

# Review of Operations

## LEISURE & HOSPITALITY

### GENTING HIGHLANDS RESORT

The Leisure and Hospitality division contributed a profit before tax of RM907.6 million to the Group during the year under review. Genting Highlands Resort – City of Entertainment, as the premier entertainment destination in Malaysia and in Asia attracted 13.4 million visitors in 2000, compared to 12.1 million in the preceding year.

The Arena of Stars played host to numerous crowd-pulling concerts that featured popular Canto-pop entertainers such as Priscilla Chan, Jenny Tseng, Grasshopper, Harlem Yu as well as internationally acclaimed artistes such as Westlife, Air Supply and Kitaro. The Arena of Stars also hosted the 1st Asia Chinese Music Award and the International Chinese Singing Competition, which was televised live by Astro TV and TVB Hong Kong.

Following the successful illusion shows of “Odyssey” and “Odyssey 2”, Genting International Showroom is now staging the popular “Magic On Ice”, the first-ever magic show in the region that incorporates ice-skating and illusions and features the world’s premier ice-skating illusionist, Steve Wheeler and other world-class skaters.

Genting Theme Park featured new and exciting rides in 2000, such as the “Double Deck Carousel”, the thrilling “Spinner”, the gravity-defying “Space Shot” and the latest Motion Masters’ “Dragon Planet”.

During the year, the four hotels at the Resort (excluding First World Hotel) maintained an overall occupancy rate of 84% with a total of 892,000 room nights sold in 2000 (1999: 883,000 room nights sold).

The hotels at the Resort continued to be recognised for their service and quality excellence, as Genting Hotel maintained its MS ISO 9002 certification for the second consecutive year and Highlands Hotel successfully received its MS ISO 9002 certification for Rooms Operation.

*Magic on Ice – incorporating ice skating and illusions*



*The first phase of First World Hotel under construction*

The newest hotel at the Resort, First World Hotel opened its initial 1,000 rooms and a 1,338-capacity restaurant called “Tropical Kafe” on 15 December 2000. New attractions at the hotel will include a new Indoor Theme Park, a shopping boulevard, various speciality restaurants, a 28-lane state-of-the-art bowling centre and the largest convention centre in Malaysia, Genting International Convention Centre.

Basic amenities such as water supply, sewerage treatment and waste disposal, as well as the upgraded four-lane carriage highway (completed from the foothills at Genting Sempah to Awana Genting Highlands Golf & Country Resort), have been enhanced and expanded to cater to the increasing visitors to the Resort and its future developments.

### AWANA HOTELS & RESORTS

The three Awana hotel properties achieved an overall average occupancy rate of 72% in 2000 (1999: 63%).

Awana Genting Highlands Golf & Country Resort with its lush natural surroundings, continued to gain popularity for its healthy eco-sports and its nature conservation efforts.

Awana Kijal Golf & Beach Resort in Kijal, Terengganu, renowned for its 7.6 km pristine white beach and a world-standard 18-hole golf course, continues to achieve high “repeat and return” hotel guests and remains a popular attraction in the east coast, Peninsular Malaysia, particularly for business conventions and social functions.

Awana Porto Malai, Langkawi continues to attract visitors with its Mediterranean-inspired charm and hospitality and through major events such as the Langkawi International Maritime and Aerospace

*Checking in guests at First World Hotel with computerised queue system*







**Fun-filled family entertainment** (clockwise from top left) Spinner – the latest spinning sensation; fun time with Tabby & Allie, Genting Theme Park mascots; enjoy a variety of food delicacies; shop or stroll leisurely at Genting – City of Entertainment.



Exhibition (LIMA), the Asian Shooting Competition and the Malaysian Open Sepak Takraw Competition. The Group also part-sponsored Datuk Azhar Mansor in his solo Jalur Gemilang yacht expedition around the world and celebrated the first anniversary of his accomplishment in 2000.

### AWANA VACATION RESORTS

The Group's timeshare business, Awana Vacation Resorts, under Awana Vacation Resorts Development Bhd recruited 1,234 new members during the year, resulting in a total of 2,028 members since its launch in August 1998.

The timeshare allows members the opportunity to stay at the numerous hotels at the Resort, the Awana Chain and 3,600 affiliated resorts in nearly 100 countries.

### STAR CRUISES LIMITED

The Group's associate, Star Cruises Limited ("Star Cruises"), formerly known as Star Cruises PLC in the Isle of Man, underwent a major corporate exercise which resulted in its new listing on the Stock Exchange of Hong Kong Limited on 30 November 2000 and its simultaneous de-listing from the Luxembourg Stock Exchange. As part of the exercise, the Group via its subsidiary Resorts World Limited ("RWL") on 29 November 2000, invested an additional US\$442.5 million for approximately 610 million new Star Cruises shares and increased RWL's stake in Star Cruises from 26.8% to 35.9%.



