

## PLANTATIONS

[www.asiatic.com.my](http://www.asiatic.com.my)

The Plantation Division, led by the Group's subsidiary Asiatic Development Berhad, registered a sterling performance in 2002. The Division's profit before tax grew by more than three-fold to RM104.1 million in 2002 (2001: RM30.9 million) on the back of higher crude palm oil prices. The average selling price achieved for crude palm oil ("CPO") increased significantly by 53% to RM1,352 per tonne compared to RM883 per tonne in 2001. Similarly, the average selling price achieved for palm kernel ("PK") increased by 52% to RM665 per tonne in 2002 (2001: RM438 per tonne).

The production of fresh fruit bunches ("FFB") amounted to 707,863 tonnes in 2002 (2001: 700,275 tonnes). The CPO production for 2002 was 153,772 tonnes, a 14% increase compared to 2001 while PK production increased by 9% to 40,313 tonnes. The average oil extraction rate in 2002 was also higher at 20.2% compared to 19.2% in 2001.

During the year, the Plantation Division added another 6,784 hectares to its landbank in Sabah with the acquisitions of Asiatic Mewah Estate and vacant lands at Pulau Jambongan. These acquisitions increased the titled landbank for the Division to 57,113 hectares in 2002.

As at year-end, 4,196 hectares of land were being cleared and another 3,044 hectares has been fully planted in the Tongod project in Sabah.

The Division continued to replant oil palm trees using the "Big Hole" technique wherever suitable, to improve soil water and nutrients for better palm growth.

Serian Palm Oil Mill, the joint-venture oil mill between the Division and Sarawak Land Consolidated and Rehabilitation Authority (SALCRA) processed 160,900 tonnes of FFB in 2002, a commendable increase of 17% compared to 2001.

## PROPERTIES

The property market continued to remain generally weak, except for the residential sector that performed well in 2002. Despite the tough market condition, the Property Division's profit before tax increased significantly to RM37.6 million in 2002 (2001: RM22.8 million). The profit contribution was mainly from the Group's property arm, Asiatic Land Development Sdn Bhd, via the Asiatic Indahpura project in Kulai, Johor.

The property sales from the Asiatic Indahpura project rose by 36% to RM42.5 million in 2002, with good responses to the small-scale strategic launches of medium cost single and double-storey terrace houses, as well as double and three storey shop offices. However, sales of four-storey shop offices and industrial lots were slow. The better performance from the Asiatic Indahpura project was also due to the implementation of new customer-driven marketing strategies and active participation in various property exhibitions.

There were no new launches at the property projects in Asiatic Permaipura, Kedah and in Asiatic Cheng Perdana, Melaka due to the weak market conditions.

The Permaipura Golf & Country Club ("PGCC") continues to be one of the leading and popular golf clubs in Kedah. During the year, PGCC played host to the prestigious Genting Masters Tournament 2002.

The Kijal Beach Resort Apartments is located beside Awana Kijal Golf, Beach & Spa Resort in the east coast state of Terengganu and enjoys panoramic sea-front views. The Kijal Beach Resort Apartments remain popular with long-term expatriate tenants and locals.



