

REVIEW OF OPERATIONS





Refreshing cool highlands.



A scenic sunrise at Genting Highlands Resort.

LEISURE & HOSPITALITY

GENTING HIGHLANDS RESORT

www.genting.com.my



The Group's Leisure & Hospitality Division is spearheaded by Genting Highlands Resort ("Resort"), **Asia's leading integrated leisure and entertainment resort** with 6 hotels, 8,000 rooms (soon-to-be 10,000), over 170 food and beverage and retail outlets, as well as 60 fun rides and endless entertainment. All in one location. At 2,000 metres or 6,000 feet above sea level, the Resort enjoys year round fresh cool climate and magnificent views of the surrounding highlands.

Popularly known as **Genting - City of Entertainment**, the Resort is sometimes referred to as the "city that never sleeps in Malaysia". The Resort attracted a new record high of 17.4 million visitors in 2004, of which 22% were hotel guests and the balance or 78% were day-trippers. Malaysians formed the bulk of Resort's day trippers and hotel guests while Singaporean hotel guests comprised about 4% of Resort's total visitors in 2004. The Resort's tourist arrivals from China, Middle East, India and neighbouring countries grew encouragingly while visits from the domestic market remained strong. During the year, the Division registered revenues of RM2.8 billion (2003: RM2.7 billion) and profit before tax of RM1.2 billion (2003: RM1.1 billion).

The Resort has consistently been recognised for its excellent products and services and was voted Malaysia's **Best Deluxe Family Resort/Theme Park**, **Outstanding Achievements in Hotel/Resort Development** and the **Best New Hotel** for First World Hotel at the prestigious Hospitality Asia Platinum Awards 2003-2004.

Offering a myriad of impressive entertainment shows and attractions every year, the Resort's three mega entertainment venues with a combined capacity of about 10,000-pax, hosted 76 star-studded shows and international performances in 2004.

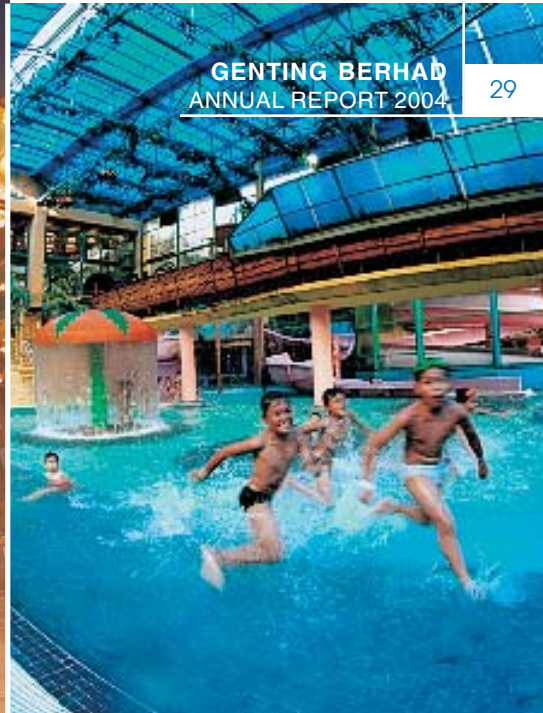
During the year, a series of magnificent world-class performances such as *Dance of Desire*, *The Ten Tenors* and West-End musicals *Annie* and *Peter Pan* were held at the 1,600-pax **Genting International Showroom**, providing wholesome entertainment for the entire family. Other splendid show extravaganzas were also held at the 2,000-pax **Pavilion**, such as "*Fantastica! - The New Age Circus*" and *H2O* - a unique, must-see lights and music extravaganza.



First World Hotel Plaza.



Fun and thrills for all ages.



The 6,000-pax **Arena of Stars** is the perfect venue for dazzling concerts, attention-grabbing "live" shows and adrenalin-pumping sporting events. It has played host to hundreds of international stars such as Andy Lau, Jacky Cheung, Aaron Kwok, Michael Learns To Rock, Sir Cliff Richard, Richard Clayderman, Kitaro, Maksim and many more. It has hosted glamorous pageants and awards including ASTRO Miss Chinese International Pageant 2004 and Global Chinese Music Chart Awards Star Showcase, Anugerah Bintang Popular Berita Harian and the inaugural Malaysian Idol finals. Sports-related events held at this venue included the 6th Genting World Lion Dance Championship, ITF Taekwondo Championship 2004 and Miss Malaysia Fitness.

The Resort proudly owns and manages Malaysia's largest hotel and shopping-cum-entertainment complex, First World Hotel & Plaza ("First World Complex").

During the year, the Resort continued to develop the 3,000-room Tower 2 of First World Hotel. Having completed Tower 2's 9-level car park in 2003, the Division completed 1,000 rooms and 12 new state-of-the-art meeting rooms in November 2004. The remaining 2,000 rooms are scheduled for completion by end 2005. Once Tower 2 is complete, First World Hotel will be the world's largest hotel with about 6,200 rooms.

During the year, the five hilltop hotels at the Resort comprising Genting Hotel, Highlands Hotel, Resort Hotel, Theme Park Hotel and First World Hotel achieved an overall average occupancy of 84% (2003: 77%) and an average room rate of RM89 (2003: RM78).

