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Double-storey shop offices



Four-storey shop offices

Residential and commercial developments in Indahpura

PROPERTIES

The overall weak property market affected the performance of the Property Division during the year. The Division posted a profit before tax of RM21.7 million in 2000 (1999: RM130.1 million).

The Indahpura Project in Kulai, Johor launched some medium-cost single and double-storey houses and shop offices. Various marketing plans such as flexible payment scheme, product packaging, value-added services, property carnivals and exhibitions were implemented to push the property sales. Despite these efforts, the property sales remained slow.

During the year, the Division completed on schedule the construction of 1,040 low-cost apartment units as part of the "Rumah Rakyat" scheme. A formal "hand-over of keys" ceremony was held on 22 October 2000 and graced by the Menteri Besar of Johor, YAB Dato' Haji Abdul Ghani bin Othman.

The Permaipura Project in Kedah did not have any new property launch during the year. Sales activities were focused on the remaining property inventories.

Awana Kijal Golf & Beach Resort, an integrated tourist-cum-housing resort project with the longest pristine beach of 7.6 km on the east coast of Peninsular Malaysia, remains the premier seaside resort among locals and expatriates. Kijal Beach Resort Apartments continue to achieve high occupancy rates from its long-staying guests and marketing efforts are being undertaken to sell off the remaining land parcels under the project.

The Signing Ceremony of the Implementation Document between Genting Sanyen Industrial Paper Sdn Bhd and NKK Corporation under the Green Aid Plan by NEDO (17 November 2000)



PAPER & PACKAGING

The Division completed its second year of operation as a fully integrated Paper & Packaging business unit. The Division contributed a profit before tax of RM75.4 million to the Group, an improvement of 23% over the preceding year.

During the year, the two paper mills at the Genting Sanyen Industrial Paper Mill Complex in Kuala Langat, Selangor ("GSIP Mill Complex"), achieved a total production of 245,000 tonnes in 2000 (1999: 238,000 tonnes) and maintained its high average production efficiency of 96%.

The Paper Operations benefited from the buoyant market demand for industrial brown paper and the total sales tonnage exceeded its entire production in 2000. Its emphasis on research and development has resulted in the launching of a new and cheaper product substitute for imported Liner, in the first quarter of 2001.

Emphasising on R&D and quality control



Paper rolls being produced at GSIP mill complex





The new Central box plant at GSIP Mill Complex in Kuala Langat, Selangor



The new Central box plant with state-of-the-art corrugating and printing machinery

The Packaging Operations continued to experience high demand for its packaging products and achieved total sales of 48,600 tonnes, a 3% increase over the previous year. The Packaging unit's new corrugated box plant at the GSIP Mill Complex was commissioned in the last quarter of 2000, with state-of-the-art corrugating and printing machinery. The 120,000-tonne capacity box plant is equipped with a high-speed corrugator, which operates at 400 meters per minute and is the fastest corrugating machine in Southeast Asia. It is also equipped with a 6-colour and an 8-colour Masterflex printers.

Another similar new box plant is being constructed in Prai, Penang and is expected to begin commercial operations by the third quarter of 2001. Once fully commissioned, these two box plants with a total capacity of 240,000 tonnes, will enable the Division to be an integrated value-added solutions provider of paper-packaging and corrugated products.



Steam turbine generator

Heat recovery steam generators at Kuala Langat power station



Central control room at the Kuala Langat Power Station

POWER

The Power Division, via the Group's 39.1% interest in Genting Sanyen Power Sdn Bhd ("GSP"), recorded a profit before tax of RM99.7 million in 2000 (1999: RM102.7 million).

GSP is an Independent Power Producer, which operates a 720 MW gas-fired combined cycle power plant. The plant, in its fifth year of full commercial operation, continued to be highly ranked in Tenaga Nasional Berhad's ("TNB") merit order dispatch schedule and therefore registered a record electricity sale to TNB in 2000.

The first Owner's paid C-Inspection (i.e. major scheduled maintenance) on one of the three ABB13E2 gas turbines was carried out during the year under review. GSP had signed an agreement for the extension of the Operations & Maintenance Contract with the existing operator for a further 10 years with improved terms and conditions. The cost of the other two remaining C-Inspections under the initial contract is included in the extension contract.

In recognition of its consistent safety practices, the Genting Sanyen Power Plant was awarded the Malaysian Society for Occupational Safety & Health Grand Award 2000.

OIL & GAS

The Oil & Gas Division, under the Group's 95%-owned subsidiary Genting Oil & Gas Limited ("GOGL") has operations in China, Indonesia and Australia.

In **China**, Genting Oil & Gas (China) Limited, a wholly-owned subsidiary of GOGL, officially took over the field operations of the Zhuangxi Buried Hill Oil Field, on 1 January 2000. Multiple well workovers were completed and electrical submersible pumps were installed. As a result, average wellhead production quadrupled to approximately 400 tonnes per day. The Division benefited from high oil prices, realising an average oil price over the year of US\$27.31 per barrel (US\$16.75 in 1999).

A number of wells have been identified for deepening or side-tracking prior to being put on production. Other wells will be converted into water injectors. This pilot project runs until March 2002, after which the Division has the option to continue operations for a further 20 years.

