



*annual report 1998*



**GENTING BERHAD**  
(7916-A)

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## COVER RATIONALE

*With global vision, strong fundamentals and focused management, the Genting Group of Companies will continue to lay a solid foundation for future growth and the enhancement of its existing businesses into the next millennium.*

NOTICE IS HEREBY GIVEN THAT the Thirty-First Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 12 May 1999 at 11.45 a.m.

## BUSINESS

1. To receive and adopt the Accounts for the financial year ended 31 December 1998 and the Directors' and Auditors' Reports thereon. (Resolution 1)
2. To sanction the declaration of a final dividend. (Resolution 2)
3. To approve Directors' fees of RM364,500 for the financial year ended 31 December 1998 (1997 - RM405,000). (Resolution 3)
4. To re-elect Directors:
  - Mr Quah Chek Tin (Resolution 4)
  - Encik Nik Hashim bin Nik Yusoff (Resolution 5)
5. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:
 

"That Tan Sri Lim Goh Tong, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." (Resolution 6)

"That Tan Sri Mohd Amin bin Osman, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." (Resolution 7)
6. To appoint Auditors and to authorise the Directors to fix their remuneration.
 

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is set out in Note 2 below, has been received by the Company for the nomination of Messrs PricewaterhouseCoopers who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:

"That Messrs PricewaterhouseCoopers be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors." (Resolution 8)
7. To transact any other business of which due notice shall have been given.

By Order of the Board  
**TAN WOUI MENG**  
Secretary

Kuala Lumpur  
27 April 1999

## NOTES

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
2. Nomination Letter
 

Tan Sri Mohd Amin bin Osman  
PSM, DIMP, DSDK, PNBS, JMN, KMN, AMN,  
BCK, PPT, PPC  
No. 7, Lorong Damai Enam  
Off Jalan Aman  
55000 Kuala Lumpur

13 March 1999

The Board of Directors  
Genting Berhad  
24th Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Dear Sirs

## CHANGE OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, I, being a shareholder of the Company, hereby give notice of my intention to nominate Messrs PricewaterhouseCoopers for appointment as auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring auditors, Messrs Deloitte Touche Tohmatsu:

"That Messrs PricewaterhouseCoopers be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully  
**Tan Sri Mohd Amin Bin Osman**



# GENTING GROUP CORPORATE STRUCTURE

**GENTING BERHAD\***  
(7916-A)  
and its Principal Subsidiaries  
and Associates

- INVESTMENT HOLDING & MANAGEMENT SERVICES**
  - Genting Hotel & Resorts Management Sdn Bhd (100%)
  - Resorts World Limited (100%^)
  - Genting Overseas Holdings Ltd (100%)
  - Genting International PLC\*\* (64.8%)
  - Awana Hotels & Resorts Management Sdn Bhd (100%)
  - Genting Management and Consultancy Services Sdn Bhd (100%)

- LEISURE & HOSPITALITY DIVISION**
  - Resorts World Bhd\* (55.5%)
  - Genting Golf Course Bhd (100%^)
  - Asiatic Golf Course (Sg. Petani) Bhd(100%#)
  - Resorts World Tours Sdn Bhd (100%^)
  - Widuri Pelangi Sdn Bhd (70%^)
  - Star Cruises PLC\*\* (26.8%^)

- PLANTATIONS DIVISION**
  - Asiatic Development Berhad\* (54.7%)
  - Tanjung Bahagia Sdn Bhd (100%#)
  - Sabah Development Company Sdn Bhd (100%#)
  - Landworthy Sdn Bhd(100%#)

- PROPERTY DIVISION**
  - Genting Highlands Bhd (100%^)
  - Gentinggi Sdn Bhd (100%^)
  - Kijal Resort Sdn Bhd (70%^)
  - Oakwood Sdn Bhd (100%)
  - Setiamas Sdn Bhd(100%#)
  - Asiatic Land Development Sdn Bhd(100%#)
  - Bandar Pelabuhan Sdn Bhd (60%^)

- PAPER DIVISION**
  - Genting Sanyen Industrial Paper Sdn Bhd (97.7%)
  - Genting Sanyen Paperboard Sdn Bhd (97.7%)

- POWER DIVISION**
  - Genting Sanyen Power Sdn Bhd (39.1%)
  - Genting Power Holdings Ltd (100%)

- OIL & GAS DIVISION**
  - Cairns Limited (100%)
  - Roundhay Limited (100%)
  - Coveyork Pty Ltd (100%)

\* Listed on the Kuala Lumpur Stock Exchange  
 \*\* Listed on the Luxembourg Stock Exchange and quoted on CLOB International, Singapore  
 ^ Subsidiary of Resorts World Bhd  
 ^^ Associate of Resorts World Bhd  
 # Subsidiary of Asiatic Development Berhad

## 1998

<b>23 February</b>	Announcement of Preliminary Results for the financial year ended 31 December 1997.
<b>5 May</b>	Announcement of three more successful gas wells in the Muturi Block, Northwest Irian Jaya, Indonesia.
<b>21 May</b>	Announcement of the Entitlement and Book Closure Dates for the Proposed Final Dividend in respect of the financial year ended 31 December 1997.
<b>4 June</b>	Notice to shareholders of the Thirtieth Annual General Meeting.
<b>19 June</b>	Thirtieth Annual General Meeting.
<b>8 July</b>	Announcement of Year 2000 Compliant Disclosure pursuant to the Kuala Lumpur Stock Exchange Practice Note No. 1/98.
<b>13 August</b>	Announcement of Interim Results for the half-year ended 30 June 1998.
<b>18 August</b>	Announcement of the acquisition by Cairns Limited, a wholly-owned subsidiary of the Company, of an additional 2.37% interest in the Muturi Oil and Gas Concession, Northwest Irian Jaya, Indonesia ("Muturi PSC") and the certification of gas reserves of the Muturi PSC for the Tangguh LNG Project, Eastern Indonesia.
<b>13 November</b>	Announcement of the acquisition of Coveyork Pty Limited as an indirect wholly-owned subsidiary of the Company.

## 1999

<b>4 January</b>	Announcement of the resignation of Dato' Lim Tee Keong as a Director of the Company.
<b>24 February</b>	Announcement of Preliminary Results for the financial year ended 31 December 1998.
<b>16 March</b>	Announcement of the Proposed Extension of the exercise periods for an additional five (5) years for the outstanding share options granted under The Genting Employees' Share Option Scheme for Executives ("Proposed ESOS Extension")
<b>13 April</b>	Announcement of the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 1998 and the Thirty - First Annual General Meeting.
<b>14 April</b>	Announcement of the appointment of Mr Quah Chek Tin as an Executive Director.
<b>27 April</b>	Notice to shareholders of the Thirty-First Annual General Meeting and Extraordinary General Meeting in respect of the Proposed ESOS Extension.
<b>12 May</b>	Thirty-First Annual General Meeting and Extraordinary General Meeting in respect of the Proposed ESOS Extension.

### DIVIDENDS

	<b>Announcement</b>	<b>Entitlement Date</b>	<b>Payment</b>
1997 Final - 14.0 sen less tax	23 February 1998	3 July 1998	30 July 1998
1998 Interim - 6.5 sen less tax	13 August 1998	7 October 1998	30 October 1998
1998 Proposed Final - 12.0 sen less tax	24 February 1999	24 May 1999	18 June 1999*

\* Upon approval of Shareholders at the Thirty-First Annual General Meeting.

## BOARD OF DIRECTORS & CORPORATE INFORMATION



**Tan Sri Lim Goh Tong**  
*Chairman and Chief Executive*



**Tun Mohammed Hanif bin Omar**  
*Deputy Chairman*



**Dato' Lim Kok Thay**  
*Managing Director*



**Mr Colin Au Fook Yew**  
*Executive Director*



**Mr Quah Chek Tin**  
*Executive Director*



**Tan Sri Mohd Amin bin Osman**  
*Director*



**Tan Sri Gunn Chit Tuan**  
*Director*



**Encik Nik Hashim bin Nik Yusoff**  
*Director*



**Mr Teo Eng Siong**  
*Alternate to Mr Colin Au Fook Yew*

### PRINCIPAL EXECUTIVE OFFICERS

Tan Sri Lim Goh Tong  
Tun Mohammed Hanif bin Omar  
Dato' Lim Kok Thay  
Mr Colin Au Fook Yew  
Mr Quah Chek Tin  
Dr R Thillainathan  
Mr Tan Wooi Meng  
Encik Azmi bin Abdullah

*Chairman and Chief Executive*  
*Deputy Chairman*  
*Managing Director*  
*Executive Director*  
*Executive Director*  
*Director of Finance*  
*Group Company Secretary*  
*Group Treasurer*

### AUDIT COMMITTEE

Tan Sri Gunn Chit Tuan  
Encik Nik Hashim bin Nik Yusoff  
Dato' Lim Kok Thay

*Chairman/Independent Non-Executive Director*  
*Member/Independent Non-Executive Director*  
*Member*

### SECRETARY

Mr Tan Wooi Meng

### REGISTERED OFFICE

24th Floor, Wisma Genting, Jalan Sultan Ismail,  
50250 Kuala Lumpur  
Tel: (03) 2612288

### REGISTRARS

Genting Management and  
Consultancy Services Sdn Bhd  
23rd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur  
Tel: (03) 2612288

### AUDITORS

Deloitte Touche Tohmatsu (*Public Accountants*)

## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Accounts of the Genting Group of Companies ("Group") for the financial year ended 31 December 1998.

### PERFORMANCE REVIEW

The year under review was a tough year for the Group, as the Malaysian Gross Domestic Product registered a negative growth of 4.8% for the first time in 13 years.

Group turnover (including proceeds from sale of investments) declined by 12% to RM3,369.8 million. Group profit before tax (including an exceptional item of RM373.2 million from write-off of goodwill arising on acquisition of associated/subsidiary companies) declined by 41% to RM909.7 million, while earnings per share decreased by 46% to 58.8 sen.

### DIVIDENDS

An interim dividend of 6.5 sen less 28% tax per ordinary share of 50 sen each, amounting to RM 33.0 million was paid on 30 October 1998.

For the financial year ended 31 December 1998, your Directors recommend a final dividend of 12.0 sen less 28% tax per ordinary share of 50 sen each, subject to the approval of the shareholders at the forthcoming Thirty-First Annual General Meeting. The total net dividend for the year will amount to RM93.9 million.

## PENYATA PENERUSI

Saya bagi pihak Lembaga Pengarah dengan sukacitanya membentangkan Laporan Tahunan dan Akaun Syarikat-syarikat dalam Kumpulan Genting ("Kumpulan") yang telah diaudit bagi tahun kewangan berakhir 31 Disember 1998.

### TINJAUAN PRESTASI

Tahun dalam kajian merupakan satu tahun yang sukar bagi Kumpulan, Keluaran Dalam Negara Kasar Malaysia mencatatkan pertumbuhan negatif 4.8% buat pertama kali sejak 13 tahun lepas.

Perolehan Kumpulan (termasuk hasil daripada penjualan pelaburan) susut sebanyak 12% kepada RM3,369.8 juta. Keuntungan sebelum cukai Kumpulan (termasuk perkara terkecuali berjumlah RM373.2 juta daripada pelupusan muhibah yang timbul daripada pengambilalihan syarikat-syarikat bersekutu/subsidiari) berkurangan sebanyak 41% kepada RM909.7 juta, sementara pendapatan sesaham berkurangan sebanyak 46% kepada 58.8 sen.

### DIVIDEN

Dividen interim sebanyak 6.5 sen tolak 28% cukai bagi saham biasa bernilai 50 sen sesaham yang berjumlah RM33.0 juta telah dibayar pada 30 Oktober 1998.

Bagi tahun berakhir 31 Disember 1998, Lembaga Pengarah anda mencadangkan dividen akhir sebanyak 12.0 sen tolak 28% cukai bagi saham biasa bernilai 50 sen sesaham, tertakluk kepada kelulusan para pemegang saham di Mesyuarat Agung Tahunan Ketiga Puluhan Satu, yang akan datang. Dividen bersih bagi tahun ini akan berjumlah

### FINANCIAL HIGHLIGHTS

Year ended 31 December	1998 RM million	1997 RM million	Change %
Operating revenue	3,369.8	3,822.0	(12)
Profit before taxation	909.7	1,542.5	(41)
Profit after taxation	545.6	1,195.8	(54)
Profit attributable to shareholders	414.3	771.3	(46)
Shareholders' funds	4,773.6	4,483.1	6
Total assets employed	8,340.1	7,957.4	5
Earnings per share (sen)	58.8	109.6	(46)
Net dividend per share (sen)	13.3	15.0	(11)
Dividend cover (times) *	4.4	7.3	(40)
Net tangible assets per share (RM)	6.78	6.36	7
Return (after tax and minority interests) on average shareholders' funds (%)	9.0	18.9	(52)

\* Computed based on profit after taxation and minority interests.



## CORPORATE & BUSINESS DEVELOPMENTS

In June 1998, the Leisure & Hospitality Division under Resorts World Bhd ("RWB") invested US\$262.5 million for approximately 20% equity interest in the enlarged issued share capital of Star Cruises PLC ("SCPLC"), the leading cruise operator in Asia. As at 31 December 1998, RWB owns about 27% equity interest in SCPLC.

During the year, the Group acquired Star Cruise Properties Sdn Bhd, which owns a 100% interest in 35.3 acres of land in Pulau Langkawi and a 60% interest in 115.6 acres of land in Pulau Indah in Klang, Selangor for a total consideration of RM72.3 million.

In August 1998, the Oil & Gas Division via Cairns Limited, announced the acquisition of an additional 2.37% interest in the Muturi PSC, Indonesia, bringing its total interest to 47.37%. Also, in August 1998, Cairns Limited announced the certification of reserves for the supply of gas to the Tangguh LNG project. The Division, via Coveyork Pty Limited, also expanded its exploration activities to the Browse Basin, offshore Western Australia.

The year under review also saw the diversification of the Paper Division into the downstream packaging business, via the acquisition of four plants that consist of three corrugating plants and a converting plant.

## YEAR 2000 (Y2K)

Led by the Group's Y2K task force to address the issue, the Group is well on schedule in ensuring that all of its relevant systems and applications are Y2K ready.

## PERKEMBANGAN KORPORAT & PERNIAGAAN

Pada bulan Jun 1998, Bahagian Peranginan dan Keraian di bawah Resorts World Bhd ("RWB") telah melaburkan US\$262.5 juta untuk memiliki kira-kira 20% kepentingan ekuiti modal terbitan saham yang telah diperbesarkan dalam Star Cruises PLC ("SCPLC"), pengendali kapal persiaran terkemuka di Asia. Pada 31 Disember 1998, RWB memiliki kira-kira 27% kepentingan ekuiti dalam SCPLC.

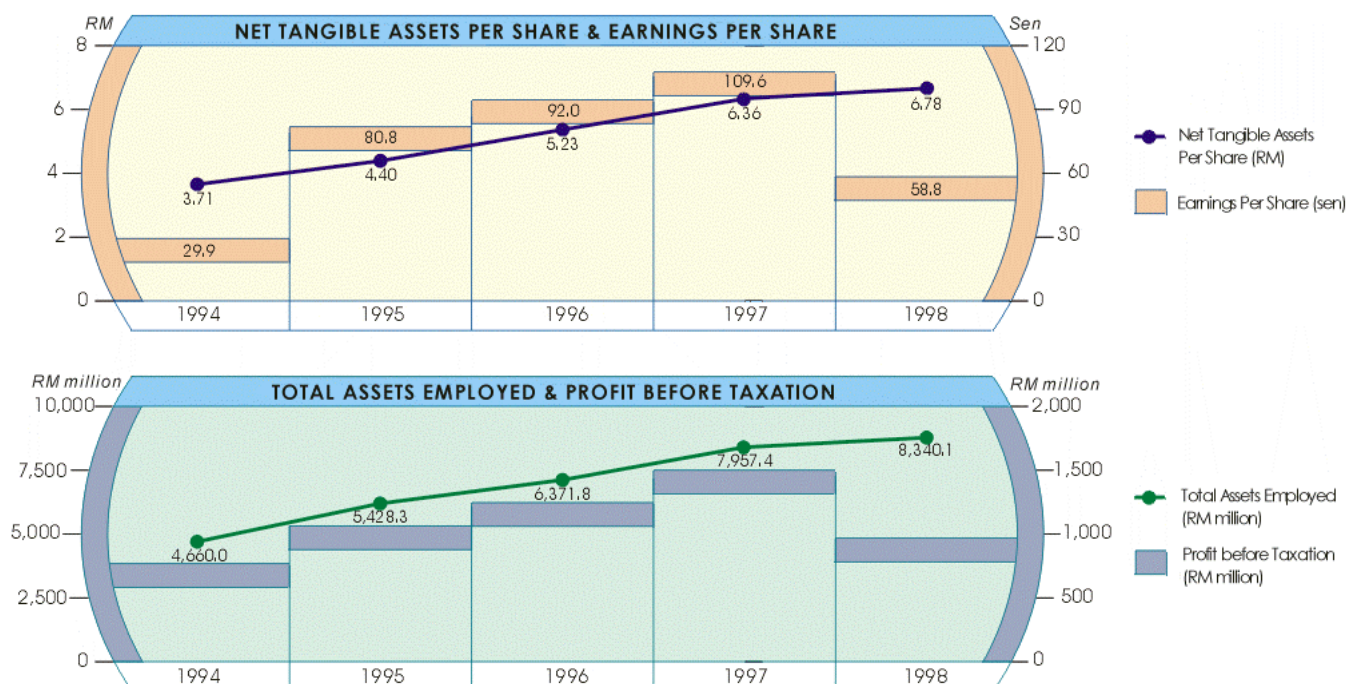
Pada tahun dalam kajian, Kumpulan telah memiliki Star Cruise Properties Sdn Bhd, yang mempunyai 100% kepentingan dalam hartanah seluas 35.3 ekar di Pulau Langkawi dan 60% kepentingan dalam hartanah seluas 115.6 ekar di Pulau Indah, di Klang, Selangor untuk pertimbangan tunai berjumlah RM72.3 juta.

Pada bulan Ogos 1998, Bahagian Minyak dan Gas melalui Cairns Limited telah mengumumkan pemerolehan sebanyak 2.37% kepentingan tambahan di dalam Muturi PSC, Indonesia dan ini menjadikan jumlah kepentingannya sebanyak 47.37%. Pada bulan Ogos 1998 juga, Cairns Limited telah mengumumkan pengesahan rizab gas dan membekalkannya ke projek Tangguh LNG. Bahagian ini melalui Coveyork Pty Limited juga telah meluaskan aktiviti carigalinya ke Browse Basin di pantai luar pesisir Australia Barat.

Pada tahun dalam kajian ini juga Bahagian Kertas telah mempelbagai ke dalam perniagaan bungkusan hiran melalui pengambilalihan empat loji yang terdiri daripada tiga loji bergelugur dan sebuah loji pertukaran.

## TAHUN 2000 (Y2K)

Kumpulan yang dilengkapi dengan sepasukan tenaga petugas Y2K bagi menangani isu ini kini telah berjaya menepati jadualnya bagi memastikan supaya semua sistem dan aplikasi berkaitannya bersedia menghadapi Y2K.





## PROSPECTS

The future performance of the Group will continue to be dependent on the regional economic conditions. However, backed by a strong management team and through strategic planning, I am confident that the Group will be able to overcome any future challenges to ensure the long-term growth of our businesses into the next century.

The Leisure & Hospitality Division will continue to enhance Genting Highlands Resort's image as the "City of Entertainment" by offering endless excitement and entertainment attractions for everyone in the year ahead. The expansion into cruise-related industry via its associate Star Cruises PLC and the Awana hotel resorts will complement the business at Genting Highlands Resort and provide avenue for future growth.

The Plantation Division that benefited from the price rally of CPO in 1998, may find it difficult to repeat its sterling performance in the current financial year.

The Paper & Packaging Division will continue to focus on strengthening their respective operations.

The Power Division is expected to sustain its performance for the current financial year, in spite of the economic downturn.

The Oil & Gas Division will continue to explore prospective oil and gas basins in Asia, concentrating on Indonesia, Myanmar and Western Australia.

## APPRECIATION

On behalf of the Board, I wish to congratulate Dato' Lim Kok Thay on his appointment as Managing Director and welcome Mr. Quah Chek Tin, who has joined the Board as an Executive Director. I will continue to serve as Chairman and Chief Executive. The Board and I would also like to express our sincere appreciation for the invaluable contributions made by Dato' Lim Tee Keong, who had resigned from the Board and wish him the very best for his future endeavours.

To my fellow employees, shareholders, customers, various authorities and business associates, thank you for your support and confidence in the Group. I look forward towards another year of excellent team dedication and continued support to the Group, in meeting the challenges posed by the current economic climate.

## TAN SRI LIM GOH TONG

*Chairman and Chief Executive*  
12 April 1999

## PROSPEK

Prestasi Kumpulan pada masa depan akan terus bergantung kepada keadaan ekonomi serantau. Walau bagaimanapun, dengan sokongan pasukan pengurusan yang teguh, saya yakin bahawa Kumpulan akan berupaya mengatasi sebarang cabaran masa depan bagi memastikan supaya ia mampu menghasilkan pertumbuhan perniagaan jangka panjang ke abad berikut.

Bahagian Peranginan dan Keraian akan terus mempertingkatkan imej Genting Highlands Resort sebagai "Kota Keriangan" dengan menawarkan berbagai daya tarikan, keseronokan dan hiburan bagi setiap pengunjung pada tahun-tahun hadapan. Pengembangan ke dalam industri kapal persiaran menerusi syarikat bersekutunya Star Cruises PLC dan hotel peranginan Awana akan melengkapkan lagi perniagaan di Genting Highlands Resort serta menyediakan peluang untuk pertumbuhan masa depan.

Bahagian Perladangan yang mendapat manfaat daripada harga minyak sawit mentah yang tinggi pada tahun 1998, mungkin mendapati sukar untuk mengulangi prestasi cemerlangnya pada tahun kewangan semasa.

Bahagian Kertas & Pembungkusan akan terus menumpukan perhatian untuk mengukuhkan operasi masing-masing.

Bahagian Jana Kuasa akan mengekalkan prestasi dalam tahun kewangan semasa, walaupun didalam keadaan kemelesetan ekonomi.

Bahagian Minyak & Gas akan terus mengkaji prospek basin-basin minyak dan gas di Asia dengan memberi tumpuan di Indonesia, Myanmar dan Australia Barat.

## PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan tahniah kepada Dato' Lim Kok Thay di atas pelantikannya sebagai Pengarah Urusan dan mengalu-alukan Encik Quah Chek Tin, yang telah menyertai Lembaga Pengarah sebagai Pengarah Eksekutif. Saya akan meneruskan perkhidmatan sebagai Pengerusi dan Ketua Eksekutif. Saya dan Lembaga Pengarah juga ingin menyampaikan penghargaan tulus ikhlas ke atas sumbangan yang tidak ternilai dari Dato' Lim Tee Keong yang telah meletakkan jawatan dari Lembaga, serta mengucapkan selamat maju jaya kepada beliau.

Kepada para kakitangan, pemegang-pemegang saham, pelanggan-pelanggan, pelbagai pihak berkuasa serta rakan-rakan perniagaan, saya ingin mengucapkan terima kasih kepada mereka di atas sokongan dan keyakinan terhadap Kumpulan. Saya berharap semoga semangat dedikasi dan kecemerlangan secara berpasukan yang telah dicapai serta jua sokongan padu kepada Kumpulan akan dapat diteruskan bagi menghadapi sebarang cabaran yang timbul akan akibat suasana ekonomi semasa.

## TAN SRI LIM GOH TONG

*Pengerusi dan Ketua Eksekutif*  
12 April 1999

## LEISURE & HOSPITALITY



The new Wet Park at Genting Theme Park

### GENTING HIGHLANDS RESORT

Despite the economic downturn, the Leisure and Hospitality division contributed RM829.2 million or 91% to the Group's profit before tax in 1998. The year's performance was supported by a variety of international entertainment extravaganzas and new facilities at Genting Highlands Resort ("Resort") that lived up to its image of being the "City of Entertainment".

The constant entertainment attractions at the Resort brought in approximately 12.3 million visitors to the Resort in 1998. The average room occupancy rate at the Resort improved to 84% in 1998 compared to 79% in the previous year.

During the year under review, efforts were made to upgrade and refurbish the existing 3,400 hotel rooms at the Resort. At the Highlands Hotel, 180 Deluxe Twin rooms were upgraded to Premier Club rooms, which increased the total of Premier Club rooms to 360.

The *Galleria Observatory* was officially opened on 14 August 1998 by the Minister of Culture, Arts & Tourism, Dato' Sabbaruddin Chik. The observatory offers a breathtaking panoramic view of the highlands at 6,000 feet above sea level.

The Division has a total of 27 food and beverage outlets at the Resort in 1998, serving 8.0 million food covers compared to 6.9 million in the previous year. Three new dining venues with separate theme concepts were opened during the year under review.

The two main entertainment venues, the 6,000-seat *Arena of Stars* and the 1,800-seat *Genting International Showroom* hosted spectacular concerts and entertainment extravaganzas.

Popular international artistes like Anita Mui, The Wynners, Alex To, Roman Tam and local favourites such as Seha, Zainal Abidin and Elite performed to enthusiastic crowds at the *Arena of Stars*.

The *Arena of Stars* also hosted the Genting World Lion Dance Championship and the popular '3.2.1 Action' television musical's annual award presentation, bringing together superstars from Hong Kong and Taiwan like Andy Lau, Leon Lai, Jeff Chang and Coco Lee.

The highly successful "Magic Xscape" completed its run in August 1998 at the *Genting International Showroom*. In its place, another world-class production "Harary ImagineNation" was introduced, which features Franz Harary, one of the world's best illusionists.

The Mr. & Miss Chinatown '98 competition was also held at the Resort at the Genting Grand Ballroom.

Touch Screen Info kiosks were installed at all hotel lobbies in July 1998, to provide quick access information on the Resort's facilities and services and general public data to patrons.





*Star Cruises jetty located beside Awana Porto Malai, Langkawi*

During the year under review, the Leisure & Hospitality Division expanded its businesses, with the investment of a 27% equity interest in Star Cruises PLC, the opening of three new Genting World leisure centres and the commencement of Awana Timeshare Ownership Scheme.

### AWANA HOTELS & RESORTS

Awana Porto Malai, Langkawi; Awana Kijal Golf and Beach Resort, Terengganu; and Awana Genting Highlands Golf & Country Resort continue to attract its niche market with its innovative packages, aggressive marketing and smart partnership with key players in the travel arena.

The Awana Dream Holidays is an example of an affordable package made possible by establishing a smart partnership with the national airline, Malaysia Airlines System.

### AWANA TIMESHARE OWNERSHIP SCHEME

The Division launched the timeshare business under Awana Vacation Resorts Development Bhd ("AVRD") on 8 August 1998. AVRD operates and manages a Timeshare Ownership Scheme ("Scheme"), that allows the timeshare owners the right to use the rooms and apartments for an agreed period at a very affordable cost.

The existing holiday resorts under the Scheme are Awana Genting Highlands Golf & Country Resort, Awana Kijal Golf & Beach Resort and access to Resort Condominium International (RCI) exchanges that have more than 3,300 affiliated resorts over 85 countries around the world.

### STAR CRUISES

Star Cruises PLC is the operator of Star Cruises, the leading cruise operator in Asia Pacific and one of the five largest cruise lines in the world. It also has one of the youngest cruise fleets in the world with an average age of less than 5 years by year 2002.

Star Cruises currently has a fleet of eight vessels namely SuperStar Leo, Star Aquarius, Star Pisces, SuperStar Gemini, MegaStar Aries, MegaStar Taurus, SuperStar Capricorn and the SuperStar Express. Ever since its official launch in November 1998, the 76,800-tonne SuperStar Leo has received overwhelming response from the public.

By the third quarter of 1999, SuperStar Virgo, another vessel of similar size and luxury to SuperStar Leo and SuperStar Europe will join Star Cruises fleet. By year 2002, two additional newbuildings, the SuperStar Libra and SuperStar Scorpio will be added to the Star Cruises Fleet.

### GENTING WORLD

There are currently four Genting World leisure centres, of which three centres were opened during the year under review. The four centres are located at strategic populated regions in Peninsular Malaysia - i.e. at Awana Porto Malai, Langkawi and Bukit Mertajam, Penang (north region); Ipoh Parade, Ipoh (central region) and the Summit USJ (Klang Valley).

The Genting World leisure centres are fast becoming popular attractions that offer the latest and high-tech bowling lanes, snooker tables and cafés.



## PLANTATION STATISTICS FOR 1998

	Oil Palm		Rubber		Durian & Others		Titled Area	
Area (Hectares)	1998	1997	1998	1997	1998	1997	1998	1997
Mature	29,095	26,166	1,830	2,304	0	0	30,925	28,470
Immature	6,581	9,483	—	32	34	34	6,615	9,549
<b>Total Planted Area</b>	<b>35,676</b>	<b>35,649</b>	<b>1,830</b>	<b>2,336</b>	<b>34</b>	<b>34</b>	<b>37,540</b>	<b>38,019</b>
As a percentage (%)	<b>95.0</b>	<b>93.8</b>	<b>4.9</b>	<b>6.1</b>	<b>0.1</b>	<b>0.1</b>	<b>100</b>	<b>100</b>
Unplanted Jungle Area	—	—	—	—	1,558	1,208	1,558	1,208
Labour Lines, Buildings & Infrastructure etc.	—	—	—	—	1,786	1,735	1,786	1,735
<b>Total Area</b>	<b>35,676</b>	<b>35,649</b>	<b>1,830</b>	<b>2,336</b>	<b>3,378</b>	<b>2,977</b>	<b>40,884</b>	<b>40,962</b>
Percentage Over Titled Area (%)	<b>87.2</b>	<b>87.0</b>	<b>4.5</b>	<b>5.7</b>	<b>8.3</b>	<b>7.3</b>	<b>100</b>	<b>100</b>
Production (mt)	<b>472,962</b>	<b>481,696</b>	<b>1,826</b>	<b>2,141</b>	—	—	—	—
Average Yield								
Per Mature Hectare (mt)(kg)	<b>16.8</b>	<b>18.8</b>	<b>1,201</b>	<b>1,171</b>	—	—	—	—
<b>AVERAGE SELLING PRICE</b>								
Rubber (sen/kg)	—	—	250	246	—	—	—	—
CPO (RM/mt)	2,321	1,370	—	—	—	—	—	—
Palm Kernel (RM/mt)	1,103	770	—	—	—	—	—	—



Oil palm harvest with in-field mechanisation



Shop offices in Permaipura, Kedah

## PLANTATIONS

The Plantations Division posted a strong 100% growth in profit before tax to RM142.4 million, mainly due to higher selling prices of crude palm oil ("CPO") and palm kernel achieved during the year. The achieved average selling price for CPO increased by 69% to RM2,321 per metric tonne ("MT").

During the year under review, the lagged El-Nino effect of prolonged dry weather and the haze experienced had caused considerable stress on the palms. As a result, although the harvesting area increased by about 11% in 1998, the Division's output of fresh fruit bunches ("FFB") during the same period was slightly lower at 472,962 MT, compared to 481,696 MT in 1997. As such, its yield per hectare declined to 16.8 MT per hectare, against 18.8 MT per hectare in 1997.

The Huka Lift System, for FFB evacuation, was introduced during the year in one of the Group's estates. This is in line with the Group's continuous efforts to implement various mechanisation process, wherever feasible, to reduce labour dependency.

Rehabilitation works on the flood-damaged areas in Tenegang estates commenced in August 1998. As at end 1998, planted area in the Tenegang project amounted to 15,605 hectares, of which 81% have matured.

The Serian Palm Oil Mill, a 40%-owned joint venture with the Sarawak Land Consolidation and Rehabilitation Authority (SALCRA) in Sarawak, achieved commendable results and higher than average oil extraction rates despite poor FFB harvest from supplying estates.

## PROPERTIES

1998 has been a very tough year for the property development industry, as the sector continued to feel the brunt of the economic downturn. Despite the odds, the Properties Division has performed satisfactorily in the areas of construction progress and collection of progressive payments. As such, the Division managed to post profit before tax of RM32.0 million in 1998.

The Indahpura Project in Kulai, Johor continues to be the main profit contributor. In October 1998, the four-storey shop offices were relaunched on strata basis and this scheme received encouraging response. During the year under review, 62% of the 1,040 units of the "Rumah Rakyat" scheme launched were sold.

There were no new sales launch for the earlier Desa Cheng Perdana project in Melaka and the Permaipura Project in Bedong, Kedah.

The Permaipura Golf & Country Club was officially launched by His Royal Highness Tuanku Sultan of Kedah on 11 April 1998.

Kijal Golf & Beach Resort, an integrated tourist-cum-housing resort project on the east coast of Peninsular Malaysia continued to be a popular resort amongst the locals and expatriates, during the year under review. Strategic marketing efforts have been planned to improve the sales of Kijal Beach Resort Apartments and land parcels in 1999.



*Corrugated paper boxes ready for distribution*

## PAPER & PACKAGING

During the year under review, the two industrial brown grade paper mills of the Group recorded a plant efficiency of 95%. Located at Kuala Langat, Selangor, the two mills produced a total output of 234,000 metric tonnes ("MT"). Despite the economic downturn, the Division achieved a total sales volume of 224,500 MT in 1998, slightly lower by 3% compared to 232,000 MT in 1997.

During the year, the Division capitalised on the opportunity arising from the economic downturn and entered into downstream packaging industry, by acquiring three corrugated carton box plants with a combined production capacity of 90,000 MT per annum.

These box plants are located in Prai (Penang), Shah Alam and Balakong (Selangor). The acquisition also included a converting plant in Kulim, Kedah. Since the takeover, these box plants have made significant inroads in promoting Genting Sanyen paper as substitutes for imported brown grade industrial paper.

The packaging business has proven to be viable and the Division will continue to explore the possibility of further business diversification and expansion into the paper and packaging industry.

The integration of paper manufacturing with corrugated carton box manufacturing is expected to generate positive synergies for the Division. In the longer term, the profitability of the Paper Division will be more stable as it will be less affected by the fluctuations prevailing in the cyclical paper market and the dumping activities of certain regional paper mills into the local market.



*Power plant at Kuala Langat, Selangor*

## POWER

The Power Division contributed RM81.3million to the Group's profit before tax during the year under review.

The Division's performance is steered by the Group's 39.1% interest in Genting Sanyen Power Sdn Bhd ("GSP"). GSP owns the 720 MW combined cycle power plant at Kuala Langat, Selangor. The power plant entered into its third year of full commercial production in 1998, and has performed satisfactorily to-date. It has achieved output and high availability performance in accordance with expectations.

The ISO 9002-certified power plant is the first Independent Power Producer ("IPP") to be awarded the Malaysian Society for Occupational Safety & Health Gold Award in 1997 and the Grand Award in 1998.

During the year under review, a maintenance program and a major improvement exercise were carried out on the gas turbines of the power plant.

GSP like all other IPPs, contributes 1% of its revenue derived from the sale of electricity to Tenaga Nasional Berhad, to the Electricity Supply Industry Fund which was set up for the improvement and development of the power industry.

As part of its contribution to the society, GSP continued to support the University Tenaga Nasional scholarship scheme, which started in 1997. Scholarships were awarded to a second batch of five students in 1998.



