



# GENTING BERHAD

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

Quarterly report on consolidated results for the first quarter ended 31 March 2004. The figures have not been audited.

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2004

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR-	YEAR
	QUARTER	CORRES-	TO-DATE	CORRES-
	31/03/2004	PONDING	31/03/2004	PONDING
	RM'000	QUARTER	31/03/2004	PERIOD
		31/03/2003	RM'000	31/03/2003
		RM'000		RM'000
Revenue	1,123,184	981,055	1,123,184	981,055
Cost of sales	(589,588)	(484,212)	(589,588)	(484,212)
<b>Gross profit</b>	<b>533,596</b>	<b>496,843</b>	<b>533,596</b>	<b>496,843</b>
Other income	24,962	19,951	24,962	19,951
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	-	(36,936)	-	(36,936)
Other expenses	(63,606)	(91,462)	(63,606)	(91,462)
<b>Profit from operations</b>	<b>494,952</b>	<b>388,396</b>	<b>494,952</b>	<b>388,396</b>
Finance cost	(23,307)	(17,684)	(23,307)	(17,684)
Share of results of associated companies	(157)	27,621	(157)	27,621

**GENTING BERHAD**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2004 (cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR-	YEAR
	QUARTER	CORRES-	TO-DATE	PONDING
	31/03/2004	QUARTER	31/03/2004	PERIOD
	RM'000	31/03/2003	RM'000	31/03/2003
		RM'000		RM'000
<b>Profit from ordinary activities before taxation</b>	<b>471,488</b>	398,333	<b>471,488</b>	398,333
Taxation	(138,371)	(119,548)	(138,371)	(119,548)
<b>Profit from ordinary activities after taxation</b>	<b>333,117</b>	278,785	<b>333,117</b>	278,785
Minority shareholders' interests	(110,163)	(83,189)	(110,163)	(83,189)
<b>Net profit for the period</b>	<b>222,954</b>	195,596	<b>222,954</b>	195,596
Basic earnings per share (sen)	<b>31.65</b>	27.77	<b>31.65</b>	27.77
Diluted earnings per share (sen)	<b>31.37</b>	27.76	<b>31.37</b>	27.76

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003).

**GENTING BERHAD**  
**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2004**

	(UNAUDITED) AS AT 31 MAR 2004 RM'000	(AUDITED) AS AT 31 DEC 2003 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6,185,530	6,221,984
Land held for development	515,524	513,729
Associated companies	2,163,421	2,159,072
Other long term assets	36,174	32,413
Deferred taxation	3,396	3,810
Goodwill	5,520	-
<b>CURRENT ASSETS</b>		
Property development	93,980	94,741
Inventories	305,933	283,879
Trade and other receivables	539,232	512,442
Amount due from associated companies	1,607	735
Short term investments	1,450,191	1,329,145
Bank balances and deposits	3,036,865	3,055,515
	<u>5,427,808</u>	<u>5,276,457</u>
<b>LESS: CURRENT LIABILITIES</b>		
Trade and other payables	594,382	816,883
Amount due to associated companies	1,430	-
Short term borrowings	251,281	249,311
Taxation	282,542	257,977
	<u>1,129,635</u>	<u>1,324,171</u>
<b>NET CURRENT ASSETS</b>	<u>4,298,173</u>	<u>3,952,286</u>
	<u>13,207,738</u>	<u>12,883,294</u>
<b>FINANCED BY</b>		
<b>SHARE CAPITAL</b>	352,169	352,169
<b>RESERVES</b>	6,920,278	6,692,678
<b>SHAREHOLDERS' EQUITY</b>	<u>7,272,447</u>	<u>7,044,847</u>
<b>MINORITY INTERESTS</b>	3,145,096	3,035,919
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	2,202,359	2,215,077
Other long term liabilities	96,407	95,710
Deferred taxation	491,429	491,741
<b>Total non-current liabilities</b>	<u>2,790,195</u>	<u>2,802,528</u>
	<u>13,207,738</u>	<u>12,883,294</u>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>10.32</b>	<b>10.00</b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003).

