



GENTING BERHAD

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

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SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2002. 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-
	30/06/2002	PONDING	30/06/2002	PONDING
	RM'000	QUARTER	RM'000	PERIOD
		30/06/2001		30/06/2001
		RM'000		RM'000
1(a) Revenue	869,828	752,305	1,766,084	1,561,328
(b) Investment income	513	3,040	513	3,040
(c) Other income	14,058	13,850	24,679	24,890
2(a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	410,538	355,350	821,807	671,550
(b) Finance cost	(15,623)	(21,488)	(32,279)	(36,304)
(c) Depreciation and amortisation	(70,906)	(58,619)	(139,562)	(117,810)
(d) Exceptional items	31,132	(80,011)	31,132	(185,378)
(e) Profit/(loss) before income tax, minority interests and extraordinary items	355,141	195,232	681,098	332,058
(f) Share of profits and losses of associated companies	66,584	38,707	102,150	62,149

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE PERIOD PRECEDING YEAR	
	CURRENT YEAR QUARTER 30/06/2002 RM'000	CORRES- PONDING QUARTER 30/06/2001 RM'000	CURRENT YEAR- TO-DATE 30/06/2002 RM'000	CORRES- PONDING PERIOD 30/06/2001 RM'000
(g) Profit/(loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	421,725	233,939	783,248	394,207
(h) Income tax	<u>(109,977)</u>	<u>(96,400)</u>	<u>(219,389)</u>	<u>(182,698)</u>
(i) (i) Profit/(loss) after income tax before deducting minority interests	311,748	137,539	563,859	211,509
(ii) Minority interests	<u>(104,597)</u>	<u>(60,777)</u>	<u>(177,301)</u>	<u>(65,808)</u>
(j) Pre-acquisition profit/(loss), if applicable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(k) Net profit/(loss) from ordinary activities attributable to Members of the Company	207,151	76,762	386,558	145,701
(l) (i) Extraordinary items	-	-	-	-
(ii) Minority interests	-	-	-	-
(iii) Extraordinary items attributable to Members of the Company	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(m) Net profit/(loss) attributable to Members of the Company	<u>207,151</u>	<u>76,762</u>	<u>386,558</u>	<u>145,701</u>

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER 30/06/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2001 RM'000	CURRENT YEAR-TO-DATE 30/06/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2001 RM'000		
3	Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any :					
(a)	Basic [based on 704,338,954 ordinary shares] (sen)	29.4	10.9	54.9	20.7	
(b)	Fully diluted [based on 704,338,954 ordinary shares] (sen)	29.4	10.9	54.9	20.7	
4	(a)	Dividend per share (sen)	7.0	6.5	7.0	6.5
(b)	Dividend description	Interim dividend per ordinary share, less 28% tax, declared on 29 August 2002 and not included in the financial statements as at 30 June in compliance with MASB 19 (Refer Note 1)	Interim dividend per ordinary share, less 28% tax, declared on 28 August 2001 and not included in the financial statements as at 30 June in compliance with MASB 19 (Refer Note 1)	Interim dividend per ordinary share, less 28% tax, declared on 29 August 2002 and not included in the financial statements as at 30 June in compliance with MASB 19 (Refer Note 1)	Interim dividend per ordinary share, less 28% tax, declared on 28 August 2001 and not included in the financial statements as at 30 June in compliance with MASB 19 (Refer Note 1)	

