



## **General Announcement**

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

### **PROPOSED EXECUTIVE SHARE OPTION SCHEME FOR ELIGIBLE EXECUTIVES AND EXECUTIVE DIRECTORS OF GENTING AND ITS SUBSIDIARIES ("PROPOSED ESOS")**

#### **1. INTRODUCTION**

On behalf of Genting, Commerce International Merchant Bankers Berhad ("CIMB") is pleased to announce that the Company proposes to implement a new executive share option scheme ("ESOS") for eligible executives and Executive Directors of Genting and its subsidiaries ("Genting Group" or the "Group").

#### **2. DETAILS OF THE PROPOSED ESOS**

The salient features of the Proposed ESOS are as follows:-

- 2.1 The maximum number of shares to be offered under the Proposed ESOS shall not exceed five per cent (5%) of the issued and paid-up share capital of the Company at the time of offer.
- 2.2 Not more than fifty per cent (50%) of the shares available under the Proposed ESOS would be allocated, in aggregate, to the Executive Directors and senior management of the Genting Group. In addition, not more than ten per cent (10%) of the shares available under the Proposed ESOS would be allocated to any individual executive or Executive Director who, either singly or collectively through persons connected, holds twenty per cent (20%) or more in the issued and paid-up share capital of the Company.
- 2.3 The new ordinary shares of RM0.50 each in the Company to be issued pursuant to the Proposed ESOS shall, upon issue and allotment, rank pari passu in all respects with the existing issued and paid up shares of Genting except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date (namely the date as at the close of business on which the shareholders must be registered in order to be entitled to any dividends, rights, allotments and/or other distributions) of which is prior to the date of allotment of the new shares and will be subject to all provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.
- 2.4 The price at which the option holder is entitled to subscribe for new shares under the Proposed ESOS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of the Kuala Lumpur Stock Exchange ("KLSE") for the five (5) market days immediately preceding the Date of Offer, but shall not be less than the par value.

2.5 Subject to the discretion of the Remuneration, Compensation and Benefits Committee, any executive or Executive Director of the Group shall be eligible to participate in the Proposed ESOS if, at the Date of Offer, the executive or Executive Director:-

- (i) has attained the age of eighteen (18) years;
- (ii) has been in the full-time employment or under an employment contract of the Group for a period of at least twelve (12) full months of continuous service, including service during the probation period and whose employment has been confirmed in writing;
- (iii) is not an Executive Director who represents the Government or a Government institution/agency;
- (iv) is not a Government executive serving in the public service scheme as defined under Article 132 of the Federal Constitution; and
- (v) is employed in the category of at least an Executive V.

A foreign Executive Director or executive who is serving the Group on a full-time basis, and whose contribution is vital to the Group, can be eligible to participate in the Proposed ESOS.

2.6 The Proposed ESOS shall be for a period of ten (10) years.

### **3. RATIONALE FOR THE PROPOSED ESOS**

The objectives of the Proposed ESOS are as follows:-

- (i) to enable eligible executives to participate in the future growth of the Group and upon becoming shareholders, to participate in the Group's profits and development;
- (ii) to provide an incentive for eligible executives to participate more actively in the operations of the Group and encourage them to contribute to the well-being of the Group;
- (iii) to instill in the eligible executives a greater sense of belonging so that they would be motivated to be more productive;
- (iv) to increase the level of dedication and loyalty of the eligible executives; and
- (v) to reward and retain eligible executives whose services are vital to the operations and continued growth of the Group, thus ensuring that loss of key personnel is kept at a minimum.

### **4. FINANCIAL EFFECTS OF THE PROPOSED ESOS**

#### **4.1 Share Capital**

The Proposed ESOS will not have an immediate effect on the existing issued and paid-up share capital of Genting. However, it will increase progressively depending on the number of options exercised and the number of new ordinary shares issued pursuant thereto.

Assuming the full exercise of the options granted pursuant to the Proposed ESOS, the effect of the Proposed ESOS on the issued and paid-up share capital of the Company is set out in Table 1.

#### **4.2 Substantial shareholders' interests**

The effect of the Proposed ESOS on the shareholding of the substantial shareholders of Genting based on the Register of Substantial Shareholders as at 13 August 2001 is set out in Table 2 below.