**GENTING BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2004**

	Non-Distributable				Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Reserve on Exchange Differences RM'000	Unappro- priated Profit RM'000	
<b>Balance at 1 January 2003</b>	352,169	97,803	310,649	57,406	5,608,193	6,426,220
Net profit/(loss) not recognised in the income statement	-	-	(1,733)	644	1,733	644
Net profit for the financial period	-	-	-	-	195,596	195,596
<b>Balance at 31 March 2003</b>	<b>352,169</b>	<b>97,803</b>	<b>308,916</b>	<b>58,050</b>	<b>5,805,522</b>	<b>6,622,460</b>
<b>Balance at 1 January 2004</b>	<b>352,169</b>	<b>97,803</b>	<b>308,524</b>	<b>66,183</b>	<b>6,220,168</b>	<b>7,044,847</b>
Net profit/(loss) not recognised in the income statement	-	-	(168)	4,646	168	4,646
Net profit for the financial period	-	-	-	-	222,954	222,954
<b>Balance at 31 March 2004</b>	<b>352,169</b>	<b>97,803</b>	<b>308,356</b>	<b>70,829</b>	<b>6,443,290</b>	<b>7,272,447</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003).

**GENTING BERHAD**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2004**

	<b>CURRENT YEAR-TO-DATE RM'000</b>	<b>PRECEDING YEAR CORRES- PONDING PERIOD RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit from ordinary activities before taxation	471,488	398,333
Adjustments for:		
Depreciation of property, plant and equipment ("PPE")	88,976	68,386
Finance cost	23,307	17,684
Share of results of associated companies	157	(27,621)
Interest income	(17,217)	(16,324)
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	-	36,936
Gain on disposal of real property assets and property development	-	(69,058)
Other non-cash items	(2,404)	1,919
	<u>92,819</u>	<u>11,922</u>
<b>Operating profit before changes in working capital</b>	<b>564,307</b>	<b>410,255</b>
Net change in current assets	(28,028)	40,300
Net change in current liabilities	(43,259)	(4,253)
	<u>(71,287)</u>	<u>36,047</u>
<b>Cash generated from operations</b>	<b>493,020</b>	<b>446,302</b>
Taxation paid	(114,244)	(89,853)
Retirement gratuities paid	(141,389)	(285)
Other net operating receipts	1,397	1,124
	<u>(254,236)</u>	<u>(89,014)</u>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>238,784</b>	<b>357,288</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in investments and other long term assets	(104,977)	(2,062)
Purchase of PPE	(92,658)	(134,769)
Interest received	16,807	14,034
Investment in associated company	-	(37,856)
Acquisition of a subsidiary company	-	211,119
Other net receipts from investing activities	2,989	2,015
<b>NET CASH (USED IN)/INFLOW FROM INVESTING ACTIVITIES</b>	<b>(177,839)</b>	<b>52,481</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(30,000)	-
Finance cost paid	(13,425)	(17,881)
Proceeds from bank borrowings	11,970	231,120
Other net receipts from financing activities	582	19
<b>NET CASH (USED IN)/INFLOW FROM FINANCING ACTIVITIES</b>	<b>(30,873)</b>	<b>213,258</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>30,072</b>	<b>623,027</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>4,136,984</b>	<b>2,766,755</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>73</b>	<b>43</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>4,167,129</b>	<b>3,389,825</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and deposits	3,036,865	2,106,072
Money market instruments (included in Short term investments)	1,130,264	1,283,807
	<u>4,167,129</u>	<u>3,389,879</u>
Bank overdrafts	-	(54)
	<u>4,167,129</u>	<u>3,389,825</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003).

## **GENTING BERHAD**

### **NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2004**

#### **(I) Compliance with MASB 26: Interim Financial Reporting**

##### **(a) Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with MASB 26, “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2003. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2003 except for a change in the Group’s accounting policy on goodwill. It had been the Group’s policy to write-off goodwill arising on consolidation to the income statement when the acquisition occurs.

With effect from 1 January 2004, goodwill is recognised as an intangible asset and disclosed on the consolidated balance sheet at cost less any impairment losses. The carrying value of goodwill will be subject to review whenever events or changes in circumstances indicate that it may not be recoverable. If such indications exist, the carrying value of the goodwill will be assessed and written down to its recoverable amount.

It is management’s view that the change in accounting policy will result in a more appropriate presentation of goodwill in the Group’s financial statements and that this is in line with international best practice.

The change in accounting policy is applied prospectively with effect from the current financial year as the resulting adjustment that relates to prior periods is not reasonably determinable. The comparative figures are therefore not restated. This change in the accounting policy does not have a material impact on the current quarter’s results.

