



GENTING BERHAD

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

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

CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|--|--------------------|------------|-------------------|------------|
| | CURRENT | PRECEDING | CURRENT | PRECEDING |
| | YEAR | YEAR | YEAR- | YEAR |
| | QUARTER | CORRES- | TO-DATE | CORRES- |
| | 30/09/2000 | PONDING | 30/09/2000 | PONDING |
| | RM'000 | QUARTER | 30/09/1999 | PERIOD |
| | | 30/09/1999 | RM'000 | 30/09/1999 |
| | | RM'000 | | RM'000 |
| 1(a) Turnover | 825,143 | 803,862 | 2,353,335 | 2,381,685 |
| (b) Investment income | 570 | 418 | 8,557 | 823 |
| (c) Other income including interest income | 36,708 | 18,657 | 78,049 | 60,793 |
| 2(a) Operating profit before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | 412,187 | 344,854 | 1,000,484 | 1,051,483 |
| (b) Interest on borrowings | (15,505) | (1,899) | (31,941) | (5,475) |
| (c) Depreciation and amortisation | (55,645) | (51,532) | (160,425) | (157,092) |
| (d) Exceptional items | (139,578) | 112,565 | (290,282) | 125,543 |
| (e) Operating profit after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items | 201,459 | 403,988 | 517,836 | 1,014,459 |

| | | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|-----|--|-----------------------|------------------|-----------------------|------------------|
| | | PRECEDING | | PRECEDING | |
| | | YEAR | | YEAR | |
| | | CURRENT | CORRES- | CURRENT | CORRES- |
| | | YEAR | PONDING | YEAR- | PONDING |
| | | QUARTER | QUARTER | TO-DATE | PERIOD |
| | | 30/09/2000 | 30/09/1999 | 30/09/2000 | 30/09/1999 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| (f) | Share in the results of associated companies | <u>62,799</u> | <u>49,360</u> | <u>118,225</u> | <u>137,123</u> |
| (g) | Profit before taxation, minority interests and extraordinary items | 264,258 | 453,348 | 636,061 | 1,151,582 |
| (h) | Taxation | <u>(99,214)</u> | <u>(3,383)</u> | <u>(267,075)</u> | <u>(17,256)</u> |
| (i) | (i) Profit after taxation before deducting minority interests | 165,044 | 449,965 | 368,986 | 1,134,326 |
| | (ii) Minority interests | <u>(24,067)</u> | <u>(102,338)</u> | <u>(66,258)</u> | <u>(308,410)</u> |
| (j) | Profit after taxation attributable to Members of the Company | 140,977 | 347,627 | 302,728 | 825,916 |
| (k) | (i) Extraordinary items | - | - | - | - |
| | (ii) Minority interests | - | - | - | - |
| | (iii) Extraordinary items attributable to Members of the Company | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (l) | Profit after taxation and extraordinary items attributable to Members of the Company | <u>140,977</u> | <u>347,627</u> | <u>302,728</u> | <u>825,916</u> |

| | | INDIVIDUAL QUARTER PRECEDING YEAR | | CUMULATIVE PERIOD PRECEDING YEAR | |
|------|---|--|---|---|--|
| | | CURRENT YEAR QUARTER 30/09/2000 RM'000 | CORRES- PONDING QUARTER 30/09/1999 RM'000 | CURRENT YEAR- TO-DATE 30/09/2000 RM'000 | CORRES- PONDING PERIOD 30/09/1999 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) | 20.0 | 49.4 | 43.0 | 117.3 |
| (ii) | Fully diluted [based on 704,338,954 shares] (sen) | 20.0 | 49.4 | 43.0 | 117.3 |
| 4(a) | Dividend per share (sen) | - | - | 6.5 | 6.5 |
| (b) | Dividend description | - | - | Interim dividend per ordinary share, less 28% tax | Interim dividend per ordinary share, less 28% tax |