*Vorwata 11 - in the Muturi Block*

## OIL & GAS

The Group, through its wholly-owned subsidiary, Cairns Limited ("Cairns"), continued its highly successful exploration efforts on the Muturi Block throughout 1998. This block, located in northwest Irian Jaya, is held under a Production Sharing Contract (PSC) with Pertamina, the state oil company of Indonesia.

The drilling programme concluded in early May 1998, with Cairns having participated in eight wells on the Muturi PSC, seven of which were in, or in close proximity to, the Vorwata Field. These included six wells (Mogoi-Deep 1, Vorwata 4, 8, 9, 10 and 11) that were gas discoveries, one that was dry (Sakauni) due to the absence of reservoir and a final well (Nambumbi) that was suspended with gas shows following mechanical difficulties which prevented testing. No additional drilling is planned for 1999.

On 16 July 1998, Cairns together with BG Exploration and Production Limited ("BGEP"), operator of the Muturi PSC, acquired P.T. Saptra Patra Wisesa's 5% interest in the Muturi block. Following this transaction, Cairns has a 47.37% working interest and BGEP holds the remaining 52.63% interest in the block.

On 31 July 1998, DeGolyer and MacNaughton, an independent firm of petroleum engineers, certified that the proved and probable reserves dedicated to the Tangguh Project exceeded 18.3 trillion cubic feet (TCF) of gas. Cairns' net interest (excluding any provision for reserves found in the Mogoi-Deep gas discovery) is 1.79 TCF of certified proved and probable gas reserves, comparable to

approximately 300 million barrels of oil equivalent (BOE). In accordance with the Collaboration Agreement, Cairns will be entitled to supply 10.17% of all the gas to be supplied into the Tangguh LNG Project.

Efforts to market the gas from the Muturi PSC and the Tangguh LNG Project into established and emerging LNG markets have commenced and will continue throughout 1999. The project schedule calls for the first exportable LNG to be produced in 2004.

In Myanmar, the Group's 100%-owned subsidiary Roundhay Limited completed the acquisition of approximately 3,000-km 2D seismic and gravity survey in offshore Block M4 in February 1998. A large exploration prospect has been identified and work is continuing to mature this prospect to the drillable stage.

In Australia, the Group's 100%-owned subsidiary Coveyork Pty Limited ("Coveyork") has an 87.5% working interest and operates block WA-274-P, which is located in the highly prospective Browse Basin, on the northwest shelf of Western Australia.

Coveyork has completed a 2,700-km 2D seismic survey over the block and is participating in a multi-client 3D seismic survey. Acquisition, processing and interpreting this data will take place throughout 1999. No drilling on this block is planned in 1999.

## YEAR 2000 (Y2K)

A Y2K task force has been set up to address the issues to ensure a smooth continuity of the Group's business processes and systems into the next millennium.

Led by the Y2K task force, the Group has to-date completed several major phases of the project - including the awareness programme, inventory checklist, impact analysis, budgeting and setting up of testing facilities. The task force is currently in the testing, validation and remediation phases.

The Group is constantly reviewing the previous phases to ensure the completeness of coverage of any Y2K-related issue for critical systems, including external party linkages. The total budgeted cost of the Y2K project is estimated at RM1 million for the Company and RM7 million for the Group.





## HUMAN RESOURCES

Employees continue to play an instrumental role in ensuring that the Group maintains its strong performance in such tough economic times. Although the operations in all divisions have increased, the Group managed to maintain a total staff strength of 14,000 as at 31 December 1998.

During the year under review, Long Service Awards were accorded to employees in appreciation of their dedicated years of service to the Group.

The Group's strong management leadership and dedicated employees continued to be accorded with numerous awards of recognition during the year under review.

Genting Berhad was once again voted the no. 1 leading company in Malaysia for the fifth consecutive year, in the Far Eastern Economic Review's "Review 200 - Asia's Leading Companies" in 1998. It was also recognised as the top Malaysian company in Asian Business' "Asia's Most Admired Companies 1998".

Finance Asia accredited Genting Berhad to be one of "Asia's Strongest Companies" and voted no. 1 in both "debt-to-equity ratio" and "ability to service debt".

The Genting Group of Companies made nine records in the Malaysian Book of Records. Eight of these records were won by subsidiary Resorts World Bhd for its continuous and crowd-pulling attractions and facilities at the Genting Highlands Resort.

The ninth Malaysian record was won by the Group's Kuala Langat power plant for being the first power plant to achieve the Malaysian Society for Occupational Safety & Health Gold Award in 1997 and Grand Award in 1998.



The Group's Chairman Tan Sri Lim Goh Tong handing over The Queen's Baton to Pahang's Chief Minister Tan Sri Mohamad Khalil Yaacob

## COMMUNITY SERVICES

The economic slowdown did not deter the Group from supporting various welfare and charitable bodies in cash and in kind, as well as the development of sports, education, culture and non-governmental organisations in Malaysia.

The Group's subsidiary Resorts World Bhd ("RWB"), was the only Platinum Partner to Sukom '98 for the XVI Commonwealth Games. RWB hosted the Queen's Baton Run, prior to the grand opening at the Bukit Jalil Stadium on 11 September 1998.

The Group continued to support major sports and related associations such as the Football Association of Malaysia, Malaysian Hockey Federation and the Foundation for Malaysian Sporting of Excellence and the major cycling competition Le Tour de Langkawi.

The Group contributed RM2.1 million to the Special National Fund and supported various conferences on the economic recovery.

In supporting humanitarian services, RM3.0 million was contributed to the Malaysian Red Crescent Society, while various welfare and charitable organisations received cash contribution from the Group in 1998.

The Group also sponsored the publication of books such as "Tun Razak: Jejak Bertapak Seorang Patriot", "The Sultanate of Kedah", "Suara Pendidik", "Buku Masjid-Masjid Dunia, Malaysia & Kuala Lumpur".

The Directors of **GENTING BERHAD** have pleasure in submitting their report and the audited accounts of the Group and of the Company for the financial year ended 31 December 1998.

### PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, plantations, property development and management, tours and travel related services, investments, manufacturing and trading in paper and paper related products, generation and supply of electric power and oil and gas exploration.

Details of the principal activities of the Group are set out in Note 30 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

### RESULTS

The audited results of the operations of the Group and of the Company for the financial year are as follows:

	Group RM million	Company RM million
Profit before taxation	909.7	394.3
Taxation	(364.1)	(108.9)
Profit after taxation	545.6	285.4
Minority shareholders' interests	(131.3)	—
Profit attributable to shareholders of Genting Berhad	414.3	285.4
Unappropriated profit at beginning of the year	3,491.1	1,872.1
Profit available for appropriation	3,905.4	2,157.5
Appropriations:		
Interim dividend		
- 6.5 sen less 28% tax	(33.0)	(33.0)
Proposed final dividend		
- 12.0 sen less 28% tax	(60.9)	(60.9)
	(93.9)	(93.9)
Unappropriated profit at end of the year	3,811.5	2,063.6

### DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

- (i) a final dividend of 14.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM 70,997,366 in respect of the financial year ended 31 December 1997 was paid on 30 July 1998; and
- (ii) an interim dividend of 6.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM 32,963,063 in respect of the financial year ended 31 December 1998 was paid on 30 October 1998.

The Directors recommend payment of a final dividend of 12.0 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 18 June 1999 to shareholders registered in the Register of Members at the close of business on 24 May 1999. Based on the issued and paid-up share capital of the Company as at the date of this report, the final dividend would amount to RM 60,854,886.

### RESERVES AND PROVISIONS

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 23 to the accounts.

## ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS

There were no issue of shares or debentures during the financial year.

The following Options to take up unissued ordinary shares of the Company previously granted to executive employees of the Group under The Genting Employees' Share Option Scheme for Executives were outstanding as at 31 December 1998:

Option expiry date	Subscription price per share	No. of shares
15 December 1999	RM 19.80	<u>3,722,000</u>

The shares under the aforesaid Options may be exercised in full or in respect of 1,000 shares or a multiple thereof on the payment of the requisite subscription price within the respective quarters in the preceding twelve months of the Option expiry date. The persons to whom the Options have been issued have no right to participate by virtue of the Options in any share issue of any other company.

On 9 March 1999, the Securities Commission approved the Company's application to extend the Option and exercise periods of the outstanding Options for an additional five (5) years from 15 December 1999 to 15 December 2004 ("Proposed Extension") subject to the approval of the shareholders of the Company at a general meeting to be convened.

The Proposed Extension thereby extends the Option period of the outstanding Options to the maximum ten (10) years permissible under Section 68 of the Companies Act, 1965 as amended by the Companies (Amendment) (No. 2) Act 1998 which came into force on 1 November 1998.

## DIRECTORATE

The Directors who served since the date of the last report are:

Tan Sri Lim Goh Tong  
Tun Mohammed Hanif bin Omar  
Dato' Lim Kok Thay  
Mr Colin Au Fook Yew  
Encik Nik Hashim bin Nik Yusoff  
Tan Sri Mohd Amin bin Osman  
Dato' Lim Tee Keong (Resigned on 1 January 1999)  
Tan Sri Gunn Chit Tuan  
Mr Quah Chek Tin (Appointed on 12 April 1999)  
Mr Teo Eng Siong (Alternate to Mr Colin Au Fook Yew)

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company, Resorts World Bhd, Asiatic Development Berhad and Genting International PLC, all of which are subsidiaries of the Company as set out below:

## INTEREST IN THE COMPANY

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	6,681,000	—	6,681,000
Dato' Lim Kok Thay	2,553,000	—	2,553,000
Mr Colin Au Fook Yew	768,000	(750,000)	18,000
Tan Sri Mohd Amin bin Osman	6,000	2,000	8,000
Shareholdings in which the Director is deemed to have an interest	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	11,523,996	—	11,523,996
Share Options in the names of Directors	1.1.1998	Offered/(Exercised)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	600,000	—	600,000
Tun Mohammed Hanif bin Omar	500,000	—	500,000
Dato' Lim Kok Thay	400,000	—	400,000
Mr Colin Au Fook Yew	400,000	—	400,000
Tan Sri Mohd Amin bin Osman	400,000	—	400,000
Dato' Lim Tee Keong	100,000	—	100,000



# INTEREST IN RESORTS WORLD BHD

## Shareholdings in the names of Directors

	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	2,610,000	—	2,610,000
Mr Colin Au Fook Yew	24,000	—	24,000
Tan Sri Mohd Amin bin Osman	122,000	—	122,000
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	120,000	—	120,000

## Share Options in the names of Directors

	1.1.1998	Offered/(Lapsed)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	1,000,000	(700,000)	300,000
Tun Mohammed Hanif bin Omar	1,000,000	(500,000)	500,000
Dato' Lim Kok Thay	650,000	(475,000)	175,000
Dato' Lim Tee Keong	300,000	(200,000)	100,000

# INTEREST IN ASIATIC DEVELOPMENT BERHAD

## Shareholdings in the names of Directors

	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	437,500	—	437,500
Dato' Lim Kok Thay	144,000	—	144,000
Tan Sri Mohd Amin bin Osman	164,000	—	164,000
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	8,000	—	8,000

# INTEREST IN GENTING INTERNATIONAL PLC

## Shareholdings in the names of Directors

	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	1,832,468	—	1,832,468
Dato' Lim Kok Thay	623,000	—	623,000
Mr Colin Au Fook Yew	529,200	—	529,200

## Shareholdings in which the Director is deemed to have an interest

	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of US\$0.10 each)		
Dato' Lim Kok Thay	4,649,598	—	4,649,598

## Share Options in the name of Director

	1.1.1998	Offered/(Relinquished)	31.12.1998
	(Number of unissued ordinary shares US\$0.10 each)		
Tan Sri Lim Goh Tong	500,000	(500,000)	—

## Call Options in the names of Directors

	1.1.1998	Acquired/(Relinquished)	31.12.1998
	(Number of unissued ordinary shares of US\$0.10 each)		
Dato' Lim Kok Thay	1,000,000	(1,000,000)	—
Mr Colin Au Fook Yew	1,000,000	(1,000,000)	—
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	200,000	(200,000)	—

Apart from the above disclosure:

- (a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- (b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the accounts or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) Tan Sri Mohd Amin bin Osman has been retained as a consultant to provide management and ancillary services to the Company.
- (ii) Tan Sri Mohd Amin bin Osman has been retained by Resorts World Bhd ("RWB"), a subsidiary of the Company to provide advisory services.
- (iii) Certain companies in which Dato' Lim Tee Keong is a director and a substantial shareholder rent their premises at the Genting Highlands Resort from RWB and its wholly-owned subsidiaries, Genting Golf Course Bhd and Genasa Sdn Bhd. The tenancies were terminated on 5 February 1999.
- (iv) A company in which Dato' Lim Kok Thay is a director and a substantial shareholder has retained Asiatic Development Berhad, a subsidiary of the Company to provide plantation advisory services.
- (v) A company in which Tan Sri Lim Goh Tong is a director and substantial shareholder has rented approximately 5.87 hectares of land in the Mukim of Batang Kali, District of Ulu Selangor, Selangor to Genting Utilities & Services Sdn Bhd, a wholly-owned subsidiary of RWB.
- (vi) A corporation in which Tan Sri Lim Goh Tong is a shareholder, Dato' Lim Kok Thay and Mr Colin Au Fook Yew are respectively directors, shareholders and call option holders, and Tan Sri Mohd Amin bin Osman and Mr Teo Eng Siong are call option holders has issued and allotted 125,000,000 new ordinary shares of US\$0.10 each to Resorts World Limited, an indirect wholly-owned subsidiary of RWB for a cash consideration of US\$262.5 million.
- (vii) RWB has extended a housing loan to Mr Quah Chek Tin to enable him to acquire a home.

Mr Quah Chek Tin is due to retire in accordance with Article 104 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Encik Nik Hashim bin Nik Yusoff is due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Tan Sri Lim Goh Tong and Tan Sri Mohd Amin bin Osman retire pursuant to Section 129 of the Companies Act, 1965 and that separate resolutions will be proposed for their re-appointment as Directors under the provision of Section 129 (6) of the said Act to hold office until the next Annual General Meeting of the Company.

#### **OTHER STATUTORY INFORMATION**

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Group and of the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the accounts of the Group and of the Company misleading;

- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the accounts of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the accounts of the Group and of the Company, that would render any amount stated in the respective accounts misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the exceptional items as reported in Note 6 to the accounts; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

On behalf of the Board

**TUN MOHAMMED HANIF BIN OMAR**

**DATO' LIM KOK THAY**

Kuala Lumpur  
12 April 1999





## FINANCIAL STATEMENTS

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## Profit & Loss Accounts

FOR THE YEAR ENDED 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		1998	1997	1998	1997
<b>OPERATING REVENUE</b>	3 & 4	<b>3,369.8</b>	3,822.0	<b>378.6</b>	396.2
<b>PROFIT BEFORE TAXATION</b>	4, 5 & 6	<b>909.7</b>	1,542.5	<b>394.3</b>	424.7
Taxation	7	<b>(364.1)</b>	(346.7)	<b>(108.9)</b>	(106.7)
<b>PROFIT AFTER TAXATION</b>		<b>545.6</b>	1,195.8	<b>285.4</b>	318.0
Minority shareholders' interests		<b>(131.3)</b>	(424.5)	—	—
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF GENTING BERHAD</b>		<b>414.3</b>	771.3	<b>285.4</b>	318.0
Unappropriated profit at beginning of the year		<b>3,491.1</b>	2,825.5	<b>1,872.1</b>	1,659.8
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>3,905.4</b>	3,596.8	<b>2,157.5</b>	1,977.8
Appropriation:					
Dividends	8	<b>(93.9)</b>	(105.7)	<b>(93.9)</b>	(105.7)
<b>UNAPPROPRIATED PROFIT AT END OF THE YEAR</b>	23	<b>3,811.5</b>	3,491.1	<b>2,063.6</b>	1,872.1
<b>EARNINGS PER SHARE</b>	25	<b>58.8 sen</b>	109.6 sen		

The notes set out on pages 24 to 42 form part of these accounts.

**BALANCE-SHEETS**

AS AT 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

Amounts in RM million unless otherwise stated		Group		Company	
	Note	1998	1997	1998	1997
EMPLOYMENT OF CAPITAL					
FIXED ASSETS	9	3,507.1	3,277.5	7.6	8.3
PROPERTY DEVELOPMENT	10	631.9	597.9	—	—
INVESTMENT PROPERTIES	11	73.7	73.7	—	—
SUBSIDIARY COMPANIES	12	—	—	2,115.9	1,922.2
ASSOCIATED COMPANIES	13	1,324.4	317.9	—	—
INVESTMENTS	14	7.3	122.1	—	—
EXPLORATION COST		399.2	207.0	—	—
DEFERRED TAXATION	15	—	—	15.1	15.0
CURRENT ASSETS					
Property development	10	175.4	135.5	—	—
Stocks	16	107.8	82.0	—	—
Trade debtors	17	102.4	399.5	—	—
Other debtors, deposits and prepayments	18	138.6	269.8	1.4	1.3
Short-term investments	19	405.4	1,125.9	186.4	241.2
Bank balances and deposits	20	1,466.9	1,348.6	394.4	343.3
		2,396.5	3,361.3	582.2	585.8
LESS CURRENT LIABILITIES					
Trade creditors		95.4	96.7	—	—
Other creditors and accrued expenses		380.3	347.5	14.3	10.6
Short-term borrowings	21	0.3	58.5	—	—
Provision for taxation		590.9	498.0	70.9	67.9
Proposed dividend		60.9	71.0	60.9	71.0
		1,127.8	1,071.7	146.1	149.5
NET CURRENT ASSETS					
		1,268.7	2,289.6	436.1	436.3
		7,212.3	6,885.7	2,574.7	2,381.8
CAPITAL EMPLOYED					
SHARE CAPITAL	22	352.2	352.2	352.2	352.2
RESERVES	23	4,421.4	4,130.9	2,161.4	1,969.9
SHAREHOLDERS' FUNDS		4,773.6	4,483.1	2,513.6	2,322.1
MINORITY INTERESTS		2,168.8	2,140.9	—	—
LONG-TERM LOANS	24	96.3	96.3	—	—
DEFERRED TAXATION	15	16.8	11.0	—	—
RETIREMENT BENEFITS AND GRATUITIES		156.8	154.4	61.1	59.7
		7,212.3	6,885.7	2,574.7	2,381.8
NET TANGIBLE ASSETS PER SHARE		RM6.78	RM6.36		

The notes set out on pages 24 to 42 form part of these accounts.



## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

	1998	1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	909.7	1,542.5
Adjustments for:		
Write off of goodwill arising on acquisition of associated/subsidiary companies	373.2	45.6
Depreciation of fixed assets	215.0	167.6
Diminution in value of investments	17.9	—
Other non-cash items	7.9	11.9
Interest expense	7.2	3.8
Provision for retirement benefits and gratuities	3.0	9.1
(Gain)/Loss on currency translation	(16.5)	61.4
Investment income	(72.1)	(376.6)
Share in profits of associated companies	(106.3)	(84.8)
Interest income	(153.9)	(119.9)
	275.4	(281.9)
<b>Operating profit before changes in working capital</b>	1,185.1	1,260.6
Increase in property development	(39.9)	(107.4)
(Increase)/Decrease in stocks	(25.5)	13.2
Decrease/(Increase) in debtors, deposits and prepayments	382.9	(320.8)
Increase in creditors and accrued expenses	25.1	42.8
	342.6	(372.2)
<b>Cash generated from operations</b>	1,527.7	888.4
Taxation paid	(239.7)	(232.9)
Property development expenditure, net of progress billings	(44.2)	(21.1)
Retirement benefits and gratuities paid	(0.7)	(0.3)
	(284.6)	(254.3)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	1,243.1	634.1
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in associated companies	(1,142.1)	—
Purchase of fixed assets	(364.9)	(372.3)
Purchase of investments	(278.1)	(671.3)
Exploration cost incurred	(196.2)	(170.4)
Purchase of additional shares from minority shareholders	(4.3)	—
Acquisition of subsidiary companies **	(2.8)	(191.1)
Disposal of subsidiary companies *	0.7	1.1
Proceeds from disposal of assets	13.8	27.0
Interest received	153.7	127.4
Proceeds from sale of investments	394.8	942.2
Dividends received	1.6	1.8
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(1,423.8)	(305.6)

The notes set out on pages 24 to 42 form part of these accounts.

## CASH FLOWS FROM FINANCING ACTIVITIES

	1998	1997
Distribution received from associated company	5.2	—
(Advances to)/Repayments from associated companies	(3.6)	0.3
Interest paid	(4.0)	(3.6)
Repayment of short-term borrowings	(57.8)	(29.5)
Dividends paid to minority shareholders	(80.3)	(80.0)
Dividends paid	(103.9)	(103.5)
Increase in long-term loans	—	96.3
Redemption of preference shares in associated company	—	52.0
Proceeds from issue of shares	—	16.5
Drawdown of short-term borrowings	—	0.3

## NET CASH USED IN FINANCING ACTIVITIES

	(244.4)	(51.2)
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## NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS

	(425.1)	277.3
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## CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR

	2,188.7	1,911.4
--	---------	---------

## CASH AND CASH EQUIVALENTS AT END OF THE YEAR

	1,763.6	2,188.7
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## ANALYSIS OF CASH AND CASH EQUIVALENTS

Bank balances and deposits	1,466.9	1,348.6
Money market instruments	296.8	840.6
	1,763.7	2,189.2
Bank overdrafts	(0.1)	(0.5)
	1,763.6	2,188.7

### \* Analysis of the disposal of subsidiary companies

Net assets disposed		
Fixed assets	2.9	1.1
Net working capital	(2.2)	—
	0.7	1.1
Total sales consideration	0.7	1.1
Cash and bank balances of subsidiary companies disposed	—	—
	0.7	1.1
Net cash inflow on disposal of subsidiary companies	0.7	1.1

### \*\* Analysis of the acquisition of subsidiary companies

Net assets acquired		
Fixed assets	133.7	0.7
Goodwill on consolidation	14.4	46.1
Minority interests	(11.6)	(137.1)
Investments	—	121.0
Property development	—	108.5
Provision for taxation	—	(1.3)
Provision for deferred taxation	—	(9.7)
	136.5	128.2
Net working capital	5.2	274.9
	141.7	403.1
Total purchase consideration/investment	141.7	403.1
Cash and bank balances of subsidiary companies acquired	(14.6)	(212.0)
Reclassification from long-term investment	(114.0)	—
	13.1	191.1
Balance of purchase consideration not paid	(10.3)	—
	2.8	191.1
Net cash outflow on acquisition of subsidiary companies	2.8	191.1

The notes set out on pages 24 to 42 form part of these accounts.

## NOTES TO THE ACCOUNTS

31 DECEMBER 1998

Amounts in RM million unless otherwise stated

### 1. PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, plantations, property development and management, tours and travel related services, investments, manufacturing and trading in paper and paper related products, generation and supply of electric power and oil and gas exploration.

Details of the principal activities of the Group are set out in Note 30 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Accounting Basis

The accounts have been prepared under the historical cost convention modified by the revaluation of certain fixed assets and land held for development and also in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

#### Basis of Consolidation

The consolidated accounts include the audited accounts of the Company and all its subsidiary companies made up to 31 December 1998.

The results of subsidiary companies acquired or disposed of during the year are included in the Group accounts from the effective date of acquisition or up to the date of disposal.

#### Fixed Assets and Depreciation

Fixed assets are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major groups of fixed assets are as follows:

Buildings and improvements	2 - 50%
Plant, equipment and vehicles	5 - 50%

With effect from the current financial year, the annual depreciation rate for computer equipment and building improvements are changed from 20% to 50% and 2% - 33 1/3% to 50% respectively so as to reflect more realistically the estimated useful life of these assets. The effect on the accounts of this change in accounting estimate is not material.

Leasehold properties are amortised over their respective periods of lease, ranging from 60 to 99 years.

Depreciation is not provided on leasehold properties with unexpired lease period of more than 99 years, freehold land and plantations and fixed assets which are under construction.

New planting expenditure is capitalised under plantation land while replanting expenditure is written off in the year in which it is incurred. Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

The initial cost of operating assets such as soft furnishing and kitchen utensils have been capitalised and included under plant and equipment and are not depreciated. Subsequent acquisitions to replace these operating assets are written off in the year in which they are acquired.

#### Goodwill

Goodwill arising on consolidation which represents the excess of the purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition, is written off through the profit and loss account in the year of acquisition.

#### Property Development and Recognition of Profits

Profits on property development projects are recognised based on the percentage of completion method. Under this method, profits are recognised as the property project progresses. Profits are, however, recognised only in respect of sales where agreements have been finalised by the end of the financial year.

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Investment Properties**

Investment properties, which are not depreciated, are stated at cost or at Directors' valuation. These are properties held for long-term purposes for investment potential and rental income in future. Directors' valuation recognises the value of the investment property based on latest valuation report by an independent firm of professional valuers using the open market value basis. The investment properties will be revalued at regular intervals.

**Investments**

Investments in subsidiary companies and other long-term investments are stated at cost. Investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

Short-term investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value.

**Exploration Cost**

Exploration cost is accounted for in accordance with the full cost method. Under this method, all costs relating to the exploration activities are capitalised when incurred. Where it is determined that the exploration activities will not yield significant oil and gas discoveries, the exploration cost will be written off to the profit and loss account.

**Associated Companies**

An associated company is a company, other than a subsidiary company, in which the Group has a long term equity interest of between 20% to 50% and where the Group has representation on the board and is in a position to exercise significant influence.

The Group's share of the profits less losses of associated companies is included in the consolidated profit and loss account and the Group's interest in associated companies is stated at cost net of goodwill written off plus adjustments to reflect changes in the Group's share of the net assets of the associated companies.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average or first in, first out basis.

**Retirement Benefits and Gratuities**

Provisions relating to retirement benefits contained in Collective Agreements of certain subsidiary companies are computed based on a fixed monetary scale and length of service of all eligible employees.

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors ("participants") of the Company and certain subsidiary companies. Provision for retirement gratuities under this scheme is computed based on length of service and basic salary. Retirement gratuities in respect of services rendered prior to 1991 is provided over periods not exceeding the retirement age of participants.

**Deferred Taxation**

Deferred tax accounting using the "liability" method is adopted by the Group. Deferred taxation provides for the effects of timing differences between accounting income and taxable income arising from the inclusion of items in different periods. Tax effects of timing differences are not recognised in respect of timing differences which are not expected to reverse in the foreseeable future.

**Foreign Currencies**

The accounts are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies have been translated into RM at the rates ruling on the dates of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at approximately the rates ruling on that date. Gains and losses arising from translation are included in the profit and loss account. However, translation gains and losses arising from transactions which provide an effective hedge against investments in foreign currencies are taken to reserves. The corresponding translation gains and losses arising from such investments are also taken to reserves.

Profit and loss accounts of subsidiary and associated companies in other reporting currencies are translated into RM at average rates for the financial year and the balance sheets are translated at rates approximate to those ruling at the year end. Exchange differences arising from the translation of profit and loss accounts at average rates and balance sheets at year end rates, and the restatement at year end rates of the opening net investments in such subsidiary and associated companies are taken to reserves.



## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), deposits and other short term, highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value.

## 3. OPERATING REVENUE

Operating revenue, other than those arising from property development projects and casino operations, represents the invoiced value receivable for goods and services supplied, commodities sold, income from investments and proceeds from sale of investments. For property development projects, revenue is recognised as the project activity progresses and is in respect of sales where agreements have been finalised by the end of the financial year. Casino revenue represents net house takings.

The casino licence is renewable every three months.

## 4. SEGMENT ANALYSIS

	<b>Operating Revenue</b>		<b>Profit/(Loss) Before Taxation</b>		<b>Assets Employed</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
<b>By activity</b>						
Leisure & Hospitality	<b>2,320.1</b>	2,287.2	<b>829.2</b>	921.9	<b>2,354.1</b>	2,177.8
Plantations	<b>263.7</b>	187.8	<b>142.4</b>	71.1	<b>474.9</b>	477.1
Properties	<b>116.8</b>	161.9	<b>32.0</b>	52.3	<b>1,202.1</b>	1,063.9
Paper	<b>272.1</b>	238.8	<b>13.7</b>	25.3	<b>723.0</b>	701.9
Oil & Gas	<b>—</b>	—	<b>(17.8)</b>	(30.6)	<b>418.2</b>	207.5
	<b>2,972.7</b>	2,875.7	<b>999.5</b>	1,040.0	<b>5,172.3</b>	4,628.2
Investment in associated companies	<b>442.3</b>	277.5	<b>106.3</b>	84.8	<b>1,324.4</b>	317.9
Non-Segment Items						
– Interest bearing investments	<b>—</b>	—	<b>146.8</b>	116.0	<b>1,646.1</b>	2,084.8
– Short-term equity investments & others	<b>397.1</b>	946.3	<b>(342.9)</b>	301.7	<b>197.3</b>	926.5
	<b>3,812.1</b>	4,099.5	<b>909.7</b>	1,542.5	<b>8,340.1</b>	7,957.4
Adjustment relating to share of operating revenue of associated companies	<b>(442.3)</b>	(277.5)	<b>—</b>	—	<b>—</b>	—
	<b>3,369.8</b>	3,822.0	<b>909.7</b>	1,542.5	<b>8,340.1</b>	7,957.4
<b>By geographical location</b>						
Malaysia	<b>3,256.3</b>	3,155.1	<b>1,116.7</b>	1,129.5	<b>5,030.0</b>	4,752.3
Outside Malaysia	<b>158.5</b>	—	<b>20.5</b>	—	<b>952.7</b>	—
Non-Segment Items						
– Interest bearing investments	<b>—</b>	—	<b>146.8</b>	116.0	<b>1,646.1</b>	2,084.8
– Short-term equity investments & others	<b>397.3</b>	944.4	<b>(374.3)</b>	297.0	<b>711.3</b>	1,120.3
	<b>3,812.1</b>	4,099.5	<b>909.7</b>	1,542.5	<b>8,340.1</b>	7,957.4
Adjustment relating to share of operating revenue of associated companies	<b>(442.3)</b>	(277.5)	<b>—</b>	—	<b>—</b>	—
	<b>3,369.8</b>	3,822.0	<b>909.7</b>	1,542.5	<b>8,340.1</b>	7,957.4

Included in Profit/(Loss) Before Taxation of short-term equity investments & others is the write off of goodwill arising on acquisition of associated/subsidiary companies.

Interest income, interest expense, short-term deposits and investments are not attributable to any activity and geographical segment and are therefore included under Non-Segment Items. Immaterial segments are not separately identified and, for presentation purposes, are also included under Non-Segment Items.

## 5. PROFIT BEFORE TAXATION

	Group		Company	
	1998	1997	1998	1997
Operating revenue	3,369.8	3,822.0	378.6	396.2
Other income	260.3	204.7	61.2	65.7
	<b>3,630.1</b>	<b>4,026.7</b>	<b>439.8</b>	<b>461.9</b>
Operating expenses	(1,996.8)	(2,139.1)	–	–
Other expenses	(723.6)	(345.1)	(45.5)	(37.2)
	<b>909.7</b>	<b>1,542.5</b>	<b>394.3</b>	<b>424.7</b>

Profit before taxation has been determined after inclusion of the following charges and credits:

	Group		Company	
	1998	1997	1998	1997
	RM'000	RM'000	RM'000	RM'000
<b>Charges:</b>				
Depreciation of fixed assets	214,950	167,580	2,136	1,400
Directors' remuneration:				
Directors' fees				
– From the Company	365	405	365	405
– From subsidiary companies	328	294	–	–
Provision for retirement benefits and gratuities				
– From the Company	652	(423)	652	(423)
– From subsidiary companies	1,219	182	–	–
Professional fees				
– From the Company	240	240	240	240
Other emoluments				
– From the Company	22,246	15,913	22,246	15,913
– From subsidiary companies	24,057	17,586	–	–
Provision for retirement benefits and gratuities	1,080	9,615	772	672
Replanting expenditure	6,620	7,458	–	–
Hire of equipment	4,229	4,939	–	–
Interest on short-term borrowings	7,166	3,850	–	–
Rental of land and buildings	2,339	1,388	–	–
Auditors' remuneration	754	778	39	39
Diminution in value of investments	17,859	–	–	–
Fixed assets written off	39,774	–	–	–
Exceptional charges (Note 6)	302,660	–	–	–
Expenditure paid to subsidiary companies:				
– Rental of land and buildings	–	–	1,787	1,736
<b>Credits:</b>				
Interest income	153,945	119,881	47,653	19,416
Share in profits of associated companies	106,324	84,830	–	–
Rental income from land and buildings	32,948	33,820	–	–
Dividends (gross) from:				
– Quoted foreign corporations	1,553	1,818	–	–
Exceptional credits (Note 6)	–	304,152	–	19,849
Income from subsidiary companies:				
– Management and licensing fees	–	–	232,865	232,172
– Gross dividends	–	–	145,723	163,999
– Interest income	–	–	12,763	23,966

## 6. EXCEPTIONAL ITEMS

Profit before taxation includes the following exceptional charges and credits:

	<b>Group</b>		<b>Company</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
Gain on sale of investments	<b>70.5</b>	374.8	–	–
Write off of goodwill arising on acquisition of associated/subsidiary companies	<b>(373.2)</b>	(45.6)	–	–
Fixed assets written-down	–	(25.0)	–	–
Gain on sale of shares in subsidiary companies to other subsidiary companies	–	–	–	19.8
	<b>(302.7)</b>	304.2	–	19.8

## 7. TAXATION

	<b>Group</b>		<b>Company</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
Current taxation				
Malaysian taxation	<b>335.4</b>	315.0	<b>109.1</b>	105.2
Foreign taxation	<b>0.5</b>	0.2	–	–
	<b>335.9</b>	315.2	<b>109.1</b>	105.2
Deferred taxation	<b>28.2</b>	31.5	<b>(0.2)</b>	1.5
	<b>364.1</b>	346.7	<b>108.9</b>	106.7

The effective tax rate in 1998 for the Group is higher than the statutory tax rate mainly due to certain exceptional charges which are disallowed for tax purposes. However, for the previous year the effective tax rate of the Group and of the Company was lower than the statutory tax rate mainly because the profit of the Group and of the Company included tax exempt dividend income and/or tax exempt income of subsidiary companies.

There is no material adjustment for under or over-provision in respect of prior years.

## 8. DIVIDENDS

	<b>1998</b>	<b>1997</b>
Interim – 6.5 sen less 28% tax [1997 – 7.0 sen less 30% tax (now deemed as 28%)] per share	<b>33.0</b>	34.5
Proposed final - 12.0 sen less 28% tax [1997 – 14.0 sen less 28% tax] per share	<b>60.9</b>	71.0
Final dividend - 1996		
– On additional shares issued pursuant to the exercise of share options prior to entitlement date	–	0.2
	<b>93.9</b>	105.7

**9. FIXED ASSETS**

1998 Group	Freehold land and plantations	Long leasehold land and plantations	Short leasehold land	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Cost except as otherwise stated:								
Beginning of the year	426.0	226.6	3.8	1,636.3	142.7	1,517.5	130.1	4,083.0
Additions/ Reclassifications	(8.1)	15.8	—	164.3	2.9	148.4	41.6	364.9
Disposals	(1.1)	(0.2)	—	—	—	(1.1)	—	(2.4)
Written off	—	—	—	(31.5)	—	(11.0)	(4.6)	(47.1)
Acquisitions less divestments	—	57.9	—	—	62.3	13.3	0.2	133.7
Currency fluctuations	—	—	(2.6)	—	—	(0.3)	(7.8)	(10.7)
Others	(12.8)	13.3	—	(1.8)	—	2.4	—	1.1
End of the year	404.0	313.4	1.2	1,767.3	207.9	1,669.2	159.5	4,522.5
Accumulated depreciation:								
Beginning of the year	—	(5.7)	(0.9)	(162.3)	(3.1)	(633.5)	—	(805.5)
Charge for the year	—	(2.0)	(0.2)	(39.3)	(3.2)	(170.3)	—	(215.0)
Disposals	—	—	—	—	—	0.9	—	0.9
Written off	—	—	—	1.0	—	6.4	—	7.4
Acquisitions less divestments	—	—	—	—	(1.0)	(1.9)	—	(2.9)
Currency fluctuations	—	—	0.7	—	—	0.2	—	0.9
Others	—	(0.5)	—	0.9	(0.9)	(0.7)	—	(1.2)
End of the year	—	(8.2)	(0.4)	(199.7)	(8.2)	(798.9)	—	(1,015.4)
Net book value at beginning of the year	426.0	220.9	2.9	1,474.0	139.6	884.0	130.1	3,277.5
Net book value at end of the year	404.0	305.2	0.8	1,567.6	199.7	870.3	159.5	3,507.1
Comprising:								
Cost	60.5	261.9	1.2	1,637.6	207.9	1,630.4	159.5	3,959.0
At valuation:								
— 1981	121.6	—	—	—	—	—	—	121.6
— 1982	8.8	—	—	49.4	—	30.2	—	88.4
— 1983	112.1	—	—	2.3	—	—	—	114.4
— 1986	—	—	—	—	—	8.6	—	8.6
— 1989	83.3	—	—	77.3	—	—	—	160.6
— 1991	—	34.0	—	0.7	—	—	—	34.7
— 1995	—	17.5	—	—	—	—	—	17.5
— 1996	17.7	—	—	—	—	—	—	17.7
	404.0	313.4	1.2	1,767.3	207.9	1,669.2	159.5	4,522.5



## 9. FIXED ASSETS (Cont'd)

1997 Group	Freehold land and plantations	Long leasehold land and plantations	Short leasehold land	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Cost except as otherwise stated:								
Beginning of the year	412.6	204.1	6.5	1,412.6	99.8	1,183.9	400.3	3,719.8
Additions/Reclassifications	15.5	22.7	(2.7)	226.3	45.5	320.1	(255.1)	372.3
Disposals	(2.1)	—	—	(2.4)	—	(7.0)	(23.4)	(34.9)
Acquisitions less divestments	—	(0.2)	—	(0.1)	—	—	—	(0.3)
Currency fluctuations	—	—	—	(0.1)	—	20.5	(5.0)	15.4
Others	—	—	—	—	(2.6)	—	13.3	10.7
End of the year	426.0	226.6	3.8	1,636.3	142.7	1,517.5	130.1	4,083.0
Accumulated depreciation:								
Beginning of the year	—	(3.8)	(0.7)	(128.7)	(2.2)	(498.0)	—	(633.4)
Charge for the year	—	(2.0)	(0.2)	(35.7)	(2.0)	(128.2)	—	(168.1)
Disposals	—	—	—	0.4	—	5.3	—	5.7
Currency fluctuations	—	0.1	—	1.7	—	2.4	—	4.2
Others	—	—	—	—	1.1	(15.0)	—	(13.9)
End of the year	—	(5.7)	(0.9)	(162.3)	(3.1)	(633.5)	—	(805.5)
Net book value at beginning of the year	412.6	200.3	5.8	1,283.9	97.6	685.9	400.3	3,086.4
Net book value at end of the year	426.0	220.9	2.9	1,474.0	139.6	884.0	130.1	3,277.5
Comprising:								
Cost	81.2	175.1	3.8	1,506.6	142.7	1,478.7	130.1	3,518.2
At valuation:								
— 1981	122.9	—	—	—	—	—	—	122.9
— 1982	8.8	—	—	49.4	—	30.2	—	88.4
— 1983	112.1	—	—	2.3	—	—	—	114.4
— 1986	—	—	—	—	—	8.6	—	8.6
— 1989	83.3	—	—	77.3	—	—	—	160.6
— 1991	—	34.0	—	0.7	—	—	—	34.7
— 1995	—	17.5	—	—	—	—	—	17.5
— 1996	17.7	—	—	—	—	—	—	17.7
	426.0	226.6	3.8	1,636.3	142.7	1,517.5	130.1	4,083.0

The depreciation of fixed assets for the Group in 1997 includes a charge to pre-operating expenses of RM0.5 million.

All valuations of fixed assets have been made by the Directors based upon valuations carried out by independent firms of professional valuers using fair market value basis except for assets revalued in 1991, which were based on the values determined by a regulatory authority in connection with a restructuring exercise.

## 9. FIXED ASSETS (Cont'd)

1998 Company	Freehold buildings and improvements	Plant, equipment and vehicles	Total
Cost:			
Beginning of the year	7.0	13.4	20.4
Additions	0.5	1.0	1.5
Disposals	-	(0.3)	(0.3)
End of the year	7.5	14.1	21.6
Accumulated depreciation:			
Beginning of the year	(3.3)	(8.8)	(12.1)
Charge for the year	(0.3)	(1.8)	(2.1)
Disposals	-	0.2	0.2
End of the year	(3.6)	(10.4)	(14.0)
Net book value at beginning of the year	3.7	4.6	8.3
Net book value at end of the year	3.9	3.7	7.6
1997 Company			
Cost:			
Beginning of the year	7.3	11.9	19.2
Additions	0.3	1.6	1.9
Disposals	(0.6)	(0.1)	(0.7)
End of the year	7.0	13.4	20.4
Accumulated depreciation:			
Beginning of the year	(3.4)	(7.8)	(11.2)
Charge for the year	(0.3)	(1.1)	(1.4)
Disposals	0.4	0.1	0.5
End of the year	(3.3)	(8.8)	(12.1)
Net book value at beginning of the year	3.9	4.1	8.0
Net book value at end of the year	3.7	4.6	8.3

## 10. PROPERTY DEVELOPMENT

	<b>Group</b>	
	<b>1998</b>	<b>1997</b>
Land held for development		
At cost	<b>113.7</b>	115.9
At valuation – 1981	<b>9.4</b>	9.5
At valuation – 1983	<b>51.7</b>	51.7
At valuation – 1989	<b>181.4</b>	181.4
At valuation – 1995	<b>74.8</b>	77.8
At valuation – 1996	<b>90.2</b>	90.2
	<hr/>	<hr/>
	<b>521.2</b>	526.5
Development expenditure	<b>478.5</b>	344.0
	<hr/>	<hr/>
	<b>999.7</b>	870.5
Less: Non-current portion	<b>(631.9)</b>	(597.9)
	<hr/>	<hr/>
	<b>367.8</b>	272.6
Add: Attributable profits	<b>76.1</b>	65.3
	<hr/>	<hr/>
	<b>443.9</b>	337.9
Less: Progress billings	<b>(268.5)</b>	(202.4)
	<hr/>	<hr/>
Current portion	<b>175.4</b>	135.5
	<hr/>	<hr/>

The bases of valuation of land held for development are consistent with those indicated in Note 9.

The Group considers those portions of property development projects in which development works are expected to complete within the normal operating cycle of one to three years as current assets.

## 11. INVESTMENT PROPERTIES

	<b>Group</b>	
	<b>1998</b>	<b>1997</b>
Completed development		
– At cost	<b>35.1</b>	35.1
– At valuation – 1989	<b>38.6</b>	38.6
	<hr/>	<hr/>
	<b>73.7</b>	73.7
	<hr/>	<hr/>

## 12. SUBSIDIARY COMPANIES

	<b>Company</b>	
	<b>1998</b>	<b>1997</b>
Quoted shares in Malaysia – at cost	<b>570.0</b>	524.6
Unquoted shares – at cost	<b>1,413.8</b>	1,229.3
	<hr/>	<hr/>
	<b>1,983.8</b>	1,753.9
Amount due from subsidiary companies	<b>165.8</b>	193.7
Amount due to subsidiary companies	<b>(33.7)</b>	(25.4)
	<hr/>	<hr/>
	<b>2,115.9</b>	1,922.2
	<hr/>	<hr/>
Market value of quoted shares	<b>3,139.7</b>	4,280.9
	<hr/>	<hr/>

The subsidiary companies are listed in Note 30.

### 13. ASSOCIATED COMPANIES

	Group	
	1998	1997
Unquoted		
– Shares at cost less goodwill written off	1,017.7	119.9
– Group's share of post acquisition reserves	254.7	180.6
	<hr/>	<hr/>
	1,272.4	300.5
– Amount due from associated companies	52.0	17.4
	<hr/>	<hr/>
	1,324.4	317.9
	<hr/>	<hr/>

The associated companies are listed in Note 30.

### 14. INVESTMENTS

	Group	
	1998	1997
Quoted – at cost, less amount written off		
Shares in foreign corporations	1.4	2.0
Unquoted – at cost		
Shares in Malaysian corporations	2.2	116.2
Other investment outside Malaysia	3.7	3.9
	<hr/>	<hr/>
	7.3	122.1
	<hr/>	<hr/>
Market value of quoted shares	1.4	3.1
	<hr/>	<hr/>

### 15. DEFERRED TAXATION

	Group		Company	
	1998	1997	1998	1997
Excess of capital allowances over depreciation	(41.0)	(42.9)	(0.4)	(0.5)
Timing differences arising from provisions	24.2	31.9	15.5	15.5
	<hr/>	<hr/>	<hr/>	<hr/>
	(16.8)	(11.0)	15.1	15.0
	<hr/>	<hr/>	<hr/>	<hr/>

The tax effects relating to the increase in the carrying values of certain revalued assets are not disclosed as there is no intention to dispose of these assets in the foreseeable future.

### 16. STOCKS

	Group	
	1998	1997
Produce stocks and finished goods	35.6	23.9
Stores and spares	38.6	27.3
Raw materials, food, beverages and other hotel supplies	33.6	30.8
	<hr/>	<hr/>
	107.8	82.0
	<hr/>	<hr/>



## 17. TRADE DEBTORS

	<b>Group</b>	
	<b>1998</b>	<b>1997</b>
Trade debtors	<b>105.5</b>	402.4
Provision for doubtful debts	<b>(3.1)</b>	(2.9)
	<b>102.4</b>	399.5

## 18. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Other debtors, deposits and prepayments include the following:

	<b>Group</b>	
	<b>1998</b>	<b>1997</b>
Housing loans extended to executive directors of certain subsidiary companies	<b>0.3</b>	0.7
Amount due from Star Cruises Group, a former subsidiary company of Genting International PLC	<b>—</b>	83.5

## 19. SHORT-TERM INVESTMENTS

	<b>Group</b>		<b>Company</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
Quoted – at cost				
Shares in Malaysian corporations	<b>17.7</b>	8.9	—	—
Shares in foreign corporations	<b>108.5</b>	140.3	—	—
	<b>126.2</b>	149.2	—	—
Unquoted – at cost				
Shares in foreign corporation	<b>—</b>	136.1	—	—
Money market instruments	<b>296.8</b>	840.6	<b>186.4</b>	241.2
	<b>423.0</b>	1,125.9	<b>186.4</b>	241.2
Less: Diminution in value of investments	<b>(17.6)</b>	—	—	—
	<b>405.4</b>	1,125.9	<b>186.4</b>	241.2
Market value of quoted shares	<b>114.1</b>	246.8	—	—

## 20. BANK BALANCES AND DEPOSITS

	<b>Group</b>		<b>Company</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
Deposits with licensed banks	<b>1,292.4</b>	1,231.3	<b>348.1</b>	341.0
Deposits with finance companies	<b>45.2</b>	—	<b>44.1</b>	—
Cash and bank balances	<b>129.3</b>	117.3	<b>2.2</b>	2.3
	<b>1,466.9</b>	1,348.6	<b>394.4</b>	343.3

## 21. SHORT-TERM BORROWINGS

	Group	
	1998	1997
Unsecured facilities:		
Revolving credits	–	57.7
Bank overdrafts	0.1	0.5
Secured facility:		
Short-term loan	0.2	0.3
	<b>0.3</b>	<b>58.5</b>

The above borrowings obtained by subsidiary companies are unsecured and bear interest at rates that vary according to the banks' cost of funds, whilst the secured short-term loan bears interest at rates ranging from 0.66% to 1% (1997 : 1%) per month and is repayable on demand.

## 22. SHARE CAPITAL

	1998	1997
Authorised 1,600 million ordinary shares of 50 sen each	<b>800.0</b>	800.0
Issued and fully paid ordinary shares of 50 sen each:		
At beginning of the year – 704.4 million (1997: 702.2 million) ordinary shares of 50 sen each	<b>352.2</b>	351.1
Issued during the year	–	1.1
At end of the year	<b>352.2</b>	<b>352.2</b>

At the year end, options to subscribe for 3,722,000 unissued ordinary shares of 50 sen each under The Genting Employees' Share Option Scheme were outstanding.

The outstanding options granted in previous years are exercisable as follows:

Exercisable Period		Subscription price per share RM	1998 Number of shares in thousand	1997 Number of shares in thousand
From	To			
16 December 1998	15 December 1999	19.80	<b>918</b>	955
16 March 1999	15 December 1999	19.80	<b>918</b>	955
16 June 1999	15 December 1999	19.80	<b>918</b>	955
16 September 1999	15 December 1999	19.80	<b>968</b>	1,007
			<b>3,722</b>	<b>3,872</b>

## 23. RESERVES

	Group		Company	
	1998	1997	1998	1997
<b>NON-DISTRIBUTABLE RESERVES:</b>				
<b>SHARE PREMIUM</b>				
At beginning of the year	97.8	82.4	97.8	82.4
Arising from shares issued during the year	—	15.4	—	15.4
At end of the year	97.8	97.8	97.8	97.8
<b>REVALUATION RESERVES</b>				
At beginning of the year	404.9	403.2	—	—
Movement during the year	(0.2)	1.7	—	—
At end of the year	404.7	404.9	—	—
<b>OTHER RESERVES</b>				
<b>Exchange Differences</b>				
At beginning of the year	133.9	8.0	—	—
Movement during the year	(26.5)	125.9	—	—
At end of the year	107.4	133.9	—	—
<b>Reserves Arising On Consolidation</b>				
At beginning of the year	3.2	1.8	—	—
Goodwill written off on disposal of a subsidiary company	—	1.4	—	—
Realised during the year	(3.2)	—	—	—
At end of the year	—	3.2	—	—
<b>DISTRIBUTABLE RESERVE:</b>				
<b>UNAPPROPRIATED PROFIT</b>	3,811.5	3,491.1	2,063.6	1,872.1
	<b>4,421.4</b>	<b>4,130.9</b>	<b>2,161.4</b>	<b>1,969.9</b>

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank approximately RM1,643.1 million (1997 : RM1,466.2 million) of the Company's unappropriated profit if distributed by way of dividend without additional tax liabilities being incurred.

In accordance with Section 365 of the Companies Act, 1965, the amount of unappropriated profit that can be distributed as dividends should not exceed the after-tax profit of the current financial year or the average dividends declared in respect of the two financial years immediately preceding the current financial year, whichever is greater.

## 24. LONG-TERM LOANS

	Group	
	1998	1997
Redeemable fixed rate secured bonds	82.0	82.0
Long-term advance	14.3	14.3
	<b>96.3</b>	<b>96.3</b>

The redeemable fixed rate secured bonds are issued by a subsidiary company under a bond facility fully underwritten by a bank amounting to RM82.0 million. The bonds are secured by way of first fixed and floating charges on the present and future assets, revenues, rights, claims and undertakings of the subsidiary company.

The tenor of the bonds is for five years and are redeemable at par on maturity date together with accrued interest. Interest on these bonds is payable semi-annually and is fixed at 8.6% per annum.

The long-term advance represents an unsecured, interest-free advance from a minority shareholder in a subsidiary company.

## 25. EARNINGS PER SHARE

Earnings per ordinary share is calculated based on the Group profit attributable to shareholders of RM414.3 million (1997: RM771.3 million) and the weighted average number of ordinary shares in issue of 704.4 million shares (1997: 703.8 million shares).

## 26. CONTINGENT LIABILITY

	Group	
	1998	1997
Unsecured guarantee given by a subsidiary company to a trustee of a golf and country club owned by an indirect, wholly-owned subsidiary company in respect of the utilisation of a performance bond by the said subsidiary company	18.4	—
Secured guarantees given by a subsidiary company to third parties in relation to certain property development activity in Sydney, Australia	4.3	4.6

## 27. CAPITAL COMMITMENTS

	Group	
	1998	1997
Authorised capital expenditure not provided for in the accounts:		
— contracted	270.9	263.3
— not contracted	99.4	112.3
	<b>370.3</b>	<b>375.6</b>

## 28. SIGNIFICANT RELATED PARTY TRANSACTION

On 30 June 1998, Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of Resorts World Berhad ("RWB") which in turn is a 55.5% owned subsidiary of the Company, subscribed for 125.0 million new ordinary shares of US\$0.10 each in Star Cruises PLC ("SCPLC"), representing approximately 20% equity interest in SCPLC, for a cash consideration of US\$262.5 million (RM974.7 million) or at US\$2.10 per share.

The subscription price of US\$2.10 per share was based primarily on the average market price of SCPLC shares since its listing and quotation on the Luxembourg Stock Exchange and on the Central Limit Order Book International, Singapore, up to 8 April 1998 being the last date before the announcement of the proposed subscription.

The subscription by RWL of the new ordinary shares in SCPLC was approved by the shareholders of RWB at an Extraordinary General Meeting.

As at 31 December 1998, RWL had invested approximately 167.0 million shares in SCPLC representing an equity interest of 26.8%. The acquisition resulted in a goodwill of approximately RM358.8 million. The entire goodwill amount has been written off through the Profit and Loss Account of RWL in 1998.

The nature and extent of the interests of the directors concerned are as set out below:

- |                             |  |
|-----------------------------|--|
| Tan Sri Lim Goh Tong        | – a shareholder of SCPLC and a preference unit holder of the Golden Hope Unit Trust ("GHUT"), which is a substantial shareholder of SCPLC and of which Golden Hope Limited ("GHL") is acting as its trustee, and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT. |
| Dato' Lim Kok Thay          | – a director and shareholder of SCPLC and a director of GHL, the trustee of the GHUT and a preference unit holder of the GHUT and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT. He is a member of the family of Tan Sri Lim Goh Tong.                          |
| Dato' Lim Tee Keong         | – a member of the family of Tan Sri Lim Goh Tong.  |
| Mr Colin Au Fook Yew        | – a director and shareholder of SCPLC.   |
| Tan Sri Mohd Amin bin Osman | – a call option holder of shares in SCPLC.   |
| Mr Teo Eng Siong            | – a director of GHL and a call option holder of shares in SCPLC.   |

Other than the above, there are no material related party transactions.

## 29. COMPARATIVES

Certain figures relating to the previous year have been reclassified to conform with the current year's presentation.



## 30. SUBSIDIARY AND ASSOCIATED COMPANIES

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<b><u>Direct Subsidiary Companies</u></b>				
# Asiatic Development Berhad	54.7	54.7	Malaysia	Plantations
GB Credit & Leasing Sdn Bhd	69.5	69.5	Malaysia	Leasing and moneylending
* Genting Equities (Hong Kong) Limited	100	100	Hong Kong	Investments
Genting Highlands Tours and Promotion Sdn Bhd	100	100	Malaysia	Leasing
Genting Hotel & Resorts Management Sdn Bhd	100	100	Malaysia	Management services
Genting Information Systems Sdn Bhd	100	100	Malaysia	Supplier of information technology products and services
* Genting International Paper Holdings Limited	100	100	Isle of Man	Investment holding
Genting Management and Consultancy Services Sdn Bhd	100	100	Malaysia	Management services
* Genting Overseas Holdings Limited	100	100	Isle of Man	Investment holding
Maxitage Sdn Bhd	100	100	Malaysia	Investments
Oakwood Sdn Bhd	100	100	Malaysia	Property investment and management
Resorts World Bhd	55.5	54.9	Malaysia	Resort, hotel and gaming operations
* Resorts World Bhd (Hong Kong) Limited	100	100	Hong Kong	Dormant
+ Resorts World (Singapore) Pte Ltd	100	100	Singapore	Dormant
Genting Assets Management Services Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Aviation Sdn Bhd	100	100	Malaysia	Pre-operating
* Genting Bhd (Hong Kong) Limited	100	100	Hong Kong	Pre-operating
Genting Industries Sdn Bhd	100	100	Malaysia	Pre-operating
Genting (Labuan) Limited	100	–	Labuan, Malaysia	Pre-operating
Genting Permata Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Plantations Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Realty Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Resorts World Sdn Bhd	100	100	Malaysia	Pre-operating
* Genting Sanyen Newsprint Sdn Bhd	99.9	99.9	Malaysia	Pre-operating
+ Genting (Singapore) Pte Ltd	100	100	Singapore	Pre-operating
* Oxalis Limited	100	100	Isle of Man	Pre-operating
* Resorts World Limited	100	100	Hong Kong	Pre-operating
Sri Highlands Express Sdn Bhd	100	100	Malaysia	Pre-operating
<b><u>Indirect Subsidiary Companies</u></b>				
# ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	54.7	54.7	Malaysia	Provision of palm oil mill management services
# Amalgamated Rubber (Penang) Sdn Bhd	54.7	54.7	Malaysia	Investments
# AR Property Development Sdn Bhd	54.7	54.7	Malaysia	Plantations
# Asiatic Golf Course (Sg Petani) Bhd	54.7	54.7	Malaysia	Golf course
# Asiatic Indahpura Development Sdn Bhd	38.2	38.2	Malaysia	Property development
# Asiatic Land Development Sdn Bhd	54.7	54.7	Malaysia	Property development
+ Asiatic Overseas Limited	54.7	54.7	Isle of Man	Investments
* Awan Ria (M) Sdn Bhd	97.7	97.7	Malaysia	Investment holding
Awana Hotels & Resorts Management Sdn Bhd	100	100	Malaysia	Management services
Awana Vacation Resorts Development Berhad	55.5	54.9	Malaysia	Operating & managing a proprietary timeshare ownership scheme
# Ayer Item Oil Mill Sdn Bhd	54.7	54.7	Malaysia	FFB processing
+ Azzon Limited	54.7	54.7	Isle of Man	Investments
Bandar Pelabuhan Sdn Bhd	33.3	–	Malaysia	Investment holding
* Cairns Limited	100	100	Isle of Man	Oil & gas exploration
* Coveyork Pty Ltd	100	–	Australia	Oil & gas exploration
Genasa Sdn Bhd	55.5	54.9	Malaysia	Sale and letting of apartment
* Genting Administrative Services Sdn Bhd	55.5	54.9	Malaysia	Investment holding
* Genting Australia Investments Holding Pty Ltd	64.8	64.8	Australia	Property development
* Genting Australia Pty Ltd	64.8	64.8	Australia	Management services
Genting Centre of Excellence Sdn Bhd	55.5	54.9	Malaysia	Training services
Genting Entertainment Sdn Bhd	55.5	54.9	Malaysia	Entertainment business
Genting Golf Course Bhd	55.5	54.9	Malaysia	Golf resort, condotel, hotel operations and property development

### 30. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<b><u>Indirect Subsidiary Companies (Cont'd)</u></b>				
Genting Highlands Berhad	55.5	54.9	Malaysia	Land and property development
* Genting International Industries (Singapore) Pte Ltd	97.7	97.7	Singapore	Investment holding
* Genting International Management Limited	64.8	64.8	Isle of Man	Investment holding
* Genting International PLC	64.8	64.8	Isle of Man	Investment holding
* Genting International Paper Limited	100	100	Isle of Man	Investment holding
* Genting International Paper Manufacturers Limited	97.7	97.7	Isle of Man	Investment holding
* Genting International Paper (Netherlands) B.V.	100	100	Netherlands	Management & consultancy services
* Genting International Properties Limited	64.8	64.8	Isle of Man	Investment holding
* Genting International (Singapore) Pte Ltd	64.8	64.8	Singapore	Tour promotion
* Genting Investments Limited	64.8	64.8	Isle of Man	Trading
Genting Leisure Sdn Bhd	55.5	54.9	Malaysia	Investment holding
* Genting Management (Western Australia) Pty Ltd	64.8	64.8	Australia	Investment
* Genting Oil & Gas Limited	100	100	Isle of Man	Investment holding
* Genting Power Holdings Limited	100	100	Isle of Man	Investment holding
* Genting Power (M) Limited	100	97.7	Isle of Man	Investment holding
Genting Property Management Sdn Bhd	55.5	54.9	Malaysia	Property management
* Genting (South Australia) Pty Ltd	64.8	64.8	Australia	Investment
* Genting Sanyen Industrial Paper Sdn Bhd	97.7	97.7	Malaysia	Manufacturing and trading of paper products
* Genting Sanyen (Malaysia) Sdn Bhd	97.7	97.7	Malaysia	Investment holding
* Genting Sanyen Paperboard Sdn Bhd	97.7	97.7	Malaysia	Manufacturing and trading of paper products
* Genting Sanyen Utilities & Services Sdn Bhd	97.7	97.7	Malaysia	Provision and sale of utilities
Genting Utilities & Services Sdn Bhd	55.5	54.9	Malaysia	Provision of utilities services
* Genting (Western Australia) Pty Ltd	64.8	64.8	Australia	Investment
Genting World Sdn Bhd	55.5	54.9	Malaysia	Leisure and entertainment business
Gentinggi Sdn Bhd	55.5	54.9	Malaysia	Investment holding
# Glugor Development Sdn Bhd	54.7	54.7	Malaysia	Investments
* Ideal Meridian Sdn Bhd	97.7	97.7	Malaysia	Manufacturing and sale of paper core
* Infomart Sdn Bhd	100	100	Malaysia	Management & consultancy services
* Kazzon Limited	64.8	64.8	Isle of Man	Investment
Kijal Resort Sdn Bhd	38.8	38.4	Malaysia	Property development and property management
* Lafleur Limited	55.5	54.9	Isle of Man	Investment holding
* Lance Limited	64.8	64.8	Isle of Man	Investment
# Landworthy Sdn Bhd	45.9	45.9	Malaysia	Plantations
* Mastika Lagenda Sdn Bhd	97.7	97.7	Malaysia	Investment holding
* Myanmar Genting Sanyen Limited	100	100	Myanmar	Trading
# Mediglove Sdn Bhd	54.7	54.7	Malaysia	Trading in rubberwood
* Palomino Limited	64.8	64.8	Isle of Man	Investment
Papago Sdn Bhd	55.5	–	Malaysia	Resorts & hotel operation
* Persis Hijau Sdn Bhd	97.7	97.7	Malaysia	Provision of facilities for waste paper baling process
* Powerstock Limited	64.8	64.8	Isle of Man	Investment
Resorts World Food Services Sdn Bhd	55.5	54.9	Malaysia	Restaurant, food catering & related management services
* Resorts World Limited	55.5	54.9	Isle of Man	Investment holding
Resorts World Tours Sdn Bhd	55.5	54.9	Malaysia	Provision of tour and travel related services
* Roundhay Limited	100	100	Isle of Man	Oil & gas exploration
# Sabah Development Company Sdn Bhd	54.7	54.7	Malaysia	Plantations
Seraya Mayang Sdn Bhd	55.4	54.8	Malaysia	Investment holding
Setiabahagia Sdn Bhd	55.5	54.9	Malaysia	Property investment
Setiacahaya Sdn Bhd	77.3	77.3	Malaysia	Property investment
# Setiamas Sdn Bhd	54.7	54.7	Malaysia	Plantations and property development
Setiaseri Sdn Bhd	55.5	54.9	Malaysia	Property investment

30. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<b><u>Indirect Subsidiary Companies (Cont'd)</u></b>				
Sierra Springs Sdn Bhd	55.5	54.9	Malaysia	Investment holding
# Sing Mah Plantation Sdn Bhd	54.7	54.7	Malaysia	Plantations
Star Cruise Properties Sdn Bhd	55.5	—	Malaysia	Investment holding
# Tanjung Bahagia Sdn Bhd	54.7	54.7	Malaysia	Plantations
# Technimode Enterprises Sdn Bhd	54.7	54.7	Malaysia	Property investment
Vestplus Sdn Bhd	55.5	54.9	Malaysia	Property investment
Vestroute (M) Sdn Bhd	55.5	54.9	Malaysia	Provision of cable car services
Widuri Pelangi Sdn Bhd	38.8	38.4	Malaysia	Golf resort and hotel operations
* Woodbery Limited	64.8	64.8	Hong Kong	Investment holding
# Asiaticom Sdn Bhd	54.7	54.7	Malaysia	Dormant
# Asiatic Properties Sdn Bhd	54.7	54.7	Malaysia	Dormant
* Genting Overseas Investments Limited	100	100	Isle of Man	Dormant
* Genting Sanyen Paper Pte Ltd	97.7	97.7	Singapore	Dormant
# Plantation Latex (Malaya) Sdn Bhd	54.7	54.7	Malaysia	Dormant
* R.W. Investments Limited	55.5	54.9	Isle of Man	Dormant
* Song Yen Paper Pte Ltd	97.7	97.7	Singapore	Dormant
+ ADB International Limited	54.7	54.7	Hong Kong	Pre-operating
# ALD Construction Sdn Bhd	54.7	54.7	Malaysia	Pre-operating
# Asiatic Commodities Trading Sdn Bhd	54.7	54.7	Malaysia	Pre-operating
# Asiatic Awanpura Sdn Bhd	54.7	38.2	Malaysia	Pre-operating
# Asiatic Vegetable Oils Refinery Sdn Bhd	54.7	54.7	Malaysia	Pre-operating
Awanapura Sdn Bhd	100	100	Malaysia	Pre-operating
Awana Hotels Management Services Sdn Bhd	100	100	Malaysia	Pre-operating
Awana Hotels & Resorts Sdn Bhd	100	100	Malaysia	Pre-operating
* Awana International Limited	100	100	Isle of Man	Pre-operating
Awana Ownership Resorts Berhad	100	100	Malaysia	Pre-operating
Awana Ownership Resorts Management Sdn Bhd	100	100	Malaysia	Pre-operating
Awana Vacation Resorts Berhad	100	100	Malaysia	Pre-operating
Awana Vacation Resorts Management Sdn Bhd	100	100	Malaysia	Pre-operating
* Dasar Pinggir (M) Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
+ Dongguan New Asiatic Oils and Fats Co Ltd	30	30	The People's Republic of China	Pre-operating
Dutabay Sdn Bhd	55.5	—	Malaysia	Pre-operating
First World Hotels and Resorts Sdn Bhd (formerly known as Resorts World Management Services Sdn Bhd)	55.5	54.9	Malaysia	Pre-operating
Genas Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Genawan Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Genmas Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Gensa Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Gentasa Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Gentas Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
* Genting International Information Services Pte Ltd	64.8	64.8	Singapore	Pre-operating
* Genting International Management Services Pte Ltd	100	100	Singapore	Pre-operating
* Genting International Manufacturing & Industries Limited	64.8	64.8	Hong Kong	Pre-operating
* Genting International Resort Limited	64.8	64.8	Hong Kong	Pre-operating
* Genting Newsprint Sdn Bhd	64.8	64.8	Malaysia	Pre-operating
* Genting (NSW) Pty Ltd	64.8	64.8	Australia	Pre-operating
* Genting Oil & Gas (China) Limited (formerly known as Genting Power (China) Limited)	100	100	Isle of Man	Pre-operating
* Genting Power (Bangladesh) Limited	100	100	Isle of Man	Pre-operating
* Genting Power (India) Limited	100	100	Mauritius	Pre-operating
* Genting Sanyen Incineration Sdn Bhd	97.7	97.7	Malaysia	Pre-operating

### 30. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<b><u>Indirect Subsidiary Companies (Cont'd)</u></b>				
* Genting Sanyen Sales & Marketing Services Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
* Genting Sanyen Utilities Limited	100	100	Isle of Man	Pre-operating
* Genting Star (Bahamas) Limited (formerly known as Genting International Hotel & Resorts Management Limited)	64.8	64.8	Isle of Man	Pre-operating
Genting Studio Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Gentinggi Quarry Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
# Goodheart Development Sdn Bhd	54.7	54.7	Malaysia	Pre-operating
* GS Packaging Industries (M) Sdn Bhd (formerly known as Chalstar Knight (M) Sdn Bhd)	97.7	97.7	Malaysia	Pre-operating
Hitechwood Sdn Bhd	33.3	–	Malaysia	Pre-operating
Hospitality Services Awana Sdn Bhd	100	100	Malaysia	Pre-operating
Jomara Sdn Bhd	33.3	–	Malaysia	Pre-operating
Laserwood Sdn Bhd	33.3	–	Malaysia	Pre-operating
Leisure & Café Concept Sdn Bhd (formerly known as Sterling Park Sdn Bhd)	38.8	38.4	Malaysia	Pre-operating
Merriwa Sdn Bhd	55.5	–	Malaysia	Pre-operating
Neutrino Space Sdn Bhd	33.3	–	Malaysia	Pre-operating
Nippontech Resources Sdn Bhd	55.5	–	Malaysia	Pre-operating
Possible Affluent Sdn Bhd	33.3	–	Malaysia	Pre-operating
Profil Masa (M) Sdn Bhd	55.5	–	Malaysia	Pre-operating
* Puncak Singa (M) Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
Rantau Cempaka (M) Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Rapallo Sdn Bhd	33.3	–	Malaysia	Pre-operating
* Resorts Overseas Investments Limited	55.5	54.9	Isle of Man	Pre-operating
Resorts Tavern Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
* Sahabat Alam Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
* Sayang (Thailand) Limited	91	–	Thailand	Pre-operating
* Sorona Limited	100	100	Isle of Man	Pre-operating
Space Fair Sdn Bhd	33.3	–	Malaysia	Pre-operating
Sweet Bonus Sdn Bhd	33.3	–	Malaysia	Pre-operating
Tullamarine Sdn Bhd	33.3	–	Malaysia	Pre-operating
Twinkle Glow Sdn Bhd	33.3	–	Malaysia	Pre-operating
Twinmatics Sdn Bhd	55.5	–	Malaysia	Pre-operating
Twinsurf Sdn Bhd	55.5	–	Malaysia	Pre-operating
* Vestplus (Hong Kong) Limited	55.5	54.9	Hong Kong	Pre-operating
* Vestplus (Thailand) Limited	50.5	–	Thailand	Pre-operating
Vintage Action Sdn Bhd	33.3	–	Malaysia	Pre-operating
Waxwood Sdn Bhd	33.3	–	Malaysia	Pre-operating
Yarrowin Sdn Bhd	33.3	–	Malaysia	Pre-operating
# Amalgamated Rubber Estates Limited	–	54.7	Hong Kong	Liquidated
# Rubber Trust Plantations Sdn Bhd	–	54.7	Malaysia	Liquidated
# The Rubber Trust Limited	–	54.7	Hong Kong	Liquidated
<b><u>Associated Companies</u></b>				
* Asiatic Ceramics Sdn Bhd	26.8	26.8	Malaysia	Bricks manufacturing
* Earthtex Pty Ltd and Genting International Properties Ltd building development project	32.4	32.4	Established under agreement in Australia	Property development
* Genting Sanyen Power Sdn Bhd	39.1	39.1	Malaysia	Generation & supply of electric power
# Serian Palm Oil Mill Sdn Bhd	21.8	21.8	Malaysia	FFB processing
# Sri Gading Land Sdn Bhd	26.8	26.8	Malaysia	Property development
* Star Cruises PLC	14.8	–	Isle of Man	Investment holding
# Asiatic AirBoss Tyres Sdn Bhd	27.3	27.3	Malaysia	Final meeting of the Members' voluntary winding-up held in November 1998

\* The accounts of these companies are examined by auditors other than the auditors of the Company.