In addition, the Group has complied with new approved accounting standards that are effective and applicable in the current financial year.

MASB 32, “Property Development Activities” became operative for financial periods commencing 1 January 2004. Consequently, in compliance with the Standard, “Real property assets” has been renamed as “Land held for development”. Further, the comparatives in respect of property development and trade and other receivables have been restated whereby the excess of revenue recognised in the income statement over billings to purchasers is now presented as accrued billings within current assets. Previously, accrued billings was set off against property development. However, if the billings to purchasers exceed revenue recognised in the income statement, this will be presented as progress billings within current liabilities.

The change in accounting policy has been applied retrospectively as required by the Standard. Whilst there is no impact on the income statement, the effects of the reclassification on the balance sheet are summarised as follows:

<b>Balances as at 31 December 2003:</b>	<b>As previously reported RM'000</b>	<b>Prior period adjustments RM'000</b>	<b>As restated RM'000</b>
<u>Current assets:</u>			
Property development	99,321	(4,580)	94,741
Trade & other receivables	507,862	4,580	512,442

As the Group was already in compliance with the recognition and measurement principles set forth by the Standard, the above reclassifications do not have any impact on the Net Tangible Assets per share of the Group.

(b) **Disclosure of Audit Report Qualification and Status of Matters Raised**

The audit report of the Group's annual financial statements for the financial year ended 31 December 2003 did not contain any qualification.

(c) **Seasonal or Cyclical Factors**

On an overall basis, the business operations of the Group's Leisure & Hospitality Division and Plantation Division are subject to seasonal fluctuations whilst the Paper Division is subject to cyclical fluctuations. The results of the Leisure & Hospitality Division are affected by major festive seasons and holidays. The production of fresh fruit bunches ("FFB") is seasonal in nature and normally peaks in the second half of the year. More detailed commentary is set out in Notes 1 and 2 in Part II of this interim financial report.

(d) **Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no items of an unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group in the current quarter.

(e) **Material Changes in Estimates**

There have been no significant changes made in estimates of amounts reported in prior financial years.

(f) **Changes in Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter other than the issuance of 633,000 new ordinary shares of 50 sen each, for cash, by Asiatic Development Berhad, a 54.8% owned subsidiary of the Company, arising from the exercise of options granted under the Asiatic Executive Share Option Scheme at an exercise price of 92 sen per ordinary share.

(g) **Dividends Paid**

No dividend has been paid for the current quarter.

(h) **Segment Information**

Segment analysis for the current quarter ended 31 March 2004 is set out below:

	<b>Leisure &amp; Hospitality RM'000</b>	<b>Plantations RM'000</b>	<b>Properties RM'000</b>	<b>Paper RM'000</b>	<b>Oil &amp; Gas RM'000</b>	<b>Power RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b><u>Operating Revenue</u></b>									
External	715,075	81,252	16,180	114,025	17,130	168,839	10,683	-	1,123,184
Inter segment	546	-	3,801	482	-	2,470	18,453	(25,752)	-
	<u>715,621</u>	<u>81,252</u>	<u>19,981</u>	<u>114,507</u>	<u>17,130</u>	<u>171,309</u>	<u>29,136</u>	<u>(25,752)</u>	<u>1,123,184</u>
<b><u>Results</u></b>									
Segment profit	338,104	37,794	4,485	13,731	9,343	72,786	1,034	458	477,735
Interest income									17,217
Finance cost									(23,307)
Share of results of associated companies	(6,047)	1,248	111	-	-	4,531	-	-	(157)
Profit from ordinary activities before taxation									471,488
Taxation									(138,371)
Profit from ordinary activities after taxation									333,117
Minority shareholders' interests									(110,163)
Net profit for the period									<u>222,954</u>

(i) **Valuation of Property, Plant and Equipment**

Property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendment from the previous annual financial statements.

(j) **Material Events Subsequent to the End of Financial Period**

Other than the corporate proposals as reported in Note 8 of part II of this interim financial report, there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

(k) **Changes in the Composition of the Group**

On 19 January 2004, the Company announced that Calidone Limited (“CL”), a wholly owned subsidiary of Genting International PLC (“GIPLC”), which in turn is an indirect 63.0% owned subsidiary of the Company, had entered into a Shareholders’ Agreement with Star Cruises (C) Limited (“SCCL”), a wholly owned subsidiary of Star Cruises Limited (“SCL”), which in turn is a 36.0% owned indirect associate of the Company, for the subscription of 499,998 and 500,000 ordinary shares of USD1 each in WorldCard International Limited (“WCIL”) by CL and SCCL respectively for cash at par.