GENTING BERHAD
CONSOLIDATED BALANCE SHEET

	UNAUDITED	AUDITED
	AS AT	AS AT
	END OF	PRECEDING
	CURRENT	FINANCIAL
	QUARTER	YEAR END
	30/06/2002	31/12/2001
	RM'000	RM'000
NON-CURRENT ASSETS		
1. Property, plant and equipment	4,711,614	4,721,377
2. Real property assets	630,216	621,886
3. Associated companies	2,144,715	2,030,551
4. Other long term investments	28,368	6,947
5. Long term receivables	13,779	18,971
6. Deferred taxation	16,721	-
7. CURRENT ASSETS		
Property development	90,162	117,509
Inventories	244,206	213,167
Trade & other receivables	326,710	247,728
Amount due from associated companies	206	1,510
Short term investments	1,076,991	884,423
Bank balances and deposits	1,483,306	1,357,026
	3,221,581	2,821,363
8. LESS CURRENT LIABILITIES		
Trade & other payables	508,842	658,719
Amount due to associated companies	258	-
Short term borrowings	613,253	99,798
Taxation	260,678	216,397
Final dividend payable	63,390	-
	1,446,421	974,914
9. NET CURRENT ASSETS	1,775,160	1,846,449
	9,320,573	9,246,181
FINANCED BY		
SHARE CAPITAL	352,169	352,169
RESERVES		
Share premium	97,803	97,803
Revaluation reserve	383,884	383,908
Unappropriated profit	5,240,030	4,916,838
Reserves on exchange	56,995	49,430
10. SHAREHOLDERS' EQUITY	6,130,881	5,800,148
11. MINORITY INTERESTS	2,331,718	2,150,530
12. NON-CURRENT LIABILITIES		
Long term loans	613,388	1,084,588
Deferred taxation	34,698	15,329
Provision for retirement gratuities	189,266	175,609
Other liabilities	20,622	19,977
Total non-current liabilities	857,974	1,295,503
	9,320,573	9,246,181
13. NET TANGIBLE ASSETS PER SHARE (RM)	8.70	8.23

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 audited financial statements for the year ended 31 December 2001 as well as new approved accounting standards which are applicable for the current financial year. Consequently, in compliance with Malaysian Accounting Standards Board (“MASB”) No. 19, Events After the Balance Sheet Date, dividends proposed after the balance sheet date are not recognised as a liability at the balance sheet date. As a result, the Group’s unappropriated profit at the beginning of the year has been adjusted by a prior period adjustment as follows:-

Unappropriated profit at beginning of the year:

	RM’000
As previously reported	4,853,448
Prior period adjustment – Final dividend for year ended 31 December 2001	63,390
As restated	4,916,838

The above restatement of the Group’s unappropriated profit at the beginning of the year has the effect of increasing the Net Tangible Assets per share from RM8.14 to RM8.23. Upon approval of the proposed final dividend by the shareholders of the Company at the Annual General Meeting held on 25 June 2002, the dividend has been recognised as a liability in the balance sheet as at 30 June 2002.

2. The exceptional items for the relevant periods are as follows:

	Individual Quarter		Cumulative Period	
	Current Quarter 30/06/2002 RM’000	Preceding Year Corresponding Quarter 30/06/2001 RM’000	Current Year-to-date 30/06/2002 RM’000	Preceding Year Corresponding Period 30/06/2001 RM’000
(a) Gain/(charges) relating to investments	31,132	(3,023)	31,132	(86,532)
(b) Exploration costs written off in the Oil & Gas Division	-	(76,988)	-	(98,846)
	31,132	(80,011)	31,132	(185,378)

The gain relating to investments included in the current quarter and current year-to-date represents gain arising on dilution of the Group’s interest in Star Cruises Limited, an associated company of the Group.

3. There are no extraordinary items for the current quarter and financial year-to-date.

4. The breakdown of tax charges for the current year-to-date are as set out below:

	30/06/2002	30/06/2001
	RM'000	RM'000
Current taxation		
Malaysian taxation	199,763	163,852
Foreign taxation	189	421
	199,952	164,273
(Over)/under provision in respect of prior years	(189)	853
	199,763	165,126
Deferred taxation charge	2,649	517
Share of taxation of associated companies	16,977	17,055
	219,389	182,698

The effective tax rate of the Group for the current quarter and year-to-date is in line with the statutory tax rate. However, the effective tax rate for the preceding year corresponding quarter and year-to-date is higher due to non-deductibility of expenses for tax purposes such as charges relating to investments, loss on disposal of quoted shares, certain interest and other operating expenses as well as losses incurred in the Oil & Gas Division arising from exploration costs written off.

5. The results for the current quarter and financial year-to-date do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business.
6. (a) The dealings in quoted securities are as follows:

	Current quarter RM'000	Current financial year-to-date RM'000
Total purchase consideration	-	-
Total sales proceeds	-	77,734
Total profit/(loss) on sales	-	(3,124)

- (b) The details of the investments in quoted shares, excluding subsidiary companies and associated companies, as at 30 June 2002 are as set out below:

	RM'000
Total investments at cost	193,524
Total investments at book value	121,162
Total investments at market value	136,710

7. There have been no material changes in the composition of the Group for the current quarter and financial year-to-date.