Throughout the year, efforts to continuously enhance the Division's products and facilities were undertaken to attract new and repeat visitors to the Resort. Genting Hotel underwent some renovation works in 2004. Two floors of Genting Hotel were converted into **Maxims Club**, originally known as Club Elite. **Maxims Club** features two Villa Suites, 50 luxurious private suites, a classy Business Centre, a private VIP check-in lounge and an exclusive dining and entertainment facility, as well as personalised butler services to cater exclusively to premium guests and corporate travellers. The new exquisitely designed **M Spa** at Genting Hotel was completed at the end of 2004. The spa offers a relaxation zone with separate areas for men and women, various spa treatment facilities including jacuzzi and herbal dip pools, sauna and steam rooms, as well as a modern gym for the fitness enthusiast.

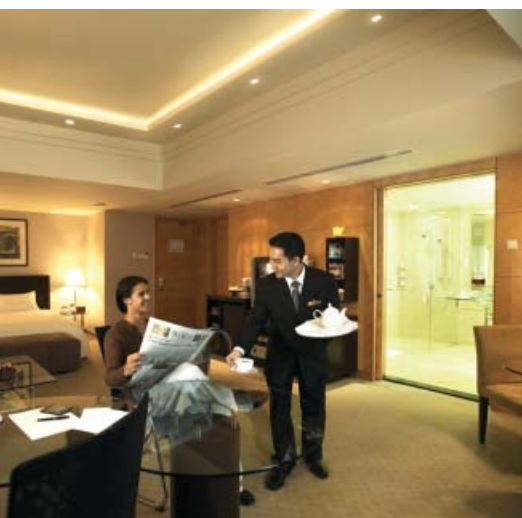
Highlands Hotel has also upgraded two floors of Deluxe rooms to Premier rooms, bringing the total number of Premier floors to five.

MAXIMS
CLUB

Maxims Club, Genting Highlands.

Epitome of prestige and elegance - MAXIMS.

Maxims Casino Club, London.





Snow World - Malaysia's largest indoor snow house.

Flying Coaster - Asia's first hang-gliding roller coaster.

Genting International Convention Centre ("GICC") remains one of the largest and most popular convention centres in Malaysia. A one-stop destination for Meetings, Incentives, Conventions and Exhibitions (MICE), GICC has more than 150,000 square feet of conference space, 18 meeting rooms, a new business centre, a Grand Ballroom and 3 convention halls. A total of 2,432 functions were held at the Resort in 2004.

With a total of 88 F&B outlets, 43 operated by the Division and the rest by third party operators of reputable brands, the Resort offers a wide range of gastronomy delights. Two new specialty dining restaurants at Genting Hotel were introduced, **Ming Ren - The Lamb Specialist Restaurant** and **The Olive**, which offers continental cuisine served in a trendy ambience. **Hou Mei Noodles House** was introduced at First World Plaza.

The 680-seat Tropical Café at First World Plaza, was relocated to Level 3 and renamed **First World Café**. The relocation enabled First World Café to increase its seating capacity to accommodate 2,400 people. The original First World Café, located at the lobby level at First World Hotel has been renamed **Plaza Café**.

The new **Star World** at First World Plaza, was relocated and renovated with new gaming attractions in November 2004. The **Safari Disco** was reopened after undergoing three



Genting International Convention Centre.



months of renovation while the Cloud 9 Disco was converted into **Cloud 9** fun pub to cater to a younger crowd.

Genting Theme Park continues to live up to its reputation of providing endless excitement and "Fun At The Peak" with over 50 rides and attractions at its indoor and outdoor theme parks. Its four big attractions **Spinner**, **Space Shot**, **Sky Venture** and **Snow World** continue to draw in millions of visitors.

Flying Coaster was the latest addition to the Genting Theme Park in 2004 and is Asia's first flying roller coaster. A RM20 million hang-gliding thrill sensation ride, the Flying Coaster simulates creative flight patterns that takes flyers through sloping, looping and twisting motions with unobstructed views of the highlands throughout the entire "flight" experience. The Flying Coaster's track is some 391 metres long and travels at an exhilarating maximum speed of 27.7 miles per hour.

Snow World at First World Plaza is the largest indoor snow house in Malaysia. It is one of the most sought after attractions at Genting Theme Park, drawing over 2,000 patrons daily. Snow World was given a more refreshing look in September 2004 with more 'snow' effects, a new mid landing for the crest run and colourful lighting enhancements.

Continuous refurbishment of theme park facilities and landscape beautification works were carried out throughout 2004 to ensure that Genting Theme Park remains one of the most popular theme park destinations in Malaysia.

One of the Group's top priorities has always been convenient, safe and comfortable travel to and from the Resort. This has resulted in continuous efforts to upgrade the road infrastructure and enhance accessibility. The construction of the new 4.5km two-lane bypass road between the hilltop and Chin Swee Caves Temple area continued in 2004 and will be completed in 2005. Once ready, this road will serve as an alternative route to the Resort's hilltop and ease the congestion from increasing traffic flow.

AWANA HOTELS & RESORTSwww.awana.com.my

The Awana brand represents three beautifully designed resort hotels, namely Awana Genting Highlands Golf & Country Resort ("Awana Genting"), Awana Kijal Golf, Beach & Spa Resort ("Awana Kijal") and Awana Porto Malai, Langkawi ("Awana Porto Malai"). The three resort hotels achieved an overall average occupancy rate of 61% in 2004 as compared to 56% in the previous year.