Under the Shareholders’ Agreement, CL will subscribe for 499,998 new ordinary shares of USD1 each in WCIL in addition to the 2 new ordinary shares of USD1 each it currently owns in WCIL. With the subscriptions at par value, WCIL has ceased to be an indirect subsidiary of GIPLC and is rendered an indirect 50% associate of the GIPLC Group and the balance 50% equity being owned by the SCL Group.

The GIPLC and SCL Groups will jointly use the “WorldCard” trade name and technology platform to build an international customers’ data base which shares common values and benefits. The completion of the Shareholders’ Agreement does not have any material effect on the Net Tangible Assets per share and Earnings per share respectively of the Group.

Other than the above, there were no other material changes in the composition of the Group for the current quarter.

(l) **Changes in Contingent Liabilities or Contingent Assets**

There were no significant changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2003, other than the disclosure made in Note 11 of Part II of this interim financial report.

(m) **Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 31 March 2004 are as follows:

	<b><u>RM’000</u></b>
Contracted	575,065
Not contracted	373,573
	<u>948,638</u>
Analysed as follows:	
- Property, plant and equipment	797,882
- Investments	150,756
	<u>948,638</u>

**GENTING BERHAD**

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA – 1<sup>ST</sup> QUARTER ENDED  
31 MARCH 2004**

**(II) Compliance with Appendix 9B of Bursa Malaysia Listing Requirements**

**1. Review of Performance**

The comparison of the quarterly results are tabulated below:

	Current Quarter			Preceding Quarter	
	2004	2003	%	4Q 2003	%
	RM'million	RM'million	+/-	RM'million	+/-
<b>Revenue</b>					
Leisure & Hospitality	715.1	687.1	+4	725.9	-1
Plantations	81.3	81.5	-	110.7	-27
Properties	16.2	9.7	+67	16.1	+1
Paper	114.0	104.5	+9	110.3	+3
Power	168.8	-	N/A	172.1	-2
Oil & Gas	17.1	13.0	+32	14.4	+19
Others	10.7	2.6	>100	5.4	+98
	<b>1,123.2</b>	<b>898.4</b>	<b>+25</b>	<b>1,154.9</b>	<b>-3</b>
Proceeds from disposal of land	-	82.7	-100	-	-
	<b>1,123.2</b>	<b>981.1</b>	<b>+14</b>	<b>1,154.9</b>	<b>-3</b>
<b>Profit before tax and unusual items</b>					
Leisure & Hospitality	338.1	286.5	+18	333.3	+1
Plantations	37.8	39.3	-4	48.5	-22
Properties	4.5	3.3	+36	5.7	-21
Paper	13.7	11.7	+17	7.1	+93
Power	72.8	-	N/A	65.6	+11
Oil & Gas	9.4	7.6	+24	4.8	+96
Others	1.5	(8.5)	>100	19.1	-92
	<b>477.8</b>	<b>339.9</b>	<b>+41</b>	<b>484.1</b>	<b>-1</b>
Interest income	17.2	16.3	+6	17.6	-2
Finance cost	(23.3)	(17.7)	+32	(15.4)	+51
Gain on disposal of land	-	69.1	-100	-	-
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	-	(36.9)	-100	(4.7)	-100
Share of results of associated companies	(0.2)	27.6	>100	(119.2)	-100
	<b>471.5</b>	<b>398.3</b>	<b>+18</b>	<b>362.4</b>	<b>+30</b>
<b>Profit before tax</b>					

The Group registered a revenue of RM1,123.2 million in the current quarter compared to RM981.1 million in the previous year's corresponding quarter, which is an increase of 14%. The revenue for the current quarter included RM168.8 million from the Power Division, which was contributed mainly by Genting Sanyen Power Sdn Bhd ("GSP"), which became an indirect 58.6 % owned subsidiary of the Company with effect from 24 March 2003. Higher revenue is also recorded by the other divisions in the Group with the exception of the Plantations Division. The increase in revenue from the Leisure & Hospitality Division is mainly attributable to its better underlying performance resulting from the higher visitor arrivals in the current quarter compared to the previous year's corresponding quarter. Higher billings from property sales contributed to increase in revenue of the Properties Division. The Paper Division recorded generally higher average selling prices of paper in the current quarter. The higher revenue from the Oil & Gas Division is mainly due to increase in production.