#. The accounts of these companies are audited by Kassim Chan & Co., a member firm of Deloitte Touche Tohmatsu.

+ The accounts of these companies are audited by overseas firms associated with Deloitte Touche Tohmatsu.

## STATEMENT BY DIRECTORS

We, **TUN MOHAMMED HANIF BIN OMAR** and **DATO' LIM KOK THAY**, two of the Directors of **GENTING BERHAD**, state that, in the opinion of the Directors, the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the notes on pages 24 to 42 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 1998 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date.

On behalf of the Board,

**TUN MOHAMMED HANIF BIN OMAR**

**DATO' LIM KOK THAY**

Kuala Lumpur  
12 April 1999

## STATUTORY DECLARATION

I, **CHIEW SOW LIN**, the Officer primarily responsible for the financial management of **GENTING BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the notes on pages 24 to 42 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed	)	
<b>CHIEW SOW LIN</b> at KUALA LUMPUR on 12 April 1999	)	<b>CHIEW SOW LIN</b>

Before me,

**DATO' NG MANN CHEONG**  
Commissioner for Oaths  
Kuala Lumpur

## **REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the accompanying balance sheets as of 31 December 1998, and the related profit and loss accounts and consolidated cash flow statement, together with the notes thereto, for the year then ended. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the state of affairs of the Group and of the Company as of 31 December 1998 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date; and
  - (ii) the matters required by Section 169 of the Act to be dealt with in the accounts and consolidated accounts; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and auditors' reports of the subsidiary companies of which we have not acted as auditors, as shown in Note 30 to the accounts, being accounts that have been included in the consolidated accounts.

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the accounts of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comments made under Sub-section (3) of Section 174 of the Act.

### **DELOITTE TOUCHE TOHMATSU**

AF 0834  
Public Accountants

### **TAN BUN POO**

1304/5/00 (J/PH)  
Partner

12 April 1999



## AUDIT COMMITTEE

### TERMS OF REFERENCE

The Board of Directors of Genting Berhad ("Company") had established an Audit Committee ("Committee") on 26 July 1994. The Committee shall be governed by the following terms of reference :

#### 1. Composition

- (i) The Committee shall comprise three directors, a majority of whom are independent of management and operating responsibilities. One of the Committee members who is a non-executive director shall be appointed as the Committee's Chairman by the members of the Committee; and
- (ii) If the number of members of the Committee is reduced to below three for reasons of resignation, death or otherwise, the Board of Directors of the Company shall appoint such number of new members as may be required to make up the minimum number of three members.

#### 2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

#### 3. Responsibility

The Committee is to serve as a focal point for communication between non-Committee directors, the external auditors, internal auditors and the Management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

#### 4. Functions

The functions of the Committee are as follows :

- ( i ) review with the external auditors, their audit plan;
- ( ii ) review with the external auditors, their evaluation of the system of internal accounting control;
- ( iii ) review with the external auditors, their audit report;
- ( iv ) review the assistance given by the Company's officers to the external auditors;
- ( v ) review the scope and results of the internal audit procedures;
- ( vi ) review the financial statements of the Company and the consolidated financial statements of the Group prior to the directors' approval.
- ( vii ) review related party transactions that may arise within the Company or the Group; and
- ( viii ) consider the appointment of external auditors, their audit fees and any question of resignation and dismissal.

#### 5. Meetings

- ( i ) The Committee is to meet at least twice a year and as many times as the Committee deems necessary;
- ( ii ) The quorum for any meeting of the Committee shall be two;
- ( iii ) The finance director (head of finance), the head of internal audit and a representative of the external auditors shall normally attend meetings of the Committee; and
- ( iv ) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the directors or shareholders of the Company.

#### 6. Secretary and Minutes

The Secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's directors who are not members of the Committee.

## TEN-YEAR SUMMARY

Amounts in RM million unless otherwise stated	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Profit before taxation	<b>909.7</b>	1,542.5	1,260.9	1,135.8	792.0	1,084.9	694.5	577.4	508.9	521.8
Taxation	<b>(364.1)</b>	(346.7)	(336.7)	(282.2)	(312.4)	(238.8)	(134.9)	(152.0)	(151.6)	(111.9)
Profit after taxation	<b>545.6</b>	1,195.8	924.2	853.6	479.6	846.1	559.6	425.4	357.3	409.9
Profit attributable to shareholders	<b>414.3</b>	771.3	645.9	567.6	210.1	597.8	370.8	277.6	258.6	394.1
Issued capital	<b>352.2</b>	352.2	351.1	351.1	351.0	233.3	232.2	231.8	231.4	230.8
Unappropriated profit	<b>3,811.5</b>	3,491.1	2,825.5	2,271.0	1,806.6	1,694.0	1,179.5	980.5	769.1	713.6
Other reserves	<b>609.9</b>	639.8	495.4	469.7	447.4	561.3	556.6	566.1	564.8	562.1
Shareholders' funds	<b>4,773.6</b>	4,483.1	3,672.0	3,091.8	2,605.0	2,488.6	1,968.3	1,778.4	1,565.3	1,506.5
Minority interests	<b>2,168.8</b>	2,140.9	1,648.2	1,481.9	1,254.5	1,023.6	791.5	650.5	495.6	415.3
Long-term liabilities	<b>96.3</b>	96.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxation	<b>16.8</b>	11.0	0.0	0.0	0.0	0.0	7.5	6.6	6.4	8.5
Retirement benefits and gratuities	<b>156.8</b>	154.4	145.5	123.2	102.4	82.7	64.4	29.6	3.3	3.2
Capital employed	<b>7,212.3</b>	6,885.7	5,465.7	4,696.9	3,961.9	3,594.9	2,831.7	2,465.1	2,070.6	1,933.5
Fixed assets	<b>3,507.1</b>	3,277.5	3,086.4	2,698.5	2,220.6	1,587.0	1,337.2	1,021.0	795.8	743.3
Property development	<b>631.9</b>	597.9	468.0	362.0	282.9	251.9	245.9	240.3	245.2	245.9
Investment properties	<b>73.7</b>	73.7	76.9	77.9	76.8	78.8	80.7	82.3	86.3	93.5
Associated companies	<b>1,324.4</b>	317.9	239.4	178.8	131.8	7.1	0.2	106.5	96.1	51.0
Investments	<b>7.3</b>	122.1	4.2	3.0	8.3	2.1	2.1	0.0	32.5	5.7
Exploration cost	<b>399.2</b>	207.0	36.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxation	<b>0.0</b>	0.0	9.0	4.7	3.2	2.3	0.0	0.0	0.0	0.0
	<b>5,943.6</b>	4,596.1	3,920.5	3,324.9	2,723.6	1,929.2	1,666.1	1,450.1	1,255.9	1,139.4
Net current assets	<b>1,268.7</b>	2,289.6	1,545.2	1,372.0	1,238.3	1,665.7	1,165.6	1,015.0	814.7	794.1
Employment of capital	<b>7,212.3</b>	6,885.7	5,465.7	4,696.9	3,961.9	3,594.9	2,831.7	2,465.1	2,070.6	1,933.5
Earnings per share (sen) *	<b>58.8</b>	109.6	92.0	80.8	29.9	85.5	53.3	39.9	37.3	57.0
Net dividends per share (sen) *	<b>13.32</b>	14.98	14.70	14.70	13.87	11.87	24.67	8.67	29.25	6.29
Dividend cover (times)	<b>4.4</b>	7.3	6.3	5.5	2.2	7.2	2.2	4.6	1.3	9.1
Current ratio	<b>2.12</b>	3.14	2.71	2.88	2.77	3.99	3.55	3.76	3.42	4.38
Net tangible assets per share (RM) *	<b>6.78</b>	6.36	5.23	4.40	3.71	3.56	2.83	2.56	2.25	2.17
Return (after tax and minority interests) on average shareholders' funds (%)	<b>9.0</b>	18.9	19.1	19.9	8.2	26.8	19.8	16.6	16.8	32.9
Market share price *										
- highest (RM)	<b>14.00</b>	18.00	25.75	27.50	24.90	26.00	10.67	8.07	5.50	4.03
- lowest (RM)	<b>6.40</b>	7.70	17.00	18.90	16.67	9.00	7.27	4.53	3.57	2.47

Certain figures relating to the previous years have been reclassified/adjusted to conform with the current year's presentation.

\* Adjusted to reflect the increased number of ordinary shares of the Company.

## LIST OF PROPERTIES HELD AS AT 31 DECEMBER 1998

LOCATION	TENURE	APPROXIMATE AREAS	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 1998 (RM million)	AGE OF BUILDINGS (Years)
<b>MALAYSIA</b>					
<b>STATE OF PAHANG DARUL MAKMUR</b>					
1 Genting Highlands, Bentung	Freehold	Built-up : 100,592 sq.metres	18-storey Genting Hotel Complex	213.9	17
2 Genting Highlands, Bentung	Freehold	Built-up : 95,485 sq.metres	23-storey Resort Hotel & Car Park II	159.0	6
3 Genting Highlands, Bentung	Freehold	Built-up : 20,516 sq.metres	23-storey Awana Tower Hotel	30.3	5
4 Genting Highlands, Bentung	Freehold	Built-up : 19,688 sq.metres	10-level Theme Park Hotel	40.9	27
5 Genting Highlands, Bentung	Freehold	Built-up : 11,902 sq.metres	10-level Theme Park Hotel - Valley Wing	14.9	23
6 Genting Highlands, Bentung	Freehold	Built-up : 29,059 sq.metres	16-storey Residential Staff Complex I	14.4	15
7 Genting Highlands, Bentung	Freehold	Built-up : 28,804 sq.metres	19-storey Residential Staff Complex II	20.4	6
8 Genting Highlands, Bentung	Freehold	Built-up : 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park III	77.5	6
9 Genting Highlands, Bentung	Freehold	Built-up : 41,976 sq.metres	25-storey Residential Staff Complex V	65.1	2
10 Genting Highlands, Bentung	Freehold	Built-up : 4,119 sq.metres	5-storey Ria Staff Residence	1.2	26
11 Genting Highlands, Bentung	Freehold	Built-up : 4,109 sq.metres	5-storey Sri Layang Staff Residence	24.5	4
12 Genting Highlands, Bentung	Freehold	Built-up : 18,397 sq.metres	8-level Car Park I	2.7	15
13 Genting Highlands, Bentung	Freehold	Built-up : 1,086 sq.metres	5-storey Bomba Building	0.9	15
14 Genting Highlands, Bentung	Freehold	Built-up : 513 sq.metres	Petrol Station	0.1	19
15 Genting Highlands, Bentung	Freehold	Built-up : 1,033 sq.metres	Indoor Stadium	8.1	11
16 Genting Highlands, Bentung	Freehold	Built-up : 4,151 sq.metres	3-storey Lakeside Teahouse	4.6	11
17 Genting Highlands, Bentung	Freehold	Lake : 2 hectares	Man-made Lake	0.7	-
18 Genting Highlands, Bentung	Freehold	Built-up : 2,769 sq.metres	4-storey Staff Recreation Centre	4.0	6
19 Genting Highlands, Bentung	Freehold	Built-up : 540 sq.metres	2 units of Kayangan Apartment	0.4	18
20 Genting Highlands, Bentung	Freehold	Built-up : 7,666 sq.metres	Awana Golf & Country Resort Complex	22.5	12
21 Genting Highlands, Bentung	Freehold	Built-up : 17,010 sq.metres	174 units of Awana Condominium	42.3	12
22 Genting Highlands, Bentung	Freehold	Built-up : 10,243 sq.metres	92 units of Ria Apartment	20.0	12
23 Genting Highlands, Bentung	Freehold	Land : 3,300 hectares	105 plots of land & improvements	375.2	-
24 Genting Highlands, Bentung	Leasehold (unexpired lease period of 95 years)	Land : 6 hectares	2 plots of land	0.5	-
25 Mentakab, Temerloh	Freehold	Land : 84 hectares	Vacant housing development land	5.8	-
26 Beserah, Kuantan	Freehold	Land : 3 hectares Built-up : 713 sq.metres	2 plots of agriculture land with residential bungalow	1.2	12
27 Beserah, Kuantan	Freehold	Land : 4 hectares	4 plots of vacant agriculture land	0.9	-
<b>STATE OF SELANGOR DARUL EHSAN</b>					
1 Genting Highlands, Hulu Selangor	Freehold	Built-up : 149,941 sq.metres	28-storey Highlands Hotel & Car Park IV	462.1	2
2 Genting Highlands, Hulu Selangor	Freehold	Land : 6 hectares Built-up : 47,715 sq.metres	5-storey Genting Skyway Station Complex with 4-level of basement carpark	89.0	2
3 Genting Highlands, Hulu Selangor	Freehold	Built up : 3,008 sq.metres	2-storey & 4-storey Gohtong Jaya Security Buildings	4.8	1
4 Genting Highlands, Hulu Selangor	Freehold	Built-up : 8,485 sq.metres	75 units of Ria Apartment	16.8	12
5 Genting Highlands, Hulu Selangor	Freehold	Land : 615 hectares	18 plots of building land	62.1	-
6 Genting Highlands, Gombak	Freehold	Land : 396 hectares	2 plots of vacant building land	30.7	-
7 Batang Kali, Hulu Selangor	Freehold	Land : 9 hectares	1 plot of vacant agriculture land	2.2	-
8 Ulu Yam, Hulu Selangor	Freehold	Land : 38 hectares	1 plot of vacant building land	16.3	-
9 Ulu Yam, Hulu Selangor	Freehold	Land : 4 hectares	3 plots of vacant agriculture land	1.1	-
10 Mukim Tanjung Dua Belas, Kuala Langat	Freehold	Land : 45 hectares Built-up : 43,000 sq.metres	Paper mill complex & power plant	110.3	5-7
11 Mukim Tanjung Dua Belas, Kuala Langat	Leasehold (unexpired lease period of 77 years)	Land : 32 hectares	13 plots of agriculture land 14 plots of industrial land	11.0	-
12 Mukim Tanjung Dua Belas, Kuala Langat	Leasehold (unexpired lease period of 98 years)	Land : 3 hectares	1 plot of industrial land	2.4	-

## LIST OF PROPERTIES HELD

AS AT 31 DECEMBER 1998

LOCATION	TENURE	APPROXIMATE AREAS	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 1998 (RM million)	AGE OF BUILDINGS (Years)
13 Bandar Baru Bangi, Kajang	Leasehold (unexpired lease period of 88 years)	Land : 4,047 sq.metres Built-up : 1,505 sq.metres	1 plot of land with factory	3.1	2
14 Section 28, Petaling Jaya	Leasehold (unexpired lease period of 68 years)	Land : 2,875 sq.metres Built-up : 780 sq.metres	2 plots of industrial land with factory	5.3	2
15 Sungai Buloh, Gombak	Freehold	Land : 5,172 sq.metres	1 plot of land with factory	2.8	
16 Pandamaran, Klang	Freehold	Land : 2,471 sq.metres Built-up : 1,316 sq.metres	2 plots of land with factory	1.6	2
17 Pulau Indah, Klang	Leasehold (unexpired lease period of 97 years)	Land : 47 hectares	13 plots of vacant industrial land & improvements	50.1	-
18 Rawang, Gombak	Freehold	Land : 5,574 sq.metres	1 plot of industrial land	1.4	-
<b>FEDERAL TERRITORY OF KUALA LUMPUR</b>					
1 Taman U Thant, Kuala Lumpur	Freehold	Built-up : 178 sq.metres	1 unit of Desa Angkasa Apartment	0.3	12
2 Jalan Sultan Ismail, Kuala Lumpur	Freehold	Land : 5,755 sq.metres Built-up : 63,047 sq.metres	Wisma Genting - 25-level office building with 6-level basement	116.8	13
3 Segambut, Kuala Lumpur	Leasehold (unexpired lease period of 76 years)	Land : 4 hectares Built-up : 2,601 sq.metres	Store, helicopter, bus and limousine depot	10.3	23
<b>STATE OF PERAK DARUL RIDZUAN</b>					
1 Kinta, Perak	Leasehold (unexpired lease period of 91 years)	Land : 12 hectares	Vacant housing development land	1.9	-
<b>STATE OF TERENGGANU DARUL IMAN</b>					
1 Kijal, Kemaman	Leasehold (unexpired lease period of 93 years)	Land : 272 hectares	5 plots of resort / property development land	36.7	-
		Land : 51 hectares	18-hole Awana Kijal Golf Course	13.5	-
		Built-up : 35,563 sq.metres	7-storey Awana Kijal Hotel	128.5	2
		Built-up : 4,028 sq.metres	12 units of shop / office	3.9	3
		Built-up : 5,928 sq.metres	85 units of Baiduri Apartment	8.8	4
		Built-up : 10,113 sq.metres	127 units of Angsana Apartment	16.2	3
<b>STATE OF KEDAH DARUL AMAN</b>					
1 Mukim Sg. Seluang, Kulim	Freehold	Land : 7,299 sq.metres Built-up : 669 sq.metres	2 plots of industrial land	1.1	-
2 Mukim Sg. Petani, Kuala Muda	Freehold	Land : 2,922 sq.metres Built-up : 1,041 sq.metres	1 plot of industrial land with factory	0.9	3
3 Tanjung Malai, Langkawi	Leasehold (unexpired lease period of 89 years)	Land : 14 hectares	5 plots of building land	10.5	-
		Built-up : 14,387 sq.metres	3-storey Awana Langkawi Hotel with 19 units of shops, Cultural / Sports Centre, Maritime / Entertainment Centre	60.8	1
<b>ESTATES/PROPERTY DEVELOPMENT ("PD")</b>					
1 Paya Kamunting Estate Jitra, Kedah	Freehold	Estate : 558 hectares	Rubber and oil palm estate	7.4	-
2 Bukit Sembilan/Riverside Estate Baling/Sg. Petani, Kedah	Freehold	Estate : 817 hectares PD : 145 hectares	Rubber and oil palm estate, property development, golf course and club house	92.7	3
3 Selama Estate, Serdang & Kulim Kedah/Selama, Perak	Freehold	Estate : 1,856 hectares	Rubber and oil palm estate	24.3	-
4 Bute/Dominion Estate, Sepang & Ulu Langat, Selangor	Freehold	Estate : 843 hectares	Rubber and oil palm estate and orchard	15.6	-
5 Tebong/Repah Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold	Estate : 2,417 hectares	Rubber and oil palm estate	31.1	-
6 Cheng Estate, Melaka Tengah Alor Gajah & Kuala Linggi, Melaka	Freehold	Estate : 825 hectares PD : 5 hectares	Rubber and oil palm estate and property development	35.8	-

## LIST OF PROPERTIES HELD

AS AT 31 DECEMBER 1998

	LOCATION	TENURE	APPROXIMATE AREAS	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 1998 (RM million)	AGE OF BUILDINGS (Years)
7	Tanah Merah Estate, Tangkak, Johor	Freehold	Estate : 1,846 hectares	Rubber and oil palm estate	25.9	-
8	Sg. Rayat Estate, Batu Pahat, Johor	Freehold	Estate : 1,708 hectares	Oil palm estate	29.7	-
9	Sri Gading Estate, Batu Pahat, Johor	Freehold	Estate : 3,673 hectares	Oil palm estate	64.1	-
10	Sing Mah Estate, Air Hitam, Johor	Freehold	Estate : 669 hectares	Oil palm estate and mill	13.2	18
11	Kulai Besar (North), Simpang Renggam/ Kulai Besar Estate, Kulai, Johor	Freehold	Estate : 3,192 hectares PD : 178 hectares	Oil palm estate and mill and property development	409.7	9
12	Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold	Estate : 257 hectares PD : 159 hectares	Oil palm estate and property development	108.0	-
13	Sabapalm Estate, Labuk Valley Sandakan, Sabah	Leasehold (unexpired lease period of 889 years)	Estate : 4,077 hectares	Oil palm estate and mill	39.2	28
		Leasehold (unexpired lease period of 87 years)	Estate : 283 hectares	Oil palm estate		
14	Sri Tanjung Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 88 years)	Estate : 4,153 hectares	Oil palm estate and mill	41.9	4
15	Sri Bahagia Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 88 years)	Estate : 3,941 hectares	Oil palm estate	27.9	-
16	Sri Tenegang Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 90 years)	Estate : 4,047 hectares	Oil palm estate	26.8	-
17	Sri Landworthy Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 85 years)	Estate : 4,039 hectares	Oil palm estate	22.6	-
18	Sri Layang Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 92 years)	Estate : 1,683 hectares	Oil palm estate	7.3	-
19	Bangi Factory, Selangor	Leasehold (unexpired lease period of 88 years)	Land : 12,140 sq.metres Built-up : 5,556 sq.metres	1 plot of land with factory	2.8	17
20	Asiatic Regional Office, Sandakan, Sabah	Leasehold (unexpired lease period of 889 years)	Land : 1,206 sq.metres Built-up : 374 sq.metres	2 units of 2-storey intermediate detached house	0.1	14
21	Asiatic Vegetable Oils Refinery, Sandakan, Sabah	Leasehold (unexpired lease period of 82 years)	Land : 8 hectares	Vacant land	3.8	-
<b>ENGLAND</b>						
1	Hyde Park, London	Leasehold (unexpired lease period of 978 years)	Built-up : 286 sq.metres	2 units of residential apartment at Hyde Park Towers	2.3	19
<b>CHINA</b>						
1	Dongguan New Asiatic, Guangdong Province	Leasehold (unexpired lease period of 45 years)	Land : 41,316 sq.metres	Vegetable oil bulking installation	5.4	4
<b>AUSTRALIA</b>						
1	Sydney	Freehold	Land : 3,924 sq.metres	9 plots of development land at 487-503 George Street, 101-105 Bathurst Street and 486-494 Kent Street	68.6	-

## GROUP OFFICES

### Group Head Office

#### Genting Berhad

Wisma Genting, Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 2288/202 2288  
Fax: (03) 261 5304  
Telex: GHHB MA 30022

### LEISURE & HOSPITALITY DIVISION

#### Principal Executive Officer

Dato' Lim Kok Thay

#### CORPORATE OFFICE

##### Resorts World Bhd

##### Awana Hotels & Resorts

23rd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 3833 / 202 3833  
Fax: (03) 261 5304 / 202 2633  
Telex: GHHB MA 30022  
e-mail: roomrsv@genting.po.my  
Websites: <http://www.genting.com.my>  
<http://www.awana.com.my>

#### RESORTS

##### Genting Highlands Resort

69000 Pahang, Malaysia  
Tel: (03) 211 1118  
Fax: (03) 211 1888

##### Awana Genting Highlands Golf & Country Resort

8th Mile, Genting Highlands,  
69000 Pahang, Malaysia  
Tel: (03) 211 3015  
Fax: (03) 211 3535

##### Awana Kijal Golf & Beach Resort

Km. 28, Jalan Kemaman-Dungun,  
24100 Kijal, Kemaman,  
Terengganu, Malaysia  
Tel: (09) 864 1188  
Fax: (09) 864 1688

##### Awana Porto Malai, Langkawi

Tanjung Malai, 07000 Langkawi,  
Kedah, Malaysia  
Tel: (04) 955 5111  
Fax: (04) 955 5222

#### Star Cruises

Star Cruises Terminal,  
Pulau Indah, Pelabuhan Barat,  
42000 Pelabuhan Klang,  
Selangor, Malaysia  
Tel: (03) 301 1333  
Fax: (03) 301 1222  
Website: <http://www.starcrises.com>

### SALES & RESERVATIONS OFFICES

#### Genting Highlands Resort

##### Central Reservations Service

*(For rooms, shows, theme park and other resort facilities)*  
Ground Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 262 3555 / 201 3555  
Fax: (03) 261 6611  
Toll Free Line: 1 800 88 8228 /  
1 800 88 1328

#### Subang Jaya Office

Lot 3.38A, The Summit, Subang USJ,  
Persiaran Kewajipan, USJ1,  
47600 UEP Subang Jaya, Malaysia  
Tel: (03) 724 7488  
Fax: (03) 724 8788

#### Penang Office

5th Floor, 5, Wisma Berjaya Prudential,  
41 Cantonment Road,  
10250 Penang, Malaysia  
Tel: (04) 228 2655  
Fax: (04) 227 6284  
Telex: RWBPG MA 41353

#### Ipoh Office

Lot T24, 3rd Floor, Ipoh Parade,  
105 Jalan Sultan Abdul Jalil, Greentown,  
30450 Ipoh,  
Perak, Malaysia  
Tel: (05) 243 2988  
Fax: (05) 243 6988

#### Johor Bahru Office

1F-(Ground) Floor, Jalan Maju,  
Taman Maju Jaya, 80400 Johor Bahru,  
Malaysia  
Tel: (07) 334 4555  
Fax: (07) 334 4666

#### Kuching Office

No. 25, Bukit Mata, Jalan Padungan,  
Kuching, 93100 Sarawak, Malaysia  
Tel: (082) 412 522  
Fax: (082) 412 022

### CONVENTION SALES

23rd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 262 2666  
Fax: (03) 262 1551

### OTHER SERVICES

#### Genting Transport Reservations Centre

*For buses and limousines*  
Lot 1988/4888, Jalan Segambut  
Tengah,  
51200 Kuala Lumpur, Malaysia  
Tel: (03) 621 8398  
Fax: (03) 621 8399

#### Limousine Service Counter (KLIA Sepang)

Arrival Level 3, Main Terminal  
Building,  
KL International Airport,  
64000 KLIA Sepang, Selangor,  
Malaysia  
Tel: (03) 877 66753  
Fax: (03) 843 1050

#### Limousine Service Counter (Genting Highlands)

Highlands Hotel,  
69000 Genting Highlands Resort  
Tel: (03) 211 1118  
ext: 58771/7750/7916

#### Resorts World Tours Sdn Bhd

*For airline ticketing and travel agency services*  
Ground Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 262 2666  
Fax: (03) 200 6995



## **OVERSEAS**

### **Singapore**

#### **Genting International (S) Pte Ltd**

268 Orchard Road, #08-02/04,  
Singapore 238856  
Tel: (02) 734 2735  
Fax: (02) 737 7260

### **Hong Kong SAR**

#### **Genting International PLC**

Suite 1503, Ocean Centre, 5,  
Canton Road, Tsim Sha Tsui,  
Kowloon, Hong Kong SAR  
Tel: (852) 231 77133  
Fax: (852) 231 48724

### **Bangkok**

18th Floor c/o Star Cruise,  
B.U.I. Building,  
177/1 Soi Anumamrachathon 1  
Surawongse Road, Bangrak,  
Bangkok,  
10500 Thailand  
Tel: (662) 634 7240  
Fax: (662) 634 7217

## **PLANTATION DIVISION**

### **Principal Executive Officers**

Dato' Lim Kok Thay  
Dato' Baharuddin bin Musa

### **HEAD OFFICE**

#### **Asiatic Development Berhad**

10th Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 3733 / 202 3733  
Fax: (03) 261 6149  
Telex: ADSB MA 31250

### **REGIONAL OFFICE**

Sabah Development Co. Sdn Bhd  
Lot 39, Taman Wemin, Mile 5,  
Labuk Road, 90008 Sandakan,  
Sabah, Malaysia  
Tel: (089) 218 370 / 218 371  
Fax: (089) 211 108  
Telex: MA 82813

## **PAPER, POWER AND OIL & GAS DIVISIONS**

### **Principal Executive Officer**

Mr Ong Tiong Soon

### **HEAD OFFICE**

#### **Genting Sanyen Industrial Paper Sdn Bhd**

#### **Genting Sanyen Paperboard Sdn Bhd**

#### **Genting Sanyen Power Sdn Bhd**

#### **Genting Oil & Gas Ltd**

22nd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 2288 / 201 1393  
Fax: (03) 262 4032

### **FACTORY**

#### **Genting Sanyen Industrial Complex**

Lot 7090, Mukim Tanjung 12,  
Bukit Canggag, Daerah Kuala Langat,  
42700 Banting, Selangor, Malaysia

### **Paper Mill**

Tel: (03) 849 1393  
Fax: (03) 849 1093

### **Power Plant**

Tel: (03) 849 2591 / 849 2600  
Fax: (03) 849 2409

### **Oil & Gas**

Tel: (03) 261 2288  
Fax: (03) 262 4032

## **PROPERTY DIVISION**

### **Principal Executive Officer**

Dato' Lim Kok Thay

### **Gentinggi Sdn Bhd**

#### **Genting Property Management Sdn Bhd**

23rd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 3633 / 261 3833  
Fax: (03) 261 5304  
Telex: GHHB MA 30022

### **Property Sales**

- Awana Condominium  
- Ria Apartments

#### **Enquiries:**

Tel: (03) 261 3633 / 261 3833  
Fax: (03) 263 5079  
Telex: GHHB MA 30022

### **Kijal Resort Sdn Bhd**

#### **Sales Office**

- Angsana Apartments  
- Baiduri Apartments

8th Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 3833 / 261 2288  
Fax: (03) 264 7480

### **Projek Bandar Pelancongan Pantai Kijal**

Km. 28, Jalan Kemaman-Dungun,  
24100 Kijal, Kemaman,  
Terengganu, Malaysia  
Tel: (09) 864 9261  
Fax: (09) 864 9260

### **Asiatic Land Development Sdn Bhd**

Permaipura Sales Office  
Jalan Permaipura 5,  
Riverside 08100,  
Bedong, Kedah  
Tel: (04) 452 1001/2  
Fax: (04) 452 1003

### **Indahpura Sales Office**

19th Mile, Kulai Besar,  
81000 Kulai,  
Johor  
Tel: (07) 662 4652/3  
Fax: (07) 662 4655

## ANALYSIS OF SHAREHOLDINGS

AS AT 22 MARCH 1999

Size of Holdings	No. of Shareholders	% of Shareholders	% of Shares Held	% of Issued Capital
1 - 499	5,313	20.28	1,907,576	0.27
500 - 5,000	17,001	64.90	31,492,140	0.47
5,001 - 10,000	1,694	6.47	13,096,549	1.86
10,001 - 100,000	1,743	6.65	53,175,677	7.55
100,001 - 1,000,000	386	1.47	115,062,585	16.34
1,000,001 & Above	60	0.23	489,604,427	69.51
<b>Total</b>	<b>26,197</b>	<b>100</b>	<b>704,338,954</b>	<b>100</b>

### TWENTY (20) LARGEST SHAREHOLDERS

Name	No. of Shares Held	% of Issued Capital
1. Kien Huat Realty Sdn Bhd	238,628,052	33.88
2. The Central Depository (Pte) Limited	31,299,297	4.44
3. Tinehay Holdings Limited	29,400,000	4.17
4. Golden Hope Limited	28,145,690	4.00
5. Time Life Equity Sdn Bhd	11,523,996	1.64
6. Alocasia Sdn Bhd	11,298,000	1.60
7. Yayasan Mohd Noah	7,740,000	1.10
8. Datacorp Sdn Bhd	7,043,200	1.00
9. Employees Provident Fund Board	6,846,400	0.97
10. Great Eastern Life Assurance (Malaysia) Berhad (Malaysia Life Fund)	6,735,300	0.96
11. Tan Sri Lim Goh Tong	6,681,000	0.95
12. Eastwest Holdings Sdn Bhd	5,556,984	0.79
13. Templeton Developing Markets Trust	5,422,000	0.77
14. Vanguard International Growth Portfolio	5,422,000	0.77
15. The Great Eastern Life Assurance Co Ltd	4,806,200	0.68
16. TIFI Emerging Market Series	4,680,800	0.66
17. Lazard International Equity Fund	4,167,500	0.59
18. Silchester International Investors International Value Equity Trust	3,891,780	0.55
19. Pensionskasse Novartis AG	3,859,600	0.55
20. Abu Dhabi Investment Authority	3,646,000	0.52
<b>Total</b>	<b>426,793,799</b>	<b>60.59</b>

### SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	% of Issued Capital	Indirect/ Deemed Interest	% of Issued Capital
Kien Huat Realty Sdn Bhd	204,520,848	29.04	74,805,204	10.62
Parkview Management Sdn Bhd	-	-	279,326,052	39.66
Inforex Sdn Bhd	-	-	238,628,052	33.88
Info-Text Sdn Bhd	-	-	238,628,052	33.88
Dataline SdnBhd	-	-	238,628,052	33.88
G.T. Realty SdnBhd	-	-	238,628,052	33.88
HSBC Nominees (Asing) SdnBhd (As bare trustee)	-	-	61,632,372	8.75
Cartaban Nominees (Asing) Sdn Bhd (As custodian)	-	-	59,733,772	8.48
Chase Malaysia Nominees (Asing) Sdn Bhd (As bare trustee)	-	-	40,988,598	5.82
Cartaban Nominees (Tempatan) Sdn Bhd (As custodian)	-	-	34,236,204	4.86
UOBM Nominees (Tempatan) Sdn Bhd (As bare trustee)	-	-	32,489,290	4.61
Tinehay Holdings Limited	-	-	29,400,000	4.17
Golden Hope Limited (As trustee of the Golden Hope Unit Trust)	-	-	28,145,690	3.99
GZ Trust Corporation (As Trustee of the Bridge Street Trust of Woodbourne)	-	-	28,145,690	3.99
GZ Trust Corporation (As Trustee of the K H Trust)	-	-	28,145,690	3.99
Citicorp Nominees (Asing) Sdn Bhd (As bare trustee)	-	-	25,100,823	3.56
HSBC Holdings PLC	-	-	21,210,031	3.01
Schroder Investment Management (Singapore) Ltd	-	-	19,252,628	2.73
Franklin Resources, Inc	-	-	16,572,300	2.35
Templeton Worldwide, Inc.	-	-	16,572,300	2.35
Templeton International, Inc.	-	-	16,572,300	2.35
Templeton Asset Management Ltd.	-	-	16,421,700	2.33



## GENTING BERHAD

(7916-A) (Incorporated in Malaysia)

# FORM OF PROXY

(Before completing the form please refer to the notes overleaf)

**"A"**

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(ADDRESS)

being a member/members of GENTING BERHAD hereby appoint \*the CHAIRMAN OF THE MEETING

or \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(ADDRESS)

or failing him \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(ADDRESS)

as my/our \*first proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 12 May 1999 at 11.45 a.m. and at any adjournment thereof.

**"B"**

Where it is desired to appoint a second proxy this section must also be completed, otherwise it should be deleted.

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(ADDRESS)

being a member/members of GENTING BERHAD hereby appoint

\_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(ADDRESS)

or failing him \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(ADDRESS)

as my/our \*second proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 12 May 1999 at 11.45 a.m. and at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows:

First Proxy "A"	%
Second Proxy "B"	%
<hr/>	
100%	
<hr/>	

In case of a vote taken by a show of hands \*First Proxy "A"/\*Second Proxy "B" shall vote on my/our behalf.