GENTING BERHAD
CONSOLIDATED BALANCE SHEET

| | UNAUDITED AS AT END OF CURRENT PERIOD 30/09/2000 RM'000 | AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/1999 RM'000 |
|--|--|---|
| 1. FIXED ASSETS | 3,930,331 | 3,701,075 |
| 2. REAL PROPERTY ASSETS | 623,498 | 653,652 |
| 3. ASSOCIATED COMPANIES | 1,368,796 | 1,449,266 |
| 4. INVESTMENTS | 202,524 | 167,057 |
| 5. EXPLORATION COST | 435,926 | 437,638 |
| 6. CURRENT ASSETS | | |
| Property development | 242,844 | 229,758 |
| Stocks | 112,488 | 109,586 |
| Trade debtors | 161,876 | 149,030 |
| Amount due from associated company | 458,490 | - |
| Other debtors, deposits and prepayments | 111,274 | 149,338 |
| Short-term investments | 794,102 | 981,905 |
| Bank balances and deposits | 1,854,588 | 1,410,600 |
| | <u>3,735,662</u> | <u>3,030,217</u> |
| 7. LESS CURRENT LIABILITIES | | |
| Trade creditors | 110,447 | 102,775 |
| Other creditors and accrued expenses | 308,583 | 337,950 |
| Short-term borrowings | 383,271 | 840 |
| Provision for taxation | 272,087 | 279,900 |
| Dividends | 32,963 | 63,390 |
| | <u>1,107,351</u> | <u>784,855</u> |
| 8. NET CURRENT ASSETS | <u>2,628,311</u> | <u>2,245,362</u> |
| | <u>9,189,386</u> | <u>8,654,050</u> |
| 9. SHAREHOLDERS' FUNDS | | |
| SHARE CAPITAL | 352,169 | 352,169 |
| RESERVES | | |
| Share Premium | 97,803 | 97,803 |
| Revaluation Reserves | 404,173 | 404,182 |
| Unappropriated Profit | 5,086,066 | 4,816,284 |
| Other Reserves | 56,492 | 118,467 |
| | <u>5,996,703</u> | <u>5,788,905</u> |
| 10. MINORITY INTERESTS | 2,569,938 | 2,574,950 |
| 11. LONG-TERM LIABILITIES | 431,376 | 106,753 |
| 12. DEFERRED TAXATION | 19,349 | 15,976 |
| 13. PROVISION FOR RETIREMENT GRATUITIES | 172,020 | 167,466 |
| | <u>9,189,386</u> | <u>8,654,050</u> |
| 14. NET TANGIBLE ASSETS PER SHARE (RM) | 8.51 | 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. For the preceding year corresponding periods, the exceptional item refers to a gain arising on dilution of interest in an indirect subsidiary.
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 RM26,829,000 (1999: RM13,615,000).
 - (b) An underprovision relating to prior years amounting to RM291,000 (1999: RM1,539,000).
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 | 266,312 |
| Total disposals | 215,570 |
| Total profit on disposals | 51,983 |

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

| | Total RM'000 |
|---|-----------------|
| Total investments at cost | 2,368,585 |
| Total investments at book value | 1,627,588 |
| Total investments at market value as at 30 September 2000 | 3,534,281 |

8. There have been no material changes in the composition of the Company and of the Group for the current year-to-date.
9. There were no corporate proposals which have been announced by the Company and which have not been completed as at 23 November 2000.
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 September 2000 are as set out below:

| | Secured/ Unsecured | Foreign Currency '000 | RM Equivalent '000 |
|-----------------------|-----------------------|--------------------------------|-----------------------------|
| Short-term borrowings | Unsecured | USD 100,760 AUD 186 | 382,888 383 |
| Long-term borrowings | Secured | - | 82,002 |
| | Unsecured | SGD 100,000 USD 26,000 - | 220,400 98,800 19,672 |

The total amount of long-term borrowings of RM420,874,000 is shown as part of long-term liabilities on the balance sheet. The balance of RM10,502,000 for the current year-to-date refers to other long-term liabilities including deferred membership fees and unearned premiums.