The Group profit before tax for the current quarter is RM471.5 million, an increase of 18% compared to the previous year's corresponding quarter's profit before tax of RM398.3 million.

The higher profit in the Leisure & Hospitality Division is mainly due to the higher revenue generated in the current quarter and higher donations of RM22.5 million made in the previous year's corresponding quarter. The higher profit from the other Divisions is in line with the higher revenue generated. Despite higher achieved selling prices for palm products, the profit from the Plantations Division is lower in the current quarter as a result of a 10% decline in fresh fruit bunches ("FFB") production and higher fertiliser cost. There is a profit contribution of RM72.8 million from the Power Division in the current quarter.

The share of results of associated companies in the current quarter included a share of loss of RM5.8 million from Star Cruises Ltd ("SCL") compared to a share of loss of RM2.4 million in the previous year's corresponding quarter. The share of results of associated companies in the previous year's corresponding quarter had included the share of profit of GSP, which had been equity accounted for until 31 March 2003 when the acquisition by the Group of the additional controlling stake of 20% in GSP was completed.

## **2. Material Changes in Profit Before Taxation for the Current Quarter as compared with the immediate Preceding Quarter**

The Group registered a profit before tax of RM471.5 million in the current quarter as compared to RM362.4 million in the preceding quarter, which is an increase of 30%. The improvement in the profit is mainly attributable to the lower share of loss of RM5.8 million from SCL compared to a share of loss of RM125.4 million in the preceding quarter.

The profit from the Leisure & Hospitality Division is only marginally higher than the preceding quarter. The underlying performance of this Division is marginally weaker in the current quarter due mainly to lower visitor arrivals in the current quarter compared to the preceding quarter.

The lower profit from the Plantations Division is as a result of the seasonal decline in FFB production. However, the lower profit has been mitigated by the higher selling prices of palm products achieved in the current quarter.

## **3. Prospects**

In line with the government's continual policy to promote Malaysia as an international tourist destination and barring unforeseen circumstances, the Leisure & Hospitality Division's performance is expected to be satisfactory for the remaining period of the year.

Barring any unforeseen circumstances, the performance of the other Divisions in the Group is also expected to be satisfactory for the remaining period of the year.

#### 4. Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the year.

#### 5. Taxation

The breakdown of tax charges for the current quarter are as set out below:

	<b>Current quarter RM'000</b>
Current taxation	
Malaysian income tax charge	134,299
Foreign income tax charge	3,571
	<hr/>
	137,870
Deferred tax charge	362
Share of tax of associated companies	1,041
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	139,273
Prior period taxation	
Income tax over provided	(580)
Deferred tax over provided	(322)
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	<u>138,371</u>

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

#### 6. Profit on Sale of Unquoted Investments and/or Properties

The results for the current quarter do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business of the Group.

#### 7. Quoted Securities other than Securities in Existing Subsidiary and Associated Companies

(a) The dealings in quoted securities for the current quarter are as follows:

	<b>Current quarter RM'000</b>
Total purchases at cost	73,047
Total disposal proceeds	1,093
Total gain on disposal	679

(b) The details of the investments in quoted shares, excluding subsidiary companies and associated companies, as at 31 March 2004 are as set out below:

	<b>Current quarter RM'000</b>
Total investments at cost	340,756
Total investments at book value	320,579
Total investments at market value	461,606

## 8. Status of Corporate Proposals Announced

- (a) On 22 May 2002, the Company announced that Mastika had entered into a Share Sale Agreement (“SSA”) with TNB on 21 May 2002 for the acquisition of TNB’s 40% stake in Sepang Power Sdn Bhd (“SPSB”) for a total cash consideration of RM65.7 million (“Proposed Share Acquisition”). In the SSA, both parties have agreed that subject to the approval of all relevant authorities, SPSB’s power plant will be commissioned no earlier than Year 2007.

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.

As at 18 May 2004, the completion of the Proposed Share Acquisition is still outstanding pending the execution of the shareholder’s agreement.

