



General Announcement

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(Submitted)

GENTING BERHAD ("GENTING" OR THE "COMPANY")

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF GENTING ("PROPOSED AMENDMENTS"); AND

PROPOSAL FOR PURCHASE OF OWN SHARES ("PROPOSED SHARE BUY-BACK")

(HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On behalf of Genting, Commerce International Merchant Bankers Berhad ("CIMB") wishes to announce that Genting proposes to amend its Articles of Association to conform with the new Listing Requirements of the Kuala Lumpur Stock Exchange ("Listing Requirements") and other relevant regulatory and statutory requirements; and to seek a fresh authorisation from its shareholders to purchase up to ten percent (10%) of the issued and paid-up share capital of the Company.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Amendments

The Articles of Association of the Company are proposed to be amended to incorporate and to reflect the new Listing Requirements as required by the Kuala Lumpur Stock Exchange ("KLSE"), as well as other relevant regulatory and statutory requirements.

2.2 Proposed Share Buy-Back

The present mandate granted by the shareholders of Genting at the Extraordinary General Meeting held on 29 June 2000 for the purchase of its own shares will expire at the conclusion of the forthcoming Thirty-Third (33rd) Annual General Meeting ("AGM") of Genting. In this regard, the Company proposes to seek a fresh authorisation from its shareholders to purchase up to a maximum of ten percent (10%) of the then issued and paid-up share capital of the Company.

The approval from the shareholders for the Proposed Share Buy-Back would be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming extraordinary general meeting ("EGM") until the conclusion of the next AGM of Genting, unless earlier revoked or varied by ordinary resolution of shareholders of the Company in a general meeting.

Genting has not made any purchase of ordinary shares of RM0.50 each in Genting or resold them as treasury shares in the previous twelve (12) months up to 19 April 2001, being the last practicable date prior to the date of this announcement.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Amendments

The Proposed Amendments are made to update the Articles of Association of the Company, where relevant, to render consistency throughout, and to incorporate the new Listing Requirements and other relevant regulatory and statutory requirements.

3.2 Proposed Share Buy-Back

The Proposed Share Buy-Back will enable Genting to utilise its surplus financial resources to purchase its own shares from the market. The Proposed Share Buy-Back may stabilise the market price of Genting shares traded on the Main Board of the KLSE.

The purchased shares could be held as treasury shares and resold on the KLSE with the intention of realising a potential gain. In the event the treasury shares are distributed as share dividends, it will serve to reward the shareholders of the Company.

4. EFFECTS OF THE PROPOSALS

4.1 Proposed Amendments

The Proposed Amendments will not have any effect on the share capital, net tangible assets ("NTA") and earnings of Genting.

4.2 Proposed Share Buy-Back

4.2.1 Share Capital

The effect of the Proposed Share Buy-Back on the share capital of Genting will depend on the intention of the Board of Directors with regard to the purchased shares. In the event that the purchased shares are cancelled, subject to the Company maintaining the minimum share capital requirement, the Proposed Share Buy-Back will result in a reduction in the issued and paid-up share capital of the Company.

However, if the purchased shares are retained as treasury shares, the Proposed Share Buy-Back is not expected to have any effect on the issued and paid-up share capital of the Company.

4.2.2 NTA

The effect of the Proposed Share Buy-Back on the NTA per share of Genting and its subsidiaries ("Genting Group") will depend on the intention of the Board of Directors with regard to the purchased shares. The NTA per share would decrease if the purchased shares are kept as treasury shares. The treasury shares, which are required to be carried at cost, must be offset against equity and this will result in a decrease in the NTA of the Company.

However, if the treasury shares are cancelled as provided under Section 67A of the Companies Act, 1965 and subject to the Company maintaining the minimum share capital requirement, the NTA per share of the Genting Group will increase if the cost of the treasury shares per share is below the NTA per share at the relevant point in time, and vice-versa.

In the case where the treasury shares are resold on the KLSE, the NTA per share of the Genting Group will increase if the Company realise a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, the NTA of the Genting Group will decrease by the cost of the treasury shares.

4.2.3 Earnings

The Proposed Share Buy-Back is not expected to have material effect on the consolidated earnings of Genting for the year ending 31 December 2001.

5. IMPLICATION RELATING TO THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 1998 ("CODE")

The direct and indirect shareholdings of Kien Huat Realty Sdn. Bhd. ("Kien Huat") in Genting as at 19 April 2001 is approximately 41.23% of the issued and paid-up share capital of the Company. In the event that the Proposed Share Buy-Back of up to approximately ten percent (10%) is carried out in full in a period of six (6) months, the shareholdings of Kien Huat in Genting would be increased to approximately 45.81% of the issued and paid-up share capital of the Company if the number of ordinary shares held by Kien Huat is unchanged and all the shares purchased are cancelled.

Pursuant to the Code, a person who holds more than thirty three percent (33%) but less than fifty percent (50%) of the voting shares of a company and such person acquires in any period of six (6) months more than two percent (2%) of the voting shares of the company, the person should undertake a mandatory general offer for the remaining ordinary shares of the company not already owned by the said person. As such, the Proposed Share Buy-Back of approximately ten percent (10%), if carried out in full in a period of six (6) months, would increase the shareholdings of Kien Huat together with persons acting in concert with it by more than two percent (2%) and together with persons acting in concert with it would therefore trigger a mandatory general offer pursuant to the Code.

As at the date hereof, the Company has yet to decide on the percentage of its own shares to be purchased under the Proposed Share Buy-Back. However, the Company will ensure that the requirement of a mandatory general offer will not be triggered by Kien Huat.

Save as disclosed above, none of the other existing substantial shareholders is expected to trigger the obligation to undertake a mandatory general offer under the Code as a result of the Proposed Share Buy-Back.

6. CONDITIONS OF THE PROPOSALS

The Proposed Amendments and Proposed Share Buy-Back are subject to the approval of the shareholders of the Company at an EGM to be convened.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholders in the Company as a consequence of the Proposed Share Buy-Back, none of the Directors and/or substantial shareholders of Genting or persons connected to them, has any interest, direct or indirect, in the Proposals.

8. DIRECTORS' RECOMMENDATION

The Board of Directors of Genting, after careful deliberation, is of the opinion that the Proposals are in the best interest of the Genting Group.

9. ADVISER

CIMB has been appointed by Genting as the adviser for the Proposed Share Buy-Back.

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement: