

General AnnouncementReference No **GG-091211-65EAB**

Company Name : **GENTING BERHAD**
 Stock Name : GENTING
 Date Announced : 11/12/2009

Type : Reply to query
 Reply to Bursa : NS-091210-41830
 Malaysia's Query Letter - Reference ID
 Subject : DISPOSAL OF WHOLLY-OWNED SUBSIDIARIES BY GENTING BERHAD ("DISPOSALS")

Contents : With reference to the query from Bursa Malaysia Securities Berhad dated 10 December 2009 in respect of the Disposals by the Company, the Board of Directors of Genting Berhad wishes to announce the additional information as attached.

Query Letter content : We refer to your Company's announcement dated 8 December 2009 in respect of the above matter.

In this connection, kindly furnish Bursa Malaysia Securities Berhad ("Bursa Securities") with the following additional information for public release:-

1. The net profits and net assets of Oakwood Sdn Bhd ("Oakwood") and Genting Highlands Tours and Promotion Sdn Bhd ("GHTP") based on the latest audited accounts.
2. Terms of any arrangement for receipt of the disposal consideration on a deferred basis.
3. The amount of net asset value of Oakwood and GHTP as at 30 November 2009 respectively and whether these figures have been audited.
4. The effect of the Disposals on the gearing of your Group.
5. The expected gains or losses to the group arising from the Disposals.
6. The intended application of the sale proceeds and the breakdown, including the timeframe for full utilisation of proceeds and details of the purchaser.
7. The particulars of all liabilities to be assumed by the purchaser arising from the Disposal.
8. The original cost of investment and the date of such investment, respectively.
9. Whether the Disposal is subject to the shareholder approval and the

relevant government authorities and the estimated time frame for submission of the application to the relevant authorities.

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10. The salient features of the sale and purchase agreements and valuation reports, and the time and place where such documents may be inspected.

11. A statement by the board of directors, excluding interested directors stating whether the Disposals are in the best interests of your Company, and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.

12. The highest percentage ratio applicable to the Disposals pursuant to paragraph 10.02(g) of the Listing Requirements.

13. Information as prescribed under Appendix 10A, Part C and Appendix 10C of the Main Market Listing Requirements.

Please furnish Bursa Securities with your reply via an announcement within one (1) market day from the date hereof.
Yours faithfully

TAN YEOW ENG
Head, Issuers
Listing Division
Regulation

TYE/ZOOS
c.c.Head, Market Surveillance Department, Securities Commission (via fax)

Attachments : [☞Reply to Bursa query - 10 Dec 09.pdf](#)

Announcement Details :

Please refer to the attached file for the full text of the announcement.

This announcement is dated 11 December 2009.

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DISPOSAL OF WHOLLY-OWNED SUBSIDIARIES BY GENTING BERHAD ("GENT") ("DISPOSALS")

We refer to our announcement dated 8 December 2009 and the facsimile from Bursa Malaysia Securities Berhad ("**Bursa Securities**") dated 10 December 2009 in relation to the above matter ("**Bursa Query**") and set out below our responses to the same:

1. **The net profits and net assets of Oakwood Sdn Bhd ("Oakwood") and Genting Highlands Tours and Promotion Sdn Bhd ("GHTP") based on the latest audited accounts.**

Based on the latest audited accounts as at 31 December 2008, the net profit/(loss) and net assets of Oakwood and GHTP are as follows:

RM'mil	Oakwood	GHTP
Net profit/(loss)	8.49	(0.15)
Net assets	30.25	0.33

2. **Terms of any arrangement for receipt of the disposal consideration on a deferred basis.**

Not applicable - there are no terms for any arrangement for receipt of the disposal consideration on a deferred basis.

3. **The amount of net asset value of Oakwood and GHTP as at 30 November 2009 respectively and whether these figures have been audited.**

The unaudited net asset value of Oakwood and GHTP as at 30 November 2009 are RM39,714,272 and RM216,550 respectively.

4. **The effect of the Disposals on the gearing of your Group.**

The Disposals will not have any effect on the gearing of the GENT Group.

5. **The expected gains or losses to the group arising from the Disposals.**

The Disposals will not result in any gain or loss to GENT at the group level, as any gain at GENT company level will be eliminated on consolidation.

6. **The intended application of the sale proceeds and the breakdown, including the timeframe for full utilisation of proceeds and details of the purchaser.**

Use of proceeds:

The proceeds arising from the Disposals could be utilised for capital expenditure, investment, debt repayment, working capital requirements and/or other general corporate purposes of GENT and/or its unlisted subsidiaries. There is no timeframe contemplated for full utilisation of such proceeds.

