PRIME VENTURE (LABUAN) LIMITED

(incorporated in the Federal Territory of Labuan, Malaysia with limited liability under the Offshore Companies Act, 1990)

US$250,000,000

1% Guaranteed Exchangeable Notes due 2008 exchangeable into ordinary shares of RM0.50 each of

Resorts World Bhd

(incorporated in Malaysia with limited liability under the Companies Act, 1965)

guaranteed by

GENTING BERHAD

(incorporated in Malaysia with limited liability under the Companies Act, 1965)

Issue Price: 100%

The 1% Guaranteed Exchangeable Notes due 2008 in the aggregate principal amount of US$250,000,000 (the "Notes", which expression shall include the additional Notes (if any) issued in accordance with the option described below) will be issued by Prime Venture (Labuan) Limited (the "Issuer") and will be unconditionally and irrevocably guaranteed (the "Guarantee") by Genting Berhad ("Genting" or the "Guarantor"). Unless previously exchanged, redeemed, or purchased and cancelled, the Notes will be redeemed on 12 December 2008 at 113.82% of their principal amount. The Notes are subject to redemption in whole at the Early Redemption Amount (as defined herein), at the option of the Issuer at any time in the event of certain changes affecting taxation in Labuan or generally in Malaysia. The Notes may also be redeemed at the option of the Issuer at the Early Redemption Amount (i) in whole or in part, at any time after 12 December 2005 to but excluding the Maturity Date (as defined herein) provided that the value of the Exchange Property (as defined herein) on each of 20 consecutive Trading Days, the last day of which occurs not more than five Trading Days immediately prior to the date upon which notice of such redemption is given shall have exceeded 120% of the aggregate principal amount of the Notes outstanding on such Trading Day or (ii) in whole only, at any time if prior to the date on which notice of such redemption is given less than 10% in aggregate principal amount of the Notes originally issued (including any Optional Notes (as defined below)) is outstanding. See "Terms and Conditions of the Notes — Redemption and Purchase".

Holders of the Notes will have the right to require the Issuer to redeem the Notes at the Early Redemption Amount (i) following a Change of Control (as defined herein) of Resorts World Bhd ("Resorts World") or (ii) in the event that the Shares (as defined herein) cease to be listed or admitted to trading on the Kuala Lumpur Stock Exchange or an Alternative Stock Exchange (as defined herein).

The Notes will bear interest from 12 December 2003 at the rate of 1% per annum payable semi-annually in arrear on 12 June and 12 December of each year commencing on 12 June 2004. Payments on the Notes will be made in US dollars without deduction for or on account of taxes imposed or levied by Labuan or generally in Malaysia as described under "Terms and Conditions of the Notes — Taxation".

The Notes are exchangeable for ordinary shares of RM0.50 each (the "Shares") of Resorts World during the Exchange Period (as defined herein) as described under "Terms and Conditions of the Notes — Exchange Right".

The Issuer has granted J.P. Morgan Securities Ltd (the "Global Coordinator") an option, which may be exercised by the Global Coordinator in whole or in part, on one or more occasions, solely at the discretion of the Global Coordinator, at any time up to and including the 30th day after the Issue Date (as defined herein) to subscribe for up to an additional US$50,000,000 aggregate principal amount of Notes (the "Optional Notes"). See "Subscription and Sale". In the event that this option is exercised, the Issuer will provide notice thereof to the Luxembourg Stock Exchange.

Application has been made to list the Notes on the Luxembourg Stock Exchange and the Labuan International Financial Exchange (the "LFX"). The LFX takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document. Investors are advised to read and understand the contents of this document before investing. If in doubt, the investors should consult his or her adviser.

See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Notes, beginning on page 22 of this Offering Circular.

The Notes and the Shares have not been, and will not be, registered under the United States Securities Act, 1933 (the "Securities Act"). The Notes and the Shares are being offered outside the United States by the Managers in accordance with Regulation S under the Securities Act ("Regulation S"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No approval from the Securities Commission of Malaysia is or will be obtained for the offering of the Notes to residents of Malaysia on the basis that the Notes will be issued and offered exclusively outside Malaysia (except the Federal Territory of Labuan) to Non-Residents of Malaysia (being persons who are not citizens or permanent residents of Malaysia and who do not engage in a trade or business in Malaysia, and includes any offshore company incorporated under the Offshore Companies Act, 1990 (the "OCA 1990") and any foreign offshore company registered under the OCA 1990). Accordingly, (i) the Notes may only be offered for subscription or sale outside Malaysia (except the Federal Territory of Labuan) to Non-Residents of Malaysia; and (ii) residents of Malaysia are disqualified from subscribing for or purchasing the Notes.

The Notes will be in registered form in the denomination of US$10,000 each. The Notes may be held and transferred, and will be offered and sold, in the principal amount of US$10,000 and integral multiples of US$10,000 in excess thereof. The Notes will be represented by a Global Note Certificate (as defined herein) registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg on or about 12 December 2003 (the "Issue Date"). Individual Note Certificates (as defined herein) evidencing holdings of Notes will only be available in certain limited circumstances. See "Summary of Provisions relating to the Notes in Global Form".

Sole Bookrunner and Global Coordinator

JPMorgan

Joint Lead Managers		**Joint Lead Manager and Financial Adviser**
JPMorgan	**HSBC Bank Plc**	**CIMB**

Co-Lead Managers

DBS Bank Ltd	**Maybank International (L) Limited**	**Oversea-Chinese Banking Corporation Limited**

Offering Circular Dated 5 December 2003

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer and the Guarantor, its subsidiaries, the Notes and the Shares, which is material in the context of the issue and offering of the Notes and the Shares, that the information contained herein is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts the omission of which would, in the context of the issue and offering of the Notes and the Shares, make this Offering Circular as a whole or any of such information contained herein or the expression of any such opinions or intentions herein misleading in any material respect. Each of the Issuer and the Guarantor accepts responsibility accordingly. Where information contained in this Offering Circular includes extracts from summaries of information and data from public or private sources, each of the Issuer and the Guarantor accepts responsibility for accurately reproducing such summaries and data. Such third party sources are identified where applicable.

Information on Star Cruises Limited ("Star Cruises") contained in this Offering Circular has not been verified by the Issuer or the Guarantor. Neither the Issuer nor the Guarantor has undertaken a due diligence review of the operations and financial condition of Star Cruises. Information with respect to Star Cruises contained in this Offering Circular is based on or has been derived from Star Cruises or information otherwise published or furnished by Star Cruises. Where information contained in this Offering Circular includes extracts or summaries of information and data from private sources (including Star Cruises), each of the Issuer and the Guarantor accepts responsibility for accurately reproducing such summaries and data but accepts no further or other responsibility in respect of such information. Such third party sources are identified in the text, as applicable. None of the Issuer, the Guarantor, their management, employees, the Managers, advisers or other parties takes any responsibility, express or implied, for such information. In addition, none of such parties has taken any steps to verify the accuracy of any of the information relating to Star Cruises included in this Offering Circular and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of such information. Investors are cautioned not to place undue reliance on Star Cruises information contained in this Offering Circular. See "Risk Factors — Risks relating to the Genting Group's leisure and hospitality business — The information on Star Cruises in this Offering Circular has not been verified by Star Cruises".

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of any of the Issuer or the Guarantor or the Managers to subscribe for or purchase any of, the Notes or Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by each of the Issuer and the Guarantor and the Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "Subscription and Sale".

In particular, the Notes and the Shares have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Notes and the Shares may not be offered or sold in the United States. No approval from the Securities Commission of Malaysia is or will be obtained for the offering of the Notes to residents of Malaysia on the basis that the Notes will be issued and offered exclusively outside Malaysia (except the Federal Territory of Labuan) to Non-Residents of Malaysia (being persons who are not citizens or permanent residents of Malaysia and who do not engage in a trade or business in Malaysia, and includes any offshore company incorporated under the OCA 1990 and any foreign offshore company registered under the OCA 1990). Accordingly, (i) the Notes may only be offered for subscription or sale outside Malaysia (except the Federal Territory of Labuan) to Non-Residents of Malaysia; and (ii) residents of Malaysia are disqualified from subscribing for or purchasing the Notes.

The Managers have not separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Notes or the Shares. Each person receiving this Offering Circular acknowledges that such person has not relied on the Managers nor on any person affiliated with the Managers in connection with its investigation of the accuracy of such information or its investment decision.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by any of the Issuer or the Guarantor or the Managers that any recipient of this Offering Circular should purchase the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes should be based upon such independent investigations and consultations with its own tax, legal and business advisers as it deems necessary. See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Notes.

No person is authorised in connection with the issue, offering or sale of the Notes to give any information or to make any representation not contained in this Offering Circular and any information or representation not contained herein must not be relied upon as having been authorised by the Issuer and the Guarantor or the Managers. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the issue of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of any of the Issuer, the Guarantor or its subsidiaries and associated companies since the date hereof or that the information contained herein is correct as at any time subsequent to its date.

Payment of principal and interest on the Notes will be made after withholding for or on account of taxes in Labuan and generally in Malaysia, if any, and each of the Issuer and the Guarantor intends to pay additional amounts in respect, of such withholding, if any, to the extent set forth under "Terms and Conditions of the Notes — Taxation".

The Guarantor has prepared the audited consolidated and unconsolidated financial statements as at and for the years ended 31 December 2000, 2001 and 2002 and unaudited consolidated interim financial statements as at and for the six months ended 30 June 2002 and 2003 and as at and for the nine months ended 30 September 2002 and 2003. These financial statements were prepared in conformity with generally accepted accounting principles in Malaysia ("Malaysian GAAP"), which differ in certain material aspects from generally accepted accounting principles in the United States ("U.S. GAAP"). See "Summary of Principal Differences between Malaysian GAAP and U.S. GAAP".

IN CONNECTION WITH THIS OFFERING, TO THE EXTENT PERMITTED BY, AND IN ACCORDANCE WITH, APPLICABLE LAWS AND REGULATIONS, THE GLOBAL COORDINATOR MAY OVER ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON THE GLOBAL COORDINATOR TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

Forward-looking Statements

Certain statements under "Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "The Genting Group", "The Resorts World Group" and elsewhere in this Offering Circular constitute "forward-looking statements". All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the financial position of the Genting Group and the Resorts World Group (each as defined herein), business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Genting Group's and the Resorts World Group's activities), are forward-looking statements.

Some of these statements can be identified by forward-looking terms, such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "will" and "would" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Genting Group's and the Resorts World Group's expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Genting Group's and the Resorts World Group's business strategy, its revenue and profitability (including, without limitation, any financial or operating projections or forecasts), planned projects and other matters discussed in this Offering Circular that are not historical fact. These forward-looking statements and any other projections contained in this Offering Circular (whether made by Genting or any third party) involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Genting Group or the Resorts World Group, or industry results, to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections of the directors and management of Genting regarding the Genting Group's and the Resorts World Group's present and future business strategies and the environment in which the Genting Group or the Resorts World Group will operate in the future. Reliance should not be placed on these forward-looking statements. These forward-looking statements speak only as at the date of this Offering Circular. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's or the Guarantor's expectations with regard thereto or any change of events, conditions or circumstances on which any such statement was based.

Certain Terms and Conventions

Unless indicated otherwise, in this Offering Circular all references to (i) the "Issuer" are to Prime Venture (Labuan) Limited, (ii) the "Guarantor" and "Genting" are to Genting Berhad, (iii) the "Genting Group" are to the Guarantor and its consolidated subsidiaries, (iv) "Resorts World" and the "Company" are to Resorts World Bhd and (v) the "Resorts World Group" are to Resorts World and its consolidated subsidiaries.

All references in this Offering Circular to the "Government" are to the Government of Malaysia.

All references in this Offering Circular to "Ringgit", "MYR", "RM" and "sen" are to the currency of Malaysia, "HK$" and "HK Dollars" are to the currency of the Hong Kong SAR, and references to "US dollars", "US$", "USD" and "cents" are to the currency of the United States of America. Unless otherwise specified, all conversions of RM into US$ were made at the rate of RM3.80 = US$1.00, the rate at which the Ringgit has been pegged to the US dollar since 2 September 1998, as published by Bank Negara Malaysia. Any translation made in this Offering Circular is for the sole purpose of convenience and has not been audited. No representation is made that the Ringgit amounts referred to herein could have been or could be converted into US dollars at any particular rate or at all.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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Summary

The following summary is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in the "Terms and Conditions of the Notes" or elsewhere in this Offering Circular have the same meanings in this summary.

The Genting Group

Genting is an investment holding and management company. The principal activities of the Genting Group are undertaken primarily in Malaysia and include:

- leisure, hospitality, gaming and entertainment, which represented 76.0% and 63.3% of total Genting Group revenues in 2002 and the first half of 2003, respectively;

- manufacturing and trading in paper and packaging products, which represented 11.0% and 10.9% of total Genting Group revenues in 2002 and the first half of 2003, respectively;

- generation and supply of electric power, which represented 8.8% of total Genting Group revenues in the first half of 2003, and which was, prior to the acquisition by the Genting Group of a controlling interest in Genting Sanyen Power Sdn Bhd ("GSP") in March 2003, and its subsequent consolidation into the accounts of the Genting Group, carried on by GSP as an associate company;

- plantations, which represented 7.3% and 8.6% of total Genting Group revenues in 2002 and the first half of 2003, respectively;

- property development and management activities, which represented 1.6% and 5.1% of total Genting Group revenues in 2002 and the first half of 2003, respectively; and

- oil and gas exploration activities, which represented 1.5% and 1.3% of total Genting Group revenues in 2002 and the first half of 2003, respectively.

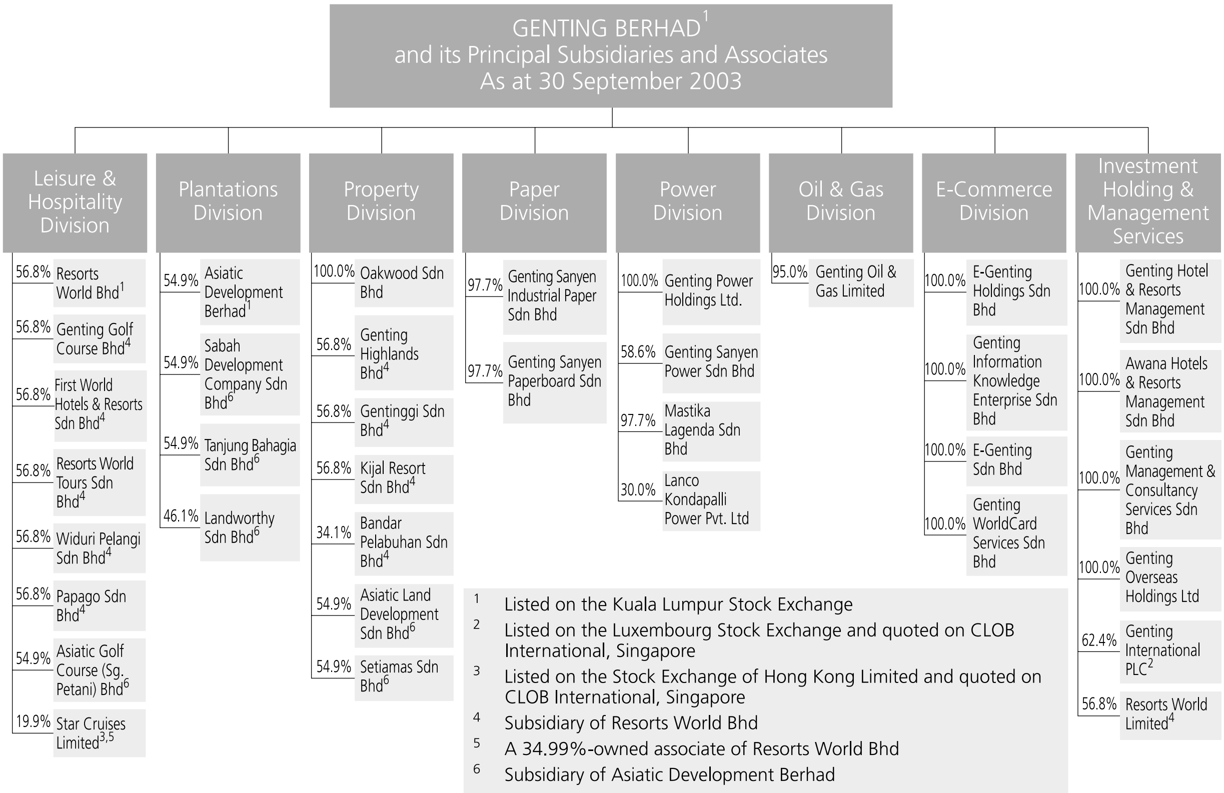
The Genting Group had total revenues of RM3,534.7 million (US$930.2 million) in 2002 and RM1,997.7 million (US$525.7 million) in the first half of 2003. Its total profit from operations was RM1,389.8 million (US$365.8 million) in 2002 and RM731.7 million (US$192.6 million) in the first half of 2003. The Genting Group had total assets of RM11,445.8 million (US$3,012.1 million) and RM12,816.7 million (US$3,372.8 million) as at 31 December 2002 and 30 June 2003, respectively.

As required by the rules of the Kuala Lumpur Stock Exchange ("KLSE") and in accordance with previous practice, Genting announced unaudited interim financial information as at and for the nine months ended 30 September 2002 and 2003. This financial information was published on 20 November 2003 and, in accordance with previous practice, was not audited nor subject to review by the auditors of Genting. The Genting Group had total revenues of RM3,082.2 million (US$811.1 million) in the first nine months of 2003. Its total profit from operations was RM1,179.4 million (US$310.4 million) in the first nine months of 2003. The Genting Group had total assets of RM13,098.6 million (US$3,447.0 million) as at 30 September 2003. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments".

Genting is one of the largest listed companies in Malaysia with a market capitalisation of RM11,973.8 million (US$3,151.0 million) as at 21 November 2003. Its shares have been listed on the Main Board of the KLSE since 1971.

Genting's registered office is located at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The Genting Group's organisational structure as at 30 September 2003, including its principal subsidiaries and associate companies, is set forth below:



Leisure and hospitality

The Genting Group's leisure, hospitality, gaming and entertainment operations are undertaken through the Resorts World Group. Its principal operations consist of Resorts World's Genting Highlands Resort (the "Resort") in Malaysia, an integrated family leisure and entertainment resort with total capacity of approximately 6,600 hotel rooms and which attracted approximately 15.4 million visitors in 2002. The principal feature of the Resort is the only licensed land-based casino in Malaysia.

The substantial majority of the Genting Group's revenues from its leisure, hospitality, gaming and entertainment business is derived from its casino operations.

See "The Resorts World Group" for a description of the Genting Group's leisure, hospitality, gaming and entertainment operations.

Paper and packaging activities

The Genting Group is the largest paper and packaging products manufacturer in Malaysia in terms of tonnes sold. Its paper and packaging operations consist principally of two paper mills with a combined total production capacity of approximately 265,000 tonnes per year and two box plants with a total production capacity of approximately 140,000 tonnes per year.

Power generation and supply

The Genting Group's power generation and supply operations consist of a 720MW gas fired combined cycle power plant located at the Genting Sanyen Industrial Complex in Selangor, Malaysia. The plant generates and supplies electricity to Tenaga Nasional Berhad ("TNB"), Malaysia's only electricity transmission utility, under a 21-year power purchase agreement ("PPA") expiring in 2015. TNB is a company listed on the Main Board of the KLSE whose principal shareholder is the Government. Petroliam Nasional Berhad ("Petronas"), whose principal shareholder is also the Government, supplies gas to the plant under a 21-year gas purchase agreement ("GPA") expiring in 2015.

In September 2003, Genting announced that it was interested in acquiring up to 50% of Loy Yang A power station in the state of Victoria, Australia and was seeking to assemble a consortium to acquire 100% of Loy Yang A. Loy Yang A is Australia's third largest electricity power company. No negotiations have commenced with the vendors of Loy Yang A yet as an exclusive arrangement between a consortium of interested buyers and the vendors has been extended from September to December 2003.

Plantation and property

The plantation operations of the Genting Group consist principally of the planting of oil palm trees and the harvesting, milling and sale of oil palm fruits on approximately 62,870 hectares of land owned and managed by the Genting Group in Malaysia.

The Genting Group also conducts property development and management operations in respect of its plantation land.

Oil and gas

The Genting Group's oil and gas exploration activities consist principally of a 100% interest in an enhanced oil recovery project for the Zhuangxi Buried Hill Oilfield in Shandong Province, China.

Other activities

The Genting Group also undertakes e-commerce activities under the brand "eGenting". Applications include enterprise resource planning ("ERP"), customer relationship management ("CRM"), enterprise information network, hotel, leisure and gaming operations, reservations and customer contact, loyalty programmes and web based marketing, primarily to the Genting Group. In addition, eGenting offers call centre services and loyalty programme management to third parties.

The Genting Group also provides property management services to Genting's subsidiaries. Certain of Genting's subsidiaries are investment holding companies which periodically invest in quoted securities as part of their normal investment trading activities.

The Resorts World Group

The Resorts World Group comprises the Genting Group's leisure, hospitality, gaming and entertainment operations and investments. Its principal operations consist of Resorts World's Genting Highlands Resort in Malaysia, an integrated family leisure and entertainment resort with total capacity of approximately 6,600 hotel rooms and which attracted approximately 15.4 million visitors in 2002. The principal feature of the Resort is the only licensed land-based casino in Malaysia.

Resorts World offers an integrated leisure and entertainment product offering at the Resort, including hotels, casino and gaming, entertainment and food and beverage facilities. The substantial majority of the Resorts World Group's revenues from its leisure, hospitality, gaming and entertainment business is derived from its casino operations.

The Resorts World Group also owns and operates, under the Awana brand name, golf, beach and spa resorts in Genting Highlands, Terengganu and Langkawi, Malaysia and timeshare operations with approximately 4,340 members as at 30 June 2003. As at 30 June 2003, the Resorts World Group also owned a 35% interest in Star Cruises, the third largest cruise line in the world with a fleet of 20 cruise ships with approximately 26,000 lower berths, and offering cruises to destinations in the Asia Pacific, North and South America, Hawaii, the Caribbean, Alaska, Europe, the Mediterranean, Bermuda and Antarctica under the Star Cruises, Norwegian Cruise Line, Orient Lines and Cruise Ferries brands.

Resorts World is one of the largest listed companies in Malaysia with a market capitalisation of RM11,027.2 million (US$2,901.9 million) as at 21 November 2003. Its shares are listed on the Main Board of the KLSE.

Strengths

Genting believes that its key business strengths are as follows:

- unique product offering in Malaysia comprising an integrated leisure, hospitality, gaming and entertainment business;
- strong cash position with low gearing levels;
- well managed and prudently run by an experienced management team;
- stable cash flow from its integrated leisure, hospitality, gaming and entertainment businesses and its power generation and supply business;
- well recognised business group that is well positioned to capitalise on its strong brand products and services; and
- good relationship with regulators of its businesses.

Strategy

The principal components of the Genting Group's strategy are as follows:

- grow the Genting Group's core businesses;
- maximise returns from existing business activities by optimising operational efficiencies;
- expand the Genting Group's revenue base through strategic acquisitions and investment opportunities in Malaysia and elsewhere, in particular in the areas of power generation and supply as well as plantations;
- optimise its capital structure by achieving a more balanced use of financing; and
- expand cross marketing initiatives within the Genting Group to increase sales to its existing customers and grow its customer base.

The Offering

Issuer	Prime Venture (Labuan) Limited
Guarantor	Genting Berhad
Notes	US$250,000,000 1% Guaranteed Exchangeable Notes due 2008 guaranteed by the Guarantor and exchangeable into Resorts World Shares.
Shares	Ordinary shares of RM0.50 each in the capital of Resorts World.
Over-allotment option	The Issuer has granted the Global Coordinator an option, which may be exercised by the Global Coordinator in whole or in part, on one or more occasions, solely at the discretion of the Global Coordinator, at any time up to and including the 30th day after the Issue Date, to subscribe for up to an additional US$50,000,000 aggregate principal amount of Notes. See "Subscription and Sale".
Issue Date	12 December 2003.
Issue Price	100%
The Offering	The Notes and the Shares are being offered by the Managers outside the United States in accordance with Regulation S. The Notes may only be offered for subscription or sale outside Malaysia (except the Federal Territory of Labuan) to Non-Residents of Malaysia (being persons who are not citizens or permanent residents of Malaysia and who do not engage in a trade or business in Malaysia, and includes any offshore company incorporated under the OCA 1990 and any foreign offshore company registered under the OCA 1990). Accordingly, (i) the Notes may not be offered for subscription or sale in Malaysia (except to Non-Residents of Malaysia in the Federal Territory of Labuan); and (ii) residents of Malaysia are disqualified from subscribing for or purchasing the Notes.
Form and Denomination	The Notes will be in registered form in the denomination of US$10,000 each. The Notes may be held and transferred, and will be offered and sold, in the principal amount of US$10,000 and integral multiples of US$10,000 in excess thereof. The Notes will be represented by a Global Note Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg on or about the Issue Date. Individual Note Certificates evidencing holdings of Notes will only be available in certain limited circumstances. See "Summary of Provisions relating to the Notes in Global Form".

Status of the Notes	The Notes constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future senior, direct, unsubordinated, unconditional and unsecured obligations of the Issuer, save for such exceptions as may be provided by mandatory provisions of applicable law and subject as described under "Terms and Conditions of the Notes — Negative Pledge".
Guarantee of the Notes	The Guarantor will in the Trust Deed unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes and the due and punctual performance by the Issuer of all of the Issuer's other obligations under the Trust Deed and the Notes.
Status of the Guarantee	The Guarantee of the Notes will constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future senior, direct, unsubordinated, unconditional and unsecured obligations of the Guarantor, save for such exceptions as may be provided by mandatory provisions of applicable law and subject as described under "Terms and Conditions of the Notes — Negative Pledge".
Negative Pledge	The Notes will contain a negative pledge provision as further described in "Terms and Conditions of the Notes — Negative Pledge".
Interest	The Notes bear interest from the Issue Date at 1% per annum payable in arrear on 12 June and 12 December each year commencing on 12 June 2004.
Maturity Date	Unless previously redeemed, exchanged, or purchased and cancelled, the Notes will be redeemed on 12 December 2008 at 113.82% of their principal amount.
Redemption at the Option of the Issuer	The Notes may also be redeemed at the option of the Issuer at the Early Redemption Amount on the date fixed for redemption (i) in whole or in part, at any time after 12 December 2005 to but excluding the Maturity Date provided that the value of the Exchange Property on each of the 20 consecutive Trading Days, the last day of which occurs not more than five Trading Days immediately prior to the date upon which notice of such redemption is given shall have exceeded 120% of the aggregate principal amount of the Notes outstanding on such Trading Day or (ii) in whole only, at any time if prior to the date on which notice of such redemption is given less than 10% in aggregate principal amount of the Notes originally issued (including any Optional Notes) is outstanding.
Change of Control	Holders of the Notes will have the right to require the Issuer to redeem the Notes at their Early Redemption Amount on the date fixed for redemption following a Change of Control of Resorts World.

Repurchase in the Event of Delisting	In the event of a Delisting, each Noteholder will have the right at such Noteholder's option to require the Issuer to redeem all (but not some only) of such Noteholder's Notes at the Early Redemption Amount on the date fixed for redemption.
Tax Redemption	Subject to certain exceptions and as more fully described herein, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, at their Early Redemption Amount on the date fixed for redemption if, as a result of certain changes in the laws or any regulations, rulings or other administrative pronouncements promulgated thereunder (or the application or official interpretation thereof) affecting Labuan or Malaysia generally, the Issuer or the Guarantor would be required to pay Additional Amounts.
Taxation	All payments in respect of the Notes by or on behalf of the Issuer and the Guarantor shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Labuan or generally in Malaysia or in any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the appropriate withholding or deduction shall be made and the Issuer or the Guarantor, as the case may be, shall pay Additional Amounts (subject to certain exceptions) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.
Non-Payment	The Notes will contain a default provision covering failure to pay principal or interest in respect of the Notes as further described in "Terms and Conditions of the Notes — Events of Default".
Cross Default	The Notes will contain a cross default provision as further described in "Terms and Conditions of the Notes — Events of Default".
Other Events of Default	For a description of certain other events that will permit acceleration of the Notes, see "Terms and Conditions of the Notes — Events of Default". If any event that will permit acceleration occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by holders of not less than 25% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution, shall declare the Notes to be immediately due and payable at their Early Redemption Amount (plus any interest accrued and unpaid, up to the date of redemption).
Exchange Right	The holder of each Note has the right to exchange such Note at any time during the Exchange Period for a *pro rata* share of the Exchange Property (an "Exchange Right"). However, in the event of an Offer in respect of the Shares or any other Relevant Securities, the Exchange Rights may be suspended as described in "Terms and Conditions of the Notes — General Offers".

	A *pro rata* share of the Exchange Property means, for any Note at any time, a fraction of the Exchange Property the numerator of which shall be the nominal amount of such Note and the denominator of which shall be the aggregate principal amount of all the Notes (including the Note to which the *pro rata* share relates) which are outstanding at such time.
Cash Settlement Option	Notwithstanding the Exchange Right of each Noteholder in respect of each Note, at any time when the delivery of Exchange Property deliverable upon exchange of the Notes is required to satisfy the Exchange Right in respect of an Exchange Notice, the Issuer shall have the option to pay an amount of cash in US dollars equal to the Cash Settlement Amount in order to satisfy such Exchange Right in full or in part (in which case the other part shall be satisfied by the delivery of Exchange Property).
Exchange Period	The period beginning on and including 21 January 2004 and ending at the close of business on 2 December 2008 which falls 10 days prior to the Maturity Date or if the Notes shall have been called for redemption prior to the Maturity Date, on the date which falls 10 days prior to the date fixed for redemption.
Exchange Property	The Exchange Property shall initially comprise 71,241,095 Shares (or initially up to 85,489,314 Shares if the Global Coordinator exercises its option in respect of all of the Optional Notes as described under "Subscription and Sale") and shall include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property pursuant to the Conditions.
Initial Exchange Ratio	On the exercise of Exchange Rights, Noteholders will initially be entitled to receive 2,849.644 Shares for each US$10,000 principal amount of Notes, subject to adjustment in accordance with the Conditions.
Trustee's Discretion to Exchange Before Redemption	The Trustee may, in its absolute discretion, within the period commencing on the date five days immediately prior to, and ending at the close of business on the Business Day immediately prior to, the date fixed for redemption from time to time of any of the Notes under the Conditions, elect (on behalf of the relevant Noteholders) by notice in writing to the Issuer and the Principal Agent to exercise the Exchange Rights in respect of all unexercised Notes, *provided that* all (if any) necessary consents have been obtained and the Trustee is satisfied or is advised by an independent investment bank of international repute that the net proceeds of an immediate sale of the Exchange Property arising from such exchange when converted into US dollars, disregarding any liability to taxation or the payment of any capital, stamp, transfer, issue or registration duties consequent thereon, together in each case with any other amount payable by the Issuer in respect of such exercise, would be likely to exceed by 5% or more of the principal amount of the Notes and accrued interest thereon which would otherwise be payable in respect of such Unexercised Notes.

General Offers	In the event of an Offer for Relevant Securities in a Relevant Company, the Issuer shall have absolute discretion to accept such Offer (and as to any alternative consideration) or reject such Offer, *provided that* it may not accept any such Offer prior to the Specified Date in respect thereof. If it accepts such Offer (or if the Relevant Securities are subject to compulsory acquisition), then, with effect from the Final Date, the Exchange Property will be deemed to consist, in whole or in part, of the Offer Consideration. The Issuer shall not accept any Offer in respect of such part of the Exchange Property which would be deliverable to Noteholders who have exercised Exchange Rights for which the Exchange Date falls prior to the commencement of the Suspension Period. The Issuer shall give notice to the Trustees and the Noteholders forthwith upon receipt of any Offer for the Relevant Securities.
Anti-Dilution Provisions	The Notes will contain provisions for the adjustment of the Exchange Property in the event of the occurrence of certain dilutive events including, among others, bonus issues, alterations to the nominal value of the Shares, rights issues and capital distributions.
Governing Law	The Notes, the Trust Deed and the Agency Agreement will be governed by English law.
Trustee	J.P. Morgan Corporate Trustee Services Limited.
Labuan Trustee	Equity Trust (Labuan) Limited has been appointed as co-trustee in respect of certain functions relating to the Notes, including the receipt of notices in Labuan.
Listing	Application has been made to list the Notes on the Luxembourg Stock Exchange and the LFX. The Shares are listed on the Main Board of the Kuala Lumpur Stock Exchange.
Clearing	The Notes have been accepted for clearance by Euroclear and Clearstream, Luxembourg under the following Common Code and ISIN: Common Code: 18197421 ISIN: XS0181974212

Selected Consolidated Financial And Operating Data

The Genting Group

The following table presents selected consolidated financial information and other operating data for Genting. The income statement and balance sheet data presented below have been derived from the audited consolidated financial statements of Genting as at and for the years ended 31 December 2000, 2001 and 2002 and from the unaudited consolidated financial statements of Genting as at and for the six months ended 30 June 2002 and 2003. Genting's consolidated financial statements as at and for the years ended 31 December 2000, 2001 and 2002 have been audited by PricewaterhouseCoopers, independent chartered accountants. The financial data should be read in conjunction with, and are qualified in their entirety by reference to, the consolidated financial statements included elsewhere in this Offering Circular. The consolidated financial statements of Genting are prepared and presented in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP".

	For the year ended 31 December				For the six months ended 30 June		
	2000	**2001**	**2002**	**2002**	**2002**	**2003**	**2003**
	(RM millions) (Audited)	**(RM millions) (Audited)**	**(RM millions) (Audited)**	**(US$ millions)[1]**	**(RM millions) (Unaudited)**	**(RM millions) (Unaudited)**	**(US$ millions)[1]**
Income statement							
Revenue	3,338.6	3,148.4	3,534.7	930.2	1,766.1	1,997.7	525.7
Cost of sales	(2,469.3)	(1,891.5)	(1,935.7)	(509.4)	(981.0)	(1,052.7)	(277.0)
Gross profit	869.3	1,256.9	1,599.0	420.8	785.1	945.0	248.7
Other income	136.7	118.8	116.7	30.7	35.5	55.9	14.7
Selling and distribution costs	(54.1)	(57.2)	(62.9)	(16.5)	(29.3)	(29.7)	(7.8)
Administration expenses	(203.2)	(205.0)	(172.5)	(45.4)	(90.6)	(108.6)	(28.6)
Other expenses	(1,073.7)	(104.0)	(90.5)	(23.8)	(18.4)	(130.9)	(34.4)
(Loss)/profit from operations	(325.0)	1,009.5	1,389.8	365.8	682.3	731.7	192.6
Finance cost	(48.0)	(77.6)	(67.9)	(17.9)	(32.3)	(37.6)	(9.9)
Share of results of associated companies	50.3	102.7	206.5	54.4	102.2	(7.9)	(2.1)
Gain on dilution of Group's interest in an associated company	—	—	31.1	8.2	31.1	—	—
(Loss)/profit from ordinary activities before taxation	(322.7)	1,034.6	1,559.5	410.5	783.3	686.2	180.6
Taxation							
- Genting and subsidiary companies[2]	(301.5)	(352.8)	(422.4)	(111.2)	(204.4)	(217.0)	(57.1)
- Share of tax in associated companies	(50.3)	(34.6)	(34.1)	(9.0)	(17.0)	(9.7)	(2.6)
	(351.8)	(387.4)	(456.5)	(120.2)	(221.4)	(226.7)	(59.7)
(Loss)/profit from ordinary activities after taxation	(674.5)	647.2	1,103.0	290.3	561.9	459.5	120.9
Minority shareholders' interests[2]	428.3	(195.1)	(346.4)	(91.2)	(177.8)	(152.3)	(40.1)
Net (loss)/profit for the financial year	(246.2)	452.1	756.6	199.1	384.1	307.2	80.8

	As at 31 December					As at 30 June	
	2000	2001	2002	2002	2002	2003	2003
	(RM millions) (Audited)	(RM millions) (Audited)	(RM millions) (Audited)	(US$ millions)[1]	(RM millions) (Unaudited)	(RM millions) (Unaudited)	(US$ millions)[1]
Balance sheet							
NON-CURRENT ASSETS							
Property, plant and equipment	4,194.9	4,721.4	4,881.4	1,284.5	4,711.6	6,226.7	1,638.6
Real property assets	631.2	621.9	525.1	138.2	630.2	515.7	135.7
Associated companies	1,927.2	2,030.6	2,431.2	639.8	2,144.7	2,016.4	530.6
Other long term investments	114.0	6.9	15.6	4.1	28.4	17.7	4.7
Exploration cost	439.2	—	—	—	—	—	—
Long term receivables	10.1	19.0	20.2	5.3	13.8	20.7	5.5
Deferred taxation[2]	6.5	8.3	23.6	6.2	25.0	23.8	6.3
CURRENT ASSETS							
Property development	117.3	117.5	86.9	22.9	90.2	94.6	24.9
Inventories	227.8	213.2	251.7	66.2	244.2	278.0	73.2
Trade and other receivables	241.5	247.7	313.2	82.5	326.7	505.3	133.0
Amount due from associated companies	4.1	1.5	1.2	0.3	0.2	0.6	0.2
Short term investments	546.8	884.4	1,269.4	334.0	1,077.0	974.7	256.5
Bank balances and deposits	846.7	1,357.0	1,626.3	428.0	1,483.3	2,142.5	563.8
	1,984.2	2,821.3	3,548.7	933.9	3,221.6	3,995.7	1,051.6
LESS: CURRENT LIABILITIES							
Trade and other payables	537.2	658.7	537.9	141.6	508.8	593.2	156.2
Amount due to associated companies	—	—	—	—	0.3	—	—
Short term borrowings	385.6	99.8	512.8	134.9	613.3	471.2	124.0
Taxation	269.0	216.4	260.7	68.6	260.7	309.8	81.6
Proposed dividend	—	—	—	—	63.4	68.5	18.0
	1,191.8	974.9	1,311.4	345.1	1,446.5	1,442.7	379.8
NET CURRENT ASSETS	792.4	1,846.4	2,237.3	588.8	1,775.1	2,553.0	671.8
	8,115.5	9,254.5	10,134.4	2,666.9	9,328.8	11,374.0	2,993.2
FINANCED BY							
SHARE CAPITAL	352.2	352.2	352.2	92.7	352.2	352.2	92.7
RESERVES[2]	5,057.2	5,408.4	6,074.0	1,598.4	5,736.8	6,319.2	1,663.0
SHAREHOLDERS' EQUITY	5,409.4	5,760.6	6,426.2	1,691.1	6,089.0	6,671.4	1,755.7
MINORITY INTERESTS[2]	2,017.2	2,121.5	2,404.7	632.8	2,303.1	3,026.3	796.4
NON-CURRENT LIABILITIES							
Long term borrowings	406.6	1,084.6	929.8	244.7	613.4	978.2	257.4
Deferred taxation[2]	89.2	92.2	144.6	38.0	113.5	470.1	123.7
Provision for retirement gratuities	179.8	175.6	204.1	53.7	189.2	200.6	52.8
Other liabilities	13.3	20.0	25.0	6.6	20.6	27.4	7.2
TOTAL NON-CURRENT LIABILITIES	688.9	1,372.4	1,303.5	343.0	936.7	1,676.3	441.1
	8,115.5	9,254.5	10,134.4	2,666.9	9,328.8	11,374.0	2,993.2

Notes:

(1) See "Exchange Rates".

(2) As and from 1 January 2003, on adoption of Malaysian Accounting Standards Board ("MASB") 25 "Income Taxes", deferred tax liabilities and/or assets are recognised for all temporary differences as determined under Malaysian GAAP. This policy has been applied retrospectively by Genting. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluation is also recognised. The effects of the implementation of MASB 25, which have been applied retrospectively, are summarised in the table below.

	As at and for the year ended 31 December			As at and for the six months ended 30 June
	2000	**2001**	**2002**	**2002**
	(RM millions)	**(RM millions)**	**(RM millions)**	**(RM millions)**
	(Unaudited except where otherwise indicated)			
Income statement				
Taxation				
As previously reported	352.0*	386.3*	452.7*	219.4
Effects of MASB 25	(0.2)	1.1	3.8	2.0
As restated	351.8	387.4	456.5	221.4
Minority shareholders' interests				
As previously reported	429.2*	(194.7)*	(345.4)*	(177.3)
Effects of MASB 25	(0.9)	(0.4)	(1.0)	(0.5)
As restated	428.3	(195.1)	(346.4)	(177.8)
Balance sheet				
Deferred taxation asset				
As previously reported	—*	—*	18.0*	16.7
Effects of MASB 25	6.5	8.3	5.6	8.3
As restated	6.5	8.3	23.6	25.0
Reserves				
As previously reported	5,095.3*	5,448.0*	6,118.4*	5,778.7
Effects of MASB 25	(38.1)	(39.6)	(44.4)	(41.9)
As restated	5,057.2	5,408.4	6,074.0	5,736.8
Minority interests				
As previously reported	2,046.6*	2,150.5*	2,432.8*	2,331.7
Effects of MASB 25	(29.4)	(29.0)	(28.1)	(28.6)
As restated	2,017.2	2,121.5	2,404.7	2,303.1
Deferred taxation liability				
As previously reported	15.2*	15.3*	66.5*	34.7
Effects of MASB 25	74.0	76.9	78.1	78.8
As restated	89.2	92.2	144.6	113.5

* Audited

The Resorts World Group

The following table presents selected consolidated financial information and operating data for Resorts World. The income statement and balance sheet data presented below have been derived from the audited consolidated financial statements of Resorts World as at and for the years ended 31 December 2000, 2001 and 2002 and from the unaudited consolidated financial statements of Resorts World as at and for the six months ended 30 June 2002 and 2003. Resorts World's consolidated financial statements as at and for the years ended 31 December 2000, 2001 and 2002 have been audited by PricewaterhouseCoopers, independent chartered accountants. The financial data should be read in conjunction with, and are qualified in their entirety by reference to, the consolidated financial statements included elsewhere in this Offering Circular. The consolidated financial statements of Resorts World are prepared and presented in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP".

	For the year ended 31 December				**For the six months ended 30 June**		
	2000	**2001**	**2002**	**2002**	**2002**	**2003**	**2003**
	(RM millions) (Audited)	**(RM millions) (Audited)**	**(RM millions) (Audited)**	**(US$ millions)[(1)]**	**(RM millions) (Unaudited)**	**(RM millions) (Unaudited)**	**(US$ millions)[(1)]**
Income statement							
Revenue	2,337.9	2,503.1	2,781.5	732.0	1,418.9	1,304.9	343.4
Cost of sales	(1,709.2)	(1,567.0)	(1,669.9)	(439.4)	(871.1)	(808.0)	(212.6)
Gross profit	628.7	936.1	1,111.6	292.6	547.8	496.9	130.8
Other income	77.4	20.5	29.7	7.8	10.6	15.8	4.1
Selling and distribution costs	(32.0)	(39.7)	(48.5)	(12.8)	(22.5)	(19.9)	(5.2)
Administration expenses	(138.6)	(119.5)	(108.0)	(28.4)	(51.5)	(73.5)	(19.3)
Other expenses	(1,062.9)	(58.1)	(70.8)	(18.6)	(14.1)	(18.8)	(5.0)
(Loss)/profit from operations	(527.4)	739.3	914.0	240.6	470.3	400.5	105.4
Finance cost	(69.6)	(117.8)	(94.2)	(24.8)	(46.5)	(42.9)	(11.3)
Share of results of associated company	(49.6)	(16.1)	88.7	23.3	43.5	(39.7)	(10.5)
Gain on dilution of group's interest in an associated company	—	—	31.1	8.2	31.1	—	—
(Loss)/profit from ordinary activities before taxation	(646.6)	605.4	939.6	247.3	498.4	317.9	83.6
Taxation							
- Resorts World and subsidiary companies[(2)]	(210.2)	(250.8)	(294.8)	(77.6)	(145.9)	(122.5)	(32.2)
- Share of tax in associated company	(18.6)	(2.4)	(1.9)	(0.5)	(0.7)	(0.9)	(0.2)
	(228.8)	(253.2)	(296.7)	(78.1)	(146.6)	(123.4)	(32.4)
(Loss)/profit from ordinary activities after taxation	(875.4)	352.2	642.9	169.2	351.8	194.5	51.2
Minority shareholders' interests	(0.4)	0.4	0.4	0.1	0.2	0.2	0.1
Net (loss)/profit for the financial year	(875.8)	352.6	643.3	169.3	352.0	194.7	51.3

	As at 31 December					As at 30 June	
	2000	2001	2002	2002	2002	2003	2003
	(RM millions) (Audited)	(RM millions) (Audited)	(RM millions) (Audited)	(US$ millions)(1)	(RM millions) (Unaudited)	(RM millions) (Unaudited)	(US$ millions)(1)
Balance sheet							
NON-CURRENT ASSETS							
Property, plant and equipment	2,915.3	3,261.4	3,226.1	849.0	3,214.6	3,235.0	851.3
Real property assets	202.1	202.5	201.2	53.0	202.5	201.2	53.0
Associated company	1,564.9	1,591.9	1,910.4	502.7	1,665.2	1,907.4	502.0
Other long term investments	110.4	3.6	3.2	0.8	24.7	3.2	0.8
Trade and other receivables	10.1	12.1	13.8	3.6	6.9	14.2	3.7
CURRENT ASSETS							
Property development	26.6	24.1	—	—	—	—	—
Inventories	14.9	17.0	41.9	11.0	41.6	41.6	10.9
Trade and other receivables	82.3	75.2	90.1	23.7	97.5	98.3	25.9
Amount due from other related companies	9.6	3.0	5.6	1.5	10.0	4.1	1.1
Amount due from associated company	4.0	0.7	0.5	0.1	—	0.3	0.1
Short term investments	251.3	260.0	419.8	110.5	318.8	171.7	45.2
Bank balances and deposits	138.1	281.2	366.8	96.5	357.8	303.9	80.0
	526.8	661.2	924.7	243.3	825.7	619.9	163.2
LESS: CURRENT LIABILITIES							
Trade and other payables	380.6	445.6	304.0	80.0	340.5	291.8	76.8
Amount due to holding company	698.6	117.3	12.8	3.4	54.3	6.5	1.7
Amount due to related companies	50.5	50.3	32.7	8.6	30.5	30.2	8.0
Amount due to associated company	—	—	—	—	0.3	—	—
Short term borrowings	382.9	—	473.7	124.6	471.2	—	—
Taxation	266.3	200.4	240.8	63.4	228.4	242.1	63.7
Proposed dividend	—	—	—	—	62.9	70.7	18.6
	1,778.9	813.6	1,064.0	280.0	1,188.1	641.3	168.8
NET CURRENT LIABILITIES	(1,252.1)	(152.4)	(139.3)	(36.7)	(362.4)	(21.4)	(5.6)
	3,550.7	4,919.1	5,215.4	1,372.4	4,751.5	5,339.6	1,405.2
FINANCED BY							
SHARE CAPITAL	545.9	545.9	545.9	143.7	545.9	545.9	143.7
RESERVES(2)	2,484.3	2,711.1	3,223.5	848.2	2,999.6	3,349.4	881.4
SHAREHOLDERS' EQUITY	3,030.2	3,257.0	3,769.4	991.9	3,545.5	3,895.3	1,025.1
MINORITY INTERESTS	10.5	10.1	9.7	2.6	9.9	9.5	2.5
NON-CURRENT LIABILITIES							
Long term borrowings	319.2	1,079.2	809.4	213.0	608.0	809.4	213.0
Amount due to holding company	—	374.9	371.9	97.8	374.9	371.9	97.9
Other long term liability	13.0	19.7	24.9	6.6	20.4	27.4	7.2
Deferred taxation(2)	77.8	81.8	110.1	28.9	84.0	110.5	29.1
Provision for retirement gratuities	100.0	96.4	120.0	31.6	108.8	115.6	30.4
TOTAL NON-CURRENT LIABILITIES	510.0	1,652.0	1,436.3	377.9	1,196.1	1,434.8	377.6
	3,550.7	4,919.1	5,215.4	1,372.4	4,751.5	5,339.6	1,405.2

Notes:

(1) See "Exchange Rates".

(2) As and from 1 January 2003, on adoption of MASB 25 "Income Taxes", deferred tax liabilities and/or assets are recognised for all temporary differences as determined under Malaysian GAAP. This policy has been applied retrospectively by Resorts World. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluation is also recognised. The effects of the implementation of MASB 25, which have been applied retrospectively, are summarised in the table below.

	As at and for the year ended 31 December			As at and for the six months 30 June
	2000	2001	2002	2002
	(RM millions)	(RM millions)	(RM millions)	(RM millions)
	(Unaudited except where otherwise indicated)			
Income statement				
Taxation				
As previously reported	229.5*	253.9*	297.4*	147.0
Effects of MASB 25	(0.7)	(0.7)	(0.7)	(0.4)
As restated	228.8	253.2	296.7	146.6
Balance sheet				
Reserves				
As previously reported	2,540.5*	2,766.6*	3,278.2*	3,054.7
Effects of MASB 25	(56.2)	(55.5)	(54.7)	(55.1)
As restated	2,484.3	2,711.1	3,223.5	2,999.6
Deferred taxation liability				
As previously reported	21.6*	26.3*	55.4*	28.9
Effects of MASB 25	56.2	55.5	54.7	55.1
As restated	77.8	81.8	110.1	84.0

* Audited

Selected Operating Data

	As at and for the year ended 31 December			As at and for the six months ended 30 June	
	2000	2001	2002	2002	2003
Operating data:					
Number of visitors at the Resort (millions)(1)	13.4	14.1	15.4	7.3	7.3
Number of hotel rooms at the Resort (thousands)(2)	4.3	5.9	6.6	6.5	6.6

Notes:

(1) Resorts World's estimate based on vehicle and passenger traffic to the Resort.

(2) Number of rooms available as at the end of the relevant period.

Recent Developments

The Genting Group

As required by the rules of the KLSE and in accordance with previous practice, Genting announced unaudited interim financial information as at and for the nine months ended 30 September 2002 and 2003. This financial information was published on 20 November 2003 and, in accordance with previous practice, was not audited or subject to review by the auditors of Genting. See the unaudited consolidated financial statements of Genting as at and for the nine months ended 30 September 2003 included elsewhere in this Offering Circular. Such financial statements are prepared in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP".

	For the nine months ended 30 September	
	2002	**2003**
	(RM thousands) (Unaudited)	**(RM thousands) (Unaudited)**
Income statement		
Revenue	2,609,772	3,082,195
Cost of sales	(1,439,013)	(1,616,901)
Gross profit	1,170,759	1,465,294
Other income	54,815	81,374
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	—	(89,828)
Other expenses	(211,028)	(277,417)
Profit from operations	1,014,546	1,179,423
Finance cost	(48,994)	(52,853)
Share of results of associated companies	202,567	73,267
Gain on dilution of Group's interest in an associated company	31,132	—
(Loss)/profit from ordinary activities before taxation	1,199,251	1,199,837
Taxation[1]	(336,519)	(334,292)
(Loss)/profit from ordinary activities after taxation	862,732	865,545
Minority shareholders' interests[1]	(277,638)	(302,327)
Net (loss)/profit for the period	585,094	563,218

	As at 31 December 2002	As at 30 September 2003
	(RM thousands) (Audited)	(RM thousands) (Unaudited)
Balance sheet		
NON-CURRENT ASSETS		
Property, plant and equipment	4,881,449	6,198,222
Real property assets	525,088	512,928
Associated companies	2,431,178	2,090,521
Other long term assets	35,841	37,383
Deferred taxation(1)	23,644	24,768
CURRENT ASSETS		
Property development	86,957	97,769
Inventories	251,671	275,907
Trade and other receivables	313,175	514,574
Amount due from associated companies	1,169	875
Short term investments	1,269,371	1,066,055
Bank balances and deposits	1,626,318	2,279,625
	3,548,661	4,234,805
LESS: CURRENT LIABILITIES		
Trade and other payables	537,933	619,830
Short term borrowings	512,776	470,961
Taxation	260,704	271,375
Proposed dividend	—	35,499
	1,311,413	1,397,665
NET CURRENT ASSETS	2,237,248	2,837,140
	10,134,448	11,700,962
FINANCED BY		
SHARE CAPITAL	352,169	352,169
RESERVES(1)	6,074,051	6,537,502
SHAREHOLDERS' EQUITY	6,426,220	6,889,671
MINORITY INTERESTS(1)	2,404,703	3,139,672
NON-CURRENT LIABILITIES		
Long term borrowings	929,788	958,243
Other long term liabilities	229,072	247,871
Deferred taxation(1)	144,665	465,505
TOTAL NON-CURRENT LIABILITIES	1,303,525	1,671,619
	10,134,448	11,700,962

Note:

(1) As and from 1 January 2003, on adoption of MASB 25 "Income Taxes", deferred tax liabilities and/or assets are recognised for all temporary differences as determined under Malaysian GAAP. This policy has been applied retrospectively by Genting. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluation is also recognised. The effects of the implementation of MASB 25 which have been applied retrospectively are summarised in the table below.

	For the nine months ended 30 September 2002
	(RM thousands) (Unaudited)
Income statement	
Taxation	
As previously reported	333,595
Effects of MASB 25	2,924
As restated	336,519
Minority shareholders' interests	
As previously reported	276,918
Effects of MASB 25	720
As restated	277,638

	As at 31 December 2002
	(RM millions) (Unaudited except where otherwise indicated)
Balance sheet	
Deferred taxation asset	
As previously reported	18.0*
Effects of MASB 25	5.6
As restated	23.6
Reserves	
As previously reported	6,118.4*
Effects of MASB 25	(44.4)
As restated	6,074.0
Minority interests	
As previously reported	2,432.8*
Effects of MASB 25	(28.1)
As restated	2,404.7
Deferred taxation liability	
As previously reported	66.5*
Effects of MASB 25	78.1
As restated	144.6

* Audited

The Resorts World Group

As required by the rules of the KLSE and in accordance with previous practice, Resorts World announced unaudited interim financial information as at and for the nine months ended 30 September 2002 and 2003. This financial information was published on 20 November 2003 and, in accordance with previous practice, was not audited or subject to review by the auditors of Resorts World. See the unaudited consolidated financial statements of Resorts World as at and for the nine months ended 30 September 2003 included elsewhere in this Offering Circular. Such financial statements are prepared in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP".

	For the nine months ended 30 September	
	2002	**2003**
	(RM thousands) (Unaudited)	**(RM thousands) (Unaudited)**
Income statement		
Revenue	2,070,164	1,976,442
Cost of sales	(1,257,721)	(1,195,559)
Gross profit	812,443	780,883
Other income	19,011	24,694
Other expenses	(138,920)	(158,750)
Profit from operations	692,534	646,827
Finance cost	(69,559)	(57,930)
Share of results of associated company	113,714	37,335
Gain on dilution of investment in associated company	31,132	—
Profit from ordinary activities before taxation	767,821	626,232
Taxation[1]	(220,005)	(175,653)
Profit from ordinary activities after taxation	547,816	450,579
Minority shareholders' interest	290	285
Net profit for the period	548,106	450,864

	As at 31 December 2002	As at 30 September 2003
	(RM thousands) (Audited)	(RM thousands) (Unaudited)
Balance sheet		
NON-CURRENT ASSETS		
Property, plant and equipment	3,226,098	3,233,867
Real property assets	201,197	201,197
Associated company	1,910,393	1,985,078
Other long term assets	17,055	16,989
CURRENT ASSETS		
Inventories	41,892	40,992
Trade and other receivables	90,069	88,789
Amount due from other related companies	5,614	6,681
Amount due from associated company	480	545
Short term investments	419,809	223,509
Bank balances and deposits	366,818	333,813
	924,682	694,329
LESS: CURRENT LIABILITIES		
Trade and other payables	303,999	299,437
Amount due to holding company	12,842	7,554
Amount due to other related companies	32,694	38,041
Short term borrowings	473,699	—
Taxation	240,832	198,144
Proposed dividend	—	66,821
	1,064,066	609,997
NET CURRENT (LIABILITIES)/ASSETS	(139,384)	84,332
	5,215,359	5,521,463
SHARE CAPITAL	545,922	545,922
RESERVES[(1)]	3,223,448	3,539,732
SHAREHOLDERS' EQUITY	3,769,370	4,085,654
MINORITY INTERESTS	9,677	9,392
NON-CURRENT LIABILITIES		
Long term borrowings	809,400	809,400
Loan from holding company	371,870	371,870
Other long term liabilities	144,915	134,507
Deferred taxation[(1)]	110,127	110,640
TOTAL NON-CURRENT LIABILITIES	1,436,312	1,426,417
	5,215,359	5,521,463

Note:

(1) As and from 1 January 2003, on adoption of MASB 25 "Income Taxes", deferred tax liabilities and/or assets are recognised for all temporary differences as determined under Malaysian GAAP. This policy has been applied retrospectively by Resorts World. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluation is also recognised. The effects of the implementation of MASB 25, which have been applied retrospectively, are summarised in the table below.

	For the nine months ended 30 September 2002 (RM thousands) (Unaudited)
Income statement	
Taxation	
As previously reported	220,545
Effects of MASB 25	(540)
As restated	220,005

	As at 31 December 2002 (RM millions) (Unaudited except where otherwise indicated)
Balance sheet	
Reserves	
As previously reported	3,278.2*
Effects of MASB 25	(54.7)
As restated	3,223.5
Deferred taxation liability	
As previously reported	55.4*
Effects of MASB 25	54.7
As restated	110.1

* Audited

Risk Factors

Prior to making an investment decision, prospective purchasers of the Notes should consider carefully the information contained in this entire Offering Circular. Prospective purchasers should consider, among other things, the risk factors relating to Malaysian corporations and the Issuer, the Guarantor and Resorts World, which may differ from those normally associated with investments in other countries and with other issuers, guarantors and companies, including those set forth below.

Risks relating to the Genting Group's Leisure and Hospitality Businesses

Resorts World's gaming licence is renewable quarterly

Revenues derived from the Genting Group's leisure, hospitality, gaming and entertainment activities represented 76.0% and 63.3% of the Genting Group's total revenue in 2002 and for the first half of 2003, respectively, and historically have represented the substantial majority of the Genting Group's total revenue. In particular, revenues from the Genting Group's casino and gaming operations comprise a substantial proportion of the Genting Group's total revenues. In order to operate its casino and gaming activities at the Genting Highlands Resort, Resorts World requires a casino licence, which was originally issued to Genting in 1971 and subsequently issued to Resorts World in 1989, and has been renewed every quarter since by the Minister of Finance. This quarterly renewal of the casino licence has been a requirement under Malaysian legislation since the original grant. In the event that its casino licence is not renewed, or is terminated, for any reason, Resorts World would not be able to operate its casino and gaming facilities, and the Resorts World Group's and the Genting Group's principal business and source of revenue will cease. Any non-renewal or termination of the licence would have a material adverse effect on the Resorts World Group's and the Genting Group's results of operations and financial condition.

Furthermore, no assurance can be given that Resorts World's casino licence will be renewed on the same terms as currently apply. The imposition by the Government of additional or more onerous conditions in respect of the casino licence may have a material adverse effect on Resorts World's and the Genting Group's results of operations and financial condition.

Resorts World is currently utilising substantially all of the gaming facilities and services permitted under its casino licence. Further gaming capacity and facilities will require Resorts World to apply for approval from the Minister of Finance, and no assurance can be given that such approval would be obtained. Resorts World's casino and entertainment facilities also require other licences, including premises licences. See "Regulation".

A substantial majority of the business of the Genting Group and the Resorts World Group is conducted in Malaysia in particular, and in the Asia Pacific region in general; adverse economic conditions in these markets or other factors that depress the level of disposable income of consumers in these markets would adversely affect the financial condition and operating results of the Genting Group and the Resorts World Group

For the year ended 31 December 2002, approximately 96.3% of the Genting Group's revenues was derived from Malaysia. Genting believes that it is, and will continue to be, substantially dependent on the ability and willingness of consumers in Malaysia, Singapore and the Asia Pacific region to spend money on leisure and entertainment activities, including vacations. A deterioration in economic conditions, particularly in Asia Pacific — the primary sources of visitors to the Resort — may reduce the level of disposable income consumers spend on leisure and entertainment activities and in turn would likely have an adverse effect on the Genting Group's and the Resorts World Group's business. During the late 1990's, a number of countries in the Asia Pacific region suffered a severe financial and economic recession. According to the Economist Intelligence Unit, following 15 consecutive years of growth in excess of 5%, Asia (including Australasia but excluding Japan) experienced gross domestic product ("GDP") growth of only 0.8% in 1998 as a result of the economic crisis. Although many of the region's economies have since experienced a degree of recovery, with GDP growth in Asia (including Australasia but excluding Japan) ranging from

3.7% to 6.5% between 1999 and 2002, there can be no assurance that this growth will continue or that the factors which led to the recession, such as weak banking systems, excess industrial capacity, excessive corporate debt and a rapid loss of investor confidence and withdrawal of short term capital funds by foreigners, will not occur again.

As a result of the Genting Group's and the Resorts World Group's reliance on visitors to the Resort, any renewed economic difficulties would have an adverse effect on the Genting Group's and the Resorts World Group's results of operations and financial condition. In addition, an economic or financial crisis could contribute to political and social instability in a number of Asia Pacific countries, including Malaysia. Any unrest could prevent access to the Resort and adversely affect the business of the Genting Group and the Resorts World Group. Any such developments would adversely affect the Genting Group's and the Resorts World Group's business, result of operations and financial condition. A number of recent events, including acts of terrorism, have had an adverse effect on tourism, travel and the availability of air service and other forms of transportation. There can be no assurance that the Asia Pacific region, and Malaysia and Singapore in particular, will experience improved growth in the future, nor can there be any assurance that external events similar to those experienced in the past will not recur. Owing to the Genting Group's and the Resorts World Group's reliance on visitors from Malaysia, Singapore and the Asia Pacific region, any such events would likely have an adverse effect on the Genting Group's and the Resorts World Group's results of operations and financial condition.

The Genting Group's and the Resorts World Group's main revenue contributor may be affected by increased competition in the gaming industry

The gaming industry in Asia has traditionally been highly regulated with gaming operations prohibited in some countries and licences required in most other countries. There have recently been a number of new entrants into the gaming industry in the region. For example, Kangwon Land Inc. opened the first gaming resort in South Korea licensed to cater to locals while Macau recently issued three new gaming licences, one of which was issued to an affiliate of an existing gaming group in Macau. In addition, the Thai Government is reported to be contemplating the legalisation of gaming centres in the country. In response to such competition, the Genting Group and the Resorts World Group are taking steps to upgrade the Resort's gaming facilities infrastructure and services in order to remain competitive. However, in the event that further gaming centres are opened in the region, there will be increased competition for the custom of players, particularly high-spending gamblers, in the region, and operators and players who frequent the Resort may opt to visit other gaming centres instead. Any of such developments could have an adverse impact on the Genting Group's and the Resorts World Group's results of operations and financial condition. The establishment of another gaming centre in Malaysia or Singapore, or the liberalisation of gaming laws in these countries, would have an adverse impact on the Genting Group's and the Resorts World Group's results of operations and financial condition.

The volatility of gaming revenues may impact Genting Group's and Resorts World Group's income and profitability

The main source of revenue for the Genting Group and the Resorts World Group is from gaming operations at the Genting Highlands Resort. Revenues from all gaming activities are generally predictable on the basis of the "win ratio" that Genting expects to derive from gaming. The "win ratio" in any period refers to the aggregate amount of money wagered by customers in comparison to the aggregate amount of money returned to customers in the form of gaming winnings. Although Genting believes that the long-term win ratios attributable to high-end gaming have been, and will continue to be, consistent with theoretical or statistical ratios, high-end gaming ratios tend to be more variable when measured in smaller samplings or over shorter periods of time. As a result, variances attributable to high-end gaming may have a positive or negative impact on the cash flow and earnings of the Genting Group and the Resorts World Group in a particular financial period. Furthermore, economic downturn in countries where high-end gaming customers reside could result in reduced visits to the Resort's gaming facilities and hence reduction in the revenues generated from such visits.

The operations of the Genting Group and the Resorts World Group may be affected by another outbreak of severe acute respiratory syndrome, or SARS

The recent outbreak of severe acute respiratory syndrome ("SARS") that affected several countries in Asia and elsewhere, including Hong Kong, China, Singapore, Taiwan and Vietnam, had a material adverse effect on the financial results and operations of the Genting Group and the Resorts World Group. Although the long-term effect of SARS (if any) cannot currently be predicted, it had an adverse effect on the economies of those countries in which it was most prevalent. As a consequence of the SARS outbreak, certain countries implemented immigration policies to restrict travellers coming from, and several airlines reduced flights to and from, SARS affected countries or regions. The operations of the Genting Group and the Resorts World Group in Asia, particularly visitor numbers and forward bookings for the Resorts, were adversely affected especially in the core markets of Malaysia, Singapore, Hong Kong and China. If SARS re-emerges in areas in which it was previously thought to be under control, or if any other similar wide ranging health scare should occur, the financial condition and operating results of the Genting Group and the Resorts World Group would be materially and adversely affected.

Fraud, cheating or money laundering may adversely affect the operations and reputation of the Genting Group and the Resorts World Group

The gaming business may be exposed to higher levels of attempted fraud and cheating by the general public in view of the large sums of cash transacted. In addition, despite monitoring of gaming operations and other security measures, gaming in general, and high-end gaming in particular, may present opportunities for fraud or cheating to be perpetrated against the Genting Group and the Resorts World Group. Genting believes that no material incidents of this nature have occurred at the Resort.

In the event that Resorts World is subject to fraudulent activities and is not able to detect such fraud in time or at all, it may suffer losses which may also affect its business reputation.

With respect to money laundering, while Resorts World has in place certain internal controls that can assist to prevent and detect monitoring money laundering activities, there remains the possibility that undetected money laundering transactions may be carried out which may affect the operations and reputation of the Genting Group and the Resorts World Group.

Access to the Resort may be restricted by landslide or other events obstructing access by road

The main access to the Resort is via a dual-carriage road. In addition to the main road from Kuala Lumpur, an alternative access road has been operational since 1993 from Batang Kali, Selangor to Gohtong Jaya at the mid level of the Resort. In the event of a landslide or other event damaging the access road, the access road may be impossible to traverse, limiting the number of people travelling to the Resort. A prolonged road closure arising from such an event would have a negative impact on the Resorts World Group's and the Genting Group's business and revenue.

The Resort may be subject to higher labour costs or difficulty in sourcing suitably skilled/qualified labour

The leisure and tourism industry is typically labour intensive. Although the cost of labour is relatively low and labour is readily available in Malaysia, there is no assurance that labour costs will not increase or that Resorts World will be able to source adequate suitably skilled/qualified employees.

In particular, the Resort needs to hire and train a large number of employees. There is no assurance that Resorts World will be able to hire and train the number of employees it requires locally and therefore, as a worst case scenario, Resorts World may have to source suitably qualified employees from other countries. This may result in higher costs and hence, adversely affect the Resorts World Group's and the Genting Group's operations and profitability.

The resort business of the Genting Group and the Resorts World Group may be susceptible to changes in the economy and industry

The resort business of the Genting Group and the Resorts World Group is subject to seasonal fluctuations and results are affected by major festive seasons and holidays. Resorts in general, which comprise leisure, hospitality, gaming and entertainment, may be unfavourably affected by such factors as changes in the domestic and regional economy, competition in the industry, changes in interest rates, and the availability of financing. Global, regional and local economic slowdown or recession or a situation of prolonged difficulties in the tourism industry may also have an adverse effect on the results of the Genting Group and the Resorts World Group.

Terrorist attacks and other acts of violence or war may affect the business of the Genting Group and the Resorts World Group

Terrorist attacks such as those that occurred in New York, on 11 September 2001, in Bali on 12 October 2002 and in Jakarta on 5 August 2003 or armed conflicts such as the recent war in Iraq may adversely affect the operations, revenues and profitability of the Genting Group and the Resorts World Group. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Resorts World Group and the Genting Group may not be able to foresee events that could have an adverse effect on their business and results of operation.

A change in the current environmental, safety and other regulatory regimes under which Star Cruises operates may lead to increased costs or decreased revenue and adversely affect its business

The operation of Star Cruises' cruise ships is affected by changing environmental protection laws, safety requirements and other regulations, compliance with which may entail significant expenses for ship modification and changes in operating procedures.

Governmental regulations in Asia Pacific often do not explicitly refer to, and may not be specifically tailored to encompass all facets of, Star Cruises' business in that region. As the industry matures in Asia Pacific, local authorities may adopt new regulations, or new interpretations of existing regulations that could adversely affect Star Cruises' results of operations and financial condition. As a significant portion of on-board revenue on Star Cruises' ships is derived from gaming, imposition of restrictions, or regulation of off-shore gaming operations, by countries in Asia Pacific may have a material adverse effect on Star Cruises' results of operations, which could have an adverse impact on the Genting Group's and the Resorts World Group's profitability. Moreover, there can be no assurance that the future costs of compliance with such laws, regulations and treaties will not have a material adverse effect on Star Cruises' business, results of operations, or financial condition, which could have an adverse impact on the Genting Group's and the Resorts World Group's profitability.

The information on Star Cruises in this Offering Circular has not been verified by Star Cruises

Information on Star Cruises contained in this Offering Circular has not been verified by the Issuer or the Guarantor. Neither the Issuer nor the Guarantor has undertaken a due diligence review of the operations and financial condition of Star Cruises. Information with respect to Star Cruises contained in this Offering Circular is based on or has been derived from Star Cruises or information otherwise published or furnished by Star Cruises. Where information contained in this Offering Circular includes extracts or summaries of information and data from various private sources (including Star Cruises), each of the Issuer and the Guarantor accepts responsibility for accurately reproducing such summaries and data but accepts no further or other responsibility in respect of such information. Such third party sources are identified in the text, as applicable. None of the Issuer, the Guarantor, their management, employees, the Managers, advisors or other parties takes any responsibility, express or implied, for such information. In addition, none of such parties has taken any steps to verify the accuracy of any of the information relating to Star Cruises included in this Offering Circular and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of such information. Investors are cautioned not to place undue reliance on Star Cruises information contained in this Offering Circular.

Risks relating to the Genting Group's Power Generation and Supply Business

The Genting Group's power project development and acquisition activities may not be successful and the Genting Group may not recover the costs incurred in these activities or may incur additional indebtedness in expanding these activities

While the Genting Group actively manages the costs involved in the preliminary steps in the development of a power project or the acquisition of assets, the preparation involved in determining whether a project is feasible, economically attractive or capable of financing may require the Genting Group to expend significant sums.

In connection with the development of a new (greenfield) power generation facility, the Genting Group must generally obtain governmental permits and approvals, overcome local opposition (if any), as well as negotiate land purchase or leasing agreements, equipment procurement and construction contracts, operation and maintenance agreements, fuel supply and transportation agreements, offtake arrangements and obtain sufficient equity capital and debt financing. Similarly, the acquisition of assets may also entail obtaining substantial regulatory approvals, securing the consent of partners, offtakers and other relevant parties, obtaining the necessary environmental and other permits and financing commitments and performing a significant amount of due diligence.

The Genting Group cannot assure investors that any particular power development project or acquisition opportunity will be completed, within any time frame or at all, or that upon completion it will be profitable. If the Genting Group is unable to complete the contemplated development project or acquisition, it may not be able to recover the costs it incurred.

Furthermore, the Genting Group may incur additional indebtedness in order to finance the expansion of its power business whether in the form of a new power generation facility or the acquisition of an existing power business. For instance, in September 2003, Genting announced that it was interested in acquiring up to 50% of Loy Yang A Power Station in the state of Victoria, Australia and was seeking to assemble a consortium to acquire 100% of Loy Yang A Power. Loy Yang A Power owns and operates a 2,000 megawatt power station in Australia. No negotiations have commenced yet with the vendors of Loy Yang A as an exclusive arrangement between the existing consortium of interested buyers and the vendors has been extended from September to December 2003. To the extent that the Genting Group is successful in its negotiations and finances its expansion in the power generation and supply business by incurring additional indebtedness, this will result in higher levels of gearing for the Genting Group.

The Genting Group must assess external factors, such as the regulatory environment and market conditions, many years into the future; these assessments may not be borne out by events

In order to decide whether to invest in a new power project or to acquire power assets, the Genting Group must make certain assumptions about the price at which it can sell its output in order to assess whether it will be able to recover the incurred cost of such activities. It is the Genting Group's current policy, particularly with respect to the development of greenfield power generation facilities, to enter into PPAs to sell capacity and/or energy output from its power generation facilities. However, the Genting Group may in the future decide or be compelled to resort to projects or assets requiring different arrangements for selling its output, for example, through merchant sales or shorter term forward sales contracts, which are exposed to electricity sales price fluctuations. Genting cannot give any assurance that sales prices achieved through the Genting Group's PPAs will be sufficient to enable it to recover the incurred costs of developing or acquiring power plants, or that the Genting Group will not in the future operate its plants under merchant sale or short term forward sale arrangements lacking price protection.

The Genting Group's power generation facilities may experience equipment failures or may otherwise not operate as planned

The continued operation of power generation facilities involves many risks, including the failure or performance below expected levels of output or efficiency of power generation equipment or other equipment, including information technology used to operate plants and conduct trading activities. If there is a mechanical failure and the power generation facilities are not available, the Genting Group may suffer a loss, either through loss of revenue or due to penalties under the contract. The Genting Group can give no assurance that equipment failures in the future will not have a material adverse effect on its business or results of operations.

Market prices for power in some markets have been volatile and depressed in recent years
In recent years, power markets throughout the world have been characterised by new market entrants, regulatory changes and other factors which have contributed to market prices for power that are volatile and sometimes uneconomic. The Genting Group believes the primary cause for these low prices is oversupply. Accordingly, the Genting Group may experience difficulty charging prices that provide those projects with sufficient cash to service debt and make distributions to it until such time as that oversupply is rectified. Furthermore, to the extent that market prices continue to be uneconomical, this may have an adverse effect on the Genting Group's business performance in the relevant markets and may, in certain circumstances, require the Genting Group to write down the value of its existing and future assets in those markets.

The Genting Group's single suppliers and single customers (which could be Government controlled) at some of its facilities exposes it to financial risks if either should fail to perform their obligations
The Genting Group relies on a single supplier for the provisions of its principal power generating equipment. Any interruption or delay in the supply of its principal generating equipment would impair the Genting Group's ability to meet its obligations, cause it to experience delays or incur additional costs.

Furthermore, substantially all of the power which the Genting Group generates is supplied to one customer, TNB. Should TNB terminate its contractual arrangements with the Genting Group for any reason, the Genting Group's power business and revenues would be materially adversely affected. In addition, any change or amendment to the contractual terms of supply to TNB may have an adverse impact on the Genting Group's power business and revenues.

The Genting Group's operations in emerging market countries exposes it to risks related to unexpected changes in regulatory or legal regimes
In certain of the countries in which the Genting Group operates, such as India, ownership of power plants by independent companies requires approvals from regulatory authorities. The Genting Group's ability to continue operations in these countries or to earn a profit from its operations in these countries could be negatively affected by changes in laws or regulations, such as the imposition of restrictions on foreign ownership, expropriation or repatriation of earnings.

Risks relating to the Oil and Gas Business

The volatility of prices for crude oil, condensate and natural gas and the cyclical nature of the oil and gas industry could adversely affect the results and profits of the Genting Group's oil and gas operations
The revenues expected to be generated by the Genting Group's future oil and gas operations will be dependent upon the prices of, and demand for, oil and natural gas. The Genting Group's oil and gas division currently sells substantially all of its Zhuangxi Buried Hill crude oil at prices based on that of the Chinese Shengli crude. The price received for oil and gas production and the level of production will depend on numerous factors beyond the Genting Group's control, including the condition of the world economy, political and regulatory conditions in China and other oil and gas producing countries, and the actions of OPEC. The Genting Group expects that oil prices will continue to be volatile in the near and medium term, which may make it difficult to predict the impact of such prices on the Genting Group's revenues and cash flows. In addition, there can be no assurance that the government in the relevant jurisdiction will not adopt an oil or natural gas pricing policy that would adversely affect the Genting Group's results of operations from its oil and gas activities. Decreases in the prices of oil and gas could have an adverse effect on the Genting Group's oil and gas operations' revenues, profitability, cash flow and the availability of financing.

Risks relating to the Plantation and Property Business

The Genting Group's plantation and property business is susceptible to market demand and prices

The Genting Group may be adversely affected by factors specific to real property markets, such as changes in interest rates, availability of financing sources, the general cost of buildings, legislation or regulatory requirements in the property development construction industry and hotel location requirements. Similarly, the fluctuation of world prices for crude palm oil ("CPO") and palm kernel ("PK") will affect the demand for, and revenues from, CPO and PK produced by the Genting Group. A decrease in world prices for CPO and PK would adversely affect the Genting Group's plantation business.

Risks relating to the Paper and Packaging Business

The price of certain of the Genting Group's paper products are subject to cyclicality and fluctuations

The markets for paper and packaging products sold by the Genting Group are sensitive to changes in industry capacity and output levels and cyclical changes in the world economy, all of which can have a significant impact on selling prices and, therefore, on the results of operations and cash flows of the Genting Group's paper and packaging business. Prices for most of the Genting Group's paper and packaging products are based upon or affected by global prices, which tend to be highly cyclical and subject to significant fluctuations. Prices for the Genting Group's paper and packaging products are also affected by a variety of other factors which the Genting Group cannot control, including environmental and conservation regulations, natural disasters, forest fires, strikes in the industry and weather.

The Genting Group needs to comply with environmental regulations

The manufacture of paper and packaging products requires the use of significant amounts of water (creating large volumes of effluent) and electric power (requiring the burning of various types of fuel), both of which may adversely affect the environment. The Government has the power to take action against companies for failure to comply with applicable environmental regulations, including the imposition of fines and revocation of licenses and concessions. The Genting Group believes that its operations are currently in compliance in all material respects with all environmental regulations and standards applicable to the Genting Group. However, there can be no assurance that the Government will not impose additional regulations which would require additional expenditures on environmental matters.

Other Risks relating to the Genting Group and Resorts World Businesses

The operations of the Genting Group and the Resorts World Group are subject to extensive government regulation, and its inability to comply with existing regulations and requirements or changes in applicable regulations and requirements may have a negative impact on the business, results of operations or financial condition of the Genting Group and the Resorts World Group

The operations of the Genting Group and the Resorts World Group are subject to extensive regulation in each of the countries in which it operates. Regulations that specifically apply to its business cover principally the areas of gaming activities, plantation activities, energy markets, environmental and health and safety. For instance, the leisure, hospitality, gaming and entertainment operations of the Genting Group and the Resorts World Group are subject to numerous domestic regulations, such as those relating to the preparation and sale of food and beverages, general building, zoning requirements and the holding of a casino licence. The Genting Group and the Resorts World Group are also subject to laws governing its relationship with hotel employees, such as minimum wage requirements, overtime, working conditions and work permit regulations. Compliance with these laws and regulations can reduce revenues and profits of, hotels or otherwise adversely affect the operations of the Genting Group and the Resorts World Group. The Genting Group and the Resorts World Group hold insurance coverage required by applicable regulations and in accordance with the standard practice for the industries in which they have activities.

The degree of regulation to which the Genting Group and the Resorts World Group are subject varies according to the country where a particular project is located and may be materially different from one country to another. While Genting believes the existing projects of the Genting Group and the Resorts World Group have the requisite approvals and that they operate their businesses in compliance with applicable laws, they remain subject to a varied and complex body of laws and regulations that both public officials and private parties may seek to enforce. Genting cannot assure investors that the introduction of new laws or other future regulatory developments in countries in which the Genting Group and the Resorts World Group conduct their businesses will not have a material adverse effect on the business, results of operations or financial condition of the Genting Group or the Resorts World Group.

Generally, changes in the legal or regulatory structure in any country in which the Genting Group or the Resorts World Group operate could make it more difficult to enforce their rights under agreements relating to these projects.

The Genting Group's diverse businesses may face potential environmental claims

Although the Genting Group currently is not aware of any material environmental claims pending or threatened against it or any of its hotels (whether owned or managed), or industrial or agricultural installations and land, no assurance can be given that a material environmental claim will not be made against, and ultimately result in liability for, the Genting Group. The cost of defending against, and ultimately paying or settling, claims of liability or of remedying a contaminated property could have a material adverse effect on the results of operations of the Genting Group. The Genting Group believes that the hotels, industrial and agricultural installations and land it owns or manages are substantially in compliance with all environmental protection regulations.

The management performance of the Genting Group and the Resorts World Group may be affected by the withdrawal of key members

The performance and growth to date of the Genting Group and the Resorts World Group has been achieved with certain members of the Lim family, the founding and controlling shareholders of the Genting Group, occupying key management positions within the Genting Group and the Resorts World Group. Although the Genting Group and the Resorts World Group have professional executive management teams responsible for day-to-day management of their businesses, there can be no assurance that the withdrawal of members of the Lim family from an active management role would not have an adverse effect on the business of the Genting Group and the Resorts World Group.

Genting may be required to guarantee the obligations of its subsidiaries or other affiliates arising in connection with their trading activities

In certain circumstances, Genting subsidiaries and other affiliates may be required to maintain investment grade credit ratings in order to trade in their respective markets. In the event such subsidiaries or affiliates were unable to maintain the required credit rating, Genting might be obliged to guarantee their obligations or otherwise provide credit support to enable them to continue to operate. Accordingly, in such circumstances, Genting might be required to finance the obligations of such subsidiaries or other affiliates which may, in turn, have an adverse effect on its financial condition.

The Genting Group's projects under construction may not commence operations as planned

The commencement of operation of a newly constructed power generation facility, the planting of palm trees and the construction of hotels involve many risks, including:

- environmental, engineering and construction risks relating to cost overruns, delays and performance;
- the breakdown or failure of equipment or processes; and
- start-up problems.

These risks may significantly delay the commencement of operations of such projects, and may adversely affect their revenues and profitability and the Genting Group's business and result of operations.

The Genting Group may not be able to obtain insurance for certain risks under terms acceptable to it

The Genting Group generally seeks to insure its projects against known risks in accordance with common industry practice. However, the Genting Group may not be able to obtain insurance, particularly against acts of terrorism or expropriation under terms, including amount of premium payable and deductibles, that are acceptable to it. Furthermore, pursuant to the terms of certain of its debt facilities, its failure to obtain insurance against certain risks could constitute an event of default. An event of default under one or more of the Genting Group's debt facilities could have a material adverse effect on its financial condition.

The Genting Group may experience difficulties in expanding its existing businesses or into new businesses which may adversely affect the Genting Group

The Genting Group has already expanded, and plans to further expand, its operations into businesses related to its power generation, leisure and hospitality, and oil and gas operations, both in and outside Malaysia. While these projects are, or would be expected to be, related to the Genting Group's existing businesses, there can be no assurance that the Genting Group will be successful in operating such new businesses. Furthermore, these new projects would probably have significant capital requirements and would expose the Genting Group to additional risks, such as approvals from regulatory authorities other than those regulating the leisure, hospitality and gaming, plantation, and oil and gas sectors in Malaysia and political, economic and legal risks associated with operating projects in other countries. There can be no assurance that embarking on such future projects would not have a material adverse effect on the Genting Group.

Risks relating to Malaysia

Political, economic and social developments in Malaysia may adversely affect the Genting Group and the Resorts World Group

The business, prospects, financial condition and results of operations of the Genting Group and the Resorts World Group may be adversely affected by political, economic and social developments in Malaysia. In particular, on 31 October 2003, the Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad, who had been Prime Minister since 1981, retired and the then Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi was appointed as Prime Minister. Any change in Government policy, changes to senior positions within the Government, or any political instability in Malaysia, arising from these changes, may have a material adverse effect on the Genting Group and the Resorts World Group, their business, operations, financial condition and prospects. Furthermore, any changes in the composition of the Government could result in a change in Government policy, including with respect to the operation of gaming activities in Malaysia. Any such change in Government policy may result in increasing competition and/or increasing regulation of the Genting Group's and the Resorts World Group's gaming and entertainment activities. In particular, any such change in Government policy may adversely affect the casino licence held by Resorts World.

In addition, any change in political control within the states in which the Genting Group and the Resorts World Group operates, particularly in Pahang and/or Selangor where the Resort is located, may result in a change of policy with respect to gaming activities. Any change to the federal or state regulation of the Genting Group's and the Resorts World Group's gaming and entertainment activities may have a material adverse effect on the Genting Group's and the Resorts World Group's business results of operation and financial condition. In addition to the recent change in the leadership of the Government, other political and economic uncertainties include but are not limited to the risks of war, terrorism, riots, expropriation, nationalism, renegotiations or nullification of existing contracts, changes in interest rates and methods of taxation.

The Malaysian Ringgit may be subject to exchange rate fluctuations
Bank Negara Malaysia has in the past intervened in the foreign exchange market to stabilise the Ringgit and has, since 2 September 1998, maintained a fixed exchange rate of RM3.80 to US$1.00. However, there can be no assurance that Bank Negara Malaysia will, or would be able to, so intervene or maintain the fixed exchange rate in the future or that any such intervention or fixed exchange rate would be effective. Changes in the current exchange rate policy may result in significantly higher domestic interest rates, liquidity shortages, capital or further exchange controls. There can be no assurance that the Government will not impose more restrictive or other foreign exchange controls. Any imposition, variation or removal of exchange controls may adversely affect the value of the Notes and the Shares and the ability of holders thereof to liquidate the Notes or Shares, as the case may be, or repatriate the proceeds from the liquidation of such Notes or Shares, as the case may be, out of Malaysia.

A re-imposition of capital controls may affect investors' ability to repatriate the proceeds from the sale of Notes and Shares and principal or interest paid on the Notes from Malaysia
As part of the package of policy responses to the 1997 economic crisis in Southeast Asia, the Government introduced, on 1 September 1998, selective capital control measures. Under the measures announced in September 1998, External Account (as defined in "Regulation — Exchange Controls") holders (who include non-resident corporations and non-resident individuals) were required to obtain prior approval from the Controller of Foreign Exchange for transfers of funds between External Accounts for uses of funds other than for permitted purposes. The requirements also stipulated that inflows of portfolio capital remain in Malaysia for a minimum period of one year before they could be repatriated, restricted the import and export of Ringgit by Malaysian travellers and limited the amount of investment abroad or foreign currency that may be carried abroad by travellers.

The Government initiated the liberalisation of the selective capital control measures in 1999 to allow foreign investors to repatriate principal capital and profits, subject to an exit levy based on a percentage of profits repatriated. On 1 February 2001, the Government revised the levy to apply only to profits made from portfolio investments retained in Malaysia for less than one year. On 2 May 2001, the Government lifted all such controls affecting the repatriation of foreign portfolio funds, which stem largely from the sale of stocks listed on the KLSE.

There can be no assurance that the Government will not re-impose these or other capital controls in the future. If the Government re-imposes foreign exchange controls, investors may not be able to repatriate the proceeds of the sale of Notes and Shares and interest and principal paid on the Notes from Malaysia for a specified period of time or may only do so after paying a levy.

Malaysian corporate and other disclosure and accounting standards differ from those in other jurisdictions and changes are proposed to Malaysian GAAP
The consolidated financial statements of Genting and Resorts World are prepared in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. As a result, Genting's and Resorts World's consolidated financial statements and reported earnings could be significantly different from those which would be reported under U.S. GAAP. This Offering Circular does not contain a reconciliation of Genting or Resorts World's consolidated financial statements to U.S. GAAP, and there is no assurance that such a reconciliation would not reveal material differences. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP" for a summary of significant accounting differences which may be applicable to the Genting Group and the Resorts World Group.

Furthermore, certain changes are proposed to Malaysian GAAP which may constitute further material differences accompanied with U.S. GAAP.

Risks relating to an Investment in the Notes

Noteholders will bear the risk of fluctuations in the price of the Shares

The market price of the Notes at any time will be affected by fluctuations in the price of the Shares. It is impossible to predict whether the price of the Shares will rise or fall. Trading prices of the Shares will be influenced by, among other things, Resorts World's financial condition, results of operations and political, economic, financial and other factors. Any decline in the price of the Shares would adversely affect the market price of the Notes.

The Guarantor is a holding company and the Guarantee will be structurally subordinate to all existing and future obligations of the Guarantor's subsidiaries

The Guarantor is a holding company that operates through subsidiaries. As a result, the Guarantor's obligations under the Guarantee will be effectively subordinated to all existing and future obligations of its direct and indirect subsidiaries. All claims of creditors of these subsidiaries, including trade creditors, lenders and all other creditors will have priority as to the assets of such entities over claims of the Guarantor and its creditors, including holders of the Notes as beneficiaries of the Guarantee. As of 30 September 2003, the total amount of liabilities of the Guarantor's subsidiaries (including accounts payable) was approximately RM2,928.2 million. The Guarantor's subsidiaries may incur additional indebtedness over the next few years in connection with the Genting Group's current and ongoing expansion projects and other projects that it may undertake. Moreover, further issues of equity interests by direct and indirect subsidiaries of the Guarantor could dilute the ownership interest of the Guarantor in such entities.

The Guarantor has limited operations of its own and is mainly dependent on the payment of dividends and management fees by its subsidiaries for revenue and to pay principal and interest on the Notes

As it is principally a holding company with limited operations of its own, the Guarantor will depend, to a significant extent, upon the receipt of dividends and management fees from its subsidiaries to make payments with respect to its obligations, including its obligations under the Guarantee, and in order to provide funds to its subsidiaries. The ability of direct and indirect subsidiaries of the Guarantor to pay dividends to their shareholders (including the Guarantor) is subject to applicable law and restrictions contained in debt instruments of such subsidiaries, if any.

Uncertain ability to enforce claims

Substantially all the assets of the Guarantor and the assets of those directors and executive officers are located in Malaysia. Generally, since the United Kingdom is a reciprocating country, any judgment obtained against the Guarantor or any of its directors or executive officers (whilst such country is a reciprocating country) in any of the superior courts of the United Kingdom or other reciprocating countries as listed in the Reciprocal Enforcement of Judgments Act, 1958 ("REJA") (other than a judgment of such a court given on appeal from a court which is not a superior court) can be registered in the Malaysian High Court if:- (a) it is final and conclusive as between the parties; and (b) it is a sum of money not being a sum payable in respect of taxes or other charges of a like nature, or in respect of a fine or other penalty; and would, on registration in accordance with the provisions of the REJA, be recognised and enforced by the courts in Malaysia without re-examination of the issues. As a result, the Trustee and/or Noteholders with claims against the Guarantor, its directors or executive officers, will generally be able to pursue such claims by registering such judgments obtained in the recognised English courts or those of other countries in the Malaysian High Court. However, the registration of a judgment shall be set aside if the registering court is satisfied, amongst others, that (a) the judgment was obtained by fraud; or (b) the enforcement of the judgment would be contrary to public policy in Malaysia.

In addition, where the sum payable under a judgment which is to be registered is expressed in a currency other than Malaysian currency, the judgment shall be registered as if it were a judgment for such sum in Malaysian currency as is equivalent to the sum so payable on the basis of the rate of exchange prevailing at the date of the judgment of the original court.

The interests of the Guarantor's controlling shareholder may differ from those of the Guarantor
The Lim Family owns 41.4% of the Guarantor's ordinary shares. Accordingly, the Lim Family is the controlling shareholder of the Guarantor and could therefore have the ability to exercise control over the Guarantor and its affairs and businesses. However, the interests of the Guarantor's controlling shareholder may differ from or conflict with the interests of the other shareholders of the Guarantor, and resulting transactions may be adverse to the Genting Group.

There has been no prior public market for the Notes; the liquidity and market price of the Notes following the offering may be volatile
There is no existing market for the Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Genting Group's and the Resorts World Group's operating results and the market for similar securities. The Managers have advised the Issuer that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Managers are not, however, obliged to make a market in the Notes and any such market making may be discontinued at any time. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the Notes. Application has been made to list the Notes on the Luxembourg Stock Exchange. Approval has been granted by the LFX for the secondary listing of the Notes on the LFX. Historically, the market for debt by South East Asian issuers has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for the Notes will not be subject to similar disruptions. Any such disruption may have an adverse effect on holders of the Notes.

Risk relating to the Shares

Malaysian law contains provisions that could discourage a takeover of Resorts World
The Malaysian Securities Commission Act, 1993 and the Malaysian Code on Takeovers and Mergers, 1998 (the "Takeovers Code") contain certain provisions that may delay, deter or prevent a future takeover or change in control of Resorts World. Any person acquiring an interest (either singly or acting in concert with others) in more than 33% of Resorts World's voting shares must extend a takeover offer for the remaining voting shares in accordance with the Takeovers Code. A takeover offer must also be made if a person holding (either singly or acting in concert with others) more than 33% but less than 50% of the voting rights acquires more than an additional 2% of Resorts World's voting shares in any six month period. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of Resorts World. This may adversely affect investors because these types of transactions may allow investors to sell their ordinary shares at a price above the prevailing market price.

The price of the Shares listed on the Main Board of the KLSE may be adversely affected by the size and volatility of the Malaysian securities market
As of 30 June 2003, there were more than 500 companies listed and quoted on the Main Board of the KLSE. The aggregate market capitalisation of listed equity securities of these companies was approximately RM500 billion. The relatively small market capitalisation of, and trading volume on, the KLSE compared with stock exchanges in the United States and certain European and other countries may cause the market price of securities listed on the KLSE, including the Shares, to fluctuate more than those listed on these larger stock exchanges.

The Malaysian securities market is smaller and more volatile than the securities markets in the United States and in certain European and other countries. The KLSE has experienced substantial fluctuations in the prices and volumes of sales of listed securities. Between 1997 and 2002, the KLSE Composite Index, which represents 100 component stocks representing the various sectors, reached a peak of 1,271.6 in the first quarter of 1997, and reached a low of 262.7 in the third quarter of 1998. As of 28 November 2003, the KLSE Composite Index reached a peak of 781.92, and reached a low of 615.77 during the first half of 2003. The daily closing values of Resorts World's outstanding ordinary shares, which are listed on the Main Board of the KLSE, ranged from RM10.70 per share to RM7.55 per share over the same period. On 30 June 2003, the KLSE Composite Index closed at 691.96, and the daily closing value of Resorts World's outstanding Shares was RM9.80 per share. In addition, the KLSE has previously experienced problems such as market manipulation, insider trading and payment defaults. The recurrence of these or similar problems could adversely affect the market price and liquidity of the securities of Malaysian companies, including the Shares, in both the domestic and the international markets. For more information, please see "Regulation".

For a description of certain restrictions on ownership of Resorts World, see "Description of the Shares".

If the Ringgit peg to the US dollar is removed or recalculated, resultant fluctuations in the exchange rate between the Ringgit and the US dollar may have a material adverse effect on the value of the Shares deliverable upon exchange of the Notes in US dollar terms

The Shares deliverable upon exchange of the Notes are expected to be listed on the Main Board of the KLSE, where securities are quoted and traded in Ringgit. If there are any cash dividends on such Shares, these dividends will be paid in Ringgit. If the Ringgit peg to the US dollar is removed or recalculated, fluctuations in the exchange rate between the Ringgit and the US dollar may affect, among other things, the US dollar value of the proceeds that a holder receives upon a sale of such Shares or in respect of any cash dividends paid on such Shares. In addition, any removal or recalculation of the peg will affect the value of such Shares in US dollar terms. See "Exchange Rates" and "Regulation".