8. (a) On 26 April 2002, the Company announced that Mastika Lagenda Sdn Bhd (“Mastika”), an indirect 97.7%-owned subsidiary of the Company, entered into a Sale and Purchase Agreement (“SPA”) with Tenaga Nasional Berhad (“TNB”) for the purchase of TNB’s entire 20% equity interest (“Sale Shares”) in Genting Sanyen Power Sdn Bhd (“GSP”) for a total cash consideration of RM240 million (“The Proposed Acquisition”). An initial payment of 10% of the purchase consideration amounting to RM24 million has been paid and the balance of 90% will be paid on the Completion Date, which is 10 days after the Conditions Precedent are satisfied. Mastika currently holds a 40% stake in GSP. The Proposed Acquisition is subject to the following:
- i) The approval of the Foreign Investment Committee;
 - ii) The approval of the Economic Planning Unit of the Prime Minister’s Department, if required;
 - iii) The notification by GSP that its remaining shareholders, namely Worldwide Holdings Bhd and BG Overseas Holdings Ltd are not exercising their respective right of refusal to purchase the Sale Shares pursuant to the Shareholders’ Agreement dated 24 January 1994 of GSP; and
 - iv) The Malaysian Code on Take-Overs and Mergers 1998 (“the Code”). Accordingly, Mastika will seek an undertaking from each of the other shareholders not to accept any obligatory offer by Mastika to acquire their shares under the Code.

As at 22 August 2002, the above are still outstanding.

The Proposed Acquisition will not have any effect on the share capital of the Company. It is also not expected to have any material effect on the Net Tangible Assets per share and Earnings per share respectively of the Company. The consummation of the Proposed Acquisition will render GSP a 60%-owned subsidiary of Mastika.

- (b) On 26 April 2002, the Company also announced that Mastika had entered into a Memorandum of Agreement (“MoA”) with TNB, to affirm their undertaking to sell and for Mastika to acquire, subject to terms and conditions to be finalised, TNB’s 40% stake (“Sale Shares”) in Sepang Power Sdn Bhd (“SPSB”), for a proposed consideration of RM65.7 million. In the MoA, both parties have agreed that subject to the approval of all relevant authorities, SPSB’s power plant will be developed as a coal fired power plant instead of a gas fired power plant as originally approved and will be commissioned no earlier than Year 2007.

On 22 May 2002, the Company further announced that Mastika had entered into a Share Sale Agreement (“SSA”) with TNB on 21 May 2002 for the acquisition of the Sale Shares for a total cash consideration of RM65.7 million (“Proposed Share Acquisition”).

An initial payment of 10% of the purchase consideration amounting to RM6.57 million has been paid and the balance of 90% will be paid on the Completion Date which is within 14 days after all Conditions Precedent are satisfied.

The Proposed Share Acquisition is subject to the following :

- i) The approval of the Economic Planning Unit of the Prime Minister’s Department;
- ii) The approval of the Foreign Investment Committee;
- iii) The waiver of pre-emption rights from Kumpulan Darul Ehsan Berhad, which currently holds the balance of 30% of SPSB’s issued shares;
- iv) The approval of the Board of Directors of SPSB to transfer the Sale Shares to Mastika or a company nominated by Mastika and the approval of shareholders of SPSB, if required, for the sale of the Sale Shares to Mastika; and

- v) The written consent for the resulting change in shareholding of SPSB from Bank Pembangunan Dan Infrastruktur Malaysia Berhad, if required, to be obtained by TNB.

As at 22 August 2002, the above are still outstanding.

- (c) At the Extraordinary General Meeting of the Company held on 25 June 2002, the following proposals which were announced by Commerce International Merchant Bankers Berhad (“CIMB”) on behalf of the Company on 29 April 2002 were approved by the shareholders present thereat:-
- i) Proposed Purchase of the Company’s shares of up to 10% of the issued and paid-up share capital of the Company, for the time being comprising 704,338,954 ordinary shares of RM0.50 each; and
 - ii) Amendments to certain By-Laws of the Proposed Executive Share Option Scheme for Eligible Executives of the Company and its subsidiaries (“Proposed ESOS”) which include the reduction in the number of share options to be issued under the Proposed ESOS from 5% to 2.5% of the total issued and paid up Share Capital of the Company and that any subsequent increase in the issuance of share options from 2.5% to 5% shall be subject to the prior approval of the shareholders of the Company at a general meeting.