Information on GENM:

Genting Malaysia Berhad (formerly known as Resorts World Bhd) ("**GENM**") was incorporated in Malaysia under the Companies Act, 1965 on 7 May 1980 under the name of Resorts World Sdn Bhd as a wholly-owned subsidiary of GENT. Pursuant to an agreement dated 30 December 1980, the hotel business and other resort-related facilities of the Genting Hotel

Complex and related assets and liabilities were transferred from GENT to GENM on 1 January 1982. It changed its name to Resorts World Bhd upon conversion to a public company on 14 July 1989 and assumed its present name on 18 June 2009. GENM is listed on the Main Market of Bursa Securities and has been listed since 22 December 1989. Presently, GENM is involved in a tourist resort business at Genting Highlands and its activities cover leisure and hospitality services, which comprise gaming, hotel, entertainment and amusement.

As at 4 December 2009, GENM has an authorised share capital of RM800,000,000 comprising 8,000,000,000 ordinary shares of RM0.10 each, and an issued and paid-up share capital of RM590,443,264.80 comprising 5,904,432,648 ordinary shares of RM0.10 each, of which 207,201,100 ordinary shares are held as treasury shares.

As at 4 December 2009, GENM is 48.65% owned by GENT.

7. **The particulars of all liabilities to be assumed by the purchaser arising from the Disposal.**

There are no liabilities to be assumed by GENM arising from the Disposals, other than the settlement of shareholder's advances owing by Oakwood and GHTP to GENT of RM46,871,271 and RM8,630,012 respectively.

8. **The original cost of investment and the date of such investment, respectively.**

The original dates and cost of GENT's investment in Oakwood and GHTP respectively are as follows:

Oakwood:

Date	Details	Amount (RM)
14 June 1980	Subscription to 2 ordinary shares of RM1.00 each	2
31 December 1984	Subscription to 14,999,998 ordinary shares of RM1.00 each	14,999,998
		<u>15,000,000</u>

GHTP:

Date	Details	Amount (RM)
27 November 1972	Subscription to 2 ordinary shares of RM1.00 each	2
27 January 1973	Subscription to 19,998 ordinary shares of RM1.00 each	19,998
11 June 1983	Subscription to 230,000 ordinary shares of RM1.00 each	230,000
		<u>250,000</u>

9. **Whether the Disposal is subject to the shareholder approval and the relevant government authorities and the estimated timeframe for submission of the application to the relevant authorities.**

The Disposals are not subject to approval from GENT's shareholders or any government authorities. There is no requirement to submit applications to any authorities for the Disposals.

10. **The salient features of the sale and purchase agreements and valuation reports, and the time and place where such documents may be inspected.**

- (a) Salient features of the sale and purchase agreements ("**SPAs**"):

Oakwood

Sale and purchase of shares

Clause 3.1 - The Vendor (*hereinafter referred to as GENT*) agrees to sell to the Purchaser (*hereinafter referred to as GENM*), and GENM agrees to purchase, the Shares (*Oakwood shares*) free from any and all claims, encumbrances, charges, liens, priorities or options of any nature whatsoever and with all rights attaching thereto as from the Completion Date for the Purchase Consideration (*as defined in Clause 4.1*) and subject to the terms and conditions herein contained.

Consideration

Clause 4.1 - Subject to clause 7, the Purchase Consideration shall be the sum of RM212,709,548.00, which is arrived at on a willing buyer-willing seller basis taking into account the net asset value of the Company (*hereinafter referred to as Oakwood*) as of 30 November 2009.

Clause 4.2 - Subject to terms and conditions of this Agreement, the Purchase Consideration shall be satisfied by GENM in cash in the manner set forth in clause 7.

Completion

Clause 7.3 - At completion, GENM shall pay the amount of the Purchase Consideration to GENT.

Clause 7.4 - On the completion date, GENM shall ensure and procure that any and all shareholder's advances and loans from GENT to Oakwood (including, without limitation, the Shareholder Advances and any further advances and loans by GENT to Oakwood from the date of this Agreement until Completion) shall be fully and finally paid, and upon such payment GENT shall release and discharge Oakwood from any and all further obligations in respect of such shareholder's advances and loans.

Undertakings

Clause 9.5 - GENM shall within 1 month from the Completion Date (or such further period as GENT may agree) secure the replacement of bank guarantees issued to Tenaga Nasional Berhad for the supply of electricity and/or hire of equipment for Wisma Genting. GENT shall be entitled to revoke or procure the revocation of the existing bank guarantees issued to Tenaga Nasional Berhad on or after 1 month from the Completion Date or such date that may be extended by GENT.

GHTP

Sale and purchase of shares

Clause 3.1 - The Vendor (*hereinafter referred to as GENT*) agrees to sell to the Purchaser (*hereinafter referred to as GENM*), and GENM agrees to purchase, the Shares (*GHTP shares*) free from any and all claims, encumbrances, charges, liens, priorities or options of any nature whatsoever and with all rights attaching thereto as from the Completion Date for the Purchase Consideration (*as defined in Clause 4.1*) and subject to the terms and conditions herein contained.

Consideration

Clause 4.1 - Subject to clause 7, the Purchase Consideration shall be the sum of RM15,935,411.00, which is arrived at on a willing buyer-willing seller basis taking into account the net asset value of the Company (*hereinafter referred to as GHTP*) as of 30 November 2009.

