinary resolution of the shareholders of RWB in a general meeting ; and
- (f) the New Securities to be subscribed and new ordinary shares to be issued upon the conversion of the New Convertible Securities subscribed (if any) will be free from all charges, liens or other encumbrances and will rank pari passu in all respects with the then existing ordinary shares of SCPLC, except that they will not rank for any dividend or any other distributions that are or may be declared by SCPLC on or prior to the respective date of issue and allotment of the aforesaid shares.

The subscription price of the New Securities to be paid by RWL shall be determined by SCPLC via an open-price book-building process with the advice of its financial advisers. The duration for the open-price book-building process, which has yet to be determined, will only be determined by SCPLC with the advice from its financial advisers at a later stage.

The shareholders of RWB have duly approved the Proposed Cash Subscription at the abovesaid EGM on 21 August 2000.

By order of the board

**TAN SRI LIM GOH TONG**  
**Chairman and Chief Executive**  
**24 August 2000**