My/our proxies shall vote as follows:

ORDINARY RESOLUTION		First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
To receive and adopt the Audited Accounts	Resolution 1				
To sanction the declaration of a final dividend	Resolution 2				
To approve Directors' fees	Resolution 3				
To re-elect Directors: – Mr Quah Chek Tin – Encik Nik Hashim bin Nik Yusoff	Resolution 4 Resolution 5				
To re-appoint Tan Sri Lim Goh Tong as a Director in accordance with Section 129 of the Companies Act, 1965	Resolution 6				
To re-appoint Tan Sri Mohd Amin bin Osman as a Director in accordance with Section 129 of the Companies Act, 1965	Resolution 7				
To appoint Messrs PricewaterhouseCoopers as auditors in place of the retiring auditors Messrs Deloitte Touche Tohmatsu	Resolution 8				

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/ proxies will vote or abstain from voting at his/their discretion.)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 1999

No. of Shares held	
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\_\_\_\_\_  
Signature of Member(s)

\* Delete if inapplicable

#### NOTES

*A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.*

*In the case of a corporation, this form must be either under seal or signed by a duly authorised officer or attorney.*

NOTICE IS HEREBY GIVEN THAT the Thirty-First Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 12 May 1999 at 11.45 a.m.

## BUSINESS

1. To receive and adopt the Accounts for the financial year ended 31 December 1998 and the Directors' and Auditors' Reports thereon. (Resolution 1)
2. To sanction the declaration of a final dividend. (Resolution 2)
3. To approve Directors' fees of RM364,500 for the financial year ended 31 December 1998 (1997 - RM405,000). (Resolution 3)
4. To re-elect Directors:
  - Mr Quah Chek Tin (Resolution 4)
  - Encik Nik Hashim bin Nik Yusoff (Resolution 5)
5. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:
 

"That Tan Sri Lim Goh Tong, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." (Resolution 6)

"That Tan Sri Mohd Amin bin Osman, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." (Resolution 7)
6. To appoint Auditors and to authorise the Directors to fix their remuneration.
 

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is set out in Note 2 below, has been received by the Company for the nomination of Messrs PricewaterhouseCoopers who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:

"That Messrs PricewaterhouseCoopers be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors." (Resolution 8)
7. To transact any other business of which due notice shall have been given.

By Order of the Board  
**TAN WOUI MENG**  
Secretary

Kuala Lumpur  
27 April 1999

## NOTES

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

## 2. Nomination Letter

Tan Sri Mohd Amin bin Osman  
PSM, DIMP, DSDK, PNBS, JMN, KMN, AMN,  
BCK, PPT, PPC  
No. 7, Lorong Damai Enam  
Off Jalan Aman  
55000 Kuala Lumpur

13 March 1999

The Board of Directors  
Genting Berhad  
24th Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Dear Sirs

## CHANGE OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, I, being a shareholder of the Company, hereby give notice of my intention to nominate Messrs PricewaterhouseCoopers for appointment as auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring auditors, Messrs Deloitte Touche Tohmatsu:

"That Messrs PricewaterhouseCoopers be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully  
**Tan Sri Mohd Amin Bin Osman**

## 1998

<b>23 February</b>	Announcement of Preliminary Results for the financial year ended 31 December 1997.
<b>5 May</b>	Announcement of three more successful gas wells in the Muturi Block, Northwest Irian Jaya, Indonesia.
<b>21 May</b>	Announcement of the Entitlement and Book Closure Dates for the Proposed Final Dividend in respect of the financial year ended 31 December 1997.
<b>4 June</b>	Notice to shareholders of the Thirtieth Annual General Meeting.
<b>19 June</b>	Thirtieth Annual General Meeting.
<b>8 July</b>	Announcement of Year 2000 Compliant Disclosure pursuant to the Kuala Lumpur Stock Exchange Practice Note No. 1/98.
<b>13 August</b>	Announcement of Interim Results for the half-year ended 30 June 1998.
<b>18 August</b>	Announcement of the acquisition by Cairns Limited, a wholly-owned subsidiary of the Company, of an additional 2.37% interest in the Muturi Oil and Gas Concession, Northwest Irian Jaya, Indonesia ("Muturi PSC") and the certification of gas reserves of the Muturi PSC for the Tangguh LNG Project, Eastern Indonesia.
<b>13 November</b>	Announcement of the acquisition of Coveyork Pty Limited as an indirect wholly-owned subsidiary of the Company.

## 1999

<b>4 January</b>	Announcement of the resignation of Dato' Lim Tee Keong as a Director of the Company.
<b>24 February</b>	Announcement of Preliminary Results for the financial year ended 31 December 1998.
<b>16 March</b>	Announcement of the Proposed Extension of the exercise periods for an additional five (5) years for the outstanding share options granted under The Genting Employees' Share Option Scheme for Executives ("Proposed ESOS Extension")
<b>13 April</b>	Announcement of the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 1998 and the Thirty - First Annual General Meeting.
<b>14 April</b>	Announcement of the appointment of Mr Quah Chek Tin as an Executive Director.
<b>27 April</b>	Notice to shareholders of the Thirty-First Annual General Meeting and Extraordinary General Meeting in respect of the Proposed ESOS Extension.
<b>12 May</b>	Thirty-First Annual General Meeting and Extraordinary General Meeting in respect of the Proposed ESOS Extension.

### DIVIDENDS

	<b>Announcement</b>	<b>Entitlement Date</b>	<b>Payment</b>
1997 Final - 14.0 sen less tax	23 February 1998	3 July 1998	30 July 1998
1998 Interim - 6.5 sen less tax	13 August 1998	7 October 1998	30 October 1998
1998 Proposed Final - 12.0 sen less tax	24 February 1999	24 May 1999	18 June 1999*

\* Upon approval of Shareholders at the Thirty-First Annual General Meeting.



## BOARD OF DIRECTORS & CORPORATE INFORMATION



**Tan Sri Lim Goh Tong**  
*Chairman and Chief Executive*



**Tun Mohammed Hanif bin Omar**  
*Deputy Chairman*



**Dato' Lim Kok Thay**  
*Managing Director*



**Mr Colin Au Fook Yew**  
*Executive Director*



**Mr Quah Chek Tin**  
*Executive Director*



**Tan Sri Mohd Amin bin Osman**  
*Director*



**Tan Sri Gunn Chit Tuan**  
*Director*



**Encik Nik Hashim bin Nik Yusoff**  
*Director*



**Mr Teo Eng Siong**  
*Alternate to Mr Colin Au Fook Yew*

### PRINCIPAL EXECUTIVE OFFICERS

Tan Sri Lim Goh Tong  
Tun Mohammed Hanif bin Omar  
Dato' Lim Kok Thay  
Mr Colin Au Fook Yew  
Mr Quah Chek Tin  
Dr R Thillainathan  
Mr Tan Wooi Meng  
Encik Azmi bin Abdullah

*Chairman and Chief Executive*  
*Deputy Chairman*  
*Managing Director*  
*Executive Director*  
*Executive Director*  
*Director of Finance*  
*Group Company Secretary*  
*Group Treasurer*

### AUDIT COMMITTEE

Tan Sri Gunn Chit Tuan  
Encik Nik Hashim bin Nik Yusoff  
Dato' Lim Kok Thay

*Chairman/Independent Non-Executive Director*  
*Member/Independent Non-Executive Director*  
*Member*

### SECRETARY

Mr Tan Wooi Meng

### REGISTERED OFFICE

24th Floor, Wisma Genting, Jalan Sultan Ismail,  
50250 Kuala Lumpur  
Tel: (03) 2612288

### REGISTRARS

Genting Management and  
Consultancy Services Sdn Bhd  
23rd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur  
Tel: (03) 2612288

### AUDITORS

Deloitte Touche Tohmatsu (*Public Accountants*)

## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Accounts of the Genting Group of Companies ("Group") for the financial year ended 31 December 1998.

### PERFORMANCE REVIEW

The year under review was a tough year for the Group, as the Malaysian Gross Domestic Product registered a negative growth of 4.8% for the first time in 13 years.

Group turnover (including proceeds from sale of investments) declined by 12% to RM3,369.8 million. Group profit before tax (including an exceptional item of RM373.2 million from write-off of goodwill arising on acquisition of associated/subsidiary companies) declined by 41% to RM909.7 million, while earnings per share decreased by 46% to 58.8 sen.

### DIVIDENDS

An interim dividend of 6.5 sen less 28% tax per ordinary share of 50 sen each, amounting to RM 33.0 million was paid on 30 October 1998.

For the financial year ended 31 December 1998, your Directors recommend a final dividend of 12.0 sen less 28% tax per ordinary share of 50 sen each, subject to the approval of the shareholders at the forthcoming Thirty-First Annual General Meeting. The total net dividend for the year will amount to RM93.9 million.

## PENYATA PENERUSI

Saya bagi pihak Lembaga Pengarah dengan sukacitanya membentangkan Laporan Tahunan dan Akaun Syarikat-syarikat dalam Kumpulan Genting ("Kumpulan") yang telah diaudit bagi tahun kewangan berakhir 31 Disember 1998.

### TINJAUAN PRESTASI

Tahun dalam kajian merupakan satu tahun yang sukar bagi Kumpulan, Keluaran Dalam Negara Kasar Malaysia mencatatkan pertumbuhan negatif 4.8% buat pertama kali sejak 13 tahun lepas.

Perolehan Kumpulan (termasuk hasil daripada penjualan pelaburan) susut sebanyak 12% kepada RM3,369.8 juta. Keuntungan sebelum cukai Kumpulan (termasuk perkara terkecuali berjumlah RM373.2 juta daripada pelupusan muhibah yang timbul daripada pengambilalihan syarikat-syarikat bersekutu/subsidiari) berkurangan sebanyak 41% kepada RM909.7 juta, sementara pendapatan sesaham berkurangan sebanyak 46% kepada 58.8 sen.

### DIVIDEN

Dividen interim sebanyak 6.5 sen tolak 28% cukai bagi saham biasa bernilai 50 sen sesaham yang berjumlah RM33.0 juta telah dibayar pada 30 Oktober 1998.

Bagi tahun berakhir 31 Disember 1998, Lembaga Pengarah anda mencadangkan dividen akhir sebanyak 12.0 sen tolak 28% cukai bagi saham biasa bernilai 50 sen sesaham, tertakluk kepada kelulusan para pemegang saham di Mesyuarat Agung Tahunan Ketiga Puluhan Satu, yang akan datang. Dividen bersih bagi tahun ini akan berjumlah

### FINANCIAL HIGHLIGHTS

Year ended 31 December	1998 RM million	1997 RM million	Change %
Operating revenue	3,369.8	3,822.0	(12)
Profit before taxation	909.7	1,542.5	(41)
Profit after taxation	545.6	1,195.8	(54)
Profit attributable to shareholders	414.3	771.3	(46)
Shareholders' funds	4,773.6	4,483.1	6
Total assets employed	8,340.1	7,957.4	5
Earnings per share (sen)	58.8	109.6	(46)
Net dividend per share (sen)	13.3	15.0	(11)
Dividend cover (times) *	4.4	7.3	(40)
Net tangible assets per share (RM)	6.78	6.36	7
Return (after tax and minority interests) on average shareholders' funds (%)	9.0	18.9	(52)

\* Computed based on profit after taxation and minority interests.

## CORPORATE & BUSINESS DEVELOPMENTS

In June 1998, the Leisure & Hospitality Division under Resorts World Bhd ("RWB") invested US\$262.5 million for approximately 20% equity interest in the enlarged issued share capital of Star Cruises PLC ("SCPLC"), the leading cruise operator in Asia. As at 31 December 1998, RWB owns about 27% equity interest in SCPLC.

During the year, the Group acquired Star Cruise Properties Sdn Bhd, which owns a 100% interest in 35.3 acres of land in Pulau Langkawi and a 60% interest in 115.6 acres of land in Pulau Indah in Klang, Selangor for a total consideration of RM72.3 million.

In August 1998, the Oil & Gas Division via Cairns Limited, announced the acquisition of an additional 2.37% interest in the Muturi PSC, Indonesia, bringing its total interest to 47.37%. Also, in August 1998, Cairns Limited announced the certification of reserves for the supply of gas to the Tangguh LNG project. The Division, via Coveyork Pty Limited, also expanded its exploration activities to the Browse Basin, offshore Western Australia.

The year under review also saw the diversification of the Paper Division into the downstream packaging business, via the acquisition of four plants that consist of three corrugating plants and a converting plant.

## YEAR 2000 (Y2K)

Led by the Group's Y2K task force to address the issue, the Group is well on schedule in ensuring that all of its relevant systems and applications are Y2K ready.

## PERKEMBANGAN KORPORAT & PERNIAGAAN

Pada bulan Jun 1998, Bahagian Peranginan dan Keraian di bawah Resorts World Bhd ("RWB") telah melaburkan US\$262.5 juta untuk memiliki kira-kira 20% kepentingan ekuiti modal terbitan saham yang telah diperbesarkan dalam Star Cruises PLC ("SCPLC"), pengendali kapal persiaran terkemuka di Asia. Pada 31 Disember 1998, RWB memiliki kira-kira 27% kepentingan ekuiti dalam SCPLC.

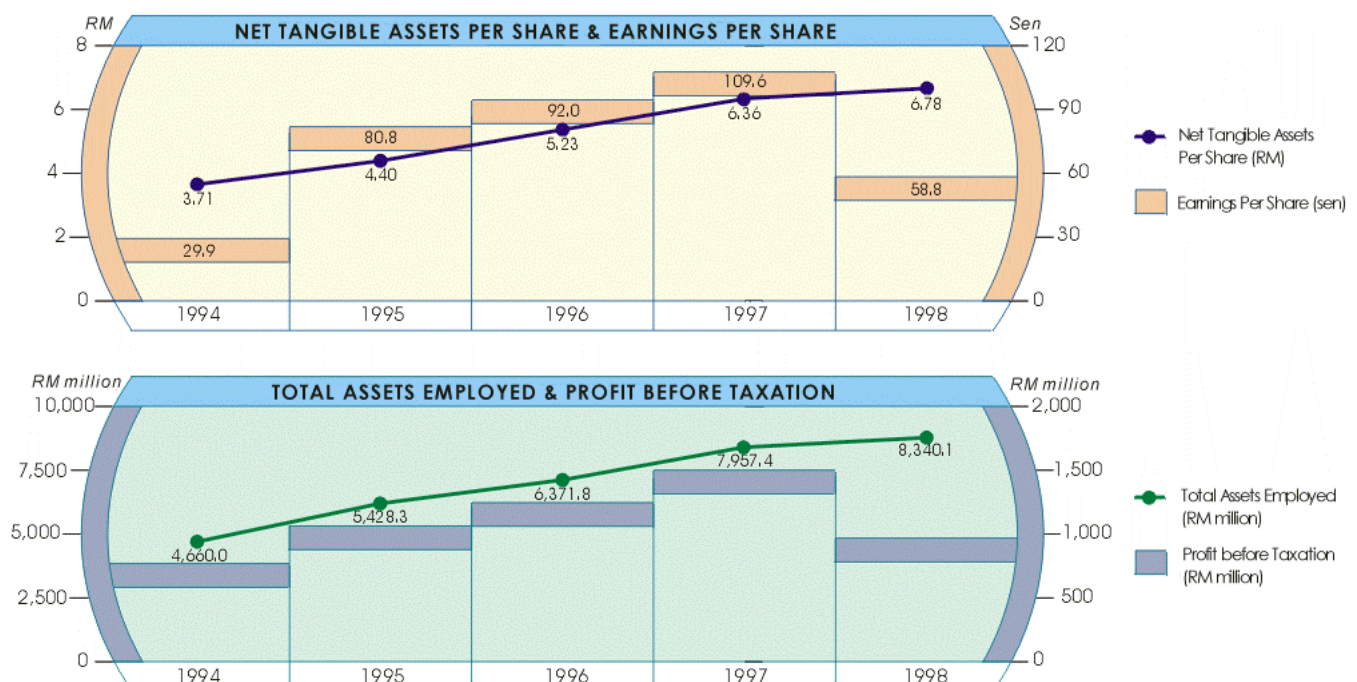
Pada tahun dalam kajian, Kumpulan telah memiliki Star Cruise Properties Sdn Bhd, yang mempunyai 100% kepentingan dalam hartanah seluas 35.3 ekar di Pulau Langkawi dan 60% kepentingan dalam hartanah seluas 115.6 ekar di Pulau Indah, di Klang, Selangor untuk pertimbangan tunai berjumlah RM72.3 juta.

Pada bulan Ogos 1998, Bahagian Minyak dan Gas melalui Cairns Limited telah mengumumkan pemerolehan sebanyak 2.37% kepentingan tambahan di dalam Muturi PSC, Indonesia dan ini menjadikan jumlah kepentingannya sebanyak 47.37%. Pada bulan Ogos 1998 juga, Cairns Limited telah mengumumkan pengesahan rizab gas dan membekalkannya ke projek Tangguh LNG. Bahagian ini melalui Coveyork Pty Limited juga telah meluaskan aktiviti carigalinya ke Browse Basin di pantai luar pesisir Australia Barat.

Pada tahun dalam kajian ini juga Bahagian Kertas telah mempelbagai ke dalam perniagaan bungkusan hiran melalui pengambilalihan empat loji yang terdiri daripada tiga loji bergelugur dan sebuah loji pertukaran.

## TAHUN 2000 (Y2K)

Kumpulan yang dilengkapi dengan sepasukan tenaga petugas Y2K bagi menangani isu ini kini telah berjaya menepati jadualnya bagi memastikan supaya semua sistem dan aplikasi berkaitannya bersedia menghadapi Y2K.





## PROSPECTS

The future performance of the Group will continue to be dependent on the regional economic conditions. However, backed by a strong management team and through strategic planning, I am confident that the Group will be able to overcome any future challenges to ensure the long-term growth of our businesses into the next century.

The Leisure & Hospitality Division will continue to enhance Genting Highlands Resort's image as the "City of Entertainment" by offering endless excitement and entertainment attractions for everyone in the year ahead. The expansion into cruise-related industry via its associate Star Cruises PLC and the Awana hotel resorts will complement the business at Genting Highlands Resort and provide avenue for future growth.

The Plantation Division that benefited from the price rally of CPO in 1998, may find it difficult to repeat its sterling performance in the current financial year.

The Paper & Packaging Division will continue to focus on strengthening their respective operations.

The Power Division is expected to sustain its performance for the current financial year, in spite of the economic downturn.

The Oil & Gas Division will continue to explore prospective oil and gas basins in Asia, concentrating on Indonesia, Myanmar and Western Australia.

## APPRECIATION

On behalf of the Board, I wish to congratulate Dato' Lim Kok Thay on his appointment as Managing Director and welcome Mr. Quah Chek Tin, who has joined the Board as an Executive Director. I will continue to serve as Chairman and Chief Executive. The Board and I would also like to express our sincere appreciation for the invaluable contributions made by Dato' Lim Tee Keong, who had resigned from the Board and wish him the very best for his future endeavours.

To my fellow employees, shareholders, customers, various authorities and business associates, thank you for your support and confidence in the Group. I look forward towards another year of excellent team dedication and continued support to the Group, in meeting the challenges posed by the current economic climate.

## TAN SRI LIM GOH TONG

*Chairman and Chief Executive*  
12 April 1999

## PROSPEK

Prestasi Kumpulan pada masa depan akan terus bergantung kepada keadaan ekonomi serantau. Walau bagaimanapun, dengan sokongan pasukan pengurusan yang teguh, saya yakin bahawa Kumpulan akan berupaya mengatasi sebarang cabaran masa depan bagi memastikan supaya ia mampu menghasilkan pertumbuhan perniagaan jangka panjang ke abad berikut.

Bahagian Peranginan dan Keraian akan terus mempertingkatkan imej Genting Highlands Resort sebagai "Kota Keriangan" dengan menawarkan berbagai daya tarikan, keseronokan dan hiburan bagi setiap pengunjung pada tahun-tahun hadapan. Pengembangan ke dalam industri kapal persiaran menerusi syarikat bersekutunya Star Cruises PLC dan hotel peranginan Awana akan melengkapkan lagi perniagaan di Genting Highlands Resort serta menyediakan peluang untuk pertumbuhan masa depan.

Bahagian Perladangan yang mendapat manfaat daripada harga minyak sawit mentah yang tinggi pada tahun 1998, mungkin mendapati sukar untuk mengulangi prestasi cemerlangnya pada tahun kewangan semasa.

Bahagian Kertas & Pembungkusan akan terus menumpukan perhatian untuk mengukuhkan operasi masing-masing.

Bahagian Jana Kuasa akan mengekalkan prestasi dalam tahun kewangan semasa, walaupun didalam keadaan kemelesetan ekonomi.

Bahagian Minyak & Gas akan terus mengkaji prospek basin-basin minyak dan gas di Asia dengan memberi tumpuan di Indonesia, Myanmar dan Australia Barat.

## PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan tahniah kepada Dato' Lim Kok Thay di atas pelantikannya sebagai Pengarah Urusan dan mengalu-alukan Encik Quah Chek Tin, yang telah menyertai Lembaga Pengarah sebagai Pengarah Eksekutif. Saya akan meneruskan perkhidmatan sebagai Pengerusi dan Ketua Eksekutif. Saya dan Lembaga Pengarah juga ingin menyampaikan penghargaan tulus ikhlas ke atas sumbangan yang tidak ternilai dari Dato' Lim Tee Keong yang telah meletakkan jawatan dari Lembaga, serta mengucapkan selamat maju jaya kepada beliau.

Kepada para kakitangan, pemegang-pemegang saham, pelanggan-pelanggan, pelbagai pihak berkuasa serta rakan-rakan perniagaan, saya ingin mengucapkan terima kasih kepada mereka di atas sokongan dan keyakinan terhadap Kumpulan. Saya berharap semoga semangat dedikasi dan kecemerlangan secara berpasukan yang telah dicapai serta jua sokongan padu kepada Kumpulan akan dapat diteruskan bagi menghadapi sebarang cabaran yang timbul akan akibat suasana ekonomi semasa.

## TAN SRI LIM GOH TONG

*Pengerusi dan Ketua Eksekutif*  
12 April 1999

## LEISURE & HOSPITALITY



The new Wet Park at Genting Theme Park

### GENTING HIGHLANDS RESORT

Despite the economic downturn, the Leisure and Hospitality division contributed RM829.2 million or 91% to the Group's profit before tax in 1998. The year's performance was supported by a variety of international entertainment extravaganzas and new facilities at Genting Highlands Resort ("Resort") that lived up to its image of being the "City of Entertainment".

The constant entertainment attractions at the Resort brought in approximately 12.3 million visitors to the Resort in 1998. The average room occupancy rate at the Resort improved to 84% in 1998 compared to 79% in the previous year.

During the year under review, efforts were made to upgrade and refurbish the existing 3,400 hotel rooms at the Resort. At the Highlands Hotel, 180 Deluxe Twin rooms were upgraded to Premier Club rooms, which increased the total of Premier Club rooms to 360.

The *Galleria Observatory* was officially opened on 14 August 1998 by the Minister of Culture, Arts & Tourism, Dato' Sabbaruddin Chik. The observatory offers a breathtaking panoramic view of the highlands at 6,000 feet above sea level.

The Division has a total of 27 food and beverage outlets at the Resort in 1998, serving 8.0 million food covers compared to 6.9 million in the previous year. Three new dining venues with separate theme concepts were opened during the year under review.

The two main entertainment venues, the 6,000-seat *Arena of Stars* and the 1,800-seat *Genting International Showroom* hosted spectacular concerts and entertainment extravaganzas.

Popular international artistes like Anita Mui, The Wynners, Alex To, Roman Tam and local favourites such as Seha, Zainal Abidin and Elite performed to enthusiastic crowds at the *Arena of Stars*.

The *Arena of Stars* also hosted the Genting World Lion Dance Championship and the popular '3.2.1 Action' television musical's annual award presentation, bringing together superstars from Hong Kong and Taiwan like Andy Lau, Leon Lai, Jeff Chang and Coco Lee.

The highly successful "Magic Xscape" completed its run in August 1998 at the *Genting International Showroom*. In its place, another world-class production "Harary ImagineNation" was introduced, which features Franz Harary, one of the world's best illusionists.

The Mr. & Miss Chinatown '98 competition was also held at the Resort at the Genting Grand Ballroom.

Touch Screen Info kiosks were installed at all hotel lobbies in July 1998, to provide quick access information on the Resort's facilities and services and general public data to patrons.





*Star Cruises jetty located beside Awana Porto Malai, Langkawi*

During the year under review, the Leisure & Hospitality Division expanded its businesses, with the investment of a 27% equity interest in Star Cruises PLC, the opening of three new Genting World leisure centres and the commencement of Awana Timeshare Ownership Scheme.

### AWANA HOTELS & RESORTS

Awana Porto Malai, Langkawi; Awana Kijal Golf and Beach Resort, Terengganu; and Awana Genting Highlands Golf & Country Resort continue to attract its niche market with its innovative packages, aggressive marketing and smart partnership with key players in the travel arena.

The Awana Dream Holidays is an example of an affordable package made possible by establishing a smart partnership with the national airline, Malaysia Airlines System.

### AWANA TIMESHARE OWNERSHIP SCHEME

The Division launched the timeshare business under Awana Vacation Resorts Development Bhd ("AVRD") on 8 August 1998. AVRD operates and manages a Timeshare Ownership Scheme ("Scheme"), that allows the timeshare owners the right to use the rooms and apartments for an agreed period at a very affordable cost.

The existing holiday resorts under the Scheme are Awana Genting Highlands Golf & Country Resort, Awana Kijal Golf & Beach Resort and access to Resort Condominium International (RCI) exchanges that have more than 3,300 affiliated resorts over 85 countries around the world.

### STAR CRUISES

Star Cruises PLC is the operator of Star Cruises, the leading cruise operator in Asia Pacific and one of the five largest cruise lines in the world. It also has one of the youngest cruise fleets in the world with an average age of less than 5 years by year 2002.

Star Cruises currently has a fleet of eight vessels namely SuperStar Leo, Star Aquarius, Star Pisces, SuperStar Gemini, MegaStar Aries, MegaStar Taurus, SuperStar Capricorn and the SuperStar Express. Ever since its official launch in November 1998, the 76,800-tonne SuperStar Leo has received overwhelming response from the public.

By the third quarter of 1999, SuperStar Virgo, another vessel of similar size and luxury to SuperStar Leo and SuperStar Europe will join Star Cruises fleet. By year 2002, two additional newbuildings, the SuperStar Libra and SuperStar Scorpio will be added to the Star Cruises Fleet.

### GENTING WORLD

There are currently four Genting World leisure centres, of which three centres were opened during the year under review. The four centres are located at strategic populated regions in Peninsular Malaysia - i.e. at Awana Porto Malai, Langkawi and Bukit Mertajam, Penang (north region); Ipoh Parade, Ipoh (central region) and the Summit USJ (Klang Valley).

The Genting World leisure centres are fast becoming popular attractions that offer the latest and high-tech bowling lanes, snooker tables and cafés.

## PLANTATION STATISTICS FOR 1998

	Oil Palm		Rubber		Durian & Others		Titled Area	
Area (Hectares)	1998	1997	1998	1997	1998	1997	1998	1997
Mature	29,095	26,166	1,830	2,304	0	0	30,925	28,470
Immature	6,581	9,483	—	32	34	34	6,615	9,549
<b>Total Planted Area</b>	<b>35,676</b>	<b>35,649</b>	<b>1,830</b>	<b>2,336</b>	<b>34</b>	<b>34</b>	<b>37,540</b>	<b>38,019</b>
As a percentage (%)	<b>95.0</b>	<b>93.8</b>	<b>4.9</b>	<b>6.1</b>	<b>0.1</b>	<b>0.1</b>	<b>100</b>	<b>100</b>
Unplanted Jungle Area	—	—	—	—	1,558	1,208	1,558	1,208
Labour Lines, Buildings & Infrastructure etc.	—	—	—	—	1,786	1,735	1,786	1,735
<b>Total Area</b>	<b>35,676</b>	<b>35,649</b>	<b>1,830</b>	<b>2,336</b>	<b>3,378</b>	<b>2,977</b>	<b>40,884</b>	<b>40,962</b>
Percentage Over Titled Area (%)	<b>87.2</b>	<b>87.0</b>	<b>4.5</b>	<b>5.7</b>	<b>8.3</b>	<b>7.3</b>	<b>100</b>	<b>100</b>
Production (mt)	<b>472,962</b>	<b>481,696</b>	<b>1,826</b>	<b>2,141</b>	—	—	—	—
Average Yield								
Per Mature Hectare (mt)(kg)	<b>16.8</b>	<b>18.8</b>	<b>1,201</b>	<b>1,171</b>	—	—	—	—
<b>AVERAGE SELLING PRICE</b>								
Rubber (sen/kg)	—	—	250	246	—	—	—	—
CPO (RM/mt)	2,321	1,370	—	—	—	—	—	—
Palm Kernel (RM/mt)	1,103	770	—	—	—	—	—	—



Oil palm harvest with in-field mechanisation



Shop offices in Permaipura, Kedah

## PLANTATIONS

The Plantations Division posted a strong 100% growth in profit before tax to RM142.4 million, mainly due to higher selling prices of crude palm oil ("CPO") and palm kernel achieved during the year. The achieved average selling price for CPO increased by 69% to RM2,321 per metric tonne ("MT").

During the year under review, the lagged El-Nino effect of prolonged dry weather and the haze experienced had caused considerable stress on the palms. As a result, although the harvesting area increased by about 11% in 1998, the Division's output of fresh fruit bunches ("FFB") during the same period was slightly lower at 472,962 MT, compared to 481,696 MT in 1997. As such, its yield per hectare declined to 16.8 MT per hectare, against 18.8 MT per hectare in 1997.

The Huka Lift System, for FFB evacuation, was introduced during the year in one of the Group's estates. This is in line with the Group's continuous efforts to implement various mechanisation process, wherever feasible, to reduce labour dependency.

Rehabilitation works on the flood-damaged areas in Tenegang estates commenced in August 1998. As at end 1998, planted area in the Tenegang project amounted to 15,605 hectares, of which 81% have matured.

The Serian Palm Oil Mill, a 40%-owned joint venture with the Sarawak Land Consolidation and Rehabilitation Authority (SALCRA) in Sarawak, achieved commendable results and higher than average oil extraction rates despite poor FFB harvest from supplying estates.

## PROPERTIES

1998 has been a very tough year for the property development industry, as the sector continued to feel the brunt of the economic downturn. Despite the odds, the Properties Division has performed satisfactorily in the areas of construction progress and collection of progressive payments. As such, the Division managed to post profit before tax of RM32.0 million in 1998.

The Indahpura Project in Kulai, Johor continues to be the main profit contributor. In October 1998, the four-storey shop offices were relaunched on strata basis and this scheme received encouraging response. During the year under review, 62% of the 1,040 units of the "Rumah Rakyat" scheme launched were sold.

There were no new sales launch for the earlier Desa Cheng Perdana project in Melaka and the Permaipura Project in Bedong, Kedah.

The Permaipura Golf & Country Club was officially launched by His Royal Highness Tuanku Sultan of Kedah on 11 April 1998.

Kijal Golf & Beach Resort, an integrated tourist-cum-housing resort project on the east coast of Peninsular Malaysia continued to be a popular resort amongst the locals and expatriates, during the year under review. Strategic marketing efforts have been planned to improve the sales of Kijal Beach Resort Apartments and land parcels in 1999.





*Corrugated paper boxes ready for distribution*

## PAPER & PACKAGING

During the year under review, the two industrial brown grade paper mills of the Group recorded a plant efficiency of 95%. Located at Kuala Langat, Selangor, the two mills produced a total output of 234,000 metric tonnes ("MT"). Despite the economic downturn, the Division achieved a total sales volume of 224,500 MT in 1998, slightly lower by 3% compared to 232,000 MT in 1997.

During the year, the Division capitalised on the opportunity arising from the economic downturn and entered into downstream packaging industry, by acquiring three corrugated carton box plants with a combined production capacity of 90,000 MT per annum.

These box plants are located in Prai (Penang), Shah Alam and Balakong (Selangor). The acquisition also included a converting plant in Kulim, Kedah. Since the takeover, these box plants have made significant inroads in promoting Genting Sanyen paper as substitutes for imported brown grade industrial paper.

The packaging business has proven to be viable and the Division will continue to explore the possibility of further business diversification and expansion into the paper and packaging industry.

The integration of paper manufacturing with corrugated carton box manufacturing is expected to generate positive synergies for the Division. In the longer term, the profitability of the Paper Division will be more stable as it will be less affected by the fluctuations prevailing in the cyclical paper market and the dumping activities of certain regional paper mills into the local market.



*Power plant at Kuala Langat, Selangor*

## POWER

The Power Division contributed RM81.3million to the Group's profit before tax during the year under review.

The Division's performance is steered by the Group's 39.1% interest in Genting Sanyen Power Sdn Bhd ("GSP"). GSP owns the 720 MW combined cycle power plant at Kuala Langat, Selangor. The power plant entered into its third year of full commercial production in 1998, and has performed satisfactorily to-date. It has achieved output and high availability performance in accordance with expectations.

The ISO 9002-certified power plant is the first Independent Power Producer ("IPP") to be awarded the Malaysian Society for Occupational Safety & Health Gold Award in 1997 and the Grand Award in 1998.

During the year under review, a maintenance program and a major improvement exercise were carried out on the gas turbines of the power plant.

GSP like all other IPPs, contributes 1% of its revenue derived from the sale of electricity to Tenaga Nasional Berhad, to the Electricity Supply Industry Fund which was set up for the improvement and development of the power industry.

As part of its contribution to the society, GSP continued to support the University Tenaga Nasional scholarship scheme, which started in 1997. Scholarships were awarded to a second batch of five students in 1998.



*Vorwata 11 - in the Muturi Block*

## OIL & GAS

The Group, through its wholly-owned subsidiary, Cairns Limited ("Cairns"), continued its highly successful exploration efforts on the Muturi Block throughout 1998. This block, located in northwest Irian Jaya, is held under a Production Sharing Contract (PSC) with Pertamina, the state oil company of Indonesia.

The drilling programme concluded in early May 1998, with Cairns having participated in eight wells on the Muturi PSC, seven of which were in, or in close proximity to, the Vorwata Field. These included six wells (Mogoi-Deep 1, Vorwata 4, 8, 9, 10 and 11) that were gas discoveries, one that was dry (Sakauni) due to the absence of reservoir and a final well (Nambumbi) that was suspended with gas shows following mechanical difficulties which prevented testing. No additional drilling is planned for 1999.

On 16 July 1998, Cairns together with BG Exploration and Production Limited ("BGEP"), operator of the Muturi PSC, acquired P.T. Saptra Patra Wisesa's 5% interest in the Muturi block. Following this transaction, Cairns has a 47.37% working interest and BGEP holds the remaining 52.63% interest in the block.

On 31 July 1998, DeGolyer and MacNaughton, an independent firm of petroleum engineers, certified that the proved and probable reserves dedicated to the Tangguh Project exceeded 18.3 trillion cubic feet (TCF) of gas. Cairns' net interest (excluding any provision for reserves found in the Mogoi-Deep gas discovery) is 1.79 TCF of certified proved and probable gas reserves, comparable to

approximately 300 million barrels of oil equivalent (BOE). In accordance with the Collaboration Agreement, Cairns will be entitled to supply 10.17% of all the gas to be supplied into the Tangguh LNG Project.

