

Review of Operations

LEISURE & HOSPITALITY

GENTING HIGHLANDS RESORT

www.genting.com.my

The Leisure and Hospitality division contributed a profit before tax of RM1,080.7 million to the Group in 2001 (2000: RM907.6 million).

Genting Highlands Resort ("Resort") continues to live up to its reputation as the *City of Entertainment* - offering a wide comprehensive array of high service quality and leisure entertainment attractions for all walks of life. The Resort was awarded "Asia Pacific's Leading Casino Resort" by World Travel Awards in April 2001 and recognised as the "Best 5-Star Family & Entertainment Resort" at the World Asia Media Millennium Gold Awards 2001/2002 in October 2001. A total of 14.1 million patrons visited the Resort in 2001, compared to 13.4 million in 2000.

During the year under review, the First World Complex ("FW Complex"), comprising the First World Hotel, the First World Plaza and Genting International Convention Centre ("GICC") were successfully completed and opened to the public.

The five hotels at the Resort - Genting Hotel, Highlands Hotel, Resort Hotel, Theme Park Hotel and First World Hotel currently have a total inventory of about 6,100 hotel rooms and achieved a satisfactory overall average occupancy rate of 79% in 2001, despite the additional 3,300 rooms of First World Hotel.

The Arena of Stars ("Arena") hosted many popular local and international concerts and entertainment events in 2001. Popular Canto-pop entertainers such as Andy Lau, Aaron Kwok, Leon Lai and Alan Tam performed to full-house concerts at the Arena. International artistes like Air Supply, Boney M., Richard Clayderman and up-and-coming new artistes such as Kelly Chen, China Dolls, Daniel Chan and Tanya Chua also performed to enthusiastic crowds at the Resort. The Arena was the host venue for the inaugural 1st Golden Melody Awards in November 2001, featuring top artistes and performers from Hong Kong, Taiwan, Singapore, Thailand and Malaysia. The



First Phase of First World Hotel completed.

Arena also staged major beauty pageants such as Miss Malaysia Chinese International Pageant 2001 and Miss Malaysia-Universe Pageant 2001 and popular local award shows such as *Anugerah ERA* and *Anugerah Bintang Popular Berita Harian*.

The Resort is currently staging "*Fiesta Magica*", a spectacular Hollywood-style multi-million ringgit show by internationally acclaimed magician and illusionist Gianni Mattiolo, at the Genting International Showroom ("GIS").

The First World Plaza ("The Plaza"), a new age indoor theme park located at the FW Complex also houses an array of more than 90 interesting food and beverage outlets together with retail shops. The Plaza was opened to the public on 1 December 2001. It also features new and exciting suspended rides, as well as appropriately themed boulevards reminiscent of famous landmarks such as *Champs Elysees*, *Venice*, *Times Square*, *Universal Walk*, *Covent Garden* and *Genting Walk* and other world famous icons such as the *Statue of Liberty*, the *Hollywood Oscar*, *Arc de Triomphe* and the *Big Ben*.

Rio Float, Venice Gondola, the Ferris Wheel and many more new rides at the First World Plaza.



Top left:

Genting Sky Venture, the first-ever skydiving simulation attraction in Asia and second in the World!

Bottom left:

Fiesta Magica, a spectacular "Hollywood-style" multi-million ringgit production.





Times Square - one of the latest attractions at First World Plaza.

The GICC at FW Complex is the largest column-free state-of-the-art convention centre in Malaysia with a built-up area of 106,000 sq. ft., comprising a Grand Ballroom, 10 meeting rooms, a pre-function foyer and business centre which can accommodate up to 6,000 convention delegates.

The FW Complex also houses "*The Pavilion*", a 44,000 sq. ft. multi-purpose hall with 2,000-seat capacity – ideal for exhibitions and sporting events.

AWANA HOTELS & RESORTS

www.awana.com.my

The three Awana hotel properties registered an overall average occupancy rate of 63% in 2001 (2000: 72%).

During the year, Awana Genting Highlands Golf & Country Resort ("Awana Genting") organised many Eco-sport activities such as the Awana Corporate Navigator Challenge 2001 amidst the crisp cool air and natural lush greeneries of the Resort. Its award winning golf course was the venue for the Genting Masters 2001 Golf Tournament.

Awana Kijal Golf & Beach Resort in Kijal, Terengganu, remains a popular beach resort in the east coast of Peninsular Malaysia, renowned for its 7.6km long pristine white beach, its world standard 18-hole golf course and panoramic seafront views.

Awana Porto Malai, Langkawi with its Mediterranean-ambience continues to attract visitors with its hospitality and the mystical charms of Langkawi Island. During the year, Awana Porto Malai was the main venue for the Langkawi International Maritime and Aerospace 2001 Exhibition, the Awana Resorts Explorer Challenge 2001 and Awana Navigator Challenge 2001.

AWANA VACATION RESORTS

www.awanavacation.com

Awana Vacation Resorts, the Group's timeshare business is operated by its indirect subsidiary, Awana Vacation Resorts Development Berhad ("AVRD") and has a total of 3,046 members as at 31 December 2001.

AVRD has added 110 timeshare accommodation units to its inventory in 2001, comprising 34 units of apartments at Awana Kijal, 66 units of condominiums at Awana Genting and 10 extra units of Ria apartments.

The AVRD timeshare members have the option to stay at the numerous hotels at the Resort, the Awana chain of hotels or exchange through the Resorts Condominium International (RCI) with access to over 3,800 affiliated resorts in nearly 85 countries.

STAR CRUISES LIMITED

The Group, via Resorts World Bhd, has a 35.9% stake in Star Cruises Limited ("Star Cruises"). Star Cruises, "The Leading Cruise Line in Asia-Pacific" and the fourth largest cruise line in the world has a combined fleet of 20 ships with over 24,000 lower berths and operates under three renowned brands - Star Cruises, Norwegian Cruise Line ("NCL") and Orient Lines.

Star Cruises took delivery of two new shipbuilds in 2001, namely Norwegian Star and Norwegian Sun of 91,000-gross tonne and 77,104-gross tonne respectively. Norwegian Star and Norwegian Sun operate under the NCL brand and have adopted the popular "*Freestyle Cruising*" concept (pioneered by Star Cruises) for their current cruises in the Hawaiian Islands and the Caribbean respectively.



Rest and relax at SuperStar Virgo's spa and beauty facilities.



Enchanting moments aboard SuperStar Leo.

Norwegian Sun is NCL's first purpose-built ship for the "Freestyle Cruising" concept. NCL will take delivery of the Norwegian Dawn in the fourth quarter of year 2002.

In September 2001, Star Cruises introduced a new brand "Cruise Ferries", via the newly acquired Wasa Queen, a 16,546-gross tonne ship that has been refurbished to offer the innovative passenger-cum-ferry cruise services to the Hong Kong-China market.

Acknowledged for its world-class innovative cruise products and services, Star Cruises continues to receive numerous accolades such as being voted as the "Best Cruise Operator in Asia-Pacific" for the fifth consecutive year in 2001 by Travel Trade Gazette Asia and won the "Innovator: Product Award - Journey Maker" category in the TravelWeekly East Innovators Awards 2001 for its innovative excellence in the travel industry. The Founder of Star Cruises, Tan Sri Lim Goh Tong was bestowed the "Distinguished Contribution" award from Singapore Cruise Centre in 2001, for his vision and foresight in establishing the cruise operations in Singapore.

www.starcruiises.com

www.ncl.com

www.orientlines.com

STAR CRUISES & ITS FLEET IN OPERATION

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

(* Chartered out)



Cruising with endless fun-filled activities.

Norwegian Star



PLANTATIONS

www.asiatic.com.my

The Plantations Division posted a profit before tax of RM31.7 million in 2001 (2000: RM39.0 million). The production of fresh fruit bunches ("FFB") improved to 700,275 tonnes in 2001, an increase of 7% over the previous year.

Crude palm oil ("CPO") production for 2001 increased to 135,263 tonnes or 6% more than the previous year whilst palm kernel ("PK") production increased by 7% to 37,043 tonnes. The Group's combined processing capacity at 155 tonnes per hour attained higher capacity utilisation at 84%, compared to 81% in 2000.

The average selling price achieved for CPO dipped to RM883 per tonne (2000: RM1,000 per tonne) and the average PK selling price was RM438 per tonne in 2001 (2000: RM703 per tonne).

Despite the lower achieved prices of palm products for 2001, the Division has not cut back on the optimum level of fertiliser and maintenance inputs. This will ensure high yield be sustained when prices pick up.

During the year, the Division's landbanks increased by nearly 24% to over 50,000 hectares with several acquisitions in Sabah; the largest being the 8,830-hectare land at Sungai Tongod near Telupid in the district of Kinabatangan.

The ISO 9002 exercise in Ayer Item Oil Mill was successfully completed on 16 March 2001 and accreditation received from Standards and Industrial Research Institute of Malaysia ("SIRIM").

Serian Palm Oil Mill, the Division's joint-venture oil mill with Sarawak Land Consolidated and Rehabilitation Authority ("SALCRA") processed 137,000 tonnes of FFB, achieving an oil extraction rate of 22% with capacity utilisation of 85% in 2001.

PROPERTIES

The prolonged weak property market continued to affect the performance of the Property Division. Despite the tough market conditions, the Division actively participated in property promotion exhibitions such as the Home Ownership Campaigns and the Malaysia Property Exposition (MAPEX).

The Division registered a profit before tax of RM22.9 million in 2001 (2000: RM21.7 million). The profit contribution was mainly from its 54.9% indirect subsidiary, Asiatic Land Development Sdn Bhd, which posted sales from the Indahpura Project in Kulai, Johor and the Permaipura Project in Kedah.

Development works at the newly acquired plantation land at Sungai Tongod, Sabah.



Double-storey shop offices and double-storey terrace houses (Cassia C) in Indahpura.

During the year, 209 units of Indahpura's residential houses were completed and handed over to purchasers with a near 100% take-up rate. Given the good public response, additional medium cost double-storey terrace houses and some double and three-storey shop offices were launched in Indahpura. The 1,040 low-cost apartments in Indahpura under the 'Rumah Rakyat' scheme were almost fully sold in 2001.

No new sales launch was undertaken in Permaipura, Kedah and Desa Cheng Perdana in Melaka in 2001, as the prevailing property market remained soft. However, the Division is closely monitoring these markets and new launches will be undertaken when the timing is right.

The Permaipura Golf & Country Club ("PGCC") registered an improved performance in 2001, despite the intense competition from established neighbouring golf courses. The better performance was due to intensified marketing efforts in promoting attractive tournament packages to local tour operators. These efforts have helped to increase patronage to the golf club. A swimming pool with an adjoining wading pool was completed in 2001 to further enhance PGCC as a recreational retreat and upgrading works had commenced on the golf course to feature more challenging fairways and greens.

About 108 hectares of the Division's land were compulsorily acquired by the Government in 2001.

Kijal Golf & Beach Resort, wholly owned by the Group's subsidiary, Resorts World Bhd, is an integrated tourist-cum-housing resort project in Terengganu, comprising the 5-star Awana Kijal Golf & Beach Resort, an 18-hole international golf course and Kijal Beach Resort Apartments. Kijal Beach Resort Apartments which boast scenic golf course and sea-front views, achieved a high rental occupancy of over 81% in 2001, despite a slight reduction in expatriate tenants as the petroleum related projects in the surrounding areas are nearing completion.

Area (Hectares)	Oil Palm		Rubber		Durian & Others		Titled Area	
	2001	2000	2001	2000	2001	2000	2001	2000
Mature	32,683	32,605	750	1,291	10	10	33,443	33,906
Immature	6,076	4,765	-	-	-	-	6,076	4,765
Total Planted Area	38,759	37,370	750	1,291	10	10	39,519	38,671
As a percentage (%)	98.1	96.6	1.9	3.4	-	-	100.0	100.0
Unplanted Jungle Area	-	-	-	-	9,019	-	9,019	-
Labour Lines, Buildings & Infrastructure, etc.	-	-	-	-	1,863	1,923	1,863	1,923
Total Area	38,759	37,370	750	1,291	10,892	1,933	50,401	40,594
Percentage Over								
Titled Area (%)	76.9	92	1.5	3.2	21.6	4.8	100.0	100.0
Production (mt)	700,275	655,366	830	1,457	-	-	-	-
Yield Per Mature Hectare (mt/kg)	21.4	20.2	1,526	1,591	-	-	-	-
Average Selling Price								
Rubber (sen/kg)	-	-	182	223	-	-	-	-
CPO(RM/mt)	883	1,000	-	-	-	-	-	-
Palm Kernel (RM/mt)	438	703	-	-	-	-	-	-

PAPER & PACKAGING

www.gsanyen.com

The Paper & Packaging Division posted a profit before tax of RM10.5 million in 2001 (2000: RM75.4 million). The lower performance is mainly due to the weaker global market prices for industrial brown grade paper, the slower demand for cartons and the higher depreciation charges arising from the new Central box plant.

Despite the difficult market conditions, the two paper mills managed to maintain their sales volumes of 250,000 tonnes in 2001, against a total production output of 248,000 tonnes (2000: 249,000 tonnes). Average production efficiency was maintained at a high of 95%. Market acceptance for the Liner paper, launched at the start of 2001, has been strong following the consistent quality and improved strength of this product.

The Central box plant which is located in the Genting Sanyen Industrial Paper Mill Complex ("GSIP Mill Complex") completed its first year of operations in 2001. The Central box plant continued to leverage on its advanced technology and innovative products to capture new customers despite the tough export market environment that had weakened sales orders from its existing customers.

The Division has commenced the construction of the "Waste-To-Energy" plant in 2001. The plant project is supported by MITI Japan and the Economic Planning Unit of Malaysia and



Genting Sanyen box plants feature the Mitsubishi Corrugator - one of the fastest corrugators in the world.

The power station at GSIP Mill Complex, Kuala Langat, Selangor.



The state-of-the-art Automatic Storage and Retrieval System available at the Genting Sanyen box plants.

will be located in the GSIP Mill Complex. The "Waste-To-Energy" plant is expected to start incinerating waste from the two paper mills in 2003.

POWER

www.gsanyen.com

The Power Division, through the Group's associated company Genting Sanyen Power Sdn Bhd ("GSP") recorded a profit before tax of RM118.2 million in 2001 (2000: RM99.7 million).

GSP operates a 720 MW gas-fired combined cycle power plant that is in its sixth year of full commercial operation. The plant continues to be highly ranked in Tenaga Nasional Berhad's ("TNB") merit order dispatch schedule and registered higher electricity sales to TNB than in previous years.

The new Operation & Maintenance Contract was executed on 23 March 2001. The first C-Inspection (major scheduled maintenance) under the Contract was carried out on one of the three Alstom (ABB) 13E2 gas turbines in the year under review.

GSP purchased and implemented a total information system (PI Software) to enable online monitoring to enhance the plant performance.

In recognition of its safety practices, GSP was granted the Occupational Health and Safety Assessment System 18001 certification by SIRIM in 2001. GSP also received the British Gas 2001 Chairman's Award for Project, Contract or Joint Venture Partner Contribution (Runner-up).



OIL AND GAS

www.gsanyen.com

The Oil & Gas Division is managed by Genting Oil and Gas Limited ("GOGL"), a 95% owned subsidiary of the Group.

In **Indonesia**, the Group via Laila Limited (an indirect 95% owned subsidiary) sold its entire equity interest in Cairns Limited, which held a 45% interest in the Muturi Production Sharing Contract ("PSC") to BP Global Investments Ltd, a wholly owned subsidiary of BP PLC ("BP") on 2 July 2001. The initial cash consideration of US\$106.8 million has been received. The deferred consideration is receivable based on future entitlements commencing when commercial gas production attributable to the contract area begins and continuing until the termination of the Muturi PSC.

The commercial structure of this disposal enabled the Group to retain the rights to long-term future cash flows from the Tangguh Project, recover the bulk of its investment and relieve itself from all future development costs.

In **China**, GOGL's wholly owned subsidiary, Genting Oil and Gas (China) Limited continued its enhanced oil recovery project at the Zhuangxi Buried Hill Oilfield. During the second year of operations, two wells were drilled and five major well repairs were undertaken. The installation and replacement of downhole electric submersible pumps continued in 2001. Wellhead production for the year totalled 144,245 tonnes (2000: 101,461 tonnes). Oil prices averaged US\$21.95 per barrel during the year (2000: US\$27.31).

Enhancing the oil recovery from Zhuangxi Field will require the continued use of appropriate downhole technology, successful well interventions, efficient water injection and innovative drilling for additional reserves. A six-month extension to the original 30-month pilot phase of this project to complete field operations and related studies has been sought and approved.

In **Australia**, GOGL's wholly owned subsidiary, Coveyork Pty Ltd has a 100% interest in Block WA-274-P located offshore on the Northwest Shelf. The first well, Kaleidoscope-1 was drilled in May 2001. Log analysis indicated that the well was charged with hydrocarbons. However, the reservoir consisted of very low permeability sands and it was concluded that well testing was unlikely to be successful. Consequently, the well was plugged and abandoned. Studies on this permit area are ongoing.

E-COMMERCE AND IT DEVELOPMENT

Under the stewardship of E-Genting Holdings Sdn Bhd ("eGenting"), the Group's e-commerce division, various programmes were implemented to ensure that the Group optimise its IT resources to improve its businesses. In July 2001, Genting Information Knowledge Enterprise Sdn Bhd, a MSC company and a subsidiary of eGenting was relocated to Technology Park Malaysia, the Multimedia Super Corridor-designated area that offers world-class physical/information infrastructure and competitive financial incentives.

In November 2001, www.genting.com.my achieved an average of 100,000 unique visitors per month and was a finalist in the @MY Malaysia Internet Award 2001 under the "Most Popular Local Website" and "Most Creative Web Design" categories. This award honors the achievement of Malaysian talent and expertise in the Internet market.

www.genting.com.my currently has more than 84,000 online members as compared to 26,000 online members in 2000. Many attractive activities were conducted online to draw higher web visitations and new online members. These activities included the eGenting Auction, which allows visitors to bid for their favourite items on auction, eGenting contests and other online community database-building programmes.

During the year, the Siebel Customer Relationship Management ("CRM") system was successfully implemented at the Resort and Kuala Lumpur sales offices. World Reservation Center will continue to be promoted as a one-stop reservation center. The call center was integrated with CRM and Computer Telephony Integration System ("CTI"), which have increased the efficiency of call handling and enhanced customer services.

In 2001, the division developed and successfully implemented the upgraded version of Genting Show Ticketing System and the enhanced version of Awana Time Share System.

During the year, the mail content security, Websense and e-Commerce firewall, which provide additional internet and e-mail security within the Genting Group were implemented. The Data Center extended its technical support services to sales offices.

www.worldcard.com.my was introduced during the year to provide online information on Genting WorldCard, the Leisure & Hospitality Division's loyalty program and to attract new members via its website. The Genting WorldCard membership base has 475,000 cardholders as at 31 December 2001. The loyalty program section has also entered into co-brand alliances with Star Cruises by introducing the Star Cruises WorldCard, which currently comprises more than 185,000 members.



eGENTING
www.genting.com.my

HUMAN RESOURCES

Employees continue to form the integral backbone of the Group. The Group has a total workforce of about 15,200 employees as at 31 December 2001. In recognition of their loyal commitment and dedicated services to the Group, a total of 1,100 employees received their Long Service Awards in 2001.

The Group has consistently been acknowledged for its strong management leadership and dedicated employees and received numerous awards of recognition during the year.

The Group continues to grow and develop the talents of its employees with both external and internal comprehensive training and development programmes. In-house training programmes that covered pertinent issues such as budget management, internal or risk controls and tax management were held in 2001. The MS ISO Awareness programme and other ISO-related programmes were conducted for the leisure and hospitality employees during the year to ensure the best delivery of customer services and quality.

During the year, the Group's training and education subsidiary, Genting Centre of Excellence Sdn Bhd ("GCE"), continued to provide valuable knowledge, technical skills and management development training programmes. Kolej Antarabangsa Genting is an approved college that is owned and managed by GCE. The college continues to offer educational courses to the public, with academic consulting support from the internationally renowned Ecole Hoteliere de Lausanne, Switzerland.

The Leisure & Hospitality division held its 13th Resorts World Bhd Manager's Conference at GICC in 2001 with the theme "Family Values in Business" and it included spouses and children of employees. The Plantations division also held their 21st Management Conference with the theme "Back to Basics – Higher Yield" that emphasised on yield and cost management.

During the year, two teams of the Group, "RYB" of Engineering and "Positive Thinkers" from Awana Genting won Gold with 3 stars and Gold with 2 stars respectively, for the NPC National QCC/QIT Convention.

COMMUNITY SERVICES

During the year under review, the Group remained a strong supporter of various charitable bodies, non-governmental organisations and other worthy causes.

The Group donated to various welfares and charitable homes - namely Yayasan Kebajikan Haemodialysis, Hospis Malaysia, Malaysian Mental Association, Good Samaritan Home, Chinese Medical Aid Department and Kiwanis Club of Seremban. Among the non-governmental organisation recipients of the Group's contributions were the Malaysian Liver Foundation, Social Action Initiative Foundation, Malaysian Youth Orchestra Foundation and Malaysian Crime Prevention Association.

In supporting the development of healthy sports, the Group contributed to numerous sports organisations such as the Malaysian Hockey Federation, Football Association of Malaysia, Malaysian Olympians Association, Malaysian Volleyball Association and SportExcel. The Group was also one of the key sponsors of the XXI Sea Games 2001 with Genting Highlands Resort and Awana Hotels and Resorts named as the official resorts of the XXI Sea Games.

The Group via its associate Genting Sanyen Power Sdn Bhd, also awarded 6 new scholarships to its fifth batch of sponsored undergraduates in 2001.



Y Bhg Tan Sri Mohd. Amin bin Osman, Director of Genting Berhad and Y Bhg Tan Sri Alwi Jantan, Executive Director of Resorts World Bhd together with the year 2002 festive season donation recipients from various charitable organisations.

RECOGNITION

The Genteng Group's commitment to high quality standards and continued excellence has enabled the Group to achieve a track record of successful performances and won numerous performance recognitions from various leading institutions and bodies.

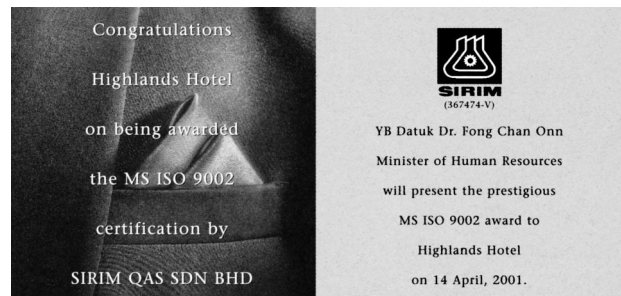
Among the many industry recognitions received in 2001 are as follows:



- The *Best Managed Company of the Decade in Malaysia Award* by Asia Money, received in year 2001.
- The **No. 1 overall leading company in Malaysia for the eighth consecutive year** in 2001 in *Review 200: Asia's Leading Companies* by Far Eastern Economic Review which included being ranked No. 1 in *Financial Soundness* and No. 1 in *Companies That Others Try To Emulate*.
- The Top Malaysian Company in *Asia's Most Admired Companies 2000* by Asian Business.



- No. 1 in *Best in Investor Relations Category in Malaysia in Asia's Best Companies 2001* by Finance Asia.
- *Best Investor Relations by a Malaysian Company 2001 - Honourable Mention* by Investor Relations Magazine - Asia Awards.
- The "Most Creative Web Site Design" and "Most Popular Website" awards - *Malaysia Internet Awards 2001* - finalist by Mimos Berhad.
- Genteng Highlands Resort - *Best 5 Star Family & Entertainment Resort Award 2001* by World Asia Media Holdings (M) Sdn Bhd.
- Genteng Highlands Resort - *Asia Pacific's Leading Casino Resort Award 2001* by World Travel Awards



- Highlands Hotel - retained its prestigious *MS ISO 9002 quality system certification* in year 2001.
- Genteng Hotel - retained its prestigious *MS ISO 9002 quality system certification* in year 2001.
- Genteng Highlands Resort named the *Members' Choice Award 2000* by Diners Club International for being the *Favourite Resort Hotel of the Year for Outstanding Customer Service, Quality of Merchandise, Variety of Goods and Value for Money*, received in year 2001.
- Genteng Centre of Excellence - retained its prestigious *MS ISO 9001 quality system certification* in year 2001.
- Awana Kijal - awarded *Terengganu's Highest Service Tax Contributor For Year 2000* by Jabatan Kastam Dan Eksais DiRaja Malaysia Terengganu.
- Kuala Langat Power Plant - accorded the *Occupational Safety and Health Grand Award 2000* by Malaysian Society for Occupational Safety & Health, received in year 2001.
- Kuala Langat Power Plant - retained its prestigious *MS ISO 9002 quality system certification* from SIRIM Malaysia in year 2001.
- Kuala Langat Power Plant - accredited the prestigious *MS ISO 14001 certification for Environmental Management System* from SIRIM Malaysia in year 2001.
- Kuala Langat Power Plant - accredited the prestigious *MS ISO 18001 certification for Occupational, Health & Safety Assessment Series* from SIRIM Malaysia in year 2001.
- Genteng Sanyen Power - runner-up for the *British Gas Chairman's Award 2001 for Project, Contract or Joint Venture Partner Contribution* by British Gas Group.
- Ayer Item Oil Mill - accredited the prestigious *MS ISO 9002 quality system certification* from SIRIM Malaysia in April 2001.



Corporate Governance

The Malaysian Code on Corporate Governance ("the Code") introduced in March 2000, was incorporated into the Listing Requirements of the Kuala Lumpur Stock Exchange in June 2001.

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Set out below is a statement on how the Company has applied the principles and complied with the best practices set out in Parts 1 and 2 of the Code.

A. DIRECTORS

(i) The Board

The Board has overall responsibility for the proper conduct of the Company's business. The Board meets on a quarterly basis and additionally as required. The Board has a formal schedule of matters specifically reserved for its decision, including overall strategic direction, annual operating plan, capital expenditure plan, acquisitions and disposals, major capital projects and the monitoring of the Group's operating and financial performance.

Subsequent to the introduction of the Code, the Board established the Nomination Committee and Remuneration Committee to assist the Board in the discharge of its duties.

During the year under review, five meetings of the Board were held and all Directors have complied with the requirements in respect of board meeting attendance as provided in the Articles of Association.

The details of Directors' attendances are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Lim Goh Tong	3
Tun Mohammed Hanif bin Omar	5
Dato' Lim Kok Thay	4
Mr Quah Chek Tin	4
Dato' Paduka Nik Hashim bin Nik Yusoff	5
Tan Sri Mohd Amin bin Osman	5
Tan Sri Gunn Chit Tuan	4
Tan Sri Dr. Lin See Yan (appointed as a Director on 28 November 2001)	-

(ii) Board Balance

The Board has eight members, four executive Directors and four non-executive Directors. Three of the four non-executive Directors are independent non-executive Directors. The Directors have wide ranging experience and all have occupied or currently occupy senior positions both in the public and private sectors. The independent non-executive Directors provide a strong independent element on the Board with Tan Sri Gunn Chit Tuan as the senior independent non-executive director to whom concerns may be conveyed. The independent non-executive Directors also participate in the Audit, Remuneration and Nomination Committees as members of these Committees.

The Chief Executive, Tan Sri Lim Goh Tong also assumes the role of Chairman in recognition of his invaluable contribution as the founder of the Genting Group. The Board is mindful of the dual roles held but is of the view that there are sufficient experienced and independent-minded Directors on the Board to provide the assurance that there is sufficient check and balance. Also, the dual roles has to a certain extent been balanced by the presence of Tun Mohammed Hanif bin Omar as Deputy Chairman and Dato' Lim Kok Thay as Managing Director.

A brief profile of each of the Directors is presented on pages 6 to 7 of this Annual Report.

(iii) Supply of Information

Notice of meetings, setting out the agenda and accompanied by the relevant Board papers are given to the Directors in sufficient time to enable the Directors to peruse, obtain additional information and/or seek further clarification on the matters to be deliberated.

As a Group practice, any Director who wishes to seek independent professional advice in the furtherance of his duties may do so at the Group's expense. Directors have access to all information and records of the Company and also the advice and services of the Group Company Secretary.

(iv) Appointments to the Board

The Nomination Committee comprising entirely of independent non-executive Directors is responsible for identifying and recommending to the Board suitable nominees for appointment to the Board and Board Committees.

On appointment, Directors are provided with information about the Group and are encouraged to visit the sites of the Group's operating units and meet with key senior executives.

All the Directors have attended the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysis. In addition, in-house courses covering subjects such as directors' duties in the light of corporate governance, internal control and risk management were held for them.

The members of the Nomination Committee are as follows:

Tan Sri Gunn Chit Tuan
Dato' Paduka Nik Hashim bin Nik Yusoff
Tan Sri Dr. Lin See Yan

(v) Re-election

The Articles of Association of the Company provide that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire once in every three years. A retiring Director is eligible for re-election. The Articles of Association also provide that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

B. DIRECTORS' REMUNERATION

The Remuneration Committee comprising three independent non-executive Directors and one executive Director is responsible for making recommendations to the Board on the remuneration packages of executive Directors and members of Board Committees. In making recommendations to the Board, information provided by independent consultants and appropriate survey data are taken into consideration. The Board as a whole, determines the level of fees of non-executive Directors and executive Directors. Directors' fees are approved at the Annual General Meeting by the shareholders. Directors do not participate in decisions regarding their own remuneration packages.

The members of the Remuneration Committee are as follows:

Dato' Paduka Nik Hashim bin Nik Yusoff
Tan Sri Gunn Chit Tuan
Tan Sri Dr. Lin See Yan
Dato' Lim Kok Thay

The first meeting of the Remuneration Committee was held on 7 February 2002.

Details of the Directors' remuneration are set out in the Audited Financial Statements on page 45 of this Annual Report. In the interest of security, additional information have not been provided other than the details stipulated in the Listing Requirements of the Kuala Lumpur Stock Exchange.

C. SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company's Annual General Meeting remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group.

The Group maintains a website at www.genting.com.my which provides information relating to annual reports, press releases, quarterly results, announcements and corporate developments.

The Group also participates in investor forums held locally and abroad and also organises briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board aims to ensure that the quarterly reports, annual financial statements as well as the annual review of operations in the annual report are presented in a manner which provides a balanced and understandable assessment of the Company's performance and prospect.

The Directors are also required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

A statement by the Board on its responsibilities for preparing the financial statements is set out on page 65 of this Annual Report.

(ii) Internal Control

The Board is responsible for the Group's system of internal control and risk management and for reviewing its adequacy and integrity. While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatement or loss.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group has in place, an adequately resourced internal audit department. The activities of this department which reports regularly to the Audit Committee provide the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. The Board will be reporting on its review of the system of internal control in next year's annual report.

(iii) Relationship with Auditors

The Company through the Audit Committee, has an appropriate and transparent relationship with the external auditors. In the course of audit of the Group's operations, the external auditors have highlighted to the Audit Committee and the Board, matters that require the Board's attention. All Audit Committee meetings are attended by the external auditors for purposes of presenting their audit plan and report and for presenting their comments on the audited financial statements.

E. OTHER INFORMATION

Material Contracts

Material Contracts of the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 36 to the financial statements under "Significant Related Party Transactions and Balances" on pages 58 to 60 of this Annual Report.

Audit Committee Report

MEMBERSHIP

The present members of the Audit Committee ("Committee") comprise:

Tan Sri Gunn Chit Tuan	Chairman/Independent Non-Executive Director
Dato' Paduka Nik Hashim bin Nik Yusoff	Member/Independent Non-Executive Director
Dato' Lim Kok Thay	Member/Executive Director
Tan Sri Dr. Lin See Yan*	Member/Independent Non-Executive Director
Mr Quah Chek Tin*	Member/ Executive Director

* Appointed on 28 November 2001

The Committee was established on 26 July 1994 to serve as a Committee of the Board. The Terms of Reference of the Committee are set out below.

On 28 November 2001, the Board approved the revised Terms of Reference to conform to the revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

ATTENDANCE AT MEETINGS

During the year the Committee held a total of five (5) meetings. Details of attendance of the Committee members are as follows:

Name of Member	Number of Meetings Attended
Tan Sri Gunn Chit Tuan	3
Dato' Paduka Nik Hashim bin Nik Yusoff	4
Dato' Lim Kok Thay	3
Tan Sri Dr. Lin See Yan*	-
Mr Quah Chek Tin*	-

* Appointed on 28 November 2001

SUMMARY OF ACTIVITIES

The Committee carried out its duties in accordance with its Terms of Reference.

The main activities carried out by the Committee were as follows:

- i) considered and approved the internal audit plan for the Company and the Group and authorised resources to address risk areas that have been identified;
- ii) reviewed the internal audit reports for the Company and the Group;
- iii) reviewed the external audit plan for the Company and the Group with the external auditors;
- iv) reviewed the external audit reports for the Company and the Group with the external auditors;
- v) reviewed the quarterly and annual reports of the Company and the Group, focusing particularly on:
 - (a) changes in or implementation of major accounting policy changes;

(b) significant and unusual events; and

(c) compliance with accounting standards and other legal requirements;

vi) considered and approved the proposed criteria and procedures for the disclosure of related party transactions in accordance with the Malaysian Accounting Standards Board No. 8 and the Companies Act;

vii) reviewed related party transactions of the Company and the Group;

viii) reviewed additional disclosure requirements in accordance with the revamped Listing Requirements of the Kuala Lumpur Stock Exchange;

ix) reviewed the proposed audit fees for the external auditors in respect of their audit of the Company and the Group for the financial year ended 31 December 2000;

x) considered the reappointment of the external auditors for recommendation to the shareholders for their approval; and

xi) reviewed the Financial Statements of the Company and of the Group for the financial year ended 31 December 2000.

INTERNAL AUDIT FUNCTION

The Group has an adequately resourced internal audit department to assist the Board in maintaining a sound system of internal control. The internal audit department reports to the Committee and is independent of the activities they audit. The primary role of the department is to undertake regular and systematic review of the systems of internal control so as to provide sufficient assurance that the Group has sound systems of internal control and that established policies and procedures are adhered to and continue to be effective and satisfactory.

The Group has also implemented a risk-based approach to establishing a sound system of internal control.

TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

1. Composition

(i) The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors; shall consist of not less than three members, a majority of whom are independent non-executive Directors; and at least one member of the audit committee:

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

(aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

- (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

The Chairman shall be an independent non-executive Director elected by the members of the Committee.

- (ii) In the event of any vacancy in the Committee resulting in the non-compliance of paragraph (i) above, the Board must fill the vacancy within 3 months.
- (iii) The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries within its terms of reference, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to obtain independent professional or other advice and 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 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.

If the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Kuala Lumpur Stock Exchange's ("the Exchange") Listing Requirements, the Committee shall promptly report such matter to the Exchange.

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 controls;
- 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 adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;

- vi) review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- vii) review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
 - (a) changes in or implementation of major accounting policy changes;
 - (b) significant and unusual events; and
 - (c) compliance with accounting standards and other legal requirements;
- viii) review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- ix) consider the nomination, appointment and re-appointment of external auditors; their audit fees; and any questions on resignation and dismissal.

5. Meetings

- i) The Committee is to meet at least four times a year and as many times as the Committee deems necessary.
- ii) In order to form a quorum for any meeting of the Committee, the majority of members present must be independent.
- iii) The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.
- iv) The Director of Finance and the head of internal audit shall normally attend meetings of the Committee. The presence of a representative of the external auditors will be requested if required.
- v) 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.
- vi) At least once a year, the Committee shall meet with the external auditors without the presence of any executive Director.

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.

Directors' Report and Statement Pursuant to Section 169(15) of the Companies Act, 1965

The Directors of **GENTING BERHAD** have pleasure in submitting their report together with their statement pursuant to Section 169(15) of the Companies Act, 1965 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the subsidiary companies 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 and oil and gas exploration activities.

The principal activities of the associated companies include cruise and cruise related operations and the generation and supply of electric power.

Details of the principal activities of the subsidiary and associated companies are set out in Note 37 to the financial statements.

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

FINANCIAL RESULTS

	Group RM Million	Company RM Million
Profit from ordinary activities before taxation	1,034.6	414.4
Taxation	(386.3)	(113.9)
Profit from ordinary activities after taxation	648.3	300.5
Minority shareholders' interests	(194.7)	-
Net profit for the year	453.6	300.5

DIVIDENDS

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

- (i) a final dividend of 12.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM63,390,505.86 in respect of the financial year ended 31 December 2000 was paid on 30 July 2001; and
- (ii) an interim dividend of 6.5 sen less 28% tax per ordinary share of 50 sen each amounting to RM32,963,067.21 in respect of the financial year ended 31 December 2001 was paid on 31 October 2001.