- (b) On 17 February 2004, Asiatic Development Berhad (“ADB”), a 54.8% owned subsidiary of the Company, announced the following interdependent proposed acquisitions by two of its subsidiary companies (“the Proposed Acquisitions”):

- i) acquisition of the entire issued and fully paid-up capital of Trushidup Plantations Sdn Bhd (“TPSB”), Wawasan Land Progress Sdn Bhd (“WLPSB”) and Dianti Plantations Sdn Bhd (“DPSB”) from several individuals for a total cash consideration of RM81.8 million. TPSB, WLPSB and DPSB are principally engaged in the cultivation and sale of fresh fruit bunches and own 4,989 acres, 2,635 acres and 491 acres of plantation land respectively all located in the District of Kinabatangan, Sabah;
- ii) acquisition of the entire issued and fully paid-up share capital of Cengkeh Emas Sdn Bhd (“CESB”) and Kituva Plantations Sdn Bhd (“KPSB”) for a total cash consideration of RM20.0 million from Syarikat Trushidup Sdn Bhd (“STSB”) and several individuals. CESB and KPSB are principally engaged in the cultivation and sale of FFB and own 505 acres and 1,208 acres of plantation land respectively all located in the District of Kinabatangan, Sabah;
- iii) acquisition of approximately 1,749 acres of plantation land together with a palm oil mill and other plantation assets located in the District of Kinabatangan, Sabah for a total cash consideration of RM50.3 million from STSB;
- iv) acquisition of other plantation assets for a total cash consideration of RM1.0 million from Trushidup Resources Sdn Bhd; and
- v) acquisition of approximately 5,110 acres of plantation land located in the District of Kinabatangan, Sabah for a total consideration of RM51.9 million from STSB.

The Proposed Acquisitions are subject to certain conditions being satisfied within 6 months from the date of signing but not earlier than 31 March 2004.

The Proposed Acquisitions have since become unconditional and are expected to be completed by end of May 2004.

- (c) On 20 April 2004, the Company announced that the present mandate granted by the shareholders on 26 June 2003 to buy back its own shares will expire at the conclusion of the forthcoming Annual General Meeting (“AGM”). In this regard, the Company proposed to seek from its shareholders at the aforesaid AGM to be convened, a renewal of the authority to purchase up to ten percent (10%) of the issued and paid-up share capital comprising 704,338,954 ordinary shares of RM0.50 each as at 15 April 2004 (“the Proposed Share Buy-Back”).

As at 18 May 2004, the Proposed Share Buy-Back is subject to the approval of the shareholders at the AGM to be convened.

Other than the above, there were no corporate proposals announced but not completed as at 18 May 2004..

## 9. Group Borrowings and Debt Securities

The details of the Group’s borrowings and debt securities as at 31 March 2004 are as set out below:

	Secured/ Unsecured	Foreign Currency '000	RM Equivalent '000
Short term borrowings	Unsecured	USD 18,766 -	71,311 179,970
Long term borrowings	Unsecured	USD 567,726 -	2,157,359 45,000

## 10. Off Balance Sheet Financial Instruments

As at 18 May 2004, the Group had the following off balance sheet financial instruments:

- (a) Foreign Currency Contracts

Currency	Contract Amounts '000	Transaction Dates	Expiry Dates
US Dollars	4,663	24/02/2004 to 07/04/2004	24/05/2004 to 25/10/2004
Swiss Francs	5,435	30/07/2003 to 30/04/2004	28/05/2004 to 30/09/2004
Euro	2,199	21/01/2004 to 31/03/2004	01/06/2004 to 30/06/2004
Singapore Dollars	388	21/01/2004 to 31/03/2004	30/06/2004
Japanese Yen	15,074	21/01/2004	30/06/2004

As the above 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) USD Interest Rate Swap (“IRS”)

- i) 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. On 25 April 2003, USD40 million was repaid. The balance outstanding on this loan amounts to USD160 million.

The outstanding IRS agreements entered into by the Group in respect of the loan are as follows:

<b>Transaction Date</b>	<b>Effective Date of Commencement</b>	<b>Maturity Dates</b>	<b>Outstanding Contract Amounts USD'000</b>
13 August 2001	25 October 2001	25/04/2005 to 25/04/2006	24,000
16 August 2001	25 October 2001	25/04/2005 to 25/04/2006	24,000
22 August 2001	25 October 2001	25/04/2005 to 25/04/2006	16,000
30 August 2001	25 October 2001	25/04/2005 to 25/04/2006	16,000
08 May 2002	25 July 2002	25/04/2005	10,000
08 May 2002	25 July 2002	25/04/2006	10,000
24 July 2003	25 October 2003	24/04/2005	30,000
24 July 2003	25 October 2003	25/04/2006	30,000
<b>Total</b>			<b>160,000</b>

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.