Windjammer Bar on the Norway

The acquisition of NCL has enabled Star Cruises to be "The First Global Cruise Line" in addition to "The Leading Cruise Line in Asia-Pacific". Star Cruises now operates a total fleet of 17 ships with over 20,000 lower berths under three brands, i.e. Star Cruises, Norwegian Cruise Line and Orient Lines. The combined fleet calls over 200 ports in Asia-Pacific, North and South America, Europe, Bermuda, Caribbean, Alaska, Mediterranean and Antarctica. Its innovative and outstanding products, services and safety excellence has won Star Cruises numerous awards during the year. These awards include the "Best Cruise Operator in Asia-Pacific" for the fourth consecutive year by Travel Trade Gazette Asia and the "Outstanding Contribution to Tourism" by the Singapore Tourism Board.

As part of Star Cruises' ongoing fleet modernisation programme, Star Aquarius, MegaStar Sagittarius (formerly Sun Viva I) and MegaStar Capricorn (Sun Viva II) were sold during the year.

### STAR CRUISES & ITS FLEET IN OPERATION

Star Cruises	Norwegian Cruise Line	Orient Lines
SuperStar Leo	Norwegian Dream	Crown Odyssey
SuperStar Virgo	Norwegian Majesty	Marco Polo
SuperStar Aries	Norwegian Sky	
SuperStar Gemini	Norwegian Wind	
SuperStar Taurus*	Norwegian Sea	
Star Pisces	The Norway	
MegaStar Taurus	Norwegian Sun (Sept 2001)	
MegaStar Aries	Norwegian Star (end 2001)	
Norwegian Star 1*	Norwegian Dawn (end 2002)	

(\* Chartered in)



The Norway





*SuperStar Virgo – Parthenon Pool*



*Aerobics on SuperStar Leo's Sports Deck*

The Norwegian Sun, a new 77,000-gross tonne cruise ship is expected to commence cruising in September 2001 under the NCL brand. The two Libra-class newbuilds, Norwegian Star (formerly SuperStar Libra) and Norwegian Dawn (formerly SuperStar Scorpio), will be delivered to NCL, by the end of 2001 and 2002 respectively.

Norwegian Star will be NCL's first purpose-built ship for "freestyle cruising", an innovative and original cruising concept pioneered by Star Cruises. It offers casualness and flexibility to cruisers in making their own dining arrangements, entertainment and recreation choices unlike traditional cruising. This popular concept will be extended to all ships by the end of 2001.

During the year, Star Cruises entered into an agreement with the Port Authority of Thailand to invest approximately US\$15 million in the construction, management and operation of a passenger port at Laem Chabang, Thailand, as part of its ongoing commitment to develop cruise tourism in the Asia-Pacific region.



*Mechanised FFB collection using the grabber*

## PLANTATIONS

The Plantations Division posted a profit before tax of RM39.0 million in 2000, a 60% decline compared to the preceding year. The significantly lower contribution was attributed to the overall depressed selling prices of crude palm oil ("CPO"). The average selling price achieved for CPO was RM1,000 per tonne for 2000 (1999: RM1,445 per tonne) and for palm kernel ("PK") was RM703 per tonne in 2000 (1999: RM1,071 per tonne).

The production of fresh fruit bunches ("FFB") increased by 14% to 655,366 tonnes in 2000. As a result, the output of CPO increased to 127,587 tonnes while PK improved correspondingly to 34,612 tonnes. The processing capacity was increased from the previous 120 tonnes per hour to 155 tonnes per hour with the commissioning of the second processing line at the Sri Tanjung Oil Mill in early 2000. This increase in milling capacity diluted the capacity utilisation rate to 81% in 2000 (1999: 92%).

The Serian Palm Oil Mill, the Group's 40% joint venture with Sarawak Land Consolidation and Rehabilitation Authority ("SALCRA") continued to perform commendably and processed 153,188 tonnes of FFB, an increase of 6% over the previous year. This oil mill with a production capacity of 30 tonnes per hour, was awarded by PORLA the "Anugerah Industri Sawit Malaysia" for the third consecutive year for attaining consistently high oil extraction rates.

### PLANTATION STATISTICS FOR 2000

Area (Hectares)	Oil Palm		Rubber		Durian & Others		Titled Area	
	2000	1999	2000	1999	2000	1999	2000	1999
Mature	32,605	31,625	1,291	1,582	10	-	33,906	33,207
Immature	4,765	4,331	-	-	-	10	4,765	4,341
Total Planted Area	37,370	35,956	1,291	1,582	10	10	38,671	37,548
As a percentage (%)	96.7	95.8	3.3	4.2	-	-	100.0	100.0
Unplanted Jungle Area	-	-	-	-	-	1,235	-	1,235
Labour Lines, Buildings & Infrastructure, etc	-	-	-	-	1,923	1,857	1,923	1,857
Total Area	37,370	35,956	1,291	1,582	1,933	3,102	40,594	40,640
Percentage Over Titled Area (%)	92.0	88.5	3.2	3.9	4.8	7.6	100.0	100.0
Production (mt)	655,366	574,359	1,457	1,729	-	-	-	-
Yield Per Mature Hectare (mt/kg)	20.2	18.5	1,591	1,420	-	-	-	-
<b>Average Selling Price</b>								
Rubber (sen/kg)	-	-	223	209	-	-	-	-
CPO (RM/mt)	1,000	1,445	-	-	-	-	-	-
Palm Kernel (RM/mt)	703	1,071	-	-	-	-	-	-