The Directors recommend payment of a final dividend of 12.5 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 30 July 2002 to shareholders registered in the Register of Members at the close of business on 9 July 2002. 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 RM63,390,505.86.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES, DEBENTURES AND SHARE OPTION

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

The following Option 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 ("Previous ESOS") were outstanding as at 31 December 2001:

Option expiry date	Subscription price per share	No. of shares
15 December 2004	RM19.80	<u>3,317,000</u>

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

On 23 July 2001, the Securities Commission ("SC") approved the Company's application to allow eligible executives who hold outstanding options ("Existing Option Holders") under the Previous ESOS to participate in the Company's proposed share option scheme for the grant of options to eligible executives to subscribe for new shares constituting up to 5% of the issued and paid-up share capital of the Company upon the terms and conditions of the By-Laws that may be approved by the SC ("Proposed New ESOS") subject to the conditions that the Existing Option Holders be given an option to either:

- (a) surrender their outstanding options and then participate in the Proposed New ESOS; or
- (b) continue to hold their outstanding options but will not be entitled to participate in the Proposed New ESOS for so long as the outstanding options remain unexercised.

As such, Existing Option Holders who have surrendered or fully exercised their Outstanding Options would be entitled to participate in the Proposed New ESOS.

The Proposed New ESOS referred to as "The Executive Share Option Scheme For Eligible Executives of Genting Berhad and its subsidiary companies" was approved by the shareholders of the Company at an extraordinary general meeting held on 21 February 2002 following the SC's earlier approval of the same on 29 November 2001 subject to the following conditions ("New ESOS"):

- (a) a copy of the By-Laws of the New ESOS to be furnished to the SC; and
- (b) a letter of confirmation from the advisor of the Company stating that all the SC's conditions have been complied with, the By-Laws do not conflict with SC's Guidelines on employees share option scheme and the New ESOS has been approved by all other relevant parties and has complied with all their conditions.

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 Quah Chek Tin
 Dato' Paduka Nik Hashim bin Nik Yusoff*
 Tan Sri Mohd Amin bin Osman
 Tan Sri Gunn Chit Tuan*
 Tan Sri Dr. Lin See Yan* (Appointed on 28 November 2001)

* Also members of the Remuneration Committee

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 subsidiary companies of the Company as set out below:

INTEREST IN THE COMPANY

Shareholdings in the names of Directors	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	6,681,000	-	6,681,000
Tun Mohammed Hanif bin Omar	200	-	200
Dato' Lim Kok Thay	3,337,200	(701,200)	2,636,000
Mr Quah Chek Tin	1,000	-	1,000
Tan Sri Mohd Amin bin Osman	8,000	-	8,000

Shareholdings in which the Director is deemed to have an interest	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	11,523,996	-	11,523,996

Share Option in the names of Directors	1.1.2001	Offered/(Exercised)	31.12.2001
	(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
Tan Sri Mohd Amin bin Osman	400,000	-	400,000

INTEREST IN RESORTS WORLD BHD

Shareholdings in the names of Directors	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	918,000	500,000/(1,368,000)	50,000
Tun Mohammed Hanif bin Omar	1,000	-	1,000
Mr Quah Chek Tin	1,000	-	1,000
Tan Sri Mohd Amin bin Osman	122,000	-	122,000

Share Option in the names of Directors	1.1.2001	Offered/(Exercised)	31.12.2001
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	300,000	-	300,000
Tun Mohammed Hanif bin Omar	500,000	-	500,000
Dato' Lim Kok Thay	175,000	-	175,000

INTEREST IN ASIATIC DEVELOPMENT BERHAD

Shareholdings in the names of Directors	1.1.2001	Acquired/(Disposed)	31.12.2001
	(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

INTEREST IN GENTING INTERNATIONAL PLC

Shareholdings in the name of Director	1.1.2001	Acquired/(Disposed)	31.12.2001
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	1,832,468	-	1,832,468

Apart from the above disclosures:

- (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 financial statements 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) A company in which Tan Sri Lim Goh Tong is a director and a substantial shareholder has rented:
 - (a) 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 Resorts World Bhd ("RWB"), which in turn is a 55.2% owned subsidiary of the Company; and
 - (b) a premise measuring approximately 5,191 sq. m. located at Gohtong Jaya, Bentung, Pahang to Genting Centre of Excellence Sdn Bhd, a 70% owned subsidiary of RWB.
- (ii) A company in which Dato' Lim Kok Thay is a director and a substantial shareholder, has retained Asiatic Development Berhad, a 54.9% owned subsidiary of the Company to provide plantation advisory services.
- (iii) Tan Sri Mohd Amin bin Osman has been retained as a consultant to provide management and ancillary services to the Company and retained by RWB to provide advisory services.

Dato' Lim Kok Thay and Mr Quah Chek Tin are due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and they, being eligible, have offered themselves for re-election.

Tan Sri Dr. Lin See Yan 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.

Tan Sri Lim Goh Tong, Tan Sri Mohd Amin bin Osman and Tan Sri Gunn Chit Tuan 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 income statements 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 allowances for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance 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 allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the financial statements of the Group or of the Company misleading;
- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements 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 those highlighted in the financial statements particularly in Notes 6 and 7; 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.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 32 to 64 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2001 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and comply with the Companies Act, 1965.

AUDITORS

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

On behalf of the Board,

TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman

DATO' LIM KOK THAY
Managing Director

Kuala Lumpur
1 April 2002