Awana Genting, located at the mid-hill level of the Resort, is renowned for its abundant green surroundings and crisp cool air. The 493-room five-star resort with its award winning 18-hole golf course provides an ideal venue for meetings and functions in a refreshing, stress-free environment. Awana Genting offers a wide range of facilities for teambuilding exercises amidst natural surroundings suitable for activities such as jungle trekking, obstacle courses, abseiling and rock climbing. Awana Genting achieved average occupancy of 63% in 2004 (2003: 56%).

Awana Kijal, is a popular five-star holiday resort and convention destination on the east coast of Peninsular Malaysia. Awana Kijal owns the longest private beachfront in Peninsular Malaysia with 7.6 km of pristine sandy beach and offers 343 rooms and suites with panoramic views of the South China Sea as well as an 18-hole championship golf course. This charming holiday resort, located in the state of Terengganu, offers a comprehensive array of banquet, recreational and convention facilities, numerous water sports and a traditional Javanese-inspired spa called the Taman Sari Royal Heritage Spa Awana Kijal.

The opening of the East Coast Expressway on 1 August 2004 has improved accessibility and further promoted Awana Kijal as a choice tourist destination on the east coast of Peninsular Malaysia. Awana Kijal was heralded the No. 1 Resort on The East Coast by the Hospitality magazine in the August - October 2004 issue. Awana Kijal achieved average occupancy of 61% in 2004 (2003: 55%).

Awana Porto Malai remains a popular holiday resort destination on the legendary island of Langkawi, Kedah. The resort's strategic location beside the Langkawi Star Cruises jetty enhances its status as a popular tourist attraction.

The Mediterranean-themed resort with a picturesque waterfront boardwalk has 208 guestrooms and extensive facilities including convention halls, three food and beverage outlets and a private marina. The resort's new swimming pool with its mini water park is a favourite attraction for families.

During the year, Awana Porto Malai was again selected to be the host venue for the maritime section of the Langkawi International Maritime and Aerospace Exhibition 2004. This renowned international event uses as its backdrop, the serene and secluded bay surrounding the resort to display an armada of ships and yachts.

As a result of higher room inventory, Awana Porto Malai registered a 13% increase in rooms sold and improved room yield in 2004, although occupancy declined to 55% in 2004 (2003: 60%).

AWANA VACATION RESORTSwww.awanavacation.com

Awana Vacation Resorts Development Bhd ("AVRD") is the Group's Timeshare operator. Launched on August 1998 and growing steadily since then, AVRD has a total of 5,349 timeshare members as at 31 December 2004.

AVRD currently operates a total of 130 timeshare accommodation units catering to its Gold and Silver Ownership Plans. AVRD members are allowed to stay at the numerous hotels at Genting Highlands Resort and the Awana Hotels & Resorts at favourable rates, subject to booking conditions. Members also have access to over 3,800 affiliated resorts, affiliated with Resorts Condominium International (RCI) in over 80 countries. AVRD also has direct exchanges with resorts in Thailand, Australia, Bali in Indonesia and other countries without exchange fees requirement. In Malaysia, direct exchanges can be made for resorts in Penang, Kuala Lumpur and Cameron Highlands, subject to availability.

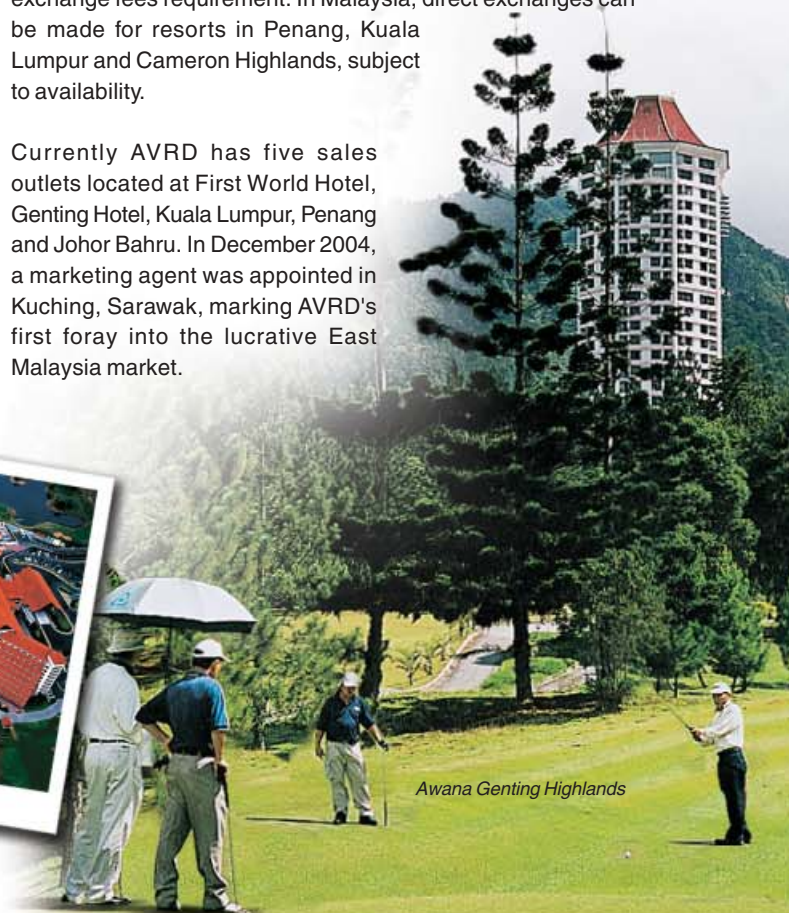
Currently AVRD has five sales outlets located at First World Hotel, Genting Hotel, Kuala Lumpur, Penang and Johor Bahru. In December 2004, a marketing agent was appointed in Kuching, Sarawak, marking AVRD's first foray into the lucrative East Malaysia market.