Terrorist attacks on the United States and the response of the United States and its allies, terrorist attacks in South-East Asia, the war in Iraq and the outbreak of SARS have led to substantial and continuing volatility in international capital markets, which may adversely affect the market price of the Notes and the Shares

Terrorist attacks on the United States on 11 September 2001 have resulted in substantial and continuing volatility in international capital markets. The United States and its allies have responded with military force to these attacks, in Afghanistan in particular, and military action is likely to continue. The war in Iraq in early 2003, involving the United States, Great Britain and Australia, also heightened such volatility. Any further terrorist attacks and any significant military or other actions by the United States and/or its allies could have a material adverse effect on worldwide financial markets and the Malaysian economy. In addition, the recent terrorist attacks in South-East Asia and the outbreak of severe acute respiratory syndrome, or SARS, in China, Hong Kong, Taiwan, Singapore, Vietnam and Canada have exacerbated this volatility, and further actions and development stemming from these events could further exacerbate this volatility. Any material change in the financial markets or the Malaysian economy as a result of these events or developments could have a material adverse effect on performance of and return on the Notes and the Shares and the price of the Notes and the Shares in the secondary market.

Continued control of Resorts World by the controlling shareholder may result in conflicts of interests

The Guarantor owns 56.8% of the Resorts World Shares. Accordingly, the Guarantor is a controlling shareholder of Resorts World and could therefore have the ability to exercise control over Resorts World and its affairs and businesses. However, the interests of the Guarantor may differ from or conflict with the interests of the other shareholders of Resorts World, and resulting transactions may be adverse to Resorts World. In addition, Resorts World engages in various transactions with affiliate parties, which are controlled by the Guarantor. The Guarantor may take actions that favour the interest or businesses of companies controlled by it over the interest or businesses of Resorts World.

Noteholders have limited anti-dilution protection

The Exchange Property into which the Notes may be exchanged will be adjusted in the event that there is a sub-division, consolidation or re-denomination, rights issue, bonus issue, reorganisation, capital distribution or other adjustment including an offer or scheme which affects the property comprising the Exchange Property, but only in the situations and only to the extent provided in the "Terms and Conditions of the Notes — Exchange Right". There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Exchange Property. Events in respect of which no adjustment is made may adversely affect the value of the Exchange Property and, therefore, adversely affect the value of the Notes.

Use of Proceeds

The net proceeds of the issue of the notes amount to approximately US$245,000,000 (US$295,000,000 if the over-allotment option described under "Subscription and Sale" is exercised in full) after deduction of the combined management, underwriting and selling commission and the expenses incurred in connection with the issue of the Notes. The Issuer intends to lend the net proceeds from the sale of the Notes to the Guarantor and/or wholly-owned subsidiaries of the Guarantor as and when the Guarantor and/or such wholly owned subsidiaries require the funds to finance the Genting Group's overseas investments. Part of the net proceeds may also be used as additional working capital and for other general corporate purposes relating directly to the principal business activities of the Genting Group.

Until such time as the net proceeds from the Notes are utilised, the Issuer intends to maintain such proceeds in US dollar denominated money market instruments, certificates of deposit, time deposits or other short-term investments.

Market Price Information

The Shares of Resorts World are currently listed on the Main Board of the KLSE.

The table below sets forth, for the periods indicated, the high and low quoted prices per share of Resorts World in Ringgit Malaysia for the Shares on the KLSE, the average daily trading volume on the KLSE and the high and low of the KLSE Composite Index.

	Price per Share[1]		Average daily trading	KLSE Composite Index	
	High	Low	volume (KLSE)	High	Low
	(RM)	(RM)	(in thousands of Shares)		
2000					
First Quarter	15.60	10.70	1,760	1,021.20	808.40
Second Quarter	14.30	10.00	2,039	979.49	796.93
Third Quarter	10.80	6.10	1,736	865.16	711.44
Fourth Quarter	7.45	5.70	1,269	797.93	673.74
2001					
First Quarter	8.00	5.60	1,366	737.56	638.51
Second Quarter	6.10	4.98	1,141	650.74	547.72
Third Quarter	7.95	5.05	2,455	701.76	584.67
Fourth Quarter	6.40	5.10	1,904	696.09	589.88
2002					
First Quarter	9.90	6.05	2,388	762.17	681.50
Second Quarter	12.00	9.45	1,541	816.94	703.91
Third Quarter	11.20	8.20	1,059	750.33	630.65
Fourth Quarter	9.75	8.15	1,150	665.10	614.00
2003					
January	10.50	9.10	1,219	675.97	623.3
February	10.80	9.45	1,242	668.18	646.75
March	9.85	8.35	2,219	649.58	615.77
April	8.55	7.40	4,656	643.68	621.11
May	8.80	7.85	2,571	678.60	627.26
June	9.95	8.80	1,791	695.90	670.11
July	11.00	9.70	1,502	737.92	690.94
August	10.50	9.90	985	750.78	713.39
September	10.30	9.15	2,157	757.67	732.28
October	12.00	9.45	2,278	818.57	733.28
November	11.60	9.90	1,429	818.37	762.53

Note:
(1) Price per share in RM (as quoted on the KLSE).

Source: Bloomberg

The closing price for the Shares on 4 December 2003 was RM10.80 per share.

Capitalisation of the Guarantor

The following table sets forth the unaudited consolidated capitalisation of the Guarantor as at 30 September 2003, adjusted to give effect to the issue of the Notes and the application of the proceeds as described above under "Use of Proceeds". There has been no material change in the capitalisation of the Guarantor since 30 September 2003.

	As at 30 September 2003			
		Actual		As adjusted
	(RM millions)	(US$ millions)	(RM millions)	(US$ millions)
Total borrowings				
Current portion of long term debt	471.0	123.9	471.0	123.9
Long-term debt (net of current portion)	958.2	252.2	958.2	252.2
Guarantee of US$250,000,000 1% Guaranteed Exchangeable Notes due 2008	—	—	950.0	250.0
	1,429.2	376.1	2,379.2	626.1
Shareholders' equity				
Issued and fully paid-up share capital	352.2	92.7	352.2	92.7
Share premium	97.8	25.7	97.8	25.7
Revaluation reserve	308.5	81.2	308.5	81.2
Reserve on exchange differences	61.6	16.2	61.6	16.2
Unappropriated profit	6,069.6	1,597.3	6,069.6	1,597.3
Total shareholders' equity	6,889.7	1,813.1	6,889.7	1,813.1
Total capitalisation(1)	8,318.9	2,189.2	9,268.9	2,439.2

Note:

(1) There are no warrants or convertible notes of the Guarantor that are outstanding as at 30 September 2003.

Capitalisation of Resorts World

The following table sets forth the unaudited capitalisation of Resorts World as at 30 September 2003. There has been no material change in the capitalisation of Resorts World since 30 September 2003.

	As at 30 September 2003	
	Actual	
	(RM millions)	(US$ millions)
Total borrowings		
Current portion of long term debt	—	—
Long-term debt (net of current portion)	371.9	97.9
	371.9	97.9
Shareholders' equity		
Issued and fully paid-up share capital	545.9	143.7
Share premium	33.3	8.7
Unappropriated profit	4,911.3	1,292.4
Total shareholders' equity	5,490.5	1,444.8
Total capitalisation(1)	5,862.4	1,542.7

Note:
(1) There are no warrants or convertible notes of Resorts World that are outstanding as at 30 September 2003.

Capitalisation of the Issuer

The following table sets forth the unaudited capitalisation of the Issuer as at the date of this Offering Circular, adjusted to give effect to the issue of the Notes and the application of the proceeds as described above under "Use of Proceeds".

	As at the date of this Offering Circular			
	Actual		As adjusted	
	(RM)	(US$)	(RM)	(US$)
Total borrowings				
Current portion of long term debt	nil	nil	nil	nil
Long-term debt (net of current portion)	nil	nil	nil	nil
US$250,000,000 1% Guaranteed Exchangeable Notes due 2008	—	—	950,000,000.0	250,000,000.0
	nil	nil	950,000,000.0	250,000,000.0
Shareholders' equity				
Issued and fully paid-up share capital	3.8	1.0	3.8	1.0
Total shareholders' equity	3.8	1.0	3.8	1.0
Total capitalisation[(1)]	3.8	1.0	950,000,003.8	250,000,001.0

Note:

(1) There are no warrants or convertible notes of the Issuer that are outstanding as at the date of this Offering Circular.

Exchange Rates

The following table sets forth the exchange rates between Ringgit and US dollars (in Ringgit per US dollar) since 1996. Since 2 September 1998, the Ringgit has been fixed at an exchange rate against the US dollar of US$1.00 to RM3.80. The exchange rate as at 31 December 2002 was US$1.00 to RM3.80. No representation is made that the Ringgit amounts actually represent such US dollar amounts or could have been or could be converted into US dollars at the rates indicated, at any other rate or at all.

Year	Period End	Period Average[(1)]
1997	3.8883	2.8132
1998 (up to 1 September)	4.0900	3.9826
1998 (full year)	3.8000	3.9229
1999	3.8000	3.8000
2000	3.8000	3.8000
2001	3.8000	3.8000
2002	3.8000	3.8000
2003 (up to 2 December 2003)	3.8000	3.8000

Source: Bank Negara Malaysia

Note:
(1) The average of the monthly average exchange rates for each month of the applicable period.

See "Regulation — Exchange Controls" for a description of the exchange control regulations applicable in Malaysia.

Dividends

Dividend Payments

The following is the dividend history of the Shares of Resorts World for the periods indicated below:

Financial Year	Dividend	Date of Payment	Net Amount (Per Share)
2000	Interim	25 October 2000	5.8 sen
	Final	25 July 2001	5.8 sen
			11.6 sen
2001	Interim	25 October 2001	5.8 sen
	Final	26 July 2002	5.8 sen
			11.6 sen
2002	Interim	25 October 2002	6.1 sen
	Final	30 July 2003	6.5 sen
			12.6 sen

Dividend Policy

Based on Resorts World's financial performance each year, the Board of Directors of Resorts World may recommend a final dividend for approval by ordinary resolution of its shareholders at a general meeting. However, Resorts World's Board of Directors may, without the approval of its shareholders, declare an interim dividend. The Resorts World Board of Directors will consider, among other factors, the following in determining the amount of final dividend to be recommended or the interim dividend to be declared:

- Resorts World's cashflows, earnings, financial condition and future prospects;
- the availability of sufficient tax credits to account for the income tax deducted at source;
- any restrictions that may be imposed by law; and
- other factors deemed relevant by the Board of Directors of Resorts World.

For information relating to Malaysian taxes payable on dividends, see "Malaysian Taxation".

Selected Consolidated Financial and Operating Data

The Genting Group

The following table presents selected consolidated financial information and other operating data for Genting. The income statement and balance sheet data presented below have been derived from the audited consolidated financial statements of Genting as at and for the years ended 31 December 2000, 2001 and 2002 and from the unaudited consolidated financial statements of Genting as at and for the six months ended 30 June 2002 and 2003. Genting's consolidated financial statements as at and for the years ended 31 December 2000, 2001 and 2002 have been audited by PricewaterhouseCoopers, independent chartered accountants. The financial data should be read in conjunction with, and are qualified in their entirety by reference to, the consolidated financial statements included elsewhere in this Offering Circular. The consolidated financial statements of Genting are prepared and presented in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP".

	For the year ended 31 December				For the six months ended 30 June		
	2000	2001	2002	2002	2002	2003	2003
	(RM millions) (Audited)	(RM millions) (Audited)	(RM millions) (Audited)	(US$ millions)[(1)]	(RM millions) (Unaudited)	(RM millions) (Unaudited)	(US$ millions)[(1)]
Income statement							
Revenue	3,338.6	3,148.4	3,534.7	930.2	1,766.1	1,997.7	525.7
Cost of sales	(2,469.3)	(1,891.5)	(1,935.7)	(509.4)	(981.0)	(1,052.7)	(277.0)
Gross profit	869.3	1,256.9	1,599.0	420.8	785.1	945.0	248.7
Other income	136.7	118.8	116.7	30.7	35.5	55.9	14.7
Selling and distribution costs	(54.1)	(57.2)	(62.9)	(16.5)	(29.3)	(29.7)	(7.8)
Administration expenses	(203.2)	(205.0)	(172.5)	(45.4)	(90.6)	(108.6)	(28.6)
Other expenses	(1,073.7)	(104.0)	(90.5)	(23.8)	(18.4)	(130.9)	(34.4)
(Loss)/profit from operations	(325.0)	1,009.5	1,389.8	365.8	682.3	731.7	192.6
Finance cost	(48.0)	(77.6)	(67.9)	(17.9)	(32.3)	(37.6)	(9.9)
Share of results of associated companies	50.3	102.7	206.5	54.4	102.2	(7.9)	(2.1)
Gain on dilution of Group's interest in an associated company	—	—	31.1	8.2	31.1	—	—
(Loss)/profit from ordinary activities before taxation	(322.7)	1,034.6	1,559.5	410.5	783.3	686.2	180.6
Taxation							
- Genting and subsidiary companies[(2)]	(301.5)	(352.8)	(422.4)	(111.2)	(204.4)	(217.0)	(57.1)
- Share of tax in associated companies	(50.3)	(34.6)	(34.1)	(9.0)	(17.0)	(9.7)	(2.6)
	(351.8)	(387.4)	(456.5)	(120.2)	(221.4)	(226.7)	(59.7)
(Loss)/profit from ordinary activities after taxation	(674.5)	647.2	1,103.0	290.3	561.9	459.5	120.9
Minority shareholders' interests[(2)]	428.3	(195.1)	(346.4)	(91.2)	(177.8)	(152.3)	(40.1)
Net (loss)/profit for the financial year	(246.2)	452.1	756.6	199.1	384.1	307.2	80.8

	As at 31 December					As at 30 June	
	2000	2001	2002	2002	2002	2003	2003
	(RM millions) (Audited)	(RM millions) (Audited)	(RM millions) (Audited)	(US$ millions)[1]	(RM millions) (Unaudited)	(RM millions) (Unaudited)	(US$ millions)[1]
Balance sheet							
NON-CURRENT ASSETS							
Property, plant and equipment	4,194.9	4,721.4	4,881.4	1,284.5	4,711.6	6,226.7	1,638.6
Real property assets	631.2	621.9	525.1	138.2	630.2	515.7	135.7
Associated companies	1,927.2	2,030.6	2,431.2	639.8	2,144.7	2,016.4	530.6
Other long term investments	114.0	6.9	15.6	4.1	28.4	17.7	4.7
Exploration cost	439.2	—	—	—	—	—	—
Long term receivables	10.1	19.0	20.2	5.3	13.8	20.7	5.5
Deferred taxation[2]	6.5	8.3	23.6	6.2	25.0	23.8	6.3
CURRENT ASSETS							
Property development	117.3	117.5	86.9	22.9	90.2	94.6	24.9
Inventories	227.8	213.2	251.7	66.2	244.2	278.0	73.2
Trade and other receivables	241.5	247.7	313.2	82.5	326.7	505.3	133.0
Amount due from associated companies	4.1	1.5	1.2	0.3	0.2	0.6	0.2
Short term investments	546.8	884.4	1,269.4	334.0	1,077.0	974.7	256.5
Bank balances and deposits	846.7	1,357.0	1,626.3	428.0	1,483.3	2,142.5	563.8
	1,984.2	2,821.3	3,548.7	933.9	3,221.6	3,995.7	1,051.6
LESS: CURRENT LIABILITIES							
Trade and other payables	537.2	658.7	537.9	141.6	508.8	593.2	156.2
Amount due to associated companies	—	—	—	—	0.3	—	—
Short term borrowings	385.6	99.8	512.8	134.9	613.3	471.2	124.0
Taxation	269.0	216.4	260.7	68.6	260.7	309.8	81.6
Proposed dividend	—	—	—	—	63.4	68.5	18.0
	1,191.8	974.9	1,311.4	345.1	1,446.5	1,442.7	379.8
NET CURRENT ASSETS	792.4	1,846.4	2,237.3	588.8	1,775.1	2,553.0	671.8
	8,115.5	9,254.5	10,134.4	2,666.9	9,328.8	11,374.0	2,993.2
FINANCED BY							
SHARE CAPITAL	352.2	352.2	352.2	92.7	352.2	352.2	92.7
RESERVES[2]	5,057.2	5,408.4	6,074.0	1,598.4	5,736.8	6,319.2	1,663.0
SHAREHOLDERS' EQUITY	5,409.4	5,760.6	6,426.2	1,691.1	6,089.0	6,671.4	1,755.7
MINORITY INTERESTS[2]	2,017.2	2,121.5	2,404.7	632.8	2,303.1	3,026.3	796.4
NON-CURRENT LIABILITIES							
Long term borrowings	406.6	1,084.6	929.8	244.7	613.4	978.2	257.4
Deferred taxation[2]	89.2	92.2	144.6	38.0	113.5	470.1	123.7
Provision for retirement gratuities	179.8	175.6	204.1	53.7	189.2	200.6	52.8
Other liabilities	13.3	20.0	25.0	6.6	20.6	27.4	7.2
TOTAL NON-CURRENT LIABILITIES	688.9	1,372.4	1,303.5	343.0	936.7	1,676.3	441.1
	8,115.5	9,254.5	10,134.4	2,666.9	9,328.8	11,374.0	2,993.2

Notes:

(1) See "Exchange Rates".

(2) As and from 1 January 2003, on adoption of MASB 25 "Income Taxes", deferred tax liabilities and/or assets are recognised for all temporary differences as determined under Malaysian GAAP. This policy has been applied retrospectively by Genting. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluation is also recognised. The effects of the implementation of MASB 25, which have been applied retrospectively, are summarised in the table below.

	As at and for the year ended 31 December			As at and for the six months ended 30 June
	2000	2001	2002	2002
	(RM millions)	(RM millions)	(RM millions)	(RM millions)
	(Unaudited except where otherwise indicated)			
Income statement				
Taxation				
As previously reported	352.0*	386.3*	452.7*	219.4
Effects of MASB 25	(0.2)	1.1	3.8	2.0
As restated	351.8	387.4	456.5	221.4
Minority shareholders' interests				
As previously reported	429.2*	(194.7)*	(345.4)*	(177.3)
Effects of MASB 25	(0.9)	(0.4)	(1.0)	(0.5)
As restated	428.3	(195.1)	(346.4)	(177.8)
Balance sheet				
Deferred taxation asset				
As previously reported	—*	—*	18.0*	16.7
Effects of MASB 25	6.5	8.3	5.6	8.3
As restated	6.5	8.3	23.6	25.0
Reserves				
As previously reported	5,095.3*	5,448.0*	6,118.4*	5,778.7
Effects of MASB 25	(38.1)	(39.6)	(44.4)	(41.9)
As restated	5,057.2	5,408.4	6,074.0	5,736.8
Minority interests				
As previously reported	2,046.6*	2,150.5*	2,432.8*	2,331.7
Effects of MASB 25	(29.4)	(29.0)	(28.1)	(28.6)
As restated	2,017.2	2,121.5	2,404.7	2,303.1
Deferred taxation liability				
As previously reported	15.2*	15.3*	66.5*	34.7
Effects of MASB 25	74.0	76.9	78.1	78.8
As restated	89.2	92.2	144.6	113.5

* Audited

The Resorts World Group

The following table presents selected consolidated financial information and operating data for Resorts World. The income statement and balance sheet data presented below have been derived from the audited consolidated financial statements of Resorts World as at and for the years ended 31 December 2000, 2001 and 2002 and from the unaudited consolidated financial statements of Resorts World as at and for the six months ended 30 June 2002 and 2003. Resorts World's consolidated financial statements as at and for the years ended 31 December 2000, 2001 and 2002 have been audited by PricewaterhouseCoopers, independent chartered accountants. The financial data should be read in conjunction with, and are qualified in their entirety by reference to, the consolidated financial statements included elsewhere in this Offering Circular. The consolidated financial statements of Resorts World are prepared and presented in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP".

	For the year ended 31 December				**For the six months ended 30 June**		
	2000	**2001**	**2002**	**2002**	**2002**	**2003**	**2003**
	(RM millions) (Audited)	**(RM millions) (Audited)**	**(RM millions) (Audited)**	**(US$ millions)[1]**	**(RM millions) (Unaudited)**	**(RM millions) (Unaudited)**	**(US$ millions)[1]**
Income statement							
Revenue	2,337.9	2,503.1	2,781.5	732.0	1,418.9	1,304.9	343.4
Cost of sales	(1,709.2)	(1,567.0)	(1,669.9)	(439.4)	(871.1)	(808.0)	(212.6)
Gross profit	628.7	936.1	1,111.6	292.6	547.8	496.9	130.8
Other income	77.4	20.5	29.7	7.8	10.6	15.8	4.1
Selling and distribution costs	(32.0)	(39.7)	(48.5)	(12.8)	(22.5)	(19.9)	(5.2)
Administration expenses	(138.6)	(119.5)	(108.0)	(28.4)	(51.5)	(73.5)	(19.3)
Other expenses	(1,062.9)	(58.1)	(70.8)	(18.6)	(14.1)	(18.8)	(5.0)
(Loss)/profit from operations	(527.4)	739.3	914.0	240.6	470.3	400.5	105.4
Finance cost	(69.6)	(117.8)	(94.2)	(24.8)	(46.5)	(42.9)	(11.3)
Share of results of associated company	(49.6)	(16.1)	88.7	23.3	43.5	(39.7)	(10.5)
Gain on dilution of group's interest in an associated company	—	—	31.1	8.2	31.1	—	—
(Loss)/profit from ordinary activities before taxation	(646.6)	605.4	939.6	247.3	498.4	317.9	83.6
Taxation							
- Resorts World and subsidiary companies[2]	(210.2)	(250.8)	(294.8)	(77.6)	(145.9)	(122.5)	(32.2)
- Share of tax in associated company	(18.6)	(2.4)	(1.9)	(0.5)	(0.7)	(0.9)	(0.2)
	(228.8)	(253.2)	(296.7)	(78.1)	(146.6)	(123.4)	(32.4)
(Loss)/profit from ordinary activities after taxation	(875.4)	352.2	642.9	169.2	351.8	194.5	51.2
Minority shareholders' interests	(0.4)	0.4	0.4	0.1	0.2	0.2	0.1
Net (loss)/profit for the financial year	(875.8)	352.6	643.3	169.3	352.0	194.7	51.3

	As at 31 December				As at 30 June		
	2000	**2001**	**2002**	**2002**	**2002**	**2003**	**2003**
	(RM millions) (Audited)	**(RM millions) (Audited)**	**(RM millions) (Audited)**	**(US$ millions)[1]**	**(RM millions) (Unaudited)**	**(RM millions) (Unaudited)**	**(US$ millions)[1]**
Balance sheet							
NON-CURRENT ASSETS							
Property, plant and equipment	2,915.3	3,261.4	3,226.1	849.0	3,214.6	3,235.0	851.3
Real property assets	202.1	202.5	201.2	53.0	202.5	201.2	53.0
Associated company	1,564.9	1,591.9	1,910.4	502.7	1,665.2	1,907.4	502.0
Other long term investments	110.4	3.6	3.2	0.8	24.7	3.2	0.8
Trade and other receivables	10.1	12.1	13.8	3.6	6.9	14.2	3.7
CURRENT ASSETS							
Property development	26.6	24.1	—	—	—	—	—
Inventories	14.9	17.0	41.9	11.0	41.6	41.6	10.9
Trade and other receivables	82.3	75.2	90.1	23.7	97.5	98.3	25.9
Amount due from other related companies	9.6	3.0	5.6	1.5	10.0	4.1	1.1
Amount due from associated company	4.0	0.7	0.5	0.1	—	0.3	0.1
Short term investments	251.3	260.0	419.8	110.5	318.8	171.7	45.2
Bank balances and deposits	138.1	281.2	366.8	96.5	357.8	303.9	80.0
	526.8	661.2	924.7	243.3	825.7	619.9	163.2
LESS: CURRENT LIABILITIES							
Trade and other payables	380.6	445.6	304.0	80.0	340.5	291.8	76.8
Amount due to holding company	698.6	117.3	12.8	3.4	54.3	6.5	1.7
Amount due to related companies	50.5	50.3	32.7	8.6	30.5	30.2	8.0
Amount due to associated company	—	—	—	—	0.3	—	—
Short term borrowings	382.9	—	473.7	124.6	471.2	—	—
Taxation	266.3	200.4	240.8	63.4	228.4	242.1	63.7
Proposed dividend	—	—	—	—	62.9	70.7	18.6
	1,778.9	813.6	1,064.0	280.0	1,188.1	641.3	168.8
NET CURRENT LIABILITIES	(1,252.1)	(152.4)	(139.3)	(36.7)	(362.4)	(21.4)	(5.6)
	3,550.7	4,919.1	5,215.4	1,372.4	4,751.5	5,339.6	1,405.2
FINANCED BY							
SHARE CAPITAL	545.9	545.9	545.9	143.7	545.9	545.9	143.7
RESERVES[2]	2,484.3	2,711.1	3,223.5	848.2	2,999.6	3,349.4	881.4
SHAREHOLDERS' EQUITY	3,030.2	3,257.0	3,769.4	991.9	3,545.5	3,895.3	1,025.1
MINORITY INTERESTS	10.5	10.1	9.7	2.6	9.9	9.5	2.5
NON-CURRENT LIABILITIES							
Long term borrowings	319.2	1,079.2	809.4	213.0	608.0	809.4	213.0
Amount due to holding company	—	374.9	371.9	97.8	374.9	371.9	97.9
Other long term liability	13.0	19.7	24.9	6.6	20.4	27.4	7.2
Deferred taxation[2]	77.8	81.8	110.1	28.9	84.0	110.5	29.1
Provision for retirement gratuities	100.0	96.4	120.0	31.6	108.8	115.6	30.4
TOTAL NON-CURRENT LIABILITIES	510.0	1,652.0	1,436.3	377.9	1,196.1	1,434.8	377.6
	3,550.7	4,919.1	5,215.4	1,372.4	4,751.5	5,339.6	1,405.2

Notes:

(1) See "Exchange Rates".

(2) As and from 1 January 2003, on adoption of MASB 25 "Income Taxes", deferred tax liabilities and/or assets are recognised for all temporary differences as determined under Malaysian GAAP. This policy has been applied retrospectively by Resorts World. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. The effects of the implementation of MASB 25, which have been applied retrospectively, are summarised in the table below.

	As at and for the year ended 31 December			As at and for the six months ended 30 June
	2000	2001	2002	2002
	(RM millions)	(RM millions)	(RM millions)	(RM millions)
	(Unaudited except where otherwise indicated)			
Income statement				
Taxation				
As previously reported	229.5*	253.9*	297.4*	147.0
Effects of MASB 25	(0.7)	(0.7)	(0.7)	(0.4)
As restated	228.8	253.2	296.7	146.6
Balance sheet				
Reserves				
As previously reported	2,540.5*	2,766.6*	3,278.2*	3,054.7
Effects of MASB 25	(56.2)	(55.5)	(54.7)	(55.1)
As restated	2,484.3	2,711.1	3,223.5	2,999.6
Deferred taxation liability				
As previously reported	21.6*	26.3*	55.4*	28.9
Effects of MASB 25	56.2	55.5	54.7	55.1
As restated	77.8	81.8	110.1	84.0

* Audited

Selected Operating Data

	As at and for the year ended 31 December			As at and for the six months ended 30 June	
	2000	2001	2002	2002	2003
Operating data:					
Number of visitors at the Resort (millions)[1]	13.4	14.1	15.4	7.3	7.3
Number of hotel rooms at the Resort (thousands)[2]	4.3	5.9	6.6	6.5	6.6

Notes:

(1) Resorts World's estimate based on vehicle and passenger traffic to the Resort.

(2) Number of rooms available as at the end of the relevant period.

Recent Developments

The Genting Group

As required by the rules of the KLSE and in accordance with previous practice, Genting announced unaudited interim financial information as at and for the nine months ended 30 September 2003 and 2002. This financial information was published on 20 November 2003 and, in accordance with previous practice, was not audited or subject to review by the auditors of Genting. See the unaudited consolidated financial statements of Genting as at and for the nine months ended 30 September 2003 included elsewhere in this Offering Circular. Such financial statements are prepared in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP".

	For the nine months ended 30 September	
	2002	**2003**
	(RM thousands) (Unaudited)	**(RM thousands) (Unaudited)**
Income statement		
Revenue	2,609,772	3,082,195
Cost of sales	(1,439,013)	(1,616,901)
Gross profit	1,170,759	1,465,294
Other income	54,815	81,374
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	—	(89,828)
Other expenses	(211,028)	(277,417)
(Loss)/profit from operations	1,014,546	1,179,423
Finance cost	(48,994)	(52,853)
Share of results of associated companies	202,567	73,267
Gain on dilution of Group's interest in an associated company	31,132	—
(Loss)/profit from ordinary activities before taxation	1,199,251	1,199,837
Taxation(1)	(336,519)	(334,292)
(Loss)/profit from ordinary activities after taxation	862,732	865,545
Minority shareholders' interests(1)	(277,638)	(302,327)
Net profit for the period	585,094	563,218

	As at 31 December 2002	As at 30 September 2003
	(RM thousands) (Audited)	**(RM thousands) (Unaudited)**
Balance sheet		
NON-CURRENT ASSETS		
Property, plant and equipment	4,881,449	6,198,222
Real property assets	525,088	512,928
Associated companies	2,431,178	2,090,521
Other long term assets	35,841	37,383
Deferred taxation[1]	23,644	24,768
CURRENT ASSETS		
Property development	86,957	97,769
Inventories	251,671	275,907
Trade and other receivables	313,175	514,574
Amount due from associated companies	1,169	875
Short term investments	1,269,371	1,066,055
Bank balances and deposits	1,626,318	2,279,625
	3,548,661	4,234,805
LESS: CURRENT LIABILITIES		
Trade and other payables	537,933	619,830
Short term borrowings	512,776	470,961
Taxation	260,704	271,375
Proposed dividend	—	35,499
	1,311,413	1,397,665
NET CURRENT ASSETS	2,237,248	2,837,140
	10,134,448	11,700,962
FINANCED BY		
SHARE CAPITAL	352,169	352,169
RESERVES[1]	6,074,051	6,537,502
SHAREHOLDERS' EQUITY	6,426,220	6,889,671
MINORITY INTERESTS[1]	2,404,703	3,139,672
NON-CURRENT LIABILITIES		
Long term borrowings	929,788	958,243
Other long term liabilities	229,072	247,871
Deferred taxation[1]	144,665	465,505
TOTAL NON-CURRENT LIABILITIES	1,303,525	1,671,619
	10,134,448	11,700,962

Note:

(1) As and from 1 January 2003, on adoption of MASB 25 "Income Taxes", deferred tax liabilities and/or assets are recognised for all temporary differences as determined under Malaysian GAAP. This policy has been applied retrospectively by Genting. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluation is also recognised. The effects of the implementation of MASB 25 which have been applied retrospectively are summarised in the table below.

	For the nine months ended 30 September 2002
	(RM thousands) (Unaudited)
Income statement	
Taxation	
As previously reported	333,595
Effects of MASB 25	2,924
As restated	336,519
Minority shareholders' interests	
As previously reported	276,918
Effects of MASB 25	720
As restated	277,638

	As at 31 December 2002
	(RM millions) (Unaudited except where otherwise indicated)
Balance sheet	
Deferred taxation asset	
As previously reported	18.0*
Effects of MASB 25	5.6
As restated	23.6
Reserves	
As previously reported	6,118.4*
Effects of MASB 25	(44.4)
As restated	6,074.0
Minority interests	
As previously reported	2,432.8*
Effects of MASB 25	(28.1)
As restated	2,404.7
Deferred taxation liability	
As previously reported	66.5*
Effects of MASB 25	78.1
As restated	144.6

* Audited

The Resorts World Group

As required by the rules of the KLSE and in accordance with previous practice, Resorts World announced unaudited interim financial information as at and for the nine months ended 30 September 2002 and 2003. This financial information was published on 20 November 2003 and, in accordance with previous practice, was not audited or subject to review by the auditors of Resorts World. See the unaudited consolidated financial statements of Resorts World as at and for the nine months ended 30 September 2003 included elsewhere in this Offering Circular. Such financial statements are prepared in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP".

	For the nine months ended 30 September	
	2002	**2003**
	(RM thousands) (Unaudited)	**(RM thousands) (Unaudited)**
Income statement		
Revenue	2,070,164	1,976,442
Cost of sales	(1,257,721)	(1,195,559)
Gross profit	812,443	780,883
Other income	19,011	24,694
Other expenses	(138,920)	(158,750)
Profit from operations	692,534	646,827
Finance cost	(69,559)	(57,930)
Share of results of associated company	113,714	37,335
Gain on dilution of investment in associated company	31,132	—
Profit from ordinary activities before taxation	767,821	626,232
Taxation[1]	(220,005)	(175,653)
Profit from ordinary activities after taxation	547,816	450,579
Minority shareholders' interest	290	285
Net profit for the period	548,106	450,864

	As at 31 December 2002	As at 30 September 2003
	(RM thousands) (Audited)	(RM thousands) (Unaudited)
Balance sheet		
NON-CURRENT ASSETS		
Property, plant and equipment	3,226,098	3,233,867
Real property assets	201,197	201,197
Associated company	1,910,393	1,985,078
Other long term assets	17,055	16,989
CURRENT ASSETS		
Inventories	41,892	40,992
Trade and other receivables	90,069	88,789
Amount due from other related companies	5,614	6,681
Amount due from associated company	480	545
Short term investments	419,809	223,509
Bank balances and deposits	366,818	333,813
	924,682	694,329
LESS: CURRENT LIABILITIES		
Trade and other payables	303,999	299,437
Amount due to holding company	12,842	7,554
Amount due to other related companies	32,694	38,041
Short term borrowings	473,699	—
Taxation	240,832	198,144
Proposed dividend	—	66,821
	1,064,066	609,997
NET CURRENT (LIABILITIES)/ASSETS	(139,384)	84,332
	5,215,359	5,521,463
SHARE CAPITAL	545,922	545,922
RESERVES[1]	3,223,448	3,539,732
SHAREHOLDERS' EQUITY	3,769,370	4,085,654
MINORITY INTERESTS	9,677	9,392
NON-CURRENT LIABILITIES		
Long term borrowings	809,400	809,400
Loan from holding company	371,870	371,870
Other long term liabilities	144,915	134,507
Deferred taxation[1]	110,127	110,640
TOTAL NON-CURRENT LIABILITIES	1,436,312	1,426,417
	5,215,359	5,521,463

Note:

(1) As and from 1 January 2003, on adoption of MASB 25 "Income Taxes", deferred tax liabilities and/or assets are recognised for all temporary differences as determined under Malaysian GAAP. This policy has been applied retrospectively by Resorts World. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluation is also recognised. The effects of the implementation of MASB 25, which have been applied retrospectively, are summarised in the table below:

	For the nine months ended 30 September 2002
	(RM thousands) (Unaudited)
Income statement	
Taxation	
As previously reported	220,545
Effects of MASB 25	(540)
As restated	220,005

	As at 31 December 2002
	(RM millions) (Unaudited except where otherwise indicated)
Balance sheet	
Reserves	
As previously reported	3,278.2*
Effects of MASB 25	(54.7)
As restated	3,223.5
Deferred taxation liability	
As previously reported	55.4*
Effects of MASB 25	54.7
As restated	110.1

* Audited

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information must be read in conjunction with the audited consolidated financial statements of Genting for the years ended 31 December 2000, 2001 and 2002 and the unaudited consolidated financial statements of Genting for the six months ended 30 June 2002 and 2003 and the nine months ended 30 September 2002 and 2003, which appear elsewhere in this Offering Circular. The consolidated financial statements of Genting are prepared and presented in accordance with Malaysian GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences between Malaysian GAAP and U.S. GAAP". For the purposes of this section, unless the context otherwise requires, references to "2000", "2001" and "2002" refer to Genting's financial year ended 31 December of such year.

Overview

Genting is an investment holding and management company. The principal activities of the Genting Group are undertaken primarily in Malaysia and include:

- leisure, hospitality, gaming and entertainment;
- manufacturing and trading in paper and packaging products;
- generation and supply of electric power;
- plantations;
- property development and management activities; and
- oil and gas exploration activities.

The table below sets forth the respective contribution of the Genting Group's operating divisions for the periods indicated. The revenue information below refers to external revenue only and does not include inter-segmental revenue within the Genting Group.

	For the year ended 31 December			For the six months ended 30 June	
	2000[(1)]	**2001**	**2002**	**2002**	**2003**
	(Audited)	**(Audited)**	**(Audited)**	**(Unaudited)**	**(Unaudited)**
Leisure and hospitality					
Revenue (RM million)	2,172.2	2,400.6	2,688.0	1,333.9	1,262.3
Profit (RM million)	907.6	1,055.0	1,195.5	636.0	507.8
Share of group revenue (%).............	65.1	76.2	76.0	75.5	63.3
Share of group segment profit (%) ..	>100.0	>100.0	89.7	92.4	64.2
Paper and packaging products					
Revenue (RM million)	445.7	372.3	388.0	186.1	217.5
Profit (RM million)	75.4	8.0	22.0	3.3	25.4
Share of group revenue (%).............	13.3	11.8	11.0	10.5	10.9
Share of group segment profit (%) ..	12.3	0.8	1.7	0.5	3.2
Power[(2)]					
Revenue (RM million)	—	—	—	—	176.5
Profit (RM million)	—	—	—	—	67.5
Share of group revenue (%).............	—	—	—	—	8.8
Share of group segment profit (%) ..	—	—	—	—	8.5
Plantations					
Revenue (RM million)	163.3	156.0	257.1	110.5	172.2
Profit (RM million)	39.0	30.9	104.1	39.8	77.3
Share of group revenue (%).............	4.9	5.0	7.3	6.3	8.6
Share of group segment profit (%) ..	6.4	3.2	7.8	5.8	9.8

	For the year ended 31 December			For the six months ended 30 June	
	2000(1)	2001	2002	2002	2003
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Property					
Revenue (RM million)	122.5	57.6	56.0	25.2	101.2
Profit (RM million)	21.7	22.8	37.6	7.4	76.5
Share of group revenue (%)	3.7	1.8	1.6	1.4	5.1
Share of group segment profit (%)	3.5	2.4	2.8	1.1	9.7
Oil and gas					
Revenue (RM million)	26.2	43.7	51.4	25.6	26.9
Profit (RM million)	(51.1)	(122.1)	(10.0)	(4.2)	14.9
Share of group revenue (%)	0.8	1.4	1.5	1.4	1.3
Share of group segment profit (%)	(8.3)	(12.7)	(0.8)	(0.6)	1.9
Others(3)					
Revenue (RM million)	408.7	118.2	94.2	84.8	41.2
Profit (RM million)	(379.7)	(35.5)	(16.1)	6.3	21.0
Share of group revenue (%)	12.2	3.8	2.7	4.8	2.1
Share of group profit (%)	(62.0)	(3.7)	(1.2)	0.9	2.7

Notes:

(1) As and from 1 January 2002, Genting adopted the MASB No. 22 on Segment Reporting. As a consequence, the revenue segmentation for 2002 and subsequent years is, and will be, different from previous periods. Although Genting has restated the information above for 2001 to reflect the new accounting treatment as a result of the adoption of MASB No. 22, Genting has not restated such information for 2000 as it was not practicable to restate such information. As a consequence, such information for 2000 is not presented on a basis consistent with such information for 2001 and 2002. As MASB No. 22 only applies to the format of presentation as opposed to actual results, Genting believes that the year on year comparison provides an accurate comparative analysis of the respective business segments in all material respects and that MASB No. 22 has no material impact on the segmental results presented.

(2) On 24 March 2003 Genting, through its indirect 97.7% owned subsidiary Mastika Lagenda Sdn Bhd ("Mastika"), acquired the 20% ownership interest of TNB in GSP, which made GSP a consolidated subsidiary of Genting. GSP was previously an associated company of Genting and as such had been accounted for on an equity basis for consolidation into the Genting Group's results.

(3) All other business segments, including investments in equities and financial instruments and information technology support services, are aggregated and disclosed under "Others" as ordinarily they are not sufficiently significant to be reported separately. This segment also excludes goodwill written off, gain on dilution of Genting Group's interest in an associated company and income from interest bearing instruments.

The primary factors that have affected, and which Genting expects to continue to affect, the Genting Group's results of operations are:

- the level of revenue generated by the Genting Group's casino and gaming operations, which historically have comprised the substantial proportion of the Genting Group's total revenues. This, in turn, is affected by the level of demand for the Genting Group's leisure, hospitality, gaming and entertainment products and services which is influenced by a range of factors such as trends in GDP, per capita income, population, tourist arrivals and room capacity, as well as changes in customer preferences and other demographic factors;

- the number of visitors to the Resort (principally comprising the higher volume, lower spending, but generally more consistent, "grind" market as opposed to the higher spending but more volatile "high roller" market), and increasing regional competition in the gaming industry;

- the level of trading of quoted securities by the investment trading subsidiaries of the Genting Group. Upon the sale of quoted securities by such subsidiaries, the original cost of the securities less any allowances for diminution made in prior periods is accounted for as a cost of sale while the corresponding proceeds from the sale are accounted for as revenue. In 2000, the Genting Group's total revenue amounted to RM3,338.6 million of which RM389.4 million represented proceeds from the disposal of quoted securities. In 2000, the Genting Group's total cost of sales of RM2,469.3 million included RM646.2 million which represented cost of investments sold in that year;

- the level of demand for its paper and packaging products which is influenced by a number of factors such as GDP, general economic activity in Malaysia and demand for Malaysian exports;

- world market prices for CPO and PK which are driven by world production and consumption levels for these and related products; and

- the level of demand for its developed properties, which is influenced by GDP, per capita income and population and supply and demand levels for property in Malaysia.

The outbreak of SARS earlier in 2003 has adversely affected the Genting Group's revenue and profitability. Cases of SARS occurred in countries such as China, Vietnam, Singapore, Canada, the United States and Thailand and certain suspected cases of SARS were identified in Malaysia. As a result of the SARS outbreak, certain countries implemented immigration policies to restrict travellers coming from, and several airlines reduced flights to or from, SARS affected countries or regions. If SARS were to recur, and if Malaysia were to implement such immigration policies or if the number of flights to Kuala Lumpur were reduced as a consequence of another SARS outbreak, or if potential visitors otherwise deferred or cancelled their visits to Malaysia in light of a SARS outbreak, this could reduce the number of visitors to the Resort. In addition, the number of passengers on Star Cruises' liners could be reduced by a future SARS outbreak. Accordingly, the Genting Group's revenue and profitability would be adversely affected.

Recent Developments

As required by the rules of the KLSE and in accordance with previous practice, Genting announced unaudited interim financial information as at and for the nine months ended 30 September 2002 and 2003. This financial information was published on 20 November 2003 and, in accordance with previous practice, was not audited nor subject to review by the auditors of Genting.

The Genting Group's revenue for the nine months ended 30 September 2003 increased by 18.1% to RM3,082.2 million from RM2,609.8 million for the nine months ended 30 September 2002. The increase was principally attributable to increased revenues contributed by the plantations division, paper division, and the oil and gas division. This increase was offset by lower revenue from the leisure and hospitality division which was adversely affected by the SARS outbreak in the region during the second quarter of 2003. Revenue from the power division which has been included in the revenue for the nine months ended 30 September 2003 amounted to RM357.9 million.

The Genting Group's profit before tax for the nine months ended 30 September 2003 of RM1,199.8 million is comparable to that for the nine months ended 30 September 2002 of RM1,199.3 million. The increase in profit from the plantations division, paper division and the oil and gas division was offset by lower profit from the leisure and hospitality division.

The higher profit from the plantations division was due to the higher revenue and profit contribution from newly acquired oil palm estates. The paper division recorded higher selling prices and higher volumes while the oil and gas division recorded higher oil prices and incurred lower operating costs. The profit contribution from the power division for the nine months ended 30 September 2003 amounted to RM137.9 million.

The lower profit from the leisure and hospitality division was mainly due to the adverse effects of the SARS outbreak during the second quarter of 2003 and the higher donations (mainly to a local university) of RM22.5 million made in the first quarter of 2003.

The share of results of associated companies for the nine months ended 30 September 2002 included the share of profit of GSP, which had been equity accounted for until 31 March 2003 when the acquisition by Genting's subsidiary Mastika of the additional controlling stake of 20% in GSP was completed. The lower share of results of associated companies for the nine months ended 30 September 2003 is also due to the lower share of profit from Star Cruises, which amounted to RM37.3 million for the nine months ended 30 September 2003 compared to RM113.7 million for the nine months ended 30 September 2002.

See the unaudited consolidated financial statements of Genting as at and for the nine months ended 30 September 2002 and 2003 included elsewhere in this Offering Circular.

The Six Months Ended 30 June 2003 Compared to the Six Months Ended 30 June 2002

Revenue

The Genting Group's revenue increased by 13.1% from RM1,766.1 million for the six months ended 30 June 2002 to RM1,997.7 million for the six months ended 30 June 2003. The increase was primarily due to an increase in revenue from the power business, plantations business, and the paper and packaging business, partially offset by a decline in revenues from the leisure and hospitality business, properties business and proceeds from the disposal of quoted securities.

Revenue from the Genting Group's power business amounted to RM176.5 million for the six months ended 30 June 2003. In March 2003, Genting increased its ownership interest in GSP from 39.1% to 58.6% by acquiring, through its 97.7% owned subsidiary Mastika, TNB's 20% interest in GSP. Since the acquisition, the results of GSP, which prior to the acquisition were accounted for on an equity accounting basis, have been consolidated with those of the Genting Group and, accordingly, were first shown as a separate revenue segment from the second quarter of 2003.

Revenue from the Genting Group's plantations business increased by 55.8% from RM110.5 million for the six months ended 30 June 2002 to RM172.2 million for the six months ended 30 June 2003, primarily due to higher CPO prices and fresh fruit bunches ("FFB") production in the first half of 2003 compared to the first half of 2002.

Revenue from the paper and packaging business increased by 16.9% from RM186.1 million for the six months ended 30 June 2002 to RM217.5 million for the six months ended 30 June 2003, primarily due to the increased selling prices and the higher volume sold in the first half of 2003 compared to the first half of 2002.

Revenue from the oil and gas business increased by 5.1% from RM25.6 million for the six months ended 30 June 2002 to RM26.9 million for the six months ended 30 June 2003, primarily due to higher oil prices in the first half of 2003 compared to the first half of 2002.

Revenue from the leisure and hospitality business decreased by 5.4% from RM1,333.9 million for the six months ended 30 June 2002 to RM1,262.3 million for the six months ended 30 June 2003, primarily due to the SARS outbreak in the region in early 2003 which had an adverse impact on visitor arrivals at the Resort during the period.

Revenue from the property business, excluding proceeds from the disposal of land of RM82.7 million, decreased by 26.6% from RM25.2 million for the six months ended 30 June 2002 to RM18.5 million for the six months ended 30 June 2003 due to generally weaker property market conditions where the Genting Group's projects are located.

Cost of Sales

The Genting Group's cost of sales comprises direct expenses incurred by the operating units including materials used, salaries, wages, bonuses, employee benefits, gaming tax, cost of securities sold, depreciation of fixed assets, transportation and processing costs, and indirect expenses such as general charges and indirect labour costs. The Genting Group's cost of sales increased by 7.3% from RM981.0 million for the six months ended 30 June 2002 to RM1,052.7 million for the six months ended 30 June 2003, primarily as a result of the inclusion of GSP's expenses from end March 2003 upon the consolidation of GSP's results as a subsidiary. Excluding the impact of the consolidation of GSP, there was no material change in the cost of sales in the first half of 2003 compared to the first half of 2002.

Gross Profit

The Genting Group's gross profit increased by 20.4% from RM785.1 million for the six months ended 30 June 2002 to RM945.0 million for the six months ended 30 June 2003.

Operating Expenses

The Genting Group's operating expenses comprise selling and distribution expenses, administration expenses and other expenses. The total operating expenses for the six months ended 30 June 2003 increased by 94.7% to RM269.2 million compared to RM138.3 million for the six months ended 30 June 2002. The increase is mainly due to a RM93.5 million write-off of net goodwill arising on acquisition of additional interest in subsidiary companies and the purchase of a controlling interest in GSP, an associated company and RM22.5 million of donations (mainly to a local university) incurred for the six months ended 30 June 2003.

Profit from Operations

Profit from operations increased by 7.3% from RM682.3 million for the six months ended 30 June 2002 to RM731.7 million for the six months ended 30 June 2003.

Other Revenue/Charges and Profit from Ordinary Activities before Taxation

Other revenue/charges consist primarily of finance costs, share of results of associated companies and any unusual items relating to associated companies. Finance cost for the six months ended 30 June 2003 was RM37.6 million compared to RM32.3 million for the six months ended 30 June 2002. Genting recorded a share of losses of associated companies of RM7.9 million for the six months ended 30 June 2003 compared to a share of profit of RM102.2 million for the six months ended 30 June 2002. The share of losses was attributable to the share of losses of RM39.7 million from Star Cruises. The profit from ordinary activities before taxation for the six months ended 30 June 2002 included a gain on dilution of the Genting Group's interest in an associated company.

Profit from ordinary activities before taxation decreased by 12.4% for the six months ended 30 June 2003 to RM686.2 million from RM783.3 million for the six months ended 30 June 2002.

Taxation

The Genting Group's tax liability increased by 2.4% from RM221.4 million for the six months ended 30 June 2002 to RM226.7 million for the six months ended 30 June 2003. The increase was due to the non-deductibility of the write-off of goodwill for tax purposes in the first half of 2003.

Net Income

Net income decreased by 20.0% to RM307.2 million for the six months ended 30 June 2003 from RM384.1 million for the six months ended 30 June 2002.

Comparison of Years Ended 31 December 2002 and 2001

Revenue

The Genting Group's revenue increased by 12.3% from RM3,148.4 million for 2001 to RM3,534.7 million for 2002 due to an increase in revenue from the Genting Group's leisure and hospitality business, plantation business, paper and packaging business and oil and gas business, partially offset by a decline in revenue from the Genting Group's property business and lower proceeds from the disposal of quoted securities.

As and from 1 January 2002, Genting adopted the MASB No. 22 on Segment Reporting. As a consequence, the revenue segmentation for 2002 and subsequent years is, and will be, different from previous periods. Although Genting has restated the information above for 2001 to reflect the new accounting treatment as a result of the adoption of MASB No. 22, Genting has not restated such information for 2000 as it was not practicable to restate such information. As a consequence, such information for 2000 is not presented on a basis consistent with such information for 2001 and 2002. As MASB No. 22 only applies to the format of presentation as opposed to actual results, Genting believes that the year on year comparison provides an accurate comparative analysis of the respective business segments in all material respects and that MASB No. 22 has no material impact on the segmental results presented.

Revenue from the leisure and hospitality business increased by 12.0% from RM2,400.6 million for 2001 to RM2,688.0 million for 2002. The increase was primarily attributable to an increase in visitor arrivals as a result of the full opening of the 3,224-room First World Hotel and First World Plaza in December 2001 and March 2002 respectively.

Revenue from the plantation business increased by 64.8% from RM156.0 million for 2001 to RM257.1 million for 2002, primarily due to higher average selling prices for PK and CPO.

Revenue from the paper and packaging business increased by 4.2% from RM372.3 million for the year ended 2001 to RM388.0 million for the year ended 2002, primarily due to higher global market prices for industrial grade brown paper.

Revenue from the oil and gas business increased by 17.6% from RM43.7 million for 2001 to RM51.4 million for 2002, primarily due to higher average oil prices and increased production volume.

Revenue from the property business decreased by 2.8% from RM57.6 million for the year ended 2001 to RM56.0 million for the year ended 2002.

Cost of Sales

The Genting Group's cost of sales increased by 2.3% from RM1,891.5 million for 2001 to RM1,935.7 million for 2002.

Gross Profit

The Genting Group's gross profit increased by 27.2% from RM1,256.9 million for 2001 to RM1,599.0 million for 2002.

Operating Expenses

The total operating expenses for 2002 decreased by 11.0% to RM325.9 million compared to RM366.2 million for 2001. The decrease was mainly due to lower administration expenses incurred in 2002.

Profit from Operations

Profit from operations increased by 37.7% from RM1,009.5 million for the year ended 2001 to RM1,389.8 million for 2002.

Profit from Ordinary Activities before Taxation

Profit from ordinary activities before taxation increased by 50.7% to RM1,559.5 million for the year ended 2002 compared to RM1,034.6 million for the year ended 2001 as a result of lower finance costs and higher results of associated companies and unusual items relating to the associated companies.

Finance cost for 2002 decreased by 12.5% to RM67.9 million from RM77.6 million for 2001. The share of results of associated companies increased by 101.1% from RM102.7 million for 2001 to RM206.5 million for 2002. This increase was mainly attributable to the share of profits from Star Cruises of RM88.7 million in 2002 compared to a share of loss of RM16.1 million in 2001. The profit from ordinary activities before taxation for 2002 included a gain on dilution of Genting's interest in an associated company.

Taxation
Tax liability increased 17.8% from RM387.4 million for 2001 to RM456.5 million for 2002. The increase is attributable to the increase in profit from operations as well as an adjustment in respect of deferred tax underprovided in prior years.

Net Income
Net income increased by 67.4% to RM756.6 million for the year ended 2002 from RM452.1 million for the year ended 2001.

Comparison of Years Ended 31 December 2001 and 2000

Revenue
The Genting Group's revenue decreased by 5.7% from RM3,338.6 million for 2000 to RM3,148.4 million for 2001. The decrease is mainly due to lower proceeds received from the disposal of investments in 2001 compared to 2000, and lower revenue from the paper and packaging business, the property business and the plantation business, which were partially offset by an increase in revenues from the leisure and hospitality business and the oil and gas business.

Revenue from the paper and packaging business decreased by 16.5% from RM445.7 million for 2000 to RM372.3 million for 2001, primarily due to weaker global market prices for industrial grade brown paper.

Revenue from the property business decreased by 53.0% from RM122.5 million for 2000 to RM57.6 million for 2001, primarily due to the prolonged weakness in the property market.

Revenue from the plantations business decreased by 4.5% from RM163.3 million for 2000 to RM156.0 million for 2001, primarily due to decrease in the average selling prices of CPO and PK.

Revenue from the leisure and hospitality business increased by 10.5% from RM2,172.2 million for 2000 to RM2,400.6 million for 2001, primarily due to an increase in visitor arrivals.

Revenue from the oil and gas business increased by 66.8% from RM26.2 million for 2000 to RM43.7 million for 2001, primarily due to increased production volume.

Cost of Sales
The Genting Group's cost of sales decreased by 23.4% from RM2,469.3 million for 2000 to RM1,891.5 million for 2001. This decrease was principally due to the cost of sales in 2000 including costs amounting to RM646.2 million which represented the cost of investments sold in 2000. The corresponding level of costs of investments sold in 2001 amounted to RM104.3 million. In addition, Genting recorded RM130.3 million in respect of allowance for diminution in value of investments in 2000 compared to only RM2.3 million in 2001.

Gross Profit
The Genting Group's gross profit increased by 44.6% from RM869.3 million for the year ended 2000 to RM1,256.9 million for 2001.

Operating Expenses
The total operating expenses for the year ended 31 December 2001 decreased to RM366.2 million from RM1,331.0 million for 2000. The operating expenses for 2000 included RM1,047.2 million write-off of goodwill arising on acquisition of additional interest in Star Cruises.

Profit from Operations
Profit from operations reversed from a loss of RM325.0 million for 2000 to a profit of RM1,009.5 million for 2001. The loss from operations for 2000 was mainly attributable to RM1,047.2 million write-off of goodwill arising on acquisition of additional interest in Star Cruises.

Other Revenue/Charges and Profit from Ordinary Activities before Taxation
Profit from ordinary activities before taxation for 2001 increased to RM1,034.6 million compared to a loss of RM322.7 million for 2000.

Finance cost for 2001 increased by 61.7% from RM48.0 million in 2000 to RM77.6 million in 2001. This was mainly due to an increase in long-term loans in 2001. The share of results of associated companies for 2001 increased by 104.2% from RM50.3 million in 2000 to RM102.7 million in 2001. This was mainly due to a lower share of losses from Star Cruises of RM16.1 million in 2001 compared to RM49.6 million in 2000.

Taxation
Tax liability increased 10.1% from RM351.8 million for 2000 to RM387.4 million for 2001. The increase was due to the increase in profit from operations and an underprovision of tax due to certain disallowable expenses in respect of prior years.

Net Income
Net income increased to RM452.1 million for 2001 compared to a net loss of RM246.2 million for 2000.

Liquidity and Capital Resources

The Genting Group's capital expenditure and working capital requirements have been largely financed by cash generated from operations and short-term and long-term debt provided by third party banks.

Cash and cash equivalents (cash on hand and in banks) and time deposits increased from RM1,103.4 million as at 31 December 2000 to RM2,043.1 million as at 31 December 2001. This was mainly due to lower net cash used in investing activities in 2001. Cash and cash equivalents increased to RM2,766.7 million as at 31 December 2002 due to higher net cash inflow from operating activities. As at 30 June 2003, these had increased to RM3,012.2 million. The cash generated was used mainly for the operational activities of the Genting Group, purchase of assets as well as acquisition of new companies/businesses. Companies or businesses acquired by the Genting Group utilising internal funds include Asiatic Development Berhad's acquisition of 13,864 acres of plantation and land and a palm oil mill in Sandakan, Sabah for RM134.0 million and Genting International PLC's acquisition of an approximate 30% equity interest in Pacific Lottery Incorporated for CDN$4.5 million.

Total loans amounted to RM792.2 million, RM1,184.4 million, RM1,442.6 million and RM1,449.4 million as at 31 December 2000, 2001 and 2002 and 30 June 2003, respectively.

Total short-term loans amounted to RM385.6 million, RM99.8 million, RM512.8 million and RM471.2 million as at 31 December 2000, 2001 and 2002 and 30 June 2003, respectively. Long-term loans were RM406.6 million, RM1,084.6 million, RM929.8 million and RM978.2 million as at 31 December 2000, 2001, 2002 and 30 June 2003 respectively. Loans increased during the half year period to 30 June 2003 to finance the acquisition of the entire issued share capital of Genting Power Swiss GmbH, which indirectly owns 30% of Lanco Kondapalli Pvt. Ltd., for US$27.58 million (RM104.8 million) and the acquisition of TNB's 20% equity interest in GSP for RM240.0 million.

The Genting Group's capital expenditure in 2000 was RM667.8 million and primarily related to costs incurred by Resorts World for the construction of the First World Hotel and First World Plaza. Capital expenditure in 2001 was RM738.4 million and primarily related to similar construction costs incurred by Resorts World for the year 2001. Capital expenditure in 2002 was RM574.4 million, which was incurred mainly by Resorts World Bhd (RM247.9 million) primarily for the construction of the First World Hotel and First World Plaza and Asiatic Development Berhad (RM219.4 million) primarily for the acquisition of 13,864 acres of plantation land and a palm oil mill in Sandakan, Sabah. Capital expenditures for these periods have historically been funded from income from operations.

Taxes and Contingent Liabilities

The Genting Group has settled all its tax liabilities that have been raised by the Inland Revenue Board and does not have any other material contingent liabilities.

As at 30 June 2003, the Genting Group had capital commitments as follows:

	As at 30 June 2003
	(RM thousands)
Property, plant and equipment	633,075
Investments	59,143
Total	692,218

Financial Risk Management

The Genting Group's overall financial risk management objective is to optimise the value creation for shareholders. The Genting Group seeks to minimise the potential adverse impacts arising from fluctuations in exchange and interest rates and the unpredictability of the financial markets.

The Genting Group operates within clearly defined guidelines that are approved by the Board and does not trade in financial instruments. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Genting Group are set forth below.

Foreign currency exchange risks

The Genting Group is exposed to foreign currency exchange risk when subsidiary companies enter into transactions that are not denominated in their functional currencies. The Genting Group attempts to significantly limit its exposure for all committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

Interest rate risks

Interest rate risks mainly arise from the Genting Group's borrowings. The Genting Group manages this risk through the use of fixed and floating rate debt and derivative financial instruments. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

Market risks

The Genting Group, in the normal course of business, is exposed to market risks in respect of its equity investments and volatility in the market prices of plantation, and paper and packaging products. The Genting Group manages its risks through established guidelines and policies.

Credit risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Credit terms offered by the Genting Group range from 14 days to 120 days from date of transaction. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. Credit terms are set and credit history reviewed to minimise potential losses.

The Genting Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses.

Liquidity risks

The Genting Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Genting Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

Seasonality

The business operations of the Genting Group's leisure and hospitality business are subject to seasonal fluctuations, the paper and packaging business is subject to cyclical fluctuations and the plantations business is subject to both seasonal and cyclical fluctuations. The results of the leisure and hospitality business are affected by major festive seasons and holidays. The production of fresh fruit bunches is seasonal in nature and normally peaks in the second half of the year while palm oil prices are cyclical in nature and are closely related to the demand for and supply of and prices of other edible oils.

The Genting Group

Overview

Genting is an investment holding and management company. The principal activities of the Genting Group are undertaken primarily in Malaysia and include:

- leisure, hospitality, gaming and entertainment which represented 76.0% and 63.3% of total Genting Group revenues in 2002 and the first half of 2003, respectively;

- manufacturing and trading in paper and packaging products which represented 11.0% and 10.9% of total Genting Group revenues in 2002 and the first half of 2003, respectively;

- generation and supply of electric power, which represented 8.8% of total Genting Group revenues in the first half of 2003, and which was, prior to the acquisition by the Genting Group of a controlling interest in GSP in March 2003, and its subsequent consolidation into the accounts of the Genting Group, carried on by GSP as an associate company;

- plantations, which represented 7.3% and 8.6% of total Genting Group revenues in 2002 and the first half of 2003, respectively;

- property development and management activities, which represented 1.6% and 5.1% of total Genting Group revenues in 2002 and the first half of 2003, respectively; and

- oil and gas exploration activities, which represented 1.5% and 1.3% of total Genting Group revenues in 2002 and the first half of 2003, respectively.

The Genting Group had total revenues of RM3,534.7 million (US$930.2 million) in 2002 and of RM1,997.7 million (US$525.7 million) in the first half of 2003. Its total profit from operations was RM1,389.8 million (US$365.8 million) in 2002 and RM731.7 million (US$192.6 million) in the first half of 2003. The Genting Group had total assets of RM11,445.8 million (US$3,012.1 million) and RM12,816.7 million (US$3,372.8 million) as at 31 December 2002 and 30 June 2003, respectively. The Genting Group had total revenues of RM3,082.2 million (US$811.1 million) in the first nine months of 2003. Its total profit from operations was RM1,179.4 million (US$310.4 million) in the first nine months of 2003. The Genting Group had total assets of RM13,098.6 million (US$3,447.0 million) as at 30 September 2003. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments".

As required by the rules of the KLSE and in accordance with previous practice, Genting announced unaudited interim financial information as at and for the nine months ended 30 September 2002 and 2003. This financial information was published on 20 November 2003 and, in accordance with previous practice, was not audited nor subject to review by the auditors of Genting. The Genting Group had total revenues of RM3,082.2 million (US$811.1 million) in the first nine months of 2003. Its total profit from operations was RM1,179.4 million (US$310.4 million) in the first nine months of 2003. The Genting Group had total assets of RM13,098.6 million (US$3,447.0 million) as at 30 September 2003. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments".

Genting is one of the largest listed companies in Malaysia with a market capitalisation of RM11,973.8 million (US$3,151.0 million) as at 21 November 2003. Its shares have been listed on the Main Board of the KLSE since 1971.

History

Genting was incorporated under the Companies Act, 1965 on 30 July 1968 under the name Genting Highlands Hotel (Sendirian) Berhad to operate a hotel and casino, and to develop an integrated tourist complex in Genting Highlands, Malaysia. Pursuant to Clause III (20)(d) of its Memorandum of Association, Genting's objects include dealing in bonds, debentures and securities of all kinds, and to give any guarantee or security for the payment of dividends or interest in that respect. Article 122A of its Articles of Association allows Genting's Directors to exercise all the powers of the company to guarantee payment of money payable under contracts or obligations of any company.

Genting's company registration number is 7916-A. It changed its name to Genting Highlands Hotel Berhad upon its conversion into a public company on 24 July 1970. It assumed its present name on 9 June 1978. The Genting Group was founded by Tan Sri Lim Goh Tong and is 41.4% owned by Kien Huat Realty Sdn Bhd ("KHR"), a private company controlled by Tan Sri Lim Goh Tong and family. Genting was issued Malaysia's sole land based casino licence in 1971 which it held until 1989 when the casino licence was issued to Genting's subsidiary, Resorts World.

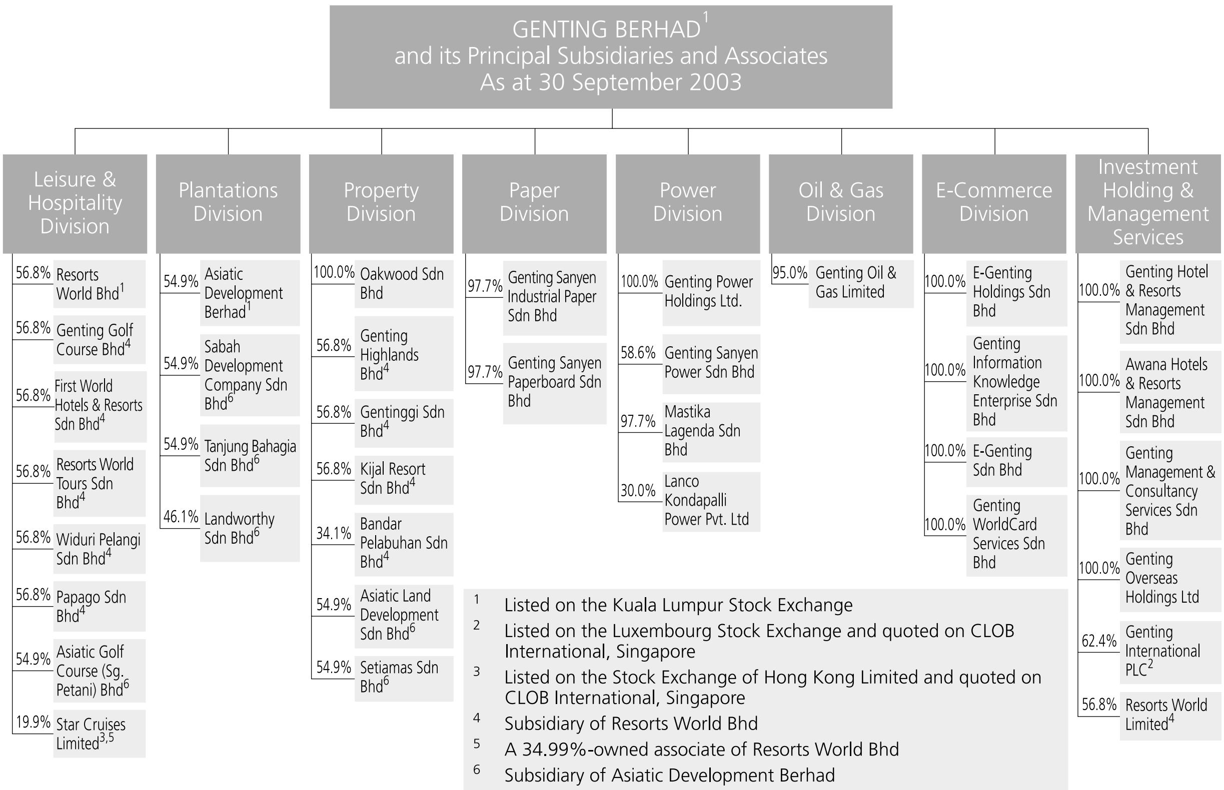
The Genting Group became involved in palm oil production in 1980 with the acquisition of The Rubber Trust Group comprising three Hong Kong plantation companies which owned approximately 33,755 acres of plantation lands in Peninsular Malaysia. It became involved in electricity power generation and supply and the manufacture of paper and packaging products in 1994 with the acquisition of Genting International Paper Holdings Limited, and in the exploration and production of oil and gas in 1996 with the farm-in of a 45% interest in the Muturi Production Sharing Contract, located in North West Irian Jaya, Indonesia.

The shares of Genting were listed on the Main Board of the KLSE in 1971. A restructuring in 1989, involving the initial public offering and listing on the KLSE of Resorts World, resulted in Genting becoming an investment holding and management company.

As at 30 September 2003, the authorised share capital of Genting was RM800,000,000 comprising 1,600,000,000 Genting Shares of RM0.50 each while the issued and paid-up share capital of Genting was RM352,169,477 comprising 704,338,954 Genting Shares.

Genting's registered office is located at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The Genting Group's organisational structure as at 30 June 2003, including its principal subsidiaries and associate companies, is set forth below.



The table below sets forth the respective contribution of the Genting Group's operating divisions for the periods indicated. The revenue information below refers to external revenue only and does not include inter-segmental revenue within the Genting Group.

	For the year ended 31 December			For the six months ended 30 June	
	2000[1]	2001	2002	2002	2003
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Leisure and hospitality					
Revenue (RM million)	2,172.2	2,400.6	2,688.0	1,333.9	1,262.3
Profit (RM million)	907.6	1,055.0	1,195.5	636.0	507.8
Share of group revenue (%).............	65.1	76.2	76.0	75.5	63.3
Share of group segment profit (%) ..	>100.0	>100.0	89.7	92.4	64.2
Paper and packaging products					
Revenue (RM million)	445.7	372.3	388.0	186.1	217.5
Profit (RM million)	75.4	8.0	22.0	3.3	25.4
Share of group revenue (%).............	13.3	11.8	11.0	10.5	10.9
Share of group segment profit (%) ..	12.3	0.8	1.7	0.5	3.2
Power[2]					
Revenue (RM million)	—	—	—	—	176.5
Profit (RM million)	—	—	—	—	67.5
Share of group revenue (%).............	—	—	—	—	8.8
Share of group segment profit (%) ..	—	—	—	—	8.5
Plantations					
Revenue (RM million)	163.3	156.0	257.1	110.5	172.2
Profit (RM million)	39.0	30.9	104.1	39.8	77.3
Share of group revenue (%).............	4.9	5.0	7.3	6.3	8.6
Share of group segment profit (%) ..	6.4	3.2	7.8	5.8	9.8
Property					
Revenue (RM million)	122.5	57.6	56.0	25.2	101.2
Profit (RM million)	21.7	22.8	37.6	7.4	76.5
Share of group revenue (%).............	3.7	1.8	1.6	1.4	5.1
Share of group segment profit (%) ..	3.5	2.4	2.8	1.1	9.7
Oil and gas					
Revenue (RM million)	26.2	43.7	51.4	25.6	26.9
Profit (RM million)	(51.1)	(122.1)	(10.0)	(4.2)	14.9
Share of group revenue (%).............	0.8	1.4	1.5	1.4	1.3
Share of group segment profit (%) ..	(8.3)	(12.7)	(0.8)	(0.6)	1.9
Others[3]					
Revenue (RM million)	408.7	118.2	94.2	84.8	41.2
Profit (RM million)	(379.7)	(35.5)	(16.1)	6.3	21.0
Share of group revenue (%).............	12.2	3.8	2.7	4.8	2.1
Share of group profit (%)	(62.0)	(3.7)	(1.2)	0.9	2.7

Notes:

(1) As and from 1 January 2002, Genting adopted the MASB No. 22 on Segment Reporting. As a consequence, the revenue segmentation for 2002 and subsequent years is, and will be, different from previous periods. Although Genting has restated the information above for 2001 to reflect the new accounting treatment as a result of the adoption of MASB No. 22, Genting has not restated such information for 2000 as it was not practicable to restate such information. As a consequence, such information for 2000 is not presented on a basis consistent with such information for 2001 and 2002. As MASB No. 22 only applies to the format of presentation as opposed to actual results, Genting believes that the year on year comparison provides an accurate comparative analysis of the respective business segments in all material respects and that MASB No. 22 has no material impact on the segmental results presented.

(2) On 24 March 2003 Genting, through its indirect 97.7% owned subsidiary Mastika, acquired the 20% ownership interest of TNB in GSP, which made GSP a consolidated subsidiary of Genting. GSP was previously an associated company of Genting and as such had been accounted for on an equity basis for consolidation into the Genting Group's results.

(3) All other business segments, including investments in equities and financial instruments and information technology support services, are aggregated and disclosed under "Others" as ordinarily they are not sufficiently significant to be reported separately. This segment also excludes goodwill written off, gain on dilution of Genting Group's interest in an associated company and income from interest bearing instruments.

Leisure and hospitality

The Genting Group's leisure, hospitality, gaming and entertainment operations are undertaken through the Resorts World Group. Its principal operations consist of Resorts World's Genting Highlands Resort in Malaysia, an integrated family leisure and entertainment resort with total capacity of approximately 6,600 hotel rooms and which attracted approximately 15.4 million visitors in 2002. The principal feature of the Resort is the only licensed land-based casino in Malaysia.

The substantial majority of the Genting Group's revenues from its leisure, hospitality, gaming and entertainment business is derived from its casino operations.

The Genting Group also owns and operates, under the "Awana" brand name, golf, beach and spa resorts in Genting Highlands, Terengganu and Langkawi, Malaysia and timeshare operations with approximately 4,340 members as at 30 June 2003. The Resorts World Group also owns a 35% ownership interest in Star Cruises, the third largest cruise line in the world with a fleet of 20 cruise ships with approximately 26,000 lower berths, and offering cruises to destinations in the Asia Pacific, North and South America, Hawaii, the Caribbean, Alaska, Europe, the Mediterranean, Bermuda and Antarctica under the Star Cruises, Norwegian Cruise Line, Orient Lines and Cruise Ferries brands.

See "Resorts World" for a description of the Genting Group's leisure, hospitality, gaming and entertainment operations.

Paper and packaging activities

The Genting Group is the largest paper and packaging products manufacturer in Malaysia in terms of tonnes sold. Its paper and packaging operations consist principally of two paper mills with a combined total production capacity of approximately 265,000 tonnes per year and two box plants with a total production capacity of approximately 140,000 tonnes per year. The central box plant is located at the Genting Sanyen Industrial Complex in Kuala Langat, Selangor, near the Kuala Lumpur International Airport while the northern box plant is located in Penang.

Power generation and supply

The Genting Group's power generation and supply operations consist of a 720MW gas fired combined cycle power plant located at the Genting Sanyen Industrial Complex in Selangor, Malaysia. The plant generates and supplies electricity to TNB, Malaysia's only electricity transmission utility, under a 21-year PPA expiring in 2015. TNB is a company listed on the Main Board of the KLSE whose principal shareholder is the Government. Petronas, whose principal shareholder is also the Government, supplies gas to the plant under a 21-year GPA expiring in year 2015.

In September 2003, Genting announced that it was interested in acquiring up to 50% of Loy Yang A Power station in the state of Victoria, Australia and was seeking to assemble a consortium to acquire 100% of Loy Yang A. Loy Yang A is Australia's third largest electricity power company. No negotiations have commenced with the vendors of Loy Yang A yet as an exclusive arrangement between a consortium of interested buyers and the vendors has been extended from September to December 2003.

Plantation and property

The plantation operations of the Genting Group consist principally of the planting of oil palm trees and the harvesting, milling and sale of oil palm fruits on approximately 62,870 hectares of land owned and managed by the Genting Group in Malaysia.

The Genting Group also conducts property development and management operations in respect of its plantation land.

Oil and gas
The Genting Group's oil and gas exploration activities consist principally of a 100% interest in an enhanced oil recovery project for the Zhuangxi Buried Hill Oilfield in Shandong Province, China.

Other activities
The Genting Group also undertakes e-commerce activities under the brand "eGenting". Applications include ERP, CRM, enterprise information network, hotel, leisure and gaming operations, reservations and customer contact, loyalty programmes and web based marketing primarily to the Genting Group. In addition, eGenting offers call centre services and loyalty programme management to third parties.

Two of Genting's subsidiaries include a Multimedia Super Corridor ("MSC") status company responsible for the development of a hotel property management system and a company responsible for the research and development of gaming systems.

The Genting Group also provides property management services to Genting's subsidiaries. Certain of Genting's subsidiaries are investment holding companies which periodically invest in quoted securities as part of their normal investment trading activities.

Strengths

Genting believes that its key business strengths are as follows:

- ***Unique product offering in Malaysia comprising an integrated leisure, hospitality, gaming and entertainment business:*** The Genting Group's integrated leisure and entertainment business offers a range of products and services which is unique in Malaysia. The Resort is Malaysia's premier holiday resort in terms of visitor numbers with a wide range of leisure and entertainment facilities and features the only licensed land-based casino in Malaysia. Its hotels have approximately 6,600 hotel rooms with the complex's First World Hotel being the largest hotel in Malaysia, offering 3,224 rooms and up-to-date business convention and tourist facilities. In addition, the Genting Group's unique range of products and services across the leisure, hospitality, gaming and entertainment businesses provides significant opportunities for cross marketing services and growth.

- ***Strong cash position with low gearing levels:*** The Genting Group has a strong balance sheet and cash position which provide protection to the Genting Group in times of lower demand or prices for its products and services, as well as flexibility to take advantage of business opportunities that fit the Genting Group's expansion strategy.

- ***Well managed and prudently run by an experienced management team:*** The Genting Group benefits from having a strong and experienced management team that has a well established track record in the leisure business and which has adopted a prudent financial strategy. Certain members of the management team have over two decades of experience with the Genting Group. Together, the management team uses its accumulated know-how to shape and implement the Genting Group's investment and management strategy.

- ***Stable cash flow from its integrated leisure, hospitality, gaming and entertainment businesses and its power generation and supply business:*** The Genting Group has over 30 years' experience in the leisure hospitality, gaming and entertainment business which has allowed it to achieve stable cash flows, attributable in part to its large customer base. In addition, the Genting Group's power generation and supply business has also delivered strong cash flows and has been consistently profitable.

- ***Well recognised business group that is well positioned to capitalise on its strong brand products and services:*** The Genting Group and its subsidiaries enjoy substantial brand recognition in Malaysia and overseas, particularly in Asia. This enables attractive cross marketing and business expansion opportunities in Malaysia and elsewhere. Genting and Resorts World rank among the largest companies by market capitalisation in Malaysia and have won numerous awards locally and regionally for attributes such as leadership, financial management, product innovation and corporate governance.

- ***Good relationship with regulators of its businesses:*** The Genting Group maintains good relationships with the various regulatory authorities which oversee its businesses. The Genting Group is able to work closely with regulators in managing and reviewing the scope and application of the relevant regulatory regimes.

Strategy

The principal components of the Genting Group's strategy are as follows:

- ***Grow the Genting Group's core businesses:*** The Genting Group intends to continue growing its core leisure and hospitality businesses by concentrating on its competitive advantages, enhancing its customer facilities and improving its current offerings in these businesses. The Genting Group also plans to identify growth segments within the area of leisure and hospitality, particularly in the gaming, hotel and cruise sectors and make appropriate investments in Malaysia, and, if appropriate, overseas to expand these businesses.

- ***Maximise returns from existing business activities by optimising operational efficiencies:*** The Genting Group believes that it has on average one of the highest levels of operational efficiency in its existing industrial and plantation businesses among its competitors in Malaysia. Through the continuing application of new technology and production techniques, investment in information technology and other technologies across its businesses, the Genting Group intends to further increase business automation and enhance its operational efficiencies.

- ***Expand the Genting Group's revenue base through strategic acquisitions and investment opportunities in Malaysia and elsewhere, in particular in the areas of power generation and supply as well as plantations:*** The Genting Group believes that its strong balance sheet and stable cash flow and revenue streams from its leisure, hospitality, gaming and entertainment business enable it to expand its revenue base by growing its other business activities. The Genting Group will seek to continue building on its prudent acquisition strategy to date by reviewing potential acquisitions of power generation and supply projects that display potential upside returns on investment. The Genting Group will also consider expanding its plantations business if appropriate opportunities arise.

- ***Optimise its capital structure by achieving a more balanced use of financing:*** The Genting Group intends to maintain a balanced financial structure by optimising the use of debt and equity financing and utilising a mix of internally generated funds and external financing to fund the Genting Group's planned expansion and working capital expenditures.

- ***Expand cross marketing initiatives within the Genting Group to increase sales to its existing customers and grow its customer base:*** The Genting Group is strongly focused on taking advantage of its diverse businesses by expanding its cross marketing initiatives and having greater integration within the Genting Group businesses. For instance, the cruise line and hotel businesses will be cross marketed to existing and new customer bases by the use of the Genting Group's WorldCard loyalty programme having a membership of approximately 825,000 throughout Asia as at 30 June 2003. In addition, the Genting Group's strategy is to build the branding of WorldCard throughout Asia. WorldCard subsidiaries and businesses have commenced in Singapore and Hong Kong from 2003 and other Asian countries are identified for implementation.

Leisure and Hospitality

See "The Resorts World Group" for a description of the Genting Group's leisure, hospitality, gaming and entertainment operations.

Paper and Packaging

The Genting Group is the largest industrial paper and corrugated carton manufacturer in Malaysia in terms of tonnes sold. The paper and packaging activities are conducted principally by its 97.7% owned subsidiaries, Genting Sanyen Industrial Paper Sdn Bhd ("GSIP") and Genting Sanyen Paperboard Sdn Bhd ("GSPB"). Its industrial paper operations consist principally of two paper mills with a combined total production capacity of approximately 265,000 tonnes per year. Both mills are located at the Genting Sanyen Industrial Complex in Kuala Langat, Selangor, Malaysia.

The mills' production consists of brown paperboard including Testliner, K-liner, corrugating medium paper, Whiteliner and coated Whiteliner. Product specifications vary greatly among customers. The Genting Group believes that its paperboard is among the best quality produced in Malaysia and is in high demand by manufacturers of electronics products for Malaysian export packaging. The two paper mills produced approximately 260,000 tonnes in 2002 compared to approximately 250,000 tonnes in 2001. Substantially all of the mills' production is sold in Malaysia.

The capacity utilisation rate of the mills was 98% in 2002 and 97% in 2001. The two paper mills have been in operation since 1992 and 1997, respectively.

The paper mills use almost exclusively secondary (or recycled) fibre. The mills also use a proportionately small amount of pulp to strengthen the fibre. Genting believes that the Genting Group's ability to use recycled feed, at a lower cost than primary fibre and pulp, provides it with a competitive advantage over manufacturers who use primary fibre or pulp to produce paper. Approximately 70% of the feed is sourced from the Genting Group's 34 collection centres across Malaysia. In addition, the mills use low cost steam from GSP's power plant to dry paper products.

The Genting Group also owns and operates two box plants with a total production capacity of approximately 140,000 per year. The packaging division also supplies packaging systems and machinery. In 2002, it entered into a 10-year licensing agreement expiring in year 2012 with OTOR France pursuant to which Genting's 97.7% owned Genting International Paper Manufacturers Limited was granted an exclusive licence to manufacture and market the OTOR packaging system in Malaysia, Singapore, Thailand and Vietnam, and a non-exclusive licence for China. The agreement also provides for the transfer of packaging technology to the Genting Group, including design and know-how for OTOR's packaging system and distributorship of OTOR machines, such as the OTOR case erectors to clients. Genting believes that the arrangement with OTOR France will provide further value added packaging innovations to the packaging division's customers.

There have been no serious injuries at the mills since operations commenced. In addition, there has been no downtime, other than for breakdown and preventive maintenance, at the mills and the plants since they commenced operations.

The Genting Group's paper and packaging activities generated revenues of RM388.0 million in 2002 and RM217.4 million in the first half of 2003, and profit of RM22.0 million in 2002 and RM25.4 million in the first half of 2003. As at 30 June 2003, the Genting Group's paper and packaging operations employed 1,219 employees.

The international markets for pulp, paper and packaging products are highly competitive, involving a large number of producers located around the world, many of which have greater financial resources than the Genting Group. Many of these producers are also integrated manufacturers that produce pulp for their internal use in the production of paper and packaging products. The Genting Group's production levels have been, and will continue to be, small by comparison to overall world production, and the prices the

Genting Group is able to obtain for its products depend on prevailing world prices and other factors. However, the principal competitive factors with respect to the Genting Group's paper and packaging products are price, brand name acceptance, product range and quality, delivery and customer service and distribution capabilities with varying emphasis on these factors depending on the market and the product.

Power

The Genting Group's power generation and supply activities are conducted mainly by its 58.6% owned subsidiary GSP, a licensed Independent Power Producer under the Electricity Supply Act, 1990, which operates a 720MW gas fired combined cycle power plant located at the Genting Sanyen Industrial Complex in Selangor, Malaysia. The plant produced 4,802.02 GWh of electricity in 2002 compared to 5,419.23 GWh in 2001. The average utilisation rate at the plant was 76% in 2002 and 86% in 2001. The plant has been in operation since 1995.

The following table shows certain operating statistics for the power plant for each of the periods indicated:

	For the year ended 31 December		
	2000	**2001**	**2002**
Average availability factor (%)	94.0	94.0	88.5
Average dependable capacity (MW)	720	720	720
Plant efficiency (%)	48.7	48.5	48.0

The plant supplies electricity to TNB, Malaysia's only electricity transmission utility, under a 21 year PPA expiring in 2015. TNB is a company listed on the KLSE whose principal shareholder is the Government. The energy payments by TNB under the PPA are meant to track the relevant GPA and operation and management agreements of GSP, to fully recoup the actual fuel cost and other variable costs associated with power generation. GSP is insulated from any fluctuations in fuel costs via the direct pass-through mechanism in the formula for energy payments, so long as the plant operates at or below the schedule of allowable heat rates agreed between GSP and TNB. TNB pays GSP capacity payments for generating capacity (up to 720MW) made available to it and energy payments for energy despatched. The PPA also provides that capacity payments for 720MW will be paid in full so long as the equivalent availability factor stays above a prescribed level. Petronas, whose principal shareholder is also the Government, supplies gas to the plant under a 21-year GPA expiring in year 2015. Although the formula for price determination is detailed in the agreement, gas is currently charged at RM6.066/GJ, a price set by the authorities. In the event that Petronas is unable to supply the gas required, GSP uses a back-up supply of liquid fuel (distillate). The stored liquid fuel is typically enough for one week of operations. Gas and distillate prices are passed-through under the PPA to TNB. The plant's availability factor has never gone below the level prescribed in the PPA.

The plant is operated and maintained by ALSTOM Power O & M Limited ("ALSTOM") pursuant to an agreement for an original term of six years. ALSTOM and GSP entered into a new agreement in March 2001 which expires in 2011. The plant, post upgrade, is expected to have an additional 42MW of capacity and see its efficiency further improved. The plant, since operations commenced, has been ranked highly in TNB's merit order dispatch schedule. ALSTOM's remuneration under the agreement consists of fixed and variable fees payable in Ringgit and Swiss Francs. The agreement also provides for penalties in the event the plant's output and efficiency deteriorates to a level below agreed thresholds. In 2002, GSP entered into a supply agreement with ALSTOM for the upgrade of the plant's three GT13E2s gas turbines. To date, one unit has been upgraded, in accordance with the supply agreement.

The plant uses a fresh water cooling system. River water is physically, chemically and biologically treated so that the water can be used in the plant's process.

There have been no serious injuries at the plant since it commenced operations.

On 24 March 2003 Genting, through its indirect 97.7% owned subsidiary, Mastika, acquired the 20% ownership interest of TNB in GSP.

In May 2003, Genting through its indirect 100% owned subsidiary, Genting Sanyen Power (Labuan) Limited, acquired all of the issued and outstanding quota in Genting Power (Swiss) GmbH (formerly known as NRGenerating Holdings (No 3) GmbH, Switzerland) which owns (i) a 30% indirect ownership interest in Lanco Kondapalli Power Pvt. Ltd, which in turn owns the 368MW combined cycle gas fired Lanco Kondapalli power station located in Hyderabad, India, and (ii) a 74% ownership interest in Eastern Generation Services (India) Pvt. Ltd. ("EGSI"), the operator and manager of the power plant, for total cash consideration of US$27.6 million. The power plant supplies electricity to AP Transco (previously known as the Andhra Pradesh State Electricity Board), the electricity board of the State of Andhra Pradesh, under a 15 year contract expiring in 2015.

In May 2002, Mastika agreed to acquire from TNB for total cash consideration of RM65.7 million its 40% ownership interest in Sepang Power Sdn Bhd ("SPSB"). SPSB is a company planning to develop, subject to regulatory approval, a 1,400MW coal fired power plant in Sepang, Malaysia. The plant is planned to be commissioned no earlier than 2007. The acquisition has not been completed as several conditions precedent have yet to be met.

In September 2003, Genting announced that it was interested in acquiring up to 50% of Loy Yang A Power station in the state of Victoria, Australia and was seeking to assemble a consortium to acquire 100% of Loy Yang A. Loy Yang A is Australia's third largest electricity power company. No negotiations have commenced with the vendors of Loy Yang A yet as an exclusive arrangement between a consortium of interested buyers and the vendors has been extended from September to December 2003.

In September 2003, Genting announced that it had submitted an indicative non-binding bid for Powergen's 35% stake in PT Jawa Power and had been short-listed to make the final binding offer. PT Jawa Power owns the Paiton II Power Station, a 1,220MW coal fired station located at Paiton, Probolinggo, East Java, Indonesia.

The Genting Group's power generation and supply activities generated revenues of RM176.5 million in the first half of 2003, and a profit of RM67.5 million in the first half of 2003. Prior to its acquisition in May 2003 of a controlling interest in GSP with the purchase of TNB's 20% ownership interest in GSP, Genting accounted for such profits as a share of an associated company. As at 30 June 2003, the Genting Group's power generation and supply operations employed 59 employees.

Plantation

The Genting Group's plantation activities are conducted by its 54.9% owned subsidiary Asiatic Development Berhad ("ADB"). Its operations consist principally of the planting of oil palm trees and the harvesting of palm fruits on approximately 62,870 hectares of land owned and managed by ADB in Malaysia. In 2003, ADB purchased plantation land at Tenegang, Sabah, Pulau Jambongan, Sabah and Limbang, Sarawak, Malaysia, adding a further 6,142 hectares of land to its land holdings.

The shares of ADB have been listed on the Main Board of the KLSE since 30 August 1980. ADB had a market capitalisation of RM1,245.4 million on 21 November 2003.

ADB harvested 707,863 tonnes of FFBs in 2002 and 700,275 tonnes in 2001. Its CPO production was 153,772 tonnes in 2002 and 135,263 tonnes in 2001, and its PK production was 40,313 tonnes in 2002 and 37,043 tonnes in 2001. The average oil extraction rate achieved in 2002 was 20.2% compared to 19.2% in 2001. ADB's yield of 20.9% in 2002 was above the industry average of 19.9% in Malaysia, which the Genting Group believes results from its good agronomic practices and adoption of newer planting techniques. For instance, oil palm trees are planted using the "big hole" technique to improve soil water and nutrients for better palm growth, and with higher stands per hectare to optimise land utilisation. ADB also uses separate teams to collect loose fruits after FFBs have been collected to increase yield. ADB also endeavours to harvest at the time of optimal fruit ripeness to maximise yield and fruit quality. All production is sold to local refiners at market price.

Genting believes ADB is one of the lowest cost producers of palm oil in Malaysia.

The table below provides a breakdown of the types of plantation land of ADB as at the dates and for the periods indicated.

	Oil palm		Others(1)		Titled area	
	As at and for the year ended 31 December					
Area (Hectares)(2)	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**
Mature	32,683	37,145	760	10	33,443	37,155
Immature(2)	6,076	9,139	0	0	6,076	9,139
Total planted area	38,759	46,284	760	10	39,519	46,294
As a percentage (%) of total plantation land	98.1	100.0	1.9	0.0	100.0	100.0
Unplanted jungle area	—	—	9,019	8,394	9,019	8,394
Labour lines, buildings & infrastructure, etc	—	—	1,863	2,425	1,863	2,425
Total area	38,759	46,284	11,642.9	10,829	50,401	57,113
As a percentage (%) of titled area	76.9	81.0	23.1	19.0	100.0	100.0
Production (mt)	700,275	707,863	830	—	—	—
Average yield per mature hectare (mt/kg)	21.4	20.9	1,526	—	—	—
Average Selling Price						
Rubber (sen/kg)	—	—	182	129	—	—
CPO (RM/mt)	833	1,352	—	—	—	—
Palm Kernel (RM/mt)	438	665	—	—	—	—

Notes:

(1) ADB produced rubber until 2001 and also grows durian and other fruits.

(2) Mature land is land that has been planted for three years and for which harvesting has commenced. Immature land is land that has been planted for less than three years. Before planting, unplanted land must be cleared. Palm trees are harvested year round and can be harvested for up to 22 years after maturity.

The average selling price achieved for CPO was RM1,352 per tonne in 2002 compared to RM883 per tonne in 2001, an increase primarily due to higher market prices for CPO in 2002. It was RM1,535 per tonne in the first half of 2003. The average selling price achieved for PK was RM665 per tonne in 2002 compared to RM438 per tonne in 2001, an increase primarily due to higher market prices for PK in 2002. It was RM723 per tonne in the first half of 2003. Prices are quoted in US dollars and set by the international market. Approximately 70% of ADB's production is sold to five large customers.

ADB owns and operates three palm oil mills in Sabah and two in Johor. ADB also owns a 40% interest in the Serian Palm Oil Mill, a joint-venture with the Sarawak Land Consolidated and Rehabilitation Authority, which processed approximately 161,000 tonnes of FFBs in 2002 and 137,000 tonnes of FFBs in 2001.

The Genting Group's plantation activities generated revenues of RM257.1 million in 2002 and RM172.2 million in the first half of 2003, and profit of RM104.1 million in 2002 and RM77.3 million in the first half of 2003. As at 30 June 2003, the Genting Group's plantation operations had approximately 5,400 employees, including approximately 4,200 foreign field workers. ADB has not experienced any material difficulty in sourcing field workers from overseas.

Genting believes that the operating efficiencies resulting from economies of scale, cost controls and the upgrading of the field mechanisation of its operations has enabled ADB to harvest and produce its yields at a relatively low cost per unit and this would position the Genting Group favourably in reacting to market developments in a timely manner.

Oil and Gas Exploration Activities

The Genting Group's oil and gas exploration activities are conducted by its 95% owned subsidiary Genting Oil and Gas Limited ("GOGL").

Its production operations consist of a 100% interest in an enhanced oil recovery project for Zhuangxi Buried Hill Oilfield in Shandong Province, China. The field is operated by GOGL subsidiary Genting Oil and Gas (China) Ltd ("GOGC") under a production sharing contract ("PSC") with Chinese state oil company Sinopec. This contract commenced on 2 July 1999 and runs until 2024. GOGC completed an initial three-year evaluation period of the field on 30 September 2002, and entered the main production period on 1 October 2002. A new plan for enhanced oil recovery for the field was submitted to Sinopec in November 2002 and approved by Sinopec in April 2003.

Exploration activities have involved frontier wildcat and appraisal drilling in Irian Jaya, Indonesia, Myanmar and Australia. Drilling activities in the Muturi PSC in Irian Jaya in 1997 resulted in the discovery of large gas reserves in the Vorwata Gas Field. In 2001, the Genting Group sold its 45% interest in the Muturi PSC to BP Global Investments Ltd for US$106.8 million and a deferred share of future pre-tax income from the PSC when it comes into production. The gas reserves in the Muturi PSC form part of the Tangguh Liquefied Natural Gas Project which is now under construction in Irian Jaya, Indonesia.