On 8 July 2002, CIMB announced on behalf of the Company that the Securities Commission (“SC”) had, vide its letter dated 3 July 2002, approved an extension of time for the implementation of the Proposed ESOS for another six (6) months to 28 November 2002.

A letter dated 8 August 2002 was received from the Kuala Lumpur Stock Exchange granting the approval in principle for the listing of the new ordinary shares to be issued pursuant to the exercise of the options under the Proposed ESOS.

Consequently, on 12 August 2002, CIMB has confirmed to the SC that all the SC’s conditions have been complied with, the By-Laws do not conflict with SC’s Guidelines on ESOS and that the Proposed ESOS has been approved by all other relevant parties and has complied with all their conditions. A copy of the By-Laws of the Proposed ESOS has also been furnished to the SC.

9. Other than a repayment of redeemable fixed rate secured bonds of RM82.0 million by an indirect subsidiary company, there were 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.
10. The details of the Group’s borrowings and debt securities as at 30 June 2002 are as set out below:

	Secured/ Unsecured	Foreign Currency '000	RM Equivalent '000
Short term borrowings	Unsecured	USD 66,000 SGD 100,000 - AUD 104	250,800 220,400 141,830 223
Long term loans	Unsecured	USD 160,000 -	608,000 5,388

11. There were no changes in contingent liabilities since the last financial year ended 31 December 2001 and up to 22 August 2002.

12. As at 22 August 2002, the Group has the following financial instruments with off balance sheet risks :

(a) Foreign Currency Contracts

Currency	Contract Amounts '000	Transaction Dates	Expiry Dates
US Dollars	136,001	18/01/2002 to 22/08/2002	23/08/2002 to 16/06/2003
Swiss Francs	428	31/07/2002	30/08/2002 to 30/09/2002
Australian Dollars	186	16/04/2002	23/08/2002 to 23/12/2002
Euro	2,014	28/06/2002 to 14/08/2002	26/08/2002 to 30/09/2002
Japanese Yen	10,718	19/08/02	23/08/02

As the above forward foreign currency contracts are entered into to cover the Group's commitments 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")

The Group issued Euro Medium Term Notes ("Notes") of SGD100 million at fixed interest rate 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 is 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")

i) The Group also issued Notes for USD26 million on 16 June 2000. 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.

The swaps terminate on the maturity of the loan, i.e. 16 June 2003.

ii) On 25 April 2001, the Group had drawdown a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Contract Amounts USD'000	Transaction Date	Effective Date of Commencement	Maturity Dates
30,000	13 August 2001	25 October 2001	25/04/2003 to 25/04/2006
30,000	16 August 2001	25 October 2001	25/04/2003 to 25/04/2006
20,000	22 August 2001	25 October 2001	25/04/2003 to 25/04/2006
20,000	30 August 2001	25 October 2001	25/04/2003 to 25/04/2006
10,000	08 May 2002	25 July 2002	25/04/2005
10,000	08 May 2002	25 July 2002	25/04/2006

The above swaps effectively fix the interest rate payable on that tranche of the loan from the respective effective dates of commencement of contracts and up to their respective maturity dates as set out above. The Group intends to enter into further interest rate swaps to convert the remaining portion of the loan of USD80 million from a floating rate to a fixed rate of interest.

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

Derivative financial instruments, which include interest rate swap and currency swap agreements, are used in the Group's risk management of foreign currency and interest rate risk exposures of its financial liabilities.

The Group uses interest rate swap and currency swap agreements in order to limit the Group's exposure in relation to underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates and to diversify sources of funding.

Hedge accounting principles are applied for the accounting of the underlying exposures and their respective hedge derivative instruments. The related interest differentials paid or received under the swap agreements are recognised over the terms of the agreements in interest expense. The underlying foreign currency liabilities, which have been effectively hedged by currency swap agreements, and designated as a hedge, are translated in the respective hedged currencies, at their prevailing rates as at the reporting date.