Awana Porto Malai, Langkawi



Awana Kijal, Terengganu



Awana Genting Highlands



SuperStar Virgo sailing towards Singapore.

STAR CRUISES LIMITED

www.starcruises.com

www.ncl.com

www.orientlines.com



Star Cruises Limited ("Star Cruises"), the Group's indirect associate is **the world's third largest cruise line** and the leading cruise line in Asia-Pacific. Star Cruises operates a combined fleet of 22 ships in service and under construction with over 35,000 lower berths. It operates under the internationally recognised brands of Star Cruises, Norwegian Cruise Line, NCL America, Orient Lines and Cruise Ferries and calls at close to 200 destinations globally in the Asia-Pacific, North and South America, Hawaii, the Caribbean, Alaska, Europe, Mediterranean, Bermuda and Antarctica.



Star Cruises is renowned for its world-class innovative cruise products and services. During the year, Star Cruises was awarded for the seventh time, the prestigious **"Best Cruise Operator in Asia-Pacific"** by TTG Asia. In December 2004, Star Cruises won the accolade for **"Most Unique Product Award"** at the India International Travel Mart 2004.

7-time winner of the prestigious Best Cruise Operator in Asia-Pacific 2004.

In August 2004, Star Cruises became the first company to receive a licence to operate a 100% foreign owned international travel agency in Shanghai. During the year under review, a Memorandum of Understanding was signed between Star

Cruises and the Nanhu Vocational School in Shanghai to jointly introduce and organise the Genting-Star International Cruise Management Programme for youth. This programme aims to produce a talented pool of dedicated professionals to support the growing cruise industry and economy in China.

During the year, Star Cruises entered into a strategic alliance with Valuair, Singapore's first low-cost value airline. This alliance will enable Star Cruises and Valuair to work closely to develop strategic marketing and operational synergies. Both will coordinate operations and jointly market attractive fly/cruise packages to provide passengers with a seamless, yet flexible, travel experience at attractive prices.



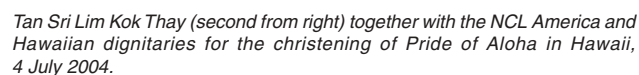
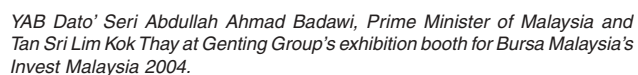
Press Conference held in conjunction of the strategic alliance between Star Cruises and Valuair, Singapore's first low-cost value airline on 20 December 2004.



All Star Cruises ships and its ports are in compliance with the International Ship and Port Facility Security Code, which came into mandatory effect in July 2004.

Star Cruises	Norwegian Cruise Line	NCL America
SuperStar Virgo	Norwegian Dawn	Pride of Aloha
SuperStar Gemini	Norwegian Star	Pride of America #
Star Pisces	Norwegian Sun	Pride of Hawaii ~
MegaStar Aries	Norwegian Spirit	
MegaStar Taurus	Norwegian Majesty	
SuperStar Express *	Norwegian Wind	
	Norwegian Dream	
	Norwegian Sea	
	Norwegian Crown	
Cruise Ferries	Norwegian Jewel +	Orient Lines
Wasa Queen	Soon-to-complete	Marco Polo
	Newbuild 1 **	
	Soon-to-complete	
	Newbuild 2 **	

~ Expected Delivery in 2006
 ** Expected Delivery in 2007





Young oil palm trees.



Fresh fruit bunches.



Mechanised infield evacuation of fresh fruit bunches.

PLANTATIONS

www.asiatic.com.my



The Plantations Division is led by 54.8%-owned Asiatic Development Berhad. The Division registered another year of strong performance in 2004, propelled by strong crude palm oil ("CPO") prices in the early months of 2004, strong palm kernel prices throughout the year, an enlarged harvesting area and a good harvest of fresh fruit bunches ("FFB").

The Division achieved a 23% increase in revenue to RM467.2 million in 2004 (2003: RM380.0 million) and a 25% increase in profit before tax to RM210.2 million (2003: RM167.5 million). This is the Division's best ever performance since it commenced operations in 1980. In May 2004, the Division acquired the Trushidup Group of Estates (now renamed Asiatic Sekong Estate and Asiatic Suan Lamba Estate) for a purchase consideration of RM212 million. These estates measuring 6,755 hectares together with a 60-tonne per hour oil mill, is located in the district of Kinabatangan, Sabah.

During the year, the Division acquired an additional 743 hectares of vacant agricultural land at Pulau Jambongan, an island in the northeast of Sabah while 5,059 hectares of jungle land in Limbang, Sarawak was surrendered to the Sarawak State Government. As a result of these transactions, the plantation landbank of the Division as at 31 December 2004 totalled 65,668 hectares, of which 56,581 hectares were planted with oil palm.