In **Indonesia**, GOGL's wholly-owned subsidiary, Cairns Limited has a 45% interest in the Muturi Production Sharing Contract ("PSC") located in Irian Jaya and is entitled to supply approximately 10% of the gas to the Tangguh Liquefied Natural Gas ("LNG") project. Front End Engineering and Design ("FEED") studies for the LNG plant were awarded to Chiyoda-Mitsubishi and Phillips Bechtel. Both studies will be completed by mid 2001. Additional studies on upstream FEED, port and storage facilities, infrastructure and marketing activities are ongoing.

In **Australia**, GOGL's wholly-owned subsidiary, Coveyork Pty Ltd has a 100% interest in Block WA-274-P located on the North West Shelf of Australia. Geological and geophysical studies performed during the year led to the identification and evaluation of several large prospects. Particular attention was paid to a series of wells drilled immediately to the southeast of the Division's permit that resulted in the discovery and partial delineation of a gas-condensate field. A 2D seismic programme was acquired in November 2000 and its evaluation showed that this field may extend considerably into WA-274-P.

In **Myanmar**, GOGL's wholly-owned subsidiary, Roundhay Limited relinquished Block M3 in April 2000, when it was concluded that the permit was unlikely to contain hydrocarbon in commercial quantities. An exploratory well Ye-1 was drilled in Block M4. Unfortunately, only non-commercial quantities of gas were encountered and as a result, the well was plugged and abandoned.



The Northern Explorer II, a contracted drilling rig in the Vorwata Field, Indonesia

E-COMMERCE & IT DEVELOPMENT

The Group's E-Commerce and IT Division, E-Genting Holdings Sdn Bhd ("eGenting") comprises the MSC-status Genting Information Knowledge Enterprise Sdn Bhd ("GIKE"), E-Genting Sdn Bhd ("EGSB") and Genting Card Services Sdn Bhd. eGenting aims to consolidate all IT-related resources within the Group and capitalise on the latest multimedia, broadband and IT technologies to enhance the Group's existing businesses.

During the year under review, GIKE attained the "Microsoft Certified Solution Provider" status, which enables prompt online technical resources and support by Microsoft. In August 2000, online hotel and show reservations and payment services were successfully launched for all the hotels in the Group. The leisure and hospitality portal, www.genting.com.my currently has more than 26,000 online members and continues to attract new members.

The Data Center under EGSB provides operational customers support through shared services on data communication network, telecommunication, system administration, desktop support and network security.

The SAP Competency Center will work towards the standardisation of operations on the SAP system platform, and the implementation of common modules across the Group which includes Purchasing, Central Warehousing, HR Services and Financial Services. The Research and Development Division will continue in its system R&D, particularly in Dynamic Reporting System modification and enhancement.



COMMUNITY SERVICES

The Group, as a caring and responsible corporation, continued to support more than 150 welfare and charitable bodies in Malaysia, such as the Persatuan Orang-Orang Cacat Malaysia, Yayasan Sultanah Bahiyah, Yayasan Sultan Idris Shah, Monfort Boys Town, Malaysian Association for the Blind and Persatuan Kebajikan Anak-anak Yatim Islam. Among the many other recipients of our contributions were the Malaysian AIDS Foundation, The Heart Foundation of Malaysia, Yayasan Nanyang Press, Malaysian Red Crescent Society and St. John Ambulance Malaysia.

The Group continued to support the development of sports by contributing RM1 million each to Football Association of Malaysia and Le Tour de Langkawi cycling event. The Group also sponsored major sporting events organised by Pahang Football Association, Malaysian Motorcycle Grand Prix, Malaysian Cricket Association, Malaysian Hockey Federation and the Malaysia Lawn Bowls Federation.

The Group also contributed in cash and in-kind to the development of education. More than 100 computers were donated to various primary and secondary schools throughout the country in 2000. In addition, the Group donated to numerous education-related organisations such as the HUAREN Education Fund, University Pendidikan Sultan Idris and YWCA Vocational Training Centre.

During the year, the Group via its associate GSP continued to contribute 1% of its revenue derived from the sale to TNB for the National Electricity Supply Industry Fund in 2000. During the year, GSP also financially supported 23 students for tertiary and diploma education.

The Siebel Customer Relationship Management ("CRM") was implemented during the year to integrate and enhance services through effective and efficient management of customer data and the planning and implementation of sales and marketing programmes. Genting WorldCard, the leading loyalty programme in this region with more than 330,000 cardholders, will continue to use CRM to provide personalised customer service and develop future products and programmes to meet customers' needs.

HUMAN RESOURCES

Employees continue to play a pivotal role in the development of the Group. The Group has a total workforce of 15,000 employees as at 31 December 2000. During the year, Long Service Awards were awarded to a total of 1,125 employees in recognition of their loyalty and dedicated services to the Group.

The Group continues to be recognised for its strong management leadership and dedicated employees as it once again, received numerous awards of recognition during the year.

Genting Berhad was voted the no. 1 leading company in Malaysia for the seventh consecutive year, in the Far Eastern Economic Review's "Review 200 - Asia's Leading Companies" in 2000. It was again recognised as the top Malaysian company in Asian Business' "Asia's Most Admired Companies 2000."



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 2001 festive season donation recipients from various charitable homes