13. Details of contingent liabilities of the Group as at 23 November 2000, being the latest practicable date, are as follows:

| <u>Secured</u> | <u>RM'000</u> |
|--|---------------|
| (a) Guarantees given by a subsidiary company to third parties in relation to certain property development activity in Sydney, Australia. | 3,763 |
| <u>Unsecured</u> | |
| (b) 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 23 November 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 | 3,501 | 18/01/2000 to 22/11/2000 | 24/11/2000 to 15/02/2001 |
| French Francs | 26,285 | 18/01/2000 to 23/11/2000 | 24/11/2000 to 15/02/2001 |
| Japanese Yen | 426,012 | 22/11/2000 | 24/11/2000 |
| Deutsche Marks | 690 | 24/10/2000 to 01/11/2000 | 27/11/2000 |

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 two CCS agreements, first on the issue date of the Notes and the second on 3 August 2000. The effect of the two 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 23 November 2000, being the latest practicable date.

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

| | Turnover | | Profit/(Loss) Before Tax | | Assets Employed | |
|---|--------------------|------------|-----------------------------|------------|--------------------|------------|
| | 30/09/2000 | 30/09/1999 | 30/09/2000 | 30/09/1999 | 30/09/2000 | 30/09/1999 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| By activity | | | | | | |
| Leisure & Hospitality | 1,569,167 | 1,556,102 | 638,222 | 566,937 | 2,635,182 | 2,396,316 |
| Plantations | 129,100 | 167,617 | 31,181 | 71,196 | 478,575 | 480,799 |
| Properties | 79,138 | 213,736 | 4,910 | 90,241 | 1,196,514 | 1,309,301 |
| Paper | 334,836 | 275,208 | 69,072 | 42,703 | 881,593 | 741,867 |
| Oil & Gas | 11,186 | - | (43,214) | 24,188 | 455,551 | 439,627 |
| | 2,123,427 | 2,212,663 | 700,171 | 795,265 | 5,647,415 | 5,367,910 |
| Investment in associated companies | 1,246,303 | 508,383 | 118,225 | 137,123 | 1,368,848 | 1,392,077 |
| Non-segment items | | | | | | |
| - interest-bearing investments | - | - | 46,108 | 55,317 | 2,489,027 | 1,891,728 |
| - short-term equity investments & others | 229,908 | 169,022 | (228,443) | 163,877 | 791,447 | 576,275 |
| | 3,599,638 | 2,890,068 | 636,061 | 1,151,582 | 10,296,737 | 9,227,990 |
| Adjustment relating to share of operating revenue of associated companies | (1,246,303) | (508,383) | - | - | - | - |
| | 2,353,335 | 2,381,685 | 636,061 | 1,151,582 | 10,296,737 | 9,227,990 |

17. The Group registered a pre-tax profit of RM264.3 million for the current quarter, an increase of RM174.2 million compared to the preceding quarter. The preceding quarter's results were affected by the write-off of costs incurred in the Oil & Gas Division whereas the current quarter includes gain on sale of short term quoted securities as compared to a loss in the preceding quarter. The current quarter also includes a higher share of results of Star Cruises Limited ("SCL"), an associated company of the Group as well as an improvement in the performance of the Paper Division.

18. The Group recorded a pre-tax profit of RM636.1 million for the current year-to-date, which was RM515.5 million lower than that achieved during the corresponding period in 1999. The lower pre-tax profit is due, in part, to the decline in contributions from both the Plantation and Property Divisions. The Plantation Division has been affected by poor palm product prices whilst the Property Division was affected by poor demand for properties, especially commercial and industrial properties.

The current year-to-date was also substantially affected by the provision for diminution in value of short-term quoted shares of RM290.3 million and the write-off of costs incurred in the Oil & Gas Division in the second quarter. This contrasted with a gain on dilution of interest in an indirect subsidiary amounting to RM125.5 million for the corresponding period in 1999.

However, the underlying performance of the Leisure and Hospitality Division for the current year-to-date has improved compared to the corresponding period last year. This increase is mainly due to an increased level of consumer spending and visitor arrivals.

The profit after taxation and before deducting minority interests for the current quarter and the current year-to-date are not comparable with that of the previous corresponding period as 1999 was an income tax waiver year and hence, no provision for Malaysian taxation was required.