13. There are no pending material litigations as at 22 August 2002.

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

	Leisure & Hospitality RM'000	Plantations RM'000	Properties RM'000	Paper RM'000	Oil & Gas RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2nd Quarter ended 30 June 2002:								
<u>Revenue</u>								
External	1,333,940	110,467	25,162	186,131	25,621	84,763	-	1,766,084
Inter segment	278,807	-	7,080	-	-	35,976	(321,863)	-
	1,612,747	110,467	32,242	186,131	25,621	120,739	(321,863)	1,766,084
<u>Results</u>								
Segment profit/(loss)	636,089	39,802	7,467	3,266	(4,235)	5,753	556	688,698
Interest income	-	-	-	-	-	-	-	24,679
Finance costs	-	-	-	-	-	-	-	(32,279)
Share of profit/(loss) of associated companies	43,543	954	(1)	-	-	57,654	-	102,150
Profit from ordinary activities before taxation	-	-	-	-	-	-	-	783,248
Taxation	-	-	-	-	-	-	-	(219,389)
Profit from ordinary activities after taxation	-	-	-	-	-	-	-	563,859
Minority shareholders' interests	-	-	-	-	-	-	-	(177,301)
Net profit for the period								386,558
<u>Other information</u>								
<u>Assets</u>								
Segment assets	3,352,010	581,711	1,167,737	1,221,076	47,277	276,524	(325,611)	6,320,724
Interest bearing instruments	-	-	-	-	-	-	-	2,276,801
Associated companies	1,665,188	8,138	956	-	-	470,433	-	2,144,715
Unallocated corporate assets	-	-	-	-	-	-	-	24,754
Total assets								10,766,994
<u>Liabilities</u>								
Segment liabilities	583,824	27,800	105,789	152,119	14,560	307,825	(480,996)	710,921
Interest bearing instruments	-	-	-	-	-	-	-	1,229,319
Unallocated corporate Liabilities	-	-	-	-	-	-	-	364,155
Total liabilities								2,304,395
<u>Other Disclosures</u>								
- Capital expenditure	63,017	17,029	1,479	60,312	71	2,215	(748)	143,375
- Depreciation	99,149	4,097	3,554	28,981	127	4,745	(1,091)	139,562
- Significant non-cash (charges)/credits, other than depreciation	17,437	(43)	-	(4,385)	-	5,765	-	18,774

14. Segment analysis for the preceding financial year-to-date is set out below:

	Leisure & Hospitality RM'000	Plantations RM'000	Properties RM'000	Paper RM'000	Oil & Gas RM'000	Others RM'000	Eliminations RM'000	Total RM'000
2nd Quarter ended 30 June 2001:								
<u>Revenue</u>								
External	1,158,313	67,905	22,903	194,390	25,005	92,812	-	1,561,328
Inter segment	227,768	-	8,560	-	-	22,945	(259,273)	-
	<u>1,386,081</u>	<u>67,905</u>	<u>31,463</u>	<u>194,390</u>	<u>25,005</u>	<u>115,757</u>	<u>(259,273)</u>	<u>1,561,328</u>
<u>Results</u>								
Segment profit/(loss)	447,319	6,229	5,769	3,980	(99,533)	(20,015)	(277)	343,472
Interest income	-	-	-	-	-	-	-	24,890
Finance costs	-	-	-	-	-	-	-	(36,304)
Share of profit/(loss) of associated companies	5,170	571	8	-	-	56,400	-	62,149
Profit from ordinary activities before taxation	-	-	-	-	-	-	-	394,207
Taxation	-	-	-	-	-	-	-	(182,698)
Profit from ordinary activities after taxation	-	-	-	-	-	-	-	211,509
Minority shareholders' interests	-	-	-	-	-	-	-	(65,808)
Net profit for the period								<u>145,701</u>
<u>Other information</u>								
<u>Assets</u>								
Segment assets	3,138,134	486,499	1,174,825	1,113,972	434,723	339,494	(396,752)	6,290,895
Interest bearing instruments	-	-	-	-	-	-	-	1,436,543
Associated companies	1,614,919	7,845	693	-	-	374,297	-	1,997,754
Unallocated corporate assets	-	-	-	-	-	-	-	17,453
Total assets								<u>9,742,645</u>
<u>Liabilities</u>								
Segment liabilities	573,025	25,849	121,684	128,269	21,954	324,345	(543,268)	651,858
Interest bearing instruments	-	-	-	-	-	-	-	1,171,541
Unallocated corporate Liabilities	-	-	-	-	-	-	-	287,583
Total liabilities								<u>2,110,982</u>
<u>Other Disclosures</u>								
- Capital expenditure	227,652	6,850	1,019	69,380	63	2,834	317	308,115
- Depreciation	82,383	4,700	3,481	23,565	304	3,377	-	117,810
- Significant non-cash (charges)/credits, other than depreciation	(66,718)	-	-	(779)	-	(17,242)	-	(84,739)

15. The Group registered a profit before tax of RM421.7 million in the current quarter as compared to RM361.5 million in the preceding quarter.