- ii) On 27 November 2002, the Group had drawdown a loan amounting to USD53 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

<b>Transaction Date</b>	<b>Effective Date of Commencement</b>	<b>Maturity Dates</b>	<b>Outstanding Contract Amounts USD'000</b>
11 June 2003	27 May 2003	29/11/2004 to 27/11/2007	25,468
16 January 2004	28 May 2004	29/11/2004 to 27/11/2007	27,532
<b>Total</b>			<b>53,000</b>

The above IRS effectively swap the interest rate payable from floating rate to floating rate in arrears subjected to a cap on the LIBOR of 5% per annum from the respective effective dates of commencement of contracts and up to their respective maturity dates.

- iii) On 29 May 2003, 24 November 2003 and 11 December 2003, the Group had drawdown loans amounting to a total of USD73.93 million which were subjected to floating interest rates based on LIBOR. Of these loans, an amount of USD2.76 million was repaid on 28 November 2003.

Subsequently, the Group entered into IRS agreements as follows:

<b>Transaction Date</b>	<b>Effective Date of Commencement</b>	<b>Maturity Dates</b>	<b>Outstanding Contract Amounts USD'000</b>
28 November 2003	28 November 2003	28/05/2004 to 29/05/2008	24,822
12 April 2004	24 May 2004	25/11/2005 to 24/11/2008	18,000
12 April 2004	11 June 2004	12/12/2005 to 11/12/2008	5,175
13 April 2004	24 May 2004	25/11/2005 to 24/11/2008	18,000
07 May 2004	11 June 2004	12/12/2005 to 11/12/2008	5,175
<b>Total</b>			<b>71,172</b>

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.

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.

The Group uses derivative financial instruments including interest rate swap and currency swap agreements in order to limit the Group's exposure in relation to its underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates and to diversify sources of funding. The related interest differentials under the swap agreements are recognised over the terms of the agreements in interest expense.

#### **11. Changes in Material Litigation**

Asiatic Development Berhad ("ADB"), a 54.8% owned subsidiary of the Company and Tanjung Bahagia Sdn Bhd ("TBSB"), a wholly-owned subsidiary of ADB, had vide previous announcements informed ADB's shareholders on the status of the legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 wherein ADB and TBSB were named as the Second and Third Defendants respectively ("the Suit"). The Suit was instituted by certain natives ("the Plaintiffs") claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah which was acquired by TBSB from Hap Seng Consolidated Berhad ("the Tongod Land"). Subsequently, the Plaintiffs had also applied for an interlocutory injunction to restrain ADB and TBSB from entering, trespassing, clearing, using or occupying the Tongod Land or part thereof ("the Injunction").

The next hearing for the Injunction has been fixed on 5 July 2004. ADB's solicitors maintain their opinion that the Plaintiff's action is misconceived and unsustainable.

Other than the above, there are no other changes in material litigation since the last financial year ended 31 December 2003 and up to 18 May 2004.

#### **12. Dividend Proposed or Declared**

No dividend has been proposed or declared for the current quarter.

13. **Earnings Per Share (“EPS”)**

- (a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter is as follows:

	<b>Current quarter RM’000</b>
Net profit for the period (used as numerator for the computation of Basic EPS)	222,954
Dilution of earnings on potential exercise of Employee Share Options (“ESOS”) awarded to executives of Asiatic Development Berhad, a 54.8% owned subsidiary of the Company	(391)
Dilution of earnings on potential exercise of ESOS awarded to executives of Resorts World Bhd, a 56.8% owned subsidiary of the Company	<u>(1,208)</u>
Net profit for the period (used as numerator for the computation of Diluted EPS)	<u>221,355</u>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter is as follows:

	<b>Current quarter No. of shares</b>
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	704,338,954
Adjustment for share options granted under the ESOS to executives of Genting Berhad	<u>1,348,903</u>
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	<u>705,687,857</u>

**TAN SRI LIM KOK THAY**  
**Chairman, President and Chief Executive**  
**GENTING BERHAD**

**25 May 2004**