There has not arisen in the interval between 30 September 2000 and 23 November 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 other than the effect of the goodwill arising from the subscription of new equity shares of SCL by the Group, as disclosed in Note 25 below.
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. No dividend has been declared/recommended for the current quarter ended 30 September 2000.
22. As at 30 September 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 Commerce International Merchant Bankers Berhad ("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 SCL.

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 SCL, subject to the following conditions :-

- (a) the issue of the New Securities by SCL 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 SCL ;
- (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 SCL, except that they will not rank for any dividend or any other distributions that are or may be declared by SCL on or prior to the respective date of issue and allotment of the aforesaid shares.

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

Subsequently, RWL entered into three Note Purchase Agreements with SCL, two on 28 September 2000 and one on 9 October 2000, to purchase the following Convertible Unsecured Loan Notes (“CULNs”):

- (a) USD213 million floating rate tranche issued on 2 October 2000 at SIBOR + 1% and due to mature on 20 August 2001; and
 - (b) USD267 million floating rate tranche issued on 11 October 2000 at SIBOR + 1% and due to mature on 20 August 2001.
24. On 27 November 2000, CIMB announced on behalf of the Company that the following subsidiaries of the Company, had on 24 November 2000 each entered into separate share sale agreements with Arrasas Limited, a wholly-owned subsidiary of SCL, to dispose of a total of 29,110,200 ordinary shares of NOK2.30 each (“Sale Shares”) representing approximately 10.9% equity interest in NCL Holding ASA (“NCL”) for a total cash consideration of NOK436,653,000 (approximately RM173.8 million) or NOK15.00 per NCL share:
- (a) Palomino Limited, a wholly-owned subsidiary of Genting International Public Limited Company, which is a 57.6% owned subsidiary of Genting Overseas Holdings Limited (“GOHL”), which in turn is a wholly-owned subsidiary of the Company, for 16,000,000 NCL ordinary shares of NOK2.30 each for a cash consideration of NOK240,000,000;
 - (b) RWL, for 10,300,000 NCL ordinary shares of NOK2.30 each for a cash consideration of NOK154,500,000; and
 - (c) GOHL, for 2,810,200 NCL ordinary shares of NOK2.30 each for a cash consideration of NOK42,153,000.

The proceeds from the disposal will be utilised to part finance the cash subscription by RWL of the new equity shares of SCL as disclosed in Note 23 above.

The Group invested approximately RM482.6 million to acquire the Sale Shares in December 1999. The Group expects to realise a loss of approximately RM187.9 million after minority interest pursuant to the disposal, of which RM122.1 million has been provided for in the results of the Group for the nine months ended 30 September 2000.

25. On 28 November 2000, CIMB announced on behalf of RWB that of the total amount of USD480 million CULNs as disclosed in Note 23 above, USD442.5 million will be converted by RWL into 609,781,993 SCL ordinary shares of USD0.10 each on 29 November 2000. The balance of USD37.5 million of the CULNs not converted into ordinary shares of SCL will be repaid by SCL. The conversion price is based on the rate of HKD5.66 or USD0.7257 per share. The conversion price was arrived at by the Joint Placing Agents for SCL, namely HSBC Investment Bank Asia Limited/Credit Suisse First Boston (Hong Kong) Limited following placements made to other institutional and private investors at the same subscription price in conjunction with the listing of and quotation for all the shares of SCL on The Hong Kong Stock Exchange Limited ("HKSE"). Upon issuance of 609,781,993 new ordinary shares of USD0.10 each to RWL, RWL would own 1,486,886,993 shares representing 35.91% of the enlarged issued and paid-up share capital of SCL. RWB has been informed that the HKSE has approved in principle the listing of SCL on the HKSE. The listing of SCL shares on the HKSE is expected to commence on 30 November 2000.

The effect of the goodwill arising from this subscription of the new equity shares of SCL on the Group's profit after taxation and minority interest is estimated to be RM618 million. This goodwill will be written off in the 4th quarter through the Profit and Loss Account in accordance with the Group's accounting policy.

By order of the board

TAN SRI LIM GOH TONG
Chairman and Chief Executive
29 November 2000