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Genting-proposals

GENTING AND RESORTS WORLD EVALUATING INVESTMENT PROPOSALS

KUALA LUMPUR, Feb 27 (Bernama) -- Cash-rich gaming giant Genting Bhd and Resorts World Bhd today announced that they from to time evaluate various investment proposals based on commercial investment criteria.

In separate but similarly worded two-paragraph statements to the Kuala Lumpur Stock Exchange (KLSE) late this evening, the companies said that at this point in time, none of the investment proposals has been concluded.

The companies will make their announcements as and when such investments are finalised.

The Genting statement was issued by its director Tan Sri Mohd Amin Osman while Resorts World's release was by its executive director Tan Sri Alwi Jantan.

The statements came on the heels of the government's move to allow non-bumiputera companies to acquire equity in bumiputera companies badly-hit by the economic downturn.

Since the proposal was unveiled by Economic Adviser to the Government Tun Daim Zainuddin two days ago, speculation has been rife that cash-rich companies such as the Genting group may be doing the buying.

Prime Minister Datuk Seri Dr Mahathir Mohamad, in explaining the government's decision later, said that the move was to help those affected bumiputera companies which otherwise may be "destroyed."

The mechanics to implement the government's decision are still being worked out.

Shares in Genting and Resorts World, both Main Board counters, were actively traded throughout the week.

Genting eased 10 sen to RM12.20 today on the KLSE while Resorts World rose 30 sen RM8.00.

The KLSE also notched up gains at midweek when reports that non-bumiputera companies would be allowed to buy shares in bumiputera companies seeped into the market.

Genting is among a handful of billion-ringgit companies, having chalked up a group pre-tax profit of RM1,542.5 million for the financial year ended Dec 31, 1997, up 22 percent from the year before, while turnover rose 47 percent to RM3,822.0 million.

The group is involved in gaming operations, hotels and resort-related activities, plantations, property development, tour and travel related services, investment holding, provision of utilities, manufacturing and trading in paper and paper-related products and the generation and supply of electric power.

As for Resorts World, Genting's 54.9 percent subsidiary, it reported a 36 percent increase in group pre-tax profit to RM1,090 million for 1997 against RM802.9 million while turnover rose 44 percent to RM3.03 billion from RM2.105 billion.

It is involved in the operation of a tourist resort at Genting Highlands as well as being involved in property development, golf resort, condotel and hotel operations, investment holding, provision of utilities, tours and travel-related services, property investment, property management and sale and letting of apartment.-- BERNAMA

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