The increase in profitability of the current quarter over the preceding quarter is mainly due to a higher share of profit from Star Cruises Limited (“SCL”), an associated company of the Group, amounting to RM37.7 million as compared to a share of profit of RM5.9 million in the preceding quarter. The current quarter’s profit also included RM31.1 million of gain arising on dilution of SCL.

The Leisure & Hospitality Division has shown a better performance as a result of an increase in visitor arrivals during the current quarter as compared to the preceding quarter. The Plantation Division’s performance has also improved as a result of better selling prices achieved for palm products. However, the better performance of these Divisions has been partly set-off by losses incurred in the Oil and Gas Division.

16. The Group registered a revenue and profit before tax of RM869.8 million and RM421.7 million respectively in the current quarter as compared to a revenue and profit before tax of RM752.3 million and RM233.9 million respectively in the previous year corresponding quarter.

The higher profit in the current quarter is mainly due to a higher share of profit from SCL and the gain arising on dilution of SCL. The previous year corresponding quarter’s profit had also been affected by exceptional charges of RM80.0 million relating to charges in respect of investments and exploration costs written off by the Oil and Gas Division.

The underlying performance of the Leisure & Hospitality Division in the current quarter has improved as a result of the increase in visitor arrivals. The increase in visitor arrivals was mainly due to the full opening of the 3,300-room First World Hotel and First World Plaza in December 2001 and March 2002 respectively. The Plantation Division’s profit has improved mainly due to better palm product prices.

The Group registered a revenue and profit before tax of RM1,766.1 million and RM783.2 million respectively for the current financial year-to-date as compared to a revenue and profit before tax of RM1,561.3 million and RM394.2 million respectively in the previous year corresponding period. The previous year corresponding period’s profit had been affected by exceptional charges of RM185.4 million relating to charges in respect of investments and exploration costs written off by the Oil and Gas Division. The current financial year-to-date’s profit also included a higher share of profit from SCL and the gain arising on dilution of SCL.

The Leisure & Hospitality Division has shown a better performance for the current financial year-to-date due mainly to increased visitor arrivals.

The Plantation Division’s profit for the current financial year-to-date had also improved mainly due to better palm product prices.

17. There has not arisen in the interval between 30 June 2002 and 22 August 2002, 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.
18. 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 is seasonal in nature and normally peaks in the second half of the year.
19. Barring any 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.
20. The Group did not issue any profit forecast or profit guarantee for the year.

21. (a) i) An interim ordinary dividend for the half year ended 30 June 2002 has been declared by the Directors.
- ii) The interim dividend for the half-year ended 30 June 2002 shall amount to 7.0 sen per ordinary share of 50 sen each, less 28% tax.
- iii) The interim dividend declared for the previous year's corresponding period amounted to 6.5 sen per ordinary share of 50 sen each, less 28% tax.
- iv) The interim dividend shall be payable on 31 October 2002.
- v) Entitlement to the interim dividend

A Depositor shall qualify for entitlement to the interim dividend only in respect of :

- Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 10 October 2002 in respect of ordinary transfers; and
- Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

- (b) Total dividend payable for the current financial year -to-date is 7.0 sen per ordinary share of 50 sen each, less 28% tax.

22. As at 30 June 2002, the Company has 3,295,000 unissued ordinary shares outstanding under the Genting Employees' Share Option Scheme ("GESOS"). In accordance with the provisions laid down by MASB 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 and the financial year-to-date, the options are deemed non dilutive.

23. On 22 May 2002, Asiatic Development Berhad ("ADB"), a 54.9% owned subsidiary of the Company announced the proposed acquisition of approximately 13,864 acres of plantation land with a 30 metric tonnes per hour palm oil mill at Bukit Garam, District of Kinabatangan, Sandakan, by two of its subsidiary companies ("Proposed Acquisition") from Abadi Mewah Sdn Bhd and its related companies for a total cash consideration of RM134 million. Approval from the Foreign Investment Committee was obtained vide its letter dated 6 August 2002. As at 22 August 2002, the Proposed Acquisition is subject to the approval of other relevant authorities and the completion of a due diligence to the full satisfaction of ADB.

By order of the Board

TAN SRI LIM GOH TONG
Chairman and Chief Executive
29 August 2002