The Genting Group's oil production activities generated revenues of RM51.4 million in 2002 and RM26.9 million in the first half of 2003. A loss of RM4.2 million was recorded for the first half of 2002 and a profit of RM14.9 million for the first half of 2003. As at 30 June 2003, the Genting Group's oil and gas exploration activities employed approximately 90 employees in Malaysia and China. Most of these are Sinopec seconded staff and temporary contract staff.

Property

The Genting Group's property development and management activities are conducted principally by its 54.9% owned subsidiary Asiatic Land Development Sdn Bhd ("ALD"). ALD owns approximately 3,350 hectares of land. All of ALD's land bank consists of plantation land which the Genting Group otherwise exploits for palm oil culture. Its principal development is the Asiatic Indahpura project in Kulai, Johor with 3,100 hectares and 3,198 units constructed and 147.36 acres of industrial lots and 552 units and 261.34 acres of industrial lots under construction. In 2002, 190 residential units and 58 commercial units were sold at the project, generating sales of RM42.5 million compared to 196 units and 10 units and sales of RM31.2 million, respectively, in 2001. Most sales resulted from small-scale strategic launches of medium cost single and double-storey terrace houses, as well as double and three storey shop offices. Less four-storey shop offices and industrial lots were sold in 2002 and 2001 than in previous years. Sales levels were supported by the implementation of new customer-driven marketing strategies and active participation in various property exhibitions.

The Genting Group owns a 25 storey office building with 410,000 square feet of prime office space centrally located in the "Golden Triangle" in Kuala Lumpur. This is owned and managed by Genting's subsidiary, Oakwood Sdn Bhd.

The Genting Group plans developments on its land reserves which the Genting Group considers to have development potential, especially in those areas located along the growth corridor of Peninsular Malaysia. This approach is intended to enable the Genting Group to maximise the potential value of its land bank.

Land owned by the Genting Group, as well as all land held by other owners, may be compulsorily acquired by the relevant state authority, pursuant to the Land Acquisition Act, 1960. The compensation to be awarded by the relevant state authority is the market value of the land being acquired.

The Genting Group's property development and property management activities generated revenues of RM56.0 million in 2002 and RM101.2 million in the first half of 2003, and profit of RM37.6 million in 2002 and RM76.4 million in the first half of 2003. As at 30 June 2003, the Genting Group's property development and management operations had approximately 120 employees.

A list of properties held by the Genting Group is set out in Annex C.

E-commerce and Information Technology

The Genting Group's e-commerce activities are conducted by a group of companies that are all wholly owned subsidiaries of the Genting Group (the "eGenting Group"). The eGenting Group is also responsible for the Genting Group's information technology systems.

The eGenting Group had 261 employees as at 30 June 2003 and manages the operations of nine data centres covering 162 servers and in excess of 2,000 terminals. It has certified skill sets in SAP ERP, Siebel CRM, Microsoft and other technical and business applications including a team of gaming system developers.

The World Reservation Centre, the e-Genting Group's customer interaction centre, currently operates a 150-seat call centre providing customer interaction service for Resorts World's customers. It also provides call centre services for third party insurance products.

Genting WorldCard Services provides loyalty programme services to Resorts World and other WorldCard Programme partners. As at 30 June 2003, approximately 825,000 WorldCards were issued out of Malaysia. Star Cruises has issued approximately 200,000 WorldCards. WorldCards issued throughout Asia was approximately 1,000,000 as at 30 June 2003. WorldCard is currently accepted by 140 merchant partners at over 1,000 outlets.

The Genting Group's website offers online reservations and payments for rooms and show tickets and other products at the Genting Highlands Resort. It recorded an average of 190,000 unique visitors in 2002 and a three-fold increase in transactions over 2001.

eGenting generated revenues of RM34.2 million in 2002 and RM14.3 million in the first half of 2003 and profit of RM1.2 million in 2002 and RM2.2 million in the first half of 2003.

Investment Activities

Certain of Genting's subsidiaries are investment holding companies which periodically invest in quoted securities as part of their normal investment trading activities (the "Genting Investment Group"). Of the Genting Investment Group companies, Resorts World Limited and Genting Overseas Holdings Limited are currently the most active.

The Genting Investment Group generated revenues of RM77.7 million in 2002 and RM30.7 million in the first half of 2003 and a loss of RM3.1 million in 2002 and a profit of RM5.4 million in the first half of 2003.

Licences

The operation of gaming facilities and places of entertainment, as well as the operation of electrical installations to supply energy, the manufacturing and housing development activities and the sale and distribution of oil palm, require licences. For purposes of its businesses, Genting Group holds the material licences described below.

Resorts World has been issued a licence pursuant to the Common Gaming Houses Act, 1953 (the "CGHA") which licences it to operate a casino. This licence is renewable every quarter at the discretion of the Minister of Finance and a fee is payable upon each such renewal.

First World Hotels & Resorts Sdn Bhd, Resorts World, Genting Golf Course Bhd and Leisure & Cafe Concept Sdn Bhd have been issued licences pursuant to the Pahang Entertainment Enactment, 1993 (the "PEE") and/or the Selangor Entertainment and Places of Entertainment Enactment, 1995 (the "SEPEE") for, inter alia, the operation of places of entertainment.

GSP has been issued a licence under Electricity Supply Act, 1990 (the "ESA") to, inter alia, use, work or operate or permit to be used, worked or operated any electrical installations to be constructed by or for GSP in Selangor and to supply energy to or for the use of TNB. The licence is for a period of 21 years and will expire in 21 years from 31 December 1994.

GSIP and GSPB have been issued manufacturing licences by the Ministry of International Trade and Industry pursuant to the Industrial Co-ordination Act, 1975 (the "ICA") in respect of their manufacturing activities.

Asiatic Land Development Sdn Bhd has obtained the requisite licences for the housing developments being undertaken by it.

ADB and a number of its subsidiaries have been issued licences to, inter alia, store, process, sell and transport fresh fruit bunches.

Intellectual Property

The Genting Group relies on a combination of trademarks, service marks and domain name registrations, copyright protection, patent and contractual restrictions to establish and protect its brand names and logos, marketing designs and internet domain names described below.

Trademarks and Service marks

Brand names and logos used in the operating businesses of the Genting Group have either been registered or are in various stages of application for registration as trademarks and service marks in Malaysia and in other territories including Singapore, Brunei, China, Hong Kong SAR, Taiwan, Thailand, Indonesia, Australia and India in various classes of goods and services (primarily in classes 16, 20, 25, 28 and 43 of the International Classification of Goods and Services). Significant brand names and logos relevant to the operations of the Genting Group include *Genting* (Word); *Genting* (Logo); *Genting* (Word & Logo) in combination with other words and/or device such as *Genting* (Word & Logo) and *City of Entertainment*; *Genting* (Word & Logo) and *World of Entertainment*; *Genting* (Word & Logo) and *Theme Park*; *Genting* (Word & Logo) and *WorldCard*; and *Genting* (Word & Logo) and *International Showroom*. Other brand names and logos used by the Genting Group include *First World Hotel & Plaza*, *WorldCard*, *Awana* (Word) and *Awana* (Logo).

Copyrights

The Genting Group' copyrights are in respect of the user manual and other documentation relating to the design, operation and management of international class hotel and/or casino facilities and also in relation to computer software including the Dynamic Reporting System, Intranet Gaming System and the Genting Hospitality Property Management System.

Domain Names

The Genting Group also owns a number of internet domain names.

Patent

The Genting Group has lodged an application for registration of the "Intranet Gaming System" under the Patents Act, 1983.

Litigation

As at the date of this Offering Circular, the Genting Group is involved in the material legal proceedings as described below.

ADB, a 54.9% owned subsidiary of Genting and Tanjung Bahagia Sdn Bhd ("TBSB"), a wholly-owned subsidiary of ADB, are defendants under a legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 (the "Suit"). The Suit was instituted by certain natives (the "Plaintiffs") claiming native customary rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah which was acquired by TBSB from Hap Seng Consolidated Berhad. The Plaintiffs have asked the Court for, inter alia, a declaration that the issuance of the title deed to the said land is invalid, null and void. ADB and TBSB have filed an appeal to the Judge in Chambers against the decision of the Court which dismissed with costs ADB's and TBSB's application to strike out the Plaintiffs' Writ of Summons and Statement of Claim. The appeal has been fixed for hearing on 10 August 2004. ADB has been advised by its legal counsel that TBSB and ADB have a good defence and it is unlikely the Plaintiffs would succeed if the matter goes to trial.

Risk Management

The Genting Group maintains insurance policies with registered insurance companies in Malaysia, which cover material damage to property, business interruption (including with respect to the Resort's casino), public liability, employer's liability, directors' and officers' liability, construction and erection all risks liability, money-in-transit and premises, fidelity guarantees, marine-related liabilities, goods-in-transit, group accident and term life. Notwithstanding the Genting Group's insurance coverage, damage to the Genting Group's facilities, equipment, machinery, buildings or other properties as a result of occurrences such as fire, explosion, power loss, telecommunications failure, intentional unlawful act, human error or natural disaster could nevertheless have a material adverse effect on the Genting Group's financial condition and results of operations.

Related Party Transactions

Genting and its subsidiaries have in the past, and will in the future, perform transactions and enter into contracts with related companies, subsidiaries and associates. It is the policy of companies within the Genting Group not to enter into transactions with related parties unless these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with the Genting Group and are not to the detriment of Genting's minority shareholders. Accordingly, Genting believes that these transactions are undertaken on terms and conditions similar to those with unrelated companies. See Note 34 to the consolidated financial statements of Genting as at and for the year ended 31 December 2002.

Genting's Audit Committee reviews any related party transaction and conflict of interest that may arise within the Genting Group. The procedures set by the Genting Group to monitor and review related party transactions are also periodically reviewed by the Audit Committee. All reviews by the Audit Committee are reported to the Board of Directors (the "Board") of the Genting Group for the Board's further action. See "Management of Genting".

Environmental Matters

The Genting Group believes that it is in compliance in all material respects with applicable environmental regulations in Malaysia. The Genting Group is not aware of any environmental proceedings or investigations to which it is or might become a party.

Employees

As at 30 June 2003, the Genting Group had 16,649 employees, including 14,023 permanent employees and 2,626 contract staff. For greater flexibility the Genting Group uses a combination of short and long term contracts.

The Genting Group continues to place great emphasis on the development of human resources, as Genting believes that its employees are instrumental drivers for the future performance of the Genting Group. Employees of the Genting 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 seminars and training courses.

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

The table below sets forth the number of employees for each of the Genting Group's business segments as at the dates set forth below.

	Number of Employees				
	As at 31 December			As at 30 June	
	2000	2001	2002	2002	2003
Leisure and hospitality	9,252	9,833	10,263	9,729	9,546
Plantation	4,526	4,049	4,783	3,990	5,438
Property	123	116	129	112	126
Power	46	52	61	57	59
Oil and gas	4	6	4	4	4
Paper	1,333	1,237	1,303	1,251	1,219
Headquarters	135	137	136	138	139
IT	92	117	112	119	118
Total	15,511	15,547	16,791	15,400	16,649

The table below sets forth the number of employees in the segments below as at the dates set forth below.

	Number of Employees				
	As at 31 December			As at 30 June	
	2000	2001	2002	2002	2003
Management	1,461	1,466	1,510	1,467	1,659
Sales and marketing	183	199	196	208	164
Information technology	123	159	162	164	155
Customer service	3,838	4,096	4,358	3,830	7,164
Clerical and general workers	9,906	9,627	10,565	9,731	7,507
Total	15,511	15,547	16,791	15,400	16,649

Approximately 420 employees of ADB and its subsidiaries (the "ADB Group") (representing all of their plantation workers) are members of the National Union of Plantation Workers, with which the ADB Group has a collective bargaining agreement which expires on 31 December 2005. Approximately 71 employees of the ADB Group (representing all of their clerical workers in the plantation estates) are members of the All Malayan Estates Staff Union, with which the ADB Group has a collective bargaining agreement which expires on 30 June 2005 but the terms of which shall remain in force thereafter until superseded by a new collective bargaining agreement. The Genting Group believes that its labour relations are good.

Principal Subsidiaries

Resorts World

Resorts World is a company principally involved in a tourist resort business at Genting Highlands and its activities cover leisure and hospitality which comprises amusement, gaming, hotel and entertainment. Resorts World's registered office is located at 24th floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur. As at 30 September 2003, Genting beneficially owned 56.8% of the issued share capital of Resorts World. As at 30 September 2003, Resorts World had a paid-up capital of RM545.9 million. As at 31 December 2002, Resorts World had net assets of RM5,177.6 million and retained earnings of RM4,598.2 million. For the year ended 31 December 2002, Resorts World recorded a net profit of RM618.6 million.

As at 30 September 2003, Genting held the shares of Resorts World at a book value of RM506.2 million in the accounts of Genting. The shares of Resorts World held by Genting are all fully paid-up. For the year ended 31 December 2002, Genting recorded a dividend income amounting to RM99.4 million on the shares of Resorts World. As at 30 September 2003, the inter-company balance due by Resorts World to Genting is RM378.9 million. See "The Resorts World Group".

Genting International Paper Holdings Limited ("GIPHL")

GIPHL is an investment holding company. GIPHL's registered office is located at International House, Castle Hill, Victoria Road, Douglas, Isle of Man, IM2 4RB, British Isles. As at 30 September 2003, Genting beneficially owned 100% of the issued share capital of GIPHL. As at 30 September 2003, GIPHL had a paid-up capital of USD266,743. As at 31 December 2002, GIPHL had net assets of USD148.5 million (RM564.1 million) and retained loss of USD18.3 million (RM69.6 million). For the year ended 31 December 2002, GIPHL recorded a net profit of USD2.05 million (RM7.8 million).

As at 30 September 2003, Genting held the shares of GIPHL at a book value of RM791.9 million in the accounts of Genting. The shares of GIPHL held by Genting are all fully paid-up. For the year ended 31 December 2002, Genting did not receive any dividends on the shares of GIPHL. As at 30 September 2003, the inter-company balance due by GIPHL to Genting is USD0.3 million (RM1.0 million).

Genting Overseas Holdings Limited ("GOHL")

GOHL is an investment holding company. GOHL's registered office is located at International House, Castle Hill, Victoria Road, Douglas, Isle of Man, IM2 4RB, British Isles. As at 30 September 2003, Genting beneficially owned 100% of the issued share capital of GOHL. As at 30 September 2003, GOHL had a paid-up capital of RM746,463. As at 31 December 2002, GOHL had net assets of RM1,056.2 million and retained earnings of RM480.6 million. For the year ended 31 December 2002, GOHL recorded a net profit of RM9.9 million.

As at 30 September 2003, Genting held the shares of GOHL at a book value of RM430.9 million in the accounts of Genting. The shares of GOHL held by Genting are all fully paid-up. For the year ended 31 December 2002, Genting did not receive any dividends on the shares of GOHL. As at 30 September 2003, the inter-company balance due to GOHL by Genting is RM4,635.

Genting Hotel & Resorts Management Sdn Bhd ("GHRM")

GHRM is a company providing resort management services. GHRM's registered office is located at 24th floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur. As at 30 September, 2003, Genting beneficially owned 100% of the issued share capital of GHRM. As at 30 September 2003, GHRM had a paid-up capital of RM2. As at 31 December 2002, GHRM had net assets of RM71.6 million and retained earnings of RM71.6 million. For the year ended 31 December 2002, GHRM recorded a net profit of RM8.2 million.

As at 30 September 2003, Genting held the shares of GHRM at a book value of RM2 in the accounts of Genting. The shares of GHRM held by Genting are all fully paid-up. For the year ended 31 December 2002, Genting did not receive any dividends on the shares of GHRM. As at 30 September 2003, the inter-company balance due by Genting to GHRM is RM54.8 million.

The Resorts World Group

Overview

The Resorts World Group comprises the Genting Group's leisure, hospitality, gaming and entertainment operations and investments. Its principal operations consist of Resorts World's Genting Highlands Resort in Malaysia, an integrated family leisure and entertainment resort with total capacity of approximately 6,600 hotel rooms and which attracted approximately 15.4 million visitors in 2002. The principal feature of the Resort is the only licensed land-based casino in Malaysia.

Resorts World offers an integrated leisure and entertainment product offering at the Resort, including hotels, casino and gaming, entertainment and food and beverage facilities. The substantial majority of the Resorts World Group's revenues from its leisure, hospitality, gaming and entertainment business is derived from its casino operations.

The Resorts World Group also owns and operates, under the "Awana" brand name, golf, beach and spa resorts in Genting Highlands, Terengganu and Langkawi, Malaysia and timeshare operations with approximately 4,340 members as at 30 June 2003. As at 30 June 2003, the Resorts World Group also owned a 35% interest in Star Cruises, the third largest cruise line in the world with a fleet of 20 cruise ships with approximately 26,000 lower berths, and offering cruises to destinations in the Asia Pacific, North and South America, Hawaii, the Caribbean, Alaska, Europe, the Mediterranean, Bermuda and Antarctica under the Star Cruises, Norwegian Cruise Line, Orient Lines and Cruise Ferries brands.

Resorts World is one of the largest listed companies in Malaysia with a market capitalisation of RM11,027.2 million (US$2,901.9 million) as at 21 November 2003. Its shares are listed on the Main Board of the KLSE.

History

Resorts World was incorporated under the Companies Act 1965 as a private company limited by shares on 7 May 1980 in Malaysia under the name Resorts World Sdn Bhd. Resorts World's company registration number is 58019-U. It changed its name to Resorts World Bhd upon its conversion into a public company on 14 July 1989. Its shares have been listed on the KLSE since 22 December 1989. Pursuant to Clauses III(2) and III(4) of its Memorandum of Association, Resorts World's objects include the carrying on of the businesses of, inter alia, hotel, restaurants, grounds and places of amusement, recreation, entertainment, casinos, theatre and concert hall in Malaysia.

Resorts World's registered office is located at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

Genting Highlands Resort

The Genting Highlands Resort is an integrated family leisure and entertainment resort located in the highlands across the states of Pahang and Selangor, approximately 58 kilometres from Kuala Lumpur. The Resort is situated on approximately 10,616 acres of land, most of it undeveloped forest.

The principal feature of the Resort is the only licensed land-based casino in Malaysia. In addition to gaming facilities, the Resort offers a wide range of entertainment, lodging, retail and food and beverage facilities and features. It started its operations in 1971 under Genting and the leisure, hospitality, gaming and entertainment business was transferred in 1989 to Resorts World as part of a restructuring and listing exercise. The pioneer hotel was completed in 1971, followed by the completion of Genting Hotel in 1978. The Resorts World Group has progressively expanded the hotel and infrastructure development at the Resort to meet the increasing number of visitors. Further developments resulted in the completion of the Resort Hotel and the Indoor Theme Park in 1992, the Genting Outdoor Theme Park in 1994, the Highlands Hotel and Genting Skyway in 1997 and the First World Hotel and Plaza in 2001.

The Resort's latest development project, the First World Hotel and Plaza, was opened for business in December 2001 and comprises an indoor theme park, approximately 52 retail outlets and 36 food and beverage outlets, meeting, convention and exhibition facilities and a 3,224 room hotel, the largest in Malaysia. The complex has six uniquely themed boulevards, namely *Champs Elysées*, *Venice*, *Time Square*, *Universal Walk*, *Covent Garden* and *Genting Walk*. The First World Hotel and Plaza won the "*FIABCI Award of Distinction*" for the Best Hotel Development category by the Malaysian Chapter of FIABCI (The International Real Estate Federation) and the "*Best Man-made Tourist Attraction in Malaysia*" award given by Tourism Malaysia.

While the majority of visitors to the Resort are from Malaysia, Malaysian Muslims are prohibited from visiting the casino at the Resort pursuant to an Order issued in 1983 by the Sultan of Pahang, the Sovereign Ruler of the State of Pahang. Non-compliance with the Order constitutes an offence under the Administration of the Religion of Islam and the Malay Custom of Pahang Enactment, 1982. Malaysian Muslims are not otherwise restricted from entering the Resort or from using the other facilities offered by the Resort.

The table set forth below shows the number of visitors to the Resort for the years indicated, based on Genting's estimate of vehicle and passenger traffic.

Year	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**
Number of Visitors (million)	7.2	8.6	8.7	9.1	10.3	12.4	12.1	13.4	14.1	15.4

A substantial portion of Resort guests are from Malaysia and Singapore as shown in the table for the periods indicated.

	For the year ended 31 December					**For the six months ended 30 June**	
	1998	**1999**	**2000**	**2001**	**2002**	**2002**	**2003**
Malaysia	53.2%	47.2%	47.1%	53.6%	53.0%	52.3%	63.4%
Singapore	24.7%	24.6%	25.0%	23.2%	22.9%	22.7%	19.3%
Others(1)	22.1%	28.2%	27.9%	23.2%	24.1%	25.0%	17.3%
	100%	100%	100%	100%	100%	100%	100%

Note:

(1) Others include guests from China, Hong Kong, Thailand, Indonesia, India, Taiwan and the Middle East.

Hotels

There are five hilltop hotels at the resort, namely the Genting Hotel, the Highlands Hotel, the Resort Hotel, the Theme Park Hotel and the First World Hotel, with a total capacity of approximately 6,100 hotel rooms. The first phase of the First World Hotel, completed in December 2001 with 3,224 rooms, is the largest hotel in Malaysia, in terms of number of rooms. It has business convention facilities with a capacity for 6,000 persons and up-to-date technology, allowing seminars, exhibitions and concerts. Resort and entertainment facilities such as golf, restaurants, bars and karaoke lounges, gaming, theme parks and shopping retail outlets are also available. The second phase of the hotel which involves the addition of another 3,000 rooms will be built progressively depending on market demand. The first 1,000 of these rooms is expected to be completed by the end of the year 2004. Upon completion of the second phase, the First World Hotel will have approximately 6,300 rooms.

The Resort provides its visitors with a wide choice of accommodations. These range from accommodation in the form of five-star hotel rooms to budget-style rooms. Visitors also have the option to stay in self-catered or serviced apartments. The hotels at the Resort provide full modern amenities. The table set forth below shows information on the Resort's hilltop hotels.

	Year of Opening	Number of rooms available
Genting Hotel	1978	689
Highlands Hotel	1997	838
Resorts Hotel	1992	932
Theme Park Hotel	1971	424
First World Hotel[(1)]	2000	3,224
Total		6,107

Note:

(1) First World Hotel was completed in the following stages:

December 2000	968 rooms
May 2001	1,134 rooms
November 2001	1,122 rooms

The table set forth below shows average occupancy and average room rate information at the Resort's hotels for the periods indicated.

	For the year ended 31 December					For the six months ended 30 June	
	1998	1999	2000	2001	2002	2002	2003
Average occupancy rate (%)	84	84	84	79	79	73	67

The recent outbreak of SARS that affected several countries in Asia in the second quarter of 2003, had an adverse impact on the Resort's number of visitors and revenue. Since the end of the outbreak in June 2003, the Resort has experienced a recovery in visitor numbers, hotel occupancy and revenue.

Resorts World has implemented several improvements to enhance customer service and operational efficiencies at the Resort's hotel facilities. For instance, an improved queue management system implemented in 2001 has reduced the check in time for guests at the First World Hotel. Also, a new PABX system installed in 2001 connects approximately 7,000 rooms (including hotels at the Resort, Awana Genting, Ria Apartments and Kayangan Apartments) and supports the centralised calling service and billing system at the Resort. New modes of hotel room payments were introduced in 2002, so that room bookings can be paid at all participating or designated post offices and branches of Maybank and Public Bank throughout Malaysia. Online payment services are also made available through the Genting Group's website and the Maybank2U.com website.

The Resort is managed by Genting Hotel & Resorts Management Sdn Bhd, a wholly-owned subsidiary of Genting, pursuant to a 30-year management agreement entered into in 1989, and renewable at the end of the original term. The amount payable by Resorts World under the arrangement is based on a basic and incentive fee structure. The basic fee is calculated based on the gross revenue and the incentive fee is calculated based on the net operating income of the Resort.

Entertainment and Gaming

The Resort's gaming facilities are operated under the only licence in Malaysia to operate a land-based casino, issued under the CGHA. The original licence was issued to Genting in 1971. It was subsequently issued to Resorts World in 1989. The licence is renewable on a quarterly basis and has been renewed every quarter since the original grant by the Minister of Finance. See "Risk Factors — Risks relating to the leisure and hospitality business — Resorts World's gaming licence is renewable quarterly".

Resorts World offers integrated leisure and entertainment services at the Resort including a range of hotel accommodation, gaming, entertainment and food and beverage facilities, with revenues from its gaming operations comprising the substantial proportion of the Resorts World Group's total revenues.

Visitors to the casino comprise principally guests at the Resort's hotels (primarily from Malaysia and Singapore), repeat "day-trippers" from the surrounding Klang Valley, including Kuala Lumpur and tourists from overseas destinations.

The Resort's principal market is the so-called "grind" market comprising the large number of visitors to the casinos who are not classified as high-spending customers. These customers are principally from Malaysia and Singapore and include a fair proportion of repeat visitors to the Resort. Resorts World derives the substantial proportion of its income from such market. In addition, the Resort also caters to the premium, or so-called "high-roller" customers, who are lesser in number but generally spend significantly more than the average "grind" customer. The Resort offers special services to the "high-roller" customers such as individual gaming rooms and complimentary accommodation, limousine pick-up and dining.

Resorts World uses a targeted marketing system to attract repeat visits from local and overseas customers. By using the Genting WorldCard when gambling and using other facilities at the Resort, customers can accumulate points which can be used for redemption against gaming and other services offered by the Resort. By using their Genting WorldCard at the Resort's facilities, members provide Resorts World with valuable information to assist in tracking and responding to customer needs.

Gaming operations at the Resort are continuously monitored and adjusted to respond to both changing market conditions and customer demand in an effort to attract new customers and retain existing customers. The Resort's gaming areas are divided into six distinctly themed sections, namely: Circus Palace; Showboat; Monte Carlo; Hollywood; StarWorld; and the International and VIP rooms. All the sections are accessible by all visitors apart from the International and VIP rooms which are only accessible by certain Genting WorldCard members and their invited guests.

Within these different gaming areas, the Resort offers a range of gaming facilities including the major types of casino games such as Roulette, Baccarat and Blackjack. Jackpot machines are also available. New gaming machines and table games have been introduced to stimulate demand from both local and overseas customers.

Going forward, the strategic focus of the Resort will be to capitalise on what the Genting Group believes to be unserved demand for gaming services from potential visitors from Malaysia and overseas. In particular, the Genting Group is aiming to increase the number and proportion of visitors from China, India and Middle East.

The Resort also offers a wide range of performances, concerts and other events. The entertainment offering is reviewed and changed monthly for variety to attract and maintain customer interest. The three key event venues are the Arena of Stars, the Genting International Showroom and the Pavilion with capacity for approximately 6,000, 1,700 and 2,000 persons, respectively. They host local and internationally acclaimed concerts and events throughout the year. In 2002, these included performances by popular Asian artistes such as Jacky Cheung, Anita Mui and Eason Chan. Also in 2002, the Resort hosted the International Indian Film Academy Awards 2002, featuring top Bollywood and Indian film stars. In addition, three illusion shows were staged at the Resort in 2002, namely the "Fiesta Magica", the "Russian Ice Spectacular" and the "1001 Nights: Sinbad". In 2003, notable performances included the Lady Salsa, a Cuban musical, and Sir Cliff Richard's tour. The Resort's entertainment offerings are frequently televised nationally, providing publicity to the Resort at no additional cost to Resorts World.

The official launch of First World Plaza in 2002 introduced new family entertainment attractions at the Resort with 13 additional rides, including the Euro Express roller coaster, the popular children rides of Universal Carousel and Tour de Paris, the Genting Sky Venture, the first skydiving simulation attraction in Asia and second in the world, the Genting X-pedition Wall, the biggest indoor climbing wall in Southeast Asia and the Snow World, the largest snow house in Malaysia. The Resort also features the first and only "Ripley's Believe It Or Not" museum in Malaysia, and Haunted Adventure.

Retail, food and beverage

The Resort's other facilities include 76 retail outlets and 81 food and beverage outlets. This includes 64 retail outlets and 50 food and beverage outlets which are run by third parties. The branded third party retail outlets include Nike, Camel Active, SEED, U2, World of Cartoons, Levi's, Renoma, Bonia, Vincci, Royal Selangor and Toycity, and third party food and beverage outlets include Starbucks Coffee, Coca Restaurant, Haagen-Dazs, Pizza Hut and McDonald's.

Infrastructure and transportation

Of Resorts World's 10,616 acres of land at Genting Highlands, approximately 4% is developed.

The Resort has its own water reservoir and dam, sanitation system, and power substation and distribution network. A wholly owned subsidiary of Resorts World is licensed as an independent power distributor, to distribute and supply electricity to the Resort. In addition, its water reservoir has reserves which enable it to supply water for up to 40 days. The water treatment and power distribution system at the Resort are maintained in accordance with local authority requirements.

Approximately RM400 million has been spent on the Resort's infrastructure over the past 12 years.

Resorts World maintains, at its own cost, the 19-kilometre two-lane public road that provides access to the Resort. Resorts World is continually upgrading and improving the infrastructure system at the Resort to enhance travel convenience and accessibility to the Resort. Visitors from Kuala Lumpur are now able to travel to the peak of the Resort in less than an hour.

Resorts World also operates a fleet of 34 buses which offers frequent and regular transportation from Kuala Lumpur International Airport and various bus stations in Kuala Lumpur to the Resort. The Resort also has a fleet of 42 limousines which can serve all principal destinations in Malaysia and Singapore.

The Resort has approximately 11,500 parking spaces, approximately 9,000 of which are covered. Parking at the Resort is free of charge. A new automated car park directive system was implemented in 2002 and uses LED signboards to inform drivers of the number of vacant parking spaces in each car park at the Resort.

The Resort has its own 3.38 kilometre cable car built in 1996 which transports approximately 6 million passengers per year from the car parks located at the mid-hill to the peak of the Resort.

A second access road to the Resort is under construction in view of the growth in visitor and traffic volume.

Awana Hotels & Resorts

The Resorts World Group owns and operates three resort-style hotels, namely the Awana Genting Highlands Golf & Country Resort ("Awana Genting") in the Genting Highlands, the Awana Kijal Golf, Beach & Spa Resort ("Awana Kijal") in Terengganu and the Awana Porto Malai, Langkawi ("Awana Porto Malai").

The Awana Genting is a 428-room resort built in 1986 located at the mid-hill level of the Resort. It features a world-class 18-hole championship golf course, a heated swimming pool and a mini golf course. The resort is marketed as a tourist and business convention destination. The Awana Genting offers activities such as eco-sports, jungle trekking, horseback riding and other outdoor activities.

The Awana Kijal is a 343-room tropical beach resort built in 1996 on a 7.6-kilometre stretch of sandy beach, the longest on the east coast of Peninsular Malaysia. It is marketed to local and foreign tourists and offers a wide range of indoor and outdoor sports and recreational activities. In 2002, the Awana Kijal introduced a new Javanese-inspired spa named Taman Sari Royal Heritage Spa Awana Kijal.

The 338-unit Kijal Beach Resort Apartments together with 24 units of shop offices are built on 17 acres of land beside the Awana Kijal Golf, Beach & Spa Resort in Terengganu.

The Awana Porto Malai, a 214-room tropical beach resort, was built in 1998 on the island of Langkawi. It began an upgrading exercise to expand its room inventory and to add a new swimming pool and a convention hall which was completed in September 2003.

Awana Vacation Resorts Development Berhad ("AVRD") operates timeshares and had approximately 4,340 timeshare members as at 30 June 2003. The AVRD timeshare members have the option to stay at the hotels at the Resort, at the Awana chain of hotels and also at over 3,800 resorts affiliated with Resorts Condominium International in nearly 85 countries. AVRD has a total of 110 timeshare accommodation units that can sustain about 5,600 members.

Star Cruises

Star Cruises, together with its subsidiaries (the "Star Cruises Group"), is the third largest cruise ship operator in the world in terms of lower berths and currently owns a fleet of 20 ships with over 26,000 lower berths. The Star Cruises Group offers a wide variety of itineraries, from overnight to month-long cruises, and its vessels travel to approximately 200 destinations worldwide, visiting North America (including Alaska and Hawaii), Central and South America, Antarctica, Asia Pacific, Bermuda, the Caribbean, Europe and the Mediterranean.

The Star Cruises Group currently operates under three of the leading brand names in the cruise industry: Star Cruises in Asia Pacific and Norwegian Cruise Line and Orient Lines in North and South America and Europe. Another brand, NCL America, has recently been launched by the Star Cruises Group to sell cruises on two US-flagged ships.

Star Cruises. Star Cruises operates a fleet of nine ships with over 7,300 lower berths. Star Cruises currently accounts for over 85% of cruise capacity in Asia Pacific in terms of lower berths. The Star Cruises fleet operates mainly from two major hubs in the Asia Pacific region, Hong Kong and Singapore, and calls at over 30 destinations primarily in the Asia Pacific region. Star Cruises offers a wide variety of itineraries ranging from overnight to week-long cruises. Star Cruises also operates port facilities in Malaysia and Thailand and seeks to enter into long-term leases, joint ventures or other long-term commitments with port authorities in the regions which it services in order to ensure priority or favourable berthing arrangements for its fleet in those locations.

Norwegian Cruise Line. Norwegian Cruise Line currently operates a fleet of nine ships (excluding S/S *Norway*) with a total of over 15,800 lower berths and accounts for in excess of 8% of cruise capacity in North America in terms of lower berths. Norwegian Cruise Line's fleet operates regularly out of 17 ports, 13 of which are in North America and include Baltimore, Boston, Charleston, Honolulu, Houston, New Orleans, New York, Philadelphia, San Juan, Seattle and Vancouver. Its vessels are scheduled to call at over 100 different destinations around the world in 2003, including Alaska, Bermuda, the Bahamas, the Caribbean, Central and South America, Hawaii, Northern Europe and the Mediterranean. Norwegian Cruise Line offers a wide variety of cruise itineraries, ranging from three days to three weeks.

Orient Lines. Orient Lines, a popular brand in the destination-oriented premium market, currently operates the M/V *Marco Polo*, which has approximately 826 lower berths. The M/V *Marco Polo* visited over 70 different ports of call in 2002 and is scheduled to visit over 76 different ports around the world in 2003. To enable Orient Lines to call at such a variety of ports, the Star Cruises Group performs turn-around operations in 19 different ports, adhering to a policy of not designating a homeport for the M/V *Marco Polo*.

The Star Cruises Group had total revenues of approximately US$1,574 million in 2002 and US$781 million in the first half of 2003, and net profit of US$51 million in 2002 and a net loss of US$37 million in the first half of 2003.

The common shares of Star Cruises have been listed on the Hong Kong Stock Exchange since November 2000.

Information on Star Cruises contained in this Offering Circular has not been verified by the Issuer or the Guarantor. Neither the Issuer nor the Guarantor has undertaken a due diligence review of the operations and financial condition of Star Cruises. Investors are cautioned not to place undue reliance on Star Cruises information contained in this Offering Circular. See "Risk Factors — Risks relating to the leisure and hospitality business — The information on Star Cruises in this Offering Circular has not been verified by Star Cruises".

Competition

Resorts World's competitive advantage over other resorts in Malaysia is its uniquely integrated offering of leisure, hospitality, gaming and entertainment. Competition for hotel guests is otherwise generally based on room rates, quality of services, attractiveness and convenience of facilities and locations, name recognition and product consistency, all of which Resorts World has achieved to high standards.

The gaming industry includes land-based, dockside, riverboat gaming operations and other forms of legalised gaming outside Malaysia. There is intense competition among companies in the gaming industry in the region, some of which have greater resources than the Resorts World Group. A potential change in legislation in Thailand (following the Thai government's announcement that it is contemplating legalising gaming centres) or Taiwan may allow the establishment of gaming centres in these countries. The Macau SAR government has also granted three new gaming licences in February 2002. Regional competition will increase as a result. However, given that the majority of Resorts World's casino patrons come from Malaysia and Singapore, the increased regional competition has not affected Resorts World's gaming operations significantly to date. The principal customer segment for Resorts World is the grind market, primarily from Malaysia and Singapore. From Malaysia, these grind market customers tend to be day trippers from Kuala Lumpur and neighbouring states who tend to make multiple trips each year.

Marketing

Resorts World engages in cross marketing activities to reach out to its entire customer base. With its investment in information technology and in particular the WorldCard initiative, Resorts World is able to constantly update its existing customer base on offers and special deals across and its leisure and hospitality offerings. In addition, through special tie-ups with local and foreign tour agencies and concert and convention organisers, Resorts World is able to offer attractive packages to allow the hosting of activities at the Resort which in turn creates higher levels of patronage for the Resort's leisure and hospitality offerings.

Licences

The operation of gaming facilities and places of entertainment require licences. For purposes of its business, the Resorts World Group holds the material licences described below.

Resorts World has been issued a licence pursuant to the CGHA which permits it to operate a casino. This licence is renewable every quarter at the discretion of the Minister of Finance and a fee is payable upon each such renewal.

First World Hotels & Resorts Sdn Bhd and Resorts World have been issued with licences pursuant to the Pahang Entertainment Enactment, 1993 and the Selangor Entertainment and/or Places of Entertainment Enactment, 1995 for, inter alia, the operation of places of entertainment. See "Regulation".

Litigation

As at the date of this Offering Circular, Resorts World is not involved in any legal proceedings which, if determined against Resorts World, could individually or in the aggregate, materially affect the business or financial position of Resorts World.

Risk Management

The Resorts World Group maintains insurance policies with registered insurance companies in Malaysia, which cover material damage to property, business interruption, public liability, employer's liability, directors' and officers' liability, internet liability, construction and installation liability, money-in-transit and premises, fidelity guarantees, marine-related liabilities, goods-in-transit, group accident and term life. Notwithstanding the Resorts World Group's insurance coverage, damage to the Resorts World Group's facilities, equipment, machinery, buildings or other properties as a result of occurrences such as fire, explosion, power loss, telecommunications failure, intentional unlawful act, human error or natural disaster could nevertheless have a material adverse effect on the Resorts World Group's financial condition and results of operations to the extent such occurrences disrupt the normal operation of the Resorts World Group's business.

In addition, in relation to its gaming business, Resorts World has in place stringent internal controls to assist in monitoring fraud and theft and extensive use of security measures (closed-circuit television, card-only access points and physical security checks) to ensure disruption to its operations is minimised.

Related Party Transactions

Resorts World and its subsidiaries have in the past, and will in the future, perform transactions and enter into contracts with related companies, subsidiaries and associates. It is the policy of companies within the Resorts World Group not to enter into transactions with related parties unless these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with Resorts World and are not to the detriment of the Resorts World's minority shareholders. Accordingly, these transactions are undertaken on terms and conditions similar to those with unrelated companies. See Note 33 to the consolidated financial statements of Resorts World as at and for the year ended 31 December 2002.

Resorts World's Audit Committee reviews any related party transaction and conflict of interest that may arise within the Resorts World Group. The procedures set by Resorts World Group to monitor and review related party transactions are also periodically reviewed by the Audit Committee. All reviews by the Audit Committee are reported to the Board of Resorts World for the Board's further action. See "Management of Resorts World".

Property

A list of properties held by Resorts World is set out in Annex C.

Environmental Matters

Resorts World is in compliance in all material respects with applicable environmental regulations in Malaysia. Resorts World is not aware of any environmental proceedings or investigations to which it is or might become a party.

Employees

As at 30 June 2003, Resorts World had approximately 9,400 employees.

The Resorts World Group continues to place great emphasis on the development of human resources, as Resorts World believes that its employees are instrumental drivers for the future performance of the Resorts World Group. Employees of the Resorts World 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 seminars and training courses.

Employees of the Resorts World Group can benefit from the Genting Group's training and education arm, GCE, which provides regular skills and management development programmes to train employees of the Resorts World Group. KAG, the approved college that is owned and managed by the Genting Group and of which employees of the Resorts World Group can benefit, offers the Diploma and Certificate courses in Hotel Operations Management to the public. KAG has academic consulting support from École Hotelière de Lausanne, Switzerland, one of the world's oldest hospitality institutes.

Resorts World implemented an Executive Share Option Scheme ("ESOS") for its eligible executives and Executive Directors on 12 August 2002. The ESOS will allow eligible executives to participate in the future growth of Resorts World. The total number of shares to be offered under the ESOS shall not exceed 2.5% of the issued and paid-up share capital of Resorts World.

Resorts World has no material outstanding loans granted to members of its Management.

The table below sets forth the number of employees in the segments below as at the dates indicated.

	Number of Employees				
	As at 31 December			As at 30 June	
	2000	2001	2002	2002	2003
Management	66	64	66	65	59
Sales and marketing	146	153	147	158	145
Information technology	41	40	44	42	47
Technology and engineering	409	403	398	384	399
Support services	1,259	1,513	1,590	1,585	1,688
Customer services	7,243	7,556	7,908	7,377	7,060
Others	17	5	3	3	14
Total	9,181	9,734	10,156	9,614	9,412

Approximately 2,700 of the Resorts World Group's employees are unionised under the Resorts World Employee Union, with which the Resorts World Group had a collective bargaining agreement which expired on 31 July 2003 but the terms of which shall remain in force thereafter until superseded by a new collective bargaining agreement. Negotiations are presently underway for the renewal of this agreement for a further period of three years. The Resorts World Group believes that its labour relations are good.

Principal Subsidiaries

First World Hotels & Resorts Sdn Bhd ("FWHR")

First World Hotels & Resorts Sdn Bhd is involved in a tourist resort business at Genting Highlands and its activities cover leisure and hospitality which comprise hotel and amusement activities. FWHR's registered office is located at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur. As at 30 September 2003, Resorts World beneficially owned 100% of the issued share capital of FWHR. As at 30 September 2003, FWHR had a paid-up capital of RM1,939,000. As at 31 December 2002, FWHR had net assets of RM923.9 million and accumulated losses of RM16.1 million. For the year ended 31 December 2002, FWHR recorded a net loss of RM5.4 million.

As at 30 September 2003, Resorts World held the shares of FWHR at a book value of RM940.0 million in the accounts of Resorts World. The shares of FWHR held by Resorts World are all fully paid-up. For the year ended 31 December 2002, Resorts World did not receive any dividends on the shares of FWHR. As at 30 September 2003, the inter-company balance due to Resorts World was RM25.2 million.

Sierra Spring Sdn Bhd ("SSSB")

SSSB is an investment holding company. SS's registered office is located at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur. As at 30 September, 2003, Resorts World beneficially owned 100% of the issued share capital of SSSB. As at 30 September 2003, SSSB had a paid-up capital of RM2,535,662. As at 31 December 2002, SSSB had net assets of RM2,327.3 million and accumulated losses of RM4,197. For the year ended 31 December 2002, SSSB recorded a net loss of RM954.

As at 30 September 2003, Resorts World held the shares of SSSB at a book value of RM2,327.3 million in the accounts of Resorts World. The shares of SSSB held by Resorts World are all fully paid-up. For the year ended 31 December 2002, Resorts World did not receive any dividends on the shares of SSSB. As at 30 September 2003, the inter-company balance due to Resorts World was RM3.7 million.

Description of the Issuer

The Issuer, Prime Venture (Labuan) Limited (Company Registration Number: LL03956), was incorporated on 13 October 2003 in the Federal Territory of Labuan under the Offshore Companies Act, 1990 of Malaysia and is a wholly owned subsidiary of the Guarantor. The Issuer was incorporated for the purpose of issuing the Notes to finance the business operations of the Genting Group. Under Clause 3(h) of the Memorandum of Association of the Issuer, the objects of the Issuer include the issuance of debentures. The Issuer intends to advance the proceeds of the issue of the Notes to the Guarantor to be used as described in "Use of Proceeds". The Board of Directors of the Issuer is responsible for the day-to-day management of the Issuer, including representing the Issuer in its relations with third parties. The registered office of the Issuer is Lot H, Level 7, Wisma Oceanic, Jalan OKK Awang Besar, 87007 Labuan, F.T. Labuan, Malaysia. The authorised share capital of the Issuer is US$10,000.00 divided into 10,000 ordinary shares with a par value of US$1.00 each, of which one ordinary share of US$1.00 is issued and paid-up and held by the Guarantor. As of the date of this Offering Circular, the Issuer does not have any debt outstanding. Article 106(b) of the Issuer's Articles of Association states, inter alia, that in the absence of an address for service being given, notices to members are to be published in a newspaper published or circulated in the Federal Territory of Labuan and in a newspaper in the place where the Issuer has its principal office.

No financial statements for the Issuer are included in this Offering Circular, and the Issuer may not publish financial statements on an interim basis or otherwise (except for such statements, if any, which the Issuer is required by the Offshore Companies Act, 1990 of Malaysia to publish), because the Issuer will not have any operations independent from the Genting Group and the Issuer's obligations under the Notes will be guaranteed by the Guarantor to the extent set forth in this Offering Circular. In addition, the Issuer does not intend to furnish to the Trustees or the Noteholders financial statements of, or other reports relating to, the Issuer. Any such information or reports, if published, will be delivered to and made available at the Specified Office of each Paying Agent.

Since its incorporation, there has been no material adverse change in the financial condition or results of operations of the Issuer.

The auditors of the Issuer are PricewaterhouseCoopers of Level 10(B2), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Wilayah Persekutuan Labuan, Malaysia.

Information about the Directors of the Issuer is set forth below.

Name	Position	Age	Year appointed as Director
Dr. R. Thillainathan..................................	Director	59	2003
Mr Quah Chek Tin..................................	Director	52	2003

The business address of the Directors is 25th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The biographies of the Directors of the Issuer are set forth below.

Dr. R. Thillainathan (Malaysian, aged 59), was appointed Director of the Issuer on 13 October 2003. He was appointed the Chief Operating Officer of Genting on 27 November 2002 and Executive Director of Genting on 15 January 2003. He holds a Class 1 Honours in Bachelor of Arts (Economics) from the University of Malaya, obtained his Masters and PhD in Economics from the London School of Economics, and is a Fellow of the Institute of Bankers Malaysia. He has been with the Genting Group since 1989 and also holds directorships in other companies within the Genting Group. He also sits on the Board of Petronas Dagangan Berhad. Dr. R. Thillainathan has extensive years of experience in finance and banking. He is the immediate past President of the Malaysian Economic Association.

Mr Quah Chek Tin (Malaysian, aged 52), was appointed Director of the Issuer on 13 October 2003. He was appointed an Executive Director of Genting on 12 April 1999. He holds a Bachelor of Science (Honours) degree in Economics from the London School of Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also an Executive Director and the Chief Operating Officer of Resorts World, a Director of ADB, and the Alternate Director to Tan Sri Lim Kok Thay on the Board of Genting International PLC. He has been with the Genting Group since 1979 and also holds directorships in other companies within the Genting Group which include three public companies, Genting Golf Course Bhd, Genting Highlands Berhad and Awana Vacation Resorts Development Berhad.

The issuance of the Notes was approved by the Board of Directors of the Issuer on 13 October 2003.

Regulation

Each of the businesses of the Genting Group is regulated by, and in some instances required to be licensed under, specific laws of Malaysia. In view of the diverse businesses carried out by the Genting Group, the Genting Group and its businesses are subject to a wide range of laws, some of which are summarised below. The following does not purport to be an exhaustive description of all relevant laws to which the Genting Group or its businesses are subject.

Leisure and Hospitality

The gaming operations of the Genting Group are regulated principally by the CGHA and the Lotteries Act, 1952 (the "LA"). Pursuant to the CGHA, the Minister of Finance may authorise a company registered under the Companies Act, 1965 to promote and organise gaming in respect of such games, on such premises, subject to payment of such fees and duties and subject to such other terms and conditions as may be specified in the licence. A licence so issued is for a period of three months and may in the discretion of the Minister of Finance be renewed from time to time for periods of not more than three months each upon payment of a fee and such other terms as the Minister may specify. Pursuant to the CGHA, the licence may be revoked or its conditions amended, added to or deleted, by the Minister of Finance at any time at his discretion. See "Risk Factors — Risks relating to the Genting Group's Leisure and Hospitality Businesses — Resorts World's gaming licence is renewable quarterly".

Licences are also required pursuant to regulations issued under the LA, for the operation of slot machines. These licences are renewable annually at the discretion of the Secretary General of the Treasury and may be terminated if the Secretary General of Treasury is satisfied that (i) there is a breach of any of the regulations issued under the LA or of any of the conditions of the licence; or (ii) any partner or principal officer of any firm or company which has been granted such licence has been found guilty of any offence under any law relating to gaming.

The leisure and hospitality operations of the Genting Group are also regulated by the Excise Act, 1976 and the Excise Regulations, 1977. In view of the fact that the Genting Group's casino and leisure and hospitality facilities are located in the states of Pahang and Selangor, also relevant are the PEE and the SEPEE which, among other things, require places of entertainment and the entertainment in those places, within each state to be licensed by the relevant city council, municipal council or district council (in the case of Pahang) and licensing officers appointed by the state authority (in the case of Selangor). A licence so issued under the PEE shall be for such period as the relevant authority shall determine and a licence granted under the SEPEE shall also be for such period as the relevant authority shall deem fit but shall not exceed one year. In either case the licence shall not be renewable as of right. A licence so issued may be revoked at any time by the relevant authority if there has been a breach of the conditions or restrictions of the licence or a contravention of the PEE or SEPEE, as the case may be.

Power Generation and Supply

The power generation and supply operations of the Genting Group are regulated by, inter alia, the ESA. A licence issued pursuant to the ESA shall be for a period not exceeding 21 years unless with the express approval of the Minister of Energy, Telecommunications and Posts and such licence may be terminated by the Energy Commission at any time upon breach of any of the licence conditions or in default of payment of any moneys due or if the licencee ceases to work or operate the installation in respect of which the licence has been granted.

Paper and Packaging Products Manufacture

The manufacture of paper and packaging products by the Genting Group is regulated by, inter alia, the ICA. The ICA aims to provide for and secure the co-ordination and orderly development of manufacturing industries in Malaysia. Any person engaging in a manufacturing activity as defined in the ICA is required to be licensed. A separate licence is required for each place of manufacturing activity. The licence usually has conditions attached to it which the manufacturing company is required to comply with. The licensing officer, in issuing a licence, may impose such conditions as he may think fit and such conditions may be varied on the application of the manufacturer or on the licencing officer's own motion after consultation with the manufacturer in respect of whom the conditions in the licence are to be varied.

A licence issued pursuant to the ICA continues in force unless revoked at the discretion of the licencing officer if the manufacturer to whom a licence is issued: (i) does not comply with any condition imposed in the licence; (ii) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or (iii) has made a false statement in his application for the licence. Before exercising his power to revoke a licence, the licensing officer may call upon the manufacturer to show within such period as may be prescribed due cause why its licence should not be revoked.

Property

The Genting Group's property development activities are regulated principally by the Housing Development (Control and Licensing) Act, 1966 (the "HDA"). A licence is required pursuant to the HDA and regulations made thereunder to engage in, carry on, undertake or cause to be undertaken any housing development.

An application for the renewal of a housing developer's licence may be made not later than 60 days before the date of expiry thereof and the Controller of Housing may grant a renewal of the licence with or without attaching conditions thereto upon payment of a fee.

Plantation

The Malaysian Palm Oil Board Act, 1998 and the regulations relating thereto regulate the palm oil industry of Malaysia.

Pursuant thereto, approval from the Palm Oil Board is required for the establishment of an oil palm mill and a licence is required for, inter alia, the sale and distribution of oil palm fruit and products thereof.

A licence issued or renewed shall be valid for a period of one year unless otherwise specified in the licence. Renewal application shall be made not less than 30 days before the expiry of the licence.

Environment

The operations of the Genting Group are subject to environmental laws and regulations, principally, the Environmental Quality Act, 1974 (the "EQA"), which relates to the prevention, abatement, control of pollution and enhancement of the environment. The EQA and the regulations thereunder require, among other things, environmental impact assessments to be performed and for measures to be put in place for pollution control. If a proposed venture is a "prescribed activity" within the meaning of the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order, 1987, an environmental impact assessment has to be conducted and a report submitted to the Director General of Environmental Quality for approval before the project can proceed. Among the activities which have been prescribed are certain types of resort and recreational development and pulp and paper production facilities exceeding a certain capacity.

In addition, written approval from the Director General of Environmental Quality is required for any erection, installation, resiting or alteration of certain types of fuel burning equipment. Pursuant to the Environmental Quality (Clean Air) Regulations, 1978 and the Environmental Quality (Sewerage and Industrial Effluents) Regulations, 1979, industries are also required to comply with air emission and effluent discharge standards prescribed therein.

Employment

The operations of the Genting Group are subject to applicable employment and labour laws, including the laws described below.

The Employment Act, 1955 (the "EA") protects employees that fall within the scope of the EA working under a contract of service, in West Malaysia and Labuan, whatever their citizenship. Generally, the EA only protects those who earn wages of RM1,500 per month and less, all manual workers and their supervisors, as well as drivers and vehicle mechanics.

There are also laws relating to social security, particularly the Employees Provident Fund Act, 1991 which provides for the establishment of a fund, the Employees Provident Fund to which employers and employees are required to make contributions and the Employees' Social Security Act, 1969 which provides for compensation to employees incurring, inter alia, industrial accidents and occupational diseases.

Exchange Controls

As part of the package of policy responses to the 1997 economic crisis in Southeast Asia, the Government introduced selective exchange control measures in September 1998. These measures were designed to eliminate the internationalisation of the Ringgit, contain speculation and stabilise short-term capital flows. As a result of these measures, the Ringgit is no longer a freely convertible currency. The permission of the Controller of Foreign Exchange is required for payments by residents to non-residents in certain specified circumstances which do not, however, include the payment of dividends by a Malaysian company relating to its shares. A Malaysian company paying dividends to its non-resident shareholders in excess of RM50,000 is, however, required to report such payments to Bank Negara Malaysia. Such payments are made in Malaysian Ringgit by way of dividend vouchers sent by the Malaysian company to shareholders or (in the case of shares of listed companies which are deposited securities i.e. securities which are deposited with the central depository under the Securities Industry (Central Depositories) Act, 1991) depositors at their respective addresses.

A settlement between non-residents of Malaysia for the sale and purchase of shares in a Malaysian company can be made in Malaysian Ringgit through Malaysian Ringgit accounts maintained with licensed banks in Malaysia (an "External Account") if settled in Malaysia, or in foreign currency if settled outside Malaysia. All payments by residents of Malaysia to non-residents of Malaysia for the purchase of shares in a Malaysian company may be made in Malaysia and paid in Malaysian Ringgit into an External Account or remitted abroad and paid in foreign currency except the currency of Israel, Serbia and Montenegro.

All dividends and proceeds of sale in Malaysian Ringgit received by or for the account of a non-resident of Malaysia in respect of shares in a Malaysian company must be paid into an External Account in Malaysian Ringgit, which may be converted into any foreign currency (other than the currencies of Israel, Serbia and Montenegro) by the bank with whom the External Account is maintained and repatriated to such non-resident.

Payment of principal or interest on the Notes by residents to non-residents does not require the approval of the Controller of Foreign Exchange. A resident paying principal or interest to non-resident Noteholders in foreign currency exceeding the equivalent of RM50,000 is, however, required to report such payments to Bank Negara Malaysia.

Financial guarantees above the equivalent of RM5 million issued by residents in favour of non-residents must be registered with Bank Negara Malaysia upon issuance (the name of issuer of the guarantee, name of party on whose behalf the guarantee is issued, amount guaranteed, beneficiary and purpose of guarantee must be submitted to Bank Negara Malaysia) and must be denominated in foreign currency with all payments being made in foreign currency. Payment under the Guarantee can be freely made upon acknowledgement of receipt of the above information submitted to Bank Negara Malaysia and subject to informing Bank Negara Malaysia when the guarantee is called upon.

Foreign Investment Regulations in Malaysia

Certain acquisitions of shares and assets in Malaysia are regulated and monitored by the Foreign Investment Committee (the "FIC"). The FIC guidelines for the regulation of acquisition of assets, mergers and takeovers of businesses and companies in Malaysia are policy guidelines of a non-statutory nature and do not currently have the force of law. The FIC guidelines provide, inter alia, that a proposed acquisition of shares should result directly or indirectly in a more balanced Malaysian participation in ownership and control, should lead directly or indirectly to net economic benefits being derived by the nation in relation to certain matters and should not have adverse consequences in terms of national policies in certain areas. Equity conditions imposed by relevant authorities on the subject company pursuant to, for example, licences and permits granted to the subject company may also restrict foreigners from acquiring shares in a Malaysian company. In the event of an acquisition by any one foreign interest or associated group of 15% or more, or an acquisition by foreign interests in the aggregate of 30% or more, of the voting power of a Malaysian company, or in the event that the value of the shares, assets or interests acquired by Malaysian or foreign interests exceeds RM10 million (except in the case of certain real property transactions where more relaxed guidelines may be applicable), or in the event that there is acquisition of assets or interests that will result in ownership or control passing to foreign interests, or a change of control of Malaysian companies and businesses through any form of joint venture agreement, management agreement, technical assistance agreement or other arrangements, or there is a merger or takeover of any company or business in Malaysia or there is an acquisition by foreign interests of any substantial fixed assets in Malaysia, the FIC guidelines stipulate that the foreign entity must obtain the prior approval of the FIC. "Foreign interest" means (i) foreign individuals, (ii) companies or institutions incorporated outside Malaysia, or (iii) local companies where foreign individuals and/or companies or institutions incorporated outside Malaysia hold more than 50% of the voting rights or have control of the management of the companies by way of joint venture, management, technical assistance agreement or other means. Malaysian investors and foreign investors who wish to sell their Shares in Resorts World are not required to obtain the approval of the FIC, since the responsibility of obtaining such approval (in circumstances when such approval would have been required under the terms of the FIC guidelines) rests on the acquirer of such Shares.

Approval of the Securities Commission (on behalf of the FIC) has been obtained for holders of the Notes to acquire shares in Resorts World pursuant to the exchange of the Notes to the extent that the shareholding of the non-Bumiputeras in Resorts World does not decrease below 56.5% and the shareholding of foreign interests in Resorts World does not increase above 40.3% of the total shareholding in Resorts World respectively. As at 30 September 2003, the non-Bumiputera shareholding in Resorts World was 65.2% while the shareholding of foreign interests therein was 31.6% of the total shareholding in Resorts World respectively.

Management of Genting

Board of Directors

The Genting Group is managed by the Board of Directors of Genting.

The Directors of Genting as at the date of this Offering Circular are set forth below.

Name	Position	Age	Year appointed as Director
Tan Sri Lim Goh Tong	Chairman	85	1968
Tun Mohammed Hanif bin Omar	Deputy Chairman	64	1994
Tan Sri Lim Kok Thay	President and Chief Executive	52	1976
Tan Sri Mohd Amin bin Osman	Executive Director	76	1986
Dr. R. Thillainathan	Executive Director and Chief Operating Officer	59	2003
Mr Quah Chek Tin	Executive Director	52	1999
Dato' Paduka Nik Hashim bin Nik Yusoff	Independent Non-Executive Director	65	1979
Tan Sri Dato' (Dr.) Gunn Chit Tuan	Independent Non-Executive Director	74	1994
Tan Sri Dr. Lin See Yan	Independent Non-Executive Director	64	2001

The business address of the Directors is 25th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The biographies of the Directors of Genting are set forth below.

Tan Sri Lim Goh Tong (Malaysian, aged 85), appointed on 30 July 1968, is the founder and Chairman of Genting. He is also the Chairman of Resorts World and a Director of ADB. In addition, he is also a Director of Kien Huat Berhad and the Chairman of Lim Foundation, a charitable Foundation established by him and his family in Malaysia. In 2002, Tan Sri Lim was awarded the Property Man of the Year Award by the Malaysian Chapter of FIABCI (International Real Estate Federation).

As at 30 September 2003, Tan Sri Lim had a share option to subscribe for 1,500,000 ordinary shares in Genting, an option to subscribe for 1,000,000 ordinary shares in Resorts World and an option to subscribe for 577,000 ordinary shares in ADB.

Tan Sri Lim is the father of Tan Sri Lim Kok Thay and a Director of Kien Huat Realty Sdn Bhd, a substantial shareholder of Genting, and has a deemed interest in KHR only by virtue of being a beneficiary of the Tan Sri Lim Trust which owns 0.59% of the non-voting preference shares in KHR.

Tan Sri Lim has an interest in the securities of Star Cruises.

Tun Mohammed Hanif bin Omar (Malaysian, aged 64), appointed on 23 February 1994, is the Deputy Chairman of Genting and Resorts World. He was the Inspector-General of The Royal Malaysian Police Force for 20 years before retiring in January 1994, having joined as an officer in 1959. He holds a Bachelor of Arts degree from the University of Malaya, Singapore, Bachelor of Law (Honours) degree from Buckingham University and the Certificate of Legal Practice (Honours) from the Legal Qualifying Board. He is the Chairman on the Board of public-listed Park May Berhad, General Corporation Berhad and Maxis Communications Berhad. He is a Director of AMMB Holdings Berhad, AMFB Holdings Berhad, Fullmark Manufacturing Bhd and AmFinance Berhad. He is the President of the Malaysian Equine Council and of the Malaysian Institute of Management.

As at 30 September 2003, Tun Mohammed Hanif held 200 ordinary shares in Genting, 1,000 ordinary shares in Resorts World and had an option to subscribe for 500,000 ordinary shares in Genting and Resorts World respectively.

Tan Sri Lim Kok Thay (Malaysian, aged 52), appointed on 17 August 1976, is the President and Chief Executive of Genting. He holds a Bachelor of Science degree in Civil Engineering from the University of London. He is also the President and Chief Executive of Resorts World, the Joint Chief Executive and a Director of ADB and the Chairman of Genting International PLC. He is a Director of Pacific Lottery Corporation. In addition, he sits on the Boards of other Malaysian and foreign companies. He has served in various positions within the Genting Group since 1976. He also sits on the board of trustees of several charitable organisations in Malaysia.

As at 30 September 2003, Tan Sri Lim held a total of 14,957,796 ordinary shares (direct and indirect) in Genting, 50,000 ordinary shares in Resorts World and 144,000 ordinary shares in ADB; and had an option to subscribe for 1,000,000 ordinary shares in Genting, an option to subscribe for 750,000 ordinary shares in Resorts World and an option to subscribe for 577,000 ordinary shares in ADB.

Tan Sri Lim is a son of Tan Sri Lim Goh Tong and a Director of KHR, a substantial shareholder of Genting and has a deemed interest in KHR only by virtue of being a beneficiary of the Lim Kok Thay Trust which owns 60% of the non-voting preference shares in KHR.

Tan Sri Lim is the Chairman, President and Chief Executive Officer of Star Cruises. He also has an interest in the securities of Star Cruises.

Tan Sri Mohd Amin bin Osman (Malaysian, aged 76), appointed on 12 May 1986, was appointed an Executive Director of Genting on 1 May 2003 upon the expiry of his consultancy contract with Genting on 30 April 2003. He is also the Chairman of ADB. He had a distinguished career with the Royal Malaysian Police Force for a period of over 36 years where he retired as the Acting Inspector General of Police, Malaysia. In between, he had served as Deputy Commissioner of Police, Sabah; Brigade Commander, Police Field Force, East Malaysia; Chief of City Police, Kuala Lumpur; and Director of the Special Branch, Malaysia. He has won various awards, including the Panglima Setia Mahkota and Sri Indera Mahkota Pahang. He also sits on the Board of Shangri-la Hotels (Malaysia) Berhad.

As at 30 September 2003, Tan Sri Mohd Amin held 8,000 ordinary shares in Genting, 122,000 ordinary shares in Resorts World, and 164,000 ordinary shares in ADB, and had an option to subscribe for 500,000 ordinary shares in Genting and an option to subscribe for 577,000 ordinary shares in ADB.

Dr. R. Thillainathan (Malaysian, aged 59), appointed Chief Operating Officer on 27 November 2002 and Executive Director of Genting on 15 January 2003. He holds a First Class Honours in Bachelor of Arts (Economics) degree from the University of Malaya, obtained his Masters and Doctorate in Economics from the London School of Economics, and is a Fellow of the Institute of Bankers Malaysia. He has been with the Genting Group since 1989 and also holds directorships in other companies within the Genting Group. He also sits on the Board of Petronas Dagangan Berhad. Dr. R. Thillainathan has extensive years of experience in finance and banking. He is the immediate past President of the Malaysian Economic Association.

As at 30 September 2003, Dr. R. Thillainathan had an option to subscribe for 250,000 ordinary shares in Genting.

Mr Quah Chek Tin (Malaysian, aged 52), appointed on 12 April 1999, is an Executive Director of Genting. He holds a Bachelor of Science (Honours) degree in Economics from the London School of Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also an Executive Director and the Chief Operating Officer of Resorts World, a Director of ADB, and the Alternate Director to Tan Sri Lim Kok Thay on the Board of Genting International PLC. He has been with the Genting Group since 1979 and also holds directorships in other companies within the Genting Group which include three public companies, Genting Golf Course Bhd, Genting Highlands Berhad and Awana Vacation Resorts Development Berhad.

As at September 2003, Mr Quah held 1,000 ordinary shares in Genting and Resorts World respectively and had an option to subscribe for 500,000 ordinary shares in Genting.

Dato' Paduka Nik Hashim bin Nik Yusoff (Malaysian, aged 65), appointed on 8 June 1979, is an Independent Non-Executive Director of Genting. He holds a Bachelor of Arts (Honours) degree from Melbourne University and a Masters degree in Public Administration from Harvard University, United States of America. He has been in the banking industry for more than 30 years. He is the Chairman of Utama Banking Group Berhad and sits on the Boards of Utama Merchant Bank Berhad, Malayan United Industries Berhad, UBG Enterprise Bhd, CMS Trust Management Berhad and Rashid Hussain Berhad.

As at 30 September 2003, Dato' Paduka had no interest in any securities of any company within the Genting Group.

Tan Sri Dato' (Dr.) Gunn Chit Tuan (Malaysian, aged 74), appointed on 6 July 1994, is an Independent Non-Executive Director of Genting. He is the former Chief Justice of Malaya having retired on 20 May 1994. He holds a Bachelor of Arts (Honours) degree, a Bachelor of Laws (Honours) degree (redesignated as Master of Laws in 1985) from the University of Cambridge, and is Barrister-at-Law from Lincoln's Inn. He has been awarded both the Panglima Mangku Negara and Panglima Setia Mahkota and was conferred the Doctor of Science (Honorary) by the University Putra Malaysia.

As at 30 September 2003, Tan Sri Dato' (Dr.) Gunn had no interest in any securities of any company within the Genting Group.

Tan Sri Dr. Lin See Yan (Malaysian, aged 64), appointed on 28 November 2001, is an Independent Non-Executive Director of Genting. He is an independent strategic and financial consultant and a chartered statistician. Tan Sri Lin received three degrees from Harvard University, including a Doctorate in Economics. He is an Eisenhower Fellow and a Professor of Economics (Adjunct) at Universiti Utara Malaysia.

Prior to 1998, Tan Sri Lin was the Chairman/President and Chief Executive Officer of the Pacific Bank Group, Deputy Governor of Bank Negara Malaysia (the central bank of Malaysia) for 14 years since 1980, having been a central banker for 34 years. He continues to serve the public interest, including as a Member of the National Economic Action Council (NEAC) Working Group; the Chairman of the Experts Group on Finance for Sustainable Development at the United Nations Commission on Sustainable Development (New York); the Pro-Chancellor, Universiti Sains Malaysia; a Trustee, Malaysia University for Science & Technology and Monash University (Sunway Campus) Malaysia; and Governor, Asian Institute of Management, Manila, as well as being a Member of the Asian Financial Regulatory Shadow Committee based in the United States of America. He is also the Chairman of the Council of the Graduate School Alumni Association at Harvard University as well as the Regional Director for Asia Harvard Alumni Association at the University, in addition to being the President of the Harvard Club of Malaysia and its Foundation. In addition, he advises and sits on the Boards of a number of public listed and private enterprises in Malaysia, Singapore and Indonesia, including as Independent Director of Ancom Berhad and Fraser & Neave Holdings Berhad.

Corporate Governance

The Malaysian Code on Corporate Governance (the "Code") introduced in March 2000 was incorporated into the Listing Requirements of the KLSE in June 2001.

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

Directors

The Board

The Board has overall responsibility for the proper conduct of Genting'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 Genting Group's operating and financial performance.

Formal Board Committees established by the Board in accordance with the Code namely the Audit Committee, Nomination Committee and Remuneration Committee assist the Board in the discharge of its duties.

Board Balance

The Genting Board has nine members, six executive Directors and three non-executive Directors. All of the three non-executive Directors are independent non-executive Directors. The Directors have wide ranging experience and all have occupied or currently occupy senior positions in the public and/or private sectors. The independent non-executive Directors provide a strong independent element on the Board. The independent non-executive Directors also participate in the Audit, Remuneration and Nomination Committees as members of these Committees.

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

Appointments to the Board

The Nomination Committee is comprised entirely of independent non-executive Directors and 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 Genting Group and are encouraged to visit the sites of the Genting 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. The Directors are also encouraged to attend courses, whether in-house or external, to help them in the discharge of their duties.

Re-election

The Articles of Association of Genting 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 who are over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Accountability and Audit

The Board is responsible for the Genting 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 Genting Group's assets, the Genting Group has in place an adequately resourced internal audit department. The activities of this department, which reports regularly to the Audit Committee, provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Genting Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

Senior Management

The senior management of Genting as at the date of this Offering Circular is set forth below.

Name	Position
Chong Kin Leong	Executive Vice President, Finance
Tan Wooi Meng	Group Company Secretary
Khoo Teng Chuan	Senior Vice President, Corporate Affairs
Azmi Abdullah	Group Treasurer
Chiew Sow Lin	Group Controller
Ho Juan Heng	Senior Manager — Group Internal Audit

The biographies of the senior management of Genting are set forth below.

Chong Kin Leong (Malaysian, aged 44) is the Executive Vice President, Finance of Genting. He began his career with an international accounting firm in Kuala Lumpur in 1981 and joined Sime Darby Berhad in 1985 before leaving to join Rashid Hussain Berhad (RHB Group) as Senior General Manager, Finance in 1993. He left the RHB Group in 2003 where his last position was Finance Director, to join the Genting Group. He holds a Bachelor of Accounting (Honours) degree from the University of Malaya, and is a Member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants respectively.

Tan Wooi Meng (Malaysian, aged 55) is the Group Company Secretary of Genting. From 1975 to 1982 he was with an international accounting firm, both in London and in Malaysia before leaving as the Senior Audit Manager to join Genting as Group Financial Controller in 1982. Prior to his current appointment he was the Executive Vice President (Finance and Corporate) of Resorts World. He holds directorship in several companies within the Genting Group. He is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Malaysian Institute of Accountants as well as the Malaysian Institute of Certified Public Accountants.

Khoo Teng Chuan (Malaysian, aged 37) is the Senior Vice President, Corporate Affairs of Genting. He started his training with KPMG Manchester before leaving as an Audit Senior to pursue a career as an equity analyst with Morgan Grenfell. He subsequently joined RHB Research Institute Sdn Bhd and after nearly eight years, he left RHB Research Institute as a General Manager to join Genting in 2003. He holds a First Class Honours in Economics from the University of Manchester and is an Associate of the Institute of Chartered Accountants in England and Wales.

Azmi Abdullah (Malaysian, aged 41) is the Group Treasurer of Genting. He holds a Bachelor of Science in Business Administration from the University of Missouri, Columbia and a Masters in Business Administration from the University of Missouri, Kansas City. He has been with the Genting Group since 1990 and holds directorship in several companies within the Genting Group.

Chiew Sow Lin (Malaysian, aged 44) is the Group Controller of Genting. She was with an international accounting firm in Malaysia from 1979 to 1983 and left to join Genting as the Assistant Management Accountant in 1984. She holds directorship in several companies within the Genting Group. She is a member of the Malaysian Institute of Accountants as well as the Malaysian Institute of Certified Public Accountants.

Ho Juan Heng (Malaysian, aged 46) is the Senior Manager — Group Internal Audit of Genting. He started his career with Kassim, Chan & Company (an accounting firm having international affiliation with Deloitte Haskin & Sells) in Kuala Lumpur in 1978 and joined Othman & Ng Sdn Bhd (a member company of the KLSE) as an accountant in 1985. He rejoined Kassim, Chan & Company in 1986 before leaving for Genting in 1991. He is a Certified Internal Auditor of the Institute of Internal Auditors, Incorporation and a Member of the Institute Internal Auditors Malaysia. He is also a Member of Malaysian Institute of Accountants and a Fellow of the Chartered Association of Certified Accountants.

Management of Resorts World

Board of Directors

The Resorts World Group is managed by the board of Directors of Resorts World.

The Directors of Resorts World as at the date of this Offering Circular are set forth below.

Name	Position	Age	Year appointed as Director
Tan Sri Lim Goh Tong	Chairman	85	1980
Tun Mohammed Hanif bin Omar	Deputy Chairman	64	1994
Tan Sri Lim Kok Thay	President & Chief Executive	52	1988
Tan Sri Alwi bin Jantan	Executive Director and Executive Vice President — Public Affairs and Human Resources	68	1990
Mr Quah Chek Tin	Executive Director and Chief Operating Officer	52	2003
Mr Justin Tan Wah Joo	Executive Director and Executive Vice President — Leisure and Hospitality	53	1999
Dato' Siew Nim Chee	Independent Non-Executive Director	78	1994
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	Independent Non-Executive Director	67	1997
Tan Sri Clifford Francis Herbert	Independent Non-Executive Director	62	2002
Tan Sri Dr. Lin See Yan	Independent Non-Executive Director	64	2002

The business address of the Directors is 25th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The biographies of the Directors of Resorts World are set forth below.

Tan Sri Lim Goh Tong (Malaysian, aged 85), appointed on 7 May 1980, is the founder of the Resorts World Group and Chairman of Resorts World. He is also the Chairman of Genting, the holding company which owns 56.79% equity interests in Resorts World and a Director of ADB, a related company. In addition, he is also a Director of Kien Huat Berhad and the Chairman of Lim Foundation, a charitable Foundation established by him and his family in Malaysia. In 2002, Tan Sri Lim was awarded the Property Man of the Year Award from the Malaysian Chapter of FIABCI (International Real Estate Federation).

As at 30 September 2003, Tan Sri Lim had an option to subscribe for 1,000,000 ordinary shares in Resorts World. Tan Sri Lim is the father of Tan Sri Lim Kok Thay.

Tan Sri Lim has an interest in the securities of Star Cruises. The Star Cruises Group engages in cruise and cruise related businesses.

Tun Mohammed Hanif bin Omar (Malaysian, aged 64), appointed on 23 February 1994, is the Deputy Chairman of Resorts World and Genting. He was the Inspector-General of The Royal Malaysian Police for 20 years before retiring in January 1994, having joined as an officer in 1959. He holds a Bachelor of Arts degree from the University of Malaya, Singapore, Bachelor of Law (Honours) degree from Buckingham University and the Certificate of Legal Practice (Honours) from the Legal Qualifying Board. He is the Chairman on the Board of public-listed Park May Berhad, General Corporation Berhad and Maxis Communications Berhad. He is a Director of AMMB Holdings Berhad, AMFB Holdings Berhad, Fullmark Manufacturing Bhd and AmFinance Berhad. He is the President of the Malaysian Equine Council and of the Malaysian Institute of Management.

As at 30 September 2003, Tun Mohammed Hanif held 1,000 ordinary shares and had an option to subscribe for 500,000 ordinary shares in Resorts World.

Tan Sri Lim Kok Thay (Malaysian, aged 52), appointed on 17 October 1988, is the President and Chief Executive of Resorts World. He holds a Bachelor of Science degree in Civil Engineering from the University of London. He is also the President and Chief Executive of Genting, the Joint Chief Executive and a Director of ADB and the Chairman of Genting International PLC. He is a Director of Pacific Lottery Corporation. In addition, he sits on the Boards of other Malaysian and foreign companies. He joined the Genting Group in 1976 and has since served in various positions within the Genting Group. He also sits on the Board of Trustees of several charitable organisations in Malaysia.

As at 30 September 2003, Tan Sri Lim held 50,000 ordinary shares in Resorts World; and had an option to subscribe for 750,000 ordinary shares in Resorts World. Tan Sri Lim is a son of Tan Sri Lim Goh Tong.

Tan Sri Lim is the Chairman, President and Chief Executive Officer of Star Cruises. He also has an interest in the securities of Star Cruises.

Tan Sri Alwi bin Jantan (Malaysian, aged 68), appointed on 10 August 1990, is an Executive Director of Resorts World. A graduate of the University of Malaya with Bachelor of Arts (Honours) degree, he had a long career in the public service. Prior to joining Resorts World, he was the Director General of Public Service Malaysia. He also sits on the Boards of Guinness Anchor Berhad, Genting Golf Course Bhd, Awana Vacation Resorts Development Berhad, Genting Highlands Berhad, FAL Berhad and Hiap Teck Venture Bhd.

As at 30 September 2003, Tan Sri Alwi held 5,000 ordinary shares in Resorts World and 60,000 ordinary shares in Genting Centre of Excellence Sdn Bhd, and had an option to subscribe for 500,000 ordinary shares in Resorts World.

Mr Quah Chek Tin (Malaysian, aged 52), appointed on 15 January 2003, is an Executive Director and Chief Operating Officer of Resorts World. He holds a Bachelor of Science (Honours) degree in Economics from the London School of Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also an Executive Director of Genting, a Director of ADB, and the Alternate Director to Tan Sri Lim Kok Thay on the Board of Genting International PLC. He has been with the Genting Group since 1979 and also holds directorships in other companies within the Genting Group which include three public companies, Genting Golf Course Bhd, Genting Highlands Berhad and Awana Vacation Resorts Development Berhad.

As at 30 September 2003, Mr Quah held 1,000 ordinary shares in Resorts World.

Mr Justin Tan Wah Joo (Malaysian, aged 53), appointed on 12 April 1999, is an Executive Director of Resorts World. He holds a Bachelor of Economics (Honours) degree from University of Malaya. He went on to receive his professional qualifications and is currently a Fellow of the Australian Society of Certified Practising Accountants (FCPA) and an Associate Member of the Chartered Institute of Management Accountants, United Kingdom (ACMA). He is also the Managing Director of Genting International PLC and a Director of Pacific Lottery Corporation. He has nineteen years of working experience with the Genting Group. He has held and is currently holding directorships in various subsidiaries under the Resorts World Group.

As at 30 September 2003, Mr Justin Tan had an option to subscribe for 500,000 ordinary shares in Resorts World.

Dato' Siew Nim Chee (Malaysian, aged 78), appointed on 11 August 1994, is an Independent Non-Executive Director of Resorts World. He was appointed as Director of ADB on 12 June 1980. He holds a Bachelor of Arts degree and a Bachelor of Arts (Honours) degree in Economics from the University of Malaya. He went on to obtain a Master of Science degree in Industrial Labour Relations from Cornell University, New York in 1953. He was an adviser and consultant to Genting from 1977 to 1985, and continues to be active in the corporate sector. He also sits on the Boards of Ancom Berhad, Johan Holdings Berhad, UAC Berhad, Malaysia Smelting Corporation Berhad and Malaysian Oxygen Berhad.

As at 30 September 2003, Dato' Siew had no interest in any securities of any company within the Resorts World Group.

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman (Malaysian, aged 67), appointed on 28 August 1997, is an Independent Non-Executive Director of Resorts World. Tan Sri Wan Sidek holds a Bachelor of Arts (Honours) degree in Economics from the University of Malaya. He has vast experience in the civil service, where he held several senior posts such as the Secretary General of the Ministry of Science, Technology & Environment (1981-1982), Secretary General of the Ministry of Information (1982-1986), Deputy Secretary General in the Prime Minister's Department (1986-1988) and Secretary General in the Ministry of Home Affairs Malaysia (1988-1990). Between 1990 to 1992, he served as the High Commissioner for Malaysia to the United Kingdom and Ambassador for Malaysia to the Republic of Ireland. He also sits on the Boards of Shangri-La Hotels (Malaysia) Berhad, Eng Teknologi Holdings Bhd and Olympia Industries Berhad.

As at 30 September 2003, Tan Sri Wan Sidek had no interest in any securities of any company within the Resorts World Group.

Tan Sri Clifford Francis Herbert (Malaysian, aged 62), appointed on 27 June 2002, is an Independent Non-Executive Director of Resorts World. He holds a Bachelor of Arts (Honours) degree from the University of Malaya and a Masters of Public Administration from the University of Pittsburgh, United States of America. He retired from the civil service in 1997 and at present sits on the Boards of Percetakan Nasional Malaysia Berhad (PNMB) and RHB Insurance Berhad.

Tan Sri Clifford joined the civil service in 1964, serving as an Assistant Secretary in the Public Services Department from 1964 to 1968, and as Assistant Secretary in the Development Administration Unit, Prime Minister's Department from 1968 to 1975. Tan Sri Clifford served in the Ministry of Finance from 1975 to 1997, rising to the post of Secretary General to the Treasury.

During Tan Sri Clifford's tenure in the civil service, he sat on the Boards of the Pepper Marketing Agency, Tourist Development Corporation, Advisory Council of the Social Security Organisation (SOCSO), Aerospace Industries Malaysia Sdn Bhd, Malaysian Highway Authority, Malaysian Rubber Development Corporation (MARDEC), Port Kelang Authority, Kelang Container Terminal Berhad, Bank Industri Malaysia Berhad, Malaysia Export Credit Insurance Ltd., National Trust Fund (KWAN), Kumpulan Khazanah Nasional Bhd, Malaysia Airline System Berhad (MAS), Petroliam Nasional Berhad (PETRONAS), Bank Negara Malaysia and Multimedia Development Corporation Sdn Bhd. He also served as Chairman of the Inland Revenue Board in 1997.

Tan Sri Clifford was instrumental in establishing the Securities Commission, of which he was a member from 1993 to 1994, and was also a Board member of the Institute of Strategic and International Studies (ISIS) from 1989 to 1997. As Secretary General to the Minister of Finance, he was also appointed as alternate Governor to the World Bank. Tan Sri Clifford was appointed as Director of KL International Airport Bhd (KLIAB) in 1993. On 16 July 2000 he was appointed as Executive Chairman of PNMB and is currently Chairman of PNMB with effect from 16 July 2002.

As at 30 September 2003, Tan Sri Clifford had no interest in any securities of any company within the Resorts World Group.

Tan Sri Dr. Lin See Yan (Malaysian, aged 64), appointed on 27 February 2002, is an Independent Non-Executive Director of Resorts World. He is an independent strategic and financial consultant and a chartered statistician. Tan Sri Lin received three degrees from Harvard University, including a Ph.D in economics. He is an Eisenhower Fellow and also Professor of Economics (Adjunct) at Universiti Utara Malaysia.

Prior to 1998, Tan Sri Lin was Chairman/President and Chief Executive Officer of the Pacific Bank Group, Deputy Governor of Bank Negara Malaysia (the central bank of Malaysia) for 14 years since 1980, having been a central banker for 34 years. He continues to serve the public interest, including Member, National Economic Action Council (NEAC) Working Group; Chairman, Experts Group on Finance for Sustainable Development at the United Nations Commission on Sustainable Development (New York); Pro-Chancellor, Universiti Sains Malaysia; Trustee, Malaysia University for Science & Technology and Monash University

(Sunway Campus) Malaysia; and Governor, Asian Institute of Management, Manila, as well as Member, Asian Financial Regulatory Shadow Committee based in the United States of America. He is Chairman of Council of the Graduate School Alumni Association at Harvard University as well as Regional Director for Asia Harvard Alumni Association at the University, in addition to being President of the Harvard Club of Malaysia and its Foundation. In addition, he advises and sits on the Boards of a number of public listed and private enterprises in Malaysia, Singapore and Indonesia, including as Independent Director of Genting, Ancom Berhad and Fraser & Neave Holdings Berhad.

Senior Management

The senior management of Resorts World as at the date of this Offering Circular is set forth below.

Name	Position
Lee Choong Yan	Executive Vice President, Resorts Operations
Jeffrey Teoh Kak Siew	Senior Vice President, Casino Marketing
Lim Eng Ming	Senior Vice President, Casino and Security Operations
Wong Yun On	Senior Vice President, Hotel Operations
Raymond Yap Yin Min	Senior Vice President, Theme Park and First World Plaza Operations
Colonel (Rtd) Dato' Ir. Cheng Wah	Senior Vice President, Property Development
Dato' Anthony Yeo Keat Seong	Senior Vice President, Public Relations and Media
Bobby Ooi Kim Tee	Senior Vice President, Human Resources
Koh Poy Yong	Senior Vice President, Finance

The biographies of the senior management of Resorts World are set forth below.

Lee Choong Yan (Aged 42), is the Executive Vice President, Resorts Operations of Resorts World and is responsible for the day-to-day operations of Resorts Operations of Resorts World. He holds a Bachelor of Science (Honours) degree in Business Economics and Accounting from the University of Southampton, England. He is an Associate of the Institute of Chartered Accountants in England and Wales. He joined the Genting Group in January 1997. Prior to joining Resorts World, he held the position of an Executive Director in a merchant bank in Hong Kong. He previously worked with an international accounting firm in London and Hong Kong. He has over 13 years of international experience in the financial industry including merchant banking and public accounting practices.

Jeffery Teoh Kak Siew (Aged 53), is the Senior Vice President, Casino Marketing of Resorts World. He is responsible for Casino Marketing which comprises VIP services, Player Development, Promotions and entertainment. He attended the Advanced Management Course conducted at Harvard Business School. He was previously Vice President of Casino Operations and Casino Marketing at Resorts World and was responsible for IT development. He was a key member of the team that opened the Burswood and Adelaide Casino Resorts. He has over 30 years of experience in the casino industry.

Lim Eng Ming (Aged 53), is the Senior Vice President, Casino and Security Operations of Resorts World. He is responsible for the day-to-day casino and security operations. He was previously the Vice President of casino operations and surveillance. He has over 30 years of experience in the casino industry.

Wong Yun On (Aged 53), is the Senior Vice President, Hotel Operations of Resorts World and is responsible for overseeing the hotel operations of Resorts World Group. He has attended Management and General Managers' courses at Cornell University, New York. He previously held positions of Front Office Manager, Resident Manager, Hotel Manager and Vice President of Hotel Operations. He has over 30 years of experience in the hotel industry.

Raymond Yap Yin Min (Aged 38), is the Senior Vice President, Theme Park and First World Plaza Operations and is responsible for theme park operations and tenancy management and marketing activities of First World Plaza. He holds an MBA and a Swiss degree in Hotel and Catering Management. He joined

Genting Group in 1989. He was previously Vice President of Corporate and Business Development of eGenting Holdings. He also previously worked as the Assistant Vice President of Resort Operations Planning. He has over 13 years of experience in hotel and catering management, operations/corporate planning and business development.

Colonel (Rtd) Dato' Ir. Cheng Wah (Aged 64), is the Senior Vice President, Property Development of Resorts World. He holds a Bachelor of Engineering (Civil) from the University of Malaya and has a Certificate in Management from the Industrial War College in U.S. He is a graduate of the Royal Military Academy Sandhurst, U.K. (awarded Baton of Honor for Best Overseas Cadet out of 27 countries). He is also a graduate of the Command and General Staff College, Fort Leavenworth, United States of America (awarded Eisenhower Award for Best Allied Student out of 50 countries). He is a qualified engineer and is registered with the Board of Engineers, Malaysia. He sits on the boards of several subsidiary companies of the Genting Group such as Genting Golf Course Bhd, Genting Highlands Berhad, Genting Utilities & Services Sdn Bhd, Kijal Resort Sdn Bhd, Awana Vacation Resorts Development Bhd, Ikhlas Tiasa Sdn Bhd and Oakwood Sdn Bhd. He is also an independent board member of Pacific Mas Berhad since 1983 and Tamadam Bonded Warehouse Bhd since 1993. He joined Resorts World in September 1989 to oversee the property development of Resorts World. He was appointed Chief Executive Officer of the Awana Time Share Ownership Scheme in April 2003 and was later promoted to Senior Vice President (Property Development) of Resorts World. He joined Genting in 1983 as Project Coordinator and later as Director of Development of the Genting Group until September 1989. He served close to 26 years in the Malaysian Armed Forces holding positions of Director of Logistics (1980-1983), Director of Armed Forces Works, Logistic division (1978-1980), Staff Officer Grade I (1976-1978), Commanding Officer — Engineer Specialist Regiments (1973-1975) & Pioneer Military Instructor in the establishment of the Malaysian Armed Forces Staff College (1970-1972).

Dato' Anthony Yeo Keat Seong (Aged 62), is the Senior Vice President, Public Relations and Media of Resorts World. He holds a Bachelor of Arts (Honours) degree from the University of Malaya. He is an Alumni member of the Oxford Templeton College Advanced Management Programme. He has been the Senior Vice President, Human Resources and Public Relations of Resorts World since 1996. He was previously in civil service for 30 years, of which 26 were with the Ministry of Foreign Affairs holding key positions such as Deputy Permanent Representative to the Malaysian Permanent Mission to the United Nations in New York, High Commissioner and Ambassador of Malaysia to Korea, Sri Lanka and the Republic of Zimbabwe and a number of other African countries as well as Secretary General of the Ministry of Human Resources from 1992 to 1996.

Bobby Ooi Kim Tee (Aged 55), is the Senior Vice President, Human Resources of Resorts World. He is responsible for the human resources function in the Resorts World and the Awana Group. He attended the Advanced Management Course conducted at Harvard Business School. He was previously the Vice President, Human Resources. He has over 30 years experience in the hospitality industry.

Koh Poy Yong (Aged 47), is the Senior Vice President, Finance of Resorts World. She is responsible for the finance and procurement functions of Resorts World Group. She is an Associate of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants. She joined the Genting Group in 1990 as Manager of Finance. She has over 26 years of audit and accounting experience.

Corporate Governance

The Malaysian Code on Corporate Governance introduced in March 2000, was incorporated into the Listing Requirements of the KLSE in June 2001.

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

Directors

The Board

The Board has overall responsibility for the proper conduct of Resorts World'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 Resorts World's operating and financial performance.

Formal Board Committees established by the Board in accordance with the Code namely the Audit Committee, Nomination Committee and Remuneration Committee assist the Board in the discharge of its duties.

Board Balance

The Resorts World Board has ten members, six executive Directors and four non-executive Directors. All 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 in the public and/or private sectors. The independent non-executive Directors provide a strong independent element on the Board. The independent non-executive Directors also participate in the Audit, Remuneration and Nomination Committees as members of these Committees.

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

Appointments to the Board

The Nomination Committee is comprised entirely of independent non-executive Directors and 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 Resorts World Group and are encouraged to visit the sites of the Resorts World 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. The Directors are also encouraged to attend courses, whether in-house or external, to help them in the discharge of their duties.

Re-election

The Articles of Association of Resorts World 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 who are over 70 years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Accountability and Audit

The Board is responsible for the Resorts World 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 Resorts World Group's assets, Resorts World has in place an adequately resourced internal audit department. The activities of this department, which reports regularly to the Audit Committee, provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, Resorts World has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

Principal Shareholders of Genting

The following tables set forth certain information of Genting with respect to the ownership of the shares by each person or entity, who or which owned more than 5% of the shares of Genting as at 30 September 2003.

		No. of ordinary shares held			
Shareholders	**Place of incorporation**	**Direct**	**%**	**Indirect**	**%**
KHR	Malaysia	238,628,052	33.9	52,637,200(1)	7.5
Parkview Management Sdn Bhd	Malaysia	—	—	291,265,252(2)	41.4
Inforex Sdn Bhd	Malaysia	—	—	238,628,052(3)	33.9
Info-Text Sdn Bhd	Malaysia	—	—	238,628,052(3)	33.9
Dataline Sdn Bhd	Malaysia	—	—	238,628,052(3)	33.9
GT Realty Sdn Bhd	Malaysia	—	—	238,628,052(3)	33.9

Notes:

(1) Deemed interested through its subsidiaries (Alocasia Sdn Bhd, World Management Sdn Bhd, Tinehay Holdings Limited and Inverway Sdn Bhd) pursuant to Section 6A of the Companies Act, 1965.

(2) Deemed interested through KHR and its subsidiaries (Alocasia Sdn Bhd, World Management Sdn Bhd, Tinehay Holdings Limited and Inverway Sdn Bhd) pursuant to Section 6A of the Companies Act, 1965.

(3) Deemed interested through KHR pursuant to Section 6A of the Companies Act, 1965

Principal Shareholders of Resorts World

The following tables set forth certain information of Resorts World with respect to the ownership of the Shares by each person or entity, who or which owned more than 5% of the Shares of Resorts World as at 30 September 2003.

		No. of ordinary shares held			
Shareholders	**Place of incorporation**	**Direct**	**%**	**Indirect**	**%**
Genting	Malaysia	620,018,000	56.8	—	—
KHR...	Malaysia	—	—	620,257,786⁽¹⁾	56.8
Parkview Management Sdn Bhd	Malaysia	—	—	620,257,786⁽²⁾	56.8

Notes:

(1) Deemed interested through a wholly-owned subsidiary, Tinehay Holdings Limited and Genting pursuant to Section 6A of the Companies Act, 1965.

(2) Deemed interested through a wholly-owned subsidiary of KHR, Tinehay Holdings Limited and Genting pursuant to Section 6A of the Companies Act, 1965.

Terms and Conditions of the Notes

The following, subject to amendment, other than the paragraphs in italics, are the terms and conditions of the Notes which will appear on the reverse of each of the definitive certificates evidencing the Notes:

The issue of the US$250,000,000 1% Guaranteed Exchangeable Notes due 2008 (the "Notes", which shall include any additional Notes issued pursuant to the option to increase the principal amount of the Notes as described in the Trust Deed (as defined below) and which expression shall, except where otherwise indicated, include any further Notes issued in accordance with Condition 18 and consolidated and forming a single series with the Notes) of Prime Venture (Labuan) Limited (the "Issuer") was authorised by a resolution of the Board of Directors of the Issuer passed on 13 October 2003. The guarantee of the Notes was authorised by a resolution of the Board of Directors of Genting Berhad (the "Guarantor") passed on 13 October 2003. The Notes are constituted by a trust deed (as modified from time to time in accordance with its terms, the "Trust Deed") dated 12 December 2003 (the "Issue Date") and made between the Issuer, the Guarantor and J.P. Morgan Corporate Trustee Services Limited ("JPM Trustee", which term shall, where the context so permits, include all other persons or companies replacing or substituting JPM Trustee for the purposes of the Trust Deed) as trustee for the holders of the Notes. Equity Trust (Labuan) Limited ("Equity Trust", together with JPM Trustee, the "Trustees") has been appointed as co-trustee in relation to the receipt of notices in Labuan. The Issuer and the Guarantor have entered into an agency agreement (the "Agency Agreement") dated the Issue Date with JPM Trustee, JPMorgan Chase Bank, London Branch as principal paying agent (the "Principal Agent"), transfer agent (the "Transfer Agent") and exchange agent (the "Exchange Agent") and J.P. Morgan Bank Luxembourg S.A. as registrar (the "Registrar"), paying agent (the "Paying Agent" and together with the Principal Agent, the "Paying Agents") and transfer agent (together with the Transfer Agent, the "Transfer Agents"). In these Conditions, the Paying Agents, the Transfer Agents and the Exchange Agent are together referred to as the "Agents". The statements in these terms and conditions of the Notes (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the registered office of JPM Trustee being at the date hereof at Trinity Tower, 9 Thomas More Street, London E1W 1YT, United Kingdom and at the specified offices of each of the Agents. The Noteholders (as defined in Condition 1*(b)*) are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1 Form, Denomination, Title and Interest

(a) Form and Denomination

The Notes are issued in registered form in the denomination of US$10,000 each or integral multiples thereof. A certificate (each a "Certificate") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders (the "Register") which the Issuer will procure to be kept by the Registrar.