*The Golden Crop.*



*Infield mechanisation – FFB collection using a grabber.*



*Double storey terrace houses (Pavonina D) at ASIATIC Indahpura, Johor.*

| Area (Hectares)                                | Oil Palm |         | Rubber |       | Durian & Others |        | Titled Area |        |
|--|----------|---------|--------|-------|-----------------|--------|-------------|--------|
|  | 2002     | 2001    | 2002   | 2001  | 2002            | 2001   | 2002        | 2001   |
| Mature   | 37,145   | 32,683  | -      | 750   | 10              | 10     | 37,155      | 33,443 |
| Immature                                       | 9,139    | 6,076   | -      | -     | -               | -      | 9,139       | 6,076  |
| Total Planted Area                             | 46,284   | 38,759  | -      | 750   | 10              | 10     | 46,294      | 39,519 |
| As a percentage (%)                            | 100      | 98.1    | -      | 1.9   | 0.0             | 0.0    | 100.0       | 100.0  |
| Unplanted Jungle Area                          | -        | -       | -      | -     | 8,394           | 9,019  | 8,394       | 9,019  |
| Labour Lines, Buildings & Infrastructure, etc. | -        | -       | -      | -     | 2,425           | 1,863  | 2,425       | 1,863  |
| Total Area                                     | 46,284   | 38,759  | -      | 750   | 10,829          | 10,892 | 57,113      | 50,401 |
| Percentage Over Titled Area (%)                | 81.0     | 76.9    | -      | 1.5   | 19.0            | 21.6   | 100.0       | 100.0  |
| Production (mt)                                | 707,863  | 700,275 | -      | 830   | -               | -      | -           | -      |
| Average Yield Per Mature Hectare (mt/kg)       | 20.9     | 21.4    | -      | 1,526 | -               | -      | -           | -      |
| <b>Average Selling Price</b>                   |          |         |        |       |                 |        |             |        |
| Rubber (sen/kg)                                | -        | -       | 129    | 182   | -               | -      | -           | -      |
| CPO(RM/mt)                                     | 1,352    | 883     | -      | -     | -               | -      | -           | -      |
| Palm Kernel (RM/mt)                            | 665      | 438     | -      | -     | -               | -      | -           | -      |

## PAPER & PACKAGING

[www.gsanyen.com](http://www.gsanyen.com)

The Paper & Packaging Division, spearheaded by Genting Sanyen (Malaysia) Sdn Bhd is the manufacturing arm of the Group. The Division recorded a better performance with the profit before tax of RM22.0 million in 2002 (2001: RM8.0 million). The marked improvement is mainly attributed to higher global market prices for industrial brown grade paper.

The two Genting Sanyen paper mills achieved a record high production of 260,000 tonnes in 2002 (2001: 250,000 tonnes) and maintained a high average production efficiency of 97%. The two paper mills and the Central box plant are located in the Genting Sanyen Industrial Complex, which is strategically located just 10 minutes away from the Kuala Lumpur International Airport.

With the full commissioning of the Northern box plant, located in Prai, Penang in March 2002 and with the existing Central box plant, the Packaging Division has increased the corrugating production capacity to about 140,000 tonnes per year.

The Packaging Division successfully increased sales tonnage by 57% to 68,733 tonnes in 2002 (2001: 44,428 tonnes). During the year, the Packaging Division entered into a smart partnership with OTOR France, a global leader in innovative packaging system. The division was appointed an exclusive licensee for the OTOR system in Malaysia, Singapore, Thailand and Vietnam, and non-exclusive licensee for the China market. The partnership also included the transfer of technology to the division, including



*The Genting Sanyen Kuala Langat power plant.*

The "Waste-To-Energy" plant, which was awarded to the Division by NEDO of Japan was completed in the last quarter of 2002. It began commercial operations in April 2003.

## POWER

[www.gsanyen.com](http://www.gsanyen.com)

Genting Sanyen Power Sdn Bhd ("GSP") represents the Group's Power Division. GSP was an associate of the Group in 2002 and contributed a profit before tax of RM113.5 million to the Group in 2002 (2001: RM118.2 million).

GSP is an Independent Power Producer and operates a 720MW gas-fired combined cycle power plant that is located in the Genting Sanyen Industrial Complex. The plant, in its seventh year of full commercial operation in 2002, continued to be highly ranked in Tenaga Nasional Berhad's ("TNB") merit order dispatch schedule.



*Genting Sanyen box packaging products - high quality sheetboards and attractive cartons.*

design and know-how for OTOR's packaging system and distributorship of OTOR machines, such as the OTOR case erectors to clients. This would provide further value added packaging innovations to customers.

The Paper and Packaging Division remains an environmentally friendly operation as it collects waste papers to recycle into international standard industrial brown grade paper and which are converted into high quality packaging boxes.



*The main entrance of the Genting Sanyen Northern boxplant at Prai, Penang.*

On 29 August 2002, GSP entered into a supplementary agreement with TNB allowing GSP to sell an additional 42MW of capacity and energy to TNB. This additional sale had received all regulatory approvals and was implemented in February 2003.

During the year, GSP engaged ALSTOM O & M Limited to upgrade its three GT13E2s gas turbines. To-date and as planned, one unit has been upgraded. The upgrade has enabled the unit to generate additional output and has further improved its efficiency in 2002.



## OIL AND GAS

[www.gsanyen.com](http://www.gsanyen.com)

In **China**, the Group's indirect subsidiary, Genting Oil and Gas (China) Limited ("GOGC") continued with its enhanced oil recovery ("EOR") project, at the Zhuangxi Buried Hill Oilfield in Shandong Province. During the year, various work commitments were completed for the evaluation period of the EOR project that ended on 30 September 2002. The EOR project has since moved into the 'Production Period'.



GOGC drilling at Zhuangxi Buried Hill, China

Works undertaken in 2002 included the drilling of a deep appraisal well, the repair and maintenance of wells and the testing of water injection and other EOR techniques.

In **Indonesia**, the disposal (via Laila Limited) of the Group's 45% interest in the Muturi Production Sharing Contract ("PSC") to BP Global Investments Ltd in July 2001 for US\$106.8 million and a deferred share of future pre-tax income from this PSC (the "Deferred Consideration"), has enabled the Group to retain rights to long-term future cash flows from the Tangguh Project, and relieve itself from all future development costs. The gas reserves in the Muturi PSC constitute a part of the Tangguh Liquefied Natural Gas ("LNG") Project. In September 2002, BP announced that it had signed an agreement to supply 2.6 million tonnes per year of Tangguh LNG to Fujian in China. Bidding for the engineering, procurement and construction of the Tangguh LNG facilities continued throughout the year. This Deferred Consideration has not been recognised in the financial statements, as the amount cannot be quantified at this time.



## E-COMMERCE AND IT DEVELOPMENT

E-Genting Holdings Sdn Bhd ("eGenting") continued to enhance the information technology infrastructure and e-commerce activities of the Group in 2002. During the year, the Group's website - [www.genting.com.my](http://www.genting.com.my) was selected as one of the "88 Noteworthy Websites In Malaysia" by The Edge Magazine. The website, which offers online reservations and payments for rooms and show tickets at the Resort, recorded an average of 190,000 unique visitors and 1.9 million page views per month in 2002.

During the year, Genting Card Services Sdn Bhd was renamed Genting *WorldCard* Services Sdn Bhd, to focus on providing loyalty programme management services. The *WorldCard* membership totalled over 720,000 as at 31 December 2002. The *WorldCard* enables members to enjoy privileged benefits at Genting – City of Entertainment, Star Cruises and with other brand products of the Genting Group and the affiliated program partners. eGENTING *WorldCard*, an online membership card was launched on 9 September 2002.



eGENTING WorldCard

During the year, the Customer Relationship Management programme was enhanced to enable the Group to have a more efficient management and storing of customer information to further improve service quality. A more automated but personalised telecommunication system was introduced in 2002, with instant greeting by name and birthday wishes when the customer contacts the WorldReservations Centre at 03 - 2718 1118. Automatic routing of calls to either the self-service application (interactive voice response system) or to the Customer Relations Officers, has further enhanced customer services within the Group. Email and short message services (SMS) were also extensively used to communicate with *WorldCard* members.

## HUMAN RESOURCES

The Group continues to place great emphasis on the development of human resources, as employees are instrumental drivers for the future performance of the Group. Employees of the Group are encouraged to expand their expertise and skills to meet the competitive challenges and constant changes in the business environment, through regular internal and external seminar and training courses.

The Group has a strong workforce of 16,900 as at 31 December 2002. The Group acknowledges and rewards good performance. During the year, a total of 1,472 employees were honoured with Long Service Awards in recognition of their loyalty and dedicated services to the Group.

During the year, the Leisure & Hospitality Division held the 14<sup>th</sup> Resorts World Bhd Managers' Conference at Genting International Convention Centre with the theme "Family Values To Enhance Service Culture". Another conference, "The Impact Of Globalisation On Genting Group - The Next Frontier" was held for senior managers to address ways and means to further enhance the Group's operational effectiveness.

Five teams of employees from the Leisure & Hospitality Division competed at the National Productivity Corporation (NPC) Convention (regional level) and successfully won four Gold awards and one Silver award.

The Group's training and education arm, Genting Centre of Excellence Sdn Bhd ("GCE"), provided regular skills and management development programmes to train employees of the Group. Kolej Antarabangsa Genting ("KAG"), the approved college that is owned and managed by the Group, offers the Diploma and Certificate courses in Hotel Operations Management to the public. KAG has academic consulting support from Ecole Hoteliere de Lausanne, Switzerland, which is the world's oldest and renowned hospitality institute.