With the land acquisition during the year and the coming into maturity of existing estates, the harvesting area as at end 2004 increased by 25% to 48,630 hectares. Consequently, FFB harvested increased by 13% to a record high of 978,693 tonnes in 2004. The newly acquired Asiatic Sekong and Asiatic Suan Lamba estates with palms at 86% of prime yielding age, contributed 11% of the Division's FFB production in the seven months that it belonged to the Division.

Despite the softening of CPO prices towards the end of 2004, the average selling price achieved for CPO was RM1,600 per tonne, as compared to RM1,568 per tonne in 2003. The average selling price achieved for palm kernel ("PK") was RM1,068 per tonne in 2004, versus RM748 per tonne in 2003.

CPO production increased by 20% to 235,012 tonnes whilst PK production increased by 14% to 55,175 tonnes in 2004. The Division's efforts to improve FFB ripeness quality and loose fruit collection resulted in better oil extraction rates of 21.1% in 2004 compared to 20.7% in 2003. The Plantations Division continued to expand its field mechanisation process into areas where terrain and soil conditions were suitable.

Serian Palm Oil Mill, the joint venture oil mill between the Division and Sarawak Land Consolidation and Rehabilitation Authority processed 219,188 tonnes of FFB in 2004, an increase of 12% as compared to 2003. In anticipation of higher FFB production in the region, the milling throughput of this mill has been extended from 40 tonnes per hour to 60 tonnes per hour by the end of 2004. The Asiatic Ayer Item Oil Mill obtained the renewal of its ISO 9001: 2000 Quality Management System certification by Standards and Industrial Research Institute of Malaysia ("SIRIM").

PLANTATIONS STATISTICS

Area (Hectares)	Oil Palm		Others		Titled Area	
	2004	2003	2004	2003	2004	2003
Mature	48,630	38,816	-	-	48,630	38,816
Immature	7,951	9,894	-	-	7,951	9,894
Total Planted Area	56,581	48,710	-	-	56,581	48,710
As a percentage (%)	100.0	100.0	-	-	100.0	100.0
Clearing / Planting in progress / Unplanted Jungle Area	-	-	6,571	12,276	6,571	12,276
Labour Lines, Buildings & Infrastructure, etc.	-	-	2,516	2,243	2,516	2,243
Total Area	56,581	48,710	9,087	14,519	65,668	63,229
Percentage Over Titled Area (%)	86.2	77.0	13.8	23.0	100.0	100.0
Production (mt)	978,693	864,603	-	-	-	-
Yield Per Mature Hectare (mt/kg)	21.7	22.5	-	-	-	-
Average Selling Price						
CPO (RM/mt)	1,600	1,568	-	-	-	-
Palm Kernel (RM/mt)	1,068	748	-	-	-	-



Asiatic Indahpura



368MW Lanco Kondapalli Power Plant, India.



720MW Kuala Langat Power Plant, Malaysia.

PROPERTIES

www.asiatic.com.my



The Properties Division recorded a 37% increase in revenue to RM63.3 million in 2004 (after the exclusion of the proceeds from the disposal of land in 2003), on the back of improved economy and generally a higher demand for the residential market. However, the Division wrote-off capitalised expenses amounting to RM15.1 million and this resulted in a loss of RM0.3 million in 2004 versus a profit before tax of RM16.5 million (excluding gain on disposal of land) in 2003.

The Division is spearheaded by 54.8%-owned Asiatic Land Development Sdn Bhd, which develops the Asiatic brand of properties. Asiatic Indahpura, the Division's flagship project of mixed residential and commercial development in Johor, was the key contributor with sales of RM39.6 million in 2004. The sales were mainly from properties under construction and new launches of double-storey terrace houses and shop offices. In December 2004, the Division launched another 224 units of new and attractively designed residential houses in its Asiatic Cheng Perdana project in Melaka.

Asiatic's Permaipura Golf & Country Club, one of the leading golf clubs in Kedah, continued to perform fairly well in 2004 with its aggressive efforts in promoting its tournament packages, forming tie-ups with other clubs and constant maintenance of its golf course. It played host to the Genting Masters Tournament in September 2004.

The Kijal Beach Resort Apartments which are strategically located beside Awana Kijal Golf, Beach & Spa Resort in the east coast of Terengganu, continued to enjoy good tenancy and registered an average rental occupancy rate of 75% in 2004. The 89 units of apartments offer panoramic views of the South China Sea and overlook Awana Kijal's 18-hole championship golf course.

POWER

www.gsanyen.com



Genting Sanyen Power Sdn Bhd

The Power Division is led by 58.6%-owned subsidiary, Genting Sanyen Power Sdn Bhd ("GSP"). The Division registered a profit before tax of RM288.4 million in 2004, significantly higher than the RM203.5 million in 2003 due to the full year contribution from its additional 20% stake in GSP and its Lanco Kondapalli plant.

GSP is an Independent Power Producer in Malaysia and operates the 720MW Kuala Langat Power Plant. The gas-fired combined cycle power plant is strategically located at the Genting Sanyen Industrial Complex, Selangor, near the Kuala Lumpur International Airport. The plant, in its ninth year of full commercial operations, remained highly ranked in the merit order dispatch schedule of Tenaga Nasional Berhad, Malaysia's national utility group. In 2004, the plant received the MSOSH Gold Award 2003 for excellence in safety.