Upon issue, the Notes will be represented by a Global Certificate deposited with a common depositary for, and representing Notes registered in the name of a common nominee of, Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, société anonyme. The Conditions are modified by certain provisions contained in the Global Certificate.

(b) Title

Title to the Notes passes only by transfer and registration in the register of holders of the Notes. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions "Noteholder" and (in relation to a Note) "holder" means the person in whose name a Note is registered on the Register (or in the case of a joint holding, the first named thereof).

(c) Interest Rate
The Notes bear interest from the Issue Date at the rate of 1% per annum of the principal amount thereof payable semi-annually in arrear on 12 June and 12 December in each year (each an "Interest Payment Date"), the first Interest Payment Date being 12 June 2004.

If interest is required to be calculated for a period of less than one year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

(d) Accrual of Interest
Each Note will cease to bear interest (i) where the Exchange Right (as defined in Condition 6) shall have been exercised in respect thereof, from the Interest Payment Date immediately preceding the relevant Exchange Date (as defined below) or, if none, the Issue Date (but without prejudice to Condition 1*(e)*); or (ii) where such Note is redeemed, from the due date for redemption unless, upon due presentation, payment of the full amount due in respect of such Note is improperly withheld or refused, in which event, such Note shall continue to bear interest (both before and after judgment) as provided in these Conditions.

(e) Interest on Exchange
If any notice requiring the redemption of any Note is given pursuant to Condition 9 in the period between a record date or other due date for the establishment of entitlement in respect of any dividend, distribution or interest payable in respect of RWB Shares (as defined below) or other Relevant Securities (as defined below) and the fifteenth day prior to such record date or other due date (both dates inclusive) and where such notice specifies a date for redemption falling in the period between the Interest Payment Date next following such record date or other due date and the fourteenth day after such Interest Payment Date (both dates inclusive), interest shall accrue on any Notes in respect of which Exchange Rights shall have been exercised and the Exchange Date in relation thereto falls after such record date or other due date and on or prior to such Interest Payment Date, in each case from the preceding Interest Payment Date (or, if such Exchange Date falls before the first Interest Payment Date, from the Issue Date) to such Exchange Date.

2 Guarantee and Status

(a) Guarantee
The Guarantor has unconditionally and irrevocably guaranteed (the "Guarantee") the due payment of all sums, including principal, premium and interest and of any additional amounts expressed to be payable by the Issuer under the Trust Deed and the Notes and the due and punctual performance of all the Issuer's obligations under the Trust Deed and the Notes, including the Exchange Rights. The obligations of the Guarantor in respect of the Guarantee are contained in the Trust Deed.

(b) Status
The Notes and the Guarantee constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Issuer and the Guarantor, respectively, and the Notes rank and will rank (subject to the provisions of Condition 4) *pari passu*, without any preference or priority among themselves. The obligations of the Issuer and the Guarantor under the Notes and the Guarantee shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of the Issuer's and the Guarantor's present and future senior, direct, unsubordinated, unconditional and unsecured obligations respectively.

3 Transfers of Notes and Issue of Certificates

(a) Register
The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, the Register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers of the Notes. Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding.

(b) Transfers

Subject to the Agency Agreement, a Note may be transferred by delivery of the Certificate issued in respect of that Note, with the form of transfer endorsed on such Certificate duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents. No transfer of title to a Note will be valid unless and until entered on the Register.

Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(c) Delivery of New Certificates

(i) Each new Certificate to be issued upon a transfer of Notes will, within seven Exchange Business Days of receipt by the Registrar or, as the case may be, any other relevant Transfer Agent of the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Notes (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Transfer Agent.

Except in the limited circumstances described herein (see "Summary of Provisions Relating to the Notes While in Global Form"), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates.

(ii) Where only part of a principal amount of the Notes (being that of one or more Notes) in respect of which a Certificate is issued is to be transferred or exchanged, a new certificate in respect of the Notes not so transferred or exchanged will, within seven Exchange Business Days (as defined below) of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred or exchanged (but free of charge to the holder) to the address of such holder appearing on the Register.

(iii) For the purposes of these Conditions, "Exchange Business Day" shall mean a day other than a Saturday or Sunday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or exchange) or the Agent with whom a Certificate is deposited in connection with a transfer or exchange, is located.

(d) Formalities Free of Charge

Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon (i) payment (or the giving of such indemnity as the Issuer or any of the Agents may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; and (ii) the Issuer or the relevant Transfer Agent being reasonably satisfied that the regulations concerning transfer of Notes have been complied with.

(e) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of seven days ending on (and including) the dates for redemption pursuant to Conditions 9*(b)*, 9*(c)*, 9*(d)* and 9*(e)*; (ii) after an Exchange Notice (as defined herein) has been delivered with respect thereto; (iii) after a Tax Redemption Notice (as defined herein) or a Put Notice (as defined in Condition 9*(c)*) or an Optional Redemption Notice (as defined herein) has been deposited in respect of such Note; and (iv) during the period of five days ending on (and including) any Interest Record Date (as defined herein), each such period being a "Closed Period".

(f) Regulations

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of JPM Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder upon request and is available at the specified office of the Transfer Agent.

4 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer and the Guarantor shall not (and the Guarantor shall procure that none of its Principal Subsidiaries (as defined below) shall) create, purport to create, or permit to be outstanding any mortgage, charge, pledge or other security interest (other than liens arising by operation of law) (an "Encumbrance") upon the whole or any part of its property, assets or revenues, present or future, to secure for the benefit of the holders of any International Investment Securities (as defined below) (i) payment of any sum due in respect of any such International Investment Securities; (ii) any payment under any guarantee of any such International Investment Securities; or (iii) any payment under any indemnity or other like obligation relating to any such International Investment Securities without in any such case at the same time according to all the Noteholders, to the satisfaction of JPM Trustee, either the same security as is granted to or is outstanding in respect of such International Investment Securities, guarantee, indemnity or other like obligation or such other security as JPM Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

The term "International Investment Securities" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes, loan stock or investment securities which (a) either (i) are by their terms payable, or confer a right to receive payment, in any currency other than Malaysian Ringgit or (ii) are denominated or payable in Malaysian Ringgit and more than 50% of the aggregate principal amount thereof is initially distributed outside Malaysia by or with the authorisation of the issuer thereof and (b) are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange, quotation system or over-the-counter or other similar securities market outside Malaysia.

"Principal Subsidiary" means any corporation or other business entity more than 50% of the outstanding voting stock of which is for the time being owned directly or indirectly by the Guarantor and either (i) the net profits after taxation and minority interest of which, as shown by the accounts (consolidated in the case of any entity which itself has subsidiaries) of such entity upon which the latest audited consolidated accounts of the Guarantor have been based, are at least 15% of the net profits after taxation and minority interest of the Guarantor and its consolidated subsidiaries, if any, as shown by such audited consolidated accounts or (ii) the net tangible assets of which, as shown by the aforementioned accounts, are at least 15% of the net tangible assets, as applicable, of the Guarantor and its consolidated subsidiaries, if any, as shown by such audited consolidated accounts.

5 Definitions

For the purpose of these Conditions, the following words and phrases shall have the following meanings:

"Capital Distribution" means (i) any distribution of assets in specie by a Relevant Company for any financial period (whenever paid or made and however described) but excluding a distribution of assets in specie in lieu of, and to a value not exceeding, a cash Dividend which would not have constituted a Capital Distribution under (ii) below (and for these purposes a distribution of assets in specie includes without limitation an issue of Relevant Securities or other securities credited as fully or partly paid by way of capitalisation of reserves); and (ii) any cash Dividend or distribution of any kind by a Relevant Company for any financial period (whenever paid and however described) unless:

(a) (and to the extent that) in the case of a Dividend charged or provided for in the financial statements of a Relevant Company for any Financial Period (the "Relevant Financial Period") (whenever paid or made and however described) (the "Relevant Dividend"), the sum of (A) the Fair Market Value of the proposed Relevant Dividend per Relevant Security; and (B) the Fair Market Value of any other Dividends per Relevant Security on such Relevant Securities provided for or charged in the financial statements of such Relevant Company in respect of the Relevant Financial Period (other than any part thereof previously deemed to be a Capital Distribution), such sum being the "Current Year's Dividends", does not exceed the Reference Amount per Relevant Security;

where "Reference Amount" means the lesser of (x) an amount per Relevant Security equal to 120% of the Previous Year's Dividends (other than any part thereof previously deemed to be a Capital Distribution) and (y) 4% of the average of the Current Market Price of the Relevant Securities on the ten consecutive Trading Days ending on the Trading Day immediately preceding the date on which the Relevant Dividend is announced; or

(b) (and to the extent that) in the case of a distribution in specie only it does not, when taken together with any other Dividend or distribution previously made or paid in respect of all periods after 31 December 2002, exceed the aggregate of the Relevant Company's consolidated net profits for such periods (less the aggregate of any consolidated net losses) attributable to shareholders after deducting minority interests and preference dividends (if any) but (a) deducting any amounts in respect of any asset previously credited to the Relevant Company's reserves (in respect of any period or date up to and including 31 December 2002) pursuant to any revaluation of such asset, where amounts arising on disposal of such asset have contributed to such profits and (b) deducting any exceptional and extraordinary items, (and for the avoidance of doubt after excluding any amount arising as a result of any reduction in registered capital, share premium account or capital redemption reserve), in each case calculated by reference to the audited consolidated profit and loss accounts for such periods of the Relevant Company and its Subsidiaries; or

(c) it comprises a purchase or redemption of Relevant Securities by or on behalf of the Relevant Company (or a purchase of Relevant Securities by or on behalf of a Subsidiary of the Relevant Company), where the weighted average price (before expenses) on any one day in respect of such purchases does not exceed the Current Market Price of the Relevant Securities, by more than 5 per cent, either (1) on that date, or (2) where an announcement has been made of the intention to purchase Relevant Securities at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day.

In the event of a dispute between JPM Trustee and the Issuer in respect of the calculation of any amount in relation to a Capital Distribution, such dispute (if any) shall be determined by an independent investment bank of international repute, acting as an expert, selected by the Issuer and approved by JPM Trustee and such adjustments made as such bank may consider appropriate to reflect any Sub-division, Consolidation or Redenomination (as defined in Condition 6) of the Relevant Securities or any issue of Relevant Securities by way of capitalisation of profits, or reserves, or any like or similar event;

"Current Market Price" means, in respect of any particular date, (i) in the case of RWB Shares, the average of the closing prices published by the Kuala Lumpur Stock Exchange or an Alternative Stock Exchange for one RWB Share for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date (provided that if no transaction in respect of RWB Shares takes place on any such Trading Day, that Trading Day shall be excluded from the 20 consecutive Trading Day period for the purposes of such calculation); and (ii) in the case of any other Relevant Security, the average of the closing prices as obtained or derived from such stock exchange or other securities market on which such Relevant Security is principally traded for one share of such Relevant Security for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date (provided that if no transaction in respect of such Relevant Security takes place on any such Trading Day, that Trading Day shall be excluded from the 20 consecutive Trading Day period for the purposes of such calculation);

"Depositor" means a person being a Depository Agent or a holder of a securities account maintained with Malaysian Central Depository Sdn Bhd ("MCD") (but does not include a holder of a sub-account maintained with a Depository Agent) and "Depository Agent" means an entity registered with the MCD for the purpose of maintaining securities sub-accounts for its own account and for the account of others;

"Dividend" means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described and shall include any distribution or repayment of capital, whether upon a reduction in the par value or nominal value of any Relevant Securities or otherwise, and howsoever described, (and a distribution of assets includes, without limitation, an issue of shares or other Securities credited as fully or partly paid up);

"Exchange Property" is as defined in Condition 6*(c)*;

"Fair Market Value" means with respect to any property on any date, the fair market value of that property as determined by an independent investment bank of international repute, acting as an expert, selected by the Issuer and approved by JPM Trustee; provided that (i) the fair market value of a cash Dividend paid or to be paid per Relevant Security shall be the amount of such cash Dividend per Relevant Security; and (ii) where shares, options, warrants or other Securities or rights are publicly traded in a market of adequate liquidity (as determined by such investment bank), the fair market value of such shares, options, warrants or other Securities or rights shall equal the arithmetic mean of the daily Current Market Prices of such shares, options, warrants or other Securities or rights during the period of 20 Trading Days on the relevant market preceding the relevant date, or such shorter period as such shares, options, warrants or other Securities or rights are publicly traded; in each case converted into the relevant currency at the Screen Rate;

"Final Date" means, in relation to any Offer, the date such Offer becomes or is declared unconditional in all respects;

"Financial Period" means any annual financial period of the Relevant Company in respect of which audited financial statements are or must under applicable law be prepared; provided that if the Relevant Company shall change the date to which its financial statements are prepared, such modification shall be made in the operation of the definition of "Capital Distribution" as shall be determined to be reasonable and appropriate by an independent investment bank of international repute, acting as an expert, selected by the Issuer and approved by JPM Trustee;

"Malaysian Ringgit" or "RM" means the lawful currency of Malaysia;

"Market Capitalisation" on any date means the product of (i) the Current Market Price and (ii) the number of ordinary shares issued by the Relevant Company;

"Maturity Date" means 12 December 2008;

"Offer" means an offer to the holders of any Relevant Securities comprising Exchange Property, whether expressed as a legal offer, an invitation to treat or in any other way, in circumstances where such offer is available to all holders of the applicable Relevant Securities or all or substantially all such holders other than any holder who is, or is connected with, or is deemed to be acting in concert with, the person making such offer or to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any stock exchange in any territory, it is determined that an offer is not to be made;

"Previous Year's Dividends" means the Fair Market Value of all Dividends per Relevant Security (other than any part thereof previously deemed to be a Capital Distribution) charged or provided for in the financial statements of the Relevant Company in respect of the Financial Period immediately preceding the Relevant Financial Period;

"*pro rata* share" means, for each Note at any time, a fraction of the Exchange Property the numerator of which shall be the nominal amount of such Note and the denominator of which shall be the aggregate principal amount of all the Notes (including the Note to which the *pro rata* share relates) which are outstanding at such time (excluding for this purpose the principal amount of any Notes in respect of which Exchange Rights have been exercised by a Noteholder but the Exchange Property has not yet been delivered and excluding from the Exchange Property such undelivered Exchange Property);

"Realisation Proceeds" means the proceeds of a sale (after the deduction of costs and expenses of such sale) of the relevant Exchange Property carried out by an independent broker or investment bank selected by the Issuer and approved by JPM Trustee, on an arm's length basis and/or the relevant dividends or other income or distributions or rights (in the case of Condition 6*(b)*(iii)*(b)*) (in each case converted if necessary into RM at the Screen Rate on the date of receipt of such proceeds);

"Relevant Company" means RWB, and any corporation or company derived from or resulting or surviving from the merger, consolidation, amalgamation, reconstruction or acquisition of RWB with, into or by such other corporation or company, and any other entity, all or part of the share capital of which is, or all or some of the Securities are, at the relevant time included in the Exchange Property;

"Relevant Exchange" means the Kuala Lumpur Stock Exchange ("KLSE") or, if the RWB Shares are no longer admitted to trading on the KLSE, the principal stock exchange or securities market on which the RWB Shares are traded or dealt in;

"Relevant Securities" means any Securities of any Relevant Company which at the relevant time are included in the Exchange Property;

"RWB" means Resorts World Bhd;

"RWB Shares" means fully paid ordinary shares of par value RM0.50 each in the capital of RWB and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of those shares which, as between themselves, have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation or winding-up of RWB;

"Screen Rate" means, on any day, and, in respect of the conversion of one currency into another currency, the rate of exchange between such currencies appearing on Reuters ABSIRFIXO1 or as such page may be replaced from time to time, on that day, or, if that page is not available or that rate of exchange does not appear on that page on that day, the rate of exchange between such currencies appearing on such other screen or information service, as is selected by the Issuer, with the approval of JPM Trustee;

"Securities" means shares or other securities (including without limitation any options, warrants, convertible bonds, evidence of indebtedness or rights to subscribe or purchase shares or other Securities);

"Securities Account" means a securities account maintained by a Depositor with the MCD;

"Settlement Date" means the date falling three Payment Business Days (as defined in Condition 10*(h)*) after the relevant Exchange Date provided that in the event that a relevant Noteholder (or JPM Trustee, as the case may be) is entitled to receive Additional Exchange Property, the Settlement Date for the Exchange Property (including the Additional Exchange Property) shall then be the later of (i) three Payment Business Days after the relevant Exchange Date; and (ii) three Payment Business Days after the Effective Date;

"Specified Date" means, in respect of any Offer, the final date for acceptance of such Offer, which, if such Offer is extended prior to such final date, shall be the final date for acceptance of such extended Offer;

"Subsidiary" means, in the case of a company incorporated under the Companies Act, 1965, a subsidiary as defined in Section 5 of the Companies Act, 1965, of Malaysia and in the case of a company incorporated under the Offshore Companies Act, 1990, of Malaysia, a subsidiary as defined in Section 3 of the Offshore Companies Act, 1990, of Malaysia;

"Trading Day" means (i) in respect of RWB Shares, a day (other than a Saturday or Sunday) on which the Relevant Exchange is open for business and for the trading of Securities; and (ii) in respect of any other Relevant Securities or any other Securities or options, warrants or other rights, a day (other than a Saturday or Sunday) on which the stock exchange or other securities market on which such Relevant Securities or any other Securities are principally traded is open for business; and

"US dollars" or "US$" means the lawful currency of the United States of America.

6 Exchange Right

(a) Exchange Period, Exchange Rights; and Cash Settlement

(i) Each Noteholder has the right to exchange a Note at any time during the Exchange Period referred to below for a *pro rata* share of the Exchange Property. The right of a Noteholder to exchange a Note for Exchange Property is herein referred to as the "Exchange Right". Upon exchange, the Note shall be redeemed and the proceeds of redemption applied, on behalf of the exchanging Noteholder (or JPM Trustee, as the case may be), to the purchase of the relevant pro rata share of the Exchange Property, as provided in these Conditions. Subject to and upon compliance with these Conditions, the Exchange Right attaching to any Note may be exercised by the holder thereof, at any time on and including 21 January 2004 and up to the close of business (at the place where the Certificate evidencing such Note is deposited for exchange) on 2 December 2008 which falls 10 days prior to the Maturity Date or if such Note shall have been called for redemption prior to the Maturity Date, then up to the close of business (at the place aforesaid) on the date which falls 10 days prior to the date fixed for redemption thereof unless there shall be a default by the Issuer or the Guarantor in making payment in respect of such Note on such date fixed for redemption, in which event the Exchange Right shall extend up to the close of business (at the place aforesaid) on the date on which the full amount of such payment is made and notice of such payment has been duly given in accordance with Condition 17.

Notwithstanding the provisions of the foregoing paragraph, if (a) the Issuer or Guarantor shall default in making payment in full in respect of any Note which shall have been called for redemption on the date fixed for redemption thereof, (b) any Note has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events referred to in Condition 12 or (c) any Note is not redeemed on the Maturity Date in accordance with Condition 9, the Exchange Right attaching to such Note will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Note is deposited for exchange) on the date upon which the full amount of the moneys payable in respect of such Note has been duly received by the Principal Agent or JPM Trustee and notice of such receipt has been duly given to the Noteholders and, notwithstanding the provisions of this Condition, any Note in respect of which the Certificate and the Exchange Notice are deposited for exchange prior to such date shall be exchanged on the relevant Exchange Date (as defined herein) notwithstanding that the full amount of the moneys payable in respect of such Note shall have been received by the Principal Agent or JPM Trustee before such Exchange Date or that the Exchange Period may have expired before such Exchange Date.

The period during which Noteholders shall be entitled to exercise Exchange Rights pursuant to these Conditions is referred to as the "Exchange Period".

(ii) Upon a due exercise of Exchange Rights the relevant Noteholder (or, in the case of an exercise of Exchange Rights by JPM Trustee pursuant to Condition 6*(m)*, JPM Trustee) shall be entitled to receive a *pro rata* share of the Exchange Property calculated as at the relevant Exchange Date.

(iii) No fraction of a Relevant Security or any other property comprised in the Exchange Property which is not divisible shall be delivered on exercise of the Exchange Rights and the Issuer shall not be under any obligation to make any payment to Noteholders (or, as the case may be, JPM Trustee) in respect of any such fractions and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property. Notwithstanding the foregoing, in the event of a consolidation or re-classification of a Relevant Security by operation of law or otherwise occurring after 12 December 2003 which reduces the number of Relevant Securities outstanding, the Issuer will upon exchange of Notes pay in cash (in US dollars by means of a US dollar cheque drawn on a bank in New York) a sum equal to such portion of the principal amount of the Note or Notes evidenced by the Certificate deposited in connection with the exercise of Exchange Rights as corresponds to any fraction of a Relevant Security not delivered if such sum exceeds US$10.

If more than one Note is to be exchanged by a Noteholder pursuant to any one Exchange Notice, the Exchange Property to be delivered and any sum payable to that Noteholder shall be calculated on the basis of the aggregate principal amount of such Notes.

(iv) Notwithstanding the Exchange Right of each Noteholder in respect of each Note, at any time when the delivery of Exchange Property deliverable upon exchange of the Notes is required to satisfy the Exchange Right in respect of an Exchange Notice, the Issuer shall have the option to pay to the relevant Noteholder or JPM Trustee (as the case may be) an amount of cash in US dollars equal to the Cash Settlement Amount (as defined below) in order to satisfy such Exchange Right in full or in part (in which case the other part shall be satisfied by the delivery of Exchange Property) (the "Cash Settlement Option"). In order to exercise the Cash Settlement Option, the Issuer shall provide notice of the exercise of the Cash Settlement Option (the "Cash Settlement Notice") to the relevant Noteholder or JPM Trustee (as the case may be) as soon as practicable but not later than the fifth business day following the date of delivery of the Exchange Notice (the "Cash Settlement Notice Date"). The Cash Settlement Notice must specify the pro rata share of the Exchange Property in respect of which the Issuer will make a cash payment in the manner described in this Condition. The Issuer shall pay the Cash Settlement Amount no later than five business days from the date of the determination of the Cash Settlement Amount, and in any case, no later than 15 business days following the Cash Settlement Notice Date. If the Issuer exercises its Cash Settlement Option in respect of Notes held by more than one Noteholder which are to be exchanged on the same Exchange Date, the Issuer shall make the same proportion of cash and pro rata share of the Exchange Property available to such exchanging Noteholders.

"Cash Settlement Amount" means the product of (i) the pro rata share of the Exchange Property otherwise deliverable upon exercise of the Exchange Right in respect of the Note(s) to which the Exchange Notice applies, and in respect of which the Issuer has elected the Cash Settlement Option and (ii) the Cash Equivalent (as defined below). For the purposes of payments of amounts under the Cash Settlement Option, the Cash Settlement Amount shall be converted into US dollars at the Screen Rate on the applicable Cash Settlement Notice Date.

"Cash Equivalent" means an amount in US dollars (converted into US dollars at the applicable Screen Rate, if necessary) equal to the aggregate of:

(1) the average value of publicly traded Securities included in the Exchange Property, for 10 consecutive Trading Days commencing from and including the Cash Settlement Notice Date (provided that if no transaction in respect of the Securities takes place on any such Trading Day, that Trading Day shall be excluded from the 10 consecutive Trading Day period for the purposes of such calculation); and

(2) the average value of all other assets and of publicly traded Securities included in the Exchange Property, for which a value cannot be determined pursuant to (1) above, for 10 consecutive Trading Days commencing from and including the Cash Settlement Notice Date, which shall be deemed to be the average value for such period, as certified by an international investment bank (in the case of Securities) or independent appraiser (in the case of other assets (other than cash)) of international repute, each acting as an expert, selected by the Issuer and approved by JPM Trustee; and

(3) the average value of any cash included in the Exchange Property, for 10 consecutive Trading Days commencing from and including the Cash Settlement Notice Date, which shall be deemed to be the average cash amount for such period (converted into US dollars at the applicable Screen Rate, if necessary).

(b) Procedure for Exchange

(i) To exercise the Exchange Right attaching to any Note, the holder thereof must complete, execute and deposit at his own expense during normal business hours during the Exchange Period at the specified office of any Exchange Agent, a notice of exchange (an "Exchange Notice") in the form (for the time being current) obtainable from the specified office of any Agent, together with such Note (and any certificates and other documents as may be required by applicable law) and any amount to be paid by the Noteholder pursuant to this Condition 6*(b)*(i). The Exchange Notice shall specify, inter alia, the number of the Securities Account to be credited with any Exchange Property comprising Relevant Securities which are cleared through the MCD and irrevocably instruct the MCD to credit such Securities Account with any such Exchange Property. An Exchange Notice once delivered shall be irrevocable.

Exchange Rights may be exercised in respect of the whole of the principal amount of a Note only.

The exchange date in respect of a Note (the "Exchange Date") will be the Exchange Business Day immediately following the date of the delivery of the Exchange Notice.

(ii) As soon as practicable, and in any event not later than the Settlement Date:

(1) the Issuer and the Guarantor shall procure, in the case of any Relevant Securities comprising the relevant *pro rata* share of the Exchange Property which are deposited with the MCD or any other central depository or clearing system, the delivery of such RWB Shares and/or other Relevant Securities, in each case, through and in accordance with the laws and regulations applicable to such central depository or clearing system, to the Securities Account designated for the purpose in the relevant Exchange Notice;

(2) the Issuer and the Guarantor shall procure, in the case of any Relevant Securities comprising the relevant *pro rata* share of the Exchange Property that are not deposited in a clearing system and are only available in physical form, that duly stamped forms of transfer and share certificates together with all other documents of title and evidence of ownership and all other documents necessary to transfer the RWB Shares and/or other Relevant Securities to be delivered or transferred on exchange into such name (subject to any relevant provisions of the Trust Deed and the Agency Agreement) as the Noteholder shall direct, will be despatched by mail, free of charge (but uninsured and at the risk of the person entitled thereto) to such address as the Noteholder may request (as specified in the relevant Exchange Notice);

(3) the Issuer and the Guarantor shall procure that such documents of title and evidence of ownership of any other Exchange Property to be delivered on exercise of Exchange Rights shall be despatched and the payment of any part of the Exchange Property comprising cash to be delivered on exercise of Exchange Rights (converted if necessary into RM at the Screen Rate on the relevant Exchange Date) be made in accordance with directions given by the relevant Noteholder in the Exchange Notice.

Notwithstanding the above, if the Exchange Property has changed in whole or in part as a result of acceptance of an Offer or as a result of the compulsory acquisition of any Relevant Securities, in each case as provided in Condition 7, then the time for such delivery shall be the longer of such period set out above and the day falling five business days after the date on which the consideration is received by the Issuer under the terms of the Offer or, as the case may be, the day falling five Business Days following the date on which the consideration pursuant to such compulsory acquisition is received by the Issuer.

If, at any time when the transfer or delivery of any Exchange Property (other than cash) is required, such transfer or delivery would, as certified to JPM Trustee by two Directors of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will make a cash payment equal to the aggregate of the Realisation Proceeds of the relevant *pro rata* share of the Exchange Property. The Issuer (failing whom the Guarantor) will pay any such amount to the relevant Noteholders or, as the case may be, JPM Trustee, not later than 10 Payment Business Days after the relevant Settlement Date.

(4) the Issuer (failing whom the Guarantor) will pay any stamp, registration, documentary, transfer taxes or duties (including penalties) arising on the transfer or delivery of any Exchange Property to or to the order of a Noteholder (or JPM Trustee) pursuant to the exercise of Exchange Rights ("Stamp Taxes") which are payable or imposed in Labuan or generally in Malaysia in the jurisdiction in which the relevant Exchange Property is situated (and for this purpose any securities in registered form comprising Exchange Property shall be deemed to be situated in the jurisdiction in which the register (or in the case of more than one register, the principal register or the register on which such securities are recorded or maintained) is located. If the Issuer or the Guarantor, as the case may be, shall fail to pay any Stamp Taxes the payment of which it is responsible as provided above, the relevant holder or, as the case may be, JPM Trustee shall be entitled to tender and pay the same and each of the Issuer and the Guarantor, as a separate and independent stipulation, covenants to reimburse each such Noteholder or, as the case may be, JPM Trustee in respect of the payment of such Stamp Taxes and any penalties payable in respect thereof.

(iii) The relevant Noteholder (or the person designated in the relevant Exchange Notice) or, as the case may be, JPM Trustee (where JPM Trustee shall have exercised Exchange Rights pursuant to Condition 6*(m)*) will be the owner of the *pro rata* share of the Exchange Property deliverable upon exchange with effect from the Exchange Date and, in respect of such *pro rata* share of the Exchange Property, will be entitled to all rights, distributions or payments in respect of such pro rata share of the Exchange Property from the Exchange Date or Trustee Exchange Date, as the case may be.

Accordingly, relevant adjustments to the Exchange Property shall be made in accordance with Conditions 6*(c)*, *(d)*, *(e)*, *(f)* or *(g)* as the case may be, such that further Relevant Securities or other property or assets (including cash) received pursuant to such adjustment shall be added to the Exchange Property ("Additional Exchange Property") or, in any other event, such adjustments as an independent investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by JPM Trustee, considers in its sole opinion appropriate (provided that such adjustments would result in an addition to the Exchange Property).

Subject as provided herein, Exchange Property delivered on exercise of Exchange Rights shall not include any dividends or other income thereon or other distributions or rights in respect thereof, declared, paid or made by reference to a record date or other due date for the establishment of the relevant entitlement falling prior to the relevant Exchange Date.

JPM Trustee shall not at any time be under any duty or responsibility to any Noteholder to determine whether any facts exist which may require an adjustment to the assets comprising the Exchange Property in accordance with these Conditions or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed when making the same.

Exchange Property delivered or transferred or to be delivered or transferred upon exchange shall rank for and be entitled to all dividends, interest and other income, payments and distributions and rights thereon or in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of entitlement falling on or after the relevant Exchange Date.

If the record date or other due date for the establishment of the relevant entitlement for the payment of any dividend, interest or other income, payment or distribution or rights on or in respect of such Exchange Property falls on or after the Exchange Date but before the relevant Settlement Date (or any other date from which the relevant Noteholder is treated as the owner of, or entitled to all rights and entitlement to, such Exchange Property) with the effect that the relevant Noteholder is not entitled to such dividend, interest or other income, payment or distribution of rights, the Issuer will:

(a) (in the case of dividends, interest or other income or distributions or rights to be paid in cash) pay, or procure the payment to, the exchanging Noteholder (or the person designated in the relevant Exchange Notice) in lieu of such dividend, interest or other income or distribution or

rights, an amount equal thereto, converted if necessary into Malaysian Ringgit at the Screen Rate on the date of receipt thereof by the Issuer (the "Equivalent Amount"). The Issuer will pay the Equivalent Amount, or procure that it is paid, to the relevant Noteholder (or the person designated in the relevant Exchange Notice) by whichever is the later of five Business Days after payment is made of the dividend, interest or other income, payment or distribution or rights and the relevant Settlement Date; and

(b) (in the case of dividends, or other income or distributions or rights satisfied or made otherwise than in cash) deliver, or procure the delivery of, the same to the relevant Noteholder (or the person designated in the relevant Exchange Notice) as soon as practicable by whichever is the later of 10 Business Days after the receipt by the Issuer of such dividend or other income or distribution or rights and the relevant Settlement Date. Provided however that if, at any time when the delivery of any such dividend or other income or distribution or rights is required, delivery would, as certified to JPM Trustee by two Directors of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will pay to the relevant Noteholder (or the person designated in the relevant Exchange Notice) an amount equal to the Realisation Proceeds of such dividend or other income or distribution or rights.

(iv) Upon exercise of Exchange Rights, a Noteholder shall in the relevant Exchange Notice, specify a bank account to which any cash amount payable on or in respect of the exercise of Exchange Rights by that Noteholder shall be credited and the Issuer shall pay such sum to the relevant Noteholder (or the person designated in the relevant Exchange Notice) in accordance with any such directions.

(c) The Exchange Property and Adjustments to the Exchange Property

The "Exchange Property" shall initially comprise 71,241,095 RWB Shares of par value of RM0.50 each (or initially up to 85,489,314 RWB Shares if the option to increase the principal amount of the Notes, as described in the Trust Deed, is exercised in full) and shall include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to these Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

On the exercise of Exchange Rights, Noteholders will initially be entitled to receive 2,849.644 RWB Shares for each US$10,000 principal amount of Notes (subject to adjustment pursuant to these Conditions).

All Exchange Property transferred or delivered upon exercise of Exchange Rights shall be transferred or delivered with full title guarantee and free from any and all mortgage, charge, pledge or other security interests or other adverse interests.

RWB Shares comprising Exchange Property to be delivered on exchange of the Notes will be fully paid and will rank *pari passu* with all fully paid RWB Shares of the same class in issue on the relevant Exchange Date.

(d) Income, etc. arising on the Exchange Property

Except in the circumstances provided in these Conditions, dividends and other income and other benefits and rights derived from the Exchange Property prior to an Exchange Date in respect of such Exchange Property shall not comprise part of the Exchange Property and shall belong to the Issuer. Where a cash Dividend is announced by a Relevant Company in respect of Relevant Securities which may, at the election of a holder or holders of such Relevant Securities, be satisfied by the issue or delivery of Relevant Securities or other property or assets, the Issuer shall be entitled to make such election as it may determine in its sole discretion.

(e) Sub-division, Consolidation or Redenomination

If any Relevant Securities comprising the Exchange Property shall be sub-divided or consolidated, re-classified or re-denominated or in any other manner have their par value changed ("Sub-division, Consolidation or Redenomination") then the Securities resulting from such Consolidation, Sub-division or Redenomination so far as attributable to the Exchange Property, shall be included in the Exchange Property.

(f) Rights issues

If further Relevant Securities or other securities, or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities, shall be offered by way of rights to holders of Relevant Securities (or any of them) (a "Rights Issue"), then:

(i) in the case of a Rights Issue of Relevant Securities comprising RWB Shares, the Issuer shall give notice to JPM Trustee and the Noteholders not less than 10 days prior to the latest day for accepting or taking up any such rights that the Exchange Property shall be increased, at the option of the Issuer, by (a) such number of RWB Shares at their Fair Market Value or (b) an amount in cash, equal to the aggregate Realisable Value of rights attributable to the RWB Shares comprising the Exchange Property where:

"Realisable Value" is the Rights Value attributable to one RWB Share after the deduction of an amount equal to any stamp, transfer, registration or similar duties payable by the Issuer;

"Rights Value" is the value of a right to subscribe for one new RWB Share which shall be calculated in accordance with the formula:

$$\frac{A - B}{C + 1}$$

where A = the Closing Price of a RWB Share on the Trading Day immediately preceding the date on which the offer or invitation is publicly announced or (failing any such announcement) immediately preceding the date of the offer or invitation;

B = the subscription price for one additional RWB Share under the offer or invitation to acquire or subscribe for RWB Shares under the terms of such offer or invitation; and

C = the number of RWB Shares which is necessary to hold in order to be offered or invited to acquire or subscribe one additional RWB Share under the terms of such offer or invitation.

"Closing Price" means, in respect of any Trading Day, (i) in the case of RWB Shares, the volume weighted average price (the "VWAP") of the RWB Shares as obtained or derived from the Relevant Exchange on that Trading Day or if no transaction in respect of the RWB Shares takes place on that Trading Day, the average of the closing bid and offer prices on that day in respect of the RWB Shares as derived from the Relevant Exchange; and (ii) in the case of any other Relevant Security, the closing price as obtained or derived from such stock exchange or other securities market on which such Relevant Security is principally traded on that Trading Day or if no transaction in respect of the Relevant Security takes place on that Trading Day, the average of the closing bid and offer prices on that day in respect of the Relevant Security as derived from such stock exchange or other securities market; and

(ii) in any other case, the Issuer shall give notice to JPM Trustee and the Noteholders not less than 10 days prior to the latest day for accepting or taking up such rights that the Exchange Property shall be increased by such property as would have been acquired if sufficient rights had been sold on an arm's length basis in good faith to enable the whole of the balance of such rights to be so taken up together with an amount equal to any excess proceeds of such sale which are not able to be so applied to take up rights. There shall be deducted from the proceeds of any such sale of the relevant rights an amount equal to any stamp, transfer, registration or similar duties payable by the Issuer and any expenses incurred by the Issuer in connection with the sale of the relevant rights.

Any Relevant Securities or other Securities or options, warrants or rights taken up pursuant to this paragraph and any excess proceeds of sale as aforesaid shall be added to and form part of the Exchange Property.

Pending application of the provisions of this paragraph, such rights shall form part of the Exchange Property.

The "Effective Date" of a Rights Issue or any Sub-divisions, Consolidation or Redenomination or Relevant Event shall be the completion date of such event where cash, Securities and/or other property has been received by and/or credited into the relevant accounts of the person(s) entitled to receive the same.

(g) Bonus Issues, Capital Distributions and Reorganisation
If any of the following events occurs (each, a "Relevant Event"):

(1) Relevant Securities or other Securities are issued credited as fully paid to holders of Relevant Securities comprising Exchange Property by way of capitalisation of profits or reserves or otherwise by virtue of being holders of Relevant Securities;

(2) any Capital Distribution is made;

(3) a Relevant Company purchases or redeems any Relevant Securities comprising Exchange Property; or

(4) pursuant to any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event of any company or companies (whether or not liquidation or dissolution), any further Relevant Securities or other Securities, property or assets (including cash) are issued, distributed or otherwise made available to holders of Relevant Securities or other Securities comprising Exchange Property,

then the further Relevant Securities, Securities or other property or assets (including cash) received in relation to the Relevant Event, so far as attributable to the Exchange Property or as the case may be, the Capital Distribution in respect of the Relevant Securities comprising the Exchange Property, shall be included as part of the Exchange Property (and, if applicable, applied in accordance with Condition 6*(j)* below).

If the Issuer or the Guarantor determines (with the prior written approval of JPM Trustee) or JPM Trustee considers in its sole opinion that, notwithstanding sub-paragraphs (1) to (4) of this Condition 6*(g)*, an adjustment should be made to the Exchange Property as a result of one or more events or circumstances not referred to in Condition 6*(g)* or circumstances have arisen which might have an adverse effect on the Exchange Property and no adjustment to the Exchange Property under this Condition 6*(g)* would otherwise arise, JPM Trustee shall, at the expense of the Issuer or the Guarantor, instruct an independent investment bank of international repute, acting as expert, to determine as soon as practicable what adjustment (if any) to the Exchange Property or terms of this Condition is fair and reasonable to take account thereof and the date on which such adjustment should take effect, and upon such determination such adjustment shall be made (provided it would result in an addition to the Exchange Property and take effect in accordance with such determination) provided that JPM Trustee shall have no responsibility to make any enquiries as to whether or not any event has occurred which might require an adjustment to the Exchange Property or to the terms of this Condition.

(h) Notice of Change in Exchange Property
The Issuer shall give notice to JPM Trustee and to the Noteholders in accordance with Condition 17 of any change in the nature or composition of the Exchange Property as soon as reasonably practicable following such change, and shall certify such details as JPM Trustee may require of the Exchange Property to which the holder of a Note would be entitled upon exercise of the Exchange Right in respect of such principal amount following such change.

(i) Release from the Exchange Property
Upon actual delivery of Exchange Property to the relevant Noteholder or upon redemption of the Notes or upon any purchase and cancellation of the Notes, the *pro rata* share of the Exchange Property or the relevant part thereof attributable to each relevant Note shall cease to be part of the Exchange Property and the Exchange Property shall be reduced accordingly.

(j) Purchase or substitution of Relevant Securities etc.
If any cash amount or Securities or other property is received under or pursuant to these Conditions in respect of Exchange Property which is to be added to and is to form part of the Exchange Property (other

than (i) any RWB Shares or Relevant Securities of a class already comprised in the Exchange Property; and (ii) as included in the Offer Consideration received under Condition 7 or added to and forming part of the Exchange Property pursuant to the second paragraph of Condition 7) before the Exchange Rights lapse, such cash amount may be applied, and such Securities or other property may be sold by the Issuer (with the consent of JPM Trustee or the consent of the Noteholders by way of an Extraordinary Resolution) and the proceeds of such sale (net of any costs and expenses incurred in connection with such sale) shall be applied, by the Issuer as soon as reasonably practicable and to the extent possible in purchasing additional RWB Shares (not then comprised in the Exchange Property) or, where the Exchange Property comprises Securities other than RWB Shares, additional units of such Securities. At the option of the Issuer (with the consent of JPM Trustee or the consent of the Noteholders by way of an Extraordinary Resolution), it may elect to substitute any cash amount which is otherwise to be added to and form part of the Exchange Property with additional RWB Shares or Relevant Securities of a class already comprised in the Exchange Property (owned by it and not comprised in the Exchange Property) at their Fair Market Value (as at the third Trading Day following the day on which such cash amount was received by the Issuer). Any such additional RWB Shares or other Securities purchased or substituted shall thereafter form part of the Exchange Property.

(k) Voting Rights etc.

Noteholders shall have no voting rights in respect of RWB Shares and any other Relevant Securities comprising Exchange Property prior to the Settlement Date relating to such Exchange Property.

In exercising any voting rights attaching to the RWB Shares and other Relevant Securities or making any such election, the Issuer is not obliged to take account of the interests of the Noteholders and it is therefore possible that the Issuer may act in a manner which is contrary to the best interests of the Noteholders.

(l) Share Custody

The Issuer (failing whom the Guarantor) shall, within three business days after the issue of the Notes, deposit or ensure that there is deposited in a separate securities account maintained with an authorised depositary agent for the benefit of the Noteholders, in the MCD, sufficient RWB Shares to satisfy the Exchange Rights relating to the Notes at such date. Neither the Issuer nor the Guarantor shall transfer, pledge or otherwise encumber or deliver any of the deposited RWB Shares to, or for the benefit of, any third party (or transfer or deliver any of the deposited RWB Shares out of such designated account) except for the purpose of delivering such RWB Shares to exchanging Noteholders and except as may otherwise be required by law or legal proceedings or in accordance with these Conditions. If, due to a dilutive or any other event, the number of RWB Shares deposited in such designated account ceases to be sufficient to satisfy the Exchange Rights relating to the Notes at any time, the Issuer (failing whom the Guarantor) shall (within three business days of such downward adjustment or other event) deposit additional RWB Shares in such designated account in order to ensure that the total number of RWB Shares deposited in such account is sufficient to satisfy the Exchange Rights relating to the Notes at such time (a "Top-up"). In the event that (a) the Issuer or the Guarantor transfers or delivers any of the deposited RWB Shares and/or Relevant Securities out of the designated account or to any third party, in breach of this Condition or (b) any of the Issuer or the Guarantor does not perform any of its obligations in respect of any Top-up, JPM Trustee (subject to it being indemnified and/or secured to its satisfaction) and the Noteholders will be entitled to declare an Event of Default pursuant to Condition 12.

The arrangements described herein do not amount to any security interest in favour of Noteholders to secure the debt obligations of the Notes or to secure performance of the Exchange Rights thereunder. Accordingly, in the event of an insolvency or bankruptcy of any person holding any Exchange Property, such Exchange Property will form part of the assets of such person available on a pari passu basis to all unsecured creditors of such person.

(m) Exchange by JPM Trustee

JPM Trustee may, in its absolute discretion (and without any responsibility for any loss occasioned thereby or by not so doing), within the period commencing on the date five days immediately prior to, and ending at the close of business on the Business Day immediately prior to, the date fixed for redemption from time to time of any of the Notes under Condition 9*(c)*, elect (on behalf of the relevant Noteholders) by notice in writing to the Issuer and the Principal Agent to exercise the Exchange Rights in respect of all the Notes due for redemption on such date (the "Trustee Exchange Date") and in respect of which Exchange Rights have not previously been exercised by Noteholders ("Unexercised Notes"), provided that all (if any) necessary consents have been obtained and JPM Trustee is satisfied or is advised by an independent investment bank of international repute appointed by JPM Trustee at the expense of the Issuer that the net proceeds of an immediate sale of the Exchange Property arising from such exchange when converted into US dollars (assuming, for this purpose, the Issuer has not exercised the Cash Settlement Option), disregarding any liability (other than a liability of JPM Trustee) to taxation or the payment of any capital, stamp, transfer, issue or registration duties consequent thereon, together in each case with any other amount payable by the Issuer in respect of such exercise (converted, if necessary, by JPM Trustee into US dollars in such manner and at such time and at such rates as JPM Trustee shall consider appropriate), would be likely to exceed by 5% or more of the amount of the redemption moneys and accrued interest which would otherwise be payable in respect of such Unexercised Notes.

All of the Exchange Property delivered, or to be delivered, on such exchange (assuming, for this purpose, that the Issuer has not exercised the Cash Settlement Option) shall be sold by, or on behalf of, JPM Trustee (on behalf of the relevant holders) as soon as practicable, and (subject to any necessary consents being obtained, and to the deduction by JPM Trustee of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp, transfer, issue or registration duties (if any) and any costs incurred by JPM Trustee in connection with the transfer, delivery and sale thereof) the net proceeds of sale together with accrued interest (if any) payable under these Conditions, and any cash in lieu of fractions and any other amount payable by the Issuer in respect of the relevant exercise (converted, if necessary, by JPM Trustee into US dollars in such manner and at such time and at such rates as JPM Trustee shall consider appropriate), in respect of the Unexercised Notes shall be held by JPM Trustee and distributed rateably to the holders of such Unexercised Notes.

JPM Trustee shall have no liability in respect of the exercise or non-exercise of its discretion pursuant to this Condition or the timing of such exercise or in respect of any such sale of Exchange Property whether for the timing of any such sale or the price at which any such Exchange Property is sold, or the inability to sell any such Exchange Property or otherwise.

7 General Offers

In the event of an Offer for Relevant Securities in a Relevant Company, the Issuer (or the Guarantor, as the case may be) shall have absolute discretion to accept such Offer (and as to any alternative consideration) or reject such Offer, provided that it may not accept any such Offer prior to the Specified Date in respect thereof. If it accepts such Offer (or if the Relevant Securities are subject to compulsory acquisition), then, with effect from the Final Date, the Exchange Property will be deemed to consist, in whole or in part, of the consideration (the "Offer Consideration") received for the Relevant Securities acquired under the Offer or pursuant to such compulsory acquisition. The Issuer shall not accept any Offer in respect of such part of the Exchange Property which would be deliverable to Noteholders who have exercised Exchange Rights for which the Exchange Date falls prior to the commencement of the Suspension Period (as described below). The Issuer shall give notice to the Trustees and the Noteholders in accordance with Condition 17 forthwith upon receipt of any Offer for the Relevant Securities.

In relation to any scheme of arrangement, reorganisation, amalgamation or reconstruction of any company or companies (whether or not involving liquidation or dissolution), the Issuer shall at all times be entitled, in relation to any Relevant Securities, to vote on, exercise its rights in respect of, or otherwise participate in, any such scheme of arrangement, reorganisation, amalgamation or reconstruction as it thinks fit up to the Settlement Date relating to such Relevant Securities.

The Exchange Rights shall be suspended during the period (the "Suspension Period") from and including (i) the Specified Date until the acceptance of the relevant Offer is withdrawn or the relevant Offer lapses or becomes or is declared unconditional in all respects; or (ii) the date any vote is cast in relation to any applicable scheme of arrangement, reorganisation, amalgamation or reconstruction which is approved by the required majority until the same is approved or rejected by any relevant judicial or other authorities (both dates inclusive), and if Exchange Rights are exercised such that the Exchange Date would otherwise fall in the Suspension Period, such exercise shall be null and void.

If a tender or other offer is made by or on behalf of a Relevant Company (or any person associated with such Relevant Company) to purchase or otherwise acquire, redeem or exchange such Relevant Securities, the Issuer shall not tender or be entitled to be treated as having tendered any such Relevant Securities which are comprised in the Exchange Property or be treated as having accepted any such offer in respect thereof or vote in respect of any such Relevant Securities in relation to any such tender or other offer, nor shall the Issuer exercise or be treated as having exercised any option to require the redemption or repayment of such Relevant Securities prior to the final due date for redemption or repayment thereof.

8 Undertakings

Each of the Issuer and the Guarantor has, *inter alia*, undertaken in the Trust Deed that, so long as any Note remains outstanding:

(i) it will obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Notes and the Trust Deed;

(ii) it will use its best endeavours to ensure that the business and affairs of the Issuer, the Guarantor and RWB are conducted to give full effect to the provisions of these Conditions and the Trust Deed;

(iii) it will use its best endeavours (i) to procure that RWB maintains a listing for all the RWB Shares on the KLSE, (ii) to obtain as soon as practicable after issue and maintain a listing for all new RWB Shares comprising the Exchange Property on the KLSE (to the extent not already obtained and maintained) and (iii) if such listing is not maintained (having used such best endeavours), to procure that RWB obtains and maintains a listing for all the RWB Shares on any other stock exchanges (each an "Alternative Stock Exchange") as the Guarantor may from time to time (with the written consent of JPM Trustee) determine and forthwith give notice to the Noteholders in accordance with Condition 17 below of the listing or delisting of the RWB Shares (or any RWB Shares as a class) by the KLSE or any other such Alternative Stock Exchange (and all references in these Conditions to the "KLSE" shall consequently, mutatis mutandis, be deemed to be references to such Alternative Stock Exchange);

(iv) it will pay the expenses of the delivery of any RWB Shares arising on exchange of Notes;

(v) it will ensure that the RWB Shares will rank at least *pari passu* and carry the same rights and privileges in all respects (except to the extent of existing ownership, transfer, registration and subscription restrictions) as other outstanding ordinary shares of RWB;

(vi) it will not create or purport or attempt to create, assume or permit to subsist any mortgage, charge, pledge, hypothecation, lien, interest under a trust or other encumbrance over the Exchange Property or any part thereof;

(vii) in the event that it receives RWB Shares by way of dividends or other distribution which are required under the Conditions to be added to the Exchange Property it will within five business days after the receipt of such RWB Shares, deposit such RWB Shares in the designated account in the MCD; and

(viii) if payment calculated by reference to the Realisation Proceeds is to be made pursuant to these Conditions, it will procure that the relevant sale is made as soon as possible and in any event in such time to enable the relevant payment to be made by the time specified in these Conditions.

The Issuer and the Guarantor have also given certain other undertakings in the Trust Deed for the protection of the Exchange Rights.

9 Redemption and Purchase

(a) Final Redemption

Unless previously exchanged, redeemed, or purchased and cancelled, the Notes will be redeemed at 113.82% of their principal amount on the Maturity Date.

(b) Redemption for Taxation Reasons

The Notes may be redeemed at their Early Redemption Amount (as defined below) on the date fixed for redemption, at the option of the Issuer in whole, but not in part, at any time, on giving not fewer than 30 nor more than 60 days' notice (a "Tax Redemption Notice") to the Noteholders in accordance with Condition 17 (which notice shall be irrevocable) if (i) the Issuer or the Guarantor has or will become obliged to pay Additional Amounts (as defined in Condition 11) or further Additional Amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Labuan or generally of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements which change or amendment becomes effective on or after 5 December 2003; and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it.

No Tax Redemption Notice shall be given earlier than 90 days prior to nor later than 90 days after, the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. Prior to the publication of any Tax Redemption Notice, the Issuer shall deliver to JPM Trustee a certificate signed by two Directors of the Issuer (or the Guarantor, as the case may be) stating that the Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer (or the Guarantor, as the case may be) so to redeem have occurred and an opinion in form and substance satisfactory to JPM Trustee of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such Additional Amounts as a result of such change or amendment. JPM Trustee shall accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above and shall not be required to make any further enquiry into such circumstances and shall not incur liability to any person (including any Noteholder) as a result of relying on such certificate. Any such certificate shall be conclusive and binding on the Noteholders.

If the Issuer gives a Tax Redemption Notice, each Noteholder will have the right to elect that his Note(s) shall not be redeemed and that the provisions of Condition 11 shall not apply in respect of any payment of principal, premium or interest to be made in respect of such Note(s) which falls due after the relevant Tax Redemption Date whereupon no Additional Amounts shall be payable in respect thereof pursuant to Condition 11 and payment of all amounts shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by Labuan or generally by Malaysia. To exercise a right pursuant to this Condition 9*(b)*, the relevant Noteholder must present the Certificate representing his Note(s) together with a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "Noteholder's Exercise Notice") on or before the day falling 10 Business Days prior to the Tax Redemption Date at the specified office of any Agent.

"Early Redemption Amount" of a Note, for each US$10,000 principal amount of the Notes, is determined so that it represents for the Noteholder a gross yield of 3.55% per annum on a semi-annual basis. The applicable Early Redemption Amount for each US$10,000 principal amount of Notes is calculated on an annual basis in accordance with the following formula (rounded if necessary to two decimal places with 0.005 being rounded upwards), provided that if the date fixed for redemption is the Semi-Annual Date (as set out below): (i) such Early Redemption Amount shall be as set out in the table below in respect of such Semi-Annual Date; and (ii) such Early Redemption Amount shall not be inclusive of interest accrued to and including such Semi-Annual Date which amount shall be paid to Noteholders pursuant to Condition 1*(c)*:

Early Redemption Amount = Previous Redemption Amount x $(1 + r/2)^{d/p}$

Previous Redemption Amount = the Early Redemption Amount for each US$10,000 principal amount on the Semi-Annual Date immediately preceding the date fixed for redemption as set out below (or if the Notes are to be redeemed prior to 12 June 2004, US$10,000):

Semi-Annual Date	Early Redemption Amount
	US$
12 June 2004	10,127.5
12 December 2004	10,257.3
12 June 2005	10,389.3
12 December 2005	10,523.7
12 June 2006	10,660.5
12 December 2006	10,799.8
12 June 2007	10,941.5
12 December 2007	11,085.7
12 June 2008	11,232.4

r = 3.55% expressed as a fraction.

d = number of days from and including the immediately preceding Semi-Annual Date (or if the Notes are to be redeemed on or before 12 June 2004, from and including 12 December 2003) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

p = 180

(c) Redemption at the Option of the Issuer

The Notes may be redeemed at the option of the Issuer at their Early Redemption Amount on the date fixed for redemption (the "Optional Redemption Date"):

(i) in whole or in part, at any time after 12 December 2005 to but excluding the Maturity Date, provided that the value of the Exchange Property on each of the 20 consecutive Trading Days the last day of which period occurs no more than five Trading Days immediately prior to the date on which the relevant notice of redemption is given by the Issuer to the Noteholders shall have exceeded 120% of the aggregate principal amount of the Notes outstanding on such Trading Day; or

(ii) in whole only, at any time if prior to the date on which the relevant notice of redemption is given by the Issuer less than 10% in aggregate principal amount of the Notes originally issued (including any additional Notes issued pursuant to the option to increase the principal amount of the Notes as described in the Trust Deed) is outstanding.

In order to exercise such option the Issuer shall give not less than 30 nor more than 60 days' notice (an "Optional Redemption Notice") to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes at their Early Redemption Amount on the Optional Redemption Date specified in such notice).

The value of the Exchange Property on any Trading Day shall be an amount in US dollars equal to the aggregate of:

(1) the value of publicly traded Securities included in the Exchange Property, which shall be deemed to be the Current Market Price of such Securities on such day, provided that if such day is not a Trading Day then the value of such publicly traded Securities shall be the Current Market Price on the immediately preceding Trading Day; and

(2) the value of all other assets and of publicly traded Securities for which a value cannot be determined pursuant to (1) above included in the Exchange Property, which shall be deemed to be the value on such day as certified by an international investment bank (in the case of Securities) or independent appraiser (in the case of other assets (other than cash)) of international repute, each acting as an expert, selected by the Issuer and approved by JPM Trustee; and

(3) the value of cash shall be deemed to be the amount thereof.

(d) Redemption for Change of Control

Following the occurrence of a Change of Control (as defined below), the holder of each Note will have the right at such holder's option, to require the Issuer to redeem in whole but not in part such holder's Notes on the Change of Control Put Date (as defined below) at their Early Redemption Amount on the date fixed for redemption. To exercise such right, the holder of the relevant Note must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent ("Change of Control Put Notice") together with the Certificate evidencing the Notes to be redeemed by not later than 30 days following a Change of Control. The "Change of Control Put Date" shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

A Change of Control Put Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes which form the subject of the Change of Control Put Notices delivered as aforesaid on the Change of Control Put Date.

The Trustees shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred.

For the purposes of this Condition:

(i) "control" means the acquisition or control of more than 50% of voting rights of the issued share capital of RWB or the right to appoint and/or remove all or the majority of the members of RWB's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

(ii) a "Change of Control" occurs when:

  (a) other than the Guarantor, or any of its Affiliates, any person or persons, acting together, acquires control of RWB; or

  (b) RWB consolidates with or merges into or sells or transfers all or substantially all of RWB's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over RWB, or the successor entity;

  an "Affiliate" of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person;

  a "person" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include RWB's Board of Directors or any other governing board and does not include RWB's wholly-owned direct or indirect subsidiaries.

(e) Delisting Put Right

In the event the RWB Shares cease to be listed or admitted to trading on the KLSE or, if applicable, the Alternative Stock Exchange (a "Delisting") each Noteholder shall have the right (the "Delisting Put Right"), at such Noteholder's option, to require the Issuer to redeem all (but not less than all) of such Noteholder's Notes on the twentieth business day after notice has been given to Noteholders of the Delisting or, if such notice is not given, the twentieth business day after the Delisting (the "Delisting Put Date") at the Early Redemption Amount on the date fixed for redemption.

Promptly after becoming aware of a Delisting, the Issuer shall procure that notice regarding the Delisting Put Right shall be given to Noteholders and the Luxembourg Stock Exchange stating:

(i) the Delisting Put Date;

(ii) the date of such Delisting and, briefly, the events causing such Delisting;

(iii) the date by which the Delisting Put Notice (as defined below) must be given;

(iv) the Delisting Put Price and the method by which such amount will be paid;

(v) the names and addresses of all Paying Agents;

(vi) the procedures that Noteholders must follow and the requirements that Noteholders must satisfy in order to exercise the Delisting Put Right; and

(vii) that a Delisting Put Notice, once validly given, may not be withdrawn.

To exercise its rights to require the Issuer to redeem its Notes, the Noteholder must deliver a written irrevocable notice of the exercise of such right (a "Delisting Put Notice"), in the then current form obtainable from the specified office of any Agent, to any Paying Agent on any business day prior to the close of business at the location of such Paying Agent on such day and which day is not less than 10 business days prior to the Delisting Put Date.

A Delisting Put Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes which form the subject of the Delisting Put Notices delivered as aforesaid on the Delisting Put Date.

The Trustees shall not be required to take any steps to ascertain whether a Delisting or any event which could lead to the occurrence of a Delisting has occurred.

For the purposes of this Condition, "business day" shall mean a day on which commercial banks or financial institutions are open for business in London, Luxembourg and Kuala Lumpur.

(f) Redemption Notices

Any redemption notice shall be irrevocable. Each such notice shall specify, *inter alia*, (i) the date when the relevant redemption will take place; (ii) the last day on which Exchange Rights may be exercised by a Noteholder pursuant to the Conditions; and (iii) the value of the *pro rata* share of the Exchange Property attributable to each Note as at the most recent practicable date prior to the giving of the relevant notice (converted into RM at the prevailing rate as at such date). All Notes in respect of which a redemption notice is given shall be redeemed as provided in this Condition 9 on the relevant redemption date, other than any Notes in respect of which Exchange Rights shall have been exercised pursuant to Condition 6.

Notwithstanding the giving of a redemption notice by the Issuer, Noteholders may continue to exercise Exchange Rights during the Exchange Period.

(g) Purchase

The Issuer, the Guarantor or any of their respective subsidiaries may (if permitted by applicable law) at any time purchase Notes in the open market or otherwise at any price provided that no such purchase may be made in the period commencing on the date fifteenth Business Days prior to the date fixed for redemption from time to time of the Notes.

(h) Cancellation

Notes purchased by the Issuer, the Guarantor or any of their subsidiaries shall be cancelled and may not be held, re-issued or sold.

10 Payments

(a) Payment

Payment of principal and interest due on the Notes other than on an Interest Payment Date will be made by transfer to the registered account of the Noteholder or by US dollar cheque drawn on a bank in New York, and mailed to the registered address of the Noteholder if it does not have a registered account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any Agent.

Interest on Notes due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the seventh day before the payment of interest (the "Interest Record Date"). Payments of interest on each Note will be made by transfer to the registered account of the Noteholder or by US dollar cheque drawn on a bank in New York mailed to the registered address of the Noteholder if it does not have a registered account.

Payment of all other amounts will be made as provided in these Conditions.

(b) Registered Accounts

For the purposes of this Condition, a Noteholder's registered account means the US dollar account maintained by or on behalf of it with a bank in New York, details of which appear on the Register at the close of business on the fifth Payment Business Day (as defined below) before the due date for payment, and a Noteholder's registered address means its address appearing on the Register at that time.

(c) Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that it not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (uninsured and at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a Payment Business Day, the immediately following business day) or, in the case of a payment of principal, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

(d) Agents

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer and the Guarantor reserve the right under the Agency Agreement at any time with the prior written approval of JPM Trustee to remove any Agent or the Registrar, and to appoint other or further Agents or a replacement Registrar, provided that they will at all times maintain (a) a Principal Agent, (b) a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, (c) a Paying and Transfer Agent in Luxembourg for so long as the Notes are listed on the Luxembourg Stock Exchange and (d) a Registrar. Notice of any such removal or appointment and of any change in the specified office of any Agent or the Registrar will be given promptly by the Issuer or the Guarantor to Noteholders and JPM Trustee and, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, will be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

(e) Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(f) Fractions

When making payments to Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

(g) Delay in payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

(h) Payment Business Day

In these Conditions, "Payment Business Day" means a day on which commercial banks and financial institutions are generally open for business in New York City, London and Kuala Lumpur and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

11 Taxation

All payments of principal, premium and interest made by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Labuan or generally in Malaysia or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the appropriate withholding or deduction shall be made (but without limiting Condition 9*(b)*) and the Issuer or, as the case may be, the Guarantor shall pay such amounts ("Additional Amounts") as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

(a) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Labuan or generally with Malaysia other than the mere holding of the Note or the receipt of any sums due in respect of such Note (including, without limitation, the holder being a resident or a permanent establishment in Labuan or generally in Malaysia);

(b) (in the case of payment of principal) if the Certificate in respect of such Note is presented for payment more than 30 days after the relevant date for payment in respect thereof except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day;

(c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union.

References in these Conditions to "principal", premium and interest shall be deemed to include any Additional Amounts that may be payable under this Condition 11 or under any obligations undertaken in addition thereto or in substitution therefore pursuant to the Trust Deed.

12 Events of Default

JPM Trustee at its discretion may, and if so requested in writing by the holders of not less than 25% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject always to JPM Trustee having been indemnified and/or provided with security to its satisfaction), give notice to the Issuer and the Guarantor that the Notes are immediately due and payable at the Early Redemption Amount plus accrued interest, if any of the following events (an "Event of Default") shall have occurred and be continuing:

(i) the Issuer or the Guarantor fails to pay the principal of, or any premium on, any of the Notes after the same shall become due and payable in accordance with these Conditions; or

(ii) the Issuer or the Guarantor fails to pay within seven days from the due date thereof, any interest on any of the Notes after the same shall become due and payable in accordance with these Conditions; or

(iii) (a) the Issuer or the Guarantor fails to deliver RWB Shares or Exchange Property as and when such RWB Shares or Exchange Property are required to be delivered upon the exchange of a Note, or (b) the Issuer or the Guarantor fails to pay the Cash Settlement Amount within three days after it is due and payable, or (c) the Issuer or the Guarantor transfers or delivers any of the deposited RWB Shares out of the designated account in the MCD in breach of the Conditions or fails to perform any of its obligations in respect of any Top-up; or

(iv) the Issuer or the Guarantor defaults in performance or observance of or compliance with any one or more of its other obligations set out in the Notes or the Trust Deed or the Agency Agreement which default is incapable of remedy or, if in the opinion of JPM Trustee such default is capable of remedy, such default is not in the opinion of JPM Trustee remedied within 30 days (or such longer time as JPM Trustee may consider appropriate in relation to the jurisdiction concerned) after written notice of such default shall have been given to the Issuer (or the Guarantor, as the case may be) by JPM Trustee; or

(v) any other present or future indebtedness of the Issuer or the Guarantor or any of its Principal Subsidiaries for or in respect of monies borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for, or the Issuer or the Guarantor or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee or indemnity or arrangement or obligation having a like or similar effect (howsoever described) for any monies borrowed or raised by any person provided that the aggregate amount of the relevant indebtedness and guarantees in respect of which one or more events mentioned above in this Condition have occurred equals or exceeds US$15 million or its equivalent in any other currency (determined as provided below); or

(vi) an encumbrancer takes possession or a receiver, manager or similar officer is appointed, or a distress, execution or seizure before judgment is levied, enforced or sued out upon, against or in respect of the whole or any substantial part of the undertaking, property, assets or revenues of the Issuer or the Guarantor or any of its Principal Subsidiaries and the same is not stayed, discharged, released or satisfied (as the case may be) within 30 days of such taking of possession, appointment, levying, enforcement or suing out (as the case may be); or

(vii) the Issuer or the Guarantor or any of its Principal Subsidiaries becomes bankrupt or insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of an administrator, liquidator (except for the purpose of and followed by a voluntary solvent reorganisation, merger, consolidation, amalgamation or other similar arrangement the terms of which have been previously approved by an Extraordinary Resolution of the holders of the Notes) or receiver (or other similar official) of the Issuer or the Guarantor or any of its Principal Subsidiaries, or in respect of the whole or any substantial part of the undertakings, property, assets or revenues of the

Issuer or the Guarantor or any of its Principal Subsidiaries, or the Issuer or the Guarantor or any of its Principal Subsidiaries stops, suspends or threaten to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium or standstill is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the Guarantor or any of its Principal Subsidiaries; or

(viii) any security on or over any part of the assets of the Issuer, the Guarantor or any of its Principal Subsidiaries is enforced; or

(ix) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any of its Principal Subsidiaries, or the Issuer or the Guarantor or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business or operations, or the Issuer or the Guarantor or any of its Principal Subsidiaries becomes capable of being dissolved under applicable laws (except for the purpose of and followed by a solvent reconstruction, merger, consolidation, amalgamation or other similar arrangement the terms of which are approved by an Extraordinary Resolution of the holders of the Notes); or

(x) (a) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under the Trust Deed, the Agency Agreement or any of the Notes; (b) the Trust Deed, the Agency Agreement or any of the Notes ceases for any reason (or is claimed by the Issuer or the Guarantor not) to be the legal and valid obligations of the Issuer or the Guarantor, binding upon it in accordance with its terms; (c) any litigation, arbitration or administrative proceeding is current or pending to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer or the Guarantor under the Trust Deed, the Agency Agreement or any of the Notes; or

(xi) a moratorium is agreed or declared in respect of any indebtedness of the Issuer or the Guarantor or any Principal Subsidiary or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or a substantial part of the assets or shares of the Issuer or the Guarantor or any Principal Subsidiary; or

(xii) proceedings shall have been initiated against the Issuer or the Guarantor or any of its Principal Subsidiaries under any applicable bankruptcy, insolvency or reorganisation law and such proceedings shall not have been discharged or stayed within a period of 30 days; or

(xiii) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order to (a) enable the Issuer or the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, the Agency Agreement and the Trust Deed, (b) ensure that those obligations are legally binding and enforceable and (c) make the Notes, the Agency Agreement and the Trust Deed admissible in evidence in the courts of the England is not taken, fulfilled or done, and such case is incapable of remedy or, if in the opinion of JPM Trustee is capable of remedy, is not in the opinion of JPM Trustee remedied within 30 days; or

(xiv) any event occurs which has an analogous effect to any of the events referred to in the foregoing paragraphs; or

(xv) for any reason the Issuer ceases to be a wholly owned subsidiary of the Guarantor.

For the purposes of clause (v) above, any indebtedness which is in a currency other than US dollars shall be translated into US dollars at the spot rate for the sale of US dollars against the purchase of the relevant currency quoted by any leading bank in the relevant market selected by JPM Trustee (at the expense of the Issuer) on any day when JPM Trustee requests such a quotation for such purposes. If no direct spot rate is available, a rate shall be calculated by reference to the cross-rates through US dollars of the relevant currencies.

Subject to the provisions of the following six paragraphs, the Exchange Right attached to any Notes shall survive the provision of the default notice and the acceleration and the payment of the Notes.

Notwithstanding receipt of any payment after the acceleration of the Notes, a Noteholder may exercise its Exchange Right by depositing an Exchange Notice with an Exchange Agent or Paying Agent during the period from and including the date of a default notice with respect to an event specified in Condition 12(iii) herein (at which time the Issuer will notify the Noteholders of the number of RWB Shares per Note to be delivered upon exchange, assuming all the then outstanding Notes are exchanged) to and including the 30th business day after such payment.

If any exchanging Noteholder deposits an Exchange Notice pursuant to this Condition 12 on the business day prior to, or during, a Closed Period, the Noteholder's Exchange Right shall continue until the business day following the last day of the Closed Period, which shall be deemed the Exchange Date, for the purposes of such Noteholder's exercise of its Exchange Right pursuant to this Condition 12.

If the Exchange Right attached to any Note is exercised pursuant to this Condition 12, the Issuer (failing which the Guarantor) will deliver RWB Shares (which number will be disclosed to such Noteholder as soon as practicable after the Exchange Notice is given) in accordance with the Conditions, except that the Issuer and the Guarantor shall have twelve business days before it is required to register the exchanging Noteholder (or its designee) in its register of members as the owner of the number of RWB Shares to be transferred pursuant to this Condition and an additional five business days from such registration date to make payment in accordance with the following paragraph.

If the Exchange Right attached to any Note is exercised pursuant to this Condition 12, the Issuer and the Guarantor shall, at the request of the exchanging Noteholder, pay to such Noteholder an amount (the "Default Cure Amount"), equal to the product of (x) (i) the number of RWB Shares that are required to be delivered by the Issuer and the Guarantor to satisfy the Exchange Right in relation to such exchanging Noteholder minus (ii) the number of RWB Shares that are actually delivered by the Issuer and the Guarantor pursuant to such Noteholders' Exchange Notice and (y) the RWB Share Price (as defined below) on the Exchange Date; provided that if such Noteholder has received any payment under the Notes pursuant to this Condition 12, the amount of such payment shall be deducted from the Default Cure Amount.

For the purposes of this Condition 12, "business day" shall mean a day other than a Saturday or Sunday on which banks and financial institutions are open for business in Kuala Lumpur and Labuan.

The "RWB Share Price" means the closing price of the RWB Shares on the KLSE or other applicable securities exchange on which the RWB Shares are listed on the Exchange Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the KLSE or other applicable securities exchange on which the RWB Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by JPM Trustee at the expense of the Issuer for such purpose.

13 Consolidation, Amalgamation or Merger

The Issuer and the Guarantor will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

(i) the corporation formed by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer and/or the Guarantor, as applicable, under the Trust Deed and the performance of every covenant and agreement applicable to it contained therein;

(ii) immediately after giving effect to any such Merger; no Default or Event of Default, and no event which, after notice or lapse of time, or both, may become a Default or Event of Default shall have occurred and be continuing or would result therefrom;

(iii) the corporation formed by such Merger, or person that acquired such properties and assets, shall expressly agree among other things, to indemnify each holder of the Notes against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to payment of principal, premium and interest on the Notes; and

(iv) the Issuer or the Guarantor, as the case may be, has delivered to JPM Trustee an officers' certificate stating that such Merger and such supplemental trust deed comply with this Condition and that all conditions precedent herein provided for relating to such transaction have been complied with.

14 Prescription

Claims in respect of principal and other sums payable in respect of the Notes will become void unless made within 10 years (in the case of principal) and five years (in the case of interest) from the relevant date for payment in respect thereof.

15 Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, these provisions or any relevant provisions of the Trust Deed. Such a meeting may be convened by the Issuer, JPM Trustee or at the request of Noteholders holding not less than 10% in principal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing more than one-half in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Trust Deed, these provisions or the Notes (including modifying the date of maturity of the Notes, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or modifying or cancelling the Exchange Rights), the quorum shall be two or more persons holding or representing not less than three-quarters in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than one-quarter in principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90% in principal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

The Trust Deed provides that JPM Trustee may agree, without the consent of the Noteholders to any modification (subject to certain exceptions as provided in the Trust Deed) of, or to any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or may determine that any condition, event or act which, but for such determination, would constitute an Event of Default or Potential Event of Default (as defined in the Trust Deed), shall not be treated as such which in any such case, in the opinion of JPM Trustee, is not materially prejudicial to the interests of the Noteholders or to any modification of any of these Conditions of the Notes or any of the provisions of the Trust Deed which is (in the opinion of JPM Trustee) of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of English law. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless JPM Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 17.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver or authorisation), JPM Trustee shall have regard to the interests of the Noteholders as a class and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and JPM Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

16 Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or Principal Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17 Notices

All notices to holders of the Notes shall be validly given if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times* (London Edition) and mailed to them at their respective addresses in the register of holders of the Notes maintained by the Registrar and, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

Any such notice shall be deemed to have been given on the later of the date of such publication and the seventh day after being so mailed.

18 Further Issues

The Issuer may from time to time without the consent of the Noteholders and in accordance with the Trust Deed create and issue further securities either having the same terms and conditions as the Notes in all respects and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 18 and forming a single series with the Notes. Any further securities forming a single series with the Notes constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of JPM Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where JPM Trustee so decides.

19 Enforcement

At any time after the Notes become due and payable, JPM Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding, and (b) it shall have been indemnified to its satisfaction. No Noteholder may proceed directly against the Issuer or the Guarantor unless JPM Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

20 Indemnification

The Trust Deed contains provisions for the indemnification of the Trustees and for their relief from their several responsibility, including provisions relieving JPM Trustee from taking proceedings to enforce payment unless indemnified to its satisfaction.

The Trustees shall be entitled to rely without liability to Noteholders on any certificate signed by any two directors or authorised signatories of the Issuer or the Guarantor and delivered to them under the Trust Deed and accompanied by a certificate or report prepared by an internationally recognised firm of accountants to the Issuer or the Guarantor pursuant to the Conditions and/or the Trust Deed, whether or not it is addressed to the Trustees and notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Trustees contains a monetary or other limit on the liability of the internationally recognised firm of accountants. Such certificate or report shall, in the absence of manifest error, be conclusive and binding on both parties, and the Trustees shall not be responsible for any loss occasioned by acting or not acting on any such certificate or report. The Trustees shall be obliged to accept and be entitled to rely on any certificate or report of accountants, financial advisers or an investment bank where the Issuer or the Guarantor procures the delivery of the same pursuant to its obligations to do so under the Conditions and/or the Trust Deed and such certificate or report shall be binding on the Issuer, the Guarantor, the Trustees and the holders in the absence of manifest or proven error.

21 Trustee Liability

The appointment of Equity Trust as co-trustee under these Conditions and the Trust Deed is with respect to the receipt of notices from the Issuer and the Guarantor in Labuan only. JPM Trustee and Equity Trust are severally and not jointly liable for their own acts under these Conditions and the Trust Deed and shall not be liable to any other party for the acts or defaults of one other. Any reference to "Trustees" in these Conditions and the Trust Deed shall not be interpreted in a manner that may result in the suggestion of joint and several liability between JPM Trustee and Equity Trust for the acts of the other.

22 Governing Law; Jurisdiction; Agent for service of process; Third party rights

(a) Governing law

The Trust Deed, the Agency Agreement and the Notes are governed by and shall be construed in accordance with English law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes ("Proceedings") may be brought in such courts. The Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Agent for service of process

Each of the Issuer and the Guarantor has irrevocably appointed Clifford Chance Secretaries Limited at its registered office for the time being (currently at 10 Upper Bank Street, London E14 5JJ, United Kingdom) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes.

(d) Third party rights

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

Summary of Provisions Relating to the Notes in Global From

The Notes will be represented by a global Note certificate (the "Global Note Certificate") which will be registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg.

The Global Note Certificate will become exchangeable in whole, but not in part, for individual note certificates ("Individual Note Certificates") if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Holder of the Global Note Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Note Certificate. The following is a summary of certain of those provisions:

Notices: Notwithstanding Condition 17, so long as the Global Note Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "Alternative Clearing System"), notices to Holders of Notes represented by the Global Note Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System; *provided, however, that,* so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, notices will also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

Pursuant to section 31(1)(b) of the Offshore Companies Act, 1990 of Malaysia, the Issuer undertakes that it will, within two (2) months after acceptance of any money from any person in response to an invitation to subscribe for the Notes, issue the Global Note Certificate.

Description of the Share Capital of Resorts World

The Notes are exchangeable into Shares, being ordinary shares of RM0.50 each in Resorts World during the Exchange Period. See "Terms and Conditions of the Notes — Exchange Right". As at 30 September 2003, the authorised share capital of Resorts World was RM800,000,000 divided into 1,600,000,000 Shares. As at 30 September 2003, the issued and paid-up share capital of Resorts World was RM545,921,667 comprising 1,091,843,334 Shares. There have been no events in the past three years which have resulted in a change in the amount of issued capital and/or the number and classes of the shares. The Shares which are in registered form are managed by the Share Registrar of Resorts World, being Genting Management and Consultancy Services Sdn Bhd, (Company Registration Number: 112896-T) of 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

Pursuant to Article 154 of the Articles of Association of Resorts World, generally, notices may be served by Resorts World on any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address entered in the Register of Members or the Record of Depositors. Article 59 of the Articles of Association further states, inter alia, that notices of general meetings of Resorts World shall be given by advertisement in the daily press in Malaysia and in writing to any stock exchange upon which Resorts World may be listed.

Set out below is an extract of certain information contained in the Articles of Association of Resorts World. This extract contains information which Genting considers to be material regarding the Shares, but does not purport to be complete and is qualified in its entirety by reference to the Memorandum and Articles of Association of Resorts World and the provisions of applicable Malaysian law.

In this section, Resorts World is also sometimes referred to as the "Company".

The Articles of Association of Resorts World contain provisions to the effect set forth below.

Share Capital

1. Save to the extent provided by the Act none of the funds of the Company or of any subsidiary thereof shall be directly or indirectly employed in the purchase or subscription of or in loans upon the security of the Company's shares.

2. Subject always to the provisions of Section 132D of the Act, the Articles and to any special rights attached to any shares for the time being issued, all shares shall be under the absolute control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and for such considerations and at such time and subject or not to the payment of any part of the amount thereof in cash and with full power to give to any person the call of any shares either at par or at a premium as the Directors may determine and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors provided always that:

   (i) no Director shall participate in any issue of shares to employees unless the shareholders in General Meeting have approved of the specific allotments to be made to such Director and unless he holds office in an executive capacity;

   (ii) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the shareholders in a General Meeting;

   (iii) no shares shall be issued at a discount, except in accordance with the Act; and

(iv) any issue of shares to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of paragraph 10 below with such adaptations as are necessary shall apply.

3. Notwithstanding paragraph 2 above, allotment of shares maybe made to any person under a share option scheme for employees which has been approved by the Company in a General Meeting.

4. The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum or the Articles. In the event of preference shares being issued the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and the Company shall not unless with the consent of existing preference shareholders at a class meeting issue preference shares ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith. Preference shareholders will be deemed to have the same rights as ordinary shareholders as regards the receiving of notices, reports and balance sheet and the attending of General Meetings of the Company and preference shareholders shall also have the right to vote at any Meeting convened for the purpose of reducing the capital or on a proposal to wind up the Company and during the winding up of the Company or the disposal of the whole of the Company's property, business and undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.

Variation of Rights

5. If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 152 of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of the Articles relating to General Meeting shall *mutatis mutandis* apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Provided always that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from three-fourths of the shares of the class concerned within two months of the Meeting shall be as valid and effectual as a Special Resolution carried at the Meeting.

Non-Recognition of Trusts

6. Except as required by law and as provided under the Rules, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by the Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.

Transfer of Shares

7. Subject to the provisions of the Articles, the Securities Industry (Central Depository) Act, 1991 and the Rules, the transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Central Depository in accordance with the rules of the Central Depository and notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

8. The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any calendar year. At least 18 market days prior notice of such suspension or such other period and/or extension as may be prescribed and/or permitted by any Stock Exchange upon which the Company may be listed, shall be given to any Stock Exchange upon which the Company may be listed, stating the period and purpose or purposes for which the suspension is made. At least three market days prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors provided that where the Record of Depositors is required in respect of corporate actions, at least seven market days prior notice shall be given to the Central Depository.

Transmission of Shares

9. Where:

   (i) the securities of the Company are listed on an Approved Market Place; and

   (ii) the Company is exempted from compliance with Section 14 of the Securities Industry (Central Depository) Act, 1991 or Section 29 of the Securities Industry (Central Depository) (Amendment) Act, 1998, as the case may be, under the Rules of the Central Depository in respect of such securities,

   the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as the "Foreign Register"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as the "Malaysian Register") provided that there shall be no change in the ownership of such securities.

   For the avoidance of doubt, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register.

Alteration of Capital

10. Subject to any direction to the contrary that may be given by the Company by Ordinary Resolution in General Meeting, any original shares or securities for the time being unissued and not allotted and any new shares or other convertible securities from time to time be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this paragraph.

11. Notwithstanding paragraph 10 above, the Company may apply to the Stock Exchange for waiver of Extraordinary General Meeting to obtain shareholders' approval for further issues of shares or securities (other than bonus or rights issues) where the aggregate issues of which in any one financial year do not exceed ten per cent. of the issued capital.

Share Buy-Back

12. Subject always to the compliance with the provisions of the Act and the requirements of the Kuala Lumpur Stock Exchange and all other applicable laws, rules, regulations and guidelines for the time being in force, the Company may, with the sanction of the Members in a General Meeting, purchase its own shares upon and subject to such terms and conditions as the Directors may, in their discretion deem fit or necessary, provided that the total aggregate number of shares to be acquired does not exceed ten per cent. of the issued and paid-up share capital of the Company for the time being or cause the issued and paid-up share capital of the Company to fall below the prescribed minimum amount as may be determined from time to time by the Kuala Lumpur Stock Exchange unless the prior approval of the Kuala Lumpur Stock Exchange has been obtained.

13. Where the Company has purchased its own shares in the manner as provided in paragraph 12 above, the Directors may, if the applicable laws for the time being in force so allow:

    (i) cancel the shares so purchased;

    (ii) retain the shares so purchased as treasury shares;

    (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or

    (iv) deal with the shares so purchased in the manner as may from time to time be prescribed and/or allowed by applicable laws, rules, regulations and guidelines then in force.

14. Where the shares so purchased or any part thereof are retained as treasury shares, the Directors may at any time subject to the provisions of and in compliance with all applicable laws, rules, regulations and guidelines for the time being in force:

    (i) distribute the treasury shares as dividends to the Members in a manner as may be allowed by applicable law;

    (ii) resell the treasury shares on the Kuala Lumpur Stock Exchange in accordance with the relevant guidelines, rules and/or requirements of the Kuala Lumpur Stock Exchange; or

    (iii) deal with the treasury shares in the manner as may from time to time be prescribed and/or allowed by the applicable laws, rules, regulations and guidelines then in force.

15. While the shares are held as treasury shares, the rights attached to such shares as to voting, dividends and participation in other distribution and otherwise shall be and are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of Section 67A(3) of the Act, the provisions of any law or requirements of the Articles of Association of the Company or the listing rules of the Kuala Lumpur Stock Exchange on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

Dividends

16. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, nor in excess of the amount recommended by the Directors.

17. Notwithstanding the provisions of paragraph 16 above and paragraph 19 below, the Directors may from time to time pay to the Members such interim dividends whether by way of a cash payment or by way of a distribution of specific assets or both as in their judgement the position of the Company justifies.

18. The payment by the Directors of any unclaimed dividends or other money payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. Subject to any statutory requirements all dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the persons entitled thereto prior to the forfeiture.

19. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of the Company or of any other company or in any one or more of such ways and the Directors shall give effect to such Resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

20. Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder, or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one or two or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of the shares held by them as joint holders. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Winding-up

21. If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members provided always that, the preference shareholder shall be entitled to a return of capital in preference to holders of ordinary shares. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability.

Voting

22. Subject to the provisions of the Act, the Company shall in each year hold a General Meeting in addition to any other meetings in that year and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next.

23. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 144 of the Act. If at any time there are not within the Territory sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as early as possible as that in which meetings may be convened by the Directors.

24. Subject to the provisions of the Act as to Special Resolutions and special notice, at least 14 days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company. The Company shall by written request made in duplicate in the prescribed form, request the Central Depository at least three market days prior to and not including the date of the notice of the General Meeting, to prepare the Record of Depositors to whom notices of General Meetings shall be given by the Company. At least 14 days' notice of such Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

    (i) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and

    (ii) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat; being a majority which together holds not less than 95% in nominal value of shares giving a right to attend and vote.

    Provided also that the accidental omission to give notice to, or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.

25. The Company shall inform the Central Depository of the dates of General Meetings and shall in written request made in duplicate in the prescribed form, request the Central Depository at least three market days prior to and not including the date of the general meeting, to prepare the Record of Depositors. The General Meeting Record of Depositors shall be the final record of all depositors who shall be deemed to be the registered holders of ordinary shares of the Company eligible to be present and vote at such meetings. Subject to the Securities Industry (Central Depository) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a Member entitled to attend any General Meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

26. No business shall be transacted at any General Meeting unless a quorum is present. Save as herein otherwise provided, two Members present in person and entitled to vote thereat shall form a quorum. For the purpose of this paragraph, "Member" includes a person attending by proxy or by attorney or as duly authorised representative of a corporation which is a Member.

27. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Members present shall be a quorum. No notice of any such adjournment as aforesaid shall be required to be given to the Members.

28. Subject to the provisions of the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a General Meeting duly convened held and constituted and may consist of several documents in the like form, each signed by one or more of such Members.

29. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a casting vote.

30. Subject to the Articles and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued on a show of hands every Member who is present in person or by proxy or attorney or in the case of a corporation by a representative shall have one vote and on a poll every such Member shall have one vote for every share of which he is the holder.

31. Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

32. Subject to the provisions of the Articles, every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.

33. On a poll, votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

34. A proxy need not be a Member of the Company but shall be subject to the provision of Section 149(1)(b) of the Act.

Secrecy

35. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law.

Amendments to the Articles

36. The Company may by Special Resolution amend the whole or any part of the Articles subject to the prior written approval being obtained from every Stock Exchange on which the Company's shares are listed.

Effect of the Listing Requirements

37. Notwithstanding anything contained in the Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.

38. Nothing contained in the Articles shall prevent an act being done that the Listing Requirements require to be done.

39. If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).

40. If the Listing Requirements require the Articles to contain a provision and they do not contain such a provision, the Articles are deemed to contain that provision.

41. If the Listing Requirements require the Articles not to contain a provision and they contain such a provision, the Articles are deemed not to contain that provision.

42. If any provision of the Articles is or becomes inconsistent with the Listing Requirements, the Articles are deemed not to contain that provision to the extent of the inconsistency.

43. For the purpose of this subsection entitled "Effect of the Listing Requirements", unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.

Definitions

In this section:

"Act" means the Companies Act, 1965 (Revised 1973) or any statutory modification, amendment or re-enactment thereof for the time being in force concerning companies and affecting the Company any reference to any provision of the Act is to that provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act;

"Annual General Meeting" means a Meeting of the Company required to be held once in every calendar year and not more than 15 months after the holding of last preceding Annual General Meeting, in addition to other Meetings in that year;

"Approved Market Place" means a stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No.2) Order, 1998;

"Auditors" means the person(s) appointed to act as auditors of the Company;

"Central Depository" means the Malaysian Central Depository Sdn Bhd;

"Depositor" means a holder of a securities account;

"Directors" means the directors for the time being of the Company or such number of them as having authority to act for the Company;

"Extraordinary General Meeting" means all other Meetings of the Company, other than an Annual General Meeting;

"General Meeting" means Annual General Meeting and/or Extraordinary General Meeting;

"Liquidator" includes the Official Receiver when acting as the liquidator of a corporation;

"Members" means any person/persons for the time being holding shares in the Company and whose name(s) appear in the Register of Members (except the Malaysian Central Depository Nominees Sdn Bhd) including Depositors whose names appear on the Record of Depositors;

"Official Receiver" means the Official Assignee, Deputy Official Assignee, Senior Assistant Official Assignee, Assistant Official Assignee, Bankruptcy Officer and any other officer appointed under the Bankruptcy Act, 1967;

"Ordinary Resolution" means a resolution that has been passed by a majority of not less than one-half but not more than three-fourths of the Members, in accordance with the provisions of the Act and the Memorandum and Articles of the Company;

"Record of Depositors" means a record provided by Central Depository to the Company under Chapter 24.0 of the Rules of the Central Depository;

"Rules" means the Rules of the Central Depository;

"Special Resolution" means a Resolution that has been passed by a majority of not less than three-fourths of the Members, in accordance with the provisions of the Act and the Memorandum and Articles of the Company;

"Stock Exchange" means the Kuala Lumpur Stock Exchange or, as the case may be, any other stock exchange on which the Company is listed; and

"Territory" means Malaysia.

Malaysian Taxation

The statements made herein are based on the laws in force in Malaysia and the Federal Territory of Labuan as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retrospective basis. The following is a summary of certain Malaysian (including Labuan) tax considerations relevant to the subscription, redemption or exchange of the Notes and ownership and disposal of the Shares involving persons not resident in Malaysia (either individuals or corporations) and who do not hold such Notes or Shares in connection with the conduct of a business in Malaysia. The following summary does not purport to be a comprehensive description of all of the Malaysian tax considerations that may be relevant to a decision to purchase, own, exchange or dispose of the Notes or the Shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of Notes and Shares.

General

Under the Malaysian Income Tax Act 1967, a company is regarded as a resident if the management and control of its affairs are exercised in Malaysia at any time by its directors or other controlling authority. The rules regarding the residence of individuals are complex, but generally are based upon the length of time spent in Malaysia.

Taxation on the Notes

Withholding Tax

As the Issuer is incorporated under the Labuan Offshore Companies Act, 1990, interest paid by the Issuer to a non-resident person (as determined under the Income Tax Act, 1967) or another offshore company (as defined in the Labuan Offshore Business Activity Tax Act, 1990) is exempted from income tax and thus not subject to withholding tax by virtue of a specific tax exemption. However, no exemption is available in respect of interest which accrues to a business carried on by a non-resident person in Malaysia where that non-resident person is licensed to carry on a business under the Banking and Financial Institutions Act, 1989, the Islamic Banking Act, 1983, the Takaful Act, 1984 or the Insurance Act, 1996.

Income Tax

Proceeds from the sale, assignment, transfer or other disposition by a holder of the Notes would not be subject to Malaysian income tax unless such proceeds constitute income to such holder accruing in, earned or otherwise derived from Malaysia as a result of speculation in the Notes or in the ordinary course of carrying on any business in Malaysia.

Capital Gains Tax

There is no tax on capital gains from the disposition of securities (including shares, notes, bonds and loan stocks) of companies which are not real property companies. Accordingly, there is no tax on capital gains derived from disposal of the Notes since the Issuer is not a real property company.

There is also no capital gains tax from the redemption of the Notes as such redemption constitutes a capital transaction which is not considered a disposition of securities.

Stamp Duty

All instruments which are executed by an offshore company in connection with an offshore business activity as defined in the Labuan Offshore Business Activity Tax Act, 1990 are exempted from stamp duty. In this connection, all instruments relating to the Notes which are executed by the Issuer in Labuan are exempt from stamp duty.

Holders of the Notes are advised to consult their tax advisors concerning the Malaysian tax implications of holding, exchanging, selling, assigning, transferring or otherwise disposing of the Notes.

Taxation on the Shares

Income Tax

Proceeds from the sale, assignment, transfer or other disposition by a holder of the Shares would not be subject to Malaysian income tax unless such proceeds constitute income to such holder accruing in, earned or otherwise derived from Malaysia as a result of speculation in the Shares or in the ordinary course of carrying on any business in Malaysia.

Tax on Dividends

Under Malaysian law, dividends from Malaysian resident corporations are generally subject to Malaysian income tax at the prevailing income tax rate (currently at the rate of 28%) which is deducted at source by the dividend-paying company. Malaysia operates an imputation system of taxation where the corporate income tax paid by the company would be imputed to its shareholders. Dividends paid by a Malaysian company would be regarded as having "suffered" income tax at the prevailing tax rate which is currently at the rate of 28% (unless paid out of its tax exempt income account) and the shareholder would have no further Malaysian tax liability in respect of this income. A shareholder receiving Malaysian dividend income (unless such dividend income is paid out of its tax exempt income account) will be entitled to claim a tax credit in respect of the tax so deducted against such shareholder's tax liability in Malaysia. However, a non-resident shareholder generally will have no further liability for Malaysian tax on the dividend.

A Malaysian company enjoying incentives may have a tax exempt income account. A tax exempt dividend can be distributed from the tax exempt income account without deduction of tax in Malaysia. Malaysian law generally provides that the exemption is a two-tier exemption i.e. the Malaysian company may distribute tax exempt dividends to its shareholders, who may, if it is a company, in turn distribute tax-exempt dividends to its shareholders. Thereafter, any dividends paid out by such shareholder (being a company) would no longer be tax exempt.

There is no withholding tax on dividends in Malaysia.

Capital Gains Tax

There is no tax on capital gains from the disposition of securities (including shares, notes, bonds and loan stocks) of companies which are not real property companies. Accordingly, there is no tax on capital gains derived from disposal of the Shares since Resorts World, as a public listed company, is not a real property company.

Stamp Duty

The transfer of Shares from Genting to the holders of the Notes upon valid exchange of the Notes will be effected by way of a transfer approved by the Malaysian Securities Commission of Malaysia and the Malaysian Central Depository Sdn. Bhd. (the "MCD") and accordingly these transfers are not subject to stamp duty.

Any subsequent transfers of the Shares by a holder of the Notes will be subject to the usual stamp duty applicable for trades of shares listed on the KLSE. The rate applicable currently is RM1.00 per RM1,000.00 of the value of the shares or part thereof. The stamp duty is payable by both the buyer and the seller in respect of contract notes relating to the sale of such shares. However, the stamp duty payable on such contract notes is subject to a maximum of RM200.00 by virtue of the remission provided on contract notes relating to the sale of any shares, stock or marketable securities which are listed on the stock market of a stock exchange approved under Section 8(2) of the Securities Industry Act, 1983 (Act 280).