Efforts to market the gas from the Muturi PSC and the Tangguh LNG Project into established and emerging LNG markets have commenced and will continue throughout 1999. The project schedule calls for the first exportable LNG to be produced in 2004.

In Myanmar, the Group's 100%-owned subsidiary Roundhay Limited completed the acquisition of approximately 3,000-km 2D seismic and gravity survey in offshore Block M4 in February 1998. A large exploration prospect has been identified and work is continuing to mature this prospect to the drillable stage.

In Australia, the Group's 100%-owned subsidiary Coveyork Pty Limited ("Coveyork") has an 87.5% working interest and operates block WA-274-P, which is located in the highly prospective Browse Basin, on the northwest shelf of Western Australia.

Coveyork has completed a 2,700-km 2D seismic survey over the block and is participating in a multi-client 3D seismic survey. Acquisition, processing and interpreting this data will take place throughout 1999. No drilling on this block is planned in 1999.

## YEAR 2000 (Y2K)

A Y2K task force has been set up to address the issues to ensure a smooth continuity of the Group's business processes and systems into the next millennium.

Led by the Y2K task force, the Group has to-date completed several major phases of the project - including the awareness programme, inventory checklist, impact analysis, budgeting and setting up of testing facilities. The task force is currently in the testing, validation and remediation phases.

The Group is constantly reviewing the previous phases to ensure the completeness of coverage of any Y2K-related issue for critical systems, including external party linkages. The total budgeted cost of the Y2K project is estimated at RM1 million for the Company and RM7 million for the Group.





## HUMAN RESOURCES

Employees continue to play an instrumental role in ensuring that the Group maintains its strong performance in such tough economic times. Although the operations in all divisions have increased, the Group managed to maintain a total staff strength of 14,000 as at 31 December 1998.

During the year under review, Long Service Awards were accorded to employees in appreciation of their dedicated years of service to the Group.

The Group's strong management leadership and dedicated employees continued to be accorded with numerous awards of recognition during the year under review.

Genting Berhad was once again voted the no. 1 leading company in Malaysia for the fifth consecutive year, in the Far Eastern Economic Review's "Review 200 - Asia's Leading Companies" in 1998. It was also recognised as the top Malaysian company in Asian Business' "Asia's Most Admired Companies 1998".

Finance Asia accredited Genting Berhad to be one of "Asia's Strongest Companies" and voted no. 1 in both "debt-to-equity ratio" and "ability to service debt".

The Genting Group of Companies made nine records in the Malaysian Book of Records. Eight of these records were won by subsidiary Resorts World Bhd for its continuous and crowd-pulling attractions and facilities at the Genting Highlands Resort.

The ninth Malaysian record was won by the Group's Kuala Langat power plant for being the first power plant to achieve the Malaysian Society for Occupational Safety & Health Gold Award in 1997 and Grand Award in 1998.



The Group's Chairman Tan Sri Lim Goh Tong handing over The Queen's Baton to Pahang's Chief Minister Tan Sri Mohamad Khalil Yaacob

## COMMUNITY SERVICES

The economic slowdown did not deter the Group from supporting various welfare and charitable bodies in cash and in kind, as well as the development of sports, education, culture and non-governmental organisations in Malaysia.

The Group's subsidiary Resorts World Bhd ("RWB"), was the only Platinum Partner to Sukom '98 for the XVI Commonwealth Games. RWB hosted the Queen's Baton Run, prior to the grand opening at the Bukit Jalil Stadium on 11 September 1998.

The Group continued to support major sports and related associations such as the Football Association of Malaysia, Malaysian Hockey Federation and the Foundation for Malaysian Sporting of Excellence and the major cycling competition Le Tour de Langkawi.

The Group contributed RM2.1 million to the Special National Fund and supported various conferences on the economic recovery.

In supporting humanitarian services, RM3.0 million was contributed to the Malaysian Red Crescent Society, while various welfare and charitable organisations received cash contribution from the Group in 1998.

The Group also sponsored the publication of books such as "Tun Razak: Jejak Bertapak Seorang Patriot", "The Sultanate of Kedah", "Suara Pendidik", "Buku Masjid-Masjid Dunia, Malaysia & Kuala Lumpur".

The Directors of **GENTING BERHAD** have pleasure in submitting their report and the audited accounts of the Group and of the Company for the financial year ended 31 December 1998.

### PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, plantations, property development and management, tours and travel related services, investments, manufacturing and trading in paper and paper related products, generation and supply of electric power and oil and gas exploration.

Details of the principal activities of the Group are set out in Note 30 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

### RESULTS

The audited results of the operations of the Group and of the Company for the financial year are as follows:

	Group RM million	Company RM million
Profit before taxation	909.7	394.3
Taxation	(364.1)	(108.9)
Profit after taxation	545.6	285.4
Minority shareholders' interests	(131.3)	—
Profit attributable to shareholders of Genting Berhad	414.3	285.4
Unappropriated profit at beginning of the year	3,491.1	1,872.1
Profit available for appropriation	3,905.4	2,157.5
Appropriations:		
Interim dividend		
- 6.5 sen less 28% tax	(33.0)	(33.0)
Proposed final dividend		
- 12.0 sen less 28% tax	(60.9)	(60.9)
	(93.9)	(93.9)
Unappropriated profit at end of the year	3,811.5	2,063.6

### DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

- a final dividend of 14.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM 70,997,366 in respect of the financial year ended 31 December 1997 was paid on 30 July 1998; and
- an interim dividend of 6.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM 32,963,063 in respect of the financial year ended 31 December 1998 was paid on 30 October 1998.

The Directors recommend payment of a final dividend of 12.0 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 18 June 1999 to shareholders registered in the Register of Members at the close of business on 24 May 1999. Based on the issued and paid-up share capital of the Company as at the date of this report, the final dividend would amount to RM 60,854,886.

### RESERVES AND PROVISIONS

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 23 to the accounts.

## ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS

There were no issue of shares or debentures during the financial year.

The following Options to take up unissued ordinary shares of the Company previously granted to executive employees of the Group under The Genting Employees' Share Option Scheme for Executives were outstanding as at 31 December 1998:

Option expiry date	Subscription price per share	No. of shares
15 December 1999	RM 19.80	<u>3,722,000</u>

The shares under the aforesaid Options may be exercised in full or in respect of 1,000 shares or a multiple thereof on the payment of the requisite subscription price within the respective quarters in the preceding twelve months of the Option expiry date. The persons to whom the Options have been issued have no right to participate by virtue of the Options in any share issue of any other company.

On 9 March 1999, the Securities Commission approved the Company's application to extend the Option and exercise periods of the outstanding Options for an additional five (5) years from 15 December 1999 to 15 December 2004 ("Proposed Extension") subject to the approval of the shareholders of the Company at a general meeting to be convened.

The Proposed Extension thereby extends the Option period of the outstanding Options to the maximum ten (10) years permissible under Section 68 of the Companies Act, 1965 as amended by the Companies (Amendment) (No. 2) Act 1998 which came into force on 1 November 1998.

## DIRECTORATE

The Directors who served since the date of the last report are:

Tan Sri Lim Goh Tong  
Tun Mohammed Hanif bin Omar  
Dato' Lim Kok Thay  
Mr Colin Au Fook Yew  
Encik Nik Hashim bin Nik Yusoff  
Tan Sri Mohd Amin bin Osman  
Dato' Lim Tee Keong (Resigned on 1 January 1999)  
Tan Sri Gunn Chit Tuan  
Mr Quah Chek Tin (Appointed on 12 April 1999)  
Mr Teo Eng Siong (Alternate to Mr Colin Au Fook Yew)

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company, Resorts World Bhd, Asiatic Development Berhad and Genting International PLC, all of which are subsidiaries of the Company as set out below:

## INTEREST IN THE COMPANY

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	6,681,000	—	6,681,000
Dato' Lim Kok Thay	2,553,000	—	2,553,000
Mr Colin Au Fook Yew	768,000	(750,000)	18,000
Tan Sri Mohd Amin bin Osman	6,000	2,000	8,000

Shareholdings in which the Director is deemed to have an interest	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	11,523,996	—	11,523,996

Share Options in the names of Directors	1.1.1998	Offered/(Exercised)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	600,000	—	600,000
Tun Mohammed Hanif bin Omar	500,000	—	500,000
Dato' Lim Kok Thay	400,000	—	400,000
Mr Colin Au Fook Yew	400,000	—	400,000
Tan Sri Mohd Amin bin Osman	400,000	—	400,000
Dato' Lim Tee Keong	100,000	—	100,000

# INTEREST IN RESORTS WORLD BHD

## Shareholdings in the names of Directors

	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	2,610,000	—	2,610,000
Mr Colin Au Fook Yew	24,000	—	24,000
Tan Sri Mohd Amin bin Osman	122,000	—	122,000
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	120,000	—	120,000

## Share Options in the names of Directors

	1.1.1998	Offered/(Lapsed)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	1,000,000	(700,000)	300,000
Tun Mohammed Hanif bin Omar	1,000,000	(500,000)	500,000
Dato' Lim Kok Thay	650,000	(475,000)	175,000
Dato' Lim Tee Keong	300,000	(200,000)	100,000

# INTEREST IN ASIATIC DEVELOPMENT BERHAD

## Shareholdings in the names of Directors

	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	437,500	—	437,500
Dato' Lim Kok Thay	144,000	—	144,000
Tan Sri Mohd Amin bin Osman	164,000	—	164,000
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	8,000	—	8,000

# INTEREST IN GENTING INTERNATIONAL PLC

## Shareholdings in the names of Directors

	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	1,832,468	—	1,832,468
Dato' Lim Kok Thay	623,000	—	623,000
Mr Colin Au Fook Yew	529,200	—	529,200

## Shareholdings in which the Director is deemed to have an interest

	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of US\$0.10 each)		
Dato' Lim Kok Thay	4,649,598	—	4,649,598

## Share Options in the name of Director

	1.1.1998	Offered/(Relinquished)	31.12.1998
	(Number of unissued ordinary shares US\$0.10 each)		
Tan Sri Lim Goh Tong	500,000	(500,000)	—

## Call Options in the names of Directors

	1.1.1998	Acquired/(Relinquished)	31.12.1998
	(Number of unissued ordinary shares of US\$0.10 each)		
Dato' Lim Kok Thay	1,000,000	(1,000,000)	—
Mr Colin Au Fook Yew	1,000,000	(1,000,000)	—
Mr Teo Eng Siong ( <i>alternate to Mr Colin Au Fook Yew</i> )	200,000	(200,000)	—

Apart from the above disclosure:

- (a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- (b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the accounts or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) Tan Sri Mohd Amin bin Osman has been retained as a consultant to provide management and ancillary services to the Company.
- (ii) Tan Sri Mohd Amin bin Osman has been retained by Resorts World Bhd ("RWB"), a subsidiary of the Company to provide advisory services.
- (iii) Certain companies in which Dato' Lim Tee Keong is a director and a substantial shareholder rent their premises at the Genting Highlands Resort from RWB and its wholly-owned subsidiaries, Genting Golf Course Bhd and Genasa Sdn Bhd. The tenancies were terminated on 5 February 1999.
- (iv) A company in which Dato' Lim Kok Thay is a director and a substantial shareholder has retained Asiatic Development Berhad, a subsidiary of the Company to provide plantation advisory services.
- (v) A company in which Tan Sri Lim Goh Tong is a director and substantial shareholder has rented approximately 5.87 hectares of land in the Mukim of Batang Kali, District of Ulu Selangor, Selangor to Genting Utilities & Services Sdn Bhd, a wholly-owned subsidiary of RWB.
- (vi) A corporation in which Tan Sri Lim Goh Tong is a shareholder, Dato' Lim Kok Thay and Mr Colin Au Fook Yew are respectively directors, shareholders and call option holders, and Tan Sri Mohd Amin bin Osman and Mr Teo Eng Siong are call option holders has issued and allotted 125,000,000 new ordinary shares of US\$0.10 each to Resorts World Limited, an indirect wholly-owned subsidiary of RWB for a cash consideration of US\$262.5 million.
- (vii) RWB has extended a housing loan to Mr Quah Chek Tin to enable him to acquire a home.

Mr Quah Chek Tin is due to retire in accordance with Article 104 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Encik Nik Hashim bin Nik Yusoff is due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Tan Sri Lim Goh Tong and Tan Sri Mohd Amin bin Osman retire pursuant to Section 129 of the Companies Act, 1965 and that separate resolutions will be proposed for their re-appointment as Directors under the provision of Section 129 (6) of the said Act to hold office until the next Annual General Meeting of the Company.

#### **OTHER STATUTORY INFORMATION**

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Group and of the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the accounts of the Group and of the Company misleading;



- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the accounts of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the accounts of the Group and of the Company, that would render any amount stated in the respective accounts misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the exceptional items as reported in Note 6 to the accounts; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

On behalf of the Board

**TUN MOHAMMED HANIF BIN OMAR**

**DATO' LIM KOK THAY**

Kuala Lumpur  
12 April 1999



## FINANCIAL STATEMENTS

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## Profit & Loss Accounts

FOR THE YEAR ENDED 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		1998	1997	1998	1997
<b>OPERATING REVENUE</b>	3 & 4	<b>3,369.8</b>	3,822.0	<b>378.6</b>	396.2
<b>PROFIT BEFORE TAXATION</b>	4, 5 & 6	<b>909.7</b>	1,542.5	<b>394.3</b>	424.7
Taxation	7	<b>(364.1)</b>	(346.7)	<b>(108.9)</b>	(106.7)
<b>PROFIT AFTER TAXATION</b>		<b>545.6</b>	1,195.8	<b>285.4</b>	318.0
Minority shareholders' interests		<b>(131.3)</b>	(424.5)	—	—
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF GENTING BERHAD</b>		<b>414.3</b>	771.3	<b>285.4</b>	318.0
Unappropriated profit at beginning of the year		<b>3,491.1</b>	2,825.5	<b>1,872.1</b>	1,659.8
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>3,905.4</b>	3,596.8	<b>2,157.5</b>	1,977.8
Appropriation:					
Dividends	8	<b>(93.9)</b>	(105.7)	<b>(93.9)</b>	(105.7)
<b>UNAPPROPRIATED PROFIT AT END OF THE YEAR</b>	23	<b>3,811.5</b>	3,491.1	<b>2,063.6</b>	1,872.1
<b>EARNINGS PER SHARE</b>	25	<b>58.8 sen</b>	109.6 sen		

The notes set out on pages 24 to 42 form part of these accounts.

**BALANCE-SHEETS**

AS AT 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

Amounts in RM million unless otherwise stated		Group		Company	
	Note	1998	1997	1998	1997
<b>EMPLOYMENT OF CAPITAL</b>					
FIXED ASSETS	9	3,507.1	3,277.5	7.6	8.3
PROPERTY DEVELOPMENT	10	631.9	597.9	—	—
INVESTMENT PROPERTIES	11	73.7	73.7	—	—
SUBSIDIARY COMPANIES	12	—	—	2,115.9	1,922.2
ASSOCIATED COMPANIES	13	1,324.4	317.9	—	—
INVESTMENTS	14	7.3	122.1	—	—
EXPLORATION COST		399.2	207.0	—	—
DEFERRED TAXATION	15	—	—	15.1	15.0
<b>CURRENT ASSETS</b>					
Property development	10	175.4	135.5	—	—
Stocks	16	107.8	82.0	—	—
Trade debtors	17	102.4	399.5	—	—
Other debtors, deposits and prepayments	18	138.6	269.8	1.4	1.3
Short-term investments	19	405.4	1,125.9	186.4	241.2
Bank balances and deposits	20	1,466.9	1,348.6	394.4	343.3
		2,396.5	3,361.3	582.2	585.8
<b>LESS CURRENT LIABILITIES</b>					
Trade creditors		95.4	96.7	—	—
Other creditors and accrued expenses		380.3	347.5	14.3	10.6
Short-term borrowings	21	0.3	58.5	—	—
Provision for taxation		590.9	498.0	70.9	67.9
Proposed dividend		60.9	71.0	60.9	71.0
		1,127.8	1,071.7	146.1	149.5
<b>NET CURRENT ASSETS</b>					
		1,268.7	2,289.6	436.1	436.3
		7,212.3	6,885.7	2,574.7	2,381.8
<b>CAPITAL EMPLOYED</b>					
SHARE CAPITAL	22	352.2	352.2	352.2	352.2
RESERVES	23	4,421.4	4,130.9	2,161.4	1,969.9
SHAREHOLDERS' FUNDS		4,773.6	4,483.1	2,513.6	2,322.1
MINORITY INTERESTS		2,168.8	2,140.9	—	—
LONG-TERM LOANS	24	96.3	96.3	—	—
DEFERRED TAXATION	15	16.8	11.0	—	—
RETIREMENT BENEFITS AND GRATUITIES		156.8	154.4	61.1	59.7
		7,212.3	6,885.7	2,574.7	2,381.8
<b>NET TANGIBLE ASSETS PER SHARE</b>		<b>RM6.78</b>	<b>RM6.36</b>		

The notes set out on pages 24 to 42 form part of these accounts.

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

	1998	1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	909.7	1,542.5
Adjustments for:		
Write off of goodwill arising on acquisition of associated/subsidiary companies	373.2	45.6
Depreciation of fixed assets	215.0	167.6
Diminution in value of investments	17.9	—
Other non-cash items	7.9	11.9
Interest expense	7.2	3.8
Provision for retirement benefits and gratuities	3.0	9.1
(Gain)/Loss on currency translation	(16.5)	61.4
Investment income	(72.1)	(376.6)
Share in profits of associated companies	(106.3)	(84.8)
Interest income	(153.9)	(119.9)
	275.4	(281.9)
<b>Operating profit before changes in working capital</b>	1,185.1	1,260.6
Increase in property development	(39.9)	(107.4)
(Increase)/Decrease in stocks	(25.5)	13.2
Decrease/(Increase) in debtors, deposits and prepayments	382.9	(320.8)
Increase in creditors and accrued expenses	25.1	42.8
	342.6	(372.2)
<b>Cash generated from operations</b>	1,527.7	888.4
Taxation paid	(239.7)	(232.9)
Property development expenditure, net of progress billings	(44.2)	(21.1)
Retirement benefits and gratuities paid	(0.7)	(0.3)
	(284.6)	(254.3)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	1,243.1	634.1
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in associated companies	(1,142.1)	—
Purchase of fixed assets	(364.9)	(372.3)
Purchase of investments	(278.1)	(671.3)
Exploration cost incurred	(196.2)	(170.4)
Purchase of additional shares from minority shareholders	(4.3)	—
Acquisition of subsidiary companies **	(2.8)	(191.1)
Disposal of subsidiary companies *	0.7	1.1
Proceeds from disposal of assets	13.8	27.0
Interest received	153.7	127.4
Proceeds from sale of investments	394.8	942.2
Dividends received	1.6	1.8
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(1,423.8)	(305.6)

The notes set out on pages 24 to 42 form part of these accounts.

## CASH FLOWS FROM FINANCING ACTIVITIES

	1998	1997
Distribution received from associated company	5.2	—
(Advances to)/Repayments from associated companies	(3.6)	0.3
Interest paid	(4.0)	(3.6)
Repayment of short-term borrowings	(57.8)	(29.5)
Dividends paid to minority shareholders	(80.3)	(80.0)
Dividends paid	(103.9)	(103.5)
Increase in long-term loans	—	96.3
Redemption of preference shares in associated company	—	52.0
Proceeds from issue of shares	—	16.5
Drawdown of short-term borrowings	—	0.3

## NET CASH USED IN FINANCING ACTIVITIES

	(244.4)	(51.2)
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## NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS

	(425.1)	277.3
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## CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR

	2,188.7	1,911.4
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## CASH AND CASH EQUIVALENTS AT END OF THE YEAR

	1,763.6	2,188.7
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## ANALYSIS OF CASH AND CASH EQUIVALENTS

Bank balances and deposits	1,466.9	1,348.6
Money market instruments	296.8	840.6
	1,763.7	2,189.2
Bank overdrafts	(0.1)	(0.5)
	1,763.6	2,188.7

### \* Analysis of the disposal of subsidiary companies

Net assets disposed		
Fixed assets	2.9	1.1
Net working capital	(2.2)	—
	0.7	1.1
Total sales consideration	0.7	1.1
Cash and bank balances of subsidiary companies disposed	—	—
	0.7	1.1
Net cash inflow on disposal of subsidiary companies	0.7	1.1

### \*\* Analysis of the acquisition of subsidiary companies

Net assets acquired		
Fixed assets	133.7	0.7
Goodwill on consolidation	14.4	46.1
Minority interests	(11.6)	(137.1)
Investments	—	121.0
Property development	—	108.5
Provision for taxation	—	(1.3)
Provision for deferred taxation	—	(9.7)
	136.5	128.2
Net working capital	5.2	274.9
	141.7	403.1
Total purchase consideration/investment	141.7	403.1
Cash and bank balances of subsidiary companies acquired	(14.6)	(212.0)
Reclassification from long-term investment	(114.0)	—
	13.1	191.1
Balance of purchase consideration not paid	(10.3)	—
	2.8	191.1
Net cash outflow on acquisition of subsidiary companies	2.8	191.1

The notes set out on pages 24 to 42 form part of these accounts.

## NOTES TO THE ACCOUNTS

31 DECEMBER 1998

Amounts in RM million unless otherwise stated

### 1. PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, plantations, property development and management, tours and travel related services, investments, manufacturing and trading in paper and paper related products, generation and supply of electric power and oil and gas exploration.

Details of the principal activities of the Group are set out in Note 30 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Accounting Basis

The accounts have been prepared under the historical cost convention modified by the revaluation of certain fixed assets and land held for development and also in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

#### Basis of Consolidation

The consolidated accounts include the audited accounts of the Company and all its subsidiary companies made up to 31 December 1998.

The results of subsidiary companies acquired or disposed of during the year are included in the Group accounts from the effective date of acquisition or up to the date of disposal.

#### Fixed Assets and Depreciation

Fixed assets are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major groups of fixed assets are as follows:

Buildings and improvements	2 - 50%
Plant, equipment and vehicles	5 - 50%

With effect from the current financial year, the annual depreciation rate for computer equipment and building improvements are changed from 20% to 50% and 2% - 33 1/3% to 50% respectively so as to reflect more realistically the estimated useful life of these assets. The effect on the accounts of this change in accounting estimate is not material.

Leasehold properties are amortised over their respective periods of lease, ranging from 60 to 99 years.

Depreciation is not provided on leasehold properties with unexpired lease period of more than 99 years, freehold land and plantations and fixed assets which are under construction.

New planting expenditure is capitalised under plantation land while replanting expenditure is written off in the year in which it is incurred. Replanting expenditure represents the total cost incurred from land clearing to the point of harvesting.

The initial cost of operating assets such as soft furnishing and kitchen utensils have been capitalised and included under plant and equipment and are not depreciated. Subsequent acquisitions to replace these operating assets are written off in the year in which they are acquired.

#### Goodwill

Goodwill arising on consolidation which represents the excess of the purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition, is written off through the profit and loss account in the year of acquisition.

#### Property Development and Recognition of Profits

Profits on property development projects are recognised based on the percentage of completion method. Under this method, profits are recognised as the property project progresses. Profits are, however, recognised only in respect of sales where agreements have been finalised by the end of the financial year.

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****Investment Properties**

Investment properties, which are not depreciated, are stated at cost or at Directors' valuation. These are properties held for long-term purposes for investment potential and rental income in future. Directors' valuation recognises the value of the investment property based on latest valuation report by an independent firm of professional valuers using the open market value basis. The investment properties will be revalued at regular intervals.

**Investments**

Investments in subsidiary companies and other long-term investments are stated at cost. Investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

Short-term investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value.

**Exploration Cost**

Exploration cost is accounted for in accordance with the full cost method. Under this method, all costs relating to the exploration activities are capitalised when incurred. Where it is determined that the exploration activities will not yield significant oil and gas discoveries, the exploration cost will be written off to the profit and loss account.

**Associated Companies**

An associated company is a company, other than a subsidiary company, in which the Group has a long term equity interest of between 20% to 50% and where the Group has representation on the board and is in a position to exercise significant influence.

The Group's share of the profits less losses of associated companies is included in the consolidated profit and loss account and the Group's interest in associated companies is stated at cost net of goodwill written off plus adjustments to reflect changes in the Group's share of the net assets of the associated companies.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average or first in, first out basis.

**Retirement Benefits and Gratuities**

Provisions relating to retirement benefits contained in Collective Agreements of certain subsidiary companies are computed based on a fixed monetary scale and length of service of all eligible employees.

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors ("participants") of the Company and certain subsidiary companies. Provision for retirement gratuities under this scheme is computed based on length of service and basic salary. Retirement gratuities in respect of services rendered prior to 1991 is provided over periods not exceeding the retirement age of participants.

**Deferred Taxation**

Deferred tax accounting using the "liability" method is adopted by the Group. Deferred taxation provides for the effects of timing differences between accounting income and taxable income arising from the inclusion of items in different periods. Tax effects of timing differences are not recognised in respect of timing differences which are not expected to reverse in the foreseeable future.

**Foreign Currencies**

The accounts are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies have been translated into RM at the rates ruling on the dates of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at approximately the rates ruling on that date. Gains and losses arising from translation are included in the profit and loss account. However, translation gains and losses arising from transactions which provide an effective hedge against investments in foreign currencies are taken to reserves. The corresponding translation gains and losses arising from such investments are also taken to reserves.

Profit and loss accounts of subsidiary and associated companies in other reporting currencies are translated into RM at average rates for the financial year and the balance sheets are translated at rates approximate to those ruling at the year end. Exchange differences arising from the translation of profit and loss accounts at average rates and balance sheets at year end rates, and the restatement at year end rates of the opening net investments in such subsidiary and associated companies are taken to reserves.



## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), deposits and other short term, highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value.

## 3. OPERATING REVENUE

Operating revenue, other than those arising from property development projects and casino operations, represents the invoiced value receivable for goods and services supplied, commodities sold, income from investments and proceeds from sale of investments. For property development projects, revenue is recognised as the project activity progresses and is in respect of sales where agreements have been finalised by the end of the financial year. Casino revenue represents net house takings.

The casino licence is renewable every three months.

## 4. SEGMENT ANALYSIS

	<b>Operating Revenue</b>		<b>Profit/(Loss) Before Taxation</b>		<b>Assets Employed</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
<b>By activity</b>						
Leisure & Hospitality	<b>2,320.1</b>	2,287.2	<b>829.2</b>	921.9	<b>2,354.1</b>	2,177.8
Plantations	<b>263.7</b>	187.8	<b>142.4</b>	71.1	<b>474.9</b>	477.1
Properties	<b>116.8</b>	161.9	<b>32.0</b>	52.3	<b>1,202.1</b>	1,063.9
Paper	<b>272.1</b>	238.8	<b>13.7</b>	25.3	<b>723.0</b>	701.9
Oil & Gas	<b>—</b>	—	<b>(17.8)</b>	(30.6)	<b>418.2</b>	207.5
	<b>2,972.7</b>	2,875.7	<b>999.5</b>	1,040.0	<b>5,172.3</b>	4,628.2
Investment in associated companies	<b>442.3</b>	277.5	<b>106.3</b>	84.8	<b>1,324.4</b>	317.9
Non-Segment Items						
– Interest bearing investments	<b>—</b>	—	<b>146.8</b>	116.0	<b>1,646.1</b>	2,084.8
– Short-term equity investments & others	<b>397.1</b>	946.3	<b>(342.9)</b>	301.7	<b>197.3</b>	926.5
	<b>3,812.1</b>	4,099.5	<b>909.7</b>	1,542.5	<b>8,340.1</b>	7,957.4
Adjustment relating to share of operating revenue of associated companies	<b>(442.3)</b>	(277.5)	<b>—</b>	—	<b>—</b>	—
	<b>3,369.8</b>	3,822.0	<b>909.7</b>	1,542.5	<b>8,340.1</b>	7,957.4
<b>By geographical location</b>						
Malaysia	<b>3,256.3</b>	3,155.1	<b>1,116.7</b>	1,129.5	<b>5,030.0</b>	4,752.3
Outside Malaysia	<b>158.5</b>	—	<b>20.5</b>	—	<b>952.7</b>	—
Non-Segment Items						
– Interest bearing investments	<b>—</b>	—	<b>146.8</b>	116.0	<b>1,646.1</b>	2,084.8
– Short-term equity investments & others	<b>397.3</b>	944.4	<b>(374.3)</b>	297.0	<b>711.3</b>	1,120.3
	<b>3,812.1</b>	4,099.5	<b>909.7</b>	1,542.5	<b>8,340.1</b>	7,957.4
Adjustment relating to share of operating revenue of associated companies	<b>(442.3)</b>	(277.5)	<b>—</b>	—	<b>—</b>	—
	<b>3,369.8</b>	3,822.0	<b>909.7</b>	1,542.5	<b>8,340.1</b>	7,957.4

Included in Profit/(Loss) Before Taxation of short-term equity investments & others is the write off of goodwill arising on acquisition of associated/subsidiary companies.

Interest income, interest expense, short-term deposits and investments are not attributable to any activity and geographical segment and are therefore included under Non-Segment Items. Immaterial segments are not separately identified and, for presentation purposes, are also included under Non-Segment Items.

## 5. PROFIT BEFORE TAXATION

	Group		Company	
	1998	1997	1998	1997
Operating revenue	3,369.8	3,822.0	378.6	396.2
Other income	260.3	204.7	61.2	65.7
	<b>3,630.1</b>	<b>4,026.7</b>	<b>439.8</b>	<b>461.9</b>
Operating expenses	(1,996.8)	(2,139.1)	–	–
Other expenses	(723.6)	(345.1)	(45.5)	(37.2)
	<b>909.7</b>	<b>1,542.5</b>	<b>394.3</b>	<b>424.7</b>

Profit before taxation has been determined after inclusion of the following charges and credits:

	Group		Company	
	1998	1997	1998	1997
	RM'000	RM'000	RM'000	RM'000
<b>Charges:</b>				
Depreciation of fixed assets	214,950	167,580	2,136	1,400
Directors' remuneration:				
Directors' fees				
– From the Company	365	405	365	405
– From subsidiary companies	328	294	–	–
Provision for retirement benefits and gratuities				
– From the Company	652	(423)	652	(423)
– From subsidiary companies	1,219	182	–	–
Professional fees				
– From the Company	240	240	240	240
Other emoluments				
– From the Company	22,246	15,913	22,246	15,913
– From subsidiary companies	24,057	17,586	–	–
Provision for retirement benefits and gratuities	1,080	9,615	772	672
Replanting expenditure	6,620	7,458	–	–
Hire of equipment	4,229	4,939	–	–
Interest on short-term borrowings	7,166	3,850	–	–
Rental of land and buildings	2,339	1,388	–	–
Auditors' remuneration	754	778	39	39
Diminution in value of investments	17,859	–	–	–
Fixed assets written off	39,774	–	–	–
Exceptional charges (Note 6)	302,660	–	–	–
Expenditure paid to subsidiary companies:				
– Rental of land and buildings	–	–	1,787	1,736
<b>Credits:</b>				
Interest income	153,945	119,881	47,653	19,416
Share in profits of associated companies	106,324	84,830	–	–
Rental income from land and buildings	32,948	33,820	–	–
Dividends (gross) from:				
– Quoted foreign corporations	1,553	1,818	–	–
Exceptional credits (Note 6)	–	304,152	–	19,849
Income from subsidiary companies:				
– Management and licensing fees	–	–	232,865	232,172
– Gross dividends	–	–	145,723	163,999
– Interest income	–	–	12,763	23,966

## 6. EXCEPTIONAL ITEMS

Profit before taxation includes the following exceptional charges and credits:

	<b>Group</b>		<b>Company</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
Gain on sale of investments	<b>70.5</b>	374.8	–	–
Write off of goodwill arising on acquisition of associated/subsidiary companies	<b>(373.2)</b>	(45.6)	–	–
Fixed assets written-down	–	(25.0)	–	–
Gain on sale of shares in subsidiary companies to other subsidiary companies	–	–	–	19.8
	<b>(302.7)</b>	304.2	–	19.8

## 7. TAXATION

	<b>Group</b>		<b>Company</b>	
	<b>1998</b>	<b>1997</b>	<b>1998</b>	<b>1997</b>
Current taxation				
Malaysian taxation	<b>335.4</b>	315.0	<b>109.1</b>	105.2
Foreign taxation	<b>0.5</b>	0.2	–	–
	<b>335.9</b>	315.2	<b>109.1</b>	105.2
Deferred taxation	<b>28.2</b>	31.5	<b>(0.2)</b>	1.5
	<b>364.1</b>	346.7	<b>108.9</b>	106.7

The effective tax rate in 1998 for the Group is higher than the statutory tax rate mainly due to certain exceptional charges which are disallowed for tax purposes. However, for the previous year the effective tax rate of the Group and of the Company was lower than the statutory tax rate mainly because the profit of the Group and of the Company included tax exempt dividend income and/or tax exempt income of subsidiary companies.

There is no material adjustment for under or over-provision in respect of prior years.