The Division's 30%-owned 368MW Lanco Kondapalli Power Plant ("Lanco Kondapalli") and its 74%-owned O&M company, Genting Lanco Power Private Ltd (formerly known as Eastern Generation Services (India) Private Ltd) which were acquired in May 2003, performed well in 2004.

On 12 August 2004, the Division acquired a 36.26% stake in Aban Power Company Ltd ("Aban Power") for about US\$10.3 million. Aban Power undertook the construction of a 113MW gas fired combined cycle power plant in the Tanjore District of Tamil Nadu, India. The plant is to be completed in June 2005. All electricity generated by the plant is to be contracted to Tamil Nadu Electricity Board, the state electricity distributor, under a power purchase agreement.

PAPER & PACKAGING

www.gsanyen.com

Genting Sanyen Industrial Paper Sdn Bhd

The Paper & Packaging Division, headed by 97.7%-owned Genting Sanyen (M) Sdn Bhd, is the largest integrated paper and packaging manufacturer in Malaysia. Revenue for the Division in 2004 grew by 10% to RM479.3 million while its profit before tax increased by 28% to RM55.3 million due to improved demand for paper-related products and higher average selling prices.

The Division owns the integrated Genting Sanyen Industrial Complex ("Complex"), which is strategically located less than 10-minute's drive away from Kuala Lumpur International Airport. The Complex is the result of an integration of key manufacturing facilities. It is premise to a paper mill (with two paper machines), a 720MW power plant, a Central box plant, a waste-to-energy plant, raw water and waste water treatment plants and the Division's operational head office.

The two paper mills at the Complex produced over 260,000 tonnes of industrial brown paper and maintained a high average production efficiency of 97% in 2004.

The Packaging Division operates two box plants. The Northern box plant in Prai, Penang and the Central box plant at the Complex continued to improve their respective market shares. The Division's box plants have gained a good reputation for their stringent quality control and cutting-edge technology.

The Paper Division renewed its accreditations for quality standards, namely ISO 9001: 2000 Quality Management Systems and ISO 17025: Laboratory Accreditation Scheme of Malaysia. The Division's Northern box plant was Malaysia's first box plant to receive triple quality management systems accreditations by SIRIM in 2003 and this was followed by the Central box plant in 2004.

In 2004, the Division won the prestigious Gold and Silver flexography post-print awards by the Asian Flexography Technology Association for two of its high-tech boxes, designed for Sony Corporation. These boxes were printed using the Division's 8-colour state-of-the-art Masterflex printer, the only one of its kind in Malaysia.

The Paper and Packaging Division is environmental conscious in its operations. The Division's operations involve collecting and recycling of waste paper into international standard industrial brown grade paper and then into high quality packaging boxes. The "Waste-to-Energy" plant which commenced operations in 2003, uses the paper sludge from paper productions and the heat generated from this process is consumed within the industrial complex.

In addition to these environmental focused businesses, the Division has invested in a start-up venture which applies a new recycling technology to convert wood and plastic wastes into wood plastic composites. Brand-patented as *Ritewood*, this innovative and environmental friendly wood plastic composite product is an alternative building material that can be used for indoor and outdoor.



OIL AND GAS

www.gentingoil.com

Genting Oil & Gas Ltd

The Oil & Gas Division is spearheaded by 95%-owned Genting Oil & Gas Limited ("GOGL") and its subsidiaries. The Division recorded a profit before tax of RM24.8 million in 2004.

In **China**, GOGL's subsidiary, Genting Oil & Gas (China) Limited ("GOGC") operates the Zhuangxi Buried Hill Oilfield in Shandong Province, under a Petroleum Contract with Sinopec. The oilfield produced 138,550 tonnes (equivalent to 950,440 barrels) of wellhead oil in 2004. The oil was sold to Sinopec at an average of US\$32.02 per barrel.

During the year, field production was maintained from existing wells, especially through the use of deep high temperature electrical pumps. Two new deep, production wells (ZG10-18 and ZG10-8) were successfully drilled in 2004. ZG10-18, drilled to 4,848 metres, was particularly significant as it was tested at high flow rates.

In **Indonesia**, the Division, via two wholly owned subsidiaries of GOGL, signed two new Production Sharing Contracts ("PSCs") with BPMIGAS, Indonesia's oil and gas regulatory body in 2004. Both PSCs are in the West Natuna Sea and are adjacent to the maritime boundary of Peninsular Malaysia. Sanyen Oil & Gas Limited (now known as Sanyen Oil & Gas Pte. Ltd.) signed the first PSC for the gas-prone Anambas Block on 29 June 2004 and Genting Oil Natuna Pte. Ltd. signed the second PSC for the oil-prone North West Natuna Block on 12 December 2004. Both PSCs are operated by these two GOGL subsidiaries with 100% interests. Each block has a three-year work commitment of 3D seismic surveys, to be followed by the drilling of one exploration well.

In view of its retained rights or deferred consideration to long-term future cash flows from the Muturi PSC, from BP Global to its subsidiary Laila Limited, the Division continues to monitor the developments of the Muturi PSC and the associated Tangguh Liquefied Natural Gas ("LNG") plant. This deferred consideration has not been recognised in the financial statements, as the amount cannot be quantified at this time.