Clause 4.2 - Subject to terms and conditions of this Agreement, the Purchase Consideration shall be satisfied by GENM in cash in the manner set forth in clause 7.

Completion

Clause 7.3 - At completion, GENM shall pay the amount of the purchase consideration to GENT.

Clause 7.4 - On the completion date, GENM shall ensure and procure that any and all shareholder's advances and loans from GENT to GHTP (including, without limitation, the Shareholder Advances and any further advances and loans by GENT to GHTP from the date of this Agreement until Completion) shall be fully and finally paid, and upon such payment GENT shall release and discharge GHTP from any and all further obligations in respect of such shareholder's advances and loans.

- (b) Salient features of the valuation reports:

Subject of valuation	Wisma Genting	Segambut Land
Asset owner	Oakwood	GHTP
Date of valuation	11 November 2009	9 November 2009
Basis of valuation	Market valuation	Market valuation
Valuation method	Investment & comparison methods	Comparison method
Assessed market value	RM277,000,000	RM25,800,000

- (c) Copies of the SPAs (relating to Oakwood and GHTP) and the valuation reports (relating to Wisma Genting and the Segambut Land) may be inspected at the registered office of GENT at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur during normal office hours on Mondays to Fridays (except for public holidays) for a period of one (1) month from 8 December 2009.

11. **A statement by the board of directors, excluding interested directors, stating whether the Disposals are in the best interests of your Company, and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion.**

The Board of Directors of GENT (save for Tan Sri Lim Kok Thay, Tun Mohammed Hanif bin Omar, Quah Chek Tin and Tan Sri Dr Lin See Yan who are deemed interested in the Disposals, as disclosed in our 8 December 2009 announcement), after having considered all aspects of the Disposals, is of the opinion that the Disposals are in the best interest of GENT.

12. **The highest percentage ratio applicable to the Disposals pursuant to paragraph 10.02(g) of the Listing Requirements.**

The highest percentage ratio applicable to the Disposals pursuant to 10.02(g) of the Listing Requirements is 2.3%, based on GENT's latest audited consolidated accounts for the financial year ended 31 December 2008.

13. **Information as prescribed under Appendix 10A, Part C and Appendix 10C of the Main Market Listing Requirements.**

Appendix 10A, Part C

Details on Wisma Genting are as follows:

Item	Wisma Genting
Title/Lot no./Mukim*	Title No. Geran 49660, Lot No. 1264 Section 57, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Land area*	3,940 sq. metres (42,410.16 sq. feet)
Category of land use*	Building
Tenure*	Freehold
Brief description of building	25-storey purpose-built office building, 1-storey machine plant room, 1-storey shop, 1-storey banking hall with 5 levels of basement car park erected thereon
Approximate age of building	24 years
Existing and proposed use	Letting of the building
Net lettable area*	38,000 sq. metres (409,033 sq. feet)
% tenanted area*	92.01%
Approximate rental income per month (to be generated by the building)	RM1,700,000
Encumbrances*	Nil
Audited net book value as at 31 December 2008 [^]	RM94,465,000

Notes:

* As extracted from the independent valuer, Messrs Raine & Horne's valuation report dated 11 November 2009.

[^] As extracted from Oakwood's audited accounts for the financial year ended 31 December 2008.

Details on the Segambut Land are as follows:

Item	Segambut Land	
Title/Lot no./Mukim*	PN 6083, Lot 43096 located in Mukim of Batu, District of Wilayah Persekutuan, State of Wilayah Persekutuan Kuala Lumpur	PN 1771, Lot 34810 located in Mukim of Batu, District of Wilayah Persekutuan, State of Wilayah Persekutuan Kuala Lumpur
Land area*	10,917 sq. metres (117,511 sq. feet)	24,469.999 sq. metres (263,395 sq. feet)
Category of land use*	Building	
Tenure*	Leasehold interest for a term of 99 years expiring on 27 January 2074	
Approximate age of buildings	30 to 35 years	
Existing and proposed use	Storage area and depot	
Net lettable area	33,478.51 sq. metres (360,369 sq. feet)	
% tenanted area	11.95%	
Approximate rental income per month	RM23,400	
Encumbrances*	Nil	
Audited net book value as at 31 December 2008 [^]	RM8,972,752 (including leasehold land use rights of RM8,380,786)	

Notes:

* As extracted from the independent valuer, Messrs Raine & Horne's valuation report dated 9 November 2009.

[^] As extracted from GHTP's audited accounts for the financial year ended 31 December 2008.

Appendix 10C

As the Disposals are not regarded as related party transactions to GENT pursuant to the Main Market Listing Requirements:

- (a) No independent adviser was appointed by GENT.
- (b) The Audit Committee of GENT was not required to opine on the transactions.
- (c) The determination of related parties (if any) is not relevant to these transactions.