## 8. DIVIDENDS

	<b>1998</b>	<b>1997</b>
Interim – 6.5 sen less 28% tax [1997 – 7.0 sen less 30% tax (now deemed as 28%)] per share	<b>33.0</b>	34.5
Proposed final - 12.0 sen less 28% tax [1997 – 14.0 sen less 28% tax] per share	<b>60.9</b>	71.0
Final dividend - 1996 – On additional shares issued pursuant to the exercise of share options prior to entitlement date	–	0.2
	<b>93.9</b>	105.7

## 9. FIXED ASSETS

1998 Group	Freehold land and plantations	Long leasehold land and plantations	Short leasehold land	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Cost except as otherwise stated:								
Beginning of the year	426.0	226.6	3.8	1,636.3	142.7	1,517.5	130.1	4,083.0
Additions/ Reclassifications	(8.1)	15.8	—	164.3	2.9	148.4	41.6	364.9
Disposals	(1.1)	(0.2)	—	—	—	(1.1)	—	(2.4)
Written off	—	—	—	(31.5)	—	(11.0)	(4.6)	(47.1)
Acquisitions less divestments	—	57.9	—	—	62.3	13.3	0.2	133.7
Currency fluctuations	—	—	(2.6)	—	—	(0.3)	(7.8)	(10.7)
Others	(12.8)	13.3	—	(1.8)	—	2.4	—	1.1
End of the year	404.0	313.4	1.2	1,767.3	207.9	1,669.2	159.5	4,522.5
Accumulated depreciation:								
Beginning of the year	—	(5.7)	(0.9)	(162.3)	(3.1)	(633.5)	—	(805.5)
Charge for the year	—	(2.0)	(0.2)	(39.3)	(3.2)	(170.3)	—	(215.0)
Disposals	—	—	—	—	—	0.9	—	0.9
Written off	—	—	—	1.0	—	6.4	—	7.4
Acquisitions less divestments	—	—	—	—	(1.0)	(1.9)	—	(2.9)
Currency fluctuations	—	—	0.7	—	—	0.2	—	0.9
Others	—	(0.5)	—	0.9	(0.9)	(0.7)	—	(1.2)
End of the year	—	(8.2)	(0.4)	(199.7)	(8.2)	(798.9)	—	(1,015.4)
Net book value at beginning of the year	426.0	220.9	2.9	1,474.0	139.6	884.0	130.1	3,277.5
Net book value at end of the year	404.0	305.2	0.8	1,567.6	199.7	870.3	159.5	3,507.1
Comprising:								
Cost	60.5	261.9	1.2	1,637.6	207.9	1,630.4	159.5	3,959.0
At valuation:								
— 1981	121.6	—	—	—	—	—	—	121.6
— 1982	8.8	—	—	49.4	—	30.2	—	88.4
— 1983	112.1	—	—	2.3	—	—	—	114.4
— 1986	—	—	—	—	—	8.6	—	8.6
— 1989	83.3	—	—	77.3	—	—	—	160.6
— 1991	—	34.0	—	0.7	—	—	—	34.7
— 1995	—	17.5	—	—	—	—	—	17.5
— 1996	17.7	—	—	—	—	—	—	17.7
	404.0	313.4	1.2	1,767.3	207.9	1,669.2	159.5	4,522.5

## 9. FIXED ASSETS (Cont'd)

1997 Group	Freehold land and plantations	Long leasehold land and plantations	Short leasehold land	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Cost except as otherwise stated:								
Beginning of the year	412.6	204.1	6.5	1,412.6	99.8	1,183.9	400.3	3,719.8
Additions/Reclassifications	15.5	22.7	(2.7)	226.3	45.5	320.1	(255.1)	372.3
Disposals	(2.1)	—	—	(2.4)	—	(7.0)	(23.4)	(34.9)
Acquisitions less divestments	—	(0.2)	—	(0.1)	—	—	—	(0.3)
Currency fluctuations	—	—	—	(0.1)	—	20.5	(5.0)	15.4
Others	—	—	—	—	(2.6)	—	13.3	10.7
End of the year	426.0	226.6	3.8	1,636.3	142.7	1,517.5	130.1	4,083.0
Accumulated depreciation:								
Beginning of the year	—	(3.8)	(0.7)	(128.7)	(2.2)	(498.0)	—	(633.4)
Charge for the year	—	(2.0)	(0.2)	(35.7)	(2.0)	(128.2)	—	(168.1)
Disposals	—	—	—	0.4	—	5.3	—	5.7
Currency fluctuations	—	0.1	—	1.7	—	2.4	—	4.2
Others	—	—	—	—	1.1	(15.0)	—	(13.9)
End of the year	—	(5.7)	(0.9)	(162.3)	(3.1)	(633.5)	—	(805.5)
Net book value at beginning of the year	412.6	200.3	5.8	1,283.9	97.6	685.9	400.3	3,086.4
Net book value at end of the year	426.0	220.9	2.9	1,474.0	139.6	884.0	130.1	3,277.5
Comprising:								
Cost	81.2	175.1	3.8	1,506.6	142.7	1,478.7	130.1	3,518.2
At valuation:								
— 1981	122.9	—	—	—	—	—	—	122.9
— 1982	8.8	—	—	49.4	—	30.2	—	88.4
— 1983	112.1	—	—	2.3	—	—	—	114.4
— 1986	—	—	—	—	—	8.6	—	8.6
— 1989	83.3	—	—	77.3	—	—	—	160.6
— 1991	—	34.0	—	0.7	—	—	—	34.7
— 1995	—	17.5	—	—	—	—	—	17.5
— 1996	17.7	—	—	—	—	—	—	17.7
	426.0	226.6	3.8	1,636.3	142.7	1,517.5	130.1	4,083.0

The depreciation of fixed assets for the Group in 1997 includes a charge to pre-operating expenses of RM0.5 million.

All valuations of fixed assets have been made by the Directors based upon valuations carried out by independent firms of professional valuers using fair market value basis except for assets revalued in 1991, which were based on the values determined by a regulatory authority in connection with a restructuring exercise.

## 9. FIXED ASSETS (Cont'd)

1998 Company	Freehold buildings and improvements	Plant, equipment and vehicles	Total
Cost:			
Beginning of the year	7.0	13.4	20.4
Additions	0.5	1.0	1.5
Disposals	-	(0.3)	(0.3)
End of the year	7.5	14.1	21.6
Accumulated depreciation:			
Beginning of the year	(3.3)	(8.8)	(12.1)
Charge for the year	(0.3)	(1.8)	(2.1)
Disposals	-	0.2	0.2
End of the year	(3.6)	(10.4)	(14.0)
Net book value at beginning of the year	3.7	4.6	8.3
Net book value at end of the year	3.9	3.7	7.6
1997 Company			
Cost:			
Beginning of the year	7.3	11.9	19.2
Additions	0.3	1.6	1.9
Disposals	(0.6)	(0.1)	(0.7)
End of the year	7.0	13.4	20.4
Accumulated depreciation:			
Beginning of the year	(3.4)	(7.8)	(11.2)
Charge for the year	(0.3)	(1.1)	(1.4)
Disposals	0.4	0.1	0.5
End of the year	(3.3)	(8.8)	(12.1)
Net book value at beginning of the year	3.9	4.1	8.0
Net book value at end of the year	3.7	4.6	8.3

## 10. PROPERTY DEVELOPMENT

	<b>Group</b>	
	<b>1998</b>	<b>1997</b>
Land held for development		
At cost	<b>113.7</b>	115.9
At valuation – 1981	<b>9.4</b>	9.5
At valuation – 1983	<b>51.7</b>	51.7
At valuation – 1989	<b>181.4</b>	181.4
At valuation – 1995	<b>74.8</b>	77.8
At valuation – 1996	<b>90.2</b>	90.2
	<hr/>	<hr/>
	<b>521.2</b>	526.5
Development expenditure	<b>478.5</b>	344.0
	<hr/>	<hr/>
	<b>999.7</b>	870.5
Less: Non-current portion	<b>(631.9)</b>	(597.9)
	<hr/>	<hr/>
	<b>367.8</b>	272.6
Add: Attributable profits	<b>76.1</b>	65.3
	<hr/>	<hr/>
	<b>443.9</b>	337.9
Less: Progress billings	<b>(268.5)</b>	(202.4)
	<hr/>	<hr/>
Current portion	<b>175.4</b>	135.5
	<hr/>	<hr/>

The bases of valuation of land held for development are consistent with those indicated in Note 9.

The Group considers those portions of property development projects in which development works are expected to complete within the normal operating cycle of one to three years as current assets.

## 11. INVESTMENT PROPERTIES

	<b>Group</b>	
	<b>1998</b>	<b>1997</b>
Completed development		
– At cost	<b>35.1</b>	35.1
– At valuation – 1989	<b>38.6</b>	38.6
	<hr/>	<hr/>
	<b>73.7</b>	73.7
	<hr/>	<hr/>

## 12. SUBSIDIARY COMPANIES

	<b>Company</b>	
	<b>1998</b>	<b>1997</b>
Quoted shares in Malaysia – at cost	<b>570.0</b>	524.6
Unquoted shares – at cost	<b>1,413.8</b>	1,229.3
	<hr/>	<hr/>
	<b>1,983.8</b>	1,753.9
Amount due from subsidiary companies	<b>165.8</b>	193.7
Amount due to subsidiary companies	<b>(33.7)</b>	(25.4)
	<hr/>	<hr/>
	<b>2,115.9</b>	1,922.2
	<hr/>	<hr/>
Market value of quoted shares	<b>3,139.7</b>	4,280.9
	<hr/>	<hr/>

The subsidiary companies are listed in Note 30.

### 13. ASSOCIATED COMPANIES

	Group	
	1998	1997
Unquoted		
– Shares at cost less goodwill written off	1,017.7	119.9
– Group's share of post acquisition reserves	254.7	180.6
	<hr/>	<hr/>
	1,272.4	300.5
– Amount due from associated companies	52.0	17.4
	<hr/>	<hr/>
	1,324.4	317.9
	<hr/>	<hr/>

The associated companies are listed in Note 30.

### 14. INVESTMENTS

	Group	
	1998	1997
Quoted – at cost, less amount written off		
Shares in foreign corporations	1.4	2.0
Unquoted – at cost		
Shares in Malaysian corporations	2.2	116.2
Other investment outside Malaysia	3.7	3.9
	<hr/>	<hr/>
	7.3	122.1
	<hr/>	<hr/>
Market value of quoted shares	1.4	3.1
	<hr/>	<hr/>

### 15. DEFERRED TAXATION

	Group		Company	
	1998	1997	1998	1997
Excess of capital allowances over depreciation	(41.0)	(42.9)	(0.4)	(0.5)
Timing differences arising from provisions	24.2	31.9	15.5	15.5
	<hr/>	<hr/>	<hr/>	<hr/>
	(16.8)	(11.0)	15.1	15.0
	<hr/>	<hr/>	<hr/>	<hr/>

The tax effects relating to the increase in the carrying values of certain revalued assets are not disclosed as there is no intention to dispose of these assets in the foreseeable future.

### 16. STOCKS

	Group	
	1998	1997
Produce stocks and finished goods	35.6	23.9
Stores and spares	38.6	27.3
Raw materials, food, beverages and other hotel supplies	33.6	30.8
	<hr/>	<hr/>
	107.8	82.0
	<hr/>	<hr/>



## 17. TRADE DEBTORS

	Group	
	1998	1997
Trade debtors	105.5	402.4
Provision for doubtful debts	(3.1)	(2.9)
	<b>102.4</b>	<b>399.5</b>

## 18. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

Other debtors, deposits and prepayments include the following:

	Group	
	1998	1997
Housing loans extended to executive directors of certain subsidiary companies	0.3	0.7
Amount due from Star Cruises Group, a former subsidiary company of Genting International PLC	—	83.5

## 19. SHORT-TERM INVESTMENTS

	Group		Company	
	1998	1997	1998	1997
Quoted – at cost				
Shares in Malaysian corporations	17.7	8.9	—	—
Shares in foreign corporations	108.5	140.3	—	—
	<b>126.2</b>	<b>149.2</b>	<b>—</b>	<b>—</b>
Unquoted – at cost				
Shares in foreign corporation	—	136.1	—	—
Money market instruments	296.8	840.6	186.4	241.2
	<b>423.0</b>	<b>1,125.9</b>	<b>186.4</b>	<b>241.2</b>
Less: Diminution in value of investments	(17.6)	—	—	—
	<b>405.4</b>	<b>1,125.9</b>	<b>186.4</b>	<b>241.2</b>
Market value of quoted shares	114.1	246.8	—	—

## 20. BANK BALANCES AND DEPOSITS

	Group		Company	
	1998	1997	1998	1997
Deposits with licensed banks	1,292.4	1,231.3	348.1	341.0
Deposits with finance companies	45.2	—	44.1	—
Cash and bank balances	129.3	117.3	2.2	2.3
	<b>1,466.9</b>	<b>1,348.6</b>	<b>394.4</b>	<b>343.3</b>

## 21. SHORT-TERM BORROWINGS

	Group	
	1998	1997
Unsecured facilities:		
Revolving credits	–	57.7
Bank overdrafts	0.1	0.5
Secured facility:		
Short-term loan	0.2	0.3
	<b>0.3</b>	<b>58.5</b>

The above borrowings obtained by subsidiary companies are unsecured and bear interest at rates that vary according to the banks' cost of funds, whilst the secured short-term loan bears interest at rates ranging from 0.66% to 1% (1997 : 1%) per month and is repayable on demand.

## 22. SHARE CAPITAL

	1998	1997
Authorised 1,600 million ordinary shares of 50 sen each	<b>800.0</b>	800.0
Issued and fully paid ordinary shares of 50 sen each:		
At beginning of the year – 704.4 million (1997: 702.2 million) ordinary shares of 50 sen each	<b>352.2</b>	351.1
Issued during the year	–	1.1
At end of the year	<b>352.2</b>	<b>352.2</b>

At the year end, options to subscribe for 3,722,000 unissued ordinary shares of 50 sen each under The Genting Employees' Share Option Scheme were outstanding.

The outstanding options granted in previous years are exercisable as follows:

Exercisable Period		Subscription price per share RM	1998 Number of shares in thousand	1997 Number of shares in thousand
From	To			
16 December 1998	15 December 1999	19.80	<b>918</b>	955
16 March 1999	15 December 1999	19.80	<b>918</b>	955
16 June 1999	15 December 1999	19.80	<b>918</b>	955
16 September 1999	15 December 1999	19.80	<b>968</b>	1,007
			<b>3,722</b>	<b>3,872</b>

## 23. RESERVES

	Group		Company	
	1998	1997	1998	1997
<b>NON-DISTRIBUTABLE RESERVES:</b>				
<b>SHARE PREMIUM</b>				
At beginning of the year	97.8	82.4	97.8	82.4
Arising from shares issued during the year	—	15.4	—	15.4
At end of the year	97.8	97.8	97.8	97.8
<b>REVALUATION RESERVES</b>				
At beginning of the year	404.9	403.2	—	—
Movement during the year	(0.2)	1.7	—	—
At end of the year	404.7	404.9	—	—
<b>OTHER RESERVES</b>				
<b>Exchange Differences</b>				
At beginning of the year	133.9	8.0	—	—
Movement during the year	(26.5)	125.9	—	—
At end of the year	107.4	133.9	—	—
<b>Reserves Arising On Consolidation</b>				
At beginning of the year	3.2	1.8	—	—
Goodwill written off on disposal of a subsidiary company	—	1.4	—	—
Realised during the year	(3.2)	—	—	—
At end of the year	—	3.2	—	—
<b>DISTRIBUTABLE RESERVE:</b>				
<b>UNAPPROPRIATED PROFIT</b>	3,811.5	3,491.1	2,063.6	1,872.1
	<b>4,421.4</b>	<b>4,130.9</b>	<b>2,161.4</b>	<b>1,969.9</b>

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank approximately RM1,643.1 million (1997 : RM1,466.2 million) of the Company's unappropriated profit if distributed by way of dividend without additional tax liabilities being incurred.

In accordance with Section 365 of the Companies Act, 1965, the amount of unappropriated profit that can be distributed as dividends should not exceed the after-tax profit of the current financial year or the average dividends declared in respect of the two financial years immediately preceding the current financial year, whichever is greater.

## 24. LONG-TERM LOANS

	Group	
	1998	1997
Redeemable fixed rate secured bonds	82.0	82.0
Long-term advance	14.3	14.3
	<b>96.3</b>	<b>96.3</b>

The redeemable fixed rate secured bonds are issued by a subsidiary company under a bond facility fully underwritten by a bank amounting to RM82.0 million. The bonds are secured by way of first fixed and floating charges on the present and future assets, revenues, rights, claims and undertakings of the subsidiary company.

The tenor of the bonds is for five years and are redeemable at par on maturity date together with accrued interest. Interest on these bonds is payable semi-annually and is fixed at 8.6% per annum.

The long-term advance represents an unsecured, interest-free advance from a minority shareholder in a subsidiary company.

## 25. EARNINGS PER SHARE

Earnings per ordinary share is calculated based on the Group profit attributable to shareholders of RM414.3 million (1997: RM771.3 million) and the weighted average number of ordinary shares in issue of 704.4 million shares (1997: 703.8 million shares).

## 26. CONTINGENT LIABILITY

	Group	
	1998	1997
Unsecured guarantee given by a subsidiary company to a trustee of a golf and country club owned by an indirect, wholly-owned subsidiary company in respect of the utilisation of a performance bond by the said subsidiary company	18.4	—
Secured guarantees given by a subsidiary company to third parties in relation to certain property development activity in Sydney, Australia	4.3	4.6

## 27. CAPITAL COMMITMENTS

	Group	
	1998	1997
Authorised capital expenditure not provided for in the accounts:		
— contracted	270.9	263.3
— not contracted	99.4	112.3
	<b>370.3</b>	<b>375.6</b>

## 28. SIGNIFICANT RELATED PARTY TRANSACTION

On 30 June 1998, Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of Resorts World Berhad ("RWB") which in turn is a 55.5% owned subsidiary of the Company, subscribed for 125.0 million new ordinary shares of US\$0.10 each in Star Cruises PLC ("SCPLC"), representing approximately 20% equity interest in SCPLC, for a cash consideration of US\$262.5 million (RM974.7 million) or at US\$2.10 per share.

The subscription price of US\$2.10 per share was based primarily on the average market price of SCPLC shares since its listing and quotation on the Luxembourg Stock Exchange and on the Central Limit Order Book International, Singapore, up to 8 April 1998 being the last date before the announcement of the proposed subscription.

The subscription by RWL of the new ordinary shares in SCPLC was approved by the shareholders of RWB at an Extraordinary General Meeting.

As at 31 December 1998, RWL had invested approximately 167.0 million shares in SCPLC representing an equity interest of 26.8%. The acquisition resulted in a goodwill of approximately RM358.8 million. The entire goodwill amount has been written off through the Profit and Loss Account of RWL in 1998.

The nature and extent of the interests of the directors concerned are as set out below:

- |                             |  |
|-----------------------------|--|
| Tan Sri Lim Goh Tong        | – a shareholder of SCPLC and a preference unit holder of the Golden Hope Unit Trust ("GHUT"), which is a substantial shareholder of SCPLC and of which Golden Hope Limited ("GHL") is acting as its trustee, and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT. |
| Dato' Lim Kok Thay          | – a director and shareholder of SCPLC and a director of GHL, the trustee of the GHUT and a preference unit holder of the GHUT and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT. He is a member of the family of Tan Sri Lim Goh Tong.                          |
| Dato' Lim Tee Keong         | – a member of the family of Tan Sri Lim Goh Tong.  |
| Mr Colin Au Fook Yew        | – a director and shareholder of SCPLC.   |
| Tan Sri Mohd Amin bin Osman | – a call option holder of shares in SCPLC.   |
| Mr Teo Eng Siong            | – a director of GHL and a call option holder of shares in SCPLC.   |

Other than the above, there are no material related party transactions.

## 29. COMPARATIVES

Certain figures relating to the previous year have been reclassified to conform with the current year's presentation.

## 30. SUBSIDIARY AND ASSOCIATED COMPANIES

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<b><u>Direct Subsidiary Companies</u></b>				
# Asiatic Development Berhad	54.7	54.7	Malaysia	Plantations
GB Credit & Leasing Sdn Bhd	69.5	69.5	Malaysia	Leasing and moneylending
* Genting Equities (Hong Kong) Limited	100	100	Hong Kong	Investments
Genting Highlands Tours and Promotion Sdn Bhd	100	100	Malaysia	Leasing
Genting Hotel & Resorts Management Sdn Bhd	100	100	Malaysia	Management services
Genting Information Systems Sdn Bhd	100	100	Malaysia	Supplier of information technology products and services
* Genting International Paper Holdings Limited	100	100	Isle of Man	Investment holding
Genting Management and Consultancy Services Sdn Bhd	100	100	Malaysia	Management services
* Genting Overseas Holdings Limited	100	100	Isle of Man	Investment holding
Maxitage Sdn Bhd	100	100	Malaysia	Investments
Oakwood Sdn Bhd	100	100	Malaysia	Property investment and management
Resorts World Bhd	55.5	54.9	Malaysia	Resort, hotel and gaming operations
* Resorts World Bhd (Hong Kong) Limited	100	100	Hong Kong	Dormant
+ Resorts World (Singapore) Pte Ltd	100	100	Singapore	Dormant
Genting Assets Management Services Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Aviation Sdn Bhd	100	100	Malaysia	Pre-operating
* Genting Bhd (Hong Kong) Limited	100	100	Hong Kong	Pre-operating
Genting Industries Sdn Bhd	100	100	Malaysia	Pre-operating
Genting (Labuan) Limited	100	–	Labuan, Malaysia	Pre-operating
Genting Permata Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Plantations Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Realty Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Resorts World Sdn Bhd	100	100	Malaysia	Pre-operating
* Genting Sanyen Newsprint Sdn Bhd	99.9	99.9	Malaysia	Pre-operating
+ Genting (Singapore) Pte Ltd	100	100	Singapore	Pre-operating
* Oxalis Limited	100	100	Isle of Man	Pre-operating
* Resorts World Limited	100	100	Hong Kong	Pre-operating
Sri Highlands Express Sdn Bhd	100	100	Malaysia	Pre-operating
<b><u>Indirect Subsidiary Companies</u></b>				
# ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	54.7	54.7	Malaysia	Provision of palm oil mill management services
# Amalgamated Rubber (Penang) Sdn Bhd	54.7	54.7	Malaysia	Investments
# AR Property Development Sdn Bhd	54.7	54.7	Malaysia	Plantations
# Asiatic Golf Course (Sg Petani) Bhd	54.7	54.7	Malaysia	Golf course
# Asiatic Indahpura Development Sdn Bhd	38.2	38.2	Malaysia	Property development
# Asiatic Land Development Sdn Bhd	54.7	54.7	Malaysia	Property development
+ Asiatic Overseas Limited	54.7	54.7	Isle of Man	Investments
* Awan Ria (M) Sdn Bhd	97.7	97.7	Malaysia	Investment holding
Awana Hotels & Resorts Management Sdn Bhd	100	100	Malaysia	Management services
Awana Vacation Resorts Development Berhad	55.5	54.9	Malaysia	Operating & managing a proprietary timeshare ownership scheme
# Ayer Item Oil Mill Sdn Bhd	54.7	54.7	Malaysia	FFB processing
+ Azzon Limited	54.7	54.7	Isle of Man	Investments
Bandar Pelabuhan Sdn Bhd	33.3	–	Malaysia	Investment holding
* Cairns Limited	100	100	Isle of Man	Oil & gas exploration
* Coveyork Pty Ltd	100	–	Australia	Oil & gas exploration
Genasa Sdn Bhd	55.5	54.9	Malaysia	Sale and letting of apartment
* Genting Administrative Services Sdn Bhd	55.5	54.9	Malaysia	Investment holding
* Genting Australia Investments Holding Pty Ltd	64.8	64.8	Australia	Property development
* Genting Australia Pty Ltd	64.8	64.8	Australia	Management services
Genting Centre of Excellence Sdn Bhd	55.5	54.9	Malaysia	Training services
Genting Entertainment Sdn Bhd	55.5	54.9	Malaysia	Entertainment business
Genting Golf Course Bhd	55.5	54.9	Malaysia	Golf resort, condotel, hotel operations and property development

### 30. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<b><u>Indirect Subsidiary Companies (Cont'd)</u></b>				
Genting Highlands Berhad	55.5	54.9	Malaysia	Land and property development
* Genting International Industries (Singapore) Pte Ltd	97.7	97.7	Singapore	Investment holding
* Genting International Management Limited	64.8	64.8	Isle of Man	Investment holding
* Genting International PLC	64.8	64.8	Isle of Man	Investment holding
* Genting International Paper Limited	100	100	Isle of Man	Investment holding
* Genting International Paper Manufacturers Limited	97.7	97.7	Isle of Man	Investment holding
* Genting International Paper (Netherlands) B.V.	100	100	Netherlands	Management & consultancy services
* Genting International Properties Limited	64.8	64.8	Isle of Man	Investment holding
* Genting International (Singapore) Pte Ltd	64.8	64.8	Singapore	Tour promotion
* Genting Investments Limited	64.8	64.8	Isle of Man	Trading
Genting Leisure Sdn Bhd	55.5	54.9	Malaysia	Investment holding
* Genting Management (Western Australia) Pty Ltd	64.8	64.8	Australia	Investment
* Genting Oil & Gas Limited	100	100	Isle of Man	Investment holding
* Genting Power Holdings Limited	100	100	Isle of Man	Investment holding
* Genting Power (M) Limited	100	97.7	Isle of Man	Investment holding
Genting Property Management Sdn Bhd	55.5	54.9	Malaysia	Property management
* Genting (South Australia) Pty Ltd	64.8	64.8	Australia	Investment
* Genting Sanyen Industrial Paper Sdn Bhd	97.7	97.7	Malaysia	Manufacturing and trading of paper products
* Genting Sanyen (Malaysia) Sdn Bhd	97.7	97.7	Malaysia	Investment holding
* Genting Sanyen Paperboard Sdn Bhd	97.7	97.7	Malaysia	Manufacturing and trading of paper products
* Genting Sanyen Utilities & Services Sdn Bhd	97.7	97.7	Malaysia	Provision and sale of utilities
Genting Utilities & Services Sdn Bhd	55.5	54.9	Malaysia	Provision of utilities services
* Genting (Western Australia) Pty Ltd	64.8	64.8	Australia	Investment
Genting World Sdn Bhd	55.5	54.9	Malaysia	Leisure and entertainment business
Gentinggi Sdn Bhd	55.5	54.9	Malaysia	Investment holding
# Glugor Development Sdn Bhd	54.7	54.7	Malaysia	Investments
* Ideal Meridian Sdn Bhd	97.7	97.7	Malaysia	Manufacturing and sale of paper core
* Infomart Sdn Bhd	100	100	Malaysia	Management & consultancy services
* Kazzon Limited	64.8	64.8	Isle of Man	Investment
Kijal Resort Sdn Bhd	38.8	38.4	Malaysia	Property development and property management
* Lafleur Limited	55.5	54.9	Isle of Man	Investment holding
* Lance Limited	64.8	64.8	Isle of Man	Investment
# Landworthy Sdn Bhd	45.9	45.9	Malaysia	Plantations
* Mastika Lagenda Sdn Bhd	97.7	97.7	Malaysia	Investment holding
* Myanmar Genting Sanyen Limited	100	100	Myanmar	Trading
# Mediglove Sdn Bhd	54.7	54.7	Malaysia	Trading in rubberwood
* Palomino Limited	64.8	64.8	Isle of Man	Investment
Papago Sdn Bhd	55.5	–	Malaysia	Resorts & hotel operation
* Persis Hijau Sdn Bhd	97.7	97.7	Malaysia	Provision of facilities for waste paper baling process
* Powerstock Limited	64.8	64.8	Isle of Man	Investment
Resorts World Food Services Sdn Bhd	55.5	54.9	Malaysia	Restaurant, food catering & related management services
* Resorts World Limited	55.5	54.9	Isle of Man	Investment holding
Resorts World Tours Sdn Bhd	55.5	54.9	Malaysia	Provision of tour and travel related services
* Roundhay Limited	100	100	Isle of Man	Oil & gas exploration
# Sabah Development Company Sdn Bhd	54.7	54.7	Malaysia	Plantations
Seraya Mayang Sdn Bhd	55.4	54.8	Malaysia	Investment holding
Setiabahagia Sdn Bhd	55.5	54.9	Malaysia	Property investment
Setiacahaya Sdn Bhd	77.3	77.3	Malaysia	Property investment
# Setiamas Sdn Bhd	54.7	54.7	Malaysia	Plantations and property development
Setiaseri Sdn Bhd	55.5	54.9	Malaysia	Property investment

30. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<b><u>Indirect Subsidiary Companies (Cont'd)</u></b>				
Sierra Springs Sdn Bhd	55.5	54.9	Malaysia	Investment holding
# Sing Mah Plantation Sdn Bhd	54.7	54.7	Malaysia	Plantations
Star Cruise Properties Sdn Bhd	55.5	—	Malaysia	Investment holding
# Tanjung Bahagia Sdn Bhd	54.7	54.7	Malaysia	Plantations
# Technimode Enterprises Sdn Bhd	54.7	54.7	Malaysia	Property investment
Vestplus Sdn Bhd	55.5	54.9	Malaysia	Property investment
Vestroute (M) Sdn Bhd	55.5	54.9	Malaysia	Provision of cable car services
Widuri Pelangi Sdn Bhd	38.8	38.4	Malaysia	Golf resort and hotel operations
* Woodbery Limited	64.8	64.8	Hong Kong	Investment holding
# Asiaticom Sdn Bhd	54.7	54.7	Malaysia	Dormant
# Asiatic Properties Sdn Bhd	54.7	54.7	Malaysia	Dormant
* Genting Overseas Investments Limited	100	100	Isle of Man	Dormant
* Genting Sanyen Paper Pte Ltd	97.7	97.7	Singapore	Dormant
# Plantation Latex (Malaya) Sdn Bhd	54.7	54.7	Malaysia	Dormant
* R.W. Investments Limited	55.5	54.9	Isle of Man	Dormant
* Song Yen Paper Pte Ltd	97.7	97.7	Singapore	Dormant
+ ADB International Limited	54.7	54.7	Hong Kong	Pre-operating
# ALD Construction Sdn Bhd	54.7	54.7	Malaysia	Pre-operating
# Asiatic Commodities Trading Sdn Bhd	54.7	54.7	Malaysia	Pre-operating
# Asiatic Awanpura Sdn Bhd	54.7	38.2	Malaysia	Pre-operating
# Asiatic Vegetable Oils Refinery Sdn Bhd	54.7	54.7	Malaysia	Pre-operating
Awanapura Sdn Bhd	100	100	Malaysia	Pre-operating
Awana Hotels Management Services Sdn Bhd	100	100	Malaysia	Pre-operating
Awana Hotels & Resorts Sdn Bhd	100	100	Malaysia	Pre-operating
* Awana International Limited	100	100	Isle of Man	Pre-operating
Awana Ownership Resorts Berhad	100	100	Malaysia	Pre-operating
Awana Ownership Resorts Management Sdn Bhd	100	100	Malaysia	Pre-operating
Awana Vacation Resorts Berhad	100	100	Malaysia	Pre-operating
Awana Vacation Resorts Management Sdn Bhd	100	100	Malaysia	Pre-operating
* Dasar Pinggir (M) Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
+ Dongguan New Asiatic Oils and Fats Co Ltd	30	30	The People's Republic of China	Pre-operating
Dutabay Sdn Bhd	55.5	—	Malaysia	Pre-operating
First World Hotels and Resorts Sdn Bhd (formerly known as Resorts World Management Services Sdn Bhd)	55.5	54.9	Malaysia	Pre-operating
Genas Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Genawan Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Genmas Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Gensa Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Gentasa Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Gentas Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
* Genting International Information Services Pte Ltd	64.8	64.8	Singapore	Pre-operating
* Genting International Management Services Pte Ltd	100	100	Singapore	Pre-operating
* Genting International Manufacturing & Industries Limited	64.8	64.8	Hong Kong	Pre-operating
* Genting International Resort Limited	64.8	64.8	Hong Kong	Pre-operating
* Genting Newsprint Sdn Bhd	64.8	64.8	Malaysia	Pre-operating
* Genting (NSW) Pty Ltd	64.8	64.8	Australia	Pre-operating
* Genting Oil & Gas (China) Limited (formerly known as Genting Power (China) Limited)	100	100	Isle of Man	Pre-operating
* Genting Power (Bangladesh) Limited	100	100	Isle of Man	Pre-operating
* Genting Power (India) Limited	100	100	Mauritius	Pre-operating
* Genting Sanyen Incineration Sdn Bhd	97.7	97.7	Malaysia	Pre-operating



### 30. SUBSIDIARY AND ASSOCIATED COMPANIES (Cont'd)

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<b><u>Indirect Subsidiary Companies (Cont'd)</u></b>				
* Genting Sanyen Sales & Marketing Services Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
* Genting Sanyen Utilities Limited	100	100	Isle of Man	Pre-operating
* Genting Star (Bahamas) Limited (formerly known as Genting International Hotel & Resorts Management Limited)	64.8	64.8	Isle of Man	Pre-operating
Genting Studio Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Gentinggi Quarry Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
# Goodheart Development Sdn Bhd	54.7	54.7	Malaysia	Pre-operating
* GS Packaging Industries (M) Sdn Bhd (formerly known as Chalstar Knight (M) Sdn Bhd)	97.7	97.7	Malaysia	Pre-operating
Hitechwood Sdn Bhd	33.3	—	Malaysia	Pre-operating
Hospitality Services Awana Sdn Bhd	100	100	Malaysia	Pre-operating
Jomara Sdn Bhd	33.3	—	Malaysia	Pre-operating
Laserwood Sdn Bhd	33.3	—	Malaysia	Pre-operating
Leisure & Café Concept Sdn Bhd (formerly known as Sterling Park Sdn Bhd)	38.8	38.4	Malaysia	Pre-operating
Merriwa Sdn Bhd	55.5	—	Malaysia	Pre-operating
Neutrino Space Sdn Bhd	33.3	—	Malaysia	Pre-operating
Nippontech Resources Sdn Bhd	55.5	—	Malaysia	Pre-operating
Possible Affluent Sdn Bhd	33.3	—	Malaysia	Pre-operating
Profil Masa (M) Sdn Bhd	55.5	—	Malaysia	Pre-operating
* Puncak Singa (M) Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
Rantau Cempaka (M) Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
Rapallo Sdn Bhd	33.3	—	Malaysia	Pre-operating
* Resorts Overseas Investments Limited	55.5	54.9	Isle of Man	Pre-operating
Resorts Tavern Sdn Bhd	55.5	54.9	Malaysia	Pre-operating
* Sahabat Alam Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
* Sayang (Thailand) Limited	91	—	Thailand	Pre-operating
* Sorona Limited	100	100	Isle of Man	Pre-operating
Space Fair Sdn Bhd	33.3	—	Malaysia	Pre-operating
Sweet Bonus Sdn Bhd	33.3	—	Malaysia	Pre-operating
Tullamarine Sdn Bhd	33.3	—	Malaysia	Pre-operating
Twinkle Glow Sdn Bhd	33.3	—	Malaysia	Pre-operating
Twinmatics Sdn Bhd	55.5	—	Malaysia	Pre-operating
Twinsurf Sdn Bhd	55.5	—	Malaysia	Pre-operating
* Vestplus (Hong Kong) Limited	55.5	54.9	Hong Kong	Pre-operating
* Vestplus (Thailand) Limited	50.5	—	Thailand	Pre-operating
Vintage Action Sdn Bhd	33.3	—	Malaysia	Pre-operating
Waxwood Sdn Bhd	33.3	—	Malaysia	Pre-operating
Yarrowin Sdn Bhd	33.3	—	Malaysia	Pre-operating
# Amalgamated Rubber Estates Limited	—	54.7	Hong Kong	Liquidated
# Rubber Trust Plantations Sdn Bhd	—	54.7	Malaysia	Liquidated
# The Rubber Trust Limited	—	54.7	Hong Kong	Liquidated
<b><u>Associated Companies</u></b>				
* Asiatic Ceramics Sdn Bhd	26.8	26.8	Malaysia	Bricks manufacturing
* Earthtex Pty Ltd and Genting International Properties Ltd building development project	32.4	32.4	Established under agreement in Australia	Property development
* Genting Sanyen Power Sdn Bhd	39.1	39.1	Malaysia	Generation & supply of electric power
# Serian Palm Oil Mill Sdn Bhd	21.8	21.8	Malaysia	FFB processing
# Sri Gading Land Sdn Bhd	26.8	26.8	Malaysia	Property development
* Star Cruises PLC	14.8	—	Isle of Man	Investment holding
# Asiatic AirBoss Tyres Sdn Bhd	27.3	27.3	Malaysia	Final meeting of the Members' voluntary winding-up held in November 1998

\* The accounts of these companies are examined by auditors other than the auditors of the Company.

#. The accounts of these companies are audited by Kassim Chan & Co., a member firm of Deloitte Touche Tohmatsu.

+ The accounts of these companies are audited by overseas firms associated with Deloitte Touche Tohmatsu.

## STATEMENT BY DIRECTORS

We, **TUN MOHAMMED HANIF BIN OMAR** and **DATO' LIM KOK THAY**, two of the Directors of **GENTING BERHAD**, state that, in the opinion of the Directors, the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the notes on pages 24 to 42 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 1998 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date.