Relief from Taxation

Non-resident holders receiving interest or dividend income and any gains on the sale, exercise or other disposition of the Shares or Notes may also be liable to tax in their respective foreign jurisdictions. Subject to the domestic tax laws of the respective foreign tax jurisdictions and any double taxation agreements with Malaysia, there could be double tax relief or unilateral tax relief available for the Malaysian tax suffered on the dividend income and gains (if applicable).

Holders of Shares are advised to consult their tax advisers concerning the Malaysian tax implications of holding, exchanging, selling, assigning, transferring or otherwise disposing of the Shares.

Subscription and Sale

JP Morgan, CIMB (L) Limited and HSBC Bank Plc (the "Joint Lead Managers") and DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and Maybank International (L) Limited, have, in a subscription agreement dated 5 December 2003 (the "Subscription Agreement") and made between the Issuer, the Guarantor and the other managers named therein (together with the Joint Lead Managers, the "Managers") upon the terms and subject to the conditions contained therein, severally agreed to subscribe and pay for the Notes. The Issuer (failing which, the Guarantor) has also agreed to reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

The Issuer has granted the Global Coordinator an option, which may be exercised by the Global Coordinator in whole or in part, on one or more occasions, solely at the discretion of the Global Coordinator, at any time up to and including the 30th day after the Issue Date, to subscribe up to an additional US$50,000,000 aggregate principal amount of Notes.

The Guarantor and the Issuer have agreed in the Subscription Agreement that, except as described below, neither the Guarantor nor the Issuer nor any of their subsidiaries or other affiliates over which they exercise management or voting control, nor any person acting on its or their behalf will, for a period of 90 days after the Issue Date (and, if Optional Notes are issued, for a period of 90 days from the date of issue of the last Optional Notes), without the prior written consent of the Global Coordinator (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) securities issued by the Issuer (or guaranteed by the Guarantor) and having a maturity of more than one year from the date of issue, any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward sales and options representing the right to receive any Shares.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Manager has represented that it has not offered or sold, and agrees that it will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meaning given to them by Regulation S.

United Kingdom

Each Manager has further represented, warranted and undertaken that:

(i) ***No offer to public***: It has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to the expiry of a period of six months from the issue date of such Notes except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995;

(ii) ***Financial Promotion***: It has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act, 2000 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(iii) ***General compliance***: It has complied with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Malaysia

Each Manager has:

(i) acknowledged that as no approval from the Securities Commission of Malaysia is or will be obtained for the offering of the Notes to residents of Malaysia on the basis that the Notes will be issued and offered exclusively to Non-Residents of Malaysia (being persons who are not citizens or permanent residents of Malaysia and who do not engage in a trade or business in Malaysia, and includes any offshore company incorporated under the OCA, 1990 and any foreign offshore company registered under the OCA, 1990), the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, the Notes may only be made to Non-Residents of Malaysia and may only be made outside Malaysia (except the Federal Territory of Labuan);

(ii) represented and agreed that it has not offered, sold or issued an invitation to subscribe for or purchase, and will not offer, sell or issue an invitation to subscribe for or purchase, the Notes, and that it has not circulated or distributed and will not circulate and distribute this Offering Circular or any other offering document or material relating to the Notes, directly or indirectly, to any residents of Malaysia.

Singapore

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS") and the Notes are offered by the Managers pursuant to exemptions invoked under Section 274 and/or Section 275 of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA"). Accordingly, each of the Managers has represented and agreed that it will not offer or sell the Notes nor make the Notes the subject of an invitation for subscription or purchase, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor or other person specified in Section 274 of the SFA, (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Hong Kong

Each Manager has represented and agreed that (i) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), by means of any document, any of the Notes other than to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent) or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong); and (ii) it has not issued or had in its possession for the purpose of issue, and will not issue or have in its possession for the purpose of issue, any advertisement, invitation or document, whether in Hong Kong or elsewhere, which is or contains an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite the Notes (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder.

No action has been or will be taken in any jurisdiction by the Issuer, the Guarantor or any Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Issuer, the Guarantor and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

Japan

Each Manager has represented and agreed that the Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law") and that the Notes which it subscribes will be subscribed by it as principal and that, in connection with the initial offering of the Notes, it will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other applicable laws and regulations of Japan.

Bermuda

Each Manager has represented, warranted and undertaken that it has not made and will not make any invitation to the public in Bermuda to offer or sell the Notes.

Summary of Significant Differences between Malaysian GAAP and U.S. GAAP

The consolidated financial statements included in this Offering Circular have been prepared and presented in accordance with accounting principles generally accepted in Malaysia. In Malaysia, financial statements are prepared in accordance with provisions of the Companies Act, 1965 and applicable approved accounting standards issued by the Malaysian Accounting Standards Board, also referred to in this Offering Circular as Malaysian GAAP. Financial statements in the United States are prepared in accordance with U.S. GAAP. Malaysian GAAP differs in certain significant material respects from U.S. GAAP.

The following paragraphs summarise the areas in which differences between Malaysian GAAP and U.S. GAAP could be significant to the Genting Group's financial position and results of operations. No attempt, however, has been made to quantify the effects of such differences, nor has a reconciliation of Malaysian GAAP to U.S. GAAP been undertaken. Had any such quantification or reconciliation been undertaken by the Genting Group, other potential significant accounting and disclosure differences may have come to its attention which are not identified below.

Further, no attempt has been made to identify future differences between Malaysian GAAP and U.S. GAAP as the result of prescribed changes in accounting standards. Regulatory bodies that promulgate Malaysian GAAP and U.S. GAAP have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between Malaysian GAAP and U.S. GAAP that may affect the financial statements as a result of transactions or events that may occur in the future.

In making an investment decision, investors must rely upon their own examination of the Group, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the principal differences between Malaysian GAAP and U.S. GAAP and how these differences might affect the financial information herein.

Industry Specific Accounting

Genting operates its businesses across various industries such as gaming, hospitality, oil and gas and agriculture. Under Malaysian GAAP, there is no specific accounting standards for specialized industries. Under U.S. GAAP, specific and prescriptive accounting guidances are applicable to such specialized industries which could result in differences between Malaysian GAAP and U.S. GAAP in timing of recognising revenue and costs, valuation of assets and liabilities and financial reporting disclosures.

Revenue recognition

Malaysian GAAP focuses on the transfer of significant risk and rewards and the probability that the economic benefits associated with the transaction will flow to the entity, and that the revenue and costs can be measured reliably. U.S. GAAP focuses more on revenues being realised (either converted into cash or cash equivalents or the likelihood of its receipt being reasonably certain) and earned. U.S. GAAP considers revenue as being realised or realisable and earned when the all of the following criteria are met:

(i) persuasive evidence of an arrangement exists,

(ii) delivery has occurred or services have been rendered,

(iii) seller's price to the buyer is fixed and determinable,

(iv) collectibility is reasonably assured.

Additionally, U.S. GAAP sets forth strict standards regarding the recognition of revenue in multi-element sales agreements, in sales requiring installation or customer approval and in instances where ultimate collectability is in doubt. Depending on the nature of the various sales agreements entered into by companies within the Genting Group, it is possible that, if applied, the revenue recognition treatment under U.S. GAAP could result in different amounts of revenue being recognised in the income statement and different amounts of accounts receivable being recorded in the balance sheet.

Goodwill

Malaysian GAAP does not prescribe the treatment of goodwill representing the excess of the purchase price over the fair value of the net assets of an acquired company subsequent to its initial recognition. The Genting Group writes off goodwill through the income statement in the year of acquisition.

Prior to 1 July 2001, under U.S. GAAP, goodwill and other intangible assets were amortized over their estimated useful lives not to exceed 40 years. Upon the adoption of SFAS 142 "Goodwill and Other Intangible Assets", which is effective for fiscal years beginning after 15 December 2001, intangible assets are amortised over their useful lives unless such lives are indefinite. Goodwill and intangible assets with indefinite useful lives are not amortised. However, such assets will be subject to a transitional impairment test and subsequent annual impairment tests by reference to their fair values.

Derivative Instruments and Hedging Activities

Prior to 1 January 2002, there was no standard on accounting for derivative instruments and hedging activities under Malaysian GAAP and such instruments are not required to be recorded in the balance sheet. Effective 1 January 2002, MASB 24 "Financial Instruments: Disclosure and Presentation" prescribes certain requirements for presentation of on-balance-sheet financial instruments and identifies the information that should be disclosed both on-balance-sheet (recognised) and off-balance-sheet (unrecognised) financial instruments. Fair value of financial assets and financial liabilities must be disclosed in the notes to the financial statements. This standard does not address the recognition and measurement of derivative instruments.

Under U.S. GAAP all derivative instruments are recorded as either assets or liabilities in the balance sheet and measured at fair value. If certain conditions are met, a derivative may be specifically designed as a hedge. If so, an entity is required to establish at the inception of the hedge the method it will use for assessing the effectiveness of the hedging derivative and the measurement approach for determining the ineffective aspect of the hedge. If the derivative qualifies for hedging treatment the changes in the fair value of the hedge will be recorded in a separate component of shareholders' equity. Any ineffectiveness will be recorded in the income statement. Derivatives not designated as hedges are marked to market and changes in fair value are charged to the income statement.

Hence, depending on the nature of the instruments it is possible that the treatment of these instruments could result in different carrying amounts in the Group's balance sheet and different amounts being recognised as gains and losses in the income statement under U.S. GAAP.

Accounting for Landed Property and Real Property Assets

Under Malaysian GAAP, landed property included within property, plant and equipment and real property assets may be revalued. The Genting Group has revalued such assets in the past based on their open market value on an existing use basis as determined by independent professional valuer. In accordance with the transitional provisions allowed by the MASB on adoption of MASB 15 "Property, Plant and Equipment" and Malaysian Accounting Standard No. 7 "Accounting for Property Development", the valuation of these properties have not been subsequently updated. Changes in the value of these properties are accounted for in revaluation reserve. If the balance of this reserve is insufficient to cover any decrease in the value of the investment properties, such deficit is charged to the income statement. Upon disposal of such revalued property, the relevant amount in revaluation reserve is transferred to unappropriated profit. Leasehold landed properties classified within property, plant and equipment are amortised in equal instalments over their respective periods of lease, ranging from 60 to 99 years.

Under U.S. GAAP, landed properties included within property, plant and equipment are measured at cost less accumulated depreciation and any related impairment. Real estate property assets held for future development are measured at cost less accumulated depreciation and any related impairment. Periodic revaluations are not permitted under U.S. GAAP.

Impairment of assets to be held and used

Prior to 1 January 2002, Malaysian GAAP did not have any accounting rules prescribing the circumstances in which impairment of non-current assets should be recognized nor the basis for determining the amount of such impairment. Effective 1 January 2002, the Genting Group adopted MASB 23 "Impairment of Assets" which states that when indicators exist that there is an impairment, the carrying value of the assets should be adjusted to the recoverable amounts, calculated as the future discounted cash flows expected to result from use and eventual disposal of the asset. Where the recoverable amount is below carrying value, a provision for impairment would be recognised in the profit and loss account except where such provision reverses a previous upward revaluation which was credited directly to reserves. When the circumstances and events that led to the provision for impairment cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, such provisions would be written back through the profit and loss account, or to the appropriate revaluation reserve for certain assets where the asset is revalued to above cost. The amount written back should not exceed the amount of the provision for impairment.

U.S. GAAP requires an impairment loss to be recognised for long-lived assets, including property, plant and equipment and certain identifiable intangibles where a triggering event occurs and the carrying amount of the asset exceeds the future undiscounted cash flows expected to result from use and eventual disposal of the asset. If it is determined that the asset is impaired, the impairment loss recognised is the difference between the carrying amount of the asset and its fair value, being either market value less selling costs or the sum of future discounted cash flows. Once such impairments have been recorded, subsequent reversal of impairment charges are not allowed.

Exploration Costs

Under Malaysian GAAP, exploration cost is accounted for in accordance with the full cost method. Under this method, all costs relating to the exploration activities are capitalised when incurred. Where it is determined that the exploration activities will not yield significant oil and gas discoveries, the related exploration costs will be written off to the income statement.

Under U.S. GAAP, FAS 19 on "Financial Accounting and Reporting by Oil and Gas Producing Companies" the successful efforts method is used in accounting by oil and gas companies for acquisition, exploration, development and production costs, the assessment of unproved properties for impairment and the production payments and certain other conveyances for all oil and gas companies. Under the successful efforts method, except for the acquisition costs of properties, a direct relationship between costs incurred and specific reserves discovered is required before costs are identified as assets.

Capitalisation of Interest

Under Malaysian GAAP, directly attributable interest costs on funds borrowed during the construction period are capitalised until the assets are ready for their intended use.

Under U.S. GAAP, interest attributable to the construction of fixed assets for the company's own use or for sale or lease is capitalisable during the construction or acquisition period. The amount of interest capitalised may be determined by associating expenditures with specific borrowings, by a weighted average of borrowings or by a combination of the two. Interest cost is included in the cost of assets only when expenditures have been made and the activities necessary to bring the asset to its intended use are in progress. Capitalisation ceases when the asset is substantially complete and ready for its intended use.

Deferred Tax
Prior to 1 January 2003 under Malaysian GAAP, deferred taxation was calculated under the "Income Statement" liability method in respect of taxation differences arising from all timing differences. Tax deferred or accelerated by the effect of timing differences is accounted for to the extent that it is probable that a liability or asset will crystallize. The tax effect of timing differences that result in a debit balance or a debit to the deferred tax balance is not carried forward unless there is a reasonable expectation of its realisation. The potential tax saving relating to a tax loss carry forward is only recognised if there is assurance beyond any reasonable doubt that future taxable income will be sufficient for the benefit of such loss to be realised.

The Genting Group adopted MASB 25 "Income Taxes" in its quarterly report for the quarter ending 31 March 2003. As a result of the adoption of this standard, the Genting Group has restated its financial statements for the three years ending 31 December 2002 to reflect the effect of adopting MASB 25. MASB 25 requires deferred tax assets and liabilities to be provided in full (as opposed to the partial provision method under the previous standard) using the "balance sheet" liability method. This method focuses on temporary differences of an asset or a liability at any point in time. Generally deferred tax assets or liabilities arising from temporary differences need to be measured at expected tax rate prevailing in the manner of settlement and recognised in the balance sheet, and movements of deferred tax assets and liabilities between the two balance sheet dates need to be reported either in the income statement or as an item of recognised gain or loss in the statement of changes equity. Deferred tax assets are recognised when it is probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Under U.S. GAAP, deferred tax liabilities and assets must be recognised for the estimated future tax effect attributable to temporary differences. The measurement of deferred tax assets will be reduced by a valuation allowance if it is more likely than not that some portion, or all, of the deferred tax asset will not be realised.

Investments — Classification
Under Malaysian GAAP:

(i) "short-term quoted investments" are marketable securities that are acquired and held with intention for re-sale in the short-term; and

(ii) "long-term quoted investments" which are neither subsidiaries nor associates nor joint ventures are marketable securities that are acquired and held for yield or capital growth.

Under U.S. GAAP, investments in equity securities that have a readily determinable fair value and all investments in debt securities are classified into one of three categories as follows:

(i) "trading" securities are debt and equity securities which are bought and held for the purpose of resale in the near future;

(ii) "held-to-maturity" securities ("HTM") are debt securities that an enterprise has a positive intent and ability to hold to maturity; and

(iii) "available for sale" securities ("AFS") are debt and readily marketable equity securities that are not classified either as HTM or "trading" securities.

Investments — Carrying Value
Under Malaysian GAAP, "short-term quoted investments" are stated at the lower of cost and market value on portfolio basis. Any reduction in market value is taken to income. Under U.S. GAAP, debt and equity securities classified as "trading" securities are reported at fair value, with unrealised gains and losses included in the income statement.

Under Malaysian GAAP, investments classified as "long-term quoted investments" are stated at cost and provision is made in the event of any permanent diminution in value.

Under U.S. GAAP:

(i) debt securities classified as HTM are reported at amortised cost, unless a decline in value below cost is other than temporary;

(ii) debt securities and marketable equity securities classified as AFS are reported at fair value with unrealised gain or loss reflected as a component of other comprehensive income within equity, unless a decline below cost is other than temporary; and

(iii) non-marketable equity securities, which are not accounted for using the equity method, are carried at acquisition cost, subject to any impairment.

Investments — Transfers

Under Malaysian GAAP, transfers, if any, from "short-term quoted investments" to "long-term quoted investments" are made at the lower of carrying value and market value. Under U.S. GAAP, the transfer between trading and AFS securities is accounted for at fair value. The transfer between HTM to trading or AFS securities is also accounted for at fair value.

Employees Share Option Scheme

Under Malaysian GAAP, no compensation expense is recognised in relation to stock options granted to employees.

U.S. GAAP requires share option expenses to be recognised and accounted for using the fair value based method or the intrinsic-value based method. Under the intrinsic value based method, compensation cost is the excess, if any, of the quoted market price of the stock at grant date or other measurement date over the amount an employee must pay to acquire the stock. Under the fair value based method, compensation cost is measured at the grant date based on the value of the award using an option pricing model and is recognised over the service period, which is usually the vesting period.

Accounting for Guarantees

Under Malaysian GAAP, there are no specific accounting standards for accounting for guarantees.

Under Malaysian GAAP, an issuer of guarantees is not required to account for such guarantees in its balance sheet at the time of issuing the guarantees. An issuer must however disclose these off balance sheet guarantees as contingent liabilities in the notes to its financial statements. A provision is required to be made in the financial statement for a guarantee should circumstances arise that indicate a loss is likely to be incurred in respect of that guarantee. MASB 24 which became effective on 1 January 2002 requires that additional disclosure of fair value of guarantees issued by an issuer.

Under U.S. GAAP, FASB Interpretation ("FIN") No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" is applicable for the accounting of guarantees. FIN 45 elaborates on the existing disclosure requirements for most guarantees, including loan guarantees, such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, or market value, of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial statements.

Consolidation of Variable Interest Entities

Under Malaysian GAAP, there are no specific accounting standards for consolidation of variable interest entities. Consolidation is based on voting interests and power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Under U.S. GAAP, FIN No. 46 "Consolidation of Variable Interest Entities" requires certain entities known as Variable Interest Entities ("VIE") to be consolidated by the primary beneficiary of the entity. The primary beneficiary is generally defined as having the majority of the risks and rewards arising from the VIE. For VIEs in which a significant (but not majority) variable interest is held, certain disclosures are required. FIN 46 requires disclosure of VIE in financial statements issued after 31 January 2003, if it is reasonably possible that as of the transition date (i) the company will be the primary beneficiary of an existing VIE that will require consolidation, or (ii) the company will hold a significant variable interest in, or have significant involvement with, an existing VIE. Any VIEs created after 31 January 2003 are immediately subject to the consolidation guidance in FIN 46.

Changes in Accounting Policies

Under Malaysian GAAP, a change in an accounting policy as a result of the adoption of a newly-issued accounting pronouncement is reflected through the restatement of all prior periods if material.

Under U.S. GAAP, a newly-issued accounting pronouncement is generally adopted in the current year with a cumulative catch-up amount recorded where appropriate.

Statement of Comprehensive Income

The financial information of the Genting Group included in this Offering Circular includes the consolidated income statements of Genting for each of the three years ended 31 December 2002, the consolidated balance sheets of Genting as at 31 December 2002, 2001 and 2000 and the consolidated cash flow statements of Genting for each of the three years ended 31 December 2002.

U.S. GAAP, SFAS 130 "Reporting Comprehensive Income", requires the reporting of comprehensive income and its components in a financial statement that is displayed with the same prominence as other financial statements that constitute a full set of financial statements. Malaysian GAAP does not require this disclosure.

General Information

1. The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 13 October 2003. The giving of the Guarantee of the Notes has been authorised by a resolution of the Board of Directors of the Guarantor dated 13 October 2003.

2. Save as disclosed in this Offering Circular, there are no legal or arbitration proceedings against or affecting the Issuer, the Guarantor, any of their respective subsidiaries or any of their respective assets, nor is the Issuer or the Guarantor aware of any pending or threatened proceedings, which are or might be material in the context of the issue of the Notes.

3. Save as disclosed in this Offering Circular, there has been no adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) or general affairs of the Issuer or the Guarantor since 31 December 2002 that is material in the context of the issue of the Notes.

4. For so long as any of the Notes are outstanding, copies of the following documents may be inspected during normal business hours at the Specified Office of each Paying Agent:

   (a) the Agency Agreement; and

   (b) the Trust Deed.

5. For so long as any of the Notes are outstanding, copies of the following documents (together with English translations thereof, if applicable) may be obtained during normal business hours at the Specified Office of each Paying Agent:

   (a) the audited consolidated and unconsolidated financial statements of the Guarantor for the years 31 December 2000, 2001 and 2002;

   (b) the unaudited consolidated financial statements of the Guarantor for the six months ended 30 June 2002 and 2003 and nine months ended 30 September 2002 and 2003;

   (c) the audited consolidated and unconsolidated financial statements of Resorts World for the years ended 31 December 2000, 2001 and 2002;

   (d) the unaudited consolidated financial statements of Resorts World for the six months ended 30 June 2002 and 2003 and nine months ended 30 September 2002 and 2003; and

   (e) the latest published unaudited interim and audited year-end consolidated financial statements of the Guarantor and Resorts World.

   The Guarantor and Resorts World publish quarterly unaudited consolidated interim financial statements. The Guarantor and Resorts World do not publish interim unconsolidated financial statements. The Issuer does not publish annual financial and interim financial statements.

6. The Trustee is entitled under the Trust Deed to rely without liability to the Noteholders on certificates prepared by the directors of the Guarantor and/or the Issuer and accompanied by a certificate or report prepared by an internationally recognised firm of accountants to the Guarantor and/or the Issuer whether or not addressed to the Trustee, and whether or not the same are subject to any limitation on the liability of the internationally recognised firm of accountants to the Guarantor and/or the Issuer and whether by reference to a monetary cap or otherwise limited or excluded.

7. In connection with the application for the Notes to be listed on the Luxembourg Stock Exchange, copies of the Memorandum of Association and Articles of Association of the Issuer, the Guarantor and Resorts World and a legal notice relating to the issue of the Notes will be deposited prior to listing with the *Régistre de Commerce et des Sociétés à Luxembourg*, where they may be inspected and copies obtained upon request.

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0181974212 and the common code is 18197421.

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Auditors' Reports and Financial Statements

AUDITORS' REPORTS FOR THE FINANCIAL STATEMENTS OF THE GUARANTOR FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002

Report of the Auditors to the Members of Genting Berhad

We have audited the financial statements set out on pages F-7 to F-55 and pages F-57 to F-73. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

 (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

 (ii) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and the Company for the financial year ended on that date; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 38 set out on page F-55 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Public Accountants

CHIN KWAI YOONG
(No. 890/4/02 (J/PH))
Partner of the firm

Kuala Lumpur
18 April 2001

Report of the Auditors to the Members of
Genting Berhad

We have audited the financial statements set out on pages F-7 to F-55 and pages F-57 to F-73. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

    (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

    (ii) the state of affairs of the Group and of the Company as at 31 December 2001 and of the results and cash flows of the Group and the Company for the financial year ended on that date; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 38 set out on page F-55 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

CHIN KWAI YOONG
(No. 890/4/02 (J/PH))
Partner of the firm

Kuala Lumpur
1 April 2002

Report of the Auditors to the Members of Genting Berhad

We have audited the financial statements set out on pages F-7 to F-55 and pages F-57 to F-73. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

 (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

 (ii) the state of affairs of the Group and of the Company as at 31 December 2002 and of the results and cash flows of the Group and the Company for the financial year ended on that date; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 38 set out on page F-55 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

CHIN KWAI YOONG
(No. 890/04/04 (J/PH))
Partner of the firm

Kuala Lumpur
3 March 2003

ANNEX A-1

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002

CONTENTS **PAGE(S)**

CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	Note(s)	2000	2001	2002
Revenue	5 & 6	3,338.6	3,148.4	3,534.7
Cost of sales	7	(2,469.3)	(1,891.5)	(1,935.7)
Gross profit		869.3	1,256.9	1,599.0
Other income		136.7	118.8	116.7
Selling and distribution costs		(54.1)	(57.2)	(62.9)
Administration expenses		(203.2)	(205.0)	(172.5)
Other expenses	8	(1,073.7)	(104.0)	(90.5)
(Loss)/profit from operations		(325.0)	1,009.5	1,389.8
Finance cost		(48.0)	(77.6)	(67.9)
Share of results of associated companies		50.3	102.7	206.5
Gain on dilution of Group's interest in an associated company		—	—	31.1
(Loss)/profit from ordinary activities before taxation	5, 9 & 10	(322.7)	1,034.6	1,559.5
Taxation - Genting and subsidiary companies	11	(301.7)	(351.7)	(418.6)
- Share of tax in associated companies	11	(50.3)	(34.6)	(34.1)
		(352.0)	(386.3)	(452.7)
(Loss)/profit from ordinary activities after taxation		(674.7)	648.3	1,106.8
Minority shareholders' interests		429.2	(194.7)	(345.4)
Net (loss)/profit for the financial year		(245.5)	453.6	761.4
(Loss)/earnings per share				
- basic (sen)	12	(34.90)	64.41	108.10
- diluted (sen)	12	N/A	N/A	108.06

CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	Note	2000	2001	2002
NON-CURRENT ASSETS				
Property, plant and equipment	14	4,194.9	4,721.4	4,881.4
Real property assets	15	631.2	621.9	525.1
Associated companies	16	1,927.2	2,030.6	2,431.2
Other long term investments	17	114.0	6.9	15.6
Exploration cost		439.2	—	—
Long term receivables	21	10.1	19.0	20.2
Deferred taxation	18	—	—	18.0
CURRENT ASSETS				
Property development	19	117.3	117.5	86.9
Inventories	20	227.8	213.2	251.7
Trade and other receivables	21	241.5	247.7	313.2
Amount due from associated companies	16	4.1	1.5	1.2
Short term investments	22	546.8	884.4	1,269.4
Bank balances and deposits	23	846.7	1,357.0	1,626.3
		1,984.2	2,821.3	3,548.7
LESS: CURRENT LIABILITIES				
Trade and other payables	24	537.2	658.7	537.9
Short term borrowings	25	385.6	99.8	512.8
Taxation		269.0	216.4	260.7
		1,191.8	974.9	1,311.4
NET CURRENT ASSETS		792.4	1,846.4	2,237.3
		8,109.0	9,246.2	10,128.8
FINANCED BY				
SHARE CAPITAL	26	352.2	352.2	352.2
RESERVES				
Share premium		97.8	97.8	97.8
Revaluation reserves		384.5	383.9	382.2
Unappropriated profit		4,558.9	4,916.8	5,581.0
Reserves on exchange		54.1	49.5	57.4
SHAREHOLDERS' EQUITY		5,447.5	5,800.2	6,470.6
MINORITY INTERESTS		2,046.6	2,150.5	2,432.8
NON-CURRENT LIABILITIES				
Long term borrowings	25	406.6	1,084.6	929.8
Deferred taxation	18	15.2	15.3	66.5
Provision for retirement gratuities	28	179.8	175.6	204.1
Other liabilities	29	13.3	20.0	25.0
		614.9	1,295.5	1,225.4
		8,109.0	9,246.2	10,128.8
NET TANGIBLE ASSETS PER SHARE		RM7.73	RM8.23	RM9.19

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

		Non-Distributable			Distributable	
	Share Capital	**Share Premium**	**Revaluation Reserve**	**Reserve on Exchange Differences**	**Unappropriated Profit**	**Total**
Balance at 1 January 2000 as previously reported	352.2	97.8	404.2	118.4	4,816.3	5,788.9
Prior period adjustment:						
- Proposed final dividend for financial year ended 31 December 1999	—	—	—	—	63.4	63.4
As restated	352.2	97.8	404.2	118.4	4,879.7	5,852.3
Revaluation surplus realised upon sale of assets	—	—	(19.7)	—	19.7	—
Currency translation differences	—	—	—	(64.3)	—	(64.3)
Net loss not recognised in the income statement	—	—	(19.7)	(64.3)	19.7	(64.3)
Minority interests' share of revaluation reserves realised	—	—	—	—	1.3	1.3
Net loss for the financial year	—	—	—	—	(245.5)	(245.5)
Appropriation:						
Dividends						
- final paid for financial year ended 31 December 1999 (12.5 sen less 28% income tax)	—	—	—	—	(63.4)	(63.4)
- interim paid for financial year ended 31 December 2000 (6.5 sen less 28% income tax)	—	—	—	—	(32.9)	(32.9)
Balance at 31 December 2000	352.2	97.8	384.5	54.1	4,558.9	5,447.5
Balance at 1 January 2001 as previously reported	352.2	97.8	384.5	54.1	4,495.5	5,384.1
Prior period adjustment:						
- Proposed final dividend for financial year ended 31 December 2000 (refer Note 35)	—	—	—	—	63.4	63.4
As restated	352.2	97.8	384.5	54.1	4,558.9	5,447.5
Revaluation surplus realised upon sale of assets	—	—	(0.6)	—	0.6	—
Currency translation differences	—	—	—	(4.6)	—	(4.6)
Net loss not recognised in the income statement	—	—	(0.6)	(4.6)	0.6	(4.6)
Net profit for the financial year	—	—	—	—	453.6	453.6
Appropriation:						
Dividends						
- final paid for financial year ended 31 December 2000 (12.5 sen less 28% income tax)	—	—	—	—	(63.4)	(63.4)
- interim paid for financial year ended 31 December 2001 (6.5 sen less 28% income tax)	—	—	—	—	(32.9)	(32.9)
Balance at 31 December 2001	352.2	97.8	383.9	49.5	4,916.8	5,800.2

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002 (CONT'D)
Amounts in RM million unless otherwise stated

		Non-Distributable			Distributable	
	Share Capital	Share Premium	Revaluation Reserve	Reserve on Exchange Differences	Unappropriated Profit	Total
Balance at 1 January 2002 as previously reported	352.2	97.8	383.9	49.5	4,853.4	5,736.8
Prior period adjustment:						
- Proposed final dividend for financial year ended 31 December 2001 (refer Note 35)	—	—	—	—	63.4	63.4
As restated	352.2	97.8	383.9	49.5	4,916.8	5,800.2
Revaluation surplus realised upon sale of assets	—	—	(1.7)	—	1.7	—
Currency translation differences	—	—	—	7.9	—	7.9
Net gain not recognised in the income statement	—	—	(1.7)	7.9	1.7	7.9
Net profit for the financial year	—	—	—	—	761.4	761.4
Appropriation:						
Dividends						
- final paid for financial year ended 31 December 2001 (12.5 sen less 28% income tax)	—	—	—	—	(63.4)	(63.4)
- interim paid for financial year ended 31 December 2002 (7.0 sen less 28% income tax)	—	—	—	—	(35.5)	(35.5)
Balance at 31 December 2002	352.2	97.8	382.2	57.4	5,581.0	6,470.6

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	2000	2001	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit from ordinary activities before taxation	(322.7)	1,034.6	1,559.5
Adjustments for:			
Depreciation of property, plant and equipment ("PPE")	222.8	264.9	279.8
Finance cost	47.7	77.6	67.9
Investments written down	14.7	50.7	33.4
Net provision for/(write-back of) retirement gratuities	12.6	(3.9)	28.8
PPE written off	1.9	2.8	11.8
(Write-back of)/allowance for bad and doubtful debts	(8.1)	0.9	6.6
Impairment loss	—	—	5.3
Loss on disposal of investments	256.8	2.2	3.1
Dividend income	(13.3)	(6.4)	(4.7)
Allowance/(write-back of) for diminution in value of investments	130.3	2.3	(10.7)
Gain on disposal of PPE and real property assets	(8.4)	(35.8)	(26.0)
Gain arising on dilution of interest in associated company	—	—	(31.1)
Interest income	(109.0)	(50.4)	(56.7)
Share of results of associated companies	(50.3)	(102.7)	(206.5)
Write-off of goodwill on acquisition of additional interest in associated/subsidiary companies	1,047.2	61.2	—
Exploration cost written off	34.3	107.1	—
Other non-cash items	(6.5)	1.0	2.8
	1,572.7	371.5	103.8
Operating profit before changes in working capital	1,250.0	1,406.1	1,663.3
Increase in property development	(7.3)	(15.0)	(0.8)
Decrease/(increase) in inventories	7.8	14.6	(14.6)
Decrease/(increase) in receivables	55.2	7.2	(54.4)
Increase in payables	31.6	78.0	3.2
Decrease in amount due from associated companies	—	2.5	0.3
	87.3	87.3	(66.3)
Cash generated from operations	1,337.3	1,493.4	1,597.0
Taxation paid	(310.1)	(403.7)	(359.0)
Retirement gratuities paid	(0.3)	(0.3)	(0.3)
Advance membership fees received	1.7	5.2	5.2
Taxation refund	—	—	13.2
	(308.7)	(398.8)	(340.9)
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,028.6	1,094.6	1,256.1

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002 (CONT'D)
Amounts in RM million unless otherwise stated

	2000	2001	2002
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of PPE	(667.8)	(738.4)	(574.4)
Investment in associated company	—	—	(202.0)
Purchase of investments	(266.8)	(32.5)	(44.8)
Real property expenditure incurred	(25.7)	(3.4)	(2.2)
Long term receivables	—	—	(0.5)
Acquisition of an indirect subsidiary company	—	(1.3)	0.2
Repayments from associated companies	0.1	3.1	1.0
Dividends received	13.3	6.4	3.1
Dividends received from associated companies	0.4	1.2	3.5
Interest received	111.3	50.4	52.6
Proceeds from disposal of investments	389.4	102.1	77.7
Proceeds from disposal of PPE and real property assets	33.1	39.4	124.6
Exploration cost incurred	(35.7)	(73.2)	—
Purchase of additional shares from minority shareholders	—	(44.5)	—
Disposal of an indirect subsidiary company*	5.9	387.9	—
Subscription in floating rate convertible unsecured loan notes ("CULNS") issued by an associated company	(1,824.0)	—	—
Advances to associated companies	(1.0)	—	—
Redemption of preference shares by an associated company	100.0	—	—
Refund of CULNS by an associated company	142.5	—	—
NET CASH USED IN INVESTING ACTIVITIES	(2,025.0)	(302.8)	(561.2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(96.3)	(96.3)	(98.9)
Repayment of borrowings	(14.3)	(382.9)	(97.5)
Interest paid	(44.7)	(72.0)	(69.5)
Dividends paid to minority shareholders	(75.6)	(63.7)	(66.9)
Proceeds from bank borrowings	702.1	775.5	355.4
Redemption of preference shares by minority shareholders	—	(14.0)	—
Proceeds from issue of shares to minority shareholders	—	2.0	—
NET CASH INFLOW FROM FINANCING ACTIVITIES	471.2	148.6	22.6
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(525.2)	940.4	717.5
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	1,630.3	1,103.4	2,043.1
EFFECT OF CURRENCY TRANSLATION	(1.7)	(0.7)	6.1
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	1,103.4	2,043.1	2,766.7
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank balances and deposits (refer Note 23)	846.7	1,357.0	1,626.3
Money market instruments (refer Note 22)	259.4	688.4	1,140.5
	1,106.1	2,045.4	2,766.8
Bank overdrafts (refer Note 25)	(2.7)	(2.3)	(0.1)
	1,103.4	2,043.1	2,766.7

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002 (CONT'D)
Amounts in RM million unless otherwise stated

*** ANALYSIS OF THE DISPOSAL OF AN INDIRECT SUBSIDIARY COMPANY**

	2000	2001	2002
Net assets disposed:			
Exploration cost	—	405.9	—
Property, plant and equipment	14.7	—	—
Other receivables	1.8	—	—
Other payables	(0.4)	—	—
Short term borrowings	(0.2)	—	—
Minority interest	(15.9)	—	—
Gain/(Loss) on disposal	5.9	(3.5)	—
Initial/sale Consideration	5.9	402.4	—
Initial Consideration outstanding as at financial year end	—	(14.5)	—
Net cash inflow on disposal of a subsidiary company	5.9	387.9	—

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

1. 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 packaging 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 38 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 years ended 31 December 2000, 2001 and 2002.

2. Basis of Preparation

The financial statements are prepared in accordance with and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The historical cost convention modified by the revaluation of certain property, plant and equipment and land held for development, unless otherwise indicated in the individual policy statements set out in Note 3 to the financial statements, were adopted in the preparation of the financial statements.

During the financial year ended 31 December 2001, the Group adopted Malaysian Accounting Standards Board ("MASB") 15 "Property, Plant and Equipment" which became effective for accounting periods commencing on or after 1 July 2000.

During the financial year ended 31 December 2002, the Group adopted the following MASB standards which are effective for accounting periods commencing on or after 1 July 2001 and 1 January 2002:

MASB 19: Events After the Balance Sheet Date

MASB 20: Provisions, Contingent Liabilities and Contingent Assets

MASB 22: Segment Reporting

MASB 23: Impairment of Assets

MASB 24: Financial Instruments: Disclosure and Presentation

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act require the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. Actual results could differ from those estimates.

3. Significant Accounting Policies

Accounting policies adopted by the Group have been applied consistently in dealing with all material items in relation to the financial statements. In addition, the Group complies with new accounting standards that are effective for the respective financial year. New accounting standards are retrospectively applied unless in cases where the standard specifically does not require comparatives on first adoption due to non-availability of such information or when it is not practicable to do so.

The following are the significant accounting policies adopted by the Group:

Consolidation

The consolidated financial statements include the audited financial statements of the Company and all its subsidiary companies made up to the end of each financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiary companies are consolidated using the acquisition method of accounting whereby the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition up to the date when control ceases. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

Amounts in RM million unless otherwise stated

All material intercompany transactions, balances and unrealised gains on transactions between group companies have been eliminated; unrealised losses have also been eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets and exchange differences which were not previously recognised in the consolidated income statement.

Borrowing Costs

Costs incurred on external borrowings to finance expenditure and other long term qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to the income statement.

Impairment of Assets

During the financial year ended 31 December 2002, the Group adopted MASB 23 "Impairment of Assets" prospectively as required by the standard.

MASB 23 requires that the carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets, are reviewed to determine whether there is any indication of impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

Prior to the adoption of MASB 23, where the carrying amount of an asset is greater than its recoverable amount as assessed by the Directors, the asset is written down immediately to its recoverable amount. In determining the recoverable amount of items of property, plant and equipment, expected future cashflows have not been discounted to their present value.

An impairment loss is charged to the income statement, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the income statement, unless the asset is carried at revalued amount, in which case it is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

Property, Plant and Equipment

Property, plant and equipment are stated at cost modified by the revaluation of certain property, plant and equipment less accumulated depreciation and amortisation. In accordance with the transitional provisions allowed by the Malaysian Accounting Standards Board ("MASB") on adoption of MASB No. 15, Property, Plant and Equipment, the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Freehold land and plantations and property, plant and equipment which are under construction are not depreciated.

Leasehold properties are amortised equally over their respective periods of lease, ranging from 60 to 99 years. However, leasehold properties with original lease period of 999 years are not amortised, the cumulative effect of which is not material to the financial statements.

Other property, plant and equipment are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major classes of property, plant and equipment are as follows:

Buildings and improvements	2%-50%
Plant, equipment and vehicles	5%-50%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

New Planting and Replanting Expenditure

New planting expenditure incurred on land clearing and upkeeping of trees to maturity is capitalised under freehold and leasehold land respectively. New planting expenditure capitalised is not amortised. However, where the new planting expenditure capitalised on leasehold land which has unexpired period shorter than the plantation's economic useful life, the planting expenditure is amortised over the remaining period of the lease on a straight line basis.

Replanting expenditure is charged to the income statement in the financial year in which the expenditure is incurred.

Real Property Assets, Property Development and Profit Recognition

Real property assets and property development comprise land held for development and development expenditure and are stated at cost of acquisition modified by the revaluation of certain pieces of land. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board on adoption of Malaysian Accounting Standard No. 7, Accounting for Property Development, the valuation of these pieces of land have not been updated, and they continue to be stated at their carrying amounts. Cost of acquisition includes all related costs incurred on activities necessary to prepare the land for its intended use. These assets remain as real property assets until the sales launch of these properties, after which they are transferred to property development.

Assets under property development comprise land at carrying values and all related development costs incurred and are carried forward together with profit accrued to the appropriate stage of completion less progress billings and allowance for foreseeable losses, if any. These developments are expected to be completed within normal operating cycle of one to three years and are considered as current assets.

Upon completion of development, the unsold completed development properties are transferred to inventories.

Profits on property development projects are recognised based on the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property project activity progresses. The stage of completion is determined based on the proportion of development costs incurred for work performed up to the balance sheet date over the estimated total development cost to completion. Foreseeable losses, if any, are recognised in the income statement.

Investments

Long term investments, both quoted and unquoted, include investments in subsidiary companies, associated companies and other non-current investments. These investments are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of an investment, in which case the investment is written down. Permanent diminution in the value of an investment is recognised as an expense in the financial period in which it arises.

Investments in subsidiary companies are eliminated on consolidation while investments in associated companies are accounted for by the equity method of accounting.

Associated companies are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but not control over those policies.

Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred.

Equity accounting involves recognising in the income statement the Group's share of the associated companies' results for the financial year. The Group's interest in associated companies is stated at cost net of goodwill written off plus adjustments to reflect changes in the Group's share of the net assets of the associated companies.

Short term quoted investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value. Money market instruments are stated at the lower of cost and net realisable value.

Exploration Cost

Exploration cost is accounted for in accordance with the full cost method. Under this method, all costs relating to the exploration activities are capitalised when incurred. Where it is determined that the exploration activities will not yield significant oil and gas discoveries, the related exploration cost will be written off to the income statement.

Goodwill

Goodwill arising on consolidation which represents the excess of the purchase price over the fair value of the net assets of the subsidiary/associated companies at the date of acquisition, is written off to the income statement in the financial year when acquisition occurs.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

Receivables

Receivables are carried at estimated realisable value. An allowance is made for doubtful receivables based on a review of all outstanding amounts at the financial year end. Bad debts are written off during the financial year in which they are identified.

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Provision for Retirement Gratuities

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors of the Company and certain subsidiary companies. The level of retirement gratuities payable is determined by the Board and is based either on length of service and basic salary or the immediate past three years' emoluments.

Deferred Taxation

Deferred tax accounting using the 'liability' method is adopted by the Group. Deferred taxation provides for the effects of all material timing differences between accounting income and taxable income arising from the inclusion of items in different periods. No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net deferred taxation asset unless it can be demonstrated that these benefits can be realised in the foreseeable future.

Revenue Recognition

Sales are recognised upon delivery of products or performance of services, net of sales tax and discounts, and after eliminating sales within the Group.

The sales relating to property development projects are recognised progressively as the project activity progresses and are in respect of sales where agreements have been finalised. The recognition of sales is based on the percentage of completion method and is consistent with the method adopted for profit recognition.

Sales of short term investments are accounted for when the contracts are executed.

Casino revenue represents net house takings. The casino licence is renewable every three months.

Dividend income is recognised when the right to receive payment is established.

Dividends

On adoption of MASB 19 "Events After Balance Sheet Date" in the financial year ended 31 December 2002, dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial period in which the obligation to pay is established. Comparatives have been adjusted or extended to conform with changes in presentation due to the requirements of the standard. The adoption of this standard resulted in a change in accounting policy as disclosed in Note 35 to the financial statements.

Foreign Currencies

The financial statements are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies have been translated into RM at the rates ruling on the dates of the transactions unless hedged by forward foreign contracts, in which case the rates specified in such forward contracts are used. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at the rates ruling on that date. Gains and losses arising from translation are included in the income statement.

Amounts in RM million unless otherwise stated

The Group's foreign entities are those operations that are not an integral part of the operations of the Company. Income statements of subsidiary and associated companies in other reporting currencies are translated into RM at average rates for the financial year and the balance sheets are translated at the financial year end rates. Exchange differences arising from the translation of income statements at average rates and balance sheets at year end rates, and the restatement at year end rates of the opening net investments in such subsidiary and associated companies are taken to reserves.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Group and are translated accordingly at the exchange rate ruling at the date of the transaction.

The principal rates of exchange used in translation are as follows:

	Year end rate		
Currency	**2000**	**2001**	**2002**
	(RM to one unit of foreign currency)		
US Dollar	3.8000	3.8000	3.8000
Sterling Pound	5.6791	5.5102	6.1114
Australian Dollar	2.1082	1.9418	2.1510
Singapore Dollar	2.1915	2.0549	2.1882
Hong Kong Dollar	0.4872	0.4873	0.4873

Financial Instruments

During the financial year ended 31 December 2002, on adoption of MASB 24 "Financial Instruments: Disclosure and Presentation", the Group applied the following accounting policies in presenting and disclosing information about the Group's financial instruments:

a) Financial instruments recognised on the balance sheet

The recognition method adopted for those financial instruments that are recognised on the balance sheet are disclosed separately in the individual policy statements associated with the relevant financial instrument.

b) Financial instruments not recognised on the balance sheet

The Group, in managing its interest and currency exposures, enters into foreign currency forward contracts, interest rate swap and currency swap agreements. These instruments are not recognised in the financial statements on inception.

As the foreign currency forward contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates are used to translate the underlying foreign currency transactions into Ringgit Malaysia.

The related interest differentials paid or received under the swap agreements for interest rate swaps are recognised over the terms of the agreements in interest expense.

The underlying foreign currency assets or liabilities, which are effectively hedged by currency swap agreements, and designated as a hedge, are translated in the respective hedged currencies, at their contracted rates.

c) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date. For non-traded financial instruments, the Group uses various methods and makes assumptions that are based on market conditions. Comparisons are made to similar instruments that are publicly traded and estimates based on discounted cash flow techniques are also used. For long term financial liabilities, fair value is estimated by discounting future contractual cash flows at appropriate interest rates.

The book values of financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

Comparative information for prior financial years are not disclosed as the Group has taken advantage of the exemption provided by the standard.

Segmental Reporting

During the financial year ended 31 December 2002, on adoption of MASB 22 "Segmental Reporting", the Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

Revenues are attributed to geographical segments based on location of customers where sale is transacted. Assets are allocated based on location of assets.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by segment and consist principally of property, plant and equipment net of allowances and accumulated depreciation and amortisation, real property assets, property development, inventories and receivables. Segment liabilities comprise operating liabilities. Both segment assets and liabilities do not include income tax assets and liabilities and interest bearing instruments.

Segment information for the financial year ended 31 December 2001 have been adjusted or extended to conform with changes in presentation due to the requirements of this standard. For the financial year ended 31 December 2000, the segment information was prepared on basis inconsistent with that for the financial years ended 31 December 2001 and 2002 as the Group complied with the disclosure requirements of International Accounting Standard ("IAS") No. 14 "Segment Reporting".

4. Financial Risk Management Objectives and Policies

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board and do not trade in financial instruments. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

Foreign Currency Exchange Risk

The Group is exposed to foreign currency exchange risk when subsidiary companies enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for all committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

Interest Rate Risk

Interest rate risks mainly arise from the Group's borrowings. The Group manages this risk through the use of fixed and floating rate debt and derivative financial instruments. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

Market Risk

The Group, in the normal course of business, is exposed to market risks in respect of its equity investments and volatility in market prices of palm products. The Group manages its risk through established guidelines and policies.

Credit Risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Credit terms offered by the Group range from 14 days to 120 days from date of transaction. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. Credit limits are set and credit history are reviewed to minimise potential losses.

The Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses.

Liquidity Risk

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

Amounts in RM million unless otherwise stated

5. Segment Analysis

As mentioned in the accounting policies note, the Group prepared the segment information in accordance with IAS 14 "Segment Reporting" for the financial year ended 31 December 2000 and MASB 22 "Segmental Reporting" for the financial years ended 31 December 2001 and 2002.

2000:

	Operating Revenue	Profit/(Loss) before Taxation	Assets Employed
By activity			
Leisure & Hospitality	2,172.2	907.6	2,918.8
Plantations	163.3	39.0	480.2
Properties	122.5	21.7	1,171.9
Paper	445.7	75.4	926.2
Oil & Gas	26.2	(51.1)	457.9
	2,929.9	992.6	5,955.0
Associated companies	1,687.8	50.3	1,927.3
Non-Segment Items			
- Interest bearing investments	—	61.3	975.8
- Equity investments & others	408.7	(1,426.9)	442.7
	5,026.4	(322.7)	9,300.8
Adjustment relating to share of operating revenue of associated companies	(1,687.8)	—	—
	3,338.6	(322.7)	9,300.8
By geographical location			
Malaysia	3,206.4	1,145.5	5,744.8
Outside Malaysia	1,411.3	(102.6)	2,137.5
Non-segment items			
- Interest bearing investments	—	61.3	975.8
- Equity investments & others	408.7	(1,426.9)	442.7
	5,026.4	(322.7)	9,300.8
Adjustment relating to share of operating revenue of associated companies	(1,687.8)	—	—
	3,338.6	(322.7)	9,300.8

Interest income, interest expense, short term deposits and investments are not attributable to any activity and geographical segment and are therefore included under Non-Segment Items. Immaterial segments are not separately identified and, for presentation purposes, are also included under Non-Segment Items.

Amounts in RM million unless otherwise stated

2001:

a) Primary segment - by activity

	Leisure & Hospitality	Plantations	Properties	Paper	Oil & Gas	Others	Eliminations	Total
Revenue								
External	2,400.6	156.0	57.6	372.3	43.7	118.2	—	3,148.4
Inter segment	1.8	—	22.0	—	—	64.8	(88.6)	—
	2,402.4	156.0	79.6	372.3	43.7	183.0	(88.6)	3,148.4
Results								
Segment profit/(loss)	1,055.0	30.9	22.8	8.0	(122.1)	(35.5)	—	959.1
Interest income								50.4
Finance cost								(77.6)
Share of results of associated companies	(16.0)	1.8	0.4	—	—	116.5	—	102.7
Profit from ordinary activities before taxation								1,034.6
Taxation								(386.3)
Profit from ordinary activities after taxation								648.3
Minority shareholders' interests								(194.7)
Net profit for the financial year								453.6
Other information								
Assets								
Segment assets	3,399.9	552.6	1,167.7	1,247.3	48.5	395.3	(444.8)	6,366.5
Interest bearing instruments								1,823.7
Associated companies	1,591.9	8.8	1.0	—	—	428.9	—	2,030.6
Unallocated corporate assets								0.3
Total assets								10,221.1
Liabilities								
Segment liabilities	661.1	77.6	113.5	147.4	12.4	312.1	(478.3)	845.8
Interest bearing instruments								1,187.6
Unallocated corporate liabilities								237.0
Total liabilities								2,270.4
Other Disclosures								
- Capital expenditure	539.8	78.0	4.1	166.8	0.2	5.5	0.6	795.0
- Depreciation	189.9	7.8	7.3	50.1	0.6	9.2	—	264.9
- Write-off of goodwill arising on acquisition of additional interest in subsidiary/associated companies	28.0	—	—	—	—	33.1	—	61.1
- Other significant non-cash (charges)/credits	5.2	0.4	—	(1.8)	—	(53.4)	—	(49.6)

Amounts in RM million unless otherwise stated

2002:

a) Primary segment - by activity

	Leisure & Hospitality	Plantations	Properties	Paper	Oil & Gas	Others	Eliminations	Total
Revenue								
External	2,688.0	257.1	56.0	388.0	51.4	94.2	—	3,534.7
Inter segment	6.3	—	15.7	—	—	66.0	(88.0)	—
	2,694.3	257.1	71.7	388.0	51.4	160.2	(88.0)	3,534.7
Results								
Segment profit/(loss)	1,195.5	104.1	37.6	22.0	(10.0)	(18.0)	1.9	1,333.1
Interest income								56.7
Finance cost								(67.9)
Share of results of associated companies	88.7	2.9	1.5	—	—	113.4	—	206.5
Gain on dilution of Group's interest in an associated company	31.1	—	—	—	—	—	—	31.1
Profit from ordinary activities before taxation								1,559.5
Taxation								(452.7)
Profit from ordinary activities after taxation								1,106.8
Minority shareholders' interests								(345.4)
Net profit for the financial year								761.4
Other information								
Assets								
Segment assets	3,338.2	717.5	1,099.9	1,293.1	46.5	332.8	(472.7)	6,355.3
Interest bearing instruments								2,632.5
Associated companies	1,910.4	7.8	2.1	—	—	510.9	—	2,431.2
Unallocated corporate assets								21.2
Total assets								11,440.2
Liabilities								
Segment liabilities	559.7	33.8	123.1	144.2	16.1	381.0	(500.0)	757.9
Interest bearing instruments								1,446.2
Unallocated corporate liabilities								332.7
Total liabilities								2,536.8
Other Disclosures								
- Capital expenditure	180.3	169.9	25.2	103.3	0.1	6.9	(1.8)	483.9
- Depreciation	198.2	8.8	6.7	60.1	0.2	9.2	(3.4)	279.8
- Impairment loss	1.5	—	0.3	3.5	—	—	—	5.3
- Other significant non-cash (charges)/credits	(39.0)	(1.6)	(0.2)	1.6	(1.1)	(23.0)	—	(63.3)

Amounts in RM million unless otherwise stated

b) Secondary segment - by geographical location

	Revenue		Assets		Capital expenditure	
	2001	2002	2001	2002	2001	2002
Malaysia	3,009.5	3,403.4	7,124.7	7,933.4	794.6	483.2
Asia Pacific (excluding Malaysia)	45.4	52.6	879.4	1,013.5	0.4	0.7
Other countries	93.5	78.7	186.4	62.1	—	—
	3,148.4	3,534.7	8,190.5	9,009.0	795.0	483.9
Associated companies	—	—	2,030.6	2,431.2	—	—
	3,148.4	3,534.7	10,221.1	11,440.2	795.0	483.9

The Group is organised into five main business segments:

Leisure & Hospitality	—	this division includes the hotel, gaming and entertainment businesses, tours & travel related services and other support services.
Plantations	—	this division is involved mainly in oil palm plantations, palm oil milling and related activities.
Property	—	this division holds the real property assets of the Group and is involved in construction activities.
Paper	—	this division is involved in the manufacturing and trading of paper and packaging products and down stream activities involving packaging.
Oil & Gas	—	this division is involved in oil & gas exploration and sale of crude oil.

All other immaterial business segments including investments in equities, and information technology support services and other such services are aggregated and disclosed under "Others" as they are not of a sufficient size to be reported separately. All intersegment sales are conducted on an arms length basis.

Geographically, the Group operates in Asia Pacific. The main business segments of the Group are concentrated in Malaysia. The Asia Pacific region (excluding Malaysia) mainly comprises of interest bearing investments.

6. Revenue

	2000	2001	2002
Rendering of services:			
Leisure & hospitality	2,172.2	2,400.6	2,688.0
Rental and property management income	22.7	17.7	18.1
Other services	3.4	9.6	11.4
Sale of goods:			
Sale of paper and packaging products	445.7	372.3	388.0
Sale of plantation produce	163.3	156.0	257.1
Sale of properties and progressive sales on property development projects	99.8	39.9	38.0
Sale of crude oil	26.2	43.7	51.4
Others	2.6	0.1	0.3
Sale of investments	389.4	102.1	77.7
Dividend income	13.3	6.4	4.7
	3,338.6	3,148.4	3,534.7

Amounts in RM million unless otherwise stated

7. Cost of Sales

	2000	2001	2002
Included in cost of sales are the following:			
Cost of inventories recognised as an expense	474.8	507.5	594.3
Cost of investments disposed and related costs	791.2	157.3	70.2
Exploration costs written off	34.3	107.1	—
Cost of services and other operating costs	1,169.0	1,119.6	1,271.2
	2,469.3	1,891.5	1,935.7

8. Other Expenses

	2000	2001	2002
Included in other expenses are the following:			
- Write-off of goodwill on acquisition of additional interest in an associated company	1,047.2	28.0	—
- Write-off of goodwill on acquisition of additional interest in a subsidiary company	—	33.2	—
- Other operating expenses	26.5	42.8	90.5
	1,073.7	104.0	90.5

9. (Loss)/profit from Ordinary Activities Before Taxation

(Loss)/profit from ordinary activities before taxation has been determined after inclusion of the following charges and credits:

	2000	2001	2002
	RM'000	RM'000	RM'000
Charges:			
Depreciation of property, plant and equipment	222,843	264,900	279,807
Impairment of property, plant and equipment included in:			
- Cost of sales	—	—	3,494
- Administration expenses	—	—	282
- Other expenses	—	—	1,550
Property, plant and equipment written off	1,880	2,781	11,828
Loss on disposal of investments	256,790	2,232	3,124
Net allowance for diminution in value of investments	—	2,319	—
Investments written down	—	50,679	33,350
Net provision for retirement gratuities (Non-Directors)	385	—	20,599
Replanting expenditure	5,026	8,601	7,499
Hire of equipment	7,594	8,360	8,131
Rental of land and buildings	8,623	6,670	3,453
Finance cost	47,659	77,596	67,938
Net exchange losses - realised	488	2,399	491
Net exchange losses - unrealised	117	40	1,985
Allowance for bad and doubtful debts	—	870	6,646
Write-off of goodwill arising on acquisition of additional interest in an associated company	1,047,178	27,968	—
Write-off of goodwill arising on acquisition of additional interest in a subsidiary company	—	33,153	—
Staff costs (including remuneration of Executive Directors)	384,082	392,148	489,576
Auditors' remuneration	752	816	924
Credits:			
Interest income	108,993	50,368	56,673
Gain on disposal of property, plant and equipment and real property assets	8,433	35,832	25,993
Rental income from land and buildings	28,412	27,177	39,879
Net write-back of provision for retirement gratuities (Non-Directors)	—	796	—
Net write-back of allowance for diminution in value of investments	—	—	10,684
Write-back of allowance for bad and doubtful debts	8,060	—	—
Dividends (gross) from:			
- Quoted local companies	2,123	2,021	3,813
- Quoted foreign corporations	11,144	4,358	922
Other information:			
Non-audit fees:			
- payable to auditors	14	22	84
- payable to firms affiliated to the auditors	418	484	2,464
Number of employees at year end (thousands)	15.0	15.2	16.9

10. Directors' Remuneration

	2000	2001	2002
	RM'000	**RM'000**	**RM'000**
Non-Executive Directors*:			
Fees	162	169	262
Professional fees	240	240	264
Salary	150	157	165
Bonus	55	26	103
Allowance/contribution	85	83	146
Provision/(write-back) for retirement gratuities	37	(3)	127
Estimated money value of benefits-in-kind (not charged to the income statements)	49	29	60
Executive Directors:			
Fees	519	450	518
Professional Fees	507	—	—
Salaries	27,990	32,373	34,279
Bonus	12,165	7,476	31,639
Allowances/contributions	9,083	6,202	10,194
Provision/(write-back) for retirement gratuities	12,228	(3,116)	8,103
Estimated money value of benefits-in-kind (not charged to the income statements)	290	275	307
	63,560	44,361	86,167

* A Non-Executive Director of the Company receives salary and related benefits from an indirect subsidiary company by virtue of him being an Executive Director of the said indirect subsidiary company.

Remuneration of the Directors of the Company, in respect of services rendered to the Company and its subsidiary various other companies of the Group, is in represented by the following bands:

Amounts in RM'000	**2000**	**2001**	**2002**
		Number	
Non-Executive Directors:			
50 and below	2	3	2
50-100			1
600-650		1	
650-700	1		
900-950			1
Executive Directors:			
700-750	1	1	
900-950			1
1,050-1,100	1		
1,100-1,150		1	
1.650-1,700			1
2,300-2,350	1		
4,000-4,050	1		
8,250-8,300		1	
13,900-13,950			1
33,500-33,550		1	
54,600-54,650	1		
68,500-68,550			1

11. Taxation

	2000	2001	2002
Current taxation charge:			
Malaysian income taxation charge	300.0	342.2	396.6
Foreign income taxation charge	1.2	0.7	0.1
	301.2	342.9	396.7
Deferred taxation charge	0.5	7.1	10.2
Share of taxation of associated companies	50.3	34.6	34.1
	352.0	384.6	441.0
Prior years' taxation:			
Income tax under/(over) provided	—	8.2	(11.3)
Deferred tax (over)/under provided	—	(6.5)	23.0
	352.0	386.3	452.7

The effective tax rate of the Group for the financial year ended 31 December 2002, before adjustments for prior period taxation, closely approximates the statutory tax rate. For the year 2001, the effective tax rate was higher mainly due to non-deductibility of expenses for tax purposes such as charges relating to investments, tax losses of certain subsidiary companies, disallowable finance costs and other operating expenses as well as losses incurred in the Oil & Gas Division arising from exploration costs written off. Similarly, in 2000, the effective tax rate was also higher mainly due to the write-off of goodwill arising on acquisition of additional interest in an associated company of the Group, losses on disposal of foreign short term investments as well as allowances for diminution in value of short term investments held by the Group.

Subject to agreement by the Inland Revenue Board, as at 31 December 2000, 2001 and 2002 the amount of unutilised tax losses of subsidiary companies available for which the related tax effects have not been recognised in the net income amounted to RM86.8 million, RM87.6 million and RM101.0 million respectively. The amount of tax savings for which credit is recognised in the income statements for the financial years ended 31 December 2000, 2001 and 2002 is RM0.3 million, RM 3.2 million and nil respectively.

Subject to agreement by the Inland Revenue Board as at 31 December 2000, 2001 and 2002, the Group has investment tax allowance of approximately RM554.8 million, RM1,174.6 million and RM1,378.1 million, respectively; which is available for set off against future taxable profits of the Group.

12. Earnings Per Share

The basic and diluted earnings per share of the Group are computed as follows:

a) Basic earnings per share:

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	2000	2001	2002
Net (loss)/profit for the financial year (RM'000)	(245,491)	453,644	761,381
Weighted average number of ordinary shares in issue	704,338,954	704,338,954	704,338,954
Basic (loss)/earnings per share (sen)	(34.90)	64.41	108.10

b) Diluted earnings per share:

For the diluted earnings per share calculation, the Group's net profit for the financial year is reduced by the lower consolidated earnings from subsidiaries, arising from the potential dilution of the Group's shareholdings in those subsidiaries that have issued potential ordinary shares that are dilutive to minority shareholders. The weighted average number of ordinary shares in issue of the Company is also adjusted to assume conversion of all dilutive potential ordinary shares issued by the Company.

Earnings adjusted as follows:

	2000	2001	2002
	RM'000	**RM'000**	**RM'000**
Net profit for the financial year	—	—	761,381
Dilution of earnings on potential exercise of Employee Share Options ("ESOS") awarded to executives of Asiatic Development Berhad, a 54.9% owned subsidiary of the Company	—	—	(225)
Dilution of earnings on potential exercise of ESOS awarded to executives of Resorts World Bhd, a 55.2% owned subsidiary of the Company	—	—	(78)
Adjusted earnings for the financial year	—	—	761,078

	2000	2001	2002
Weighted average number of ordinary shares adjusted as follows:			
Weighted average number of ordinary shares in issue	—	—	704,338,954
Adjustment for share options granted to executives of the Company	—	—	32
Adjusted weighted average number of ordinary shares in issue	—	—	704,338,986
Diluted earnings per share (sen)	N/A	N/A	108.06

13. Dividends

	2000		2001		2002	
	Gross dividend per share	**Amount of dividend, net of tax**	**Gross dividend per share**	**Amount of dividend, net of tax**	**Gross dividend per share**	**Amount of dividend, net of tax**
	Sen	**RM million**	**Sen**	**RM million**	**Sen**	**RM million**
Interim dividend paid	6.5	32.9	6.5	32.9	7.0	35.5
Proposed final dividend	12.5	63.4	12.5	63.4	13.5	68.5
	19.0	96.3	19.0	96.3	20.5	104.0

The proposed final dividends in respect of the financial years ended 31 December 2000, 2001 and 2002 were proposed at the respective financial years' Annual General Meetings for shareholders' approval. These financial statements do not reflect the proposed final dividends which will be accrued as a liability upon approval by the shareholders. This represents a change in accounting treatment from that of prior year, as explained in Note 35.

Amounts in RM million unless otherwise stated

14. Property, Plant and Equipment

2000	Freehold land and plantations	Long leasehold land and plantations	Short leasehold land	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
At cost/valuation:								
Beginning of the financial year	400.1	311.0	1.2	1,898.8	222.2	1,734.6	370.1	4,938.0
Additions	6.0	11.1	—	5.7	1.1	62.2	647.8	733.9
Disposals	(0.6)	(0.1)	—	—	(5.3)	(3.7)	—	(9.7)
Written off	—	—	—	(0.1)	—	(2.1)	(1.3)	(3.5)
Disposal of indirect subsidiary company	—	—	(1.2)	—	—	—	(13.9)	(15.1)
Reclassifications/ transfers	3.5	2.4	—	402.2	(7.8)	83.4	(476.9)	6.8
Currency fluctuations	—	—	—	—	—	(1.3)	(0.7)	(2.0)
Others	—	0.3	—	0.3	(0.7)	0.5	—	0.4
End of the financial year	409.0	324.7	—	2,306.9	209.5	1,873.6	525.1	5,648.8
Accumulated depreciation:								
Beginning of the financial year	—	(10.9)	(0.5)	(260.8)	(13.4)	(951.3)	—	(1,236.9)
Charge for the financial year	—	(3.1)	—	(48.5)	(5.3)	(165.9)	—	(222.8)
Disposals	—	—	—	—	0.6	3.0	—	3.6
Written off	—	—	—	0.1	—	1.6	—	1.7
Disposal of indirect subsidiary company	—	—	0.5	—	—	—	—	0.5
Reclassifications/ transfers	—	(1.5)	—	(19.3)	(0.1)	19.2	—	(1.7)
Currency fluctuations	—	—	—	—	—	1.3	—	1.3
Others	—	(0.4)	—	—	—	0.8	—	0.4
End of the financial year	—	(15.9)	—	(328.5)	(18.2)	(1,091.3)	—	(1,453.9)
Net book value at end of the financial year	409.0	308.8	—	1,978.4	191.3	782.3	525.1	4,194.9
Comprising:								
Cost	75.3	281.2	—	2,111.3	209.5	1,862.1	525.1	5,064.5
At valuation:								
- 1981	118.9	—	—	—	—	—	—	118.9
- 1982	8.8	—	—	76.7	—	2.9	—	88.4
- 1983	106.7	—	—	2.3	—	—	—	109.0
- 1986	—	—	—	—	—	8.6	—	8.6
- 1989	83.3	—	—	115.9	—	—	—	199.2
- 1991	—	34.0	—	0.7	—	—	—	34.7
- 1995	—	9.5	—	—	—	—	—	9.5
- 1996	16.0	—	—	—	—	—	—	16.0
	409.0	324.7	—	2,306.9	209.5	1,873.6	525.1	5,648.8

Amounts in RM million unless otherwise stated

2001	Freehold land and plantations	Long leasehold land and plantations	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
At cost/valuation:							
Beginning of the financial year	409.0	324.7	2,306.9	209.5	1,873.6	525.1	5,648.8
Additions	7.3	82.6	1.6	4.7	107.9	590.9	795.0
Disposals	(1.9)	(0.1)	—	—	(6.8)	—	(8.8)
Written off	—	—	(1.9)	(2.0)	(4.6)	—	(8.5)
Assets of companies acquired	—	1.6	—	—	—	—	1.6
Reclassifications/ transfers	1.4	44.3	532.4	1.9	277.6	(857.2)	0.4
Currency fluctuations	—	—	(0.2)	—	(1.9)	—	(2.1)
Others	—	0.1	(1.0)	—	(0.7)	2.4	0.8
End of the financial year	415.8	453.2	2,837.8	214.1	2,245.1	261.2	6,427.2
Accumulated depreciation:							
Beginning of the financial year	—	(15.9)	(328.5)	(18.2)	(1,091.3)	—	(1,453.9)
Charge for the financial year	—	(3.3)	(61.3)	(5.9)	(194.4)	—	(264.9)
Disposals	—	—	—	—	5.2	—	5.2
Written off	—	—	1.7	0.4	3.6	—	5.7
Assets of companies acquired	—	—	—	—	—	—	—
Reclassifications/ transfers	—	—	—	(0.4)	—	—	(0.4)
Currency fluctuations	—	—	—	—	1.7	—	1.7
Others	—	—	—	—	0.8	—	0.8
End of the financial year	—	(19.2)	(388.1)	(24.1)	(1,274.4)	—	(1,705.8)
Net book value at end of the financial year	415.8	434.0	2,449.7	190.0	970.7	261.2	4,721.4
Comprising:							
Cost	84.0	410.5	2,642.3	214.1	2,233.7	261.2	5,845.8
At valuation:							
- 1981	117.4	—	—	—	—	—	117.4
- 1982	8.8	—	76.7	—	2.9	—	88.4
- 1983	106.4	—	2.3	—	—	—	108.7
- 1986	—	—	—	—	8.5	—	8.5
- 1989	83.3	—	115.8	—	—	—	199.1
- 1991	—	34.0	0.7	—	—	—	34.7
- 1995	—	8.7	—	—	—	—	8.7
- 1996	15.9	—	—	—	—	—	15.9
	415.8	453.2	2,837.8	214.1	2,245.1	261.2	6,427.2

Amounts in RM million unless otherwise stated

2002	Freehold land and plantations	Long leasehold land and plantations	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
At cost/valuation:							
Beginning of the financial year	415.8	453.2	2,837.8	214.1	2,245.1	261.2	6,427.2
Additions	23.1	134.3	16.9	2.7	123.7	183.2	483.9
Disposals	(0.4)	—	(3.3)	(5.0)	(10.9)	—	(19.6)
Written off	—	(0.3)	(0.2)	(10.7)	(5.2)	—	(16.4)
Reclassifications/transfers	2.7	6.0	171.8	(2.0)	156.1	(334.6)	—
Currency fluctuations	—	—	0.2	—	2.4	—	2.6
Others	—	—	(11.8)	(0.5)	(10.2)	(6.6)	(29.1)
End of the financial year	441.2	593.2	3,011.4	198.6	2,501.0	103.2	6,848.6
Accumulated depreciation:							
Beginning of the financial year	—	(19.2)	(388.1)	(24.1)	(1,274.4)	—	(1,705.8)
Charge for the financial year	—	(3.6)	(66.7)	(4.7)	(204.8)	—	(279.8)
Disposals	—	—	2.2	1.6	5.9	—	9.7
Written off	—	—	0.1	1.1	3.4	—	4.6
Reclassifications/transfers	—	(0.9)	(0.4)	0.2	0.2	—	(0.9)
Currency fluctuations	—	—	(0.1)	—	(1.7)	—	(1.8)
Others	—	—	0.1	0.5	11.5	—	12.1
End of the financial year	—	(23.7)	(452.9)	(25.4)	(1,459.9)	—	(1,961.9)
Accumulated Impairment losses:							
Beginning of the financial year	—	—	—	—	—	—	—
Charge for the financial year	—	—	—	—	(5.3)	—	(5.3)
End of the financial year	—	—	—	—	(5.3)	—	(5.3)
Net book value at end of the financial year	441.2	569.5	2,558.5	173.2	1,035.8	103.2	4,881.4
Comprising:							
Cost	109.7	550.5	2,815.9	198.6	2,489.6	103.2	6,267.5
At valuation:							
- 1981	117.2	—	—	—	—	—	117.2
- 1982	8.8	—	76.7	—	2.9	—	88.4
- 1983	106.3	—	2.3	—	—	—	108.6
- 1986	—	—	—	—	8.5	—	8.5
- 1989	83.3	—	115.8	—	—	—	199.1
- 1991	—	34.0	0.7	—	—	—	34.7
- 1995	—	8.7	—	—	—	—	8.7
- 1996	15.9	—	—	—	—	—	15.9
	441.2	593.2	3,011.4	198.6	2,501.0	103.2	6,848.6

Amounts in RM million unless otherwise stated

Fixed assets have been revalued by the Directors based upon valuations carried out by independent firms of professional valuers using the fair market value basis except for assets revalued in 1991, which were based on the values determined by a regulatory authority in connection with a restructuring exercise.

As at 31 December 2000, 2001 and 2002, the net book value of the revalued assets of the Group would have amounted to RM323.9 million, RM322.3 million and RM320.2 million respectively had such assets been stated in the financial statements at cost..

As at 31 December 2000 and 2001, the net book value of property, plant and equipment which were pledged by an indirect subsidiary company as security for redeemable fixed rate bonds issued by the indirect subsidiary company amounted to RM121.8 million and RM114.3 million respectively. As the bonds were fully redeemed on 6 February 2002, the pledge on these assets has been removed.

15. Real Property Assets

	2000	2001	2002
Land held for development:			
At cost	111.6	94.5	37.5
At valuation:			
- 1981	7.9	7.5	7.5
- 1983	47.9	47.9	47.9
- 1989	163.9	164.6	163.1
- 1995	74.6	74.7	74.7
- 1996	40.9	40.3	39.4
	446.8	429.5	370.1
Development expenditure	184.4	192.4	155.0
	631.2	621.9	525.1

The bases of valuation of land held for development are consistent with those indicated in Note 14.

16. Associated Companies

	2000	2001	2002
Quoted - at cost:			
Shares in foreign corporation, less goodwill written off	1,530.2	1,575.6	1,777.6
Group's share of post acquisition reserves	34.7	16.3	132.7
	1,564.9	1,591.9	1,910.3
Unquoted - at cost:			
Shares in Malaysian companies	10.2	10.1	10.1
Group's share of post acquisition reserves	333.3	428.6	510.8
	343.5	438.7	520.9
Amount due from associated companies	22.9	8.4	7.1
Less: Balance included in long term receivables (refer Note 21)	—	(6.9)	(5.9)
Balance included in current assets	(4.1)	(1.5)	(1.2)
	18.8	—	—
	1,927.2	2,030.6	2,431.2
Represented by:			
Share of net assets, other than goodwill of associated companies	1,908.4	2,030.6	2,431.2
Market value of quoted shares	3,936.1	2,089.9	1,866.1

Amounts in RM million unless otherwise stated

The amount due from associated companies represents outstanding amounts arising from inter-company sales and purchases, advances and payments made on behalf of associated companies. The amounts due are unsecured and interest free and those amounts included under long term receivables are not repayable within the next twelve months.

The associated companies are listed in Note 38.

17. Other Long Term Investments

	2000	2001	2002
Quoted shares in foreign corporations, at cost	151.7	8.3	8.3
Less: Amounts written down to-date	(44.6)	(8.0)	(8.0)
	107.1	0.3	0.3
Unquoted shares in Malaysian companies, at cost	3.6	3.6	4.1
Less: Amounts written down to-date	—	—	(0.9)
	3.6	3.6	3.2
Other unquoted investment outside Malaysia, at cost	3.3	3.0	44.6
Less: Amounts written down to-date	—	—	(32.5)
	3.3	3.0	12.1
	114.0	6.9	15.6

The market value of the Group's investments in foreign quoted shares amounted to RM68.9 million, RM0.5 million and RM0.4 million as at 31 December 2000, 2001 and 2002 respectively. For the balance of unquoted shares which are carried in the financial statements, it was not practicable within the constraints of cost to estimate reliably the fair values as there are no comparable securities that are traded.

18. Deferred Taxation

	2000	2001	2002
Comprise the tax effects of:			
Excess of capital allowances over depreciation	(52.0)	(55.9)	(91.0)
Timing differences arising from provisions	36.8	40.6	42.5
Net deferred tax liability	(15.2)	(15.3)	(48.5)

The "Net deferred tax liability" of the Group as of 31 December 2002 represents a deferred tax asset for RM18.0 million and deferred tax liability of RM66.5 million.

Subject to agreement by the Inland Revenue Board, the Group has potential tax benefits, of which the tax effects not taken up in the financial statements are as follows:

	2000	2001	2002
Unutilised tax losses	24.3	24.5	28.3
Unutilised capital allowances	65.4	131.9	177.5
	89.7	156.4	205.8

The tax effects relating to the increase in the carrying values of certain revalued assets are not disclosed as there is no intention to dispose of these assets in the foreseeable future.

Amounts in RM million unless otherwise stated

19. Property Development

	2000	2001	2002
Land held for development:			
At cost	2.4	1.5	—
At valuation:			
- 1983	1.4	1.2	1.3
- 1995	8.0	8.5	—
- 1996	22.4	21.8	21.5
	34.2	33.0	22.8
Development expenditure	104.8	112.0	86.4
Attributable profits	11.4	7.4	4.1
Progress billings	(33.1)	(34.9)	(26.4)
	117.3	117.5	86.9

20. Inventories

	2000	2001	2002
At cost:			
Raw materials	41.6	29.6	27.4
Stores and spares	47.1	57.7	63.9
Food, beverages and other hotel supplies	5.9	6.7	7.7
Produce stocks and finished goods	20.7	16.9	25.6
Completed properties	105.9	102.2	126.4
	221.2	213.1	251.0
At net realisable value:			
Stores and spares	4.8	—	—
Completed properties	1.8	0.1	0.7
	227.8	213.2	251.7

21. Trade and Other Receivables

	2000	2001	2002
Current:			
Trade debtors	132.0	136.1	157.5
Other debtors	65.2	76.4	80.9
Less: Allowance for doubtful debts	(5.3)	(5.6)	(10.9)
	191.9	206.9	227.5
Deposits	20.5	23.6	57.4
Prepayments	29.1	17.2	28.3
	241.5	247.7	313.2
Non-current:			
Trade debtors	10.1	11.6	12.1
Amount due from associated company (refer Note 16)	—	6.9	5.9
Other debtors	—	0.5	2.2
	10.1	19.0	20.2
	251.6	266.7	333.4

Amounts in RM million unless otherwise stated

The maturity profile for non-current receivables are as follows:

	2001	2002
More than one year and less than two years	—	5.9
More than two years and less than five years	19.0	13.8
More than 5 years	—	0.5
	19.0	20.2

The fair values of trade and other receivables closely approximate their book values as at 31 December 2002.

Included in other debtors of the Group are housing and other loans extended to certain executive directors of the Group as follows:

	2000	2001	2002
Interest free loan	0.8	0.7	0.2
Interest bearing loan	0.5	0.8	0.8
	1.3	1.5	1.0

The interest bearing loans carry interest rates of approximately 4% for each the three financial years ended 31 December 2002.

As at 31 December 2002, credit terms offered by the Group in respect of trade receivables range from 14 days to 120 days from date of invoice.

22. Short Term Investments

	2000	2001	2002
Quoted - at cost:			
Shares in Malaysian companies	64.7	84.2	84.2
Shares in foreign corporations	355.3	164.3	86.5
	420.0	248.5	170.7
Less: Allowance for diminution in value of investments	(132.6)	(52.5)	(41.8)
	287.4	196.0	128.9
Unquoted - at cost:			
Money market instruments (refer Note 23)	259.4	688.4	1,140.5
	546.8	884.4	1,269.4
Market value of quoted shares:			
- Malaysian companies	43.1	77.0	84.3
- Foreign corporations	244.3	120.5	48.2
	287.4	197.5	132.5

Investment in money market instruments comprise of negotiable certificates of deposit and bankers' acceptances.

Amounts in RM million unless otherwise stated

23. Cash and Cash Equivalents

	2000	2001	2002
Deposits with licensed banks	692.1	1,030.5	1,328.3
Deposits with finance companies	12.4	93.4	119.8
Cash and bank balances	142.2	233.1	178.2
Bank balances and deposits	846.7	1,357.0	1,626.3
Add: Money market instruments (refer Note 22)	259.4	688.4	1,140.5
Bank balances, deposits and money market instruments	1,106.1	2,045.4	2,766.8
Less: Bank overdrafts (refer Note 25)	(2.7)	(2.3)	(0.1)
Cash and cash equivalents	1,103.4	2,043.1	2,766.7

The currency exposure profile and weighted average interest rates of the bank balances, deposits and money market instruments as at 31 December 2002 are as follows:

	Currency profile	Effective interest rates
Ringgit Malaysia	1,775.4	2.94
US Dollars	958.7	1.24
Renminbi	24.9	—
Singapore Dollar	5.1	0.45
Euro	1.9	2.80
Other foreign currencies	0.8	—
	2,766.8	

The deposits of the Group as at 31 December 2002 have maturity periods ranging between overnight and one month. Cash and bank balances of the Group are held at call.

Included in deposits with licensed banks for the Group as at 31 December 2000, 2001 and 2002 is an amount of RM8.9 million, RM9.8 million and RM15.0 million deposited by an indirect subsidiary company into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act 1966. This amount is available for use by the said subsidiary company for the payment of property development expenditure.

As at 31 December 2000, 2001 and 2002, deposits of an indirect subsidiary company amounting to RM4.4 million, RM 4.1 million and RM4.4 million have been pledged as security for its bank overdraft facilities.

24. Trade and Other Payables

	2000	2001	2002
Trade creditors	106.7	99.0	177.7
Accrued expenses	199.8	366.5	189.1
Interest payable	5.9	11.5	9.9
Deposits	23.6	28.5	27.9
Other creditors	201.2	153.2	133.3
	537.2	658.7	537.9

Included in other creditors and accrued expenses of the Group as at 31 December 2000, 2001 and 2002 are progress billings payable and accruals for capital expenditure relating to construction of new hotel, upgrading of resorts infrastructure and balance of purchase consideration for land acquisition amounting to RM85.8 million, RM157.5 million and RM53.4 million respectively.

As at 31 December 2002, credit terms available to the Group range from 7 days to 90 days from date of invoice.

Amounts in RM million unless otherwise stated

25. Borrowings

		2000	2001	2002
Current				
Term Loans/Euro Medium Term Notes - US Dollars	- Unsecured	319.2	—	252.1
Euro Medium Term Notes - Singapore Dollar	- Unsecured	—	—	221.6
Term loans	- Unsecured	63.7	—	39.0
Redeemable fixed rate bonds	- Secured	—	82.0	—
Bankers' acceptances	- Unsecured	—	15.5	—
Banks overdrafts - Australian Dollar	- Unsecured	0.2	—	0.1
- Singapore Dollar	- Secured	2.5	2.3	—
		385.6	99.8	512.8
Non-current				
Term Loans/Euro Medium Term Notes - US Dollars	- Unsecured	98.8	858.8	809.4
Euro Medium Term Notes - Singapore Dollar	- Unsecured	220.4	220.4	—
Term loan	- Unsecured	—	—	115.0
Other advances	- Unsecured	5.4	5.4	5.4
Redeemable fixed rate bonds	- Secured	82.0	—	—
		406.6	1,084.6	929.8
		792.2	1,184.4	1,442.6

The weighted average interest rates (%) per annum before and after interest rate swaps ("IRS") are as follows:

Effective during the year:

	2001		2002	
	Before IRS	**After IRS**	**Before IRS**	**After IRS**
US Dollar Term Loans/Euro Medium Term Notes	4.8	5.9	3.1	5.4
Long term loan	—	—	4.7	4.7
Short term loans	—	—	3.8	3.8
Redeemable fixed rate bonds	8.6	8.6	—	—
Bankers' acceptances	3.2	3.2	—	—
Bank overdrafts	6.5	6.5	8.2	8.2
Other advances	7.6	7.6	7.4	7.4

As at 31 December:

	2001		2002	
	Before IRS	**After IRS**	**Before IRS**	**After IRS**
US Dollar Term Loans/ Euro Medium Term Notes	3.6	5.7	3.1	5.1
Long term loan	—	—	4.7	4.7
Short term loans	—	—	3.9	3.9
Redeemable fixed rate bonds	8.6	8.6	—	—
Bankers' acceptances	3.3	3.3	—	—
Bank overdrafts	6.5	6.5	8.5	8.5
Other advances	7.4	7.4	7.4	7.4

Amounts in RM million unless otherwise stated

The maturity profile and exposure of borrowings of the Group to interest rate risk are as follows:

	Borrowings	
	Floating interest rate	**Fixed interest rate**
As at 31 December 2001:		
Before interest rate swaps:		
Less than one year	17.8	82.0
More than one year and less than two years	256.2	220.4
More than two years and less than five years	608.0	—
After interest rate swaps:		
Less than one year	17.8	82.0
More than one year and less than two years	256.2	220.4
More than two years and less than five years	129.2	478.8
As at 31 December 2002:		
Before interest rate swaps:		
Less than one year	276.2	236.6
More than one year and less than two years	55.8	50.0
More than two years and less than five years	759.0	65.0
After interest rate swaps:		
Less than one year	100.4	412.4
More than one year and less than two years	55.8	50.0
More than two years and less than five years	379.0	445.0

As at 31 December 2002, the exposure of the borrowings of the Group to interest rate changes and the periods in which the borrowings reprice are as follows:

	Repricing periods				
	Total	**1 to 3 months**	**More than 3 months and less than 1 year**	**More than 1 year and less than 2 years**	**More than 2 years and less than 5 years**
Total borrowings	1,442.6	1,067.0	260.6	50.0	65.0
Movements in repricing periods due to interest rate swaps	—	(555.8)	175.8	—	380.0
	1,442.6	511.2	436.4	50.0	445.0

Fair values of the borrowings as at 31 December 2002 are as follows:

- Current	512.8
- Non current	932.4

The redeemable fixed rate secured bonds issued by an indirect subsidiary company under a bond facility fully underwritten by a bank was fully redeemed on 6 February 2002.

Other unsecured long term advances represent advances from a minority shareholder in an indirect subsidiary company. For each of the financial years ended 31 December 2000, 2001 and 2002 interest payable on the advances amounting to RM0.4 million has been waived.

26. Share Capital

	2000	2001	2002
Authorised:			
1,600 million ordinary shares of 50 sen each	800.0	800.0	800.0
Issued and fully paid:			
704.4 million ordinary shares of 50 sen each	352.2	352.2	352.2

As at 31 December 2000, 2001 and 2002, the Company has 3,412,000, 3,371,000 and 679,000 unissued ordinary shares of 50 sen each outstanding under The Genting Employees' Share Option Scheme for Executives ("Previous ESOS"). The outstanding options granted under the Previous ESOS in these financial years are exercisable as follows:

Exercisable Period		Subscription Price per share	Number of unissued shares in thousands		
From	To	RM	2000	2001	2002
15 December 1999	15 December 2004	19.80	3,412	3,317	679

At an Extraordinary General Meeting ("EGM") of the Company held on 21 February 2002, the shareholders of the Company approved The Executive Share Option Scheme for Eligible Executives of the Company and its subsidiaries ("New ESOS").

At another EGM held on 25 June 2002, the draft Bye-Laws of the New ESOS was further amended such that the total number of new shares to be offered under the New ESOS Scheme shall not exceed 2.5% of the issued and paid-up share capital of the Company at any time of the offer but the shareholders of the Company may at any time during the tenure of the Scheme, by ordinary resolution increase the total number of new shares to be offered under the Scheme up to 5% of the issued and paid up share capital of the Company at the time of the offer.

The New ESOS became effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012. The Option Holders of the previous ESOS who participated in the New ESOS have relinquished their outstanding option under the previous ESOS.

On 2 September 2002 and 29 November 2002, options were granted pursuant to the New ESOS and the outstanding options of 7,052,000 unissued ordinary shares of 50 sen each are exercisable as follows:

Exercisable Period		Subscription Price per share	Number of unissued shares in thousands
From	To	RM	
03 September 2004	11 August 2012	14.34	6,988
30 November 2004	11 August 2012	13.08	64

The option granted can only be exercised by the Grantee in the third year from the date of offer and the number of new shares comprised in the option which a Grantee can subscribe for from the third year onwards shall at all times be subject to the following maximum percentage of new shares comprised in the options:

Year 1	Year 2	Year 3	Year 4	Year 5
—	—	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares
Year 6	**Year 7**	**Year 8**	**Year 9**	**Year 10**
12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% or balance of all options allotted

Amounts in RM million unless otherwise stated

27. Reserves

	2000	2001	2002
Non-Distributable Reserves:			
Share Premium	97.8	97.8	97.8
Revaluation Reserves	384.5	383.9	382.2
Exchange Differences	54.1	49.5	57.4
Distributable Reserves:			
Unappropriated Profit (refer Note 35)	4,558.9	4,916.8	5,581.0
	5,095.3	5,448.0	6,118.4

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position as at 31 December 2000, 2001 and 2002 is sufficient to frank approximately RM1,813.2 million, RM1,965.1 million and RM2,180.6 million respectively of the Company's unappropriated profit if distributed by way of dividends without additional tax liabilities being incurred.

As at 31 December 2000, 2001 and 2002, the Company has tax exempt income available to frank as tax exempt dividends arising from the Promotions of Investment Act, 1986 and the Income Tax (Amendment) Act 1999, relating to tax on income earned in 1999 being waived, amounting to approximately RM471.6 million, RM480.7 million and RM489.8 million respectively. The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board. Taking into consideration the tax credit and tax exempt income as at 31 December 2000, 2001 and 2002, a tax liability of approximately RM52.8 million, RM64.8 million and RM78.8 million respectively would be incurred should all the unappropriated profit of the Company be distributed as dividends.

28. Provision for Retirement Gratuities

	2000	2001	2002
Beginning of the financial year	167.5	179.8	175.6
Charge for the financial year	14.4	2.4	31.9
Write-back of provision	(1.8)	(6.3)	(3.1)
Payments during the financial year	(0.3)	(0.3)	(0.3)
End of the financial year	179.8	175.6	204.1

29. Other Liabilities

	2000	2001	2002
Advance membership fees	13.0	19.7	24.9
Unearned premiums	0.3	0.3	0.1
	13.3	20.0	25.0

The advance membership fees relate to fees received on sale of time-share units by an indirect subsidiary company offering a time-share ownership scheme. These fees are recognised as income over the next twenty four years from commencement of membership. Unearned premiums relate to premiums for policies with unexpired risks.

30. Financial Instruments

As at 31 December 2002, the Group has the following financial instruments:

a) Borrowings

The Group has the following borrowings as disclosed in Note 25:

i) Foreign currency borrowings

Currency	Start date	Maturity dates	Foreign currency (millions)			Equivalent RM (millions)
			Hedged	Unhedged	Total	Total
Singapore Dollar	26/05/2000	26/05/2003	100.0	—	100.0	221.6
US Dollar	16/06/2000	16/06/2003	26.0	—	26.0	99.4
US Dollar	25/04/2001	25/04/2003	40.0	—	40.0	152.7
US Dollar	25/04/2001	25/04/2005 to 25/04/2006	—	160.0	160.0	608.0
US Dollar	27/11/2002	21/11/2004 to 27/11/2007	—	53.0	53.0	201.4
Australian Dollar	—	On demand	—	0.04	0.04	0.1
Total						1,283.2

The Singapore Dollar ("SGD") and US Dollar ("USD") borrowings as shown above, which are obtained by subsidiaries of Resorts World Bhd ("RWB"), a 55.2% owned subsidiary of the Company, are guaranteed by RWB. These borrowings are repayable in full on the respective maturity dates.

The Group entered into two Cross Currency Swap ("CCS") agreements, the first on the start date of the SGD borrowing and the second on 3 August 2000. The effect of the two CCS agreements is to convert the SGD borrowing into a fixed rate USD58.0 million liability. The swaps terminate on the maturity of the borrowing, which is 26 May 2003.

A portion of the USD borrowings, including the USD58.0 million liability, was subsequently hedged into Ringgit Malaysia using forward foreign exchange contracts. These contracts amounting to RM473.7 million have been included in the outstanding forward foreign exchange contracts in Note (c) below. The foreign currency exposure has been hedged to the extent permitted by the Central Bank's exchange control regulations.

The fair value of the outstanding CCS agreements of the Group which has not been recognised at the balance sheet date was an unfavourable net position of RM4.6 million.

ii) Local currency borrowings

Start date	Maturity dates	Equivalent RM (Mil)
11/09/2002	11/09/2003	15.0
14/08/2002	14/08/2004	50.0
14/08/2002	14/08/2005	55.0
29/08/2002	28/02/2006	10.0
25/10/2002	24/04/2003	24.0
24/07/1995	Not specified	5.4
Total		159.4

Amounts in RM million unless otherwise stated

b) Interest Rate Swaps ("IRS")

The Group has entered into IRS contracts to manage the exposure of its borrowings to interest rate risks. With the IRS agreements, the Group receives interest at floating rate based on three months SIBOR or LIBOR and pays interest at fixed rates on the agreed notional principal amounts.

As at 31 December 2002, the terms and notional principal amounts of the outstanding interest rate swap contracts of the Group are as follows:

	USD (Mil)	Equivalent RM (Mil)
Within one year	46.0	175.8
More than one year and less than 5 years	100.0	380.0
	146.0	555.8

The effect of the above interest rate swaps is to effectively fix the interest rate payable on part of the foreign currencies borrowings mentioned in Note (a) above.

The fair value of the outstanding interest rate swap contracts of the Group which has not been recognised as at 31 December 2002 was an unfavourable net position of RM33.2 million.

c) Forward Foreign Exchange Contracts

As at 31 December 2002, the outstanding forward foreign exchange contracts are as follows:

Currency	Transaction dates	Expiry Dates	Contract Amounts (Mil)	Equivalent RM (Mil)
USD	04/04/02 to 02/10/02	27/01/03 to 25/07/03	134.3	513.3
EUR	30/08/02 to 27/12/02	01/01/03 to 28/02/03	0.8	2.9

As foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

The fair value of the forward foreign currency contracts of the Group which has not been recognised as at 31 December 2002 was an unfavourable net position of RM83,000.

31. Contingent Liabilities

As at 31 December 2000, 2001 and 2002, unsecured bank guarantees of RM3.8 million, RM3.5 million and RM4.1 million respectively were given by an indirect subsidiary company in relation to a property development project that was previously undertaken by the subsidiary until the disposal of the development property during the financial year. The Directors of the subsidiary company do not expect any loss to arise in respect of these guarantees. The purchaser of the development property has agreed to indemnify the subsidiary against all losses arising out of the bank guarantees and the subsidiary company is in the process of discharging itself from the guarantees.

32. Capital Commitments

	2000	2001	2002
Authorised capital expenditure not provided for in the financial statements:			
- contracted	610.8	169.1	607.8
- not contracted	162.5	111.5	492.9
	773.3	280.6	1,100.7
Analysed as follows:			
- Property, plant and equipment	771.9	236.3	743.1
- Investments	—	44.3	352.4
- Others	1.4	—	5.2
	773.3	280.6	1,100.7

Amounts in RM million unless otherwise stated

33. Significant Non-cash Transactions

The principal non-cash transaction during the financial year ended 31 December 2000 is the acquisition of additional 609,781,993 ordinary shares of USD0.10 each in Star Cruises Limited, an associated company of the Group, by the conversion of Floating rate Convertible Unsecured Loan Notes purchased during the year amounting to RM1,681.5 million.

The principal non-cash transactions during the financial year ended 31 December 2001 are as follows:

a) Redeemable fixed rate bonds amounting to RM82.0 million issued by an indirect subsidiary of the Company was reclassified from long term loan to short term borrowings as these bonds are due to mature on 6 August 2002.

b) Quoted shares in foreign corporations amounting to RM91.9 million were reclassified from long term investments to short term investments.

c) Quoted shares in an associated company amounting to RM73.4 million were reclassified from short term investments to long term investment in associated company.

During the financial year ended 31 December 2002, the Singapore Dollar borrowings and a portion of the US Dollar borrowings obtained by an indirect subsidiary company amounting to RM473.7 million were reclassified from long term borrowings to short term borrowings as they are due to be fully repaid in 2003.