## COMMUNITY SERVICES

As a caring and responsible corporation, the Group continued to support various charitable bodies, non-governmental organisations (NGOs) and numerous worthy causes in 2002. Some of the many recipients included the Malaysian Aids Foundation and the Malaysian Thallassaemia Association in 2002. Online charity contribution was also initiated through eGenting during the year.

The Group supported the development of research-related works in 2002 such as the Malaysian Institute of Economic Research and Cancer Research Initiatives Foundation (CARIF) – the first independent non-profit cancer research organisation in Malaysia.

The Group's commitment towards the development of sports in Malaysia was reflected with its continuous support of major sports events and sports-related associations such as *Le Tour de Langkawi 2002*, *World Endurance Championship*, *Football Association of Malaysia*, *Pahang Football Association*, *Kuantan Hockey Association* and the *Foundation of Malaysian Sporting of Excellence*.

During the year, the second batch of GSP's sponsored students successfully graduated from the University of Tenaga Nasional and three sponsored undergraduates gained employment with GSP, the power division of the Group. GSP has awarded another 5 new scholarships to the sixth batch of sponsored students in 2002.



Genting Berhad's Executive Director, Y Bhg Tan Sri Mohd Amin bin Osman presenting a festive season donation.

## RECOGNITION

The commitment of the Genting Group to achieve high quality standards and continued excellence is reflected from the longstanding track record of winning numerous performance and management leadership recognition from leading institutions and bodies.

The following lists the major awards of excellence received in 2002:

- The **No.1 overall leading company in Malaysia for the 9th consecutive year in 2002** in Review 200: Asia's Leading Companies by Far Eastern Economic Review which included being ranked **No. 1 in Financial Soundness**.
- KLSE Corporate Sectoral Awards 2002 - **Winner of Trading/Services Category**.
- **No. 1 in Investor Relations and Overall Access to Senior Management**, in Asia Money 2002.
- Resorts World Bhd - **Best Company in Asia 2002 (Hotels Sector)**, by Global Finance.
- First World Hotel & Plaza - **FIABCI Award of Distinction 2002** for the Best Hotel Development category by Malaysian Chapter of FIABCI (International Real Estate Federation).

- First World Plaza - **Best Man-Made Attraction 2001/2002 (Best Tourist Attraction Category)** by Tourism Malaysia.
- **Top 3 for Best Managed Company in Malaysia** by Finance Asia 2002.
- **Top 4 for the Overall Best Managed Companies** in Asia Money 2002.
- Voted as Leader in Corporate Governance, Malaysia in The Asset Benchmark Survey.
- Genting Hotel - upgraded the MS ISO 9002 certification to the newly revised MS ISO 9001: 2000 quality management systems requirements.
- Highlands Hotel - upgraded the MS ISO 9002 certification to the newly revised MS ISO 9001: 2000 quality management systems requirements.
- Ayer Item Oil Mill - upgraded the MS ISO certification to the newly revised MS ISO 9001: 2000 quality management systems requirements.
- The website - [www.genting.com.my](http://www.genting.com.my) - **one of the 88 Noteworthy Websites In Malaysia in 2002** by The Edge Magazine.

During the year, Tan Sri Lim Goh Tong, the Founder and Chairman of Genting Group, was honoured as the **Property Man of the Year** by the Malaysian Chapter of FIABCI (International Real Estate Federation), for his outstanding contribution to the country's property industry.

Genting Group Founder & Chairman, Y Bhg Tan Sri Lim Goh Tong with his **Property Man of the Year** award and Genting Group President & Chief Executive, Y Bhg Tan Sri Lim Kok Thay with the **FIABCI Award of Distinction 2002** for First World Hotel & Plaza.



Y Bhg Tan Sri Lim Goh Tong accepting the **Property Man of the Year** award and being applauded by Yang di Pertuan Agong XII, Tuanku Syed Sirajuddin Ibni Al-Marhum Tuanku Syed Putra Jamalullail (second from right) and the FIABCI Malaysia President Mr Kumar Tharmalingam. (second from left)