On 2 February 2004, BG Group sold its 50% interest in the Muturi PSC for US\$236 million to two other Muturi partners, CNOOC Limited and LNG Japan Corporation. As a result, Muturi partners now comprise CNOOC Limited with 64.77%, LNG Japan Corporation with 34.23% and BP as the operator with a 1% stake.

Drilling at Zhuangxi Buried Hill, China.

Genting Sanyen corrugated paper.





E-COMMERCE AND IT DEVELOPMENT

The Genting Group continued to capitalise on the progress of information technology and e-commerce to enhance the Group's overall operations. Led by eGENTING, the Group benefits from concentrating and consolidating the Group's resources on common IT processes to service multiple internal business units at a lower cost and higher service level. eGENTING has also capitalised on its expertise and know-how to provide e-commerce and IT services to external parties.

The Group's IT achievements include developing www.genting.com.my - Malaysia's biggest online hospitality website, WorldReservations Centre ("WRC") - one of the most sophisticated call centre operations in the region, the Global Hospitality Management System ("GhpMS") - a window based multi-purpose hotel management system, Dynamic Reporting System - the state-of-the-art integrated gaming management system which include coinless and loyalty features and *WorldCard* - the regional loyalty programme. These efforts provide an integrated, global reservation system where customers can access and purchase rooms, show tickets, limousines and F&B products and services at any time throughout the year.

On 10 December 2004, eGENTING, via Genting Information Knowledge Enterprise Sdn Bhd, the developer and manager of the Online Transaction Engine of www.genting.com.my won the prestigious Malaysian Premier Information Technology Award 2004 for the Private Sector category, which recognise companies that have been very successful in applying IT to run their companies effectively.

www.genting.com.my is Malaysia's highest-grossing hospitality website. The website has grown to become one of the key sales and service channels for the Group and *WorldCard* members. Online sales grew by 63% to RM13 million in 2004.

During the year, eGENTING successfully implemented numerous operational systems for RWB. The GhpMS was successfully implemented at all the hotels owned by RWB. The Microsoft-certified GhpMS, has effectively helped to streamline internal processes and reduce cost.

The innovative Coinless Gaming System was developed and implemented in 2004 to allow customers to use their membership cards on game machines without using coins. The Total Integrated Ticketing System, a new theme park ticketing system was implemented to enhance sales efficiency through cross selling and online Web purchases of theme park products.

An advanced telecommunication system was implemented via RWB's WRC to handle higher volume of incoming calls from different segments. In 2004, WRC handled close to 1.3 million calls. Overseas calls are routed via the Voice-Over-Internet-Protocol infrastructure and served seamlessly by WRC.



The Siebel CRM system was implemented to provide the platform for a centralised customer and product database. The system enables frontline staff to provide better and more personalised customer service as well as to cross-sell products, with real-time access to the customers' and transactions' database.

WorldCard membership increased by 37% to 1.3 million members in 2004. The *WorldCard*'s web site, www.worldcard.com.my was enhanced with self-service features and was extended to business partners to enable their transactions to be conducted online. *WorldCard* successfully introduced its first proprietary loyalty system with prepaid functionalities to one of its partners, The Coffee Bean and Tea Leaf at their 41 outlets in Singapore.

Several co-branded cards were launched with *WorldCard* programme partners such as HSL Digitech, Asiatic Lifestyle, Star Cruises, Genting Theme Park and the Hong Kong-based King Parrot Group. *WorldCard* members are now able to collect and redeem loyalty points across borders from over 330 merchants with close to 1,400 outlets in Malaysia, Singapore and Hong Kong.

The Group's SAP shared services centre continued its drive for standardisation to improve operational efficiency. SAP usage has also been enhanced for mobile users of the Group with wireless handheld devices.

eGENTING ServiceDesk, a central IT support desk for the Group, was implemented and launched on 31 July 2004. Advanced systems and network management tools such as the IBM Tivoli Enterprise Management System and the Citrix solution were implemented to proactively manage IT resources to maintain a high level of service availability to the Group.



The signing of the 8th Collective Agreement between RWB and its employees union management.



The signing ceremony between Resorts World Bhd and INTI Universal Holdings Bhd.



RWB - participating in various career fairs.

HUMAN RESOURCES

As one of Asia's leading multinational corporations, the development of human resources is vital to ensure the long term growth of the Group. The Group has a strong workforce of about 18,000 as at 31 December 2004. A total of about 900 employees were honoured with Long Service Awards in 2004 in recognition of their loyalty and dedicated services to the Group.

During the year, the Group continued to pro-actively attract the finest talents and skills available in the market through various recruitment drives, which included participating in career fairs such as Malaysia's Largest Career Fair in April 2004, online recruitments and assessment centres.

The business divisions of the Group held regular training and management conferences to enhance the skills and competencies of the Group's employees in 2004.

Among the many training conferences and team-building events held for the Group's employees in 2004 were Resorts World Bhd's 16th Senior Managers' Conference in Chiangmai, Thailand with the focus on "Strategic Readiness in Facing Competition", the 11th Resorts World Bhd HR Conference at Awana Porto Malai, Langkawi to discuss implementation of best practices in the area of human resources, the Annual Family Day, Asiatic 24th Management Conference themed "Managing and Motivating People for Higher Productivity, Quality & Efficiency" in Bali, Indonesia, Asiatic Assistant Manager's Conference and Genting Sanyen Managers' Conference.