34. Significant Related Party Transactions and Balances

In the normal course of business, the Company and the Group undertakes on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions listed below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

			2000	2001	2002
A)	**Rendering of Services:**				
a)	i)	Reimbursements by Genting International PLC, a 62.2% owned subsidiary of the Company to Star Cruises (HK) Ltd and Star Cruise Management Ltd, both wholly owned subsidiary companies of Star Cruises Limited, ("Star Cruises"), a corporation in which the Group has an effective 19.0% ownership interest, for expenses incurred in maintaining representative offices in China, Taiwan, Bangkok and India.	—	1.0	1.4
	ii)	Air ticketing and transportation services rendered by Resorts World Tours Sdn Bhd, a wholly owned subsidiary of Resorts World Bhd ("RWB"), which in turn is a 55.2% owned subsidiary of the Company to Star Cruises.	4.0	3.8	3.1
		For the financial years ended 31 December 2000 and 2001, Tan Sri Lim Goh Tong is the Chairman and Chief Executive of the Company. For the financial year ended 31 December 2002, Tan Sri Lim Goh Tong is the Chairman of the Company.			
		Tan Sri Lim Goh Tong is also a shareholder of Star Cruises and a preference unit holder of the Golden Hope Unit Trust ("GHUT") which is a substantial (49.7%) shareholder of Star Cruises and of which Golden Hope Limited ("GHL") is acting as its trustee and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.			

Amounts in RM million unless otherwise stated

		2000	2001	2002
	Tan Sri Lim Kok Thay, a son of Tan Sri Lim Goh Tong, is the Managing Director in the Company for the financial years ended 31 December 2000 and 2001. For the financial year ended 31 December 2002, Tan Sri Lim Kok Thay is the President and Chief Executive of the Company. Tan Sri Lim Kok Thay is also the Chairman, President and Chief Executive of Star Cruises and a shareholder, and has a call option to acquire shares in Star Cruises; and a preference unit holder of the GHUT which is a substantial (49.7%) shareholder of Star Cruises and of which GHL is acting as its trustee and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT. He is also a director of GHL.			
b)	Rental of premises by RWB to Oriregal Creations Sdn Bhd ("Oriregal"). Puan Sri Lim (nee Lee) Kim Hua, the spouse of Tan Sri Lim Goh Tong is a director and substantial shareholder of Oriregal. Rental of space to third parties is negotiated based on, amongst other factors, space, size, location and nature of businesses operated by the tenants. Businesses operated by Oriregal provide basic shopping facilities to visitors and basic canteen facilities primarily catered to staff working at Genting Highlands Resort. These facilities have been long established and the rentals have been negotiated on this basis taking into account the other aforementioned factors. The rental charges to Oriregal are transacted at commercial rates except for the rental of premises at the Resort Hotel which is 23% (2001: 26%; 2000: 31%) lower than similar premises as they are located at a lower traffic area.	0.8	1.2	1.3
c)	Progress payments made by Asiatic Land Development Sdn Bhd, a wholly owned subsidiary company of Asiatic Development Berhad ("ADB"), a 54.9% owned subsidiary of the Company, to the constructor, Kien Huat Development Sdn Bhd, a company in which Datuk Lim Chee Wah, a son of Tan Sri Lim Goh Tong and a brother of Tan Sri Lim Kok Thay, is a director and has deemed substantial financial interest, for the development of properties in Kulai, Johor. The progress payments include fees and reimbursables totalling RM0.6 million (2001: RM1.0 million; 2000: RM1.5 million).	30.2	22.8	15.5
d)	Letting of office space and provision of connected services by Oakwood Sdn Bhd, a wholly owned subsidiary of the Company to Southern Bank Berhad, a company in which Dato' Tan Teong Hean, a son-in-law of Tan Sri Lim Goh Tong and a brother-in-law of Tan Sri Lim Kok Thay, is a director and substantial shareholder.	2.4	2.6	2.3
e)	Provision by PC Installation & Contracting Sdn Bhd ("PC") to Genting Sanyen Industrial Paper Sdn Bhd, a 97.7% owned subsidiary of the Company, of mechanical and electrical services. Tun Mohammed Hanif bin Omar, the Deputy Chairman of the Company is the father-in-law of Encik Ibrahim bin Othman who is an Executive Director and shareholder of PC.	0.3	20.3	0.5

Amounts in RM million unless otherwise stated

		2000	2001	2002
B)	**Loan to Director:**			
a)	Genting International Properties Limited, a wholly owned subsidiary of Genting International PLC, which in turn is a 62.2% owned subsidiary of the Company granted a temporary unsecured bridging loan facility to Justin Tan Wah Joo, the Executive Director and Executive Vice-President - Leisure & Hospitality, Resorts World Bhd, a 55.2% owned subsidiary of the Company. The bridging loan was for acquiring a house and was extended for a period of 91 days at the rate of 4.75% per annum. This loan was fully repaid during the financial year.	—	—	2.6
b)	Gentinggi Sdn Bhd, a wholly owned subsidiary of RWB, granted an unsecured interest free housing loan to Justin Tan, the Executive Director and Executive Vice-President-Leisure & Hospitality of RWB. The loan has a repayment term of 97 months. The outstanding balance at the end of the financial year ended 31 December 2000 is RM708,345.	—	—	—
C)	**Sale of Goods:**			
a)	Sale of information technology products by E-Genting Holdings Sdn Bhd, a wholly owned subsidiary of the Company, to Star Cruises, a corporation in which the Group has an effective 19.0% ownership interest. For the financial years ended 31 December 2000 and 2001, Tan Sri Lim Goh Tong is the Chairman and Chief Executive of the Company. For the financial year ended 31 December 2002, Tan Sri Lim Goh Tong is the Chairman of the Company. Tan Sri Lim Goh Tong is also a shareholder of Star Cruises and a preference unit holder of the GHUT which is a substantial (49.7%) shareholder of Star Cruises and of which GHL is acting as its trustee and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT. Tan Sri Lim Kok Thay, a son of Tan Sri Lim Goh Tong, is the Managing Director in the Company for the financial years ended 31 December 2000 and 2001. For the financial year ended 31 December 2002, Tan Sri Lim Kok Thay is the President and Chief Executive of the Company. Tan Sri Lim Kok Thay is also the Chairman, President and Chief Executive of Star Cruises and a shareholder, and has a call option to acquire shares in Star Cruises; and a preference unit holder of the GHUT which is a substantial (49.7%) shareholder of Star Cruises and of which GHL is acting as its trustee and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT. He is also a director of GHL.	2.5	0.1	—

D) Sale and Acquisition of Lands:
Financial Year ended 31 December 2000

a) Kijal Resort Sdn Bhd, an indirect subsidiary of RWB, sold a parcel of land to Port Klang Cruise Centre Sdn Bhd, a wholly owned subsidiary of Star Cruises Limited, for RM4,092,224 in 1999. Subsequently this agreement was revoked and rescinded by a deed of revocation dated 1 August 2000.

b) Genting Highlands Bhd ("GHB"), a wholly owned subsidiary of RWB, transferred to Genting Development Sdn Bhd, a company in which Tan Sri Lim Goh Tong is a director and substantial shareholder, a parcel of freehold vacant land measuring approximately 3.04 hectares, situated in Genting Highlands, Mukim and District of Bentong, Pahang Darul Makmur for a total cash consideration of RM1,513,000. This disposal was approved by the Board of Directors of GHB and RWB on 12 April 2000 and by the shareholders at an Extraordinary General Meeting ("EGM") held on 29 June 2000. The balance outstanding at the end of December 2000 in respect of this transaction was RM1,361,700.

c) Genting Centre of Excellence Sdn Bhd ("GCE"), a 70% owned subsidiary of RWB acquired a parcel of leasehold vacant land measuring approximately 7.513 acres in Genting Highlands, Mukim and District of Bentong, Pahang Darul Makmur from Tan Sri Lim Goh Tong for a cash consideration of RM1,277,000. This acquisition was approved by the Board of Directors of GCE and RWB on 12 April 2000 and by the shareholders at an EGM held on 29 June 2000. The balance outstanding at the end of the financial year in respect of this transaction amounted to RM1,149,300.

E) Disposal and Acquisition of Investments:
Financial Year ended 31 December 2000

a) Disposal of investment in NCL Holding ASA ("NCL") shares by Resorts World Limited ("RWL"), a wholly owned subsidiary of RWB to Arrasas Limited ("Arrasas"), a wholly owned subsidiary of Star Cruises Limited ("SCL") which in turn is an associated company of RWB and subsequent investment by RWL in SCL

On 24 November 2000, RWL, a wholly owned subsidiary of RWB, entered into a share sale agreement with Arrasas, a wholly owned subsidiary of SCL, which in turn is an associated company of RWB, to dispose a total of 10,300,000 Ordinary Shares of NOK2.30 each ("Sale Shares") representing approximately 3.9% equity interest in NCL for a cash consideration of NOK 154.4 million (approximately RM61.5 million) or NOK15 per NCL share subject to the condition that in the event Arrasas pays more than NOK15 per share to acquire further shares of NCL in subsequent transactions, Arrasas shall pay to RWL the difference between the purchase price that would have been paid to RWL calculated using such higher price per share and NOK154.4 million. The disposal price was arrived at on a willing buyer willing seller basis and after taking into consideration the closing price of NOK15 per NCL share on 23 November 2000. The sales consideration of NOK154.4 million was received in full during the financial year. The proceeds from the disposal were utilised to part finance the subsequent investment in SCL.

The disposal of shares in NCL to SCL has been approved by the Board of Directors of the Company and RWL on 24 November 2000.

On 29 November 2000, pursuant to the authority given by shareholders of RWB at an EGM held on 21 August 2000, RWL subscribed for a total of 609,781,993 Ordinary Shares of USD0.10 each in SCL, via the conversion of USD442,499,850 out of the USD480 million Floating Rate Convertible Unsecured Loan Notes ("CULNs") issued to RWL under the Note Purchase Agreements, on 28 September 2000, between SCL and RWL. The remaining CULNs of USD37,500,150 not converted into Ordinary Shares of SCL were repaid to RWL during the year.

The conversion price of the CULNs to Ordinary Shares of SCL was based on the rate of HKD5.66 or USD0.7257 (approximately RM2.76) per share using the exchange rate of US$1.00: HKD7.7997. The conversion price was arrived at by the Joint Placing Agents for SCL following placements made to other institutional and private investors at the same subscription price in conjunction with the listing of and quotation of all the shares of SCL on the Hong Kong Stock Exchange Limited.

Upon issuance of 609,781,993 new ordinary shares of USD0.10 each, RWL owns 1,486,886,993 shares representing 35.9% of the enlarged issued and paid-up share capital of SCL, as at 31 December 2000.

Amounts in RM million unless otherwise stated

The nature and extent of the interest of the Directors concerned are as set out below:

Tan Sri Lim Goh Tong	—	Shareholder of SCL and a preference unit holder of the GHUT, which is a substantial shareholder of SCL and of which GHL is acting as its trustee, and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.
Dato' Lim Kok Thay	—	A member of the family of Tan Sri Lim Goh Tong.
	—	Director of RWL and Arrasas.
	—	Chairman, President and Chief Executive, shareholder and call option holder of shares in SCL; a director of GHL; and a preference unit holder of the GHUT and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.
Justin Tan Wah Joo	—	Shareholder and call option holder of shares in SCL

b) Disposal of investment in NCL shares by Palomino Limited ("PL"), a wholly owned subsidiary of Genting International PLC ("GIPLC"), which in turn is a 57.6% owned subsidiary of the Company, to Arrasas, a wholly owned subsidiary of SCL

Pursuant to a Stock Purchase Agreement dated 24 November 2000, PL has agreed to dispose of 16,000,000 Ordinary Shares of NOK2.30 each representing approximately 6.0% in NCL to Arrasas, for a price of NOK15 per share amounting to a total sale consideration of NOK240 million (approximately RM95.5 million) subject to the condition that in the event Arrasas pays more than NOK15 per share to acquire further shares of NCL in subsequent transactions, Arrasas shall pay to PL the difference between the purchase price that would have been paid to PL calculated using such higher price per share and NOK240 million.

The disposal price was arrived at on a willing buyer willing seller basis and after taking into consideration the closing price of NOK15 per NCL share on 23 November 2000. The sales consideration of NOK240 million has been received in full during the financial year.

The disposal of shares in NCL to SCL was approved by the Board of Directors of the Company, GIPLC and PL on 24 November 2000.

The nature and extent of the interest of the Directors concerned are as set out below:

Tan Sri Lim Goh Tong	—	Shareholder of SCL and a preference unit holder of the Golden Hope Unit Trust ("GHUT"), which is a substantial shareholder of SCL and of which Golden Hope Limited ("GHL") is acting as its trustee, and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.
Dato' Lim Kok Thay	—	A member of the family of Tan Sri Lim Goh Tong.
	—	Director of PL and Arrasas.
	—	Chairman, President and Chief Executive, shareholder and call option holder of shares in SCL; a director of GHL; and a preference unit holder of the GHUT and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.
Tan Sri Mohd Amin bin Osman	—	Call option holder of shares in SCL.

c) Disposal of investment in NCL shares by Genting Overseas Holding Limited ("GOHL"), a wholly owned subsidiary of the Company, to Arrasas, a wholly owned subsidiary of SCL

Pursuant to a Stock Purchase Agreement dated 24 November 2000, GOHL has agreed to dispose of 2,810,200 Ordinary Shares of NOK2.30 each representing approximately 1.1% in NCL to Arrasas, for a price of NOK15 per share amounting to a total sale consideration of NOK42,153,000 (approximately RM16.8 million) subject to the condition that in the event Arrasas pays more than NOK15 per share to acquire further shares of NCL in subsequent transactions, Arrasas shall pay to GOHL the difference between the purchase price that would have been paid to GOHL calculated using such higher price per share and NOK42,153,000.

Amounts in RM million unless otherwise stated

The disposal price was arrived at on a willing buyer willing seller basis and after taking into consideration the closing price of NOK15 per NCL share on 23 November 2000. The sales consideration of NOK42,153,000 has been received in full during the financial year.

The disposal has been approved by the Board of Directors of the Company and GOHL on 24 November 2000.

The nature and extent of the interest of the Directors concerned are as set out below:

Tan Sri Lim Goh Tong	—	Shareholder of SCL and a preference unit holder of the GHUT, which is a substantial shareholder of SCL and of which GHL is acting as its trustee, and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.
Dato' Lim Kok Thay	—	A member of the family of Tan Sri Lim Goh Tong
	—	Director of GOHL and Arrasas.
	—	Chairman, President and Chief Executive, shareholder and call option holder of shares in SCL; a director of GHL; and a preference unit holder of the GHUT and has a deemed interest in the units of the GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.
Tan Sri Mohd Amin bin Osman	—	Call option holder of shares in SCL.

35. Prior Period Adjustment

During the financial year ended 31 December 2002, the Group changed its accounting policy in respect of the recognition of dividends proposed or declared after the balance sheet date in compliance with Malaysian Accounting Standards Board No. 19 - Events After The Balance Sheet Date. Consequently, dividends proposed by Directors after the balance sheet date are no longer recognised as a liability at the balance sheet date. The dividends will be accrued as a liability when the obligation to pay is established.

The change in this accounting policy has been applied retrospectively and prior period comparatives have been adjusted as follows:

	As previously reported	Effect of change in policy	As restated
At 31 December 2000:			
- Unappropriated profit	4,495.5	63.4	4,558.9
- Proposed final dividend	63.4	(63.4)	—
At 31 December 2001:			
- Unappropriated profit	4,853.4	63.4	4,916.8
- Proposed final dividend	63.4	(63.4)	—

The above restatement of the Group's unappropriated profit for the financial year ended 31 December 2000 and 2001 has the effect of increasing the Net Tangible Assets Per Share from RM7.64 to RM7.73 and RM8.14 to RM8.23 respectively.

36. Significant Events Subsequent to the Balance Sheet Date

a) Subsequent to the financial year ended 31 December 2002, the following interdependent proposals were completed on 1 March 2003:

i) Asiatic Land Development Sdn Bhd, a wholly-owned subsidiary company of Asiatic Development Berhad ("ADB"), which in turn is a 54.9% owned subsidiary of the Company had on 11 October 2002 entered into a Conditional Share Sale Agreement on the proposed acquisition of the remaining 30% equity interest in Asiatic Indahpura Development Sdn Bhd ("AIDSB") for a total purchase consideration of RM77.3 million ("the Proposed AIDSB Acquisition"). The Proposed AIDSB Acquisition resulted in a goodwill of approximately RM49.7 million and the Group's share of which would amount to RM27.3 million; and

Amounts in RM million unless otherwise stated

ii) AIDSB had on 11 October 2002 entered into a Conditional Land Sale Agreement on the proposed disposal of 953 acres of land located at Mukim Senai-Kulai, Daerah Johor Bahru, Johor Darul Takzim for a total sale consideration of RM82.7 million ("the Proposed Land Disposal"). The Proposed Land Disposal resulted in a net profit after minority interest of approximately RM22.1 million.

The Proposed Share Acquisition and the Proposed Land Disposal does not have any material impact on the net tangible assets of the Group for the financial year ended 31 December 2002 and is not expected to have any material effect on the earnings of the Group for the financial year ended 31 December 2003.

b) The following are the significant events subsequent to the financial year ended 31 December 2000:

i) On 8 March 2001, ADB, a 54.9% owned subsidiary of the Company, announced the proposed acquisition ("The Proposed Kinavest Acquisition") of the entire issued and paid up capital of Kinavest Sdn Bhd ("Kinavest") for a cash consideration of RM1.33 million less all outstanding liabilities of Kinavest as at the date of completion of the acquisition. Kinavest has been alienated a piece of agricultural land measuring approximately 192.4 hectares situated in Tenegang, District of Kinabatangan, Sabah.

The Proposed Kinavest Acquisition does not have any material impact on the net tangible assets of the Group for the financial year ended 31 December 2000 and is not expected to have any material effect on the earnings of the Group for the financial year ending 31 December 2001.

ii) On 20 March 2001, RWB (Labuan) Limited, a wholly owned subsidiary of RWB, which in turn is 55.2% owned subsidiary of the Company, entered into a loan agreement with financial institutions to secure an aggregate loan amounting to USD200 million. The loan is guaranteed by RWB and is subject to a floating interest rate based on LIBOR.

The loan is to enable RWB to refinance USD200 million of its additional equity investment in RWL, a wholly owned subsidiary of RWB, during the financial year, which was used by RWL to purchase an additional equity stake in SCL on 29 November 2000 as explained in Note 16.

37. Disposal of An Indirect Subsidiary Company

On 2 July 2001, Laila Ltd, an indirect 95% owned subsidiary of the Company, entered into a Sale and Purchase Agreement with BP Global Investments Ltd for the disposal of the entire equity capital in Cairns Ltd, which holds a 45% interest in the Muturi Production Sharing Contract ("PSC") in Irian Jaya, Indonesia.

The total consideration in cash comprised initial consideration of USD106.8 million (equivalent RM405.9 million) followed by payments comprising of deferred consideration, commencing in the month in which commercial petroleum production attributable to the Contract Area occurs and ending with the Muturi PSC Termination. Such deferred consideration is based upon 30% of Cairns Ltd's participating percentage of 45%, applicable in essence, to the Muturi contractor's pre-tax income.

A sum of USD103.0 million (equivalent RM391.4 million) from such initial consideration, was received by Laila Ltd on 2 July 2001, while the balance of USD3.8 million (equivalent RM14.5 million) was received on 5 February 2002.

The effect of the disposal of Cairns Ltd on the results of the Group for the current period to the date of disposal are as follows:

	1 January 2001 to 2 July 2001	**Year ended 31 December 2000**
Revenue	—	—
Exploration cost written off	(29.6)	—
Administration expenses	(0.3)	(0.6)
Loss from ordinary activities before taxation	(29.9)	(0.6)
Taxation	—	—
Net loss for the financial year	(29.9)	(0.6)

Amounts in RM million unless otherwise stated

The effect of the disposal of Cairns Ltd on the financial position of the Group is as follows:

	At the date of disposal 2 July 2001	31 December 2000
Exploration cost	405.9	416.4
Initial Consideration	405.9	—
Expenses directly attributable to disposal, paid in cash	(3.5)	—
	402.4	—
Initial Consideration outstanding as at financial year end	(14.5)	—
Net proceeds from disposal received during the financial year	387.9	—

As the initial consideration is based on the net asset value of the subsidiary company disposed of, the loss on disposal of the indirect subsidiary company relates to the expenses incurred on disposal.

The deferred consideration has not been recognised in the financial statements as the economic benefits arising from the disposal are not virtually certain and the amount cannot be quantified due to its uncertainty.

38. Subsidiary and Associated Companies

		Effective Percentage of Ownership			Country of Incorporation	Principal Activities
		2000	2001	2002		
	Direct Subsidiary Companies					
	Asiatic Development Berhad	54.9	54.9	54.9	Malaysia	Plantations
	E-Genting Holdings Sdn Bhd	100.0	100.0	100.0	Malaysia	Supplier of information technology products and services and investment holding
	GB Credit & Leasing Sdn Bhd	69.5	69.5	69.5	Malaysia	Leasing and money-lending
+	Genting Equities (Hong Kong) Limited	100.0	100.0	100.0	Hong Kong	Investments
	Genting Highlands Tours & Promotion Sdn Bhd	100.0	100.0	100.0	Malaysia	Letting of land and premises
	Genting Hotel & Resorts Management Sdn Bhd	100.0	100.0	100.0	Malaysia	Management services
+	Genting International Paper Holdings Limited	100.0	100.0	100.0	Isle of Man	Investment holding
	Genting (Labuan) Limited	100.0	100.0	100.0	Labuan, Malaysia	Off-shore captive insurance
	Genting Management and Consultancy Services Sdn Bhd	100.0	100.0	100.0	Malaysia	Management services
+	Genting Overseas Holdings Limited	100.0	100.0	100.0	Isle of Man	Investment holding
	Maxitage Sdn Bhd	100.0	100.0	100.0	Malaysia	Investments
	Oakwood Sdn Bhd	100.0	100.0	100.0	Malaysia	Property investment and management
	Resorts World Bhd	55.2	55.2	55.2	Malaysia	Resort, hotel and gaming operations
+	Resorts World Bhd (Hong Kong) Limited	100.0	100.0	100.0	Hong Kong	Dormant
+	Resorts World (Singapore) Pte Ltd	100.0	100.0	100.0	Singapore	Dormant
	Genting Assets Management Services Sdn Bhd	100.0	100.0	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Genting Aviation Sdn Bhd	100.0	100.0	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
+	Genting Bhd (Hong Kong) Limited	100.0	100.0	100.0	Hong Kong	Pre-operating
	Genting Industries Sdn Bhd	100.0	100.0	100.0	Malaysia	Pre-operating
	Genting Permata Sdn Bhd	100.0	100.0	100.0	Malaysia	Pre-operating
	Genting Plantations Sdn Bhd	100.0	100.0	100.0	Malaysia	Pre-operating
	Genting Realty Sdn Bhd	100.0	100.0	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Genting Resorts World Sdn Bhd	100.0	100.0	100.0	Malaysia	Pre-operating
	Genting Sanyen Newsprint Sdn Bhd	100.0	100.0	100.0	Malaysia	Pre-operating

Amounts in RM million unless otherwise stated

		Effective Percentage of Ownership			Country of Incorporation	Principal Activities
		2000	2001	2002		
+	Genting (Singapore) Pte Ltd	100.0	100.0	100.0	Singapore	Pre-operating
+	Resorts World Limited	100.0	100.0	100.0	Hong Kong	Pre-operating
	Sri Highlands Express Sdn Bhd	100.0	100.0	100.0	Malaysia	Pre-operating
Indirect Subsidiary Companies						
	ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	54.9	54.9	54.9	Malaysia	Provision of palm oil mill management services
+	Adriana Limited	57.6	62.2	62.2	Isle of Man	Investment holding
	Amalgamated Rubber (Penang) Sdn Bhd	54.9	54.9	54.9	Malaysia	Investments
	AR Property Development Sdn Bhd	54.9	54.9	54.9	Malaysia	Plantations
	Asiatic Golf Course (Sg Petani) Bhd	54.9	54.9	54.9	Malaysia	Golf course operation
	Asiatic Indahpura Development Sdn Bhd	38.4	38.4	38.4	Malaysia	Property development
	Asiatic Land Development Sdn Bhd	54.9	54.9	54.9	Malaysia	Property development
+	Asiatic Overseas Limited	54.9	54.9	54.9	Isle of Man	Investments
	Awan Ria (M) Sdn Bhd	97.7	97.7	97.7	Malaysia	Investment holding
	Awana Hotels & Resorts Management Sdn Bhd	100.0	100.0	100.0	Malaysia	Management services
	Awana Vacation Resorts Development Berhad	55.2	55.2	55.2	Malaysia	Proprietary timeshare ownership scheme
	Ayer Item Oil Mill Sdn Bhd	54.9	54.9	54.9	Malaysia	Fresh fruit bunches processing
+	Azzon Limited	54.9	54.9	54.9	Isle of Man	Investments
	Bandar Pelabuhan Sdn Bhd	33.1	33.1	33.1	Malaysia	Investment holding
+	Cairns Limited	95.0	—	—	Isle of Man	Oil and gas exploration. The Company was disposed in the financial year 2001
+	Coveyork Pty Ltd	95.0	95.0	95.0	Australia	Oil and gas exploration
	Delquest Sdn Bhd	55.2	55.2	55.2	Malaysia	Investments
	E-Genting Sdn Bhd	100.0	100.0	100.0	Malaysia	Provision of information technology services and consultancy
	First World Hotels & Resorts Sdn Bhd	55.2	55.2	55.2	Malaysia	Hotel business
	Genasa Sdn Bhd	55.2	55.2	55.2	Malaysia	Sale and letting of apartment
	Genting Administrative Services Sdn Bhd	55.2	55.2	55.2	Malaysia	Investment holding
+	Genting Australia Investments Holding Pty Ltd	57.6	62.2	62.2	Australia	Property development
+	Genting Australia Pty Ltd	57.6	62.2	62.2	Australia	Management services
	Genting Centre of Excellence Sdn Bhd	38.6	38.6	38.6	Malaysia	Training services
	Genting Entertainment Sdn Bhd	55.2	55.2	55.2	Malaysia	Show agent
	Genting Golf Course Bhd	55.2	55.2	55.2	Malaysia	Condotel and hotel business, golf resort and property development
	Genting Highlands Berhad	55.2	55.2	55.2	Malaysia	Land and property development
	Genting Information Knowledge Enterprise Sdn Bhd	100.0	100.0	100.0	Malaysia	Research in software development and consultancy
+	Genting International Industries(Singapore) Pte Ltd	97.7	97.7	97.7	Singapore	Investment holding
+	Genting International Management Limited	57.6	62.2	62.2	Isle of Man	Development of resort related software
+	Genting International PLC	57.6	62.2	62.2	Isle of Man	Investment holding
+	Genting International Paper Limited	100.0	100.0	100.0	Isle of Man	Investment holding
+	Genting International Paper Manufacturers Limited	97.7	97.7	97.7	Isle of Man	Investment holding
+	Genting International Paper (Netherlands) B.V.	100.0	100.0	100.0	Netherlands	Management and consultancy services
+	Genting International Properties Limited	57.6	62.2	62.2	Isle of Man	Investment holding
+	Genting International (Singapore) Pte Ltd	57.6	62.2	62.2	Singapore	Tour promotion
	Genting Leisure Sdn Bhd	55.2	55.2	55.2	Malaysia	Investment holding
+	Genting Management (Western Australia) Pty Ltd	57.6	—	—	Australia	Liquidated in the financial year 2001
+	Genting Oil & Gas (China) Limited	95.0	95.0	95.0	Isle of Man	Oil and gas exploration
+	Genting Oil & Gas Limited	95.0	95.0	95.0	Isle of Man	Investment holding
+	Genting Power Holdings Limited	100.0	100.0	100.0	Isle of Man	Investment holding
+	Genting Power (M) Limited	100.0	100.0	100.0	Isle of Man	Investment holding

Amounts in RM million unless otherwise stated

		Effective Percentage of Ownership			Country of Incorporation	Principal Activities
		2000	2001	2002		
+	Genting (South Australia) Pty Ltd	57.6	—	—	Australia	Liquidated in the financial year 2001
	Genting Sanyen Industrial Paper Sdn Bhd	97.7	97.7	97.7	Malaysia	Manufacturing and trading of paper products
	Genting Sanyen (Malaysia) Sdn Bhd	97.7	97.7	97.7	Malaysia	Investment holding
	Genting Sanyen Paperboard Sdn Bhd	97.7	97.7	97.7	Malaysia	Manufacturing and trading of paper products
	Genting Sanyen Sales & Marketing Services Sdn Bhd	97.7	97.7	97.7	Malaysia	Trading and converting of paper products
	Genting Sanyen Utilities & Services Sdn Bhd	97.7	97.7	97.7	Malaysia	Provision and sale of utilities
	Genting Skyway Sdn Bhd	55.2	55.2	55.2	Malaysia	Provision of cable car services
	Genting Studio Sdn Bhd	55.2	55.2	55.2	Malaysia	Agent to procure/produce programmes
	Genting Utilities & Services Sdn Bhd	55.2	55.2	55.2	Malaysia	Provision of utilities services
+	Genting (Western Australia) Pty Ltd	57.6	—	—	Australia	Liquidated in financial year 2001
	Genting World Sdn Bhd	55.2	55.2	55.2	Malaysia	Leisure and entertainment business
	Genting Worldcard Services Sdn Bhd (formerly known as Genting Card Services Sdn Bhd)	100.0	100.0	100.0	Malaysia	Provider of loyalty program services
	Gentinggi Sdn Bhd	55.2	55.2	55.2	Malaysia	Investment holding
	Glugor Development Sdn Bhd	54.9	54.9	54.9	Malaysia	Investments
	GS Packaging Industries (M) Sdn Bhd	97.7	97.7	97.7	Malaysia	Provision of human resource services
	Ideal Meridian Sdn Bhd	97.7	97.7	97.7	Malaysia	Manufacturing and sale of paper core
	Infomart Sdn Bhd	100.0	100.0	100.0	Malaysia	Management and consultancy services
+	Jamberoo Limited	95.0	95.0	95.0	Isle of Man	Oil and gas exploration
	Kijal Resort Sdn Bhd	55.2	55.2	55.2	Malaysia	Property development and property management
	Kinavest Sdn Bhd	—	54.9	54.9	Malaysia	Plantations
+	Lafleur Limited	55.2	55.2	55.2	Isle of Man	Investment holding
	Landworthy Sdn Bhd	46.1	46.1	46.1	Malaysia	Plantations
	Mastika Lagenda Sdn Bhd	97.7	97.7	97.7	Malaysia	Investment holding
+	Myanmar Genting Sanyen Limited	100.0	100.0	100.0	Myanmar	Trading
+	Palomino Limited	57.6	62.2	62.2	Isle of Man	Investments
	Papago Sdn Bhd	55.2	55.2	55.2	Malaysia	Resorts and hotel business
	Persis Hijau Sdn Bhd	97.7	97.7	97.7	Malaysia	Provision of facilities for waste paper baling process
	Resorts Facilities Services Sdn Bhd (formerly known as Genting Property Management Sdn Bhd)	55.2	55.2	55.2	Malaysia	Property management
	Resorts International (Labuan) Limited	—	—	55.2	Labuan, Malaysia	General trading
	Resorts World (Labuan) Limited	55.2	55.2	55.2	Labuan, Malaysia	General trading
+	Resorts World Limited	55.2	55.2	55.2	Isle of Man	Investment holding
	Resorts World Properties Sdn Bhd	55.2	55.2	55.2	Malaysia	Investment holding
	Resorts World Tours Sdn Bhd	55.2	55.2	55.2	Malaysia	Provision of tour and travel related services
+	Roundhay Limited	95.0	95.0	95.0	Isle of Man	Oil and gas exploration
	RWB (Labuan) Limited	55.2	55.2	55.2	Labuan, Malaysia	General trading
	Sabah Development Company Sdn Bhd	54.9	54.9	54.9	Malaysia	Plantations
	Seraya Mayang Sdn Bhd	55.2	55.2	55.2	Malaysia	Investment holding
	Setiabahagia Sdn Bhd	55.2	55.2	55.2	Malaysia	Property investment
	Setiacahaya Sdn Bhd	77.4	77.4	77.4	Malaysia	Property investment
	Setiamas Sdn Bhd	54.9	54.9	54.9	Malaysia	Plantations and property development
	Setiaseri Sdn Bhd	55.2	55.2	55.2	Malaysia	Property investment
	Sierra Springs Sdn Bhd	55.2	55.2	55.2	Malaysia	Investment holding
	Sing Mah Plantation Sdn Bhd	54.9	54.9	54.9	Malaysia	Plantations
	Tanjung Bahagia Sdn Bhd	54.9	54.9	54.9	Malaysia	Plantations

Amounts in RM million unless otherwise stated

		Effective Percentage of Ownership			Country of Incorporation	Principal Activities
		2000	2001	2002		
	Technimode Enterprises Sdn Bhd	54.9	54.9	54.9	Malaysia	Property investment
	Vestplus Sdn Bhd	55.2	55.2	55.2	Malaysia	Property investment
	Widuri Pelangi Sdn Bhd	55.2	55.2	55.2	Malaysia	Golf resort and hotel business
+	Woodbery Limited	57.6	—	—	Hong Kong	Liquidated in the financial year 2001
+	Worldcard (Hong Kong) Limited	—	—	62.2	Hong Kong	Provision of loyalty program services
	Asiaticom Sdn Bhd	54.9	54.9	54.9	Malaysia	Dormant
	Asiatic Green Tech Sdn Bhd	10.4	10.4	54.9	Malaysia	Dormant
	Asiatic Properties Sdn Bhd	54.9	54.9	54.9	Malaysia	Dormant
	Calidone Limited	—	—	62.2	Isle of Man	Dormant
+	Genting Overseas Investments Limited	100.0	100.0	100.0	Isle of Man	Dormant
+	Genting Sanyen Paper Pte Ltd	97.7	97.7	97.7	Singapore	Dormant
	Kijal Facilities Services Sdn Bhd	55.2	55.2	55.2	Malaysia	Dormant
+	Laila Limited	—	95.0	95.0	Isle of Man	Dormant
	Mediglove Sdn Bhd	54.9	54.9	54.9	Malaysia	Dormant
+	Oxalis Limited	100.0	97.7	97.7	Isle of Man	Dormant
	Plantation Latex (Malaya) Sdn Bhd	54.9	54.9	54.9	Malaysia	Dormant
+	R.W. Investments Limited	55.2	55.2	55.2	Isle of Man	Dormant
	Waxwood Sdn Bhd	33.1	33.1	33.1	Malaysia	Dormant
+	Song Yen Paper Pte Ltd	97.7	—	—	Singapore	Dissolved in the financial year 2001
+	ADB International Limited	54.9	54.9	—	Hong Kong	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	ALD Construction Sdn Bhd	54.9	54.9	54.9	Malaysia	Pre-operating
	Asiatic Awanpura Sdn Bhd	54.9	54.9	54.9	Malaysia	Pre-operating
	Asiatic Commodities Trading Sdn Bhd	54.9	54.9	54.9	Malaysia	Pre-operating
	Asiatic Vegetable Oils Refinery Sdn Bhd	54.9	54.9	54.9	Malaysia	Pre-operating
	Awanapura Sdn Bhd	100.0	100.0	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Awana Hotels Management Services Sdn Bhd	100.0	100.0	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Awana Hotels & Resorts Sdn Bhd	100.0	100.0	100.0	Malaysia	Pre-operating
+	Awana International Limited	100.0	100.0	100.0	Isle of Man	Pre-operating
	Awana Ownership Resorts Berhad	100.0	100.0	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Awana Vacation Resorts Berhad	100.0	100.0	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Awana Vacation Resorts Management Sdn Bhd	100.0	100.0	100.0	Malaysia	Pre-operating
	Dasar Pinggir (M) Sdn Bhd	97.7	97.7	97.7	Malaysia	Pre-operating
	Dutabay Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	First World Entertainment Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	First World Equities Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	First World Food Services Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	First World Leisure Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002

Amounts in RM million unless otherwise stated

		Effective Percentage of Ownership			Country of Incorporation	Principal Activities
		2000	2001	2002		
	First World Management Services Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	First World Theme Park Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Genas Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Genawan Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Genmas Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Gensa Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Gentasa Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Gentas Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
*	Genting International (Macau) Entertainment Limited	—	62.2	62.2	Macau	Pending liquidation
+	Genting International Resort Limited	57.6	—	—	Hong Kong	Liquidated in the financial year 2001
+	Genting International Management Services Pte Ltd	100.0	100.0	62.2	Singapore	Pre-operating
+	Genting International (Thailand) Limited	—	—	56.6	Thailand	Pre-operating
+	Genting International Manufacturing & Industries Ltd	57.6	—	—	Hong Kong	Liquidated in the financial year 2001
	Genting Newsprint Sdn Bhd	57.6	62.2	62.2	Malaysia	Pre-operating
+	Genting (NSW) Pty Ltd	57.6	62.2	62.2	Australia	Pre-operating
+	Genting Power (Bangladesh) Limited	100.0	100.0	100.0	Isle of Man	Pre-operating
+	Genting Power (India) Limited	100.0	100.0	100.0	Mauritius	Pre-operating
	Genting Sanyen Incineration Sdn Bhd	97.7	97.7	97.7	Malaysia	Pre-operating
+	Genting Sanyen Utilities Limited	100.0	100.0	100.0	Isle of Man	Pre-operating
	Genting Theme Park Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Gentinggi Quarry Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Goodheart Development Sdn Bhd	54.9	54.9	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Hitechwood Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
	Ikhlas Tiasa Sdn Bhd	—	—	55.2	Malaysia	Pre-operating
	Jomara Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
	Laserwood Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
	Leisure & Cafe Concept Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
*	Macau Star Limited	—	56.0	56.0	Macau	Pending liquidation
	Merriwa Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Neutrino Space Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
	Nippontech Resources Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Possible Affluent Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
	Puncak Singa (M) Sdn Bhd	97.7	97.7	97.7	Malaysia	Pre-operating
	Rantau Cempaka (M) Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
	Rapallo Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
+	Resorts Overseas Investments Limited	55.2	55.2	55.2	Isle of Man	Pre-operating
	Resorts Tavern Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Resorts World Spa Sdn Bhd (formerly known as Gracepac Sdn Bhd)	—	—	55.2	Malaysia	Pre-operating
	Sahabat Alam Sdn Bhd	97.7	97.7	97.7	Malaysia	Pre-operating
+	Sanyen Oil & Gas Limited	—	95.0	95.0	Mauritius	Pre-operating
+	Sayang (Thailand) Limited	91.0	91.0	91.0	Thailand	Pre-operating
+	Sorona Limited	100.0	100.0	100.0	Isle of Man	Pre-operating
	Space Fair Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
	Sweet Bonus Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
+	Torrens Limited	—	97.7	97.7	Isle of Man	Pre-operating
	Tullamarine Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
	Twinkle Glow Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating

Amounts in RM million unless otherwise stated

		Effective Percentage of Ownership			Country of Incorporation	Principal Activities
		2000	**2001**	**2002**		
	Twinmatics Sdn Bhd	55.2	55.2	55.2	Malaysia	Pre-operating
	Twinsurf Sdn Bhd	55.2	55.2	—	Malaysia	Pre-operating in financial years 2000 and 2001, deregistered in financial year 2002
+	Vestplus (Hong Kong) Limited	55.2	55.2	55.2	Hong Kong	Pre-operating
+	Vestplus (Thailand) Limited	50.2	50.2	50.2	Thailand	Pre-operating
	Vintage Action Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
+	WCI Management Limited	—	—	62.2	Isle of Man	Pre-operating
+	WCI Intellectual Limited	—	—	62.2	Isle of Man	Pre-operating
+	WorldCard International Limited	—	—	62.2	Isle of Man	Pre-operating
+	WorldCard (Singapore) Pte Ltd	—	—	62.2	Singapore	Pre-operating
	Yarrawin Sdn Bhd	33.1	33.1	33.1	Malaysia	Pre-operating
Associated Companies						
*	Asiatic Ceramics Sdn Bhd	26.9	26.9	26.9	Malaysia	In receivership
	Genting Sanyen Power Sdn Bhd	39.1	39.1	39.1	Malaysia	Generation and supply of electric power
	Serian Palm Oil Mill Sdn Bhd	22.0	22.0	22.0	Malaysia	Fresh fruit bunches processing
*	Sri Gading Land Sdn Bhd	26.9	26.9	26.9	Malaysia	Property development
+	Star Cruises Limited	19.3	19.8	19.0	Isle of Man and redomiciled to Bermuda on 9 October 2000	Cruise and cruise related operations

* The financial statements of these companies are audited by firms other than the auditors of the Company.

\+ The financial statements of these companies are audited by overseas firms/chartered accountant affiliated with PricewaterhouseCoopers, Malaysia.

ANNEX A-2

UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002

CONTENTS **PAGE(S)**

UNCONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	Note(s)	2000	2001	2002
Revenue	5	372.8	388.3	429.7
Cost of sales	6	(32.2)	(27.7)	(49.0)
Gross profit		340.6	360.6	380.7
Other income		46.1	61.1	55.8
Administration expenses		(6.8)	(7.2)	(8.0)
Other expenses		(0.5)	(0.1)	—
Profit from ordinary activities before taxation	5, 7 & 8	379.4	414.4	428.5
Taxation	9	(104.4)	(113.9)	(118.6)
Net profit for the financial year		275.0	300.5	309.9

UNCONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	Note	2000	2001	2002
NON-CURRENT ASSETS				
Property, plant and equipment	11	9.0	7.5	6.5
Subsidiary companies	12	1,987.4	1,987.4	1,987.4
Long term receivables	14	—	374.9	371.9
Deferred taxation	13	17.7	17.2	18.0
CURRENT ASSETS				
Trade and other receivables	14	1.6	1.5	1.4
Amount due from subsidiary companies	12	890.7	336.6	262.1
Short term investments	15	125.6	395.5	692.9
Bank balances and deposits	16	72.8	201.3	210.8
		1,090.7	934.9	1,167.2
LESS: CURRENT LIABILITIES				
Trade and other payables	17	11.2	10.3	15.4
Amount due to subsidiary companies	12	27.8	31.8	47.2
Taxation		9.6	21.4	14.5
		48.6	63.5	77.1
NET CURRENT ASSETS		1,042.1	871.4	1,090.1
		3,056.2	3,258.4	3,473.9
FINANCED BY				
SHARE CAPITAL	18	352.2	352.2	352.2
RESERVES	19	2,634.3	2,838.5	3,049.5
SHAREHOLDERS' EQUITY		2,986.5	3,190.7	3,401.7
NON-CURRENT LIABILITIES				
Provision for retirement gratuities	20	69.7	67.7	72.2
		3,056.2	3,258.4	3,473.9

UNCONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

		Non-Distributable			Distributable	
	Share Capital	Share Premium	Revaluation Reserve	Reserve on Exchange Differences	Unappropriated Profit	Total
Balance at 1 January 2000 as previously reported	352.2	97.8	—	—	2,294.4	2,744.4
Prior period adjustment:						
- Proposed final dividend for financial year ended 31 December 1999 *(refer Note 21)*	—	—	—	—	63.4	63.4
As restated	352.2	97.8	—	—	2,357.8	2,807.8
Net profit for the financial year	—	—	—	—	275.0	275.0
Appropriation:						
Dividends						
- final paid for financial year ended 31 December 1999 (12.5 sen less 28% income tax)	—	—	—	—	(63.4)	(63.4)
- interim paid for financial year ended 31 December 2000 (6.5 sen less 28% income tax)	—	—	—	—	(32.9)	(32.9)
Balance at 31 December 2000	352.2	97.8	—	—	2,536.5	2,986.5
Balance at 1 January 2001 as previously reported	352.2	97.8	—	—	2,473.1	2,923.1
Prior period adjustment:						
- Proposed final dividend for financial year ended 31 December 2000 *(refer Note 21)*	—	—	—	—	63.4	63.4
As restated	352.2	97.8	—	—	2,536.5	2,986.5
Net profit for the financial year	—	—	—	—	300.5	300.5
Appropriation:						
Dividends						
- final paid for financial year ended 31 December 2000 (12.5 sen less 28% income tax)	—	—	—	—	(63.4)	(63.4)
- interim paid for financial year ended 31 December 2001 (6.5 sen less 28% income tax)	—	—	—	—	(32.9)	(32.9)
Balance at 31 December 2001	352.2	97.8	—	—	2,740.7	3,190.7

UNCONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002 (CONT'D)
Amounts in RM million unless otherwise stated

		Non-Distributable			Distributable	
	Share Capital	**Share Premium**	**Revaluation Reserve**	**Reserve on Exchange Differences**	**Unappropriated Profit**	**Total**
Balance at 1 January 2002 as previously reported	352.2	97.8	—	—	2,677.3	3,127.3
Prior period adjustment:						
- Proposed final dividend for financial year ended 31 December 2001 *(refer Note 21)*	—	—	—	—	63.4	63.4
As restated	352.2	97.8	—	—	2,740.7	3,190.7
Net profit for the financial year	—	—	—	—	309.9	309.9
Appropriation:						
Dividends						
- final paid for financial year ended 31 December 2001 (12.5 sen less 28% income tax)	—	—	—	—	(63.4)	(63.4)
- interim paid for financial year ended 31 December 2002 (7.0 sen less 28% income tax)	—	—	—	—	(35.5)	(35.5)
Balance at 31 December 2002	352.2	97.8	—	—	2,951.7	3,401.7

UNCONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002

Amounts in RM million unless otherwise stated

	2000	2001	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) from ordinary activities before taxation	379.4	414.4	428.5
Adjustments for:			
Depreciation of property, plant and equipment ("PPE")	1.8	2.0	1.7
Net provision for/(write-back of) retirement gratuities	2.3	(2.0)	4.5
Allowance for bad and doubtful debts	0.2	—	—
Loss on reclassification of investment	0.6	—	—
Dividend income	(137.9)	(117.7)	(123.3)
Write-back of diminution in value of investments	(0.1)	—	—
Gain on disposal of PPE	(0.2)	—	(0.2)
Interest income	(42.2)	(61.1)	(55.6)
Other non-cash items	—	0.1	(0.1)
	(175.5)	(178.7)	(173.0)
Operating profit before changes in working capital	203.9	235.7	255.5
(Increase)/decrease in receivables	(0.8)	0.1	0.1
Increase/(decrease) in payables	1.2	(1.0)	5.2
(Increase)/decrease in amount due from subsidiary companies	(8.3)	(7.0)	0.7
	(7.9)	(7.9)	6.0
Cash generated from operations	196.0	227.8	261.5
Taxation paid	(96.1)	(101.5)	(126.4)
NET CASH INFLOW FROM OPERATING ACTIVITIES	99.9	126.3	135.1
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of PPE	(3.0)	(0.5)	(0.7)
Purchase of investments	(0.1)	—	—
Dividends received	137.9	108.6	114.2
Interest received	38.0	65.2	55.1
Proceeds from disposal of PPE	0.9	—	0.2
Other advances to subsidiary companies	(91.4)	(66.7)	(41.1)
Loans to subsidiary companies	(683.5)	(51.4)	(44.7)
Repayments of other advances by subsidiary companies	43.2	53.8	65.0
Repayment of loans by subsidiary companies	12.9	259.4	122.7
NET CASH (USED IN)/INFLOW FROM INVESTING ACTIVITIES	(545.1)	368.4	270.7
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(96.3)	(96.3)	(98.9)
NET CASH INFLOW USED IN FINANCING ACTIVITIES	(96.3)	(96.3)	(98.9)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(541.5)	398.4	306.9
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	739.9	198.4	596.8
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	198.4	596.8	903.7
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank balances and deposits (refer Note 16)	72.8	201.3	210.8
Money market instruments (refer Note 15)	125.6	395.5	692.9
	198.4	596.8	903.7

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

1. Principal Activities

The Company is principally an investment holding and management company.

There have been no significant changes in the nature of these activities of the Company during the financial years ended 31 December 2000, 2001 and 2002.

2. Basis of Preparation

The financial statements are prepared in accordance with and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The historical cost convention modified by the revaluation of certain property, plant and equipment and land held for development, unless otherwise indicated in the individual policy statements set out in Note 3 to the financial statements, were adopted in the preparation of the financial statements.

During the financial year ended 31 December 2001, the Company adopted Malaysian Accounting Standards Board ("MASB") 15 "Property, Plant and Equipment" which became effective for accounting periods commencing on or after 1 July 2000.

During the financial year ended 31 December 2002, the Company adopted the following MASB standards which are effective for accounting periods commencing on or after 1 July 2001 and 1 January 2002:

MASB 19: Events After the Balance Sheet Date

MASB 20: Provisions, Contingent Liabilities and Contingent Assets

MASB 23: Impairment of Assets

MASB 24: Financial Instruments: Disclosure and Presentation

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act require the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. Actual results could differ from those estimates.

3. Significant Accounting Policies

Accounting policies adopted by the Company have been applied consistently in dealing with all material items in relation to the financial statements.

In addition, the Company complies with new accounting standards that are effective for the financial year. New accounting standards are retrospectively applied unless in cases where the standard specifically does not require comparatives on first adoption due to non-availability of such information or when it is not practicable to do so.

The following are the significant accounting policies adopted by the Company:

Impairment of Assets

During the financial year ended 31 December 2002, the Company adopted MASB 23 "Impairment of Assets" prospectively as required by the standard.

MASB 23 requires the carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets, are reviewed to determine whether there is any indication of impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

Prior to the adoption of MASB 23, where the carrying amount of an asset is greater than its recoverable amount as assessed by the Directors, the asset is written down immediately to its recoverable amount, in determining the recoverable amount of items of property, plant and equipment, expected future cashflows have not been discounted to their present value.

An impairment loss is charged to the income statement, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the income statement, unless the asset is carried at revalued amount, in which case it is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

Property, Plant and Equipment

Property, plant and equipment are stated at cost modified by the revaluation of certain property, plant and equipment less accumulated depreciation and amortisation. In accordance with the transitional provisions allowed by the Malaysian Accounting Standards Board ("MASB") on adoption of MASB No. 15, Property, Plant and Equipment, the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Freehold land and plantations and property, plant and equipment which are under construction are not depreciated.

Leasehold properties are amortised equally over their respective periods of lease, ranging from 60 to 99 years. However, leasehold properties with original lease period of 999 years are not amortised, the cumulative effect of which is not material to the financial statements.

Other property, plant and equipment are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major classes of property, plant and equipment are as follows:

Buildings and improvements	2%-50%
Plant, equipment and vehicles	5%-50%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Investments

Long term investments, both quoted and unquoted, include investments in subsidiary companies, associated companies and other non-current investments. These investments are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of an investment, in which case the investment is written down. Permanent diminution in the value of an investment is recognised as an expense in the financial period in which it arises.

Short term quoted investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value. Money market instruments are stated at the lower of cost and net realisable value.

Receivables

Receivables are carried at estimated realisable value. An allowance is made for doubtful receivables based on a review of all outstanding amounts at the financial year end. Bad debts are written off during the financial year in which they are identified.

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Provision for Retirement Gratuities

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors of the Company and certain subsidiary companies. The level of retirement gratuities payable is determined by the Board and is based either on length of service and basic salary or the immediate past three years' emoluments.

Deferred Taxation

Deferred tax accounting using the 'liability' method is adopted by the Company. Deferred taxation provides for the effects of all material timing differences between accounting income and taxable income arising from the inclusion of items in different periods. No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net deferred taxation asset unless it can be demonstrated that these benefits can be realised in the foreseeable future.

Amounts in RM million unless otherwise stated

Revenue Recognition

Sales are recognised upon performance of services.

Dividend income is recognised when the right to receive payment is established.

Dividends

On adoption of MASB 19 "Events After Balance Sheet Date" in the financial year ended 31 December 2002, dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial period in which the obligation to pay is established. Comparatives have been adjusted or extended to conform with changes in presentation due to the requirements of the standard. The adoption of this standard resulted in a change in accounting policy as disclosed in Note 21 to the financial statements.

Foreign Currencies

The financial statements are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies have been translated into RM at the rates ruling on the dates of the transactions unless hedged by forward foreign contracts, in which case the rates specified in such forward contracts are used. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at the rates ruling on that date. Gains and losses arising from translation are included in the income statement.

The principal rates of exchange used in translation are as follows:

	Year end rate		
Currency	**2000**	**2001**	**2002**
	(RM to one unit of foreign currency)		
US Dollar	3.8000	3.8000	3.8000
Sterling Pound	5.6791	5.5102	6.1114
Australian Dollar	2.1082	1.9418	2.1510
Singapore Dollar	2.1915	2.0549	2.1882
Hong Kong Dollar	0.4872	0.4873	0.4873

Financial Instruments

During the financial year ended 31 December 2002, an adoption of MASB 24 "Financial Instruments: Disclosure and Presentation", the Company applied the following accounting policies in presenting and disclosing information about the Company's financial instruments.

a) Financial instruments recognised on the balance sheet

The recognition method adopted for those financial instruments that are recognised on the balance sheet are disclosed separately in the individual policy statements associated with the relevant financial instrument.

b) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date. For non-traded financial instruments, the Company uses various methods and makes assumptions that are based on market conditions. Comparisons are made to similar instruments that are publicly traded and estimates based on discounted cash flow techniques are also used. For long term financial liabilities, fair value is estimated by discounting future contractual cash flows at appropriate interest rates.

The book values of financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

Comparative information for prior financial years are not disclosed as the Group has taken advantage of the exemption provided by the Standard.

4. Financial Risk Management Objectives and Policies

The Company's overall financial risk management objective is to optimise the value creation for shareholders. The Company seeks to minimise the potential adverse impacts arising from fluctuations in exchange and interest rates and the unpredictability of the financial markets.

The Company operates within clearly defined guidelines that are approved by the Board and do not trade in financial instruments. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

Amounts in RM million unless otherwise stated

The main areas of financial risks faced by the Company are as follows:

Credit Risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Credit terms offered by the Company range from 30 days to 90 days from date of transaction. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. Credit limits are set and credit history are reviewed to minimise potential losses.

The Company also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses.

Liquidity Risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Company's cash flow is reviewed regularly to ensure that the Company is able to settle its commitments when they fall due.

5. Revenue

	2000	2001	2002
Rendering of services:			
Fees from management and licensing services	234.9	266.2	301.5
Other services	—	4.4	4.9
Dividend income	137.9	117.7	123.3
	372.8	388.3	429.7

6. Cost of Sales

Cost of sales represents cost of services and other operating costs for the financial years ended 31 December 2000, 2001 and 2002 are RM32.2 million, RM27.7 million and RM49.0 million respectively.

7. Profit from Ordinary Activities Before Taxation

Profit from ordinary activities before taxation has been determined after inclusion of the following charges and credits:

	2000	2001	2002
	RM'000	RM'000	RM'000
Charges:			
Depreciation of property, plant and equipment	1,818	2,007	1,720
Net provision for retirement gratuities (Non-Directors)	—	—	912
Net exchange losses - realised	2	10	2
Net exchange losses/(gains) - unrealised	34	15	(77)
Allowance for bad and doubtful debts	159	—	23
Staff costs (including remuneration of Executive Directors)	32,187	27,710	49,021
Auditors' remuneration	34	23	28
Expenditure paid to subsidiary companies:			
- Rental of land and buildings	1,809	1,660	1,668
- Rental of equipment	437	546	711
- Service fees	442	895	893
Credits:			
Interest income	13,122	9,722	20,449
Gain on disposal of property, plant and equipment	172	10	191
Net write-back of provision for retirement gratuities (Non-Directors)	—	312	—
Net write-back of allowance for diminution in value of investments	62	—	—
Dividends (gross) from:			
- Quoted local companies	60	—	—
Income from subsidiary companies:			
- Management and licensing fees	234,836	266,158	301,320
- Gross dividends	137,852	117,703	123,282
- Interest income	29,057	51,397	35,137
- Shared services fees	3,493	3,781	4,391
- Royalty	100	100	207
Other information:			
Non-audit fees:			
- payable to auditors	8	3	4
- payable to firms affiliated to the auditors	52	157	—
Number of employees at financial year end (thousands)	0.1	0.1	0.1

8. Directors' Remuneration

	2000	2001	2002
	RM'000	RM'000	RM'000
Non-Executive Directors*:			
Fees	135	139	192
Professional fees	240	240	264
Allowance/contribution	60	60	66
Estimated money value of benefits-in-kind (not charged to the income statements)	28	8	38
Executive Directors:			
Fees	264	225	240
Salaries	13,969	15,006	15,906
Bonus	3,215	3,542	14,823
Allowances/contributions	5,177	2,694	4,490
Provision/(write-back) for retirement gratuities	2,297	(1,682)	3,525
Estimated money value of benefits-in-kind (not charged to the income statements)	103	80	69
	25,488	20,312	39,613

* A Non-Executive Director of the Company receives salary and related benefits from an indirect subsidiary company by virtue of him being an Executive Director of the said indirect subsidiary company.

9. Taxation

	2000	2001	2002
Current taxation charge:			
Malaysian income taxation charge	105.2	113.9	119.4
Deferred taxation charge	(0.8)	0.5	(0.8)
	104.4	114.4	118.6
Prior years' taxation:			
Income tax over provided	—	(0.5)	—
	104.4	113.9	118.6

The taxation charge of the Company for the current financial year as well as the previous financial year reflects approximately the statutory tax rate.

10. Dividends

	2000		2001		2002	
	Gross dividend per share	Amount of dividend, net of tax	Gross dividend per share	Amount of dividend, net of tax	Gross dividend per share	Amount of dividend, net of tax
	Sen	RM million	Sen	RM million	Sen	RM million
Interim dividend paid	6.5	32.9	6.5	32.9	7.0	35.5
Proposed final dividend	12.5	63.4	12.5	63.4	13.5	68.5
	19.0	96.3	19.0	96.3	20.5	104.0

The proposed final dividend in respect of the financial years ended 31 December 2000, 2001 and 2002 were proposed at the respective financial years' Annual General Meeting for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability upon approval by the shareholders. This represents a change in accounting treatment from that of prior years as explained in Note 21.

11. Property, Plant and Equipment

2000	Freehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Cost:				
Beginning of the financial year	8.8	15.0	—	23.8
Intragroup transfer	—	(1.3)	—	(1.3)
Additions	—	2.8	0.2	3.0
Disposals	—	(0.4)	—	(0.4)
Written off	—	(0.1)	—	(0.1)
End of the financial year	8.8	16.0	0.2	25.0
Accumulated depreciation:				
Beginning of the financial year	3.9	(11.5)	—	(15.4)
Charge for the financial year	(0.3)	(1.5)	—	(1.8)
Intragroup transfer	—	0.9	—	0.9
Disposals	—	0.2	—	0.2
Written off	—	0.1	—	0.1
End of the financial year	(4.2)	(11.8)	—	(16.0)
Net book value at end of the financial year	4.6	4.2	0.2	9.0

Amounts in RM million unless otherwise stated

2001	Freehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Cost:				
Beginning of the financial year	8.8	16.0	0.2	25.0
Reclassifications/transfers	—	(0.3)	—	(0.3)
Additions	—	0.3	0.2	0.5
End of the financial year	8.8	16.0	0.4	25.2
Accumulated depreciation:				
Beginning of the financial year	(4.2)	(11.8)	—	(16.0)
Charge for the financial year	(0.4)	(1.6)	—	(2.0)
Reclassifications/transfers	—	0.3	—	0.3
End of the financial year	(4.6)	(13.1)	—	(17.7)
Net book value at end of the financial year	4.2	2.9	0.4	7.5

2002	Freehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Cost:				
Beginning of the financial year	8.8	16.0	0.4	25.2
Reclassifications/ transfers	—	0.4	(0.4)	—
Additions	—	0.7	—	0.7
Disposals	—	(0.6)	—	(0.6)
Written off	—	(1.1)	—	(1.1)
End of the financial year	8.8	15.4	—	24.2
Accumulated depreciation:				
Beginning of the financial year	(4.6)	(13.1)	—	(17.7)
Charge for the financial year	(0.3)	(1.4)	—	(1.7)
Disposals	—	0.6	—	0.6
Written off	—	1.1	—	1.1
End of the financial year	(4.9)	(12.8)	—	(17.7)
Net book value at end of the financial year	3.9	2.6	—	6.5

Amounts in RM million unless otherwise stated

12. Subsidiary Companies

	2000	2001	2002
Investment in subsidiary companies:			
Quoted shares in Malaysia - at cost	569.7	569.7	569.7
Unquoted shares - at cost	1,417.7	1,417.7	1,417.1
	1,987.4	1,987.4	1,987.4
Market value of quoted shares	3,977.7	4,168.1	6,217.6
Long term receivable from a subsidiary company (refer Note 14)	—	374.9	371.9
Current receivables/payables:			
Amount due from subsidiary companies - interest bearing	748.8	166.9	96.7
- interest free	141.9	169.7	165.4
	890.7	336.6	262.1
Amount due to subsidiary companies - interest free	27.8	31.8	47.2

The long term receivable from a subsidiary company represents a loan extended by the Company to Resorts World Bhd ("RWB"), a 55.2% owned subsidiary of the Company in 2001, to part-finance its investment in Star Cruises Limited, a 34.4% owned associated company of RWB. It is unsecured and bears interest at 1.0% per annum above the base lending rate of a leading local bank for the financial years ended 31 December 2000, 2001 and 2002. The amount is to be repaid fully in the year 2004.

The amount due from subsidiary companies, included in current receivables, is unsecured and has no fixed repayment terms. The interest bearing balances bear interest at rates ranging from 0.25% to 1.0%, 6.7% to 7.7% and 2.0% to 7.4% per annum for the financial years ended 31 December 2000, 2001 and 2002.

The fair values of the Company's unquoted shares are not determined as it was not practicable within the constraints of cost to estimate reliably the fair values as there are no comparable securities that are traded.

The subsidiary companies are listed in Note 22.

13. Deferred Taxation

	2000	2001	2002
Comprise the tax effects of:			
Excess of capital allowances over depreciation	(0.5)	(0.5)	(0.4)
Timing differences arising from provisions	18.2	17.7	18.4
Net deferred tax asset	17.7	17.2	18.0

The tax effects relating to the increase in the carrying values of certain revalued assets are not disclosed as there is no intention to dispose of these assets in the foreseeable future.

Amounts in RM million unless otherwise stated

14. Trade and Other Receivables

	2000	2001	2002
Current:			
Other debtors	1.1	1.0	1.0
Less: Allowance for doubtful debts	(0.1)	(0.1)	(0.1)
	1.0	0.9	0.9
Deposits	0.6	0.6	0.5
	1.6	1.5	1.4
Non-current:			
Amount due from subsidiary company (refer Note 12)	—	374.9	371.9
	1.6	376.4	373.3

The maturity profile for non-current receivables are as follows:

	2000	2001	2002
More than one year and less than two years	—	—	371.9
More than two years and less than five years	—	374.9	—
	—	374.9	371.9

As at 31 December 2002, the fair values of trade and other receivables closely approximate their book values.

15. Short Term Investments

	2000	2001	2002
Unquoted - at cost:			
Money market instruments (refer Note 16)	125.6	395.5	692.9

Investment in money market instruments comprise of negotiable certificates of deposit and bankers' acceptances.

16. Cash and Cash Equivalents

	2000	2001	2002
Deposits with licensed banks	64.5	142.7	140.3
Deposits with finance companies	5.9	53.3	67.3
Cash and bank balances	2.4	5.3	3.2
Bank balances and deposits	72.8	201.3	210.8
Add: Money market instruments (refer Note 15)	125.6	395.5	692.9
Cash and cash equivalents	198.4	596.8	903.7

The currency exposure profile and weighted average interest rates of the bank balances, deposits and money market instruments as at 31 December 2002 are as follows:

	Currency Profile	Effective interest rates
Ringgit Malaysia	903.2	2.94
US Dollars	—	—
Renminbi	—	—
Singapore Dollar	—	—
Euro	0.5	2.80
Other foreign currencies	—	—
	903.7	

The deposits of the Company as at 31 December 2002 have maturity periods ranging between overnight and one month. Cash and bank balances of the Company are held at call.

17. Trade and Other Payables

	2000	2001	2002
Accrued expenses	8.5	7.2	12.3
Other creditors	2.7	3.1	3.1
	11.2	10.3	15.4

Credit terms available to the Company range from 7 days to 90 days from date of invoice.

18. Share Capital

	2000	2001	2002
Authorised:			
1,600 million ordinary shares of 50 sen each	800.0	800.0	800.0
Issued and fully paid:			
704.4 million ordinary shares of 50 sen each	352.2	352.2	352.2

As at 31 December 2000, 2001 and 2002, the Company has 3,412,000, 3,371,000 and 679,000 unissued ordinary shares of 50 sen each outstanding under The Genting Employees' Share Option Scheme for Executives ("Previous ESOS"). The outstanding options granted under the Previous ESOS in previous financial years are exercisable as follows:

Exercisable Period		Subscription Price per share		Number of unissued shares in thousands	
From	To	RM	2000	2001	2002
15 December 1999	15 December 2004	19.80	3,412	3,317	679

At an Extraordinary General Meeting ("EGM") of the Company held on 21 February 2002, the shareholders of the Company approved The Executive Share Option Scheme for Eligible Executives of the Company and its subsidiaries ("New ESOS").

At another EGM held on 25 June 2002, the draft Bye-Laws of the New ESOS was further amended such that the total number of new shares to be offered under the New ESOS Scheme shall not exceed 2.5% of the issued and paid-up share capital of the Company at any time of the offer but the shareholders of the Company may at any time during the tenure of the Scheme, by ordinary resolution increase the total number of new shares to be offered under the Scheme up to 5% of the issued and paid up share capital of the Company at the time of the offer.

The New ESOS became effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012. The Option Holders of the previous ESOS who participated in the New ESOS have relinquished their outstanding option under the previous ESOS.

On 2 September 2002 and 29 November 2002, options were granted pursuant to the New ESOS and the outstanding options of 7,052,000 unissued ordinary shares of 50 sen each are exercisable as follows:

Exercisable Period		**Subscription Price per share**	**Number of unissued shares in thousands**
From	**To**	**RM**	
03 September 2004	11 August 2012	14.34	6,988
30 November 2004	11 August 2012	13.08	64

The option granted can only be exercised by the Grantee in the third year from the date of offer and the number of new shares comprised in the option which a Grantee can subscribe for from the third year onwards shall at all times be subject to the following maximum percentage of new shares comprised in the options:

Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
—	—	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares
Year 6	**Year 7**	**Year 8**	**Year 9**	**Year 10**
12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% or balance of all options allotted

19. Reserves

	2000	**2001**	**2002**
Non-Distributable Reserves:			
Share Premium	97.8	97.8	97.8
Distributable Reserves:			
Unappropriated Profit (refer Note 21)	2,536.5	2,740.7	2,951.7
	2,634.3	2,838.5	3,049.5

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position as at 31 December 2000, 2001 and 2002 is sufficient to frank approximately RM1,813.2 million, RM1,965.1 million and RM2,180.6 million respectively of the Company's unappropriated profit if distributed by way of dividends without additional tax liabilities being incurred.

As at 31 December 2000, 2001 and 2002, in addition, the Company has tax exempt income, available to frank as tax exempt dividends arising from the Promotions of Investment Act, 1986 and the Income Tax (Amendment) Act 1999, relating to tax on income earned in 1999 being waived, amounting to approximately RM471.6 million, RM480.7 million and RM489.8 million respectively. The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board. Taking into consideration the tax credit and tax exempt income as at 31 December 2000, 2001 and 2002, a tax liability of approximately RM52.8 million, RM64.8 million and RM78.8 million respectively would be incurred should all the unappropriated profit of the Company be distributed as dividends.

20. Provision for Retirement Gratuities

	2000	**2001**	**2002**
Beginning of the financial year	67.4	69.7	67.7
Charge for the financial year	2.3	—	4.5
Write-back of provision	—	(2.0)	—
End of the financial year	69.7	67.7	72.2

Amounts in RM million unless otherwise stated

21. Prior Period Adjustment

During the financial year ended 31 December 2002, the Group changed its accounting policy in respect of the recognition of dividends proposed or declared after the balance sheet date in compliance with Malaysian Accounting Standards Board No. 19 - Events After The Balance Sheet Date. Consequently, dividends proposed by Directors after the balance sheet date are no longer recognised as a liability at the balance sheet date. The dividends will be accrued as a liability when the obligation to pay is established.

The change in this accounting policy has been applied retrospectively and prior period comparatives have been adjusted as follows:

	As previously reported	Effect of change in policy	As restated
At 31 December 2000:			
- Unappropriated profit	2,473.1	63.4	2,536.5
- Proposed final dividend	63.4	(63.4)	—
At 31 December 2001:			
- Unappropriated profit	2,677.3	63.4	2,740.7
- Proposed final dividend	64.3	(63.4)	—

22. Subsidiary and Associated Companies

Please refer to Note 38 of pages F-50 to F-55 in the consolidated financial statements.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE GUARANTOR AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2002 AND 2003

INTERIM REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2003

	(UNAUDITED)	
	Six months ended 30 June 2002	**Six months ended 30 June 2003**
	RM'000	**RM'000**
Revenue	1,766,084	1,997,770
Cost of sales	(980,988)	(1,052,727)
Gross profit	785,096	945,043
Other income	35,528	55,915
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/ controlling stake in an associated company	—	(93,484)
Other expenses	(138,379)	(175,766)
Profit from operations	682,245	731,708
Finance cost	(32,279)	(37,626)
Share of results of associated companies	102,150	(7,900)
Gain on dilution of Group's interest in an associated company	31,132	—
Profit from ordinary activities before taxation	783,248	686,182
Taxation	(221,337)	(226,636)
Profit from ordinary activities after taxation	561,911	459,546
Minority shareholders' interests	(177,781)	(152,321)
Net profit for the period	384,130	307,225
Basic earnings per share (sen)	54.54	43.62
Diluted earnings per share (sen)	N/A	43.60

N/A - Not applicable

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2003

	(AUDITED) AS AT 31 DEC 2002	(UNAUDITED) AS AT 30 JUNE 2003
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	4,881,449	6,226,724
Real property assets	525,088	515,655
Associated companies	2,431,178	2,016,411
Other long term assets	35,841	38,452
Deferred taxation	23,644*	23,823
CURRENT ASSETS		
Property development	86,957	94,571
Inventories	251,671	278,050
Trade & other receivables	313,175	505,255
Amount due from associated companies	1,169	573
Short term investments	1,269,371	974,677
Bank balances and deposits	1,626,318	2,142,501
	3,548,661	3,995,627
LESS CURRENT LIABILITIES		
Trade & other payables	537,933	593,209
Short term borrowings	512,776	471,167
Taxation	260,704	309,843
Dividend payable	—	68,462
	1,311,413	1,442,681
NET CURRENT ASSETS	2,237,248	2,552,946
	10,134,448	11,374,011
FINANCED BY		
SHARE CAPITAL	352,169	352,169
RESERVES	6,074,051*	6,319,182
SHAREHOLDERS' EQUITY	6,426,220	6,671,351
MINORITY INTERESTS	2,404,703*	3,026,264
NON-CURRENT LIABILITIES		
Long term loans	929,788	978,243
Other long term liabilities	229,072	228,021
Deferred taxation	144,665*	470,132
TOTAL NON-CURRENT LIABILITIES	1,303,525	1,676,396
	10,134,448	11,374,011
NET TANGIBLE ASSETS PER SHARE (RM)	9.12	9.47

* Unaudited — See note (1)(a) to the interim financial report

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2003

		Non-Distributable			Distributable	
	Share Capital	Share Premium	Revaluation Reserve	Reserve on Exchange Differences	Unappropriated Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2003 as previously reported (audited)	352,169	97,803	382,218	57,406	5,581,020	6,470,616
Prior period adjustment						
- Effect of deferred tax on adoption of MASB 25 (See Note 1(a))	—	—	(71,569)	—	27,173	(44,396)
As restated (unaudited)....................	352,169	97,803	310,649	57,406	5,608,193	6,426,220
Net profit/(loss) not recognised in the income statement................	—	—	(1,854)	6,368	1,854	6,368
Net profit for the financial period....	—	—	—	—	307,225	307,225
Appropriation:						
- Final dividend paid for financial year ended 31 December 2002 (13.5 sen less 28% income tax)...........................	—	—	—	—	(68,462)	(68,462)
Balance at 30 June 2003	352,169	97,803	308,795	63,774	5,848,810	6,671,351

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2003

	Current Year-To-Date
	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit from ordinary activities before taxation	686,182
Adjustments for:	
Depreciation of property, plant and equipment ("PPE")	157,418
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	93,484
Finance cost	37,626
Interest income	(34,764)
Share of results of associated companies	7,900
Gain on disposal of PPE, real property assets and property development	(77,074)
Other non-cash items	3,187
	187,777
Operating profit before changes in working capital	873,959
Net change in current assets	30,759
Net change in current liabilities	(86,685)
	(55,926)
Cash generated from operations	818,033
Taxation paid	(198,501)
Other net operating receipts	9,233
	(189,268)
NET CASH INFLOW FROM OPERATING ACTIVITIES	628,765
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of PPE	(232,723)
Purchase of additional shares from minority shareholders	(146,291)
Purchase of additional shares in an associated company	(37,857)
Acquisition of an associated company**	(11,743)
Increase in investments and long term assets	(631)
Interest received	30,788
Acquisition of a subsidiary company/controlling stake in an associated company*	226,609
Other net receipts from investing activities	42,377
NET CASH USED IN INVESTING ACTIVITIES	(129,471)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of borrowings	(543,699)
Finance cost paid	(38,010)
Proceeds from bank borrowings	325,974
Other net payments for financing activities	(5)
NET CASH USED IN FINANCING ACTIVITIES	(255,740)
NET INCREASE IN CASH AND CASH EQUIVALENTS	243,554
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,766,755
EFFECT OF CURRENCY TRANSLATION	1,914
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,012,223
ANALYSIS OF CASH AND CASH EQUIVALENTS	
Bank balances and deposits	2,142,501
Money market instruments (included in Short term investments)	869,758
	3,012,259
Bank overdrafts	(36)
	3,012,223

* ANALYSIS OF THE ACQUISITION OF A SUBSIDIARY COMPANY/CONTROLLING STAKE IN AN ASSOCIATED COMPANY

	Current Year-To-Date
	RM'000
Net assets acquired and net cash inflow on acquisition of subsidiary companies are analysed as follows:	
PPE	(1,297,506)
Investment in associated company	(92,503)
Inventories	(34,401)
Trade and other receivables	(216,467)
Bank balances and deposits	(473,602)
Trade and other payables	167,889
Provision for retirement gratuities	1,149
Taxation	15,239
Short term borrowings	150,000
Long term loan	80,000
Deferred taxation	334,080
Minority interests	548,246
	(817,876)
Net assets attributable to shares previously held and treated as associated company	531,925
Reserve on consolidation	38,958
Total purchase consideration	(246,993)
Bank balances and deposits of subsidiary companies acquired	473,602
Net cash inflow on acquisition of subsidiary companies	226,609

** ANALYSIS OF THE ACQUISITION OF AN ASSOCIATED COMPANY

	Current Year-To-Date
	RM'000
Net assets acquired and net cash outflow on acquisition of an associated company are analysed as follows:	
PPE	320
Net working capital	2,928
	3,248
Goodwill arising on acquisition	8,495
Net cash outflow on acquisition of an associated company	11,743

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

(I) Compliance with MASB 26: Interim Financial Reporting

(a) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with MASB 26, "Interim Financial Reporting" and paragraph 9.22 of the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements. Comparative information on Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Cash Flow Statement which are required under MASB 26 are however not presented as the Group has applied the exemption provided by the KLSE.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2002. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2002 as well as new approved accounting standards which are effective and applicable in the current financial year.

Consequently, in compliance with MASB 25, Income Taxes, deferred tax liabilities and/or assets are recognised for all temporary differences and this has been applied retrospectively by the Group. However, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax asset can be utilised. Deferred tax liability in respect of asset revaluations is also recognised.

The effects of the implementation of MASB 25, which has been applied retrospectively, are summarised below:

i) Impact on Balance Sheet:

	As previously reported (audited)	Prior period adjustments (unaudited)	As restated (unaudited)
	RM'000	**RM'000**	**RM'000**
Balances as at 31 December 2002:			
Non-current assets:			
Deferred taxation	18,040	5,604	23,644
Reserves:			
Unappropriated profit	5,581,020	27,173	5,608,193
Revaluation reserve	382,218	(71,569)	310,649
Minority interests	2,432,810	(28,107)	2,404,703
Non-current liabilities:			
Deferred taxation	66,558	78,107	144,665

The above restatement of the Group's reserves at the beginning of the year has the effect of reducing the Net Tangible Assets per share from RM9.19 as previously reported to RM9.12.

ii) Impact on Income Statement:

	As previously reported (unaudited)	Prior period adjustments (unaudited)	As restated (unaudited)
Preceding year quarter and cumulative period to 30 June 2002:			
Taxation (RM'000)			
Quarter	109,977	974	110,951
Financial year-to-date	219,389	1,948	221,337
Minority shareholders' interests (RM'000)			
Quarter	104,597	240	104,837
Financial year-to-date	177,301	480	177,781
Basic earnings per share (sen)			
Quarter	29.40	—	29.24
Financial year-to-date	54.90	—	54.54

(b) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the year ended 31 December 2002 did not contain any qualification.

(c) Seasonal or Cyclical Factors

On an overall basis, the business operations of the Group's Leisure & Hospitality Division and Plantation Division are subject to seasonal fluctuations whilst the Paper Division is subject to cyclical fluctuations. The results of the Leisure & Hospitality Division are affected by major festive seasons and holidays. The production of fresh fruit bunches ("FFB") is seasonal in nature and normally peaks in the second half of the year. More detailed commentary is set out in Notes 1 and 2 in Part II of this interim financial report.

(d) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

Other than as disclosed in the Income Statement, the unusual item included in the current financial year-to-date is as follows:

The gross profit for the current financial year-to-date included RM69.1 million gain arising on disposal of approximately 953 acres of land located at Mukim Senai-Kulai, Daerah Johor Bahru, Johor Darul Takzim by Asiatic Indahpura Development Sdn Bhd ("AIDSB"), a wholly owned subsidiary of Asiatic Development Berhad ("ADB"), which in turn is a 54.9% owned subsidiary of the Company, to Ambang Budi Sdn Bhd ("ABSB") for a sale consideration of RM82.7 million. The related tax charge of RM16.2 million had been provided. The disposal had resulted in a reduction of approximately RM13.6 million in Real Property Assets of the Group.

The above disposal had no cashflow effect as the sale consideration of the above disposal was utilised to set off the following interdependent transactions with ABSB:

i) The purchase consideration of RM77.3 million on the acquisition of the remaining 30% equity interest in AIDSB; and

ii) The borrowings of RM5.4 million from ABSB which pursuant to a deed of settlement was settled on 1 March 2003 along with the completion of the above disposal.

(e) Material Changes in Estimates

There have been no significant changes made in estimates of amounts reported in prior interim periods of the current financial year-to-date or changes in estimates of amounts reported in prior financial years.

(f) Changes in Debt and Equity Securities

Other than a repayment of redeemable fixed rate unsecured bonds of RM70.0 million by an indirect subsidiary company, there were no issuance, resale and repayment of debt and equity securities, shares cancellation and shares repurchased for the current financial year-to-date.

(g) Dividends Paid

No dividend has been paid during the current financial year-to-date.

(h) Segment Information

Segment analysis for the first half year ended 30 June 2003 is set out below:

	Leisure & Hospitality	Plantations	Properties	Paper	Oil & Gas	Power	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue									
External	1,262,338	172,204	101,197	217,386	26,932	176,528	41,185	—	1,997,770
Inter segment	3,025	—	7,310	—	—	—	30,933	(41,268)	—
	1,265,363	172,204	108,507	217,386	26,932	176,528	72,118	(41,268)	1,997,770
Results									
Segment profit	507,838	77,331	76,454	25,378	14,941	67,465	17,523	3,498	790,428
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	—	—	—	—	—	—	—	—	(93,484)
Interest income	—	—	—	—	—	—	—	—	34,764
Finance cost	—	—	—	—	—	—	—	—	(37,626)
Share of profit/(loss) of associated companies	(40,027)	1,239	152	—	—	30,736	—	—	(7,900)
Profit from ordinary activities before taxation	—	—	—	—	—	—	—	—	686,182
Taxation	—	—	—	—	—	—	—	—	(226,636)
Profit from ordinary activities after taxation	—	—	—	—	—	—	—	—	459,546
Minority shareholders' interests	—	—	—	—	—	—	—	—	(152,321)
Net profit for the period	—	—	—	—	—	—	—	—	307,225

(i) Valuation of Property, Plant and Equipment

Property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendment from the previous annual financial statements.

(j) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current financial year-to-date.

(k) Changes in the Composition of the Group

i) On 26 April 2002, the Company announced that Mastika Lagenda Sdn Bhd ("Mastika"), an indirect 97.7% owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Tenaga Nasional Berhad ("TNB") for the purchase of TNB's entire 20% equity interest in Genting Sanyen Power Sdn Bhd ("GSP"), for a total cash consideration of RM240.0 million ("The Proposed Acquisition"). Prior to The Proposed Acquisition, Mastika had held a 40% stake in GSP.

The completion of The Proposed Acquisition on 24 March 2003 has rendered GSP to be a 60% owned subsidiary of Mastika. The completion of The Proposed Acquisition is not expected to have any material effect on the Net Tangible Assets per share and Earnings per share respectively of the Group.

ii) On 16 December 2002, the Company announced that Genting International PLC ("GIPLC"), an indirect 62.4% owned subsidiary of the Company, had executed a term sheet with Pacific Lottery Incorporated ("Pacific") for the purchase of 18 million units of Pacific securities at Canadian Dollars 4.5 million (RM11.7 million).

On 10 April 2003, the Company announced that Genting International Management Services Pte Ltd ("GIMS"), a wholly-owned subsidiary of GIPLC, had pursuant to the term sheet earlier executed between GIPLC and Pacific and the Subscription Agreement between GIMS and Pacific, acquired 18 million units of Pacific securities at Canadian Dollar 0.25 per unit, consisting of one common share and one warrant exercisable at Canadian Dollar 0.25 for a period of up to 24 months from 7 April 2003 being the date of closing ("Private Placement"). With the completion of the Private Placement, GIPLC via GIMS holds approximately 30% equity stake in Pacific.

The completion of the Private Placement is not expected to have any material effect on the Net Tangible Assets per share and Earnings Per Share respectively of the Group.

iii) On 10 April 2003, Asiatic Development Berhad, a 54.9% owned subsidiary of the Company announced the completion of the acquisition of a 70% equity interest in Kenyalang Borneo Sdn Bhd ("KBSB") for a revised purchase consideration of RM0.9 million pursuant to a supplemental agreement dated the same day. KBSB, a private limited company incorporated in Malaysia, has been alienated a piece of agricultural land measuring approximately 5,000 hectares by the State Authority of Sarawak. The said land, which is held on a 60-year lease commencing July 1999, is situated at Medalam, Ulu Nanga Medamit, Limbang and is described as Lot 10 Sungai Medalam Land District.

The above acquisition will not have any material impact on the Net Tangible Assets per share and Earnings per share of the Group.

iv) On 2 June 2003, the Company announced that Genting Sanyen Power (Labuan) Limited ("GSPL"), an indirect wholly-owned subsidiary of the Company, had on 30 May 2003, acquired the entire issued share capital of Genting Power (Swiss) GmbH (formerly known as NRGenerating Holdings (No. 3) GmbH, Switzerland) ("GPS") from NRGenerating Luxembourg (No. 1) S.a.r.l. for a total cash consideration of USD27.58 million (RM104.8 million). GPS owns 100% of WEB Energy Ltd ("WEB") and 74% of Eastern Generation Services (India) Pvt. Ltd. ("EGSIPL"). WEB owns 30% of Lanco Kondapalli Power Pvt. Ltd. ("LKPPL"). LKPPL owns the 368MW combined cycle gas fired Lanco Kondapalli power station ("Power Plant") which is located in Hyderabad, state of Andhra Pradesh, India. EGSIPL is the operator and manager of the Power Plant.

This acquisition is not expected to have any material effect on the Net Tangible Assets per share and Earnings per share respectively of the Group.

Other than the above, there were no other material changes in the composition of the Group during the current financial year-to-date.

(l) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since 31 December 2002, other than that disclosed in Note 11 in Part II of this interim financial report.

(m) Capital Commitments

Authorised capital commitments not provided for in this interim financial report as at 30 June 2003 are as follows:

	RM'000
Contracted	347,476
Not contracted	344,742
	692,218
Analysed as follows:	
- Property, plant and equipment	633,075
- Investments	59,143
	692,218

(II) Compliance with Appendix 9B of the Listing Requirements

1. Review of Performance

The comparison of the quarterly results are tabulated below:

	Current Quarter			Preceding Quarter		First half		
	2003	2002	%	1Q 2003	%	2003	2002	%
	RM'million	RM'million	+/-	RM'million	+/-	RM'million	RM'million	+/-
Revenue								
Leisure & Hospitality	575.2	679.7	-15	687.1	-16	1,262.3	1,333.9	-5
Plantations	90.7	56.6	+60	81.5	+11	172.2	110.5	+56
Properties	8.8	15.0	-41	9.7	-9	18.5	25.2	-27
Paper	113.0	98.8	+14	104.5	+8	217.5	186.1	+17
Power	176.5	—	N/A	—	N/A	176.5	—	N/A
Oil & Gas	13.9	14.8	-6	13.0	+7	26.9	25.6	+5
Proceeds from disposal of quoted securities	30.7	—	N/A	—	N/A	30.7	77.7	-60
Others	7.9	4.9	+61	2.6	>100	10.5	7.1	+48
	1,016.7	869.8	+17	898.4	+13	1,915.1	1,766.1	+8
Proceeds from disposal of land	—	—	—	82.7	-100	82.7	—	N/A
	1,016.7	869.8	+17	981.1	+4	1,997.8	1,766.1	+13
Profit before tax and unusual items								
Leisure & Hospitality	221.4	301.1	-26	286.5	-23	507.8	604.9	-16
Plantations	37.7	21.1	+79	39.3	-4	77.3	39.8	+94
Properties	4.0	4.2	-5	3.3	+21	7.4	7.4	—
Paper	16.3	7.9	>100	11.7	+39	25.4	3.3	>100
Power	74.2	—	N/A	—	N/A	67.5	—	N/A
Oil & Gas	7.3	(8.7)	>100	7.6	-4	14.9	(4.2)	>100
Others	20.3	(0.1)	>100	(8.5)	>100	21.0	6.3	>100
	381.2	325.5	+17	339.9	+12	721.3	657.5	+10
Interest income	18.5	14.1	+31	16.3	+13	34.8	24.7	+41
Finance cost	(19.9)	(15.6)	+28	(17.7)	+12	(37.6)	(32.3)	+16
Gain of disposal of land	—	—	—	69.1	-100	69.1	—	N/A
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	(56.5)	—	N/A	(36.9)	+53	(93.5)	—	N/A
Share of results of associated companies	(35.5)	66.6	>100	27.6	>100	(7.9)	102.2	>100
Gain arising on dilution of interest in an associated company	—	31.1	-100	—	—	—	31.1	-100
Profit before tax	287.8	421.7	-32	398.3	-28	686.2	783.2	-12

The Group registered a revenue of RM1,016.7 million and RM1,997.8 million respectively for the current quarter and the first half of 2003. This is an increase of 17% and 13% respectively compared to the previous year's corresponding periods' revenue. The increase in the current quarter is mainly attributable to the higher crude palm oil ("CPO") prices and proceeds arising from the disposal of quoted securities. The revenue for the current quarter also included RM176.5 million from the Power Division, contributed by Genting Sanyen Power Sdn Bhd (GSP"), which became an indirect 60% owned subsidiary of the Company as at 24 March 2003. The revenue from the Leisure & Hospitality Division was lower during the current quarter due mainly to the adverse effects of the Severe Acute Respiratory Syndrome ("SARS") outbreak in the region.

The increased revenue for the first half of 2003 is contributed by the Plantations Division, Power Division and the Paper Division. The Paper Division recorded higher selling prices and higher volume sold. The first half revenue of the Leisure & Hospitality Division was affected by the lower revenue earned during the current quarter as explained above.

The Group profit before tax for the current quarter and the first half of 2003 is RM287.8 million and RM686.2 million respectively, representing a decrease of 32% and 12% respectively compared to the previous year's corresponding periods.

The lower profit from the Leisure & Hospitality Division in the current quarter and first half is mainly due to the lower revenue generated. In addition, the first half profit had been affected by higher donations made in the 1st quarter of RM22.5 million.

The Group profit had also been affected by the share of losses of associated companies of RM35.5 million and RM7.9 million for the current quarter and first half respectively. This share of losses is mainly attributable to the share of losses of RM37.4 million and RM39.7 million for the current quarter and first half respectively from Star Cruises Limited ("SCL"). There was a share of profit from SCL of RM37.6 million and RM43.5 million for the previous year's corresponding periods. The share of results of associated companies in the previous year's corresponding periods had included the share of profit of GSP, which had been equity accounted for until 31 March 2003 when the acquisition by the Company of the additional controlling stake of 20% in GSP was completed.

The first half profit in 2002 had also included a gain arising on dilution of interest in an associated company of RM31.1 million.

The above decreases have been set-off by increased profit from the Plantations Division, Paper Division and the Oil & Gas Division. The increase in the Plantations Division's profit was mainly attributable to higher CPO prices and fresh fruit bunches' production ("FFB") along with profit contribution from the newly acquired oil palm estates. The higher profit from the Oil & Gas Division for the current quarter and first half is due to the lower operating costs incurred and higher oil prices.

2. Material Changes in Profit Before Taxation for the Current Quarter as compared with the immediate Preceding Quarter

The Group registered a profit before tax of RM287.8 million in the current quarter as compared to RM398.3 million in the preceding quarter.

The lower profit is due to share of losses from SCL of RM37.4 million as compared to share of losses of only RM2.4 million in the preceding quarter. The profit in the current quarter for the Leisure & Hospitality Division is also lower due to its weaker performance resulting from the adverse effects of the SARS outbreak in the region.

The Plantations Division showed a marginally lower profit due mainly to lower palm product prices realised in the current quarter. The paper prices showed an improvement in the current quarter compared to the preceding quarter.

3. Prospects

Since the outbreak of SARS in the region has been brought under control, the operating business conditions for the Leisure & Hospitality Division are expected to recover and the performance of this Division is expected to be satisfactory for the remaining period of the year.

The newly acquired oil palm estates along with overall improvement in yields are expected to boost FFB production of the Plantations Division in the current financial year. The operating performance of this Division for the current financial year is expected to be satisfactory.

Barring any unforeseen circumstances, the performance of the other Divisions in the Group is expected to be satisfactory for the current financial year.

4. Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the year.

5. Taxation

The breakdown of tax charges for the current quarter and financial year-to-date are as set out below:

	Current Quarter	Current financial year-to-date
	RM'000	**RM'000**
Current taxation		
Malaysian income taxation charge	111,976	227,274
Foreign income taxation charge	106	118
	112,082	227,392
Deferred taxation credit	(5,337)	(9,916)
Share of taxation of associated companies	914	9,690
	107,659	227,166
Prior period taxation		
Income tax over provided	(278)	(278)
Deferred tax over provided	(293)	(252)
	107,088	226,636

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate mainly due to non-deductibility of certain charges for tax purposes. These charges include, mainly, an amount written-off representing goodwill arising on acquisition of additional interest in a subsidiary company as well as the Group's share of losses incurred by an associated company.

The effective tax rate of the Group for the current financial year-to-date is also higher than the statutory tax rate mainly due to non-deductibility of certain charges for tax purposes. Primarily, these charges include the write-off of net goodwill arising on acquisition of additional interest in certain subsidiary companies and the acquisition of a controlling stake in an existing associated company as well as the Group's share of losses incurred by an associated company.

6. Profit on Sale of Unquoted Investments and/or Properties

The results for the current quarter and financial year-to-date do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business of the Group.

7. Quoted Securities other than Securities in Existing Subsidiary and Associated Companies

(a) The dealings in quoted securities for the current quarter and financial year-to-date are as follows:

	Current quarter	Current financial year-to-date
	RM'000	**RM'000**
Total purchases at cost	—	—
Total disposal proceeds	30,657	30,657
Total gain on disposal	5,386	5,386

(b) The details of the investments in quoted shares, excluding subsidiary companies and associated companies, as at 30 June 2003 are as set out below:

	RM'000
Total investments at cost	125,051
Total investments at book value	105,207
Total investments at market value	123,509

8. Status of Corporate Proposals Announced

(a) On 22 May 2002, the Company announced that Mastika had entered into a Share Sale Agreement ("SSA") with TNB on 21 May 2002 for the acquisition of TNB's 40% stake in Sepang Power Sdn Bhd ("SPSB") for a total cash consideration of RM65.7 million ("Proposed Share Acquisition"). In the SSA, both parties have agreed that subject to the approval of all relevant authorities, SPSB's power plant will be developed as a coal fired power plant instead of a gas fired power plant as originally approved and will be commissioned no earlier than Year 2007.

An initial payment of 10% of the purchase consideration amounting to RM6.57 million has been paid and the balance of 90% will be paid on the Completion Date which is within 14 days after all Conditions Precedent are satisfied.

As at 20 August 2003, the completion of the Proposed Share Acquisition is still outstanding pending the execution of the shareholder's agreement.

(b) At the Extraordinary General Meeting of the Company held on 26 June 2003, the shareholders of the Company approved the resolution pertaining to the renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

Other than the above, there are no corporate proposals announced but not completed as at 20 August 2003.

9. Group Borrowings and Debt Securities

The details of the Group's borrowings and debt securities as at 30 June 2003 are as set out below:

	Secured/ Unsecured	Foreign Currency	RM Equivalent
		'000	'000
Short term borrowings	Unsecured	USD5,516	20,961
		AUD14	36
		—	450,170
Long term loans	Unsecured	USD235,064	893,243
		—	85,000

10. Off Balance Sheet Financial Instruments

As at 20 August 2003, the Group has the following off balance sheet financial instruments:

(a) Foreign Currency Contracts

Currency	Contract Amounts '000	Transaction Dates	Expiry Dates
US Dollars	4,806	05/03/2003 to 03/07/2003	27/08/2003 to 26/04/2004
Swiss Francs	12,171	24/04/2003 to 31/07/2003	29/08/2003 to 30/06/2004
Euro	526	05/06/2003 to 01/08/2003	12/09/2003 to 31/12/2003

As the above foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

(b) Singapore Dollar ("SGD")/US Dollar ("USD") Cross-Currency Swap ("CCS")

Euro Medium Term Notes ("Notes") for SGD100 million which were issued on 26 May 2000 matured on 26 May 2003.

The CCS agreements to convert the SGD Notes into a fixed rate USD liability and which were entered into on 26 May 2000 and 3 August 2000 terminated on 26 May 2003.

(c) USD Interest Rate Swap ("IRS")

i) Notes for USD26 million which were issued on 16 June 2000 matured on 16 June 2003.