#### **4.3 Net Tangible Assets ("NTA")**

The Proposed ESOS will not have an immediate effect on the NTA per share of the Group. However, the NTA per share of the Genting Group will increase if the exercise price exceeds the NTA per share of the Genting Group at the point of exercise of the option. Conversely, if the exercise price is below the NTA per share of the Genting Group at the point of exercise of the option, it will reduce the NTA per share of the Genting Group.

#### **4.4 Earnings**

The Proposed ESOS is not expected to have any material effect on the earnings of the Genting Group for the financial year ending 31 December 2001.

#### **4.5 Dividend**

The Proposed ESOS is not expected to have any effect on the dividend rate for the financial year ending 31 December 2001.

#### **5. CONDITIONS OF THE PROPOSED ESOS**

The Proposed ESOS is subject to and conditional upon approvals being obtained from the following:-

- (i) Securities Commission ("SC");
- (ii) KLSE for the listing of and quotation for the new ordinary shares to be issued pursuant to the exercise of the options under the Proposed ESOS; and
- (iii) shareholders of Genting at an Extraordinary General Meeting ("EGM") to be convened.

#### **6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Tan Sri Lim Goh Tong, Tun Mohammed Hanif bin Omar, Dato' Lim Kok Thay and Quah Chek Tin, being Executive Directors of Genting, and Tan Sri Mohd. Amin bin Osman being an Executive Director of a subsidiary of Genting, are eligible to participate in the Proposed ESOS. They are therefore deemed interested in respect of their respective entitlements under the Proposed ESOS. Accordingly, they have and will continue to abstain from voting at the relevant Board Meetings of Genting to consider their respective entitlements under the Proposed ESOS. They will also abstain from voting in respect of their direct and indirect shareholdings in Genting, if applicable, on the resolutions pertaining to their respective entitlements under the Proposed ESOS at the forthcoming EGM of Genting to be convened.

Save as disclosed above, none of the other Directors or major shareholders of Genting or persons connected to them has any interest, direct or indirect, in the Proposed ESOS.

#### **7. DIRECTORS' RECOMMENDATION**

Your Directors, after careful deliberation, are of the opinion that the Proposed ESOS is in the best interest of the Company.

#### **8. TIMING OF SUBMISSION TO THE SC**

Submission to the SC for the Proposed ESOS is expected to be made within six (6) months from the date of this announcement.

#### **9. ADVISER**

CIMB has been appointed by Genting as Advisor for the Proposed ESOS.

**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:**

**TABLE 1**

	<b>No. of ordinary shares of RM0.50 each</b>
Existing as at 13 August 2001	704,338,954
To be issued pursuant to the Proposed ESOS	35,216,000
Enlarged share capital	<u>739,554,954</u>

**TABLE 2**

	<-----No. of ordinary shares held as at 13 August 2001----->							
	<-----Before the Proposed ESOS----->				<-----After the Proposed ESOS----->			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Kien Huat Realty Sdn. Bhd. ("Kien Huat")	238,628,052	33.88	51,746,600 <sup>^</sup>	7.35	238,628,052	32.27	51,746,600 <sup>^</sup>	7.00
Parkview Management Sdn. Bhd.	-	-	290,374,652 <sup>*</sup>	41.23	-	-	290,374,652 <sup>*</sup>	39.26
Inforex Sdn. Bhd.	-	-	238,628,052 <sup>+</sup>	33.88	-	-	238,628,052 <sup>+</sup>	32.27
Info-Text Sdn. Bhd.	-	-	238,628,052 <sup>+</sup>	33.88	-	-	238,628,052 <sup>+</sup>	32.27
Dataline Sdn. Bhd.	-	-	238,628,052 <sup>+</sup>	33.88	-	-	238,628,052 <sup>+</sup>	32.27
G T Realty Sdn. Bhd.	-	-	238,628,052 <sup>+</sup>	33.88	-	-	238,628,052 <sup>+</sup>	32.27

**Notes:-**

<sup>^</sup> Deemed interested through its subsidiaries.

<sup>\*</sup> Deemed interested through Kien Huat and its subsidiaries.

<sup>+</sup> Deemed interested through Kien Huat.