Resorts World Bhd ("RWB") signed the 8th Collective Agreement with its employees' union on 12 April 2004. This Collective Agreement enables the Leisure & Hospitality Division to maintain continuous industrial harmony between its management and employees which will ensure further stability and growth for the Group.

Genting Centre of Excellence ("GCE") plays an essential role in the training and development of employees by providing internal and external programmes. In June 2004, a collaborative partnership was established between RWB and INTI Universal Holdings Bhd, to offer programmes in tourism, leisure and hospitality management.

The Group provides the opportunity for employees to enhance their development skills and qualifications. RWB's Finance department has been accredited by the various professional accountancy bodies such as the Authorised Training Organisation for The Institute of Chartered Accountants in England & Wales (ICAEW), Gold Approved Employer for Association of Chartered Certified Accountants (ACCA) and Certified Training Partner for Chartered Institute of Management Accountants (CIMA) to provide on-the-job training to the employees to become qualified accountants.

COMMUNITY SERVICES

As a caring and responsible corporation, the Group has continued to support various charitable bodies, sports associations, non-governmental organisations and other worthy causes in 2004.

Following the 26 December 2004 tsunami tragedy that affected several countries' coastal homes and towns including Malaysia, the Group donated over RM3.5 million in connection with the tsunami disaster, including RM1 million each to support the Malaysian Tsunami Disaster Fund, the Indonesian Tsunami Disaster Fund and the Force of Nature Foundation.

The Group continued to support various charitable bodies and non-governmental organisations in 2004. More than 1,300 children and adults from various homes, institutions and organisations were treated to day visits at Genting Highlands Resort in 2004.



The Group's donation towards Tsunami Disaster Fund, presented by Tan Sri Lim Kok Thay.

The Group is committed to protecting and preserving the environment. The "Waste Segregation and Recycling Campaign" was launched on 15 January 2004 and officiated by the Deputy Minister of Housing and Local Government, YB Datuk Peter Chin.

During the year, the Group donated to various charitable bodies, including the Yayasan Budi Penyayang, Yayasan Tuanku Syed Sirajuddin, National Council for Senior Citizens Organization, Kiwanis Down Syndrome Foundation, Selangor Cheshire Home, Malaysian Association for the Blind, Institute Tengku Ampuan Afzan, BAKTI, Persatuan Thalassaemia Malaysia, Malaysian Children's Aid Society, Cancerlink Foundation, Yayasan Tuanku Fauziah and Yayasan Sultanah Bahiyah.

Among the many non-profit organisations which received the Group's contributions were the Riding for the Disabled Malaysia, National Heart Foundation, Malaysian AIDS Foundation, St. John's Ambulance Malaysia, MERCY Malaysia and Malaysian Red Crescent Society.

During the year, the Group sponsored various sports events including the Formula 1 Powerboat World Championship, Le Tour de Langkawi and KL International Marathon, as well as sports associations such as the Malaysian Hockey Federation, Football Association of Malaysia, SportExcel, Pahang Football Association and Pahang Volleyball Association.

The Group remains supportive of the developments of educational and research efforts in Malaysia by contributing to the Huaren Education Fund, Kolej Tuanku Ja'afar, Malaysian Institute of Management, Malaysian Economic Association and Malaysian Institute of Economic Research and many others.



Charitable donations by the Group.



Waste Recycling Campaign 2004.

RECOGNITION

The Genting Group continues to receive numerous recognitions for its commitment for high quality standards and management excellence.

Among the many major awards of excellence received in 2004 are as follows:

- Genting Berhad - No. 1 Company in Malaysia by The Asian Wall Street Journal 200 - Asia's Leading Companies (formerly Review 200).
- Resorts World Bhd - **Outstanding Achievements in Hotel/Resort Development** by World Asia Publishing at Hospitality Asia Platinum Awards 2003 - 2004 (Malaysia Series).
- Genting Highlands Resort - **Best Deluxe Family Resort/Theme Park** by World Asia Publishing at Hospitality Asia Platinum Awards 2003 - 2004 (Malaysia Series).
- First World Hotel - **Best New Hotel** by World Asia Publishing at Hospitality Asia Platinum Awards 2003 - 2004 (Malaysia Series).
- Awana Kijal Golf, Beach & Spa Resort - **No. 1 Resort on The East Coast** by the Hospitality magazine in the August - October 2004 issue.
- Genting Information Knowledge Enterprise Sdn Bhd - **Premier Information Technology Award** by Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) of the Prime Minister's Department and the Co-operation of the Association of the Computer and Multimedia Industry of Malaysia (PIKOM).
- Resorts World Bhd was awarded the **Merit Award in the Best Practice** category for public listed companies by the National Award for Management Accounting Best Practice 2004.
- Genting Sanyen Northern Box Plant was awarded **Best Supplier Performance Award** by NEC in June 2004.
- Genting Sanyen Northern Box Plant was awarded **Best Vendor Award** from Sharp Roxy in April 2004.
- Genting Sanyen Central Box Plant was awarded **ISO accreditations by SIRIM** in 2004 for the ISO 14001:1997 Environmental Management Systems, the OHSAS 18001:1999 Occupational, Health & Safety Management Systems and ISO 9001:2000 Quality Management Systems.
- Genting Sanyen Power was awarded the **Gold Award 2003** by MSOSH - Malaysian Society in August 2004.