The IRS agreement to fix the interest rate payable on that tranche of the loan and which was entered into on 8 August 2000 terminated on 16 June 2003.

ii) On 25 April 2001, the Group had drawndown a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Initial Contract Amounts USD'000	Outstanding Amounts USD'000
13 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
16 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
22 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
30 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
08 May 2002.....................................	25 July 2002	25/04/2005	10,000	10,000
08 May 2002.....................................	25 July 2002	25/04/2006	10,000	10,000
24 July 2003......................................	25 October 2003	24/04/2005	30,000	30,000
24 July 2003......................................	25 October 2003	25/04/2006	30,000	30,000

The above swaps effectively fix the interest rate payable on that tranche of the loan from the respective effective dates of commencement of contracts and up to their respective maturity dates as set out above.

iii) On 27 November 2002, the Group had drawndown a loan amounting to USD53 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Contract Amounts
			USD'000
11 June 2003	27 May 2003	29/11/2004 to 27/11/2007	25,468

The Group intends to enter into further interest rate swaps to manage the Group's exposure to interest rate fluctuations for the remaining portion of the loans amounting to USD27.5 million.

These instruments are executed with creditworthy financial institutions and the Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The Group uses derivative financial instruments including interest rate swap and currency swap agreements in order to limit the Group's exposure in relation to underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates and to diversify sources of funding. The related interest differentials paid or received under the swap agreements are recognised over the terms of the agreements in interest expense. The underlying foreign currency liabilities, which have been effectively hedged by currency swap agreements, and designated as a hedge, were translated in the respective hedged currencies, at their contracted rates.

11. Changes in Material Litigation

Asiatic Development Berhad ("ADB"), a 54.9% owned subsidiary of the Company and Tanjung Bahagia Sdn Bhd ("TBSB"), a wholly-owned subsidiary of ADB, had vide previous announcements informed ADB's shareholders on the status of the legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 wherein ADB and TBSB were named as the Second and Third Defendants respectively ("the Suit"). The Suit was instituted by certain natives ("the Plaintiffs") claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah which was acquired by TBSB from Hap Seng Consolidated Berhad.

ADB and TBSB had filed an appeal to the Judge in Chambers against the decision of the Court in dismissing with cost ADB's and TBSB's application to strike out the Plaintiffs' Writ of Summons and Statement of Claims. The appeal had been fixed for hearing on 10 August 2004.

ADB's solicitors maintain their opinion that the Plaintiff's action is misconceived and unsustainable.

Other than the above, there are no other changes in material litigation since the last financial year ended 31 December 2002 and up to 20 August 2003.

12. Dividend Proposed or Declared

(a) i) An interim dividend for the half year ended 30 June 2003 has been declared by the Directors.

ii) The interim dividend for the half year ended 30 June 2003 is 7.0 sen per ordinary share of 50 sen each, less 28% tax.

iii) The interim dividend declared and paid for the previous year's corresponding period was 7.0 sen per ordinary share of 50 sen each, less 28% tax.

iv) The interim dividend shall be payable on 31 October 2003.

v) Entitlement to the interim dividend:

A Depositor shall qualify for entitlement to the interim dividend only in respect of:

— Shares transferred into the Depositor's Securities Account before 12.30 pm on 10 October 2003 in respect of ordinary transfers; and

— Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

(b) The total dividend payable for the current financial year-to-date is 7.0 sen per ordinary share of 50 sen each, less 28% tax.

13. Earnings Per Share ("EPS")

a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are as follows:

	Current quarter	Financial year-to-date
	RM'000	**RM'000**
Net profit for the period (used as numerator for the computation of Basic EPS)	111,629	307,225
Dilution of earnings on potential exercise of Employee Share Options ("ESOS") awarded to executives of Asiatic Development Berhad, a 54.9% owned subsidiary of the Company	(89)	(142)
Dilution of earnings on potential exercise of ESOS awarded to executives of Resorts World Bhd, a 56.8% owned subsidiary of the Company	(9)	(24)
Net profit for the period (used as numerator for the computation of Diluted EPS)	111,531	307,059

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are as follows:

	Current quarter No. of shares	Financial year-to-date No. of shares
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	704,338,954	704,338,954
Adjustment for share options granted under Tranche 2 of the New ESOS to executives of Genting Berhad	—	1,377
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	704,338,954	704,340,331

As at 30 June 2003, the Company has 679,000 and 6,991,000 unissued ordinary shares outstanding under the previous executive share option scheme ("Previous ESOS") and the new executive share option scheme ("New ESOS") respectively. The outstanding options under the Previous ESOS are due to expire on 15 December 2004. The New ESOS became effective on 12 August 2002 for a duration of ten years and expire on 11 August 2012. Tranche 1 of the New ESOS comprising of 6,929,000 ordinary shares was offered on 2 September 2002 whilst Tranche 2 comprising 62,000 ordinary shares was offered on 29 November 2002. The eligible executives of the Group who hold the outstanding options of the Previous ESOS are allowed to participate in the New ESOS provided that they surrender their outstanding options under the Previous ESOS before participating in the New ESOS.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE GUARANTOR AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2002 AND 2003

INTERIM REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2003

	(UNAUDITED)	
	Nine months ended 30 September 2002	**Nine months ended 30 September 2003**
	RM'000	**RM'000**
Revenue	2,609,772	3,082,195
Cost of sales	(1,439,013)	(1,616,901)
Gross profit	1,170,759	1,465,294
Other income	54,815	81,374
Adjustment/(write-off) of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	—	(89,828)
Other expenses	(211,028)	(277,417)
Profit from operations	1,014,546	1,179,423
Finance cost	(48,994)	(52,853)
Share of results of associated companies	202,567	73,267
Gain on dilution of Group's interest in an associated company	31,132	—
Profit from ordinary activities before taxation	1,199,251	1,199,837
Taxation	(336,519)	(334,292)
Profit from ordinary activities after taxation	862,732	865,545
Minority shareholders' interests	(277,638)	(302,327)
Net profit for the period	585,094	563,218
Basic earnings per share (sen)	83.07	79.96
Diluted earnings per share (sen)	N/A	79.92

N/A - Not applicable

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2003

	(Audited) As at 31 December 2002	(Unaudited) As at 30 September 2003
	RM'000	**RM'000**
NON-CURRENT ASSETS		
Property, plant and equipment	4,881,449	6,198,222
Real property assets	525,088	512,928
Associated companies	2,431,178	2,090,521
Other long term assets	35,841	37,383
Deferred taxation	23,644*	24,768
CURRENT ASSETS		
Property development	86,957	97,769
Inventories	251,671	275,907
Trade & other receivables	313,175	514,574
Amount due from associated companies	1,169	875
Short term investments	1,269,371	1,066,055
Bank balances and deposits	1,626,318	2,279,625
	3,548,661	4,234,805
LESS CURRENT LIABILITIES		
Trade & other payables	537,933	619,830
Short term borrowings	512,776	470,961
Taxation	260,704	271,375
Dividend payable	—	35,499
	1,311,413	1,397,665
NET CURRENT ASSETS	2,237,248	2,837,140
	10,134,448	11,700,962
FINANCED BY		
SHARE CAPITAL	352,169	352,169
RESERVES	6,074,051*	6,537,502
SHAREHOLDERS' EQUITY	6,426,220	6,889,671
MINORITY INTERESTS	2,404,703*	3,139,672
NON-CURRENT LIABILITIES		
Long term borrowings	929,788	958,243
Other long term liabilities	229,072	247,871
Deferred taxation	144,665*	465,505
TOTAL NON-CURRENT LIABILITIES	1,303,525	1,671,619
	10,134,448	11,700,962
NET TANGIBLE ASSETS PER SHARE (RM)	9.12	9.78

* Unaudited — See Note (1)(a) to the interim financial report

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2003

		Non-Distributable			Distributable	
	Share Capital	Share Premium	Revaluation Reserve	Reserve on Exchange Differences	Unappropriated Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2002 as previously reported (audited)	352,169	97,803	383,908	49,430	4,853,448	5,736,758
Prior period adjustment:						
- Proposed final dividend for financial year ended 31 December 2001	—	—	—	—	63,390	63,390
- Effect of deferred taxation on adoption of MASB 25 (Refer Note 1(a))..............................	—	—	(71,604)	—	32,066	(39,538)
As restated (unaudited)....................	352,169	97,803	312,304	49,430	4,948,904	5,760,610
Net profit/(loss) not recognised in the income statement	—	—	(24)	4,705	24	4,705
Net profit for the financial period ...	—	—	—	—	585,094	585,094
Appropriation:						
- Final dividend paid for financial year ended 31 December 2001 (12.5 sen less 28% income tax)...........................	—	—	—	—	(63,390)	(63,390)
- Interim dividend declared for current period (7.0 sen less 28% income tax)..................	—	—	—	—	(35,499)	(35,499)
Balance at 30 September 2002 ..	352,169	97,803	312,280	54,135	5,435,133	6,251,520
Balance at 1 January 2003 as previously reported (audited)	352,169	97,803	382,218	57,406	5,581,020	6,470,616
Prior period adjustment:						
- Effect of deferred taxation on adoption of MASB 25 (Refer Note 1(a))..............................	—	—	(71,569)	—	27,173	(44,396)
As restated (unaudited)....................	352,169	97,803	310,649	57,406	5,608,193	6,426,220
Net profit/(loss) not recognised in the income statement................	—	—	(2,117)	4,194	2,117	4,194
Net profit for the financial period....	—	—	—	—	563,218	563,218
Appropriation:						
- Final dividend paid for financial year ended 31 December 2002 (13.5 sen less 28% income tax)	—	—	—	—	(68,462)	(68,462)
- Interim dividend declared for current period (7.0 sen less 28% income tax)..................	—	—	—	—	(35,499)	(35,499)
Balance at 30 September 2003 ..	352,169	97,803	308,532	61,600	6,069,567	6,889,671

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2003

	Current year-to-date	Preceding year corresponding period
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from ordinary activities before taxation	1,199,837	1,199,251
Adjustments for:		
Depreciation of property, plant and equipment ("PPE")	247,314	211,184
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	89,828	—
Finance cost	52,853	48,994
Interest income	(52,720)	(40,317)
Share of results of associated companies	(73,267)	(202,567)
(Gain)/loss on disposal of PPE, real property assets and property development	(76,945)	1,496
Gain arising on dilution of interest in associated company	—	(31,132)
Other non-cash items	(9,250)	16,555
	177,813	4,213
Operating profit before changes in working capital	1,377,650	1,203,464
Net change in current assets	26,200	(67,588)
Net change in current liabilities	(63,198)	7,872
	(36,998)	(59,716)
Cash generated from operations	1,340,652	1,143,748
Taxation paid	(354,467)	(273,612)
Other net operating receipts	16,520	7,377
	(337,947)	(266,235)
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,002,705	877,513
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE	(265,541)	(476,227)
Purchase of additional shares from minority shareholders	(146,579)	—
Investment in associated company	(38,202)	(53)
Acquisition of an associated company**	(11,743)	—
Increase in investments and other long term assets	(2,244)	(27,257)
Interest received	46,545	37,917
Acquisition of a subsidiary company/controlling stake in an associated company*	231,783	—
Proceeds from disposal of investments	30,706	77,735
Other net receipts from investing activities	24,436	7,647
NET CASH USED IN INVESTING ACTIVITIES	(130,839)	(380,238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(558,699)	(86,010)
Finance cost paid	(52,789)	(51,050)
Dividend paid	(68,462)	(63,390)
Dividend paid to minority shareholders	(37,188)	(33,036)
Proceeds from bank borrowings	320,804	154,000
Other net receipts from financing activities	32	—
NET CASH USED IN FINANCING ACTIVITIES	(396,302)	(79,486)
NET INCREASE IN CASH AND CASH EQUIVALENTS	475,564	417,789
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,766,755	2,043,174
EFFECT OF CURRENCY TRANSLATION	(1,605)	1,265
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,240,714	2,462,228
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	2,279,625	1,523,829
Money market instruments (included in Short term investments)	961,089	938,482
	3,240,714	2,462,311
Bank overdrafts	—	(83)
	3,240,714	2,462,228

*** ANALYSIS OF THE ACQUISITION OF A SUBSIDIARY COMPANY/CONTROLLING STAKE IN AN ASSOCIATED COMPANY**

	CURRENT YEAR-TO-DATE
	RM'000
Net assets acquired and net cash inflow on acquisition of subsidiary companies are analysed as follows:	
PPE	(1,297,506)
Investment in associated company	(92,503)
Inventories	(34,401)
Trade and other receivables	(216,467)
Bank balances and deposits	(473,602)
Trade and other payables	167,826
Provision for retirement gratuities	1,149
Taxation	15,239
Short term borrowings	150,000
Long term loan	80,000
Deferred taxation	335,463
Minority interests	548,246
	(816,556)
Net assets attributable to shares previously held and treated as associated company	531,925
Reserve on consolidation	42,812
Total purchase consideration	(241,819)
Bank balances and deposits of subsidiary companies acquired	473,602
Net cash inflow on acquisition of subsidiary companies	231,783

**** ANALYSIS OF THE ACQUISITION OF AN ASSOCIATED COMPANY**

	CURRENT YEAR-TO-DATE
	RM'000
Net assets acquired and net cash outflow on acquisition of an associated company are analysed as follows:	
PPE	320
Net working capital	2,928
	3,248
Goodwill arising on consolidation	8,495
Total purchase consideration	11,743
Bank balances and deposits of associated company acquired	—
Net cash outflow on acquisition of an associated company	11,743

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

(I) Compliance with MASB 26: Interim Financial Reporting

(a) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with MASB 26, "Interim Financial Reporting" and paragraph 9.22 of the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2002. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2002 as well as new approved accounting standards which are effective and applicable in the current financial year.

Consequently, in compliance with MASB 25, Income Taxes, deferred tax liabilities and/or assets are recognised for all temporary differences and this has been applied retrospectively by the Group. However, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax asset can be utilised. Deferred tax liability in respect of asset revaluations is also recognised.

The effects of the implementation of MASB 25, which has been applied retrospectively, are summarised below:

i) Impact on Balance Sheet:

Balances as at 31 December 2002:	As previously reported (audited)	Prior period adjustments (unaudited)	As restated (unaudited)
	RM'000	RM'000	RM'000
Non-current assets:			
Deferred taxation	18,040	5,604	23,644
Reserves:			
Unappropriated profit	5,581,020	27,173	5,608,193
Revaluation reserve	382,218	(71,569)	310,649
Minority interests	2,432,810	(28,107)	2,404,703
Non-current liabilities:			
Deferred taxation	66,558	78,107	144,665

The above restatement of the Group's reserves at the beginning of the year has the effect of reducing the Net Tangible Assets per share from RM9.19 as previously reported to RM9.12.

ii) Impact on Income Statement:

Preceding year quarter and cumulative period to 30 September 2002:	As previously reported (unaudited)	Prior period adjustments (unaudited)	As restated (unaudited)
Taxation (RM'000)			
Quarter	114,206	976	115,182
Financial year-to-date	333,595	2,924	336,519
Minority shareholders' interests (RM'000)			
Quarter	99,617	240	99,857
Financial year-to-date	276,918	720	277,638
Basic earnings per share (sen)			
Quarter	28.70	—	28.53
Financial year-to-date	83.60	—	83.07

(b) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the year ended 31 December 2002 did not contain any qualification.

(c) Seasonal or Cyclical Factors

On an overall basis, the business operations of the Group's Leisure & Hospitality Division and Plantation Division are subject to seasonal fluctuations whilst the Paper Division is subject to cyclical fluctuations. The results of the Leisure & Hospitality Division are affected by major festive seasons and holidays. The production of fresh fruit bunches ("FFB") is seasonal in nature and normally peaks in the second half of the year. More detailed commentary is set out in Notes 1 and 2 in Part II of this interim financial report.

(d) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

Other than as disclosed in the Income Statement, the unusual item included in the current financial year-to-date is as follows:

The gross profit for the current financial year-to-date included RM69.1 million gain arising on disposal of approximately 953 acres of land located at Mukim Senai-Kulai, Daerah Johor Bahru, Johor Darul Takzim by Asiatic Indahpura Development Sdn Bhd ("AIDSB"), a wholly owned subsidiary of Asiatic Development Berhad ("ADB"), which in turn is a 54.9% owned subsidiary of the Company, to Ambang Budi Sdn Bhd ("ABSB") for a sale consideration of RM82.7 million. The related tax charge of RM16.2 million had been provided. The disposal had resulted in a reduction of approximately RM13.6 million in Real Property Assets of the Group.

The above disposal had no cashflow effect as the sale consideration of the above disposal was utilized to set off the following interdependent transactions with ABSB:

i) The purchase consideration of RM77.3 million on the acquisition of the remaining 30% equity interest in AIDSB; and

ii) The borrowings of RM5.4 million from ABSB which pursuant to a deed of settlement was settled on 1 March 2003 along with the completion of the above disposal.

(e) Material Changes in Estimates

There have been no significant changes made in estimates of amounts reported in prior interim periods of the current financial year-to-date or changes in estimates of amounts reported in prior financial years.

(f) Changes in Debt and Equity Securities

Other than a repayment of redeemable fixed rate unsecured bonds of RM70.0 million by an indirect subsidiary company, there were no issuance, resale and repayment of debt and equity securities, shares cancellation and shares repurchased for the current financial year-to-date.

(g) Dividends Paid

Dividends paid for the current financial year-to-date are as follows:

	RM'000
Final dividend paid on 5 August 2003 for the year ended 31 December 2002 - 13.5 sen less 28% tax per ordinary share of 50 sen each	68,462

(h) Segment Information

Segment analysis for the financial period ended 30 September 2003 is set out below:

	Leisure & Hospitality	Plantations	Properties	Paper	Oil & Gas	Power	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue									
External	1,929,732	269,299	112,809	325,059	40,083	357,885	47,328	—	3,082,195
Inter segment	3,470	—	10,960	—	—	—	45,385	(59,815)	—
	1,933,202	269,299	123,769	325,059	40,083	357,885	92,713	(59,815)	3,082,195
Results									
Segment profit	797,703	119,042	79,877	36,052	24,037	137,927	19,260	2,633	1,216,531
Write-off of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company									(89,828)
Interest income									52,720
Finance cost									(52,853)
Share of profit of associated companies	37,037	2,165	212	—	—	33,853	—	—	73,267
Profit from ordinary activities before taxation									1,199,837
Taxation									(334,292)
Profit from ordinary activities after taxation									865,545
Minority shareholders' interests									(302,327)
Net profit for the period									563,218

(i) Valuation of Property, Plant and Equipment

Property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendment from the previous annual financial statements.

(j) Material Events Subsequent to the End of Financial Period

Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current financial year-to-date are as follows:

i) Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of Resorts World Bhd, which in turn is a 56.8% owned subsidiary of the Company, has on 16 October 2003 given a letter of undertaking to Star Cruises Limited ("SCL"), RWL's 34.99% associated company, to provide an irrevocable undertaking to SCL to subscribe for its entire proportionate entitlement pursuant to SCL's Rights Issue ("the Undertaking"). The proportionate entitlement under the Undertaking involves the subscription of up to a total of 121,184,054 new ordinary shares of US$0.10 each at the subscription price of HK$2.25 per share costing a total of HK$272,664,100.

ii) RWL has also on 16 October 2003 entered into a sub-underwriting arrangement with J.P. Morgan Securities Limited to sub-underwrite the public portion of SCL's Rights Issue ("the Sub-underwriting"). The Sub-underwriting will earn a commission of 1% of the total subscription value of the public portion of SCL's Rights Issue. The public portion involves the subscription of up to 52,175,378 ordinary shares of US$0.10 each at the subscription price of HK$2.25 per share which amounts to HK$117,394,600.

Assuming that the whole of the public portion of the rights entitlement is not taken up but is subscribed by RWL pursuant to the sub-underwriting arrangement, the Undertaking and Sub-underwriting will result in RWL subscribing for up to 173,359,432 ordinary shares of US$0.10 each in SCL for HK$390,058,700.

The Undertaking and Sub-underwriting arrangements are expected to be completed by the end of 2003.

(k) Changes in the Composition of the Group

i) On 26 April 2002, the Company announced that Mastika Lagenda Sdn Bhd ("Mastika"), an indirect 97.7% owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Tenaga Nasional Berhad ("TNB") for the purchase of TNB's entire 20% equity interest in Genting Sanyen Power Sdn Bhd ("GSP"), for a total cash consideration of RM240.0 million ("The Proposed Acquisition"). Prior to The Proposed Acquisition, Mastika had held a 40% stake in GSP.

The completion of The Proposed Acquisition on 24 March 2003 has rendered GSP to be a 60% owned subsidiary of Mastika. The completion of The Proposed Acquisition does not have any material effect on the Net Tangible Assets per share and Earnings per share respectively of the Group.

ii) On 16 December 2002, the Company announced that Genting International PLC ("GIPLC"), an indirect 62.4% owned subsidiary of the Company, had executed a term sheet with Pacific Lottery Incorporated ("Pacific") for the purchase of 18 million units of Pacific securities at Canadian Dollars 4.5 million (RM11.7 million).

On 10 April 2003, the Company announced that Genting International Management Services Pte Ltd ("GIMS"), a wholly-owned subsidiary of GIPLC, had pursuant to the term sheet earlier executed between GIPLC and Pacific and the Subscription Agreement between GIMS and Pacific, acquired 18 million units of Pacific securities at Canadian Dollar 0.25 per unit, consisting of one common share and one warrant exercisable at Canadian Dollar 0.25 for a period of up to 24 months from 7 April 2003 being the date of closing ("Private Placement"). With the completion of the Private Placement, GIPLC via GIMS holds approximately 30% equity stake in Pacific.

The completion of the Private Placement does not have any material effect on the Net Tangible Assets per share and Earnings Per Share respectively of the Group.

iii) On 10 April 2003, Asiatic Development Berhad, a 54.9% owned subsidiary of the Company announced the completion of the acquisition of a 70% equity interest in Kenyalang Borneo Sdn Bhd ("KBSB") for a revised purchase consideration of RM0.9 million pursuant to a supplemental agreement dated the same day.

KBSB, a private limited company incorporated in Malaysia, has been alienated a piece of agricultural land measuring approximately 5,000 hectares by the State Authority of Sarawak.

The above acquisition does not have any material impact on the Net Tangible Assets per share and Earnings per share of the Group.

iv) On 2 June 2003, the Company announced that Genting Sanyen Power (Labuan) Limited ("GSPL"), an indirect wholly-owned subsidiary of the Company, had on 30 May 2003, acquired the entire issued share capital of Genting Power (Swiss) GmbH (formerly known as NRGenerating Holdings (No. 3) GmbH, Switzerland) ("GPS") from NRGenerating Luxembourg (No. 1) S.a.r.l. for a total cash consideration of USD27.58 million (RM104.8 million). GPS owns 100% of WEB Energy Ltd ("WEB") and 74% of Eastern Generation Services (India) Pvt. Ltd. ("EGSIPL"). WEB owns 30% of Lanco Kondapalli Power Pvt. Ltd. ("LKPPL"). LKPPL owns the 368MW combined cycle gas fired Lanco Kondapalli power station ("Power Plant") which is located in Hyderabad, state of Andhra Pradesh, India. EGSIPL is the operator and manager of the Power Plant.

This acquisition does not have any material effect on the Net Tangible Assets per share and Earnings per share respectively of the Group.

Other than the above, there were no other material changes in the composition of the Group during the current financial year-to-date.

(l) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since 31 December 2002, other than that disclosed in Note 11 in Part II of this interim financial report.

(m) Capital Commitments

Authorised capital commitments not provided for in this interim financial report as at 30 September 2003 are as follows:

	RM'000
Contracted	332,350
Not contracted	314,360
	646,710
Analysed as follows:	
- Property, plant and equipment	587,567
- Investments	59,143
	646,710

(II) Compliance with Appendix 9B of the Listing Requirements

1. Review of Performance

The comparison of the quarterly results are tabulated below:

	Current Quarter			Preceding Quarter		Financial Year-to-date		
	2003	2002	%	2Q 2003	%	2003	2002	%
	RM'million	RM'million	+/-	RM'million	+/-	RM'million	RM'million	+/-
Revenue								
Leisure & Hospitality	667.4	647.8	+3	575.2	+16	1,929.7	1,981.7	-3
Plantations	97.1	61.5	+58	90.7	+7	269.3	172.0	+57
Properties	11.6	12.7	-9	8.8	+32	30.1	37.9	-21
Paper	107.7	106.8	+1	113.0	-5	325.1	292.9	+11
Power	181.4	—	N/A	176.5	+3	357.9	—	N/A
Oil & Gas	13.1	9.8	+34	13.9	-5	40.1	35.4	+13
Proceeds from disposal of quoted securities	—	—	—	30.7	-100	30.7	77.7	-60
Others	6.1	5.1	+20	7.9	-23	16.6	12.2	+36
	1,084.4	843.7	+29	1,016.7	+7	2,999.5	2,609.8	+15
Proceeds from disposal of land	—	—	—	—	—	82.7	—	N/A
	1,084.4	843.7	+29	1,016.7	+7	3,082.2	2,609.8	+18
Profit before tax and unusual items								
Leisure & Hospitality	289.8	277.8	+4	221.4	+31	797.7	882.6	-10
Plantations	41.7	27.6	+51	37.7	+12	119.0	67.4	+77
Properties	3.4	3.6	-5	4.0	-13	10.8	11.1	-3
Paper	10.7	11.1	-4	16.3	-34	36.1	14.4	>100
Power	70.5	—	N/A	74.2	-5	137.9	—	N/A
Oil & Gas	9.1	(8.1)	>100	7.3	+25	24.0	(12.3)	>100
Others	0.9	4.6	-80	20.3	-98	21.8	11.1	+96
	426.1	316.6	+35	381.2	+12	1,147.3	974.3	+18
Interest income	17.9	15.6	+15	18.5	-3	52.7	40.3	+31
Finance cost	(15.2)	(16.7)	-9	(19.9)	-24	(52.8)	(49.0)	+8
Gain of disposal of land	—	—	—	—	—	69.1	—	N/A
Adjustment/(write-off) of net goodwill arising on acquisition of additional interest in subsidiary companies/controlling stake in an associated company	3.7	—	N/A	(56.5)	>100	(89.8)	—	N/A
Share of results of associated companies	81.2	100.5	-19	(35.5)	>100	73.3	202.6	-64
Gain arising on dilution of interest in an associated company	—	—	—	—	—	—	31.1	-100
Profit before tax	513.7	416.0	+23	287.8	+78	1,199.8	1,199.3	—

The Group registered a revenue of RM1,084.4 million in the current quarter compared to RM843.7 million in the previous year's corresponding quarter, which is an increase of 29%. The increase in the current quarter is mainly attributable to the higher crude palm oil prices and FFB production from the Plantations Division, better underlying performance in the Leisure & Hospitality Division as a result of the increase in visitor arrivals and higher revenue from the Oil & Gas Division resulting from the higher oil prices. The revenue for the current quarter also included RM181.4 million from the Power Division, which was mainly contributed by Genting Sanyen Power Sdn Bhd ("GSP"), which became an indirect 60% owned subsidiary of the Company with effect from 24 March 2003.

The revenue for the current financial year-to-date increased by 18% from RM2,609.8 million in the previous year's corresponding period to RM3,082.2 million. The increase is contributed by the Plantations Division, Paper Division, and the Oil & Gas Division. This increase has been set off by lower revenue from the Leisure & Hospitality Division which had been adversely affected by the Severe Acute Respiratory Syndrome ("SARS") outbreak in the region during the second quarter. Revenue from the Power Division which has been included in the revenue for the current financial year-to-date amounted to RM357.9 million.

The Group profit before tax for the current quarter is RM513.7 million representing an increase of 23% compared to the previous year's corresponding quarter's profit of RM416.0 million. The increase is contributed by the Leisure & Hospitality Division, Plantations Division and the Oil & Gas Division as a result of the higher revenue generated by these divisions. There is a profit contribution of RM70.5 million from the Power Division for the current quarter.

The Group profit before tax for the current financial year-to-date of RM1,199.8 million is comparable to that of the previous year's corresponding period's profit of RM1,199.3 million. The increase in profit from the Plantations Division, Paper Division and the Oil & Gas Division was set off by lower profit from the Leisure & Hospitality Division.

The higher profit from the Plantations Division is due to the higher revenue and profit contribution from the newly acquired oil palm estates. The Paper Division recorded higher selling prices and higher volume sold whilst the Oil & Gas Division recorded higher oil prices and incurred lower operating costs. The profit contribution from the Power Division for the current financial year-to-date amounted to RM137.9 million.

The lower profit from the Leisure & Hospitality Division is mainly due to the adverse effects of the SARS outbreak in the region during the second quarter of 2003 and the higher donations of RM22.5 million made in the first quarter of 2003.

The share of results of associated companies in the previous year's corresponding periods had included the share of profit of GSP, which had been equity accounted for until 31 March 2003 when the acquisition by the Company of the additional controlling stake of 20% in GSP was completed. The lower share of results of associated companies in the current financial year-to-date is also due to the lower share of profit from Star Cruises Limited ("SCL"), which amounted to RM37.3 million compared to RM113.7 million in the previous year's corresponding period.

2. Material Changes in Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The Group registered a profit before tax of RM513.7 million in the current quarter as compared to RM287.8 million in the preceding quarter, an overall improvement of 78%.

The Leisure & Hospitality Division's profit showed an improvement of 31% over the preceding quarter due to the improvement in visitor arrivals since the outbreak of SARS was under control by the end of the second quarter of this year.

The profit from the Plantations Division had improved by 11% due to the higher FFB production.

The share of results of associated companies had also improved as there was a share of profit of RM77.1 million from SCL in this quarter compared to a share of loss of RM37.3 million in the preceding quarter.

However, the Paper Division's profit has decreased by 34% due mainly to lower average selling prices.

3. Prospects

In line with the government's continuing policy to promote Malaysia as an international tourist destination and barring unforeseen circumstances, the Leisure & Hospitality Division's performance is expected to be satisfactory for the remaining period of the year.

The newly acquired oil palm estates along with overall improvement in yields are expected to boost FFB production of the Plantations Division in the current financial year. The operating performance of this Division for the current financial year is expected to be satisfactory.

Barring any unforeseen circumstances, the performance of the other Divisions in the Group is expected to be satisfactory for the current financial year.

4. Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the financial year.

5. Taxation

The breakdown of tax charges for the current quarter and financial year-to-date are as set out below:

	Current Quarter	Current financial year-to-date
	RM'000	RM'000
Current taxation		
Malaysian income taxation charge	129,749	357,023
Foreign income taxation charge	75	193
	129,824	357,216
Deferred taxation credit	(7,040)	(16,956)
Share of taxation of associated companies	2,228	11,918
	125,012	352,178
Prior period taxation		
Income tax over provided	(17,442)	(17,720)
Deferred tax under/(over) provided	86	(166)
	107,656	334,292

The effective tax rate of the Group for the current quarter, before the adjustment for over provision of income tax in prior years as disclosed above, is lower than the statutory tax rate mainly due to share of profits from an associated company which are mainly derived from income not subject to income tax.

The effective tax rate of the Group for the current financial year-to-date approximates the statutory tax rate. Excluding the adjustment for over provision of income tax in prior years, the effective tax rate is higher due mainly to non-deductibility of certain expenses for tax purposes.

6. Profit on Sale of Unquoted Investments and/or Properties

The results for the current quarter and financial year-to-date do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business of the Group.

7. Quoted Securities other than Securities in Existing Subsidiary and Associated Companies

(a) The dealings in quoted securities for the current quarter and financial year-to-date are as follows:

	Current quarter	Current financial year-to-date
	RM'000	RM'000
Total purchases at cost	—	—
Total disposal proceeds	49	30,706
Total gain on disposal	48	5,434

(b) The details of the investments in quoted shares, excluding subsidiary companies and associated companies, as at 30 September 2003 are as set out below:

	RM'000
Total investments at cost	125,031
Total investments at book value	105,255
Total investments at market value	130,930

8. Status of Corporate Proposals Announced

(a) On 22 May 2002, the Company announced that Mastika had entered into a Share Sale Agreement ("SSA") with TNB on 21 May 2002 for the acquisition of TNB's 40% stake in Sepang Power Sdn Bhd ("SPSB") for a total cash consideration of RM65.7 million ("Proposed Share Acquisition"). In the SSA, both parties have agreed that subject to the approval of all relevant authorities, SPSB's power plant will be developed as a coal fired power plant instead of a gas fired power plant as originally approved and will be commissioned no earlier than Year 2007.

An initial payment of 10% of the purchase consideration amounting to RM6.57 million has been paid and the balance of 90% will be paid on the Completion Date which is within 14 days after all Conditions Precedent are satisfied.

As at 13 November 2003, the completion of the Proposed Share Acquisition is still outstanding pending the execution of the shareholder's agreement.

(b) Please refer to Part I note (j) for the corporate proposal on Resorts World Limited's participation in Star Cruises Limited's Rights Issue.

Other than the above, there are no corporate proposals announced but not completed as at 13 November 2003.

9. Group Borrowings and Debt Securities

The details of the Group's borrowings and debt securities as at 30 September 2003 are as set out below:

	Secured/ Unsecured	Foreign Currency	RM Equivalent
		'000	'000
Short term borrowings	Unsecured	USD 5,516	20,961
		—	450,000
Long term borrowings	Unsecured	USD235,064	893,243
		—	65,000

10. Off Balance Sheet Financial Instruments

As at 13 November 2003, the Group has the following off balance sheet financial instruments:

(a) Foreign Currency Contracts

Currency	Contract Amounts	Transaction Dates	Expiry Dates
	'000		
US Dollars	4,149	05/03/2003 to 10/11/2003	21/11/2003 to 26/04/2004
Swiss Francs	8,767	24/04/2003 to 31/10/2003	28/11/2003 to 30/06/2004
Euro	277	01/08/2003	31/12/2003

As the above foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

(b) Singapore Dollar ("SGD")/US Dollar ("USD") Cross-Currency Swap ("CCS")

Euro Medium Term Notes ("Notes") for SGD100 million which were issued on 26 May 2000 matured on 26 May 2003.

The CCS agreements to convert the SGD Notes into a fixed rate USD liability and which were entered into on 26 May 2000 and 3 August 2000 terminated on 26 May 2003.

(c) USD Interest Rate Swap ("IRS")

i) Notes for USD26 million which were issued on 16 June 2000 matured on 16 June 2003.

The IRS agreement to fix the interest rate payable on that tranche of the loan and which was entered into on 8 August 2000 terminated on 16 June 2003.

ii) On 25 April 2001, the Group had drawndown a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Initial Contract Amounts	Outstanding Amounts
			USD'000	**USD'000**
13 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
16 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
22 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
30 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
08 May 2002	25 July 2002	25/04/2005	10,000	10,000
08 May 2002	25 July 2002	25/04/2006	10,000	10,000
24 July 2003	25 October 2003	24/04/2005	30,000	30,000
24 July 2003	25 October 2003	25/04/2006	30,000	30,000

The above swaps effectively fix the interest rate payable on that tranche of the loan from the respective effective dates of commencement of contracts and up to their respective maturity dates as set out above.

iii) On 27 November 2002, the Group had drawndown a loan amounting to USD53 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Contract Amounts
			USD'000
11 June 2003	27 May 2003	29/11/2004 to 27/11/2007	25,468

The Group intends to enter into further interest rate swaps to manage the Group's exposure to interest rate fluctuations for the remaining portion of the loans amounting to USD27.5 million.

These instruments are executed with creditworthy financial institutions and the Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The Group uses derivative financial instruments including interest rate swap and currency swap agreements in order to limit the Group's exposure in relation to its underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates and to diversify sources of funding. The related interest differentials under the swap agreements are recognised over the terms of the agreements in interest expense. The underlying foreign currency liabilities, which have been effectively hedged by currency swap agreements, and designated as a hedge, were translated in the respective hedged currencies, at their contracted rates.

11. Changes in Material Litigation

Asiatic Development Berhad ("ADB"), a 54.9% owned subsidiary of the Company and Tanjung Bahagia Sdn Bhd ("TBSB"), a wholly-owned subsidiary of ADB, had vide previous announcements informed ADB's shareholders on the status of the legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 wherein ADB and TBSB were named as the Second and Third Defendants respectively ("the Suit"). The Suit was instituted by certain natives ("the Plaintiffs") claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah which was acquired by TBSB from Hap Seng Consolidated Berhad ("the Tongod Land").

As announced previously by ADB, the Plaintiffs had applied for an interlocutory injunction to restrain ADB and TBSB from entering, trespassing, clearing, using or occupying the Tongod Land or part thereof ("the Injunction"). The hearing of the Injunction which was earlier fixed on 5 November 2003 has been vacated. As at 13 November 2003, a new date for the said hearing has yet to be fixed.

ADB's solicitors maintain their opinion that the Plaintiff's action is misconceived and unsustainable.

Other than the above, there are no other changes in material litigation since the last financial year ended 31 December 2002 and up to 13 November 2003.

12. Dividend Proposed or Declared

(a) No dividend has been proposed or declared for the current quarter ended 30 September 2003.

(b) The total dividend declared for the current financial year-to-date was an interim dividend of 7.0 sen per ordinary share of 50 sen each, less 28% tax and which was paid on 31 October 2003.

13. Earnings Per Share ("EPS")

(a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are as follows:

	Current quarter	Financial year-to-date
	RM'000	**RM'000**
Net profit for the period (used as numerator for the computation of Basic EPS)	255,993	563,218
Dilution of earnings on potential exercise of Employee Share Options ("ESOS") awarded to executives of Asiatic Development Berhad, a 54.9% owned subsidiary of the Company	(74)	(216)
Dilution of earnings on potential exercise of ESOS awarded to executives of Resorts World Bhd, a 56.8% owned subsidiary of the Company	(32)	(56)
Net profit for the period (used as numerator for the computation of Diluted EPS)	255,887	562,946

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are as follows:

	Current quarter	Financial year-to-date
	No. of shares	**No. of shares**
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	704,338,954	704,338,954
Adjustment for share options granted under Tranche 2 of the New ESOS to executives of Genting Berhad	480,383	4,320
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	704,819,337	704,343,274

As at 30 September 2003, the Company has 679,000 and 6,967,000 unissued ordinary shares outstanding under the previous executive share option scheme ("Previous ESOS") and the new executive share option scheme ("New ESOS") respectively. The outstanding options under the Previous ESOS are due to expire on 15 December 2004. The New ESOS became effective on 12 August 2002 for a duration of ten years and expire on 11 August 2012. Tranche 1 of the New ESOS comprising of 6,905,000 ordinary shares was offered on 2 September 2002 whilst Tranche 2 comprising 62,000 ordinary shares was offered on 29 November 2002. The eligible executives of the Group who hold the outstanding options of the Previous ESOS are allowed to participate in the New ESOS provided that they surrender their outstanding options under the Previous ESOS before participating in the New ESOS.

AUDITORS' REPORTS FOR THE FINANCIAL STATEMENTS OF RESORTS WORLD AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002

Report of the Auditors
To the Members of Resorts World Bhd

We have audited the financial statements set out on pages F-112 to F-149 and pages F-151 to F-170. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

  (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

  (ii) the state of affairs of the Group and Company as at 31 December 2000 and of the results and cash flows of the Group and Company for the year ended on that date; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 36 set out on page F-149 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Public Accountants

CHIN KWAI YONG
(No. 890/4/02 (J/PH))
Partner of the firm

Kuala Lumpur
18 April 2001

Report of the Auditors
To the Members of Resorts World Bhd

We have audited the financial statements set out on pages F-112 to F-149 and pages F-151 to F-170. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

  (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

  (ii) the state of affairs of the Group and Company as at 31 December 2001 and of the results and cash flows of the Group and Company for the financial year ended on that date; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 36 set out on page F-149 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LEE TUCK HENG
(No. 2092/09/02(J))
Partner of the firm

Kuala Lumpur
1 April 2002

Report of the Auditors
To the Members of Resorts World Bhd

We have audited the financial statements set out on pages F-112 to F-149 and pages F-151 to F-170. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

    (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

    (ii) the state of affairs of the Group and Company as at 31 December 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 36 set out on page F-149 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LEE TUCK HENG
(No. 2092/09/04(J))
Partner of the firm

Kuala Lumpur
3 March 2003

ANNEX B-1

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002

CONTENTS **PAGE(S)**

CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	Note(s)	2000	2001	2002
Revenue	5 & 6	2,337.9	2,503.1	2,781.5
Cost of sales	7	(1,709.2)	(1,567.0)	(1,669.9)
Gross profit		628.7	936.1	1,111.6
Other income		77.4	20.5	29.7
Selling and distribution costs		(32.0)	(39.7)	(48.5)
Administration expenses		(138.6)	(119.5)	(108.0)
Other expenses		(1,062.9)	(58.1)	(70.8)
(Loss)/profit from operations		(527.4)	739.3	914.0
Finance cost		(69.6)	(117.8)	(94.2)
Share of results of associated company		(49.6)	(16.1)	88.7
Gain on dilution of investment in associated company		—	—	31.1
(Loss)/profit before taxation	8 & 9	(646.6)	605.4	939.6
Taxation				
- Company and subsidiary companies		(210.9)	(251.5)	(295.5)
- Share of taxation in associated company		(18.6)	(2.4)	(1.9)
	10	(229.5)	(253.9)	(297.4)
(Loss)/profit from ordinary activities after taxation		(876.1)	351.5	642.2
Minority shareholders' interest		(0.4)	0.4	0.4
Net (loss)/profit for the financial year		(876.5)	351.9	642.6
Basic (loss)/earnings per share (sen)	28	(80.3)	32.2	58.9
Diluted earnings per share (sen)	28	N/A	N/A	58.9
Gross dividends per share (sen)	11	16.0	16.0	17.5

CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2000, 2001 and 2002
Amounts in RM million unless otherwise stated

	Note(s)	2000	2001	2002
NON-CURRENT ASSETS				
Property, plant and equipment	12	2,915.3	3,261.4	3,226.1
Real property assets	13	202.1	202.5	201.2
Associated company	14	1,564.9	1,591.9	1,910.4
Other investments	15	110.4	3.6	3.2
Trade and other receivables	16	10.1	12.1	13.8
		4,802.8	5,071.5	5,354.7
CURRENT ASSETS				
Property development	13	26.6	24.1	—
Inventories	17	14.9	17.0	41.9
Trade and other receivables	16	82.3	75.2	90.1
Amount due from other related companies	18	9.6	3.0	5.6
Amount due from associated company	14	4.0	0.7	0.5
Short term investments	19	251.3	260.0	419.8
Bank balances and deposits	20	138.1	281.2	366.8
		526.8	661.2	924.7
LESS: CURRENT LIABILITIES				
Trade and other payables	21	380.6	445.6	304.0
Amount due to holding company	18	698.6	117.3	12.8
Amount due to other related companies	18	50.5	50.3	32.7
Short term borrowings	22	382.9	—	473.7
Taxation		266.3	200.4	240.8
		1,778.9	813.6	1,064.0
NET CURRENT LIABILITIES		(1,252.1)	(152.4)	(139.3)
		3,550.7	4,919.1	5,215.4
FINANCED BY				
SHARE CAPITAL	23	545.9	545.9	545.9
RESERVES	24	2,540.5	2,766.6	3,278.2
SHAREHOLDERS' EQUITY		3,086.4	3,312.5	3,824.1
MINORITY INTERESTS		10.5	10.1	9.7
LONG TERM LIABILITIES				
Long term borrowings	22	319.2	1,079.2	809.4
Amount due to holding company	18 & 22	—	374.9	371.9
Other long term liability	25	13.0	19.7	24.9
Deferred taxation	26	21.6	26.3	55.4
Provision for retirement gratuities	27	100.0	96.4	120.0
TOTAL LONG TERM LIABILITIES		453.8	1,596.5	1,381.6
		3,550.7	4,919.1	5,215.4
NET TANGIBLE ASSETS PER SHARE	30	RM2.83	RM3.03	RM3.50

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

			Non-Distributable			Distributable	
	Note	**Share Capital**	**Share Premium**	**Capital Redemption Reserves**	**Reserve on Exchange Differences**	**Unap-propriated Profit**	**Total**
Balance at 1 January 2000							
As previously reported		545.9	33.3	—	4.2	3,442.4	4,025.8
Prior year adjustment:							
- Proposed final dividend for the financial year ended 31 December 1999		—	—	—	—	78.6	78.6
As restated		545.9	33.3	—	4.2	3,521.0	4,104.4
Transfer to capital redemption reserves		—	—	0.1	—	(0.1)	—
Net loss for the financial year		—	—	—	—	(876.5)	(876.5)
Appropriation:							
Dividends for the financial year ended:							
- 31 December 1999 - Final		—	—	—	—	(78.6)	(78.6)
- 31 December 2000 - Interim	11	—	—	—	—	(62.9)	(62.9)
Balance at 31 December 2000		545.9	33.3	0.1	4.2	2,502.9	3,086.4
Balance at 1 January 2001							
As previously reported		545.9	33.3	0.1	4.2	2,440.0	3,023.5
Prior year adjustment:							
- Proposed final dividend for the financial year ended 31 December 2000	30	—	—	—	—	62.9	62.9
As restated		545.9	33.3	0.1	4.2	2,502.9	3,086.4
Net profit for the financial year		—	—	—	—	351.9	351.9
Appropriation:							
Dividends for the financial year ended:							
- 31 December 2000 - Final		—	—	—	—	(62.9)	(62.9)
- 31 December 2001 - Interim	11	—	—	—	—	(62.9)	(62.9)
Balance at 31 December 2001		545.9	33.3	0.1	4.2	2,729.0	3,312.5
Balance at 1 January 2002							
As previously reported		545.9	33.3	0.1	4.2	2,666.1	3,249.6
Prior year adjustment:							
- Proposed final dividend for the financial year ended 31 December 2001	30	—	—	—	—	62.9	62.9
As restated		545.9	33.3	0.1	4.2	2,729.0	3,312.5
Net profit for the financial year		—	—	—	—	642.6	642.6
Appropriation:							
Dividends for the financial year ended:							
- 31 December 2001 - Final	11	—	—	—	—	(62.9)	(62.9)
- 31 December 2002 - Interim	11	—	—	—	—	(66.8)	(66.8)
Other movements		—	—	—	(1.3)	—	(1.3)
Balance at 31 December 2002		545.9	33.3	0.1	2.9	3,241.9	3,824.1

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	2000	2001	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit after minority interests but before taxation	(647.0)	605.9	940.0
Adjustments for:			
Depreciation of property, plant and equipment	159.3	192.9	201.6
Property, plant and equipment written off	—	2.3	9.8
(Gain)/loss on disposal of property, plant and equipment	(2.6)	(0.3)	3.3
Impairment loss on property, plant and equipment	—	—	1.6
Gain on disposal of real property assets	(1.5)	—	(0.2)
Allowance/(write back) for diminution in value in short term investments	98.0	19.2	(7.1)
Loss on disposal of investments	130.7	2.6	3.1
Investment income	(10.2)	(4.0)	(0.3)
Investments written down	14.3	50.7	30.1
Interest income	(71.1)	(10.4)	(17.4)
Interest expense	40.3	63.4	61.6
Interest expense to related company	4.5	—	—
Interest expense to holding company	24.5	47.3	30.9
Gain on dilution of investment in associated company	—	—	(31.1)
Share in results of associated company	49.6	16.1	(88.7)
(Write back)/allowance for doubtful debts	(0.1)	—	3.9
Provision/(write back) for retirement gratuities	8.4	(3.4)	23.9
Goodwill written off	1,047.2	28.0	—
Unrealised loss on foreign exchange	—	—	2.1
Minority shareholders' interest	0.4	(0.4)	(0.4)
	1,491.7	404.0	226.7
Operating profit before working capital changes	844.7	1,009.9	1,166.7
Related companies	22.6	6.4	(19.8)
Increase in inventories	(1.5)	(2.1)	(0.8)
Decrease/(increase) in property development	9.9	(1.0)	—
(Increase)/decrease in trade and other receivables	(5.9)	7.6	(10.0)
Increase/(decrease) in trade and other payables	39.6	31.4	(81.1)
Increase/(decrease) in amount due to holding company	692.4	(2.8)	0.6
(Increase)/decrease in amount due from associated company	(0.7)	3.3	0.2
	756.4	42.8	(110.9)
Cash generated from operations	1,601.1	1,052.7	1,055.8
Retirement gratuities paid	(0.3)	(0.2)	(0.3)
Taxation paid	(206.9)	(312.8)	(229.1)
Deferred membership income	1.5	4.7	5.2
	(205.7)	(308.3)	(224.2)
Net Cash From Operating Activities	1,395.4	744.4	831.6

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002 (CONT'D)
Amounts in RM million unless otherwise stated

	2000	2001	2002
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(455.1)	(514.0)	(247.9)
Proceeds from disposal of property, plant and equipment	7.4	1.0	3.6
Expenditure on real property assets	(1.4)	(0.4)	—
Proceeds from disposal of real property assets	20.1	0.6	—
Purchase of investments	(166.2)	(7.4)	(234.8)
Proceeds from disposal of investments	112.6	86.0	77.7
Dividends received	10.2	3.5	0.3
Interest received	71.1	10.4	13.9
Purchase of Floating Rate Convertible Unsecured Loan Notes ("CULNs") issued by associated company	(1,824.0)	—	—
Refund of remaining CULNs not convertible into equity	142.5	—	—
Net Cash Used In Investing Activities	(2,082.8)	(420.3)	(387.2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(141.5)	(125.8)	(129.7)
Interest paid	(69.3)	(102.2)	(92.0)
Borrowings from financial institutions	702.1	760.0	201.4
Repayment of borrowings	(14.3)	(382.9)	—
Borrowings from holding company	—	46.4	—
Repayment of borrowings to holding company	—	(250.0)	(108.0)
Preference share dividend paid	(1.6)	—	—
Redemption of preference shares	(171.5)	—	—
Net Cash Generated From/(Used In) Financing Activities	303.9	(54.5)	(128.3)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(383.5)	269.6	316.1
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	548.7	165.2	434.8
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	165.2	434.8	750.9
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank balances and deposits (Note 20)	138.1	281.2	366.8
Money market instruments (Note 19)	27.1	153.6	384.1
	165.2	434.8	750.9

1. Principal Activities

The Company is involved in a tourist resort business at Genting Highlands and its activities cover leisure and hospitality which comprise amusement, gaming, hotel and entertainment.

The principal activities of the subsidiary companies include property development and management, leisure and hospitality services, investments, time share ownership scheme, tours and travel related services. Details of the principal activities are set out in Note 36 to the financial statements.

The principal activities of the associated company include cruise and cruise related operations.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial years ended 2000, 2001 and 2002.

2. Basis of Preparation

The financial statements are prepared in accordance with and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The historical cost convention modified by the revaluation of certain property, plant and equipment and land held for development, unless otherwise indicated in the individual policy statements set out in Note 3 to the financial statements, were adopted in the preparation of the financial statements.

During the financial year ended 31 December 2001, the Group adopted Malaysian Accounting Standards Board ("MASB") 15 "Property, Plant and Equipment" which became effective for accounting periods commencing on or after 1 July 2000.

During the financial year ended 31 December 2002, the Group adopted the following MASB standards which are effective for accounting periods commencing on or after 1 July 2001 and 1 January 2002:

MASB 19: Events After the Balance Sheet Date

MASB 20: Provisions, Contingent Liabilities and Contingent Assets

MASB 22: Segment Reporting

MASB 23: Impairment of Assets

MASB 24: Financial Instruments: Disclosure and Presentation

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial years. Actual results could differ from those estimates.

3. Significant Accounting Policies

Accounting policies adopted by the Group have been applied consistently in dealing with all material items in relation to the financial statements.

In addition, the Group complies with new accounting standards that are effective for the respective reporting years. New accounting standards are retrospectively applied unless in cases where the standard specifically does not require comparatives on first adoption due to non availability of such information or when it is not practicable to do so.

The following are the significant accounting policies adopted by the Group:

Consolidation

The consolidated financial statements include the audited financial statements of the Company and all its subsidiary companies made up to the end of each financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date the control ceases. Subsidiary companies are consolidated using the acquisition method of accounting whereby the results of subsidiary companies acquired or disposed off during the financial year are included from the date of acquisition up to the date when the control ceases. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

Amounts in RM million unless otherwise stated

All material intercompany transactions, balances and unrealised gains on transactions between group companies have been eliminated; unrealised losses have also been eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets and exchange differences which were not previously recognised in the consolidated income statement.

Borrowing Costs

Costs incurred on external borrowings to finance expenditure and other long term qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to the income statement.

Impairment of Assets

During the financial year ended 31 December 2002, the Group adopted MASB 23 "Impairment of Assets" prospectively as required by the Standard.

MASB 23 requires that the carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets, are reviewed to determine whether there is any indication of impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

Prior to the adoption of MASB 23, where the carrying amount of an asset is greater than its recoverable amount as assessed by the Directors, the asset is written down immediately to its recoverable amount. In determining the recoverable amount of items of property, plant and equipment, expected future cashflows have not been discounted to their present value.

An impairment loss is charged to the income statement, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the income statement, unless the asset is carried at revalued amount, in which case it is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortisation.

Leasehold properties are amortised equally over their respective periods of lease, ranging from 60 to 97 years.

Freehold land and property, plant and equipment which are under construction are not depreciated.

Other property, plant and equipment are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major classes of property, plant and equipment are as follows:

Buildings and improvements	2% - 50%
Plant, equipment and vehicles	10% - 50%

Real Property Assets, Property Development and Profit Recognition

Real property assets and property development comprise land held for development and development expenditure and are stated at cost of acquisition. Cost of acquisition includes all related costs incurred on activities necessary to prepare the land for its intended use. These assets remain as real property assets until the sales launch of these properties, after which they are then transferred to property development.

Assets under property development comprise land at cost and all related development costs incurred and carried forward together with profit accrued to the appropriate stage of completion less progress billings and allowance for foreseeable losses, if any. These developments are expected to be completed within the normal operating cycle of one to three years and are considered as current assets.

Upon completion of development, the unsold completed development properties are transferred to inventories.

Profits on property development projects are recognised based on the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property project activities progresses. The stage of completion is determined based on the proportion of development cost incurred for work performed up to the balance sheet date over the estimated total development cost to completion. Foreseeable losses, if any, are immediately recognised in the income statement.

Investments

Long term investments, both quoted and unquoted, include investments in subsidiary companies, associated companies and other non-current investments. These investments are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of an investment, in which case the investment is written down. Permanent diminution in the value of an investment is recognised as an expense in the financial period in which it arises.

Investments in subsidiary companies are eliminated on consolidation while investments in associated companies are accounted for by the equity method of accounting.

Associated companies are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but not control over those policies.

Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred.

Equity accounting involves recognising in the income statements the Group's share of the associated companies' results for the financial year. The Group's interest in associated companies is stated at cost net of goodwill written off plus adjustments to reflect changes in the Group's share of the net assets of the associated companies.

Short term quoted investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value. Money market instruments are stated at the lower of cost and net realisable value.

Goodwill

Goodwill arising on consolidation which represents the excess of the purchase price over the fair value of the net assets of the subsidiary/associated company at the date of acquisition, is written off to the income statement in the year of acquisition.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

Receivables

Receivables are carried at estimated realisable value. An allowance is made for doubtful receivables based on a review of all outstanding amounts at the financial year end. Bad debts are written off during the financial year in which they are identified.

Financial Instruments

During the financial year ended 31 December 2002, on adoption of MASB 24 "Financial Instruments: Disclosure and Presentation", the Group applied the following accounting policies in presenting and disclosing information about the Group's financial instruments:

a) Financial instruments recognised on the balance sheet

The recognition method adopted for financial instruments that are recognised on the balance sheet are disclosed separately in the individual policy statements associated with the relevant financial instrument.

b) Financial instruments not recognised on the balance sheet

The Group, in managing its interest and currency exposures, enters into foreign currency forward contracts, interest rate swap and currency swap agreements. These instruments are not recognised in the financial statements on inception.

As foreign currency forward contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates are used to translate the underlying foreign currency transactions into Ringgit Malaysia.

The related interest differentials paid or received under the swap agreements for interest rate swaps are recognised over the terms of the agreements in interest expense.

Amounts in RM million unless otherwise stated

The underlying foreign currency assets or liabilities, which are effectively hedged by currency swap agreements, and designated as a hedge, are translated in the respective hedged currencies, at their contracted rates.

c) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date. For non-traded financial instruments, the Group uses various methods and makes assumptions that are based on market conditions. Comparisons are made to similar instruments that are publicly traded and estimates based on discounted cash flow techniques are also used. For long term financial liabilities, fair value is estimated by discounting future contractual cash flows at appropriate interest rates.

The book values of financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

Comparative information for prior financial years is not disclosed as the Group has taken advantage of the exemption provided by the Standard.

Provision for Retirement Gratuities

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors of the Company and certain subsidiary companies. The level of retirement gratuities payable is determined by the Board and is based either on length of service and basic salary or the immediate past three years' emoluments.

Deferred Taxation

Deferred tax accounting using the 'liability' method is adopted by the Group. Deferred taxation provides for the effect of all material timing differences between accounting income and taxable income arising from the inclusion of items in different periods. No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net deferred taxation asset unless it can be demonstrated that these benefits can be realised in the foreseeable future.

Foreign Currencies

The financial statements are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies have been translated into RM at the rates ruling on the dates of the transactions unless hedged by forward foreign contracts, in which case the rates specified in such forward contracts are used. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at the rates ruling on that date. Gains and losses arising from translation are included in the income statements. The corresponding translation gains and losses arising from such investments are recognised in the reserves on exchange differences.

The Group's foreign entities are those operations that are not an integral part of the operations of the Company.

Income statements of subsidiary and associated company in other reporting currencies are translated into RM at average rates for the financial year and the balance sheets are translated at the financial year end rates approximate to those ruling at the financial year end. Exchange differences arising from the translation of income statements at average rates and balance sheets at year end rates, and the restatement at year end rates of the opening net investments in such subsidiary and associated company are taken to reserves.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Group and are translated accordingly at the exchange rate ruling at the date of the transaction.

The principal rates of exchange used in translation are as follows:

	Year end rate		
Currency	**2000**	**2001**	**2002**
	(RM to one unit of foreign currency)		
US Dollar	3.8000	3.8000	3.8000
Sterling Pound	5.6791	5.5102	6.1114
Australian Dollar	2.1082	1.9418	2.1510
Singapore Dollar	2.1915	2.0549	2.1882
Hong Kong Dollar	0.4872	0.4873	0.4873

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Revenue Recognition

Revenue is recognised upon delivery of products or performance of services, net of sales tax and discounts, and after eliminating sales within the Group. Casino revenue represents net house takings. The casino license is renewable every three months. Timeshare advance membership fees are recognised as income over the next twenty four years from the commencement of membership. Sales relating to property development projects are recognised as the project activity progresses and are in respect of sales where agreements have been recognised. Sales of short term investments are accounted for when the contracts are executed.

Dividend income is recognised when the right to receive payment is established.

Other income earned by the Group includes interest income recognised on an accrual basis.

Dividends

On adoption of MASB 19 "Events After Balance Sheet Date" in the financial year ended 31 December 2002, dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as liability in the financial year in which they are declared and the obligation to pay is established. Comparatives have been adjusted or extended to conform with changes in presentation due to the requirements of the Standard. The adoption of this Standard resulted in a change in accounting policy as disclosed in Note 30 to the financial statements.

Segmental Reporting

During the financial year ended 31 December 2002, on adoption of MASB 22 "Segmental Reporting", the Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

Revenue is attributed to geographical segments based on location of customers where sale is transacted. Assets are allocated based on location of assets.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by segment and consist principally of property, plant and equipment net of allowances and accumulated depreciation and amortisation, real property assets, property development, inventories and receivables. Segment liabilities comprise operating liabilities. Both segment assets and liabilities do not include income tax assets and liabilities and interest bearing investments.

Segment information for the financial year ended 31 December 2001 have been adjusted or extended to conform with changes in presentation due to the requirements of the Standard. For the financial year ended 31 December 2000, the segment information was prepared on basis inconsistent with that for the financial years ended 31 December 2001 and 2002 as the Group complied with the disclosure requirements of International Accounting Standard No. 14 "Segment Reporting".

4. Financial Risk Management Objectives and Policies

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board and do not trade in financial instruments. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

Foreign Currency Exchange Risk

The Group is exposed to foreign currency exchange risk when subsidiary companies enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for all committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

Interest Rate Risk

Interest rate risks mainly arise from the Group's borrowings. The Group manages this risk through the use of fixed and floating rate debt and financial instruments. Financial instruments are used, where appropriate, to generate the desired interest rate profile.

Amounts in RM million unless otherwise stated

Market Risk

The Group, in the normal course of business, is exposed to market risks in respect of its equity investments. The Group manages its risk through established guidelines and policies.

Credit Risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Credit terms offered by the Group range from 30 days to 60 days from date of transaction. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. Credit limits are set and credit history are reviewed to minimise potential losses.

The Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risks and limits are set to minimise any potential losses.

Liquidity Risk

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

5. Segment Analysis

As mentioned in the accounting policies note, the Group prepared the segment information in accordance with IAS 14 "Segment Reporting" for the financial year ended 31 December 2000 and MASB 22 "Segmental Reporting" for the financial years ended 31 December 2001 and 2002.

2000:

	Operating Revenue	Loss Before Taxation	Assets Employed
By activity			
Leisure & Hospitality	2,172.2	691.5	2,911.3
Properties	42.2	(4.3)	442.7
	2,214.4	687.2	3,354.0
Associated company	1,384.2	(49.6)	1,564.9
	3,598.6	637.6	4,918.9
Non-Segment Items			
- Interest bearing investments	—	1.8	67.7
- Equity investments & others	123.5	(1,286.0)	343.0
	3,722.1	(646.6)	5,329.6
Adjustment relating to share of operating revenue of associated company	(1,384.2)	—	—
	2,337.9	(646.6)	5,329.6
By geographical location			
Malaysia	2,215.2	687.2	3,354.0
Outside Malaysia	1,384.2	(49.6)	1,564.9
Non-segment items			
- Interest bearing investments	—	1.8	67.7
- Equity investments & others	122.7	(1,286.0)	343.0
	3,722.1	(646.6)	5,329.6
Adjustment relating to share of operating revenue of associated company	(1,384.2)	—	—
	2,337.9	(646.6)	5,329.6

Included in loss before taxation of equity investments and others for the financial year ended 31 December 2000 is the write-off of goodwill arising on acquisition of additional interest in an associated company amounting to RM1,047.2 million.

Interest and investment income, interest expense, short term deposits and investments are not attributable to any activity and are therefore included under Non-Segment Items. Immaterial segments are not separately identified and for presentation purposes, are also included under Non-Segment Items.

Amounts in RM million unless otherwise stated

2001:

a) **Primary segment - by activity**

	Leisure and Hospitality	Properties	Others	Eliminations	Total
Revenue					
External	2,400.5	6.3	96.3	—	2,503.1
Inter segment	0.6	10.2	30.4	(41.2)	—
	2,401.1	16.5	126.7	(41.2)	2,503.1
Results					
Segment profit/(loss)	757.2	2.0	(30.3)	—	728.9
Interest income					10.4
Finance cost					(117.8)
Share of result of associated company	(16.1)	—	—	—	(16.1)
Profit from ordinary activities before taxation					605.4
Taxation					(253.9)
Profit from ordinary activities after taxation					351.5
Minority shareholders' interest					0.4
Net profit for the year					351.9
OTHER INFORMATION					
Assets					
Segment assets	3,382.3	450.2	130.1	(93.8)	3,868.8
Interest bearing instruments					272.0
Associated company	1,591.9	—	—	—	1,591.9
Total assets					5,732.7
Liabilities					
Segment liabilities	636.4	46.1	27.0	(93.8)	615.7
Interest bearing instruments					1,567.7
Unallocated corporate liabilities					226.7
Total liabilities					2,410.1
OTHER DISCLOSURE					
Capital expenditure	538.4	0.5	0.3		539.2
Depreciation	187.8	2.4	2.7		192.9
Significant non-cash item - charges	66.3	—	31.6		97.9

Amounts in RM million unless otherwise stated

2002:

a) Primary segment - by activity

	Leisure and Hospitality	Properties	Others	Eliminations	Total
Revenue					
External	2,687.3	8.5	85.7	—	2,781.5
Inter segment	1.1	6.6	33.2	(40.9)	—
	2,688.4	15.1	118.9	(40.9)	2,781.5
Results					
Segment profit/(loss)	922.2	3.3	(28.9)	—	896.6
Interest income					17.4
Finance cost					(94.2)
Share of result of associated company	88.7	—	—	—	88.7
Gain on dilution of investment in associated company	31.1	—	—	—	31.1
Profit from ordinary activities before taxation					939.6
Taxation					(297.4)
Profit from ordinary activities after taxation					642.2
Minority shareholders' interest					0.4
Net profit for the year					642.6
OTHER INFORMATION					
Assets					
Segment assets	3,328.1	475.0	54.7	(118.9)	3,738.9
Interest bearing instruments					630.1
Associated company	1,910.4	—	—	—	1,910.4
Total assets					6,279.4
Liabilities					
Segment liabilities	510.7	71.4	22.2	(118.9)	485.4
Interest bearing instruments					1,664.0
Unallocated corporate liabilities					296.2
Total liabilities					2,445.6
OTHER DISCLOSURE					
Capital expenditure	178.9	23.4	1.3		203.6
Depreciation	196.5	2.4	2.7		201.6
Impairment loss on property, plant and equipment	1.6	—	—		1.6
Significant non-cash items					
- charges	24.7	—	29.3		54.0
- credit	31.1	—	—		31.1

b) Secondary segment - by geographical location

	Revenue		Total Assets		Capital Expenditure	
	2001	2002	2001	2002	2001	2002
Malaysia	2,426.3	2,703.5	4,006.7	4,258.0	539.2	203.6
Other Countries	76.8	78.0	134.1	111.0	—	—
	2,503.1	2,781.5	4,140.8	4,369.0	539.2	203.6
Associated Company			1,591.9	1,910.4		
			5,732.7	6,279.4		

Amounts in RM million unless otherwise stated

The Group is organised into two main business segments:

Leisure and Hospitality	—	this division includes the hotel, gaming, cruise and cruise related operations and entertainment businesses, tours and travel related services and other support services.
Property	—	this division holds the real property assets of the Group and is involved in property developments.

For financial years ended 31 December 2001 and 2002, all other immaterial business segments including investments in equities, training services and utilities services are aggregated and disclosed under "Others" as they are not of a sufficient size to be reported separately. All intersegment sales are conducted on an arms length basis.

Geographically, the main business segments of the Group are concentrated in Malaysia. Included in the other countries are the Group's investments in foreign corporations and interest bearing instruments.

6. Revenue

	2000	2001	2002
Rendering of services:			
- Leisure and Hospitality	2,172.2	2,400.5	2,687.3
- Properties management and sale of properties	42.2	6.3	8.5
- Other services	0.7	6.3	7.7
Sale of investments	112.6	86.0	77.7
Dividend income	10.2	4.0	0.3
	2,337.9	2,503.1	2,781.5

7. Cost of Sales

Included in cost of sales for the financial year ended 31 December 2000 is an amount of RM243.3 million representing cost of short term investments disposed during the year. Of this amount, RM171.4 million arose from the disposal of NCL Holding ASA, which resulted in a loss of RM109.9 million.

Cost of sales for the financial year ended 31 December 2000 also includes an allowance for the diminution in value of short term investments held at the end of the financial year amounting to RM98.0 million.

Included in cost of sales for the financial year ended 31 December 2001 is an amount of RM88.6 million representing cost of short term investments disposed during the year.

Cost of sales for the financial year ended 31 December 2001 also includes an allowance for the diminution in value of short term investments held at the end of the financial year amounting to RM19.2 million.

Included in cost of sales for the financial year ended 31 December 2002 is an amount of RM73.8 million representing cost of short term investments disposed and related costs.

The balance of the cost of sales represents cost of inventories which include cost of services and cost of goods sold.

8. (Loss)/profit before Taxation

(Loss)/profit before taxation as stated above has been determined after inclusion of the following charges and credits:

	2000	2001	2002
	RM'000	RM'000	RM'000
Charges:			
Depreciation of property, plant and equipment	159,315	192,900	201,555
Property, plant and equipment written off	37	2,318	9,799
Loss on disposal of property, plant and equipment	—	—	3,889
Impairment loss on property, plant and equipment included in Other Expenses	—	—	1,550
Investments written down	14,308	50,679	30,138
Allowance for diminution in value of short term investments	98,018	19,226	—
Loss on disposal of investments	130,718	2,577	3,124
Goodwill written off	1,047,178	27,968	—
Hire of equipment	5,319	5,188	5,558
Rental of land and buildings	2,962	2,626	1,459
Auditors' remuneration	189	207	246
Provision for retirement gratuities	—	—	17,768
Allowance for doubtful debts	—	—	3,950
Finance cost	40,311	70,441	63,258
Net exchange losses:			
- Realised	191	2,205	372
- Unrealised	88	63	2,063
Charges by holding company:			
- Licensing fees	66,701	75,234	85,004
- Shared services fees	3,338	3,407	3,697
- Finance cost	24,542	47,355	30,902
Charges by other related companies:			
- Management fees	185,830	210,973	239,094
- Rental of land and buildings	2,418	2,596	2,751
- Hire of equipment	2,718	4,579	4,401
- Shared services fees	4,856	11,918	11,906
- Commissions	12,031	23,359	26,946
- Marketing fees	480	480	480
- Finance cost	4,442	—	—

	2000	2001	2002
	RM'000	RM'000	RM'000
Credits:			
Interest income	69,716	10,389	17,413
Interest income from related company	1,409	—	—
Write back of provision for retirement gratuities	1,327	1,917	—
Write back of diminution in value of short term investment	—	—	7,093
Gain on dilution of investment in associated company	—	—	31,132
Rental income from land and buildings	13,957	12,848	29,424
Rental of equipment	95	78	723
Gross dividends from quoted:			
- overseas corporations	8,850	3,763	265
- local corporations	1,330	200	—
Gain on disposal of property, plant and equipment and real property assets	2,558	284	814
Other information:			
Non-audit fees to auditors:			
- payable to auditors	37	20	16
- payable to firms affiliated to auditors	53	158	156
Staff costs (including remuneration of executive directors)	267,609	269,358	336,177
Number of employees at year end ('000)	9.1	9.8	10.2

9. Directors' Remuneration

	2000	2001	2002
	RM'000	RM'000	RM'000
Non-executive Directors			
Fees	96	96	171
Executive Directors			
Fees	198*	192	240
Basic salary	14,790	17,627	18,667
Bonus	8,876	3,979	16,631
Allowances/contributions	4,048	3,667	5,532
Provision/(write back) for retirement gratuities	9,764	(1,472)	6,136
Estimated money value of benefits-in-kind (not charged to the income statements)	135	132	190
	37,907	24,221	47,567

* Includes fee received by an executive director of the Company in his capacity as a non-executive director in a wholly owned subsidiary company.

Remuneration of the Directors of the Company in respect of services rendered to the Company and its subsidiary companies of the Group is represented by the following bands:

Amounts in RM'000	2000	2001	2002
		Number	
Non-executive Directors			
50 and below	3	3	5
Executive Directors			
500 to 550	1		
550 to 600		1	
600 to 650	1		
650 to 700		1	
700 to 750	1	1	
950 to 1,000			2
1,050 to 1,100			1
2,500 to 2,550	1		
5,450 to 5,500		1	
10,650 to 10,700			1
16,650 to 16,700		1	
33,350 to 33,400	1		
33,700 to 33,750			1

Amounts in RM million unless otherwise stated

10. Taxation

	2000	2001	2002
Current Taxation			
- Malaysian taxation	209.7	237.6	276.6
- Foreign taxation	0.9	0.4	0.1
- Deferred taxation	2.3	10.4	8.1
	212.9	248.4	284.8
Share of taxation in associated company	18.6	2.4	1.9
	231.5	250.8	286.7
(Over)/under provision in respect of prior years			
- Income Taxation	(3.1)	8.8	(10.3)
- Deferred Taxation	1.1	(5.7)	21.0
	229.5	253.9	297.4

The effective tax rate for the Group for the financial year ended 31 December 2000 is higher than the statutory tax rate mainly due to goodwill written off, loss on disposal of short term quoted investments, allowance for diminution in short term quoted investments and certain operating expenses which are not deductible for tax purposes.

The effective tax rate for the Group for the financial year ended 31 December 2001 is higher than the statutory tax rate mainly due to tax losses of certain subsidiary companies, non-deductibility of charges relating to investments and certain expenses for tax purposes.

The effective tax rate for the Group for the financial year ended 31 December 2002 before the adjustment of taxation in respect of prior years is higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes and the tax losses of certain subsidiary companies.

Subject to agreement by the Inland Revenue Board, the amount of unutilised tax losses of subsidiary companies available for which the related tax effects have not been included in the net income for the financial years ended 31 December 2000, 2001 and 2002 amounted to approximately RM66.5 million, RM65.0 million and RM66.9 million respectively.

Subject to the agreement by the Inland Revenue Board, the Group has investment tax allowances of approximately RM455.0 million, RM968.6 million and RM1,056.2 million respectively, which are available to set off against future taxable profits of the Group.

11. Dividends

Dividends declared or proposed are as follows:

	2000		2001		2002	
	Gross dividend per share	Amount of dividend (net of tax)	Gross dividend per share	Amount of dividend (net of tax)	Gross dividend per share	Amount of dividend (net of tax)
	Sen	RM'million	Sen	RM'million	Sen	RM'million
Interim dividend	8.0	62.9	8.0	62.9	8.5	66.8
Proposed final dividend	8.0	62.9	8.0	62.9	9.0	70.8
	16.0	125.8	16.0	125.8	17.5	137.6

The proposed final dividends in respect of the financial years ended 31 December 2000, 2001 and 2002 were proposed at the respective financial years' Annual General Meetings, for shareholders' approval. These financial statements do not reflect the proposed final dividends which will be accrued as a liability upon approval by shareholders. This represents a change in accounting treatment from that of prior years as explained in Note 30.

Amounts in RM million unless otherwise stated

12. Property, Plant and Equipment

2000	Freehold land	Long leasehold land	Buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
At cost:						
At 1 January 2000	197.8	101.5	1,851.7	1,028.1	260.8	3,439.9
Additions	—	—	1.3	47.7	467.7	516.7
Disposals	—	—	(5.3)	(1.0)	—	(6.3)
Written off	—	—	—	(0.5)	—	(0.5)
Reclassification	—	1.6	399.7	52.7	(452.4)	1.6
At 31 January 2000	197.8	103.1	2,247.4	1,127.0	276.1	3,951.4
Accumulated depreciation:						
At 1 January 2000	—	1.5	214.7	662.4	—	878.6
Charge for the financial year	—	1.0	45.7	112.6	—	159.3
Disposals	—	—	(0.6)	(0.8)	—	(1.4)
Written off	—	—	—	(0.4)	—	(0.4)
Reclassification	—	—	19.3	(19.3)	—	—
At 31 December 2000	—	2.5	279.1	754.5	—	1,036.1
Net book value at 31 December 2000	197.8	100.6	1,968.3	372.5	276.1	2,915.3

2001	Freehold land	Long leasehold land	Buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
At cost:						
At 1 January 2001	197.8	103.1	2,247.4	1,127.0	276.1	3,951.4
Additions	—	—	1.8	60.4	477.0	539.2
Disposals	—	(0.1)	—	(4.8)	—	(4.9)
Written off	—	—	(1.9)	(1.4)	—	(3.3)
Transferred from investment properties	—	—	2.9	—	—	2.9
Reclassification	—	—	529.3	166.5	(695.8)	—
At 31 December 2001	197.8	103.0	2,779.5	1,347.7	57.3	4,485.3
Accumulated depreciation:						
At 1 January 2001	—	2.5	279.1	754.5	—	1,036.1
Charge for the financial year	—	1.0	58.1	133.8	—	192.9
Disposals	—	—	(0.1)	(4.0)	—	(4.1)
Written off	—	—	(0.4)	(0.6)	—	(1.0)
At 31 December 2001	—	3.5	336.7	883.7	—	1,223.9
Net book value at 31 December 2001	197.8	99.5	2,442.8	464.0	57.3	3,261.4

Amounts in RM million unless otherwise stated

2002	Freehold land	Long leasehold land	Buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
At cost:						
At 1 January 2002	197.8	103.0	2,779.5	1,347.7	57.3	4,485.3
Additions	23.0	1.3	2.4	52.9	124.0	203.6
Disposals	(0.1)	—	(5.2)	(11.7)	(0.8)	(17.8)
Written off	—	—	(10.7)	(1.1)	—	(11.8)
Reclassification/adjustment	—	2.0	51.5	44.1	(115.4)	(17.8)
Impairment in value	—	—	—	(2.6)	—	(2.6)
At 31 December 2002	220.7	106.3	2,817.5	1,429.3	65.1	4,638.9
Accumulated depreciation:						
At 1 January 2002	—	3.5	336.7	883.7	—	1,223.9
Charge for the financial year	—	1.1	59.9	140.6	—	201.6
Disposals	—	—	(1.7)	(8.0)	—	(9.7)
Written off	—	—	(1.1)	(0.9)	—	(2.0)
Impairment in value	—	—	—	(1.0)	—	(1.0)
At 31 December 2002	—	4.6	393.8	1,014.4	—	1,412.8
Net book value at 31 December 2002	220.7	101.7	2,423.7	414.9	65.1	3,226.1

13. Real Property Assets and Property Development

	2000	2001	2002
Non-current portion: Real property assets			
Freehold land held for development and development expenditure - at cost	202.1	202.5	201.2
Current portion: Property development			
Leasehold land and development expenditure - at cost	26.6	24.1	—

In the financial year ended 31 December 2002, the completed property development amounting to RM24.1 million was reclassified to inventory.

14. Associated Company

	2000	2001	2002
Quoted shares in foreign corporation, at cost	2,936.1	3,009.5	3,211.6
Goodwill on acquisition written off	(1,405.9)	(1,433.9)	(1,433.9)
Share of post acquisition reserve	34.7	16.3	132.7
	1,564.9	1,591.9	1,910.4
Represented by:			
Share of net assets other than goodwill of the associated company	1,564.9	1,591.9	1,910.4
Market value of quoted shares in foreign corporation	3,936.1	2,089.9	1,866.1

Amounts in RM million unless otherwise stated

The amount due from associated company represents outstanding amounts arising from inter company sales.

Details of the associated company are as follows:

	Effective Percentage of Ownership			Country of Incorporation	Principal Activities
	2000	**2001**	**2002**		
*Star Cruises Limited	34.9	35.9	34.4	Isle of Man and redomiciled to Bermuda	Cruise and cruise related operations

* The financial statements of this company are audited by an overseas firm affiliated with the auditors of the Company.

During the financial year ended 31 December 2000, the Group through Resorts World Limited, an indirect wholly-owned subsidiary of the Company, subscribed for a total of 609,781,993 Ordinary Shares of USD0.10 each in Star Cruises Limited ("SCL"), via the conversion of USD442,499,850 (RM1,681,499,430) out of the USD480,000,000 (RM1,824,000,000) Floating Rate Convertible Unsecured Loan Notes ("CULNs") issued to the Group under the Note Purchase Agreements, two on 28 September 2000 and one on 9 October 2000, between SCL and the Group. The remaining CULNs of USD37,500,150 (RM142,500,570) not converted into Ordinary Shares of SCL was repaid to the Group during the year.

15. Other Investments

	2000	**2001**	**2002**
Quoted – at cost	143.4	—	—
Amount written down	(36.6)	—	—
	106.8	—	—
Unquoted – at cost	3.6	3.6	33.3
Amount written down	—	—	(30.1)
	110.4	3.6	3.2
Market value of quoted shares	68.6	—	—

As at 31 December 2002, it was not practicable within the constraints of cost to estimate reliably the fair values for unquoted shares as there are no comparable securities that are traded.

16. Trade and Other Receivables

	2000	**2001**	**2002**
Current:			
Trade receivables	30.0	32.5	42.8
Other receivables	20.6	19.0	21.4
Less: Allowance for doubtful debts	(0.6)	(0.6)	(4.4)
	50.0	50.9	59.8
Deposits	14.4	13.6	13.0
Prepayments	17.1	10.5	17.1
Loan to directors	0.8	0.2	0.2
	82.3	75.2	90.1
Non-current:			
Trade receivables	10.1	11.6	12.1
Other receivables	—	—	1.3
Loan to director	—	0.5	0.4
	10.1	12.1	13.8
	92.4	87.3	103.9

Amounts in RM million unless otherwise stated

The maturity profile for non-current receivables are as follows:

	2001	2002
More than 1 year and less than 2 years	11.7	11.4
More than 2 years and less than 5 years	0.3	2.4
More than 5 years	0.1	—
	12.1	13.8

Loan to director represents an interest-free housing loan and an interest-free loan to a director of the Company which is extended by a wholly owned and an indirect wholly owned subsidiaries of the Company respectively.

Credit terms of trade receivables for the financial year ended 31 December 2002 range from payment in advance to 30 days.

The fair values of non-current receivables at 31 December 2002 approximate their carrying amounts.

17. Inventories

	2000	2001	2002
At cost			
Food, beverages, tobacco and other hotel supplies	6.0	6.7	7.7
Stores, spares and retail stocks	8.9	10.3	10.1
Completed properties	—	—	24.1
	14.9	17.0	41.9

18. Holding Company and Other Related Companies

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

Amount due to holding company comprises:

	2000	2001	2002
Non-current:			
Interest bearing loan (Note 22)	—	374.9	371.9
Current:			
Interest bearing loan (Note 22)	683.5	105.0	—
Inter company balances	15.1	12.3	12.8
	698.6	117.3	12.8
	698.6	492.2	384.7

The amounts due to/from holding company and other related companies are unsecured, interest free, and have no fixed terms of repayment, except for the loan from Genting Berhad. The loan from Genting Berhad was obtained during the financial year ended 31 December 2000 to part-finance the investment in associated company, Star Cruises Limited. It is unsecured and bears interest at 1% per annum above the base lending rate of a leading local bank. The amount is to be repaid in 2004.

Amounts in RM million unless otherwise stated

19. Short Term Investments

	2000	2001	2002
Quoted - at cost			
Shares in foreign corporations	316.6	151.4	73.6
Shares in Malaysian companies	5.6	—	—
Less: Allowance for diminution in value	(98.0)	(45.0)	(37.9)
	224.2	106.4	35.7
Unquoted - at cost			
Money market instruments	27.1	153.6	384.1
	251.3	260.0	419.8
Market value of quoted shares			
- Foreign corporations	214.4	106.4	35.7
- Malaysian companies	9.8	—	—
	224.2	106.4	35.7

As at 31 December 2000 and 31 December 2001, the investments in money market instruments comprise negotiable certificates of deposit. The investments in money market instruments as at 31 December 2002 comprise negotiable certificates of deposit and bankers' acceptances.

The weighted average interest rates of money market instruments that were effective during the financial years ended 31 December 2001 and 2002 were 2.8% and 2.7% respectively.

20. Bank Balances and Deposits

	2000	2001	2002
Deposits with licensed banks	29.5	107.6	233.1
Cash and bank balances	108.6	173.6	133.7
	138.1	281.2	366.8

As at 31 December 2002, the currency exposure profile of deposits, cash and bank balances is as follows:

Ringgit Malaysia	265.6
Foreign currency denominated in:	
- US Dollar	84.8
- Singapore Dollar	8.9
- Hong Kong Dollar	5.8
- Others	1.7
	366.8

The weighted average interest rates of deposits that were effective during the financial years ended 31 December 2001 and 2002 were 2.9% and 2.6% respectively.

Deposits of the Group as at 31 December 2001 and 2002 have an average maturity of 31 days. Bank balances are deposits held at call with banks.

Amounts in RM million unless otherwise stated

21. Trade and Other Payables

	2000	2001	2002
Trade payables	19.1	23.3	21.0
Accrued expenses	157.1	259.8	191.8
Deposits	23.5	24.5	23.8
Other payables	180.9	138.0	67.4
	380.6	445.6	304.0

Included in other payables and accrued expenses are progress billings payable and accruals for capital expenditures relating to constructions of new hotel and upgrading of resorts infrastructure and facilities amounting to RM85.8 million, RM103.8 million and RM52.6 million for the financial years ended 31 December 2000, 2001 and 2002 respectively.

Credit terms of trade and other payables granted to the Group for the financial year ended 31 December 2002 range from 7 days to 90 days from date of invoice.

22. Borrowings

	2000	2001	2002
Current:			
Bank borrowings (unsecured)			
- financial institutions	63.7	—	—
Term Loans/Euro Medium Term Notes - US Dollar (unsecured)	319.2	—	252.1
Euro Medium Term Notes - Singapore Dollar (unsecured)	—	—	221.6
Loans from holding company (unsecured) (Note 18)	683.5	105.0	—
	1,066.4	105.0	473.7
Non-current:			
Term Loans/Euro Medium Term Notes - US Dollar (unsecured)	98.8	858.8	809.4
Euro Medium Term Notes - Singapore Dollar (unsecured)	220.4	220.4	—
Loans from holding company (unsecured) (Note 18)	—	374.9	371.9
	319.2	1,454.1	1,181.3
	1,385.6	1,559.1	1,655.0

	2001	2002
Weighted average effective interest rates (%) per annum that were effective during the year:		
- bank borrowings		
- before interest rate swaps	4.8	3.1
- after interest rate swaps	5.9	5.4
- loans from holding company	7.5	7.4
Weighted average effective interest rate (%) per annum as at year end:		
- bank borrowings		
- before interest rate swaps	3.6	3.1
- after interest rate swaps	5.7	5.1
- loans from holding company	7.4	7.4

The weighted average effective interest rates per annum that were effective during the financial year ended 31 December 2000 for bank borrowings and loans from holding company were 7.9% and 7.5% respectively.

Amounts in RM million unless otherwise stated

	2000	2001	2002
Currency in which total borrowings are denominated:			
- US Dollar	481.7	858.8	1,061.5
- Singapore Dollar	220.4	220.4	221.6
- Ringgit Malaysia	683.5	479.9	371.9
	1,385.6	1,559.1	1,655.0

The maturity of borrowings (excluding finance lease liabilities) of the Group as at 31 December 2000 is as follows:

- not later than 1 year	1,066.4
- later than 1 year and not later than 5 years	319.2
	1,385.6

The maturity profile and exposure of the borrowings of the Group to interest rate risk as at 31 December 2001 and 2002 are as follows:

		Borrowings	
	Total	Floating interest rate	Fixed interest rate
As at 31 December 2001			
Before interest rate swap:			
- less than 1 year	105.0	105.0	—
- more than 1 year and less than 2 years	471.2	250.8	220.4
- more than 2 years and less than 5 years	982.9	982.9	—
	1,559.1	1,338.7	220.4
After interest rate swap:			
- less than 1 year	105.0	105.0	—
- more than 1 year and less than 2 years	471.2	76.0	395.2
- more than 2 years and less than 5 years	982.9	678.9	304.0
	1,559.1	859.9	699.2
As at 31 December 2002			
Before interest rate swap:			
- less than 1 year	473.7	252.1	221.6
- more than 1 year and less than 2 years	422.3	422.3	—
- more than 2 years and less than 5 years	759.0	759.0	—
	1,655.0	1,433.4	221.6
After interest rate swap:			
- less than 1 year	473.7	76.3	397.4
- more than 1 year and less than 2 years	422.3	422.3	—
- more than 2 years and less than 5 years	759.0	379.0	380.0
	1,655.0	877.6	777.4

Amounts in RM million unless otherwise stated

The fair values of bank borrowings at 31 December 2002 approximate their carrying amounts.

As at 31 December 2002, the exposure of the borrowings of the Group to interest rate changes and the periods in which the borrowings reprice are as follows:

		Repricing periods			
	Total	**1 to 3 months**	**More than 3 months and less than 1 year**	**More than 1 year and less than 2 years**	**More than 2 years and less than 5 years**
Total borrowings	1,655.0	1,433.4	221.6	—	—
Movement in repricing periods due to interest rate swap	—	(555.8)	175.8	—	380.0
	1,655.0	877.6	397.4	—	380.0

23. Share Capital

	2000	**2001**	**2002**
Authorised:			
1,600.0 million ordinary shares of 50 sen each	800.0	800.0	800.0
Issued and fully paid:			
1,091.8 million ordinary shares of 50 sen each	545.9	545.9	545.9

As at 31 December 2000 and 2001, the Company has unissued ordinary shares outstanding under "The Resorts World Employees' Share Option Scheme for Executives" ("Previous ESOS") amounting to 1,569,000 and 1,502,000 respectively.

Subsequent to 31 December 2001 (as reported in the 2001 statutory financial statements), the Board of Directors decided to allow eligible executives who held outstanding options ("Existing Option Holders") under 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 Securities Commission ("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 at 31 December 2002, the Company has 100,000 and 14,397,000 unissued ordinary shares outstanding under "The Resorts World Employees' Share Option Scheme for Executives" ("Previous ESOS") and "The Executive Share Option Scheme For Eligible Executives of Resorts World Bhd and its subsidiaries" ("New ESOS") respectively.

The outstanding options granted under the Previous ESOS in the previous financial years are exercisable as follows:

Exercisable Period		**Subscription Price per Share**
From	**To**	**RM**
22 September 1999	22 September 2004	16.77

At an Extraordinary General Meeting ("EGM") of the Company held on 21 February 2002, the shareholders of the Company approved the New ESOS. The New ESOS became effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012. The option holders of the Previous ESOS are allowed to participate in the New ESOS provided they relinquish their outstanding options under the Previous ESOS.

Amounts in RM million unless otherwise stated

At another EGM held on 25 June 2002, the draft Bye-Laws of the New ESOS were further amended such that the total number of new shares to be offered under the New ESOS Scheme shall not exceed 2.5% of the issued and paid-up share capital of the Company at any time of the offer but the shareholders of the Company may at any time during the tenure of the Scheme, by ordinary resolution increase the total number of new shares to be offered under the Scheme up to 5% of the issued and paid-up share capital of the Company at the time of the offer.

On 2 September 2002 and 29 November 2002, options were offered pursuant to the New ESOS and the outstanding options granted are exercisable as follows:

Option Expiry Date	Subscription Price Per Share	Number of Unissued Shares
	RM	
11 August 2012	10.32	14,157,000
11 August 2012	8.50	240,000
		14,397,000

The option granted under the New ESOS can only be exercised by option holders in the third year from the date of offer and the number of new shares comprised in the option which the option holders can subscribe for from the third year onwards shall at all times be subject to the following maximum percentage of new shares comprised in the options:

Year 3 to 9	:	12.5% rounded up to the next 1,000 shares for each of the year
Year 10	:	12.5% or balance of all options allotted

24. Reserves

	2000	2001	2002
Non-Distributable Reserves:			
Share Premium	33.3	33.3	33.3
Capital Redemption Reserves	0.1	0.1	0.1
Reserve on Exchange Differences	4.2	4.2	2.9
Distributable Reserves:			
Unappropriated Profit	2,502.9	2,729.0	3,241.9
	2,540.5	2,766.6	3,278.2

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank RM2,832.0 million, RM3,271.0 million and RM3,684.2 million of the Company's unappropriated profit as at 31 December 2000, 2001 and 2002 respectively, if distributed by way of dividends without additional tax liabilities being incurred.

In addition, the Company has tax exempt income as at 31 December 2000, 2001 and 2002, available to frank as tax exempt dividends arising mainly from the Promotions of Investment Act, 1986 and the Income Tax (Amendment) Act, 1999 relating to tax on income earned in 1999 being waived, amounting to approximately RM1,668.7 million, RM1,751.6 million and RM1,760.1 million respectively. The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

25. Other Long Term Liability

Other long term liability represents the advance membership fees relating to fees received on sale of time share units by a subsidiary company offering a time-share ownership scheme.

Amounts in RM million unless otherwise stated

26. Deferred Taxation

	2000	2001	2002
Excess of capital allowances over depreciation	41.9	46.2	76.7
Timing differences arising from provision	(20.3)	(19.9)	(21.3)
	21.6	26.3	55.4

Subject to agreement by the Inland Revenue Board, the Group has potential deferred tax benefits, of which the tax effects are not required to be taken up in the financial statements as follows:

	2000	2001	2002
Unutilised tax losses	18.6	18.2	18.7
Unutilised capital allowances	41.5	65.0	83.4

27. Provision for Retirement Gratuities

	2000	2001	2002
Beginning of the financial year	91.9	100.0	96.4
Charged to income statement	9.7	0.4	23.9
Paid during the year	(0.3)	(0.2)	(0.3)
Provision no longer required	(1.3)	(3.8)	—
End of the financial year	100.0	96.4	120.0

28. Earnings per Share

	2000	2001	2002
a) Basic (loss)/earnings per share			
Net (loss)/profit for the financial year (RM'million)	(876.5)	351.9	642.6
Weighted average number of ordinary shares in issue	1,091,843,334	1,091,843,334	1,091,843,334
Basic (loss)/earnings per share (sen)	(80.3)	32.2	58.9
b) Diluted earnings per share			
Net (loss)/profit for the financial year (RM'million)	(876.5)	351.9	642.6
Weighted average number of ordinary shares adjusted as follows:			
Weighted average number of ordinary share in issue	1,091,843,334	1,091,843,334	1,091,843,334
Adjustment for share options granted to executives of the Company	—	—	6,960
Adjusted weighted average number of ordinary shares in issue	1,091,843,334	1,091,843,334	1,091,850,294
Diluted earnings per share (sen)	N/A	N/A	58.9

As at 31 December 2000 and 2001, the Company has unissued ordinary shares, outstanding under The Resorts World Employees' Share Option Scheme for Executives ("Previous ESOS") amounting to 1,569,000 and 1,502,000 respectively.

In accordance with the provision laid down by MASB 13 "Earning Per Share", share options are dilutive in situations when the exercise price of the options is below its fair value. Since the exercise price of the Previous ESOS is above the fair values of the Company's shares for the financial years ended 31 December 2000 and 2001, the option is deemed non dilutive.

Amounts in RM million unless otherwise stated

29. Financial Instruments

As at 31 December 2000, the Group has entered into the following financial instruments:

a) Euro Medium Term Notes ("Notes")

Resorts World (Labuan) Limited, a wholly-owned subsidiary of the Company, issued the following notes which form part of the borrowings as disclosed in Note 22:

Currency	Issue date	Maturity date	Interest type	Foreign Currency	Ringgit Equivalent
Singapore Dollar	26/05/2000	26/05/2003	Fixed rate	100.0	220.4
US Dollar	16/06/2000	16/06/2003	Floating rate based on SIBOR	26.0	98.8
US Dollar	16/06/2000	16/06/2001	Floating rate based on SIBOR	84.0	319.2
					638.4

The above Notes are guaranteed by the Company and are redeemable in full on the respective maturity dates.

b) Singapore Dollar ("SGD")/US Dollar ("USD") Cross Currency Swap ("CCS")

Further to the Issuance of the SGD Notes on the 26 May 2000 for SGD100 million, as disclosed in (a) above, the Group entered into two CCS agreements, the first on the issue date of the Notes and the second on 3 August 2000. The effect of the two CCS Agreements is to convert the SGD Notes into a fixed rate USD liability.

The swaps terminate on the maturity of the loan, which is 26 May 2003.

c) USD Interest Rate Swap ("IRS")

Subsequent to the issuance of the Notes for USD26 million, as disclosed in (a) above, the Group entered into an IRS agreement on 8 August 2000. The effect of this transaction is to effectively fix the interest rate payable on that tranche of the loan.

These instruments are executed with creditworthy financial institution and the Directors are of the view that the possibility of non performance by the financial institution is remote on the basis of its financial strength.