On behalf of the Board,

**TUN MOHAMMED HANIF BIN OMAR**

**DATO' LIM KOK THAY**

Kuala Lumpur  
12 April 1999

## STATUTORY DECLARATION

I, **CHIEW SOW LIN**, the Officer primarily responsible for the financial management of **GENTING BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the notes on pages 24 to 42 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed	)	
<b>CHIEW SOW LIN</b> at KUALA LUMPUR on 12 April 1999	)	<b>CHIEW SOW LIN</b>

Before me,

**DATO' NG MANN CHEONG**  
Commissioner for Oaths  
Kuala Lumpur

## **REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the accompanying balance sheets as of 31 December 1998, and the related profit and loss accounts and consolidated cash flow statement, together with the notes thereto, for the year then ended. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the state of affairs of the Group and of the Company as of 31 December 1998 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date; and
  - (ii) the matters required by Section 169 of the Act to be dealt with in the accounts and consolidated accounts; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and auditors' reports of the subsidiary companies of which we have not acted as auditors, as shown in Note 30 to the accounts, being accounts that have been included in the consolidated accounts.

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the accounts of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comments made under Sub-section (3) of Section 174 of the Act.

### **DELOITTE TOUCHE TOHMATSU**

AF 0834  
Public Accountants

### **TAN BUN POO**

1304/5/00 (J/PH)  
Partner

12 April 1999

## AUDIT COMMITTEE

### TERMS OF REFERENCE

The Board of Directors of Genting Berhad ("Company") had established an Audit Committee ("Committee") on 26 July 1994. The Committee shall be governed by the following terms of reference :

#### 1. Composition

- (i) The Committee shall comprise three directors, a majority of whom are independent of management and operating responsibilities. One of the Committee members who is a non-executive director shall be appointed as the Committee's Chairman by the members of the Committee; and
- (ii) If the number of members of the Committee is reduced to below three for reasons of resignation, death or otherwise, the Board of Directors of the Company shall appoint such number of new members as may be required to make up the minimum number of three members.

#### 2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

#### 3. Responsibility

The Committee is to serve as a focal point for communication between non-Committee directors, the external auditors, internal auditors and the Management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

#### 4. Functions

The functions of the Committee are as follows :

- ( i ) review with the external auditors, their audit plan;
- ( ii ) review with the external auditors, their evaluation of the system of internal accounting control;
- ( iii ) review with the external auditors, their audit report;
- ( iv ) review the assistance given by the Company's officers to the external auditors;
- ( v ) review the scope and results of the internal audit procedures;
- ( vi ) review the financial statements of the Company and the consolidated financial statements of the Group prior to the directors' approval.
- ( vii ) review related party transactions that may arise within the Company or the Group; and
- ( viii ) consider the appointment of external auditors, their audit fees and any question of resignation and dismissal.

#### 5. Meetings

- ( i ) The Committee is to meet at least twice a year and as many times as the Committee deems necessary;
- ( ii ) The quorum for any meeting of the Committee shall be two;
- ( iii ) The finance director (head of finance), the head of internal audit and a representative of the external auditors shall normally attend meetings of the Committee; and
- ( iv ) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the directors or shareholders of the Company.

#### 6. Secretary and Minutes

The Secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's directors who are not members of the Committee.

## TEN-YEAR SUMMARY

Amounts in RM million unless otherwise stated	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Profit before taxation	<b>909.7</b>	1,542.5	1,260.9	1,135.8	792.0	1,084.9	694.5	577.4	508.9	521.8
Taxation	<b>(364.1)</b>	(346.7)	(336.7)	(282.2)	(312.4)	(238.8)	(134.9)	(152.0)	(151.6)	(111.9)
Profit after taxation	<b>545.6</b>	1,195.8	924.2	853.6	479.6	846.1	559.6	425.4	357.3	409.9
Profit attributable to shareholders	<b>414.3</b>	771.3	645.9	567.6	210.1	597.8	370.8	277.6	258.6	394.1
Issued capital	<b>352.2</b>	352.2	351.1	351.1	351.0	233.3	232.2	231.8	231.4	230.8
Unappropriated profit	<b>3,811.5</b>	3,491.1	2,825.5	2,271.0	1,806.6	1,694.0	1,179.5	980.5	769.1	713.6
Other reserves	<b>609.9</b>	639.8	495.4	469.7	447.4	561.3	556.6	566.1	564.8	562.1
Shareholders' funds	<b>4,773.6</b>	4,483.1	3,672.0	3,091.8	2,605.0	2,488.6	1,968.3	1,778.4	1,565.3	1,506.5
Minority interests	<b>2,168.8</b>	2,140.9	1,648.2	1,481.9	1,254.5	1,023.6	791.5	650.5	495.6	415.3
Long-term liabilities	<b>96.3</b>	96.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxation	<b>16.8</b>	11.0	0.0	0.0	0.0	0.0	7.5	6.6	6.4	8.5
Retirement benefits and gratuities	<b>156.8</b>	154.4	145.5	123.2	102.4	82.7	64.4	29.6	3.3	3.2
Capital employed	<b>7,212.3</b>	6,885.7	5,465.7	4,696.9	3,961.9	3,594.9	2,831.7	2,465.1	2,070.6	1,933.5
Fixed assets	<b>3,507.1</b>	3,277.5	3,086.4	2,698.5	2,220.6	1,587.0	1,337.2	1,021.0	795.8	743.3
Property development	<b>631.9</b>	597.9	468.0	362.0	282.9	251.9	245.9	240.3	245.2	245.9
Investment properties	<b>73.7</b>	73.7	76.9	77.9	76.8	78.8	80.7	82.3	86.3	93.5
Associated companies	<b>1,324.4</b>	317.9	239.4	178.8	131.8	7.1	0.2	106.5	96.1	51.0
Investments	<b>7.3</b>	122.1	4.2	3.0	8.3	2.1	2.1	0.0	32.5	5.7
Exploration cost	<b>399.2</b>	207.0	36.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxation	<b>0.0</b>	0.0	9.0	4.7	3.2	2.3	0.0	0.0	0.0	0.0
Net current assets	<b>5,943.6</b>	4,596.1	3,920.5	3,324.9	2,723.6	1,929.2	1,666.1	1,450.1	1,255.9	1,139.4
Employment of capital	<b>1,268.7</b>	2,289.6	1,545.2	1,372.0	1,238.3	1,665.7	1,165.6	1,015.0	814.7	794.1
Earnings per share (sen) *	<b>58.8</b>	109.6	92.0	80.8	29.9	85.5	53.3	39.9	37.3	57.0
Net dividends per share (sen) *	<b>13.32</b>	14.98	14.70	14.70	13.87	11.87	24.67	8.67	29.25	6.29
Dividend cover (times)	<b>4.4</b>	7.3	6.3	5.5	2.2	7.2	2.2	4.6	1.3	9.1
Current ratio	<b>2.12</b>	3.14	2.71	2.88	2.77	3.99	3.55	3.76	3.42	4.38
Net tangible assets per share (RM) *	<b>6.78</b>	6.36	5.23	4.40	3.71	3.56	2.83	2.56	2.25	2.17
Return (after tax and minority interests) on average shareholders' funds (%)	<b>9.0</b>	18.9	19.1	19.9	8.2	26.8	19.8	16.6	16.8	32.9
Market share price *										
- highest (RM)	<b>14.00</b>	18.00	25.75	27.50	24.90	26.00	10.67	8.07	5.50	4.03
- lowest (RM)	<b>6.40</b>	7.70	17.00	18.90	16.67	9.00	7.27	4.53	3.57	2.47

Certain figures relating to the previous years have been reclassified/adjusted to conform with the current year's presentation.

\* Adjusted to reflect the increased number of ordinary shares of the Company.

## LIST OF PROPERTIES HELD AS AT 31 DECEMBER 1998

LOCATION	TENURE	APPROXIMATE AREAS	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 1998 (RM million)	AGE OF BUILDINGS (Years)
<b>MALAYSIA</b>					
<b>STATE OF PAHANG DARUL MAKMUR</b>					
1 Genting Highlands, Bentung	Freehold	Built-up : 100,592 sq.metres	18-storey Genting Hotel Complex	213.9	17
2 Genting Highlands, Bentung	Freehold	Built-up : 95,485 sq.metres	23-storey Resort Hotel & Car Park II	159.0	6
3 Genting Highlands, Bentung	Freehold	Built-up : 20,516 sq.metres	23-storey Awana Tower Hotel	30.3	5
4 Genting Highlands, Bentung	Freehold	Built-up : 19,688 sq.metres	10-level Theme Park Hotel	40.9	27
5 Genting Highlands, Bentung	Freehold	Built-up : 11,902 sq.metres	10-level Theme Park Hotel - Valley Wing	14.9	23
6 Genting Highlands, Bentung	Freehold	Built-up : 29,059 sq.metres	16-storey Residential Staff Complex I	14.4	15
7 Genting Highlands, Bentung	Freehold	Built-up : 28,804 sq.metres	19-storey Residential Staff Complex II	20.4	6
8 Genting Highlands, Bentung	Freehold	Built-up : 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park III	77.5	6
9 Genting Highlands, Bentung	Freehold	Built-up : 41,976 sq.metres	25-storey Residential Staff Complex V	65.1	2
10 Genting Highlands, Bentung	Freehold	Built-up : 4,119 sq.metres	5-storey Ria Staff Residence	1.2	26
11 Genting Highlands, Bentung	Freehold	Built-up : 4,109 sq.metres	5-storey Sri Layang Staff Residence	24.5	4
12 Genting Highlands, Bentung	Freehold	Built-up : 18,397 sq.metres	8-level Car Park I	2.7	15
13 Genting Highlands, Bentung	Freehold	Built-up : 1,086 sq.metres	5-storey Bomba Building	0.9	15
14 Genting Highlands, Bentung	Freehold	Built-up : 513 sq.metres	Petrol Station	0.1	19
15 Genting Highlands, Bentung	Freehold	Built-up : 1,033 sq.metres	Indoor Stadium	8.1	11
16 Genting Highlands, Bentung	Freehold	Built-up : 4,151 sq.metres	3-storey Lakeside Teahouse	4.6	11
17 Genting Highlands, Bentung	Freehold	Lake : 2 hectares	Man-made Lake	0.7	-
18 Genting Highlands, Bentung	Freehold	Built-up : 2,769 sq.metres	4-storey Staff Recreation Centre	4.0	6
19 Genting Highlands, Bentung	Freehold	Built-up : 540 sq.metres	2 units of Kayangan Apartment	0.4	18
20 Genting Highlands, Bentung	Freehold	Built-up : 7,666 sq.metres	Awana Golf & Country Resort Complex	22.5	12
21 Genting Highlands, Bentung	Freehold	Built-up : 17,010 sq.metres	174 units of Awana Condominium	42.3	12
22 Genting Highlands, Bentung	Freehold	Built-up : 10,243 sq.metres	92 units of Ria Apartment	20.0	12
23 Genting Highlands, Bentung	Freehold	Land : 3,300 hectares	105 plots of land & improvements	375.2	-
24 Genting Highlands, Bentung	Leasehold (unexpired lease period of 95 years)	Land : 6 hectares	2 plots of land	0.5	-
25 Mentakab, Temerloh	Freehold	Land : 84 hectares	Vacant housing development land	5.8	-
26 Beserah, Kuantan	Freehold	Land : 3 hectares Built-up : 713 sq.metres	2 plots of agriculture land with residential bungalow	1.2	12
27 Beserah, Kuantan	Freehold	Land : 4 hectares	4 plots of vacant agriculture land	0.9	-
<b>STATE OF SELANGOR DARUL EHSAN</b>					
1 Genting Highlands, Hulu Selangor	Freehold	Built-up : 149,941 sq.metres	28-storey Highlands Hotel & Car Park IV	462.1	2
2 Genting Highlands, Hulu Selangor	Freehold	Land : 6 hectares Built-up : 47,715 sq.metres	5-storey Genting Skyway Station Complex with 4-level of basement carpark	89.0	2
3 Genting Highlands, Hulu Selangor	Freehold	Built up : 3,008 sq.metres	2-storey & 4-storey Gohtong Jaya Security Buildings	4.8	1
4 Genting Highlands, Hulu Selangor	Freehold	Built-up : 8,485 sq.metres	75 units of Ria Apartment	16.8	12
5 Genting Highlands, Hulu Selangor	Freehold	Land : 615 hectares	18 plots of building land	62.1	-
6 Genting Highlands, Gombak	Freehold	Land : 396 hectares	2 plots of vacant building land	30.7	-
7 Batang Kali, Hulu Selangor	Freehold	Land : 9 hectares	1 plot of vacant agriculture land	2.2	-
8 Ulu Yam, Hulu Selangor	Freehold	Land : 38 hectares	1 plot of vacant building land	16.3	-
9 Ulu Yam, Hulu Selangor	Freehold	Land : 4 hectares	3 plots of vacant agriculture land	1.1	-
10 Mukim Tanjung Dua Belas, Kuala Langat	Freehold	Land : 45 hectares Built-up : 43,000 sq.metres	Paper mill complex & power plant	110.3	5-7
11 Mukim Tanjung Dua Belas, Kuala Langat	Leasehold (unexpired lease period of 77 years)	Land : 32 hectares	13 plots of agriculture land 14 plots of industrial land	11.0	-
12 Mukim Tanjung Dua Belas, Kuala Langat	Leasehold (unexpired lease period of 98 years)	Land : 3 hectares	1 plot of industrial land	2.4	-

## LIST OF PROPERTIES HELD

AS AT 31 DECEMBER 1998

LOCATION	TENURE	APPROXIMATE AREAS	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 1998 (RM million)	AGE OF BUILDINGS (Years)
13 Bandar Baru Bangi, Kajang	Leasehold (unexpired lease period of 88 years)	Land : 4,047 sq.metres Built-up : 1,505 sq.metres	1 plot of land with factory	3.1	2
14 Section 28, Petaling Jaya	Leasehold (unexpired lease period of 68 years)	Land : 2,875 sq.metres Built-up : 780 sq.metres	2 plots of industrial land with factory	5.3	2
15 Sungai Buloh, Gombak	Freehold	Land : 5,172 sq.metres	1 plot of land with factory	2.8	
16 Pandamaran, Klang	Freehold	Land : 2,471 sq.metres Built-up : 1,316 sq.metres	2 plots of land with factory	1.6	2
17 Pulau Indah, Klang	Leasehold (unexpired lease period of 97 years)	Land : 47 hectares	13 plots of vacant industrial land & improvements	50.1	-
18 Rawang, Gombak	Freehold	Land : 5,574 sq.metres	1 plot of industrial land	1.4	-
<b>FEDERAL TERRITORY OF KUALA LUMPUR</b>					
1 Taman U Thant, Kuala Lumpur	Freehold	Built-up : 178 sq.metres	1 unit of Desa Angkasa Apartment	0.3	12
2 Jalan Sultan Ismail, Kuala Lumpur	Freehold	Land : 5,755 sq.metres Built-up : 63,047 sq.metres	Wisma Genting - 25-level office building with 6-level basement	116.8	13
3 Segambut, Kuala Lumpur	Leasehold (unexpired lease period of 76 years)	Land : 4 hectares Built-up : 2,601 sq.metres	Store, helicopter, bus and limousine depot	10.3	23
<b>STATE OF PERAK DARUL RIDZUAN</b>					
1 Kinta, Perak	Leasehold (unexpired lease period of 91 years)	Land : 12 hectares	Vacant housing development land	1.9	-
<b>STATE OF TERENGGANU DARUL IMAN</b>					
1 Kijal, Kemaman	Leasehold (unexpired lease period of 93 years)	Land : 272 hectares	5 plots of resort / property development land	36.7	-
		Land : 51 hectares	18-hole Awana Kijal Golf Course	13.5	-
		Built-up : 35,563 sq.metres	7-storey Awana Kijal Hotel	128.5	2
		Built-up : 4,028 sq.metres	12 units of shop / office	3.9	3
		Built-up : 5,928 sq.metres	85 units of Baiduri Apartment	8.8	4
		Built-up : 10,113 sq.metres	127 units of Angsana Apartment	16.2	3
<b>STATE OF KEDAH DARUL AMAN</b>					
1 Mukim Sg. Seluang, Kulim	Freehold	Land : 7,299 sq.metres Built-up : 669 sq.metres	2 plots of industrial land	1.1	-
2 Mukim Sg. Petani, Kuala Muda	Freehold	Land : 2,922 sq.metres Built-up : 1,041 sq.metres	1 plot of industrial land with factory	0.9	3
3 Tanjung Malai, Langkawi	Leasehold (unexpired lease period of 89 years)	Land : 14 hectares	5 plots of building land	10.5	-
		Built-up : 14,387 sq.metres	3-storey Awana Langkawi Hotel with 19 units of shops, Cultural / Sports Centre, Maritime / Entertainment Centre	60.8	1
<b>ESTATES/PROPERTY DEVELOPMENT ("PD")</b>					
1 Paya Kamunting Estate Jitra, Kedah	Freehold	Estate : 558 hectares	Rubber and oil palm estate	7.4	-
2 Bukit Sembilan/Riverside Estate Baling/Sg. Petani, Kedah	Freehold	Estate : 817 hectares PD : 145 hectares	Rubber and oil palm estate, property development, golf course and club house	92.7	3
3 Selama Estate, Serdang & Kulim Kedah/Selama, Perak	Freehold	Estate : 1,856 hectares	Rubber and oil palm estate	24.3	-
4 Bute/Dominion Estate, Sepang & Ulu Langat, Selangor	Freehold	Estate : 843 hectares	Rubber and oil palm estate and orchard	15.6	-
5 Tebong/Repah Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold	Estate : 2,417 hectares	Rubber and oil palm estate	31.1	-
6 Cheng Estate, Melaka Tengah Alor Gajah & Kuala Linggi, Melaka	Freehold	Estate : 825 hectares PD : 5 hectares	Rubber and oil palm estate and property development	35.8	-

## LIST OF PROPERTIES HELD

AS AT 31 DECEMBER 1998

	LOCATION	TENURE	APPROXIMATE AREAS	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 1998 (RM million)	AGE OF BUILDINGS (Years)
7	Tanah Merah Estate, Tangkak, Johor	Freehold	Estate : 1,846 hectares	Rubber and oil palm estate	25.9	-
8	Sg. Rayat Estate, Batu Pahat, Johor	Freehold	Estate : 1,708 hectares	Oil palm estate	29.7	-
9	Sri Gading Estate, Batu Pahat, Johor	Freehold	Estate : 3,673 hectares	Oil palm estate	64.1	-
10	Sing Mah Estate, Air Hitam, Johor	Freehold	Estate : 669 hectares	Oil palm estate and mill	13.2	18
11	Kulai Besar (North), Simpang Renggam/ Kulai Besar Estate, Kulai, Johor	Freehold	Estate : 3,192 hectares PD : 178 hectares	Oil palm estate and mill and property development	409.7	9
12	Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold	Estate : 257 hectares PD : 159 hectares	Oil palm estate and property development	108.0	-
13	Sabapalm Estate, Labuk Valley Sandakan, Sabah	Leasehold (unexpired lease period of 889 years)	Estate : 4,077 hectares	Oil palm estate and mill	39.2	28
		Leasehold (unexpired lease period of 87 years)	Estate : 283 hectares	Oil palm estate		
14	Sri Tanjung Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 88 years)	Estate : 4,153 hectares	Oil palm estate and mill	41.9	4
15	Sri Bahagia Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 88 years)	Estate : 3,941 hectares	Oil palm estate	27.9	-
16	Sri Tenegang Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 90 years)	Estate : 4,047 hectares	Oil palm estate	26.8	-
17	Sri Landworthy Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 85 years)	Estate : 4,039 hectares	Oil palm estate	22.6	-
18	Sri Layang Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 92 years)	Estate : 1,683 hectares	Oil palm estate	7.3	-
19	Bangi Factory, Selangor	Leasehold (unexpired lease period of 88 years)	Land : 12,140 sq.metres Built-up : 5,556 sq.metres	1 plot of land with factory	2.8	17
20	Asiatic Regional Office, Sandakan, Sabah	Leasehold (unexpired lease period of 889 years)	Land : 1,206 sq.metres Built-up : 374 sq.metres	2 units of 2-storey intermediate detached house	0.1	14
21	Asiatic Vegetable Oils Refinery, Sandakan, Sabah	Leasehold (unexpired lease period of 82 years)	Land : 8 hectares	Vacant land	3.8	-
<b>ENGLAND</b>						
1	Hyde Park, London	Leasehold (unexpired lease period of 978 years)	Built-up : 286 sq.metres	2 units of residential apartment at Hyde Park Towers	2.3	19
<b>CHINA</b>						
1	Dongguan New Asiatic, Guangdong Province	Leasehold (unexpired lease period of 45 years)	Land : 41,316 sq.metres	Vegetable oil bulking installation	5.4	4
<b>AUSTRALIA</b>						
1	Sydney	Freehold	Land : 3,924 sq.metres	9 plots of development land at 487-503 George Street, 101-105 Bathurst Street and 486-494 Kent Street	68.6	-



## GROUP OFFICES

### Group Head Office

#### Genting Berhad

Wisma Genting, Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 2288/202 2288  
Fax: (03) 261 5304  
Telex: GHHB MA 30022

### LEISURE & HOSPITALITY DIVISION

#### Principal Executive Officer

Dato' Lim Kok Thay

#### CORPORATE OFFICE

##### Resorts World Bhd

##### Awana Hotels & Resorts

23rd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 3833 / 202 3833  
Fax: (03) 261 5304 / 202 2633  
Telex: GHHB MA 30022  
e-mail: roomrsv@genting.po.my  
Websites: <http://www.genting.com.my>  
<http://www.awana.com.my>

#### RESORTS

##### Genting Highlands Resort

69000 Pahang, Malaysia  
Tel: (03) 211 1118  
Fax: (03) 211 1888

##### Awana Genting Highlands Golf & Country Resort

8th Mile, Genting Highlands,  
69000 Pahang, Malaysia  
Tel: (03) 211 3015  
Fax: (03) 211 3535

##### Awana Kijal Golf & Beach Resort

Km. 28, Jalan Kemaman-Dungun,  
24100 Kijal, Kemaman,  
Terengganu, Malaysia  
Tel: (09) 864 1188  
Fax: (09) 864 1688

##### Awana Porto Malai, Langkawi

Tanjung Malai, 07000 Langkawi,  
Kedah, Malaysia  
Tel: (04) 955 5111  
Fax: (04) 955 5222

#### Star Cruises

Star Cruises Terminal,  
Pulau Indah, Pelabuhan Barat,  
42000 Pelabuhan Klang,  
Selangor, Malaysia  
Tel: (03) 301 1333  
Fax: (03) 301 1222  
Website: <http://www.starcruses.com>

### SALES & RESERVATIONS OFFICES

#### Genting Highlands Resort

##### Central Reservations Service

*(For rooms, shows, theme park and other resort facilities)*  
Ground Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 262 3555 / 201 3555  
Fax: (03) 261 6611  
Toll Free Line: 1 800 88 8228 /  
1 800 88 1328

#### Subang Jaya Office

Lot 3.38A, The Summit, Subang USJ,  
Persiaran Kewajipan, USJ1,  
47600 UEP Subang Jaya, Malaysia  
Tel: (03) 724 7488  
Fax: (03) 724 8788

#### Penang Office

5th Floor, 5, Wisma Berjaya Prudential,  
41 Cantonment Road,  
10250 Penang, Malaysia  
Tel: (04) 228 2655  
Fax: (04) 227 6284  
Telex: RWBPG MA 41353

#### Ipoh Office

Lot T24, 3rd Floor, Ipoh Parade,  
105 Jalan Sultan Abdul Jalil, Greentown,  
30450 Ipoh,  
Perak, Malaysia  
Tel: (05) 243 2988  
Fax: (05) 243 6988

#### Johor Bahru Office

1F-(Ground) Floor, Jalan Maju,  
Taman Maju Jaya, 80400 Johor Bahru,  
Malaysia  
Tel: (07) 334 4555  
Fax: (07) 334 4666

#### Kuching Office

No. 25, Bukit Mata, Jalan Padungan,  
Kuching, 93100 Sarawak, Malaysia  
Tel: (082) 412 522  
Fax: (082) 412 022

### CONVENTION SALES

23rd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 262 2666  
Fax: (03) 262 1551

### OTHER SERVICES

#### Genting Transport Reservations Centre

*For buses and limousines*  
Lot 1988/4888, Jalan Segambut  
Tengah,  
51200 Kuala Lumpur, Malaysia  
Tel: (03) 621 8398  
Fax: (03) 621 8399

#### Limousine Service Counter (KLIA Sepang)

Arrival Level 3, Main Terminal  
Building,  
KL International Airport,  
64000 KLIA Sepang, Selangor,  
Malaysia  
Tel: (03) 877 66753  
Fax: (03) 843 1050

#### Limousine Service Counter (Genting Highlands)

Highlands Hotel,  
69000 Genting Highlands Resort  
Tel: (03) 211 1118  
ext: 58771/7750/7916

#### Resorts World Tours Sdn Bhd

*For airline ticketing and travel agency services*  
Ground Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 262 2666  
Fax: (03) 200 6995

## **OVERSEAS**

### **Singapore**

#### **Genting International (S) Pte Ltd**

268 Orchard Road, #08-02/04,  
Singapore 238856  
Tel: (02) 734 2735  
Fax: (02) 737 7260

### **Hong Kong SAR**

#### **Genting International PLC**

Suite 1503, Ocean Centre, 5,  
Canton Road, Tsim Sha Tsui,  
Kowloon, Hong Kong SAR  
Tel: (852) 231 77133  
Fax: (852) 231 48724

### **Bangkok**

18th Floor c/o Star Cruise,  
B.U.I. Building,  
177/1 Soi Anumamrachathon 1  
Surawongse Road, Bangrak,  
Bangkok,  
10500 Thailand  
Tel: (662) 634 7240  
Fax: (662) 634 7217

## **PLANTATION DIVISION**

### **Principal Executive Officers**

Dato' Lim Kok Thay  
Dato' Baharuddin bin Musa

### **HEAD OFFICE**

#### **Asiatic Development Berhad**

10th Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 3733 / 202 3733  
Fax: (03) 261 6149  
Telex: ADSB MA 31250

### **REGIONAL OFFICE**

Sabah Development Co. Sdn Bhd  
Lot 39, Taman Wemin, Mile 5,  
Labuk Road, 90008 Sandakan,  
Sabah, Malaysia  
Tel: (089) 218 370 / 218 371  
Fax: (089) 211 108  
Telex: MA 82813

## **PAPER, POWER AND OIL & GAS DIVISIONS**

### **Principal Executive Officer**

Mr Ong Tiong Soon

### **HEAD OFFICE**

#### **Genting Sanyen Industrial Paper Sdn Bhd**

#### **Genting Sanyen Paperboard Sdn Bhd**

#### **Genting Sanyen Power Sdn Bhd**

#### **Genting Oil & Gas Ltd**

22nd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 2288 / 201 1393  
Fax: (03) 262 4032

### **FACTORY**

#### **Genting Sanyen Industrial Complex**

Lot 7090, Mukim Tanjung 12,  
Bukit Canggag, Daerah Kuala Langat,  
42700 Banting, Selangor, Malaysia

### **Paper Mill**

Tel: (03) 849 1393  
Fax: (03) 849 1093

### **Power Plant**

Tel: (03) 849 2591 / 849 2600  
Fax: (03) 849 2409

### **Oil & Gas**

Tel: (03) 261 2288  
Fax: (03) 262 4032

## **PROPERTY DIVISION**

### **Principal Executive Officer**

Dato' Lim Kok Thay

### **Gentinggi Sdn Bhd**

#### **Genting Property Management Sdn Bhd**

23rd Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 3633 / 261 3833  
Fax: (03) 261 5304  
Telex: GHHB MA 30022

### **Property Sales**

- Awana Condominium  
- Ria Apartments

#### **Enquiries:**

Tel: (03) 261 3633 / 261 3833  
Fax: (03) 263 5079  
Telex: GHHB MA 30022

### **Kijal Resort Sdn Bhd**

#### **Sales Office**

- Angsana Apartments  
- Baiduri Apartments

8th Floor, Wisma Genting,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur, Malaysia  
Tel: (03) 261 3833 / 261 2288  
Fax: (03) 264 7480

### **Projek Bandar Pelancongan Pantai Kijal**

Km. 28, Jalan Kemaman-Dungun,  
24100 Kijal, Kemaman,  
Terengganu, Malaysia  
Tel: (09) 864 9261  
Fax: (09) 864 9260

### **Asiatic Land Development Sdn Bhd**

Permaipura Sales Office  
Jalan Permaipura 5,  
Riverside 08100,  
Bedong, Kedah  
Tel: (04) 452 1001/2  
Fax: (04) 452 1003

### **Indahpura Sales Office**

19th Mile, Kulai Besar,  
81000 Kulai,  
Johor  
Tel: (07) 662 4652/3  
Fax: (07) 662 4655

## ANALYSIS OF SHAREHOLDINGS

AS AT 22 MARCH 1999

Size of Holdings	No. of Shareholders	% of Shareholders	% of Shares Held	% of Issued Capital
1 - 499	5,313	20.28	1,907,576	0.27
500 - 5,000	17,001	64.90	31,492,140	0.47
5,001 - 10,000	1,694	6.47	13,096,549	1.86
10,001 - 100,000	1,743	6.65	53,175,677	7.55
100,001 - 1,000,000	386	1.47	115,062,585	16.34
1,000,001 & Above	60	0.23	489,604,427	69.51
<b>Total</b>	<b>26,197</b>	<b>100</b>	<b>704,338,954</b>	<b>100</b>

### TWENTY (20) LARGEST SHAREHOLDERS

Name	No. of Shares Held	% of Issued Capital
1. Kien Huat Realty Sdn Bhd	238,628,052	33.88
2. The Central Depository (Pte) Limited	31,299,297	4.44
3. Tinehay Holdings Limited	29,400,000	4.17
4. Golden Hope Limited	28,145,690	4.00
5. Time Life Equity Sdn Bhd	11,523,996	1.64
6. Alocasia Sdn Bhd	11,298,000	1.60
7. Yayasan Mohd Noah	7,740,000	1.10
8. Datacorp Sdn Bhd	7,043,200	1.00
9. Employees Provident Fund Board	6,846,400	0.97
10. Great Eastern Life Assurance (Malaysia) Berhad (Malaysia Life Fund)	6,735,300	0.96
11. Tan Sri Lim Goh Tong	6,681,000	0.95
12. Eastwest Holdings Sdn Bhd	5,556,984	0.79
13. Templeton Developing Markets Trust	5,422,000	0.77
14. Vanguard International Growth Portfolio	5,422,000	0.77
15. The Great Eastern Life Assurance Co Ltd	4,806,200	0.68
16. TIFI Emerging Market Series	4,680,800	0.66
17. Lazard International Equity Fund	4,167,500	0.59
18. Silchester International Investors International Value Equity Trust	3,891,780	0.55
19. Pensionskasse Novartis AG	3,859,600	0.55
20. Abu Dhabi Investment Authority	3,646,000	0.52
<b>Total</b>	<b>426,793,799</b>	<b>60.59</b>

### SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	% of Issued Capital	Indirect/ Deemed Interest	% of Issued Capital
Kien Huat Realty Sdn Bhd	204,520,848	29.04	74,805,204	10.62
Parkview Management Sdn Bhd	-	-	279,326,052	39.66
Inforex Sdn Bhd	-	-	238,628,052	33.88
Info-Text Sdn Bhd	-	-	238,628,052	33.88
Dataline SdnBhd	-	-	238,628,052	33.88
G.T. Realty SdnBhd	-	-	238,628,052	33.88
HSBC Nominees (Asing) SdnBhd (As bare trustee)	-	-	61,632,372	8.75
Cartaban Nominees (Asing) Sdn Bhd (As custodian)	-	-	59,733,772	8.48
Chase Malaysia Nominees (Asing) Sdn Bhd (As bare trustee)	-	-	40,988,598	5.82
Cartaban Nominees (Tempatan) Sdn Bhd (As custodian)	-	-	34,236,204	4.86
UOBM Nominees (Tempatan) Sdn Bhd (As bare trustee)	-	-	32,489,290	4.61
Tinehay Holdings Limited	-	-	29,400,000	4.17
Golden Hope Limited (As trustee of the Golden Hope Unit Trust)	-	-	28,145,690	3.99
GZ Trust Corporation (As Trustee of the Bridge Street Trust of Woodbourne)	-	-	28,145,690	3.99
GZ Trust Corporation (As Trustee of the K H Trust)	-	-	28,145,690	3.99
Citicorp Nominees (Asing) Sdn Bhd (As bare trustee)	-	-	25,100,823	3.56
HSBC Holdings PLC	-	-	21,210,031	3.01
Schroder Investment Management (Singapore) Ltd	-	-	19,252,628	2.73
Franklin Resources, Inc	-	-	16,572,300	2.35
Templeton Worldwide, Inc.	-	-	16,572,300	2.35
Templeton International, Inc.	-	-	16,572,300	2.35
Templeton Asset Management Ltd.	-	-	16,421,700	2.33



## GENTING BERHAD

(7916-A) (Incorporated in Malaysia)

# FORM OF PROXY

(Before completing the form please refer to the notes overleaf)

**"A"**

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(ADDRESS)

being a member/members of GENTING BERHAD hereby appoint \*the CHAIRMAN OF THE MEETING

or \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(ADDRESS)

or failing him \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(ADDRESS)

as my/our \*first proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 12 May 1999 at 11.45 a.m. and at any adjournment thereof.

**"B"**

Where it is desired to appoint a second proxy this section must also be completed, otherwise it should be deleted.

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_  
(ADDRESS)

being a member/members of GENTING BERHAD hereby appoint

\_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(ADDRESS)

or failing him \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_  
(ADDRESS)

as my/our \*second proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 12 May 1999 at 11.45 a.m. and at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows:

First Proxy "A"	%
Second Proxy "B"	%
<hr/>	
100%	
<hr/>	

In case of a vote taken by a show of hands \*First Proxy "A"/\*Second Proxy "B" shall vote on my/our behalf.

My/our proxies shall vote as follows:

ORDINARY RESOLUTION		First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
To receive and adopt the Audited Accounts	Resolution 1				
To sanction the declaration of a final dividend	Resolution 2				
To approve Directors' fees	Resolution 3				
To re-elect Directors: – Mr Quah Chek Tin – Encik Nik Hashim bin Nik Yusoff	Resolution 4 Resolution 5				
To re-appoint Tan Sri Lim Goh Tong as a Director in accordance with Section 129 of the Companies Act, 1965	Resolution 6				
To re-appoint Tan Sri Mohd Amin bin Osman as a Director in accordance with Section 129 of the Companies Act, 1965	Resolution 7				
To appoint Messrs PricewaterhouseCoopers as auditors in place of the retiring auditors Messrs Deloitte Touche Tohmatsu	Resolution 8				

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/ proxies will vote or abstain from voting at his/their discretion.)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 1999

No. of Shares held	
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\_\_\_\_\_  
Signature of Member(s)

\* Delete if inapplicable

#### NOTES

*A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.*

*In the case of a corporation, this form must be either under seal or signed by a duly authorised officer or attorney.*