As at 31 December 2001, the Group has the following financial instruments with off balance sheet risks:

a) Euro Medium Term Notes ("Notes")

Resorts World (Labuan) Limited, a wholly owned subsidiary of the Company, has the following notes which form part of the borrowings as disclosed in Note 22:

Currency	Issue date	Maturity date	Interest type	Foreign Currency	Ringgit Equivalent
Singapore Dollar	26/05/2000	26/05/2003	Fixed rate	100.0	220.4
US Dollar	16/06/2000	16/06/2003	Floating rate based on SIBOR	26.0	98.8
					319.2

The above Notes are guaranteed by the Company and are redeemable in full on the respective maturity dates.

b) Singapore Dollar ("SGD")/US Dollar ("USD") Cross Currency Swap ("CCS")

Further to the issuance of the SGD Notes on 26 May 2000 for SGD100 million, as disclosed in (a) above, the Group entered into two CCS agreements, the first on the issue date of the Notes and the second on 3 August 2000. The effect of the two CCS agreements is to convert the SGD Notes into a fixed rate USD liability.

The swaps terminate on the maturity of the loan, which is 26 May 2003.

c) USD Interest Rate Swap ("IRS")

(i) Subsequent to the issuance of the Notes for USD26 million, as disclosed in (a) above, the Group entered into an IRS agreement on 8 August 2000. The effect of this transaction is to effectively fix the interest rate payable on the entire loan principal of USD26 million.

The swap terminates on the maturity of the loan, which is 16 June 2003.

(ii) On 25 April 2001, the Group had drawn down a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Contract Amounts (USD'000)	Date of Transactions	Maturity Dates
30,000	13/08/2001	25/04/2003 to 25/04/2006
30,000	16/08/2001	25/04/2003 to 25/04/2006
20,000	22/08/2001	25/04/2003 to 25/04/2006
20,000	30/08/2001	25/04/2003 to 25/04/2006

The effect of the above swaps is to effectively fix the interest rate payable on that tranche of the loan with effect from 25 October 2001 and up to their respective maturity dates as set out above.

d) Foreign Currency Contracts

Contract Amounts (USD'000)	Date of Transactions	Expiry Dates
12,024	28/08/2001 to 28/01/2002	26/02/2002 to 16/12/2002

As foreign currency contracts are entered into to hedge the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

These instruments are executed with creditworthy financial institutions and the Directors are of the view that the possibility of non performance by the financial institutions is remote on the basis of their financial strength.

As at 31 December 2002, the Group has the following financial instruments:

a) Borrowings

The Group has the following borrowings as disclosed in Note 22:

i) Foreign currency borrowings

Currency	Start date	Maturity dates			Foreign currency (Million)	Equivalent RM (Million)
			Hedged	**Unhedged**	**Total**	**Total**
Singapore Dollar	26/05/2000	26/05/2003	100.0	—	100.0	221.6
US Dollar	16/06/2000	16/06/2003	26.0	—	26.0	99.4
US Dollar	25/04/2001	25/04/2003	40.0	—	40.0	152.7
US Dollar	25/04/2001	25/04/2005 to 25/04/2006	—	160.0	160.0	608.0
US Dollar	27/11/2002	27/11/2004 to 27/11/2007	—	53.0	53.0	201.4
Total						1,283.1

The Singapore Dollar ("SGD") and US Dollar ("USD") borrowings as shown above, which are obtained by three wholly owned subsidiaries of the Company. These borrowings are guaranteed by the Company and are repayable in full on the respective maturity dates.

The Group entered into two Cross Currency Swap ("CCS") agreements, the first on the start date of the SGD borrowing and the second on 3 August 2000. The effect of the two CCS agreements is to convert the SGD borrowing into a fixed rate USD58.0 million liability. The swaps terminate on the maturity of the borrowing, which is 26 May 2003.

A portion of the USD borrowings, including the USD58.0 million liability, was subsequently hedged into Ringgit Malaysia using forward foreign exchange contracts. These contracts amounting to RM473.7 million have been included in the outstanding forward foreign exchange contracts in Note (c) below. The foreign currency exposure has been hedged to the extent permitted by the Central Bank's exchange control regulations.

The fair value of the outstanding CCS agreements of the Group which has not been recognised at 31 December 2002 was an unfavourable net position of RM4.6 million.

ii) Local currency borrowings

The local currency borrowings of RM371.9 million represents loan from Genting Berhad.

b) Interest Rate Swaps ("IRS")

The Group has entered into IRS contracts to manage the exposure of its borrowings to interest rate risks. With the IRS agreements, the Group receives interest at floating rate based on three months SIBOR or LIBOR and pays interest at fixed rates on the agreed notional principal amounts.

As at 31 December 2002, the terms and notional principal amounts of the outstanding interest rate swap contracts of the Group are as follows:

	USD (Million)	Equivalent RM (Million)
Within one year	46.0	175.8
More than one year and less than 5 years	100.0	380.0
	146.0	555.8

The effect of the above interest rate swaps is to effectively fix the interest rate payable on part of the foreign currencies borrowings mentioned in Note (a) above.

The fair value of the outstanding interest rate swap contracts of the Group which has not been recognised at 31 December 2002 was an unfavourable net position of RM33.2 million.

c) Forward Foreign Currency Contracts

As 31 December 2002, the outstanding forward foreign exchange contracts are as follows:

Currency	Transaction dates	Expiry Dates	Contract Amounts (Million)	Equivalent RM (Million)
USD	04/04/2002 to 02/10/2002	26/02/2003 to 25/07/2003	131.0	500.4

As foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

The fair value of the forward foreign currency contracts of the Group which has not been recognised as at 31 December 2002 was an unfavourable net position of RM83,000.

Amounts in RM million unless otherwise stated

30. Prior Year Adjustment

In the financial year ended 31 December 2002, the Group changed its accounting policy with respect to the recognition of liabilities in compliance with the new MASB 19 "Events After the Balance Sheet Date".

Prior to the financial year ended 31 December 2002, dividend was accrued as a liability in the financial year to which it relates. The Group has now changed this accounting policy to recognise dividend in shareholders' equity in the financial year in which the obligation to pay is established in accordance with MASB 19. Therefore, final dividend is now accrued as a liability after approval by shareholders at the Annual General Meeting.

This change in accounting policy has been accounted for retrospectively and have the effect on the Group's financial statements as follows:

	As previously reported	Effect of change in policy	As restated
At 31 December 2000:			
- unappropriated profit	2,440.0	62.9	2,502.9
- proposed final dividend	62.9	(62.9)	—
- Net tangible asset per share (RM)	2.77	0.06	2.83
At 31 December 2001:			
- unappropriated profit	2,666.1	62.9	2,729.0
- proposed final dividend	62.9	(62.9)	—
- Net tangible asset per share (RM)	2.98	0.05	3.03

31. Capital Commitments

	2000	2001	2002
Authorised property, plant and equipment expenditure not provided for in the financial statements:			
- contracted	397.7	24.2	194.6
- not contracted	23.8	4.0	421.3
	421.5	28.2	615.9

32. Non-Cash Transactions

Financial year ended 31 December 2000

The principal non-cash transaction during the financial year ended 31 December 2000 relates to the Group's acquisition of additional 609,781,993 ordinary shares of USD0.10 each in Star Cruises Limited by the conversion of Convertible Unsecured Loan Notes purchased during the year, amounting to RM1,681.4 million.

Financial year ended 31 December 2001

The principal non-cash transactions during the financial year ended 31 December 2001 are as follows:

(a) Quoted shares in an associated company amounting to RM73.5 million were reclassified from short term investment to long term investment in the associated company.

(b) Certain quoted shares in a foreign corporation were reclassified from long term investment to short term investment during the financial year, amounting to RM91.9 million.

(c) During the financial year, the terms of the loan from holding company were varied to convert the loan to a term loan facility which resulted in a reclassification from current liabilities to long-term liabilities. The details of the loan are disclosed in Note 22.

33. Contingent Liability (Unsecured)

As at 31 December 2000, the Company had contingent liability in respect of guarantees issued to financial institutions amounting to RM638.4 million for the Euro Medium Term Notes issued by a subsidiary company.

As at 31 December 2001, the Company had contingent liability in respect of guarantees issued to financial institutions for loan facilities extended to subsidiary companies as follows:

(a) Euro Medium Term Notes issued by a subsidiary company amounting to RM319.2 million.

(b) Term Loan Facility granted to a subsidiary company amounting to RM760.0 million.

As at 31 December 2002, the Company had contingent liability in respect of guarantees issued to financial institutions for loan facilities extended to subsidiary companies as follows:

(a) Euro Medium Term Notes issued by a subsidiary company amounting to RM319.2 million.

(b) Term Loan Facility granted to a subsidiary company amounting to RM760.0 million.

(c) Term Loan Facility granted to a subsidiary company amounting to RM201.4 million.

The details of the loans are disclosed in Note 22 and Note 29. It is anticipated that no material liabilities will arise as a result of these guarantees.

34. Significant Related Party Disclosures

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

The immediate and ultimate holding company of the Company is Genting Berhad, a company incorporated in Malaysia.

For the financial years ended 31 December 2000 and 2001, Tan Sri Lim Goh Tong is the Chairman and Chief Executive of both the Company and Genting Berhad. For the financial year ended 31 December 2002, Tan Sri Lim Goh Tong is the Chairman of both the Company and Genting Berhad.

Tan Sri Lim Kok Thay, a son of Tan Sri Lim Goh Tong is the Managing Director of both the Company and Genting Berhad for the financial years ended 31 December 2000 and 2001. For financial year ended 31 December 2002, Tan Sri Lim Kok Thay is the President and Chief Executive of both the Company and Genting Berhad.

For the financial years ended 31 December 2000, 2001 and 2002, Tan Sri Lim Kok Thay is also the Chairman of Star Cruises Limited, an associated company of the Company and the Chairman of Genting International PLC, a fellow subsidiary of the Company.

For the financial year ended 31 December 2000, Tan Sri Lim Kok Thay is the Director of Genting Overseas Holdings Limited, a fellow subsidiary of the Company and the holding company of Genting International PLC.

For the financial year ended 31 December 2000, Tun Mohammed Hanif bin Omar, Deputy Chairman of both the Company and Genting Berhad, is the Chairman of Maxis Communications Bhd, which is the holding company of Maxis Collections Sdn Bhd, and the Director of Renong Berhad, which is the ultimate holding company of TT dotcom Sdn Bhd (formerly TIME Telecommunications Sdn Bhd).

For the financial year ended 31 December 2002, Quah Chek Tin, the Executive Director and Chief Operating Officer of the Company, is the Executive Director of Genting Berhad and the Alternate Director of Genting International PLC.

For the financial years ended 31 December 2000, 2001 and 2002, Justin Tan Wah Joo, the Executive Director and Executive Vice President - Leisure and Hospitality of the Company, is the Managing Director of Genting International PLC; and the Director of E-Genting Holdings Sdn Bhd, E-Genting Sdn Bhd and Genting Information Knowledge Enterprise Sdn Bhd, the fellow subsidiaries of the Company.

Amounts in RM million unless otherwise stated

(a) Rendering of services

	2000	2001	2002
Rendering of services to:			
Star Cruises Limited and its subsidiaries; an associated company			
- air ticket and transportation services	4.0	3.8	3.1
- show artistes administration services	0.2	—	—
Genting Berhad and its subsidiaries			
- air ticket and transportation services	0.9	1.0	0.5

Sales to Star Cruises Limited and its subsidiaries and Genting Berhad and its subsidiaries are aggregated respectively because these transactions are similar in nature within the group and no single transaction is significant enough to warrant separate disclosure.

(b) Purchase of goods and services

		2000	2001	2002
Purchase of goods from:				
- E-Genting Holdings Sdn Bhd (information technology products); a fellow subsidiary company		4.5	8.3	6.4
Purchase of services from:				
- Genting Berhad	(i)	3.3	3.4	3.7
- Genting Information Knowledge Enterprise Sdn Bhd	(ii)	7.9	11.5	11.7
- E-Genting Sdn Bhd	(iii)	5.3	7.4	6.8
- Genting World Card Services Sdn Bhd (formerly known as Genting Card Services Sdn Bhd)	(iv)	1.5	5.1	5.7
- Maxis Collections Sdn Bhd (telephone expenses)		0.3	—	—

(i) Genting Berhad provides shared services in relation to tax, treasury, internal audit, corporate affairs, secretarial and human resource functions based on mutually agreed terms and prices.

(ii) Genting Information Knowledge Enterprise Sdn Bhd, a wholly-owned subsidiary of E-Genting Holdings Sdn Bhd which in turn is a fellow subsidiary company of the Company, provides information technology support and maintenance services for Customer Relationship Management solutions; Web, eCommerce and other software and hardware related services as well as to provide services through a Customer Interactive Centre based on mutually agreed terms and prices.

(iii) E-Genting Sdn Bhd, a wholly-owned subsidiary of E-Genting Holdings Sdn Bhd, provides information technology consultation, implementation, support and maintenance services for Enterprise Resource Planning solution, hardware shared services, system research and development and information technology related management and advisory services based on mutually agreed terms and price.

(iv) Genting WorldCard Services Sdn Bhd (formerly known as Genting Card Services Sdn Bhd), a wholly-owned subsidiary of E-Genting Holdings Sdn Bhd, provides management and promotion of a loyalty program for Genting WorldCard based on mutually agreed terms and prices.

Amounts in RM million unless otherwise stated

(c) Rental and related services

	2000	2001	2002
Rental of premises to:			
- Oriregal Creations Sdn Bhd	0.8	1.2	1.3
- Maxis Communication Bhd	0.4	—	—
- TT dotcom Sdn Bhd (formerly TIME Telecommunications Sdn Bhd)	0.3	—	—
Rental of premises from:			
- Oakwood Sdn Bhd, a fellow subsidiary company	2.4	2.2	2.6

The spouse of Tan Sri Lim Goh Tong is a director and substantial shareholder of Oriregal Creations Sdn Bhd ("Oriregal").

Rental of space to third parties is negotiated based on, among other factors, space, size, location and nature of businesses operated by the tenants. Businesses operated by Oriregal provide basic shopping facilities to visitors and basic canteen facilities primarily catered to staff working at Genting Highlands Resort. These facilities have been long established and the rentals have been negotiated on this basis taking into account the other aforementioned factors.

The rental charges to Oriregal are transacted at commercial rates except for:

For the financial year ended 31 December 2000, the rental at the Genting Hotel and the Highlands Hotel are 7% lower than the comparable range of commercial rates charged to other tenants as a larger space is occupied. The rental of premises at the Resort Hotel is 31% lower as they are located at a low traffic area. The rental of premises near the Resort Hotel car park is 40% higher than similar premises due to the superior location. The rental of premises near the staff residential area is 2% higher than commercial rates of comparable premises.

For the financial year ended 31 December 2001, the rental at the Genting Hotel and the Highlands Hotel are 1% lower than the comparable range of commercial rates charged to other tenants as a larger space is occupied. The rental of premises at the Resort Hotel is 27% lower as they are located at a low traffic area. The rental of premises near the Resort Hotel car park is 51% higher than similar premises due to the superior location. The rental of premises near the staff residential area is 11% higher than commercial rates of comparable premises.

For the financial year ended 31 December 2002, the rental of premises at the Resort Hotel which is 23% lower than similar premises as they are located at a low traffic area.

(d) Licence agreement

	2000	2001	2002
Genting Berhad	66.7	75.2	85.0

The Group paid licensing fees to Genting Berhad for the use of name and accompanying logo of "Genting" and "Awana" based on agreed terms and prices.

(e) Sales and marketing arrangements

	2000	2001	2002
Genting International PLC	11.7	18.4	21.6

The Group paid Genting International PLC, a fellow subsidiary company, for the services provided as the exclusive international sales and marketing coordinator for Genting Highlands Resort based on agreed terms and prices.

Amounts in RM million unless otherwise stated

(f) Management agreements

	2000	2001	2002
Genting Hotel & Resorts Management Sdn Bhd	183.3	208.6	237.2
Awana Hotels & Resorts Management Sdn Bhd	2.5	2.4	1.9

Genting Hotel & Resorts Management Sdn Bhd, a fellow subsidiary company, provides technical know-how and management expertise in respect of the resort's operations for Genting Highlands Resort.

Awana Hotels & Resorts Management Sdn Bhd, a fellow subsidiary company, provides technical know-how and management expertise in the resort's operations for Awana chain of hotels and resorts as well as the Time Sharing Scheme for Awana Vacation Resorts Development Berhad.

The above services are undertaken on agreed terms and rates.

(g) Loans from Genting Berhad
For the financial years ended 31 December 2000 and 2001, Genting Berhad advanced a loan of RM683.5 million and RM46.4 million respectively. This loan is unsecured and interest was payable at one percent above local financial institution's base lending rate.

(h) Loans granted to director
For the financial year ended 31 December 2000, Gentinggi Sdn Bhd, a wholly-owned subsidiary of the Company, granted an unsecured interest free housing loan to Justin Tan Wah Joo, the Executive Director and Executive Vice President — Leisure & Hospitality of the Company. The loan has a repayment term of 97 months. The outstanding balance at financial year ended 31 December 2000 was RM708,345.

(i) Sale and acquisition of lands for the financial year ended 31 December 2000

i) Kijal Resort Sdn Bhd, an indirect subsidiary of the Company, sold a parcel of land to Port Klang Cruise Centre Sdn Bhd, a wholly-owned subsidiary of Star Cruises Limited, for RM4,092,224 in 1999. Subsequently, by a deed of revocation dated 1 August 2000, this agreement was revoked and rescinded.

ii) Genting Highlands Bhd ("GHB"), a wholly-owned subsidiary of the Company, disposed to Genting Development Sdn Bhd, which is a company in which Tan Sri Lim Goh Tong is a director and substantial shareholder, a parcel of freehold vacant land measuring approximately 1.88 hectares and part of the freehold vacant land measuring approximately 1.16 hectares, both situated in Genting Highlands, Mukim and District of Bentong, Pahang Darul Makmur for a total cash consideration of RM1,513,000. This disposal was approved by the Board of Directors of GHB and the Company on 12 April 2000 and by the shareholders at an Extraordinary General Meeting ("EGM") held on 29 June 2000.

The outstanding balance as at 31 December 2000 was RM1,361,700.

iii) Genting Centre of Excellence Sdn Bhd ("GCE"), a 70% owned subsidiary of the Company, acquired a parcel of leasehold vacant land measuring approximately 3.04 hectares in Genting Highlands, Mukim and District of Bentong, Pahang Darul Makmur from Tan Sri Lim Goh Tong for a cash consideration of RM1,277,000. This acquisition was approved by the Board of Directors of GCE and the Company on 12 April 2000 and by the shareholders at an EGM held on 29 June 2000.

The outstanding balance as at 31 December 2000 was RM1,149,300.

(j) Advance from Genting Overseas Holdings Limited for the financial year ended 31 December 2000

i) Genting Overseas Holdings Limited ("GOHL") advanced RM50,406,170 in March 2000 to the Group as an unsecured loan with interest payable at 0.75% above Singapore Interbank Offer Rate ("SIBOR"). This advance was fully repaid in July 2000.

ii) GOHL advanced RM235,600,000 in October 2000 to the Group as an unsecured loan with interest payable at 1% above SIBOR. This advance was fully repaid in December 2000.

(k) Investment in Star Cruises Limited for the financial year ended 31 December 2000

On 21 August 2000, the shareholders of the Company approved the cash subscription by Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company, of up to USD480 million in new equity shares and/or new securities convertible into equity shares of Star Cruises Limited ("SCL"), an associated company of the Company.

Subsequently, RWL entered into three Note Purchase Agreements with SCL, two on 28 September 2000 and one on 9 October 2000 to purchase the following Floating Rate Convertible Unsecured Loan Notes ("CULNs"):

(a) USD213 million (RM809.4 million) Series A CULNs tranche issued on 2 October 2000 at SIBOR + 1% and due to mature on 20 August 2001; and

(b) USD267 million (RM1,014.6 million) Series B CULNs tranche issued on 11 October 2000 at SIBOR + 1% and due to mature on 20 August 2001.

On 24 November 2000, RWL entered into a share sale agreement with Arrasas Limited, a wholly-owned subsidiary of SCL, to dispose a total of 10,300,000 ordinary shares of NOK2.30 each representing approximately 3.9% equity interest in NCL Holding ASA ("NCL") for a total cash consideration of NOK154.5 million (approximately RM61.5 million). The consideration was determined based on a price of NOK15 for each share of NCL, representing the closing price for each NCL share as quoted on the Oslo Stock Exchange on 23 November 2000. The proceeds from the disposal was utilised to part finance the investment in SCL. The consideration of NOK154.4 million has been received in full during the year.

The disposal has been approved by Board of Directors of the Company and RWL on 24 November 2000.

On 29 November 2000, RWL subscribed for a total of 609,781,993 Ordinary Shares of USD0.10 each in SCL, via the conversion of USD442,499,850 out of the USD480 million CULNs issued to RWL as mentioned above. The remaining CULNs of USD37,500,150 not converted into Ordinary Shares of SCL was repaid to RWL in the year. The conversion price was based on the rate of HKD5.66 or USD0.7257 per share. The conversion price was arrived at by the Joint Placing Agents for SCL, namely HSBC Investment Bank Asia Limited/Credit Suisse First Boston (Hong Kong) Limited following placements made to other institutional and/or private investors at the same subscription price in conjunction with the listing of and quotation of all the shares of SCL on The Hong Kong Stock Exchange Limited.

Upon issuance of 609,781,993 new ordinary shares of USD0.10 each to RWL, RWL would own 1,486,886,993 shares representing 35.91% of the enlarged issued and paid-up share capital of SCL.

35. Subsequent Event

Significant Subsequent Event for the financial year ended 31 December 2000

On 20 March 2001, RWB (Labuan) Limited, a direct wholly-owned subsidiary of the Company, entered into a loan agreement with financial institutions to secure an aggregate loan amounting to USD200 million. The loan is guaranteed by the Company and is subject to a floating interest rate based on LIBOR.

The loan is to enable the Company to refinance USD200 million of its additional equity investment in Resorts World Limited ("RWL") during the financial year, which was used by RWL to purchase additional equity stake in Star Cruises Limited on 29 November 2000 as mentioned in Note 14.

Amounts in RM million unless otherwise stated

36. Subsidiary Companies

		Effective Percentage of Ownership			Country of Incorporation	Principal Activities
		2000	2001	2002		
	Direct Subsidiary Companies					
	Genting Golf Course Bhd	100	100	100	Malaysia	Condotel and hotel business, golf resort and property development
	First World Hotels & Resorts Sdn Bhd	100	100	100	Malaysia	Hotel business
	Genting Highlands Berhad	100	100	100	Malaysia	Land and property development
	Genting Utilities & Services Sdn Bhd	100	100	100	Malaysia	Provision of utilities services
	Setiabahagia Sdn Bhd	100	100	100	Malaysia	Property investment
	Setiaseri Sdn Bhd	100	100	100	Malaysia	Property investment
	Vestplus Sdn Bhd	100	100	100	Malaysia	Property investment
	Gentinggi Sdn Bhd	100	100	100	Malaysia	Investment holding
	Sierra Springs Sdn Bhd	100	100	100	Malaysia	Investment holding
	Resorts World Tours Sdn Bhd	100	100	100	Malaysia	Provision of tour and travel related services
	Kijal Facilities Services Sdn Bhd	100	100	100	Malaysia	Property management
*	Vestplus (Hong Kong) Limited	100	100	100	Hong Kong	Pre-operating
	Leisure & Cafe Concept Sdn Bhd	100	100	100	Malaysia	Karaoke business
	Genting Studio Sdn Bhd	100	100	100	Malaysia	Agent to procure/produce programmes
	Resorts Tavern Sdn Bhd	100	100	100	Malaysia	Land and property development
	Seraya Mayang Sdn Bhd	100	100	100	Malaysia	Investment holding
	Genting Centre of Excellence Sdn Bhd	70	70	70	Malaysia	Training services
	Genting Leisure Sdn Bhd	100	100	100	Malaysia	Investment holding
	Genting Entertainment Sdn Bhd	100	100	100	Malaysia	Show agent
	Genting Skyway Sdn Bhd	100	100	100	Malaysia	Provision of cable car services
	Awana Vacation Resorts Development Berhad	100	100	100	Malaysia	Proprietary timeshare ownership scheme
	Genting Theme Park Sdn Bhd	100	100	100	Malaysia	Pre-operating
*	Vestplus (Thailand) Limited	91	91	91	Thailand	Pre-operating
	Delquest Sdn Bhd	100	100	100	Malaysia	Investments
	First World Entertainment Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	First World Equities Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	First World Food Services Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	First World Leisure Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	First World Management Services Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	First World Theme Park Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	Resorts World (Labuan) Limited	100	100	100	Labuan, Malaysia	General trading
	RWB (Labuan) Limited	100	100	100	Labuan, Malaysia	General trading
	Resorts International (Labuan) Limited	—	—	100	Labuan, Malaysia	General trading
	Ikhlas Tiasa Sdn Bhd	—	—	100	Malaysia	Pre-operating
	Resorts World Spa Sdn Bhd (formerly known as Gracepac Sdn Bhd)	—	—	100	Malaysia	Pre-operating
	Indirect Subsidiary Companies					
	Resorts Facilities Services Sdn Bhd (formerly known as Genting Property Management Sdn Bhd)	100	100	100	Malaysia	Property management
	Genasa Sdn Bhd	100	100	100	Malaysia	Sale and letting of apartment

Amounts in RM million unless otherwise stated

		Effective Percentage of Ownership			Country of Incorporation	Principal Activities
		2000	2001	2002		
	Gentasa Sdn Bhd	100	100	100	Malaysia	Pre-operating
	Gentas Sdn Bhd	100	100	100	Malaysia	Pre-operating
	Genmas Sdn Bhd	100	100	100	Malaysia	Pre-operating
	Genas Sdn Bhd	100	100	100	Malaysia	Pre-operating
	Genawan Sdn Bhd	100	100	100	Malaysia	Pre-operating
	Gensa Sdn Bhd	100	100	100	Malaysia	Pre-operating
	Gentinggi Quarry Sdn Bhd	100	100	100	Malaysia	Pre-operating
*	Resorts World Limited	100	100	100	Isle of Man	Investment holding
*	R.W. Investments Limited	100	100	100	Isle of Man	Dormant
*	Resorts Overseas Investments Limited	100	100	100	Isle of Man	Investment holding
	Rantau Cempaka (M) Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	Genting World Sdn Bhd	100	100	100	Malaysia	Leisure and entertainment business
	Kijal Resort Sdn Bhd	100	100	100	Malaysia	Property development and property management
	Widuri Pelangi Sdn Bhd	100	100	100	Malaysia	Golf resort and hotel business
*	Lafleur Limited	100	100	100	Isle of Man	Investment holding
	Genting Administrative Services Sdn Bhd	100	100	100	Malaysia	Investment holding
	Resorts World Properties Sdn Bhd	100	100	100	Malaysia	Investment holding
	Papago Sdn Bhd	100	100	100	Malaysia	Resorts and hotel business
	Merriwa Sdn Bhd	100	100	100	Malaysia	Pre-operating
	Nippontech Resources Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	Twinmatics Sdn Bhd	100	100	100	Malaysia	Pre-operating
	Twinsurf Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	Dutabay Sdn Bhd	100	100	—	Malaysia	Pre-operating in financial year 2000 and 2001, de-registered in financial year 2002.
	Bandar Pelabuhan Sdn Bhd	60	60	60	Malaysia	Investment holding
	Twinkle Glow Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Tullamarine Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Jomara Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Sweet Bonus Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Vintage Action Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Yarrawin Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Hitechwood Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Rapallo Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Laserwood Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Space Fair Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Waxwood Sdn Bhd	60	60	60	Malaysia	Dormant
	Neutrino Space Sdn Bhd	60	60	60	Malaysia	Pre-operating
	Possible Affluent Sdn Bhd	60	60	60	Malaysia	Pre-operating

* The financial statements of these companies are audited by overseas firms/Chartered Accountants affiliated with Messrs. PricewaterhouseCoopers, Malaysia.

ANNEX B-2

UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002

CONTENTS **PAGE(S)**

UNCONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	Note(s)	2000	2001	2002
Revenue	5	2,084.3	2,274.3	2,508.8
Cost of sales	6	(1,245.8)	(1,314.3)	(1,438.5)
Gross profit		838.5	960.0	1,070.3
Other income		99.8	61.2	60.0
Selling and distribution costs		(30.1)	(30.3)	(33.7)
Administration expenses		(105.0)	(70.7)	(82.7)
Other expenses		(11.9)	(23.7)	(12.2)
Profit from operations		791.3	896.5	1,001.7
Finance cost		(61.0)	(115.3)	(94.2)
Profit before taxation	7 & 8	730.3	781.2	907.5
Taxation	9	(200.1)	(246.4)	(289.5)
Net profit for the financial year		530.2	534.8	618.0

UNCONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	Note(s)	2000	2001	2002
NON-CURRENT ASSETS				
Property, plant and equipment	11	1,769.1	1,789.6	1,708.3
Investment in subsidiary companies	12	3,442.1	3,830.1	3,916.1
Other investments	13	3.6	3.6	3.2
		5,214.8	5,623.3	5,627.6
CURRENT ASSETS				
Inventories	15	12.9	14.6	15.4
Trade and other receivables	14	48.6	38.4	41.6
Amount due from subsidiary companies	12	1,027.0	964.6	1,225.6
Amount due from other related companies	16	8.3	0.8	3.7
Amount due from associated company		1.6	—	0.1
Short term investments	17	27.1	153.6	384.1
Bank balances and deposits	18	107.4	241.7	281.3
		1,232.9	1,413.7	1,951.8
LESS: CURRENT LIABILITIES				
Trade and other payables	19	352.8	360.1	235.1
Amount due to holding company	16	698.0	116.8	12.3
Amount due to subsidiary companies	12	687.2	1,130.3	1,332.5
Amount due to other related companies	16	40.5	39.2	29.2
Taxation		261.4	197.0	240.1
		2,039.9	1,843.4	1,849.2
NET CURRENT (LIABILITIES)/ASSETS		(807.0)	(429.7)	102.6
		4,407.8	5,193.6	5,730.2
FINANCED BY				
SHARE CAPITAL	21	545.9	545.9	545.9
RESERVES	22	3,742.4	4,151.4	4,639.7
SHAREHOLDERS' EQUITY		4,288.3	4,697.3	5,185.6
LONG TERM LIABILITIES				
Amount due to holding company	16 & 20	—	374.9	371.9
Deferred taxation	23	20.3	26.2	54.2
Provision for retirement gratuities	24	99.2	95.2	118.5
TOTAL LONG TERM LIABILITIES		119.5	496.3	544.6
		4,407.8	5,193.6	5,730.2

UNCONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

			Non-Distributable	Distributable	
	Note	**Share Capital**	**Share Premium**	**Unappropriated Profit**	**Total**
Balance at 1 January 2000					
As previously reported		545.9	33.3	3,241.8	3,821.0
Prior year adjustment:					
- Proposed final dividend for the financial year ended 31 December 1999		—	—	78.6	78.6
As restated		545.9	33.3	3,320.4	3,899.6
Net profit for the financial year		—	—	530.2	530.2
Appropriation:					
Dividends for the year ended:					
- 31 December 1999 - Final		—	—	(78.6)	(78.6)
- 31 December 2000 - Interim	10	—	—	(62.9)	(62.9)
Balance at 31 December 2000		545.9	33.3	3,709.1	4,288.3
Balance at 1 January 2001					
As previously reported		545.9	33.3	3,646.2	4,225.4
Prior year adjustment:					
- Proposed final dividend for the financial year ended 31 December 2000	26	—	—	62.9	62.9
As restated		545.9	33.3	3,709.1	4,288.3
Net profit for the financial year		—	—	534.8	534.8
Appropriation:					
Dividends for the year ended:					
- 31 December 2000 - Final		—	—	(62.9)	(62.9)
- 31 December 2001 - Interim	10	—	—	(62.9)	(62.9)
Balance at 31 December 2001		545.9	33.3	4,118.1	4,697.3
Balance at 1 January 2002					
As previously reported		545.9	33.3	4,055.2	4,634.4
Prior year adjustment:					
- Proposed final dividend for the financial year ended 31 December 2001	26	—	—	62.9	62.9
As restated		545.9	33.3	4,118.1	4,697.3
Net profit for the financial year		—	—	618.0	618.0
Appropriation:					
Dividends for the year ended:					
- 31 December 2001 - Final	10	—	—	(62.9)	(62.9)
- 31 December 2002 - Interim	10	—	—	(66.8)	(66.8)
Balance at 31 December 2002		545.9	33.3	4,606.4	5,185.6

UNCONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002
Amounts in RM million unless otherwise stated

	2000	2001	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	730.3	781.2	907.5
Adjustments for:			
Depreciation of property, plant and equipment	135.6	134.5	122.8
Loss/(gain) on disposal of property, plant and equipment	—	0.3	(0.5)
Investments written down	—	—	0.9
Interest income	(7.5)	(8.3)	(11.1)
Interest income from subsidiary company	(86.9)	(44.5)	(41.1)
Interest expense to subsidiary company	36.2	61.4	61.6
Interest expense to holding company	24.6	47.3	30.9
Allowance for doubtful debts	—	—	0.1
Provision/(write back) for retirement gratuities	9.0	(3.8)	23.5
Unrealised gain on foreign exchange	—	—	(0.4)
	111.0	186.9	186.7
Operating profit before working capital changes	841.3	968.1	1,094.2
Related companies	16.2	15.3	(12.4)
Increase in inventories	(1.4)	(1.7)	(0.8)
(Increase)/decrease in trade and other receivables	(2.4)	10.0	(3.6)
Increase/(decrease) in trade and other payables	107.3	32.2	(90.6)
Increase/(decrease) in amount due to holding company	4.4	(2.6)	0.5
(Increase)/decrease in amount due from subsidiary companies	(1,543.6)	100.5	(79.1)
(Increase)/decrease in amount due from associated company	(0.1)	1.6	(0.1)
	(1,419.6)	155.3	(186.1)
Cash (used in)/generated from operations	(578.3)	1,123.4	908.1
Retirement gratuities paid	(0.1)	(0.2)	(0.2)
Taxation paid	(202.8)	(304.9)	(218.3)
	(202.9)	(305.1)	(218.5)
Net Cash (used in)/from Operating Activities	(781.2)	818.3	689.6

UNCONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2000, 2001 AND 2002 (CONT'D)
Amounts in RM million unless otherwise stated

	2000	2001	2002
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(123.4)	(189.9)	(76.2)
Proceeds from disposal of property, plant and equipment	0.2	0.9	0.6
Purchase of investments	—	—	(86.5)
Interest received	6.8	8.3	11.2
Loan to subsidiary company	—	—	(201.4)
Net Cash Used In Investing Activities	(116.4)	(180.7)	(352.3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(141.5)	(125.8)	(129.7)
Interest paid	(20.4)	(47.4)	(30.9)
Borrowings from subsidiary company	638.4	—	201.4
Borrowings from holding company	683.5	46.4	—
Repayment of borrowings to holding company	—	(250.0)	(108.0)
Repayment of borrowings to subsidiary company	(638.4)	—	—
Net Cash Generated From/(Used In) Financing Activities	521.6	(376.8)	(67.2)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(376.0)	260.8	270.1
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	510.5	134.5	395.3
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	134.5	395.3	665.4
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank balances and deposits (Note 18)	107.4	241.7	281.3
Money market instruments (Note 17)	27.1	153.6	384.1
	134.5	395.3	665.4

1. Principal Activities

The Company is involved in a tourist resort business at Genting Highlands and its activities cover leisure and hospitality which comprise amusement, gaming, hotel and entertainment. The Company is also an investment holding company.

There have been no significant changes in the nature of the activities of the Company during the financial years ended 2000, 2001 and 2002.

2. Basis of Preparation

The financial statements are prepared in accordance with and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The historical cost convention modified by the revaluation of certain property, plant and equipment and land held for development, unless otherwise indicated in the individual policy statements set out in Note 3 to the financial statements, were adopted in the preparation of the financial statements.

During the financial year ended 31 December 2001, the Company adopted Malaysian Accounting Standards Board ("MASB") 15 "Property, Plant and Equipment" which became effective for accounting periods commencing on or after 1 July 2000.

During the financial year ended 31 December 2002, the Company adopted the following MASB standards which are effective for accounting periods commencing on or after 1 July 2001 and 1 January 2002:

MASB 19: Events After the Balance Sheet Date

MASB 20: Provisions, Contingent Liabilities and Contingent Assets

MASB 23: Impairment of Assets

MASB 24: Financial Instruments: Disclosure and Presentation

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial years. Actual results could differ from those estimates.

3. Significant Accounting Policies

Accounting policies adopted by the Company have been applied consistently in dealing with all material items in relation to the financial statements.

In addition, the Company complies with new accounting standards that are effective for the financial year. New accounting standards are retrospectively applied unless in cases where the standard specifically does not require comparatives on first adoption due to non-availability of such information or when it is not practicable to do so.

The following are the significant accounting policies adopted by the Company:

Borrowing Costs

Costs incurred on external borrowings to finance expenditure and other long term qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to the income statement.

Impairment of Assets

During the financial year ended 31 December 2002, the Company adopted MASB 23 "Impairment of Assets" prospectively as required by the Standard.

MASB 23 requires that the carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets, are reviewed to determine whether there is any indication of impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

Prior to the adoption of MASB 23, where the carrying amount of an asset is greater than its recoverable amount as assessed by the Directors, the asset is written down immediately to its recoverable amount, in determining the recoverable amount of items of property, plant and equipment, expected future cashflows have not been discounted to their present value.

An impairment loss is charged to the income statement, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the income statement, unless the asset is carried at revalued amount, in which case it is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised in the income statement.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortisation.

Leasehold properties are amortised equally over their respective periods of lease, ranging from 60 to 97 years.

Freehold land and property, plant and equipment which are under construction are not depreciated.

Other property, plant and equipment are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major classes of property, plant and equipment are as follows:

Buildings and improvements	2% - 50%
Plant, equipment and vehicles	10% - 50%

Investments

Long term investments, both quoted and unquoted, include investments in subsidiary companies, associated companies and other non-current investments. These investments are stated at cost except where the Directors are of opinion that there is a permanent diminution in the value of an investment, in which case the investment is written down. Permanent diminution in the value of an investment is recognised as an expense in the financial period in which it arises.

Short term quoted investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value. Money market instruments are stated at the lower of cost and net realisable value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

Receivables

Receivables are carried at estimated realisable value. An allowance is made for doubtful receivables based on a review of all outstanding amounts at the financial year end. Bad debts are written off during the financial year in which they are identified.

Financial Instruments

During the financial year ended 31 December 2002, on adoption of MASB 24 "Financial Instrument: Disclosure and Presentation", the Company applied the following accounting policies in presenting and disclosing information about the Company's financial instruments:

a) Financial instruments recognised on the balance sheet

The recognition method adopted for financial instruments that are recognised on the balance sheet are disclosed separately in the individual policy statements associated with the relevant financial instrument.

b) Financial instruments not recognised on the balance sheet

The Company, in managing its currency exposures, enters into foreign currency forward contracts. This instrument is not recognised in the financial statements on inception.

As foreign currency forward contracts are entered into to cover the Company's commitments in foreign currencies, the contracted rates are used to translate the underlying foreign currency transactions into Ringgit Malaysia.

c) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date. For non-traded financial instruments, the Company uses various methods and makes assumptions that are based on market conditions. Comparisons are made to similar instruments that are publicly traded and estimates based on discounted cash flow techniques are also used. For long term financial liabilities, fair value is estimated by discounting future contractual cash flows at appropriate interest rates.

The book values of financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

Amounts in RM million unless otherwise stated

Comparative information for prior financial years is not disclosed as the Company has taken advantage of the exemption provided by the Standard.

Provision for Retirement Gratuities

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors of the Company and certain subsidiary companies. The level of retirement gratuities payable is determined by the Board and is based either on length of service and basic salary or the immediate past three years' emoluments.

Deferred Taxation

Deferred tax accounting using the 'liability' method is adopted by the Company. Deferred taxation provides for the effect of all material timing differences between accounting income and taxable income arising from the inclusion of items in different periods. No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net deferred taxation asset unless it can be demonstrated that these benefits can be realised in the foreseeable future.

Foreign Currencies

The financial statements are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies have been translated into RM at the rates ruling on the dates of the transactions unless hedged by forward foreign contracts, in which case the rates specified in such forward contracts are used. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at the rates ruling on that date. Gains and losses arising from translation are included in the income statements. The corresponding translation gains and losses arising from such investments are recognised in the reserves on exchange differences.

The principal rates of exchange used in translation are as follows:

	Year end rate		
Currency	**2000**	**2001**	**2002**
	(RM to one unit of foreign currency)		
US Dollar..	3.8000	3.8000	3.8000
Sterling Pound	5.6791	5.5102	6.1114
Australian Dollar	2.1082	1.9418	2.1510
Singapore Dollar	2.1915	2.0549	2.1882
Hong Kong Dollar..	0.4872	0.4873	0.4873

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Revenue Recognition

Revenue is recognised upon delivery of products or performance of services, net of sales tax and discounts. Casino revenue represents net house takings. The casino license is renewable every three months. Sales of short term investments are accounted for when the contracts are executed.

Dividend income is recognised when the right to receive payment is established.

Other income earned by the Company includes interest income recognised on an accrual basis.

Dividends

On adoption of MASB 19 "Events After Balance Sheet Date" in the financial year ended 31 December 2002, dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained earnings and accrued as liability in the financial year in which they are declared and the obligation to pay is established. Comparatives have been adjusted or extended to conform with changes in presentation due to the requirements of the Standard. The adoption of the Standard resulted in a change in accounting policy as disclosed in Note 26 to the financial statements.

4. Financial Risk Management Objectives and Policies

The Company's overall financial risk management objective is to optimise the value creation for shareholders. The Company seeks to minimise the potential adverse impacts arising from fluctuations in exchange and interest rates and the unpredictability of the financial markets.

Amounts in RM million unless otherwise stated

The Company operates within clearly defined guidelines that are approved by the Board and do not trade in financial instruments. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Company are as follows:

Foreign Currency Exchange Risk

The Company is exposed to foreign currency exchange risk when it enters into transactions that are not denominated in their functional currencies. The Company attempts to significantly limit its exposure for all committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

Interest Rate Risk

Interest rate risks mainly arise from the Company's borrowings. The Company manages this risk through the use of fixed and floating rate debt and financial instruments. Financial instruments are used, where appropriate, to generate the desired interest rate profile.

Market Risk

The Company, in the normal course of business, is exposed to market risks in respect of its equity investments. The Company manages its risk through established guidelines and policies.

Credit Risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Credit terms offered by the Company range from 30 days to 60 days from date of transaction. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. Credit limits are set and credit history are reviewed to minimise potential losses.

The Company also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risks and limits are set to minimise any potential losses.

Liquidity Risk

The Company practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Company's cash flow is reviewed regularly to ensure that the Company is able to settle its commitments when they fall due.

5. Revenue

	2000	2001	2002
Rendering of services:			
Leisure and Hospitality	2,084.3	2,274.3	2,508.8

The comparative figure (as reported in the 2001 statutory financial statements) in respect of the revenue for the Company for financial year ended 31 December 2000 has been reclassified to other income and cost of sales amounting to RM87.0 million each, to conform with the 2001 statutory financial statements' presentation. The reclassification arose due to misstatement in classification of the respective functions.

6. Cost of Sales

The cost of sales represents cost of inventories which includes cost of services and cost of goods sold.

The comparative figure (as reported in the 2001 statutory financial statements) in respect of the cost of sales for the Company for financial year ended 31 December 2000 has been reclassified from revenue to conform with the 2001 statutory financial statements' presentation as explained in Note 5.

7. Profit before Taxation

Profit before taxation as stated above has been determined after inclusion of the following charges and credits:

	2000	2001	2002
	RM'000	**RM'000**	**RM'000**
Charges:			
Depreciation of property, plant and equipment	135,584	134,513	122,821
Property, plant and equipment written off	11	18	54
Loss on disposal of property, plant and equipment	—	363	—
Investments written down	—	—	900
Hire of equipment	5,271	5,168	5,537
Rental of land and buildings	366	409	369
Auditors' remuneration	92	99	110
Provision for retirement gratuities	—	—	17,300
Allowance for doubtful debts	—	—	140
Net exchange losses/(gain):			
- Realised	82	—	433
- Unrealised	—	—	(408)
Charges by holding company:			
- Licensing fees	65,778	73,831	83,129
- Shared services fees	2,688	2,796	3,121
- Finance cost	24,542	47,355	30,902
Charges by other related companies:			
- Management fees	183,337	206,454	231,864
- Rental of land and buildings	2,086	2,209	2,391
- Hire of equipment	2,718	1,865	4,386
- Shared services fees	4,856	11,706	11,785
- Commissions	10,771	17,632	19,076
- Marketing fees	480	480	480
Charges by subsidiary companies:			
- Finance cost	36,218	67,935	63,258
- Management fees	—	—	340
- Hire of equipment	1,026	1,195	1,195
- Rental of land and buildings	480	14,090	14,733
- Shared services fees	—	150	157
Credits:			
Interest income	7,460	8,321	11,100
Interest income from subsidiary companies	86,957	44,521	41,119
Write back of provision for retirement gratuities	756	2,167	—
Rental income from land and buildings	6,540	9,058	9,753
Rental of equipment	—	—	336
Rental income from subsidiary companies	—	410	1,308
Gain on disposal of property, plant and equipment	36	45	476
Other information:			
Non-audit fees to auditors			
- payable to auditors	6	2	10
- payable to firms affiliated to auditors	53	158	—
Staff costs (including remuneration of executive directors)	240,140	231,104	290,100
Number of employees at year end ('000)	6.9	7.7	7.7

8. Directors' Remuneration

	2000	2001	2002
	RM'000	RM'000	RM'000
Non-executive Directors			
Fees	96	96	171
Executive Directors			
Fees	192	192	240
Basic salary	14,790	17,627	18,667
Bonus	8,876	3,979	16,631
Allowances/Contributions	4,048	3,667	5,532
Provision/(write back) for retirement gratuities	9,764	(1,472)	6,136
Estimated money value of benefits-in-kind (not charged to the income statements)	135	132	190
	37,901	24,221	47,567

9. Taxation

	2000	2001	2002
Current Taxation			
Malaysian taxation	201.8	232.4	271.5
Deferred taxation	1.4	11.5	7.8
	203.2	243.9	279.3
(Over)/Under provision in respect of prior years			
Income Taxation	(3.5)	8.0	(10.1)
Deferred Taxation	0.4	(5.5)	20.3
	200.1	246.4	289.5

10. Dividends

Dividends declared or proposed are as follows:

	2000		2001		2002	
	Gross dividend per share	Amount of dividend (net of tax)	Gross dividend per share	Amount of dividend (net of tax)	Gross dividend per share	Amount of dividend (net of tax)
	Sen	RM'million	Sen	RM'million	Sen	RM'million
Interim dividend	8.0	62.9	8.0	62.9	8.5	66.8
Proposed final dividend	8.0	62.9	8.0	62.9	9.0	70.8
	16.0	125.8	16.0	125.8	17.5	137.6

The proposed final dividends in respect of the financial years ended 31 December 2000, 2001 and 2002 were proposed at the respective financial years' Annual General Meeting, for shareholders' approval. These financial statements do not reflect the proposed final dividends which will be accrued as a liability upon approval by shareholders. This represents a change in accounting treatment from that of prior years as explained in Note 26.

Amounts in RM million unless otherwise stated

11. Property, Plant and Equipment

2000	Freehold land	Long leasehold land	Buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Amount at cost:						
At 1 January 2000	87.3	0.5	1,490.2	885.4	74.4	2,537.8
Additions	—	—	1.0	42.0	80.4	123.4
Disposals	—	—	—	(1.0)	—	(1.0)
Reclassification	—	—	108.6	3.1	(111.7)	—
At 31 December 2000	87.3	0.5	1,599.8	929.5	43.1	2,660.2
Accumulated depreciation:						
At 1 January 2000	—	—	173.6	582.7	—	756.3
Charge for the financial year	—	—	36.9	98.7	—	135.6
Disposals	—	—	—	(0.8)	—	(0.8)
Reclassification	—	—	19.3	(19.3)	—	—
At 31 December 2000	—	—	229.8	661.3	—	891.1
Net book value at 31 December 2000	87.3	0.5	1,370.0	268.2	43.1	1,769.1

2001	Freehold land	Long leasehold land	Buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
Amount at cost:						
At 1 January 2001	87.3	0.5	1,599.8	929.5	43.1	2,660.2
Additions	—	—	—	52.7	112.5	165.2
Disposals	—	—	—	(14.6)	—	(14.6)
Written off	—	—	—	(0.1)	—	(0.1)
Reclassification	—	—	47.9	66.9	(114.8)	—
At 31 December 2001	87.3	0.5	1,647.7	1,034.4	40.8	2,810.7
Accumulated depreciation:						
At 1 January 2001	—	—	229.8	661.3	—	891.1
Charge for the financial year	—	—	41.0	93.5	—	134.5
Disposals	—	—	—	(4.4)	—	(4.4)
Written off	—	—	—	(0.1)	—	(0.1)
At 31 December 2001	—	—	270.8	750.3	—	1,021.1
Net book value at 31 December 2001	87.3	0.5	1,376.9	284.1	40.8	1,789.6

2002	Freehold land	Long leasehold land	Buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
At cost:						
At 1 January 2002	87.3	0.5	1,647.7	1,034.4	40.8	2,810.7
Additions	—	—	0.3	39.4	18.4	58.1
Disposals	(0.1)	—	—	(10.3)	—	(10.4)
Written off	—	—	—	(0.7)	—	(0.7)
Reclassification/adjustment	—	—	14.1	7.7	(38.0)	(16.2)
At 31 December 2002	87.2	0.5	1,662.1	1,070.5	21.2	2,841.5
Accumulated depreciation:						
At 1 January 2002	—	—	270.8	750.3	—	1,021.1
Charge for the financial year	—	—	36.5	86.3	—	122.8
Disposals	—	—	—	(10.0)	—	(10.0)
Written off	—	—	—	(0.7)	—	(0.7)
At 31 December 2002	—	—	307.3	825.9	—	1,133.2
Net book value at 31 December 2002	87.2	0.5	1,354.8	244.6	21.2	1,708.3

Amounts in RM million unless otherwise stated

12. Subsidiary Companies

	2000	2001	2002
Investment			
Unquoted shares — at cost	3,442.1	3,830.1	3,916.1

The subsidiary companies are listed in Note 30.

Included in the amount due to subsidiary companies as at 31 December 2000 was an amount due to a subsidiary company of RM638.4 million which carries interest rates ranging from 7.5% to 8.0% per annum. Included in the amount due from subsidiary companies as at 31 December 2000 was an amount due to a subsidiary company of RM638.4 million which carries interest rates ranging from 7.5% to 8.0% per annum. These amounts are unsecured and have no fixed terms of repayment.

Included in the amount due to subsidiary companies as at 31 December 2001 were advances from two wholly owned subsidiary companies amounting to RM1,079.2 million which carry interest rates ranging from 3.5% to 8.0% per annum. Included in the amount due from subsidiary companies as at 31 December 2001 was an amount due from a subsidiary company of RM638.4 million which carries interest rates ranging from 3.3% to 8.0% per annum. These amounts are unsecured and have no fixed terms of repayment.

Included in the amount due from subsidiary companies as at 31 December 2002 was an amount due from a subsidiary company of RM839.8 million which carries interest rates ranging from 2.3% to 8.0% per annum. Included in the amount due to subsidiary companies as at 31 December 2002 were advances from three wholly owned subsidiary companies amounting to RM1,280.6 million which carry interest rates ranging from 2.3% to 8.0% per annum. These amounts are unsecured and have no fixed terms of repayment.

The balance of the amount due from/to subsidiary companies are unsecured, interest free and have no fixed terms of repayment.

13. Other Investments

	2000	2001	2002
Unquoted — at cost	3.6	3.6	4.1
Amount written down	—	—	(0.9)
	3.6	3.6	3.2

As at 31 December 2002 it was not practicable within the constraints of cost to estimate reliably the fair values for unquoted shares as there are no comparable securities that are traded.

14. Trade and Other Receivables

	2000	2001	2002
Current:			
Trade receivables	6.2	5.7	10.9
Other receivables	14.0	11.4	5.3
Less: Allowance for doubtful debts	(0.2)	—	(0.3)
	20.0	17.1	15.9
Deposits	12.6	11.8	11.5
Prepayments	16.0	9.5	14.2
	48.6	38.4	41.6

Credit terms of trade receivables for the financial year ended 31 December 2002 range from payment in advance to 30 days.

Amounts in RM million unless otherwise stated

15. Inventories

	2000	2001	2002
At cost			
Food, beverages, tobacco and other hotel supplies	5.0	5.6	6.3
Stores, spares and retail stocks	7.9	9.0	9.1
	12.9	14.6	15.4

16. Holding Company and Other Related Companies

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

Amount due to holding company comprises:

	2000	2001	2002
Non-current:			
Interest bearing loan (Note 20)	—	374.9	371.9
Current:			
Interest bearing loan (Note 20)	683.5	105.0	—
Inter company balances	14.5	11.8	12.3
	698.0	116.8	12.3
	698.0	491.7	384.2

The amounts due to/from holding company and other related companies are unsecured, interest free, and have no fixed terms of repayment, except for the loan from Genting Berhad. The loan from Genting Berhad was obtained during the financial year ended 31 December 2000 to part-finance an indirectly wholly owned subsidiary company's investment in associated company, Star Cruises Limited. It is unsecured and bears interest at 1% per annum above the base lending rate of a leading local bank. The amount is to be repaid in 2004.

17. Short Term Investments

	2000	2001	2002
Unquoted — at cost			
Money market instruments	27.1	153.6	384.1
	27.1	153.6	384.1

As at 31 December 2000 and 2001, the Company's investments in money market instruments comprise negotiable certificates of deposit. As at 31 December 2002, the Company's investments in money market instruments comprise negotiable certificates of deposit and bankers' acceptances.

The weighted average interest rates of money market instruments that were effective during the financial year ended 2001 and 2002 was 2.8% and 2.7%.

18. Bank Balances and Deposits

	2000	2001	2002
Deposits with licensed banks	12.6	77.3	157.3
Cash and bank balances	94.8	164.4	124.0
	107.4	241.7	281.3

Amounts in RM million unless otherwise stated

As at the end of financial year ended 31 December 2002, the currency exposure profile of deposits, cash and bank balances is as follows:

Ringgit Malaysia	257.6
Foreign currency denominated in:	
- US Dollar	9.6
- Singapore Dollar	8.2
- HK Dollar	5.8
- Others	0.1
	281.3

The weighted average interest rate of deposits that were effective during financial year ended 2001 and 2002 was 2.9% and 2.6%.

Deposits of the Company as at 31 December 2001 and 2002 have an average maturity of 31 days. Bank balances are deposits held at call with banks.

19. Trade and Other Payables

	2000	2001	2002
Trade payables	15.3	17.4	14.7
Accrued expenses	146.1	242.9	159.2
Deposits	22.4	18.1	15.4
Other payables	169.0	81.7	45.8
	352.8	360.1	235.1

Credit terms of trade and other payables granted to the Company for the financial year ended 31 December 2002 range from 7 days to 90 days from date of invoice.

20. Borrowings

	2000	2001	2002
Current:			
Loans from holding company (unsecured) (Note 16)	683.5	105.0	—
Non-current:			
Loans from holding company (unsecured) (Note 16)	—	374.9	371.9
	683.5	479.9	371.9
Weighted average effective interest rates (%) per annum that were effective during the year:			
- loans from holding company		7.5	7.4
Weighted average effective interest rate (%) per annum as at year end:			
- loans from holding company		7.4	7.4
Currency in which total borrowings are denominated in:			
- Ringgit Malaysia	683.5	479.9	371.9

The weighted average effective interest rates per annum that were effective during the financial year ended 31 December 2000 for loans from holding company were 7.5%.

Amounts in RM million unless otherwise stated

The maturity of borrowings of the Company as at 31 December 2000, are as follows:

As at 31 December 2000	
- not later than 1 year	683.5

The maturity profile and exposure of the borrowings of the Company to interest rate risk as at 31 December 2001 and 2002 are as follows:

			Borrowings
	Total	**Floating interest rate**	**Fixed interest rate**
As at 31 December 2001			
- less than 1 year	105.0	105.0	—
- more than 2 years and less than 5 years	374.9	374.9	—
	479.9	479.9	—
As at 31 December 2002			
- more than 1 year and less than 2 years	371.9	371.9	—

The fair values of the bank borrowings as at 31 December 2002 approximate their carrying amounts.

As at 31 December 2002, the exposure of the borrowings of the Company to interest rate changes and the periods in which the borrowings reprice are as follows:

					Repricing Periods
	Total	**1 to 3 months**	**More than 3 months and less than 1 year**	**More than 1 year and less than 2 years**	**More than 2 years and less than 5 years**
Total borrowings	371.9	371.9	—	—	—

21. Share Capital

	2000	**2001**	**2002**
Authorised:			
1,600.0 million ordinary shares of 50 sen each	800.0	800.0	800.0
Issued and fully paid:			
1,091.8 million ordinary shares of 50 sen each	545.9	545.9	545.9

As at 31 December 2000 and 2001, the Company has unissued ordinary shares outstanding under "The Resorts World Employees' Share Option Scheme for Executives" ("Previous ESOS") amounting to 1,569,000 and 1,502,000 respectively.

Subsequent to 31 December 2001 (as reported in the 2001 statutory financial statements), the Board of Directors decided to allow eligible executives who held outstanding options ("Existing Option Holders") under 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 Securities Commission ("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.

Amounts in RM million unless otherwise stated

As at 31 December 2002, the Company has 100,000 and 14,397,000 unissued ordinary shares outstanding under "The Resorts World Employees' Share Option Scheme for Executives" ("Previous ESOS") and "The Executive Share Option Scheme For Eligible Executives of Resorts World Bhd and its subsidiaries" ("New ESOS") respectively.

The outstanding options granted under the Previous ESOS in the previous financial years are exercisable as follows:

Exercisable Period		Subscription Price per Share
From	To	RM
22 September 1999	22 September 2004	16.77

At an Extraordinary General Meeting ("EGM") of the Company held on 21 February 2002, the shareholders of the Company approved the New ESOS. The New ESOS became effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012. The option holders of the previous ESOS are allowed to participate in the New ESOS provided they relinquish their outstanding options under the previous ESOS.

At another EGM held on 25 June 2002, the draft Bye-Laws of the New ESOS were further amended such that the total number of new shares to be offered under the New ESOS Scheme shall not exceed 2.5% of the issued and paid-up share capital of the Company at any time of the offer but the shareholders of the Company may at any time during the tenure of the Scheme, by ordinary resolution increase the total number of new shares to be offered under the Scheme up to 5% of the issued and paid-up share capital of the Company at the time of the offer.

On 2 September 2002 and 29 November 2002, options were offered pursuant to the New ESOS and the outstanding options granted are exercisable as follows:

Option Expiry Date	Subscription Price Per Share	Number of Unissued Shares
	RM	
11 August 2012	10.32	14,157,000
11 August 2012	8.50	240,000
		14,397,000

The option granted under the New ESOS can only be exercised by option holders in the third year from the date of offer and the number of new shares comprised in the option which the option holders can subscribe for from the third year onwards shall at all times be subject to the following maximum percentage of new shares comprised in the options:

Year 3 to 9	:	12.5% rounded up to the next 1,000 shares for each of the year
Year 10	:	12.5% or balance of all options allotted

22. Reserves

	2000	2001	2002
Non-Distributable Reserves:			
Share Premium	33.3	33.3	33.3
Distributable Reserves:			
Unappropriated Profit	3,709.1	4,118.1	4,606.4
	3,742.4	4,151.4	4,639.7

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank RM2,832.0 million, RM3,271.0 million and RM3,684.2 million of the Company's unappropriated profit as at 31 December 2000, 2001 and 2002 respectively if distributed by way of dividends without additional tax liabilities being incurred.

In addition, the Company has tax exempt income as at 31 December 2000, 2001 and 2002, available to frank as tax exempt dividends arising mainly from the Promotions of Investment Act, 1986 and the Income Tax (Amendment) Act, 1999 relating to tax on income earned in 1999 being waived, amounting to approximately RM1,668.7 million, RM1,751.6 million and RM1,760.1 million respectively. The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

23. Deferred Taxation

	2000	2001	2002
Excess of capital allowances over depreciation	40.6	46.1	74.8
Timing differences arising from provision	(20.3)	(19.9)	(20.6)
	20.3	26.2	54.2

24. Provision for Retirement Gratuities

	2000	2001	2002
Beginning of the year	90.3	99.2	95.2
Charged to income statement	9.7	0.4	23.5
Paid during the year	(0.1)	(0.2)	(0.2)
Provision no longer required	(0.7)	(4.2)	—
End of the year	99.2	95.2	118.5

25. Financial Instruments

The Company has the following financial instruments:

a) Borrowings

The borrowings of RM371.9 million as at 31 December 2002 represents loan from Genting Berhad.

b) Forward Foreign Currency Contracts

As at 31 December 2001, the outstanding forward foreign exchange contracts are as follows:

Currency	Transaction dates	Expiry Dates	Contract Amounts (Million)
USD	28/08/2001 to 28/01/2002	26/02/2002 to 16/12/2002	12.0

As at 31 December 2002, the outstanding forward foreign exchange contracts are as follows:

Currency	Transaction dates	Expiry Dates	Contract Amounts (Million)	Equivalent RM (Million)
USD	04/04/2002 to 02/10/2002	26/02/2003 to 25/07/2003	131.0	500.4

As foreign currency contracts are entered into to cover the subsidiary companies' commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

The fair value of the forward foreign currency contracts of the Company which has not been recognised as at 31 December 2002 was an unfavourable net position of RM83,000.

26. Prior Year Adjustment

In the financial year ended 31 December 2002, the Company changed its accounting policy with respect to the recognition of liabilities in compliance with the new MASB 19 "Events After the Balance Sheet Date".

Prior to the financial year ended 31 December 2002, dividend was accrued as a liability in the financial year to which it relates. The Company has now changed this accounting policy to recognise dividend in shareholders' equity in the financial year in which the obligation to pay is established in accordance with MASB 19. Therefore, final dividend is now accrued as a liability after approval by shareholders at the Annual General Meeting.

This change in accounting policy has been accounted for retrospectively and have the effect on the Company's financial statements as follows:

	As previously reported	Effect of change in policy	As restated
At 31 December 2000:			
- unappropriated profit	3,646.2	62.9	3,709.1
- proposed final dividend	62.9	(62.9)	—
At 31 December 2001:			
- unappropriated profit	4.055.2	62.9	4,118.1
- proposed final dividend	62.9	(62.9)	—

27. Capital Commitments

	2000	2001	2002
Authorised property, plant and equipment expenditure not provided for in the financial statements:			
- contracted	149.0	—	25.4
- not contracted	10.2	4.0	242.5
	159.2	4.0	267.9

28. Non-cash transactions

The principal non-cash transactions during the financial year ended 31 December 2000 are the acquisition of 6% non-convertible, non-cumulative redeemable preference shares of RM1 each in the following subsidiary companies:

Subsidiary companies:	Number of shares	RM
	('000)	
Resorts World Limited	1,186	1,185,600
Seraya Mayang Sdn Bhd	312	312,180

The principal non-cash transactions during the financial year ended 31 December 2001 are as follows:

(i) the terms of the loan from holding company were varied to convert the loan to a term loan facility which resulted in a reclassification from current liabilities to long-term liabilities. The details of the loan are disclosed in Note 20.

(ii) the Company's acquisition of 388,000 6% non-convertible, cumulative redeemable preference shares of RM1 per share of First World Hotels & Resorts Sdn Bhd, a direct wholly owned subsidiary of the Company, amounting to RM388.0 million.

29. Contingent Liability (Unsecured)

At 31 December 2000, the Company had contingent liability in respect of guarantee issued to financial institutions amounting to RM638.4 million for the Euro Medium Term Notes issued by a subsidiary company. It is anticipated that no material liabilities will arise as a result of these guarantee.

At 31 December 2001, the Company had contingent liability in respect of guarantees issued to financial institutions for loan facilities extended to subsidiary companies as follows:

(a) Euro Medium Term Notes issued by a subsidiary company amounting to RM319.2 million.

(b) Term Loan Facility granted to a subsidiary company amounting to RM760.0 million.

It is anticipated that no material liabilities will arise as a result of these guarantees.

At 31 December 2002, the Company had contingent liability in respect of guarantees issued to financial institutions for loan facilities extended to subsidiary companies as follows:

(a) Euro Medium Term Notes issued by a subsidiary company amounting to RM319.2 million.

(b) Term Loan Facility granted to a subsidiary company amounting to RM760.0 million.

(c) Term Loan Facility granted to a subsidiary company amounting to RM201.4 million.

It is anticipated that no material liabilities will arise as a result of these guarantees.

30. Subsidiary Companies

Please refer to Note 36 of Pages F-148 to F-149 in the consolidated financial statements.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF RESORTS WORLD AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2002 AND 2003

INTERIM REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2003

	Unaudited	
	Six months ended 30 June 2002	**Six months ended 30 June 2003**
	RM'000	**RM'000**
Revenue	1,418,874	1,304,966
Cost of sales	(871,097)	(808,030)
Gross profit	547,777	496,936
Other income	10,618	15,775
Other expenses	(88,122)	(112,196)
Profit from operations	470,273	400,515
Finance cost	(46,543)	(42,941)
Share of results of associated company	43,543	(39,733)
Gain on dilution of investment in associated company	31,132	—
Profit from ordinary activities before taxation	498,405	317,841
Taxation	(146,605)	(123,373)
Profit from ordinary activities after taxation	351,800	194,468
Minority shareholders' interest	193	194
Net profit for the period	351,993	194,662
Basic earnings per share (sen)	32.24	17.83
Diluted earnings per share (sen)	N/A	17.83

N/A: Not Applicable

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2003

	Audited As at preceding financial year end 31 December 2002	Unaudited As at end of current period 30 June 2003
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	3,226,098	3,235,007
Real property assets	201,197	201,197
Associated company	1,910,393	1,907,414
Other long term assets	17,055	17,382
CURRENT ASSETS		
Inventories	41,892	41,640
Trade and other receivables	90,069	98,272
Amount due from other related companies	5,614	4,073
Amount due from associated company	480	336
Short term investments	419,809	171,694
Bank balances and deposits	366,818	303,880
	924,682	619,895
LESS CURRENT LIABILITIES		
Trade and other payables	303,999	291,833
Amount due to holding company	12,842	6,469
Amount due to other related companies	32,694	30,204
Short term borrowings	473,699	—
Taxation	240,832	242,057
Dividend payable	—	70,751
	1,064,066	641,314
NET CURRENT LIABILITIES	(139,384)	(21,419)
	5,215,359	5,339,581
SHARE CAPITAL	545,922	545,922
RESERVES	3,223,448*	3,349,345
SHAREHOLDERS' EQUITY	3,769,370	3,895,267
MINORITY INTERESTS	9,677	9,483
LONG TERM LIABILITIES		
Long term borrowings	809,400	809,400
Loan from holding company	371,870	371,870
Other long term liabilities	144,915	143,066
Deferred taxation	110,127*	110,495
TOTAL LONG TERM LIABILITIES	1,436,312	1,434,831
	5,215,359	5,339,581
NET TANGIBLE ASSETS PER SHARE (RM)	3.45	3.57

* Unaudited — See note (1)(a) to the interim financial report

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2003

	Non-Distributable			Distributable	
	Share Capital	Share Premium	Other Reserves	Unappropriated Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2003					
As previously reported (audited)	545,922	33,333	3,030	3,241,828	3,824,113
Prior period adjustment — Effect of deferred tax on adoption of MASB 25	—	—	—	(54,743)	(54,743)
As restated (unaudited)	545,922	33,333	3,030	3,187,085	3,769,370
Net profit for the financial period	—	—	—	194,662	194,662
Appropriation:					
Final dividends declared for the year ended 31 December 2002 (9.0 sen less 28% income tax)	—	—	—	(70,751)	(70,751)
Other movement during the period	—	—	1,986	—	1,986
Balance at 30 June 2003	545,922	33,333	5,016	3,310,996	3,895,267

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2003

	Current Year-To-Date 30 June 2003
	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit after minority interests but before taxation	318,035
Adjustments for:	
Depreciation of property, plant and equipment	98,123
Interest expense	42,846
Interest income	(11,016)
Share of results of associated company	39,733
Goodwill written off	2,169
Gain on disposal of short term investment	(5,386)
Net write back of retirement gratuities	(4,040)
Allowance for doubtful debts	3,914
Other non-cash items and adjustments	2,706
	169,049
Operating profit before working capital changes	487,084
Net change in current assets	(10,354)
Net change in current liabilities	4,918
	(5,436)
Cash generated from operations	481,648
Net tax paid	(118,617)
Other net operating receipts	2,039
	(116,578)
Net Cash From Operating Activities	365,070
CASH FLOWS FROM INVESTING ACTIVITIES	
Property, plant and equipment	(128,465)
Investment in associated company	(37,856)
Other investments	38,099
Net Cash Used In Investing Activities	(128,222)
CASH FLOWS FROM FINANCING ACTIVITIES	
Interest paid	(46,372)
Repayment of term loan	(473,699)
Net Cash Used In Financing Activities	(520,071)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(283,223)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	750,900
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	467,677
ANALYSIS OF CASH AND CASH EQUIVALENTS	
Bank balances and deposits	303,880
Money market instruments (included in short term investments)	163,797
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	467,677

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

NOTES TO THE INTERIM FINANCIAL REPORT - SECOND QUARTER ENDED 30 JUNE 2003

Part I: Compliance with Malaysia Accounting Standard Board 26 ("MASB 26") "Interim Financial Reporting"

a) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with MASB 26 "Interim Financial Reporting" and Paragraph 9.22 of the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements. Comparative information on Condensed Consolidated Statements of Changes in Equity and Condensed Consolidated Cash Flow Statement which are required under MASB 26 are however not presented as the Group has applied the exemption provided by the KLSE.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2002. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2002 as well as new approved accounting standards which are effective and applicable for the current financial year.

Consequently, in compliance with MASB 25 Income Taxes, deferred tax liabilities and/or assets are recognised for all temporary differences and this has been applied retrospectively by the Group. However, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluations is also recognised.

The effects of the implementation of MASB 25, which has been applied retrospectively, are summarised below:

i) Impact on Balance Sheet:

Balances as at 31 December 2002:	Audited As previously reported	Unaudited Prior period adjustment	Unaudited As restated
	RM'000	RM'000	RM'000
Reserves:			
- Unappropriated profit	3,241,828	(54,743)	3,187,085
Long term liabilities:			
- Deferred taxation	55,384	54,743	110,127

The above restatement of the Group's reserves at the beginning of the year has the effect of reducing the Net Tangible Assets per share from RM3.50 as previously reported to RM3.45.

ii) Impact on Income Statement:

Individual quarter and cumulative period to 30 June 2002:	Unaudited As previously reported	Unaudited Prior period adjustment	Unaudited As restated
Taxation (RM'000)			
- Preceding year quarter	74,488	(180)	74,308
- Preceding year-to-date	146,964	(359)	146,605
Basic Earnings per share (sen)			
- Preceding year quarter	19.35	0.02	19.37
- Preceding year-to-date	32.21	0.03	32.24

b) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the year ended 31 December 2002 was not qualified.

c) Seasonal or Cyclical Factors

The business operations of the Group's leisure and hospitality division are subject to seasonal fluctuations. The results are affected by major festive seasons and holidays.

d) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There has not arisen in the current financial year-to-date of any nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

e) Material Changes in Estimates

There were no major changes in estimates of amounts reported in prior interim periods of the current financial period or that of prior financial years.

f) Changes in Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

g) Dividend Paid

No dividend has been paid for the current financial period ended 30 June 2003.

h) Segment Information

Segment analysis for the financial period ended 30 June 2003 as set out below:

	Leisure & Hospitality	Properties	Other	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	1,262,030	3,067	39,869	—	1,304,966
Inter segment	424	3,240	17,350	(21,014)	—
	1,262,454	6,307	57,219	(21,014)	1,304,966
Results					
Segment profit	386,518	1,408	1,573		389,499
Interest income					11,016
Finance cost					(42,941)
Share of results of associated company	(39,733)				(39,733)
Profit from ordinary activities before taxation					317,841
Taxation					(123,373)
Profit from ordinary activities after taxation					194,468
Minority shareholders' interest					194
Net profit for the period					194,662

i) Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment since the last financial year ended 31 December 2002.

j) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the current financial period that have not been reflected in the financial statements for the financial year-to-date.

k) Changes in the Composition of the Group

There have been no material changes in the composition of the Group for the current financial year-to-date.

l) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2002.

m) Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2003 are as follows:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements:	
- contracted	249,511
- not contracted	293,517
	543,028

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF THE KUALA LUMPUR STOCK EXCHANGE - INTERIM PERIOD ENDED 30 JUNE 2003

Part II: Compliance with Appendix 9B of the Listing Requirements

1) Review of Performance

	INDIVIDUAL QUARTER			PRECEDING QUARTER		FINANCIAL YEAR TO DATE		
	2Q2003 RM'Mil	2Q2002 RM'Mil	% +/-	1Q2003 RM'Mil	% +/-	2003 RM'Mil	2002 RM'Mil	% +/-
Revenue								
Leisure & Hospitality	574.9	679.7	-15	687.1	-16	1,262.0	1,333.9	-5
Properties	1.4	1.7	-18	1.7	-18	3.1	3.3	-6
Proceeds from sale of quoted shares	30.7	—	+>100	—	+>100	30.7	77.7	-60
Others	7.2	2.2	+>100	2.0	+>100	9.2	4.0	+>100
	614.2	683.6	-10	690.8	-11	1,305.0	1,418.9	-8
Profit Before Tax								
Leisure & Hospitality	177.1	233.8	-24	209.4	-15	386.5	466.1	-17
Properties	0.6	0.8	-25	0.8	-25	1.4	1.9	-26
Others	4.0	0.9	+>100	(2.4)	+>100	1.6	(4.0)	+>100
	181.7	235.5	-23	207.8	-13	389.5	464.0	-16
Interest income	5.1	4.4	+16	5.9	-14	11.0	6.3	+75
Finance cost	(19.8)	(22.9)	+14	(23.1)	+14	(42.9)	(46.5)	+8
Share of results of associated company	(37.3)	37.6	->100	(2.4)	->100	(39.7)	43.5	->100
Gain on dilution of investment in associated company	—	31.1	-100	—	—	—	31.1	-100
Profit before tax	129.7	285.7	-55	188.2	-31	317.9	498.4	-36

The Group registered revenue and profit before taxation of RM614.2 million and RM129.7 million respectively for the current quarter. This is a decrease of 10% and 55% respectively compared to the corresponding quarter in 2002. The lower profit before taxation is mainly attributable to the lower profit from the leisure and hospitality segment and share of losses from Star Cruises Limited ("SCL"), an associated company. The lower profit in the current quarter from leisure and hospitality segment was mainly due to the adverse effects of the Severe Acute Respiratory Syndrome ('SARS") outbreak in the region. The Group's share of losses from SCL was RM37.3 million in the current quarter as compared to share of profit of RM37.6 million in the corresponding quarter in 2002. There was a gain on dilution of investment in SCL of RM31.1 million which arose in the corresponding quarter in 2002.

The Group registered revenue and profit before taxation of RM1,305.0 million and RM317.9 million respectively for the six months to 30 June 2003. There is a decrease of 8% and 36% respectively compared to the corresponding six months to 30 June 2002. The lower profit before taxation is mainly attributable to the lower profit from the leisure and hospitality segment and share of losses from SCL. The lower profit in the six months to 30 June 2003 from the leisure and hospitality segment was mainly due to the adverse effects of SARS outbreak in the region and the higher donations of RM22.5 million made in the three months to 31 March 2003. The Group's share of losses from SCL was RM39.7 million in the six months to 30 June 2003 as compared to share of profit of RM43.5 million in the corresponding period last year. There was a gain on dilution of investment in SCL of RM31.1 million which arose in the six months to 30 June 2002.

2) Material Changes in Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The second quarter ended 30 June 2003 reported profit before taxation for the Group of RM129.7 million compared to RM188.2 million in the preceding quarter. The lower profit before taxation in the current quarter is mainly attributable to the share of higher losses incurred by SCL and the weaker performance of leisure and hospitality segment. The Group's share of losses from SCL in the current quarter was RM37.3 million compared to share of losses of RM2.4 million in the preceding quarter. The weaker performance of the leisure and hospitality segment in the current quarter was mainly due to the adverse effects of SARS outbreak in the region.

3) Prospects

Since the outbreak of SARS in the region has been brought under control and barring any unforeseen circumstances, the operating business conditions for the Group are expected to recover and the performance of the Group is expected to be satisfactory for the remaining period of the year.

4) Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the year.

5) Taxation

Taxation charges for the current quarter and current financial year-to-date are as follows:

	Current quarter	Current financial year-to-date
	RM'000	RM'000
Current Taxation		
Malaysian taxation	56,150	122,349
Foreign taxation	7	15
Deferred Taxation	1,665	846
	57,822	123,210
Share of tax in associated company	581	920
	58,403	124,130
(Over)/under provision in respect of prior years		
Income taxation	(278)	(278)
Deferred taxation	(352)	(479)
	57,773	123,373

The effective tax rate of the Group for the current quarter is higher than the statutory tax rate mainly due to the non-deductibility of certain expenses for tax purpose and the tax losses of certain subsidiary companies.

The effective tax rate of the Group for the current financial year-to-date is higher than the statutory tax rate mainly due to the non-deductibility of certain expenses for tax purpose.

6) Profit on Sale of Unquoted Investments and/or Properties

The results for the current quarter and current financial year-to-date do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business.

7) Quoted Securities other than Securities in Existing Subsidiary and Associated Companies

(a) The dealings in quoted securities for the current quarter and financial year-to-date are as follows:

	Current quarter	Current financial year-to-date
	RM'000	RM'000
Total purchases at cost	—	—
Total disposal proceeds	30,657	30,657
Total gain on disposals	5,386	5,386

(b) The details of the investments in quoted shares excluding associated company, as at 30 June 2003 are as set out below:

	RM'000
Total investments at cost	7,917
Total investments at book value	7,897
Total investments at market value	13,697

8) Status of Corporate Proposals Announced

On 26 June 2003, the Company announced that the shareholders of the Company have approved the Proposed Renewal of the Authority for Purchase of Own Shares at the Extraordinary General Meeting of the Company held on 26 June 2003.

9) Group Borrowings and Debt Securities

The details of the Group's borrowings are as set out below:

		As at 30 June 2003	
		Foreign currency	**RM Equivalent**
		'000	**'000**
Long-term borrowings	Unsecured	USD213,000	809,400
Long-term borrowing denominated in Ringgit Malaysia	Unsecured	—	371,870
			1,181,270

Borrowings denominated in Ringgit Malaysia represent loan from holding company, Genting Berhad.

10) Off Balance Sheet Financial Instruments

As at 20 August 2003, the Group has the following off balance sheet financial instruments:

(a) Foreign Currency Contracts

Currency	**Contract Amounts**	**Transaction Dates**	**Expiry Dates**
	'000		
US Dollars	4,806	05/03/2003 to 03/07/2003	27/08/2003 to 26/04/2004

As the above foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

(b) Singapore Dollar ("SGD")/US Dollar ("USD") Cross-Currency Swap ("CCS")

Euro Medium Term Notes ("Notes") of SGD100 million which were issued on 26 May 2000 matured on 26 May 2003.

The CCS agreements to convert the SGD Notes into a fixed rate USD liability and which were entered into on 26 May 2000 and 3 August 2000, terminated on 26 May 2003.

(c) USD Interest Rate Swap ("IRS")

(i) Notes for USD26 million which were issued on 16 June 2000 matured on 16 June 2003.

The IRS agreement to fix the interest rate payable on that tranche of the loan and which was entered into on 8 August 2000 terminated on 16 June 2003.

(ii) On 25 April 2001, the Group had drawndown a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Initial Contract Amounts	Outstanding Amounts
			USD '000	USD '000
13 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
16 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
22 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
30 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
08 May 2002	25 July 2002	25/04/2005	10,000	10,000
08 May 2002	25 July 2002	25/04/2006	10,000	10,000
24 July 2003	25 October 2003	25/04/2005	30,000	30,000
24 July 2003	25 October 2003	25/04/2006	30,000	30,000

The above swaps effectively fix the interest rate payable on that tranche of the loan from the respective effective dates of commencement of contracts and up to their respective maturity dates as set out above.

(iii) On 27 November 2002, the Group had drawndown a loan amounting to USD53 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Contract Amounts
			USD '000
11 June 2003	27 May 2003	29/11/2004 to 27/11/2007	25,468

The Group intends to enter into further interest rate swaps to manage the group's exposure to interest rate fluctuations for the remaining portion of the loans amounting to USD27.5 million.

These instruments are executed with creditworthy financial institutions and the Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The Group uses derivative financial instruments including interest rate swap and currency swap agreements in order to limit the Group's exposure in relation to underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates and to diversify sources of funding. The related interest differentials paid or received under the swap agreements are recognised over the terms of the agreements in interest expense. The underlying foreign currency liabilities, which have been effectively hedged by currency swap agreements, and designated as a hedge, were translated in the respective hedged currencies, at their contracted rates.

11) Changes in Material Litigation

There are no pending material litigations as at 20 August 2003.

12) Dividend Proposed or Declared

(A) (i) An interim dividend for the half year ended 30 June 2003 has been declared by the Directors.

(ii) The interim dividend for the period ended 30 June 2003 shall amount to 8.5 sen per ordinary share of 50 sen each, less 28% tax.

(iii) The interim dividend declared for the previous year corresponding period ended 30 June 2002 amounted to 8.5 sen per ordinary share of 50 sen each, less 28% tax.

(iv) The interim dividend shall be payable on 27 October 2003.

(v) Entitlement to the interim dividend:

A Depositor shall qualify for entitlement to the interim dividend only in respect of:

(I) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 6 October 2003 in respect of ordinary transfers; and

(II) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

(B) Total dividend payable for the current financial year-to-date is 8.5 sen per ordinary share of 50 sen each, less 28% tax.

13) Earnings per share ("EPS")

(a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are as follows:

	Current quarter	**Current financial year-to-date**
	RM'000	**RM'000**
Net profit for the period (used as numerator for the computation of Basic and Diluted EPS)	71,971	194,662

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are:

	Current quarter	**Current financial year-to-date**
	Number of shares	**Number of shares**
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	1,091,843,334	1,091,843,334
Adjustment for share options granted under Tranche 2 of the New ESOS to executives	1,359	15,905
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	1,091,844,693	1,091,859,239

As at 30 June 2003, the Company has 100,000 and 14,116,000 unissued ordinary shares outstanding under the previous executive share option scheme ("previous ESOS") and the new executive share option scheme ("new ESOS") respectively. The previous ESOS was implemented on 26 September 1989 which expired on 25 September 1994, with options expiring on 22 September 2004 ("outstanding options"). The new ESOS became effective on 12 August 2002 for a duration of ten years expiring on 11 August 2012. The eligible executives of the Group who hold the outstanding options of the previous ESOS are allowed to participate in the new ESOS provided they surrender their outstanding options before the participation.

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF RESORTS WORLD AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2002 AND 2003

INTERIM REPORT
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2003

	UNAUDITED CUMULATIVE PERIOD	
	Nine months ended 30 September 2002	**Nine months ended 30 September 2003**
	RM'000	**RM'000**
Revenue	2,070,164	1,976,442
Cost of sales	(1,257,721)	(1,195,559)
Gross profit	812,443	780,883
Other income	19,011	24,694
Other expenses	(138,920)	(158,750)
Profit from operations	692,534	646,827
Finance cost	(69,559)	(57,930)
Share of results of associated company	113,714	37,335
Gain on dilution of investment in associated company	31,132	—
Profit from ordinary activities before taxation	767,821	626,232
Taxation	(220,005)	(175,653)
Profit from ordinary activities after taxation	547,816	450,579
Minority shareholders' interest	290	285
Net profit for the period	548,106	450,864
Basic earnings per share (sen)	50.20	41.29
Diluted earnings per share (sen)	N/A	41.29

N/A: Not Applicable

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2003

	Audited	Unaudited
	As at preceding financial year end 31 December 2002	As at end of current period 30 September 2003
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	3,226,098	3,233,867
Real property assets	201,197	201,197
Associated company	1,910,393	1,985,078
Other long term assets	17,055	16,989
CURRENT ASSETS		
Inventories	41,892	40,992
Trade and other receivables	90,069	88,789
Amount due from other related companies	5,614	6,681
Amount due from associated company	480	545
Short term investments	419,809	223,509
Bank balances and deposits	366,818	333,813
	924,682	694,329
LESS CURRENT LIABILITIES		
Trade and other payables	303,999	299,437
Amount due to holding company	12,842	7,554
Amount due to other related companies	32,694	38,041
Short term borrowings	473,699	—
Taxation	240,832	198,144
Dividend payable	—	66,821
	1,064,066	609,997
NET CURRENT ASSETS/(LIABILITIES)	(139,384)	84,332
	5,215,359	5,521,463
SHARE CAPITAL	545,922	545,922
RESERVES	3,223,448*	3,539,732
SHAREHOLDERS' EQUITY	3,769,370	4,085,654
MINORITY INTERESTS	9,677	9,392
LONG TERM LIABILITIES		
Long term borrowings	809,400	809,400
Loan from holding company	371,870	371,870
Other long term liabilities	144,915	134,507
Deferred taxation	110,127*	110,640
TOTAL LONG TERM LIABILITIES	1,436,312	1,426,417
	5,215,359	5,521,463
NET TANGIBLE ASSETS PER SHARE (RM)	3.45	3.74

* Unaudited — see Note (1)(a) to the interim financial report

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2003

		Non-Distributable		Distributable	
	Share Capital	Share Premium	Other Reserves	Unappropriated Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2002					
As previously reported	545,922	33,333	4,429	2,728,905	3,312,589
Prior period adjustment - Effect of deferred tax on adoption of MASB 25	—	—	—	(55,463)	(55,463)
As restated	545,922	33,333	4,429	2,673,442	3,257,126
Net profit for the financial period	—	—	—	548,106	548,106
Appropriation:					
Final dividend paid for the financial year ended 31 December 2001 (8.0 sen less 28% income tax)	—	—	—	(62,890)	(62,890)
Interim dividend declared for the current financial year ended 31 December 2002 (8.5 sen less 28% income tax)	—	—	—	(66,821)	(66,821)
Other movement during the period	—	—	(1,529)	—	(1,529)
Balance at 30 September 2002	545,922	33,333	2,900	3,091,837	3,673,992
Balance at 1 January 2003					
As previously reported	545,922	33,333	3,030	3,241,828	3,824,113
Prior period adjustment - Effect of deferred tax on adoption of MASB 25	—	—	—	(54,743)	(54,743)
As restated	545,922	33,333	3,030	3,187,085	3,769,370
Net profit for the financial period	—	—	—	450,864	450,864
Appropriation:					
Final dividend paid for the financial year ended 31 December 2002 (9.0 sen less 28% income tax)	—	—	—	(70,751)	(70,751)
Interim dividend declared for the current financial year ending 31 December 2003 (8.5 sen less 28% income tax)	—	—	—	(66,821)	(66,821)
Other movement during the period	—	—	2,992	—	2,992
Balance at 30 September 2003	545,922	33,333	6,022	3,500,377	4,085,654

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2003

	Current Year-To-Date 30 September 2003	Current Year-To-Date 30 September 2002
	RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after minority interests but before taxation	626,517	768,111
Adjustments for:		
Depreciation of property, plant and equipment	147,988	151,988
Interest expense	57,835	69,416
Interest income	(15,355)	(11,662)
Share of results of associated company	(37,335)	(113,714)
Goodwill written off	2,169	—
Gain on dilution of investment in associated company	—	(31,132)
(Gain)/loss on disposal of short term investment	(5,434)	3,124
Allowances/(write back) of diminution in value of short term investments	2,557	(3,071)
(Net write back)/provision for retirement gratuities	(13,074)	16,316
Allowance for doubtful debts	5,841	45
Other non-cash items and adjustments	820	3,080
	146,012	84,390
Operating profit before working capital changes	772,529	852,501
Net change in current assets	(4,075)	(21,949)
Net change in current liabilities	20,978	(34,375)
	16,903	(56,324)
Cash generated from operations	789,432	796,177
Net tax paid	(213,898)	(185,113)
Other net operating receipts	2,514	3,355
	(211,384)	(181,758)
Net Cash From Operating Activities	578,048	614,419
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(176,175)	(172,074)
Investment in associated company	(38,202)	(53)
Other investments	40,357	62,666
Net Cash Used In Investing Activities	(174,020)	(109,461)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(70,751)	(62,890)
Interest paid	(61,053)	(67,049)
Repayment of term loan	(473,699)	(96,000)
Net Cash Used In Financing Activities	(605,503)	(225,939)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(201,475)	279,019
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	750,900	434,793
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	549,425	713,812
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	333,813	389,351
Money market instruments (included in short term investments)	215,612	324,461
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	549,425	713,812

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2002.)

NOTES TO THE INTERIM FINANCIAL REPORT - THIRD QUARTER ENDED 30 SEPTEMBER 2003

Part I: Compliance with Malaysia Accounting Standard Board 26 ("MASB 26") "Interim Financial Reporting"

a) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with MASB 26 "Interim Financial Reporting" and Paragraph 9.22 of the Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2002. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2002 as well as new approved accounting standards which are effective and applicable for the current financial year.

Consequently, in compliance with MASB 25 Income Taxes, deferred tax liabilities and/or assets are recognised for all temporary differences and this has been applied retrospectively by the Group. However, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluations is also recognised.

The effects of the implementation of MASB 25, which has been applied retrospectively, are summarised below:

i) Impact on Balance Sheet:

	(Audited)	(Unaudited)	(Unaudited)
Balances as at 31 December 2002:	**As previously reported**	**Prior period adjustment**	**As restated**
	RM'000	**RM'000**	**RM'000**
Reserves:			
- Unappropriated profit	3,241,828	(54,743)	3,187,085
Long term liabilities:			
- Deferred taxation	55,384	54,743	110,127

The above restatement of the Group's reserves at the beginning of the year has the effect of reducing the Net Tangible Assets per share from RM3.50 as previously reported to RM3.45.

ii) Impact on Income Statement:

	(Unaudited)	(Unaudited)	(Unaudited)
Individual quarter and cumulative period to 30 September 2002:	**As previously reported**	**Prior period adjustment**	**As restated**
Taxation (RM'000)			
- Preceding year quarter	73,581	(180)	73,401
- Preceding year-to-date	220,545	(540)	220,005
Basic earnings per share (sen)			
- Preceding year quarter	17.95	0.01	17.96
- Preceding year-to-date	50.15	0.05	50.20

b) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the year ended 31 December 2002 was not qualified.

c) Seasonal or Cyclical Factors

The business operations of the Group's leisure and hospitality division are subject to seasonal fluctuations. The results are affected by major festive seasons and holidays.

d) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There has not arisen in the current financial year-to-date of any nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

e) Material Changes in Estimates

There were no major changes in estimates of amounts reported in prior interim periods of the current financial period or that of prior financial years.

f) Changes in Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

g) Dividend Paid

Dividends paid for the current financial year-to-date are as follows:

	RM'000
Final dividend paid on 30 July 2003 for the year ended 31 December 2002:	
9.0 sen less 28% tax per ordinary share of RM0.50 each	70,751

h) Segment Information

Segment analysis for the financial period ended 30 September 2003 is set out below:

	Leisure & Hospitality	Properties	Others	Eliminations	Total
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Revenue					
External	1,929,189	4,823	42,430	—	1,976,442
Inter segment	664	4,861	25,869	(31,394)	—
	1,929,853	9,684	68,299	(31,394)	1,976,442
Results					
Segment profit	628,041	1,884	1,547		631,472
Interest income					15,355
Finance cost					(57,930)
Share of results of associated company	37,335				37,335
Profit from ordinary activities before taxation					626,232
Taxation					(175,653)
Profit from ordinary activities after taxation					450,579
Minority shareholders' interest					285
Net profit for the period					450,864

i) Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment since the last financial year ended 31 December 2002.

j) Material Events Subsequent to the End of Financial Period

Material events subsequent to the interim reporting date as at 30 September 2003:

(i) Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company, has on 16 October 2003 given a letter of undertaking to Star Cruises Limited ("SCL"), a 34.99% associated company to provide an irrevocable undertaking to SCL to subscribe for its entire proportionate entitlement pursuant to SCL's Rights Issue ("the Undertaking"). The proportionate entitlement under the Undertaking involves the subscription of up to a total of 121,184,054 new ordinary shares of US$0.10 each at the subscription price of HK$2.25 per share costing a total of HK$272,664,100.

(ii) RWL has also on 16 October 2003 entered into a sub-underwriting arrangement with J.P. Morgan Securities Limited to sub-underwrite the public portion of SCL's Rights Issue ("the Sub-underwriting"). The Sub-underwriting will earn a commission of 1% of the total subscription value of the public portion of SCL's Rights Issue. The public portion involves the subscription of up to 52,175,378 ordinary shares of US$0.10 each at the subscription price of HK$2.25 per share which amounts to HK$117,394,600.

Assuming that the whole of the public portion of the rights entitlement is not taken up but is subscribed by RWL pursuant to the sub-underwriting arrangement, the Undertaking and Sub-underwriting will result in RWL subscribing for up to 173,359,432 ordinary shares of US$0.10 each in SCL for HK$390,058,700.

The Undertaking and Sub-underwriting arrangements are expected to be completed by the end of 2003.

k) Changes in the Composition of the Group

There have been no material changes in the composition of the Group for the current financial year-to-date.

l) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2002.

m) Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2003 are as follows:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements:	
- contracted	237,619
- not contracted	268,050
	505,669

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF THE KUALA LUMPUR STOCK EXCHANGE - INTERIM PERIOD ENDED 30 SEPTEMBER 2003

Part II: Compliance with Appendix 9B of the Listing Requirements

1) Review of Performance

	INDIVIDUAL QUARTER			PRECEDING QUARTER		FINANCIAL YEAR TO DATE		
	3Q2003 RM'Mil	3Q2002 RM'Mil	% +/-	2Q2003 RM'Mil	% +/-	2003 RM'Mil	2002 RM'Mil	% +/-
Revenue								
Leisure & Hospitality	667.2	647.7	+3	574.9	+16	1,929.2	1,981.6	-3
Properties	1.7	1.6	+6	1.4	+21	4.8	4.9	-2
Proceeds from sale of quoted shares	0.0	—	+100	30.7	-100	30.7	77.7	-60
Others	2.5	2.0	+25	7.2	-65	11.7	6.0	+95
	671.4	651.3	+3	614.2	+9	1,976.4	2,070.2	-5
Profit Before Tax								
Leisure & Hospitality	241.5	210.0	+15	177.1	+36	628.0	676.1	-7
Properties	0.5	1.6	-69	0.6	-17	1.9	3.5	-46
Others	(0.1)	5.3	->100	4.0	->100	1.5	1.3	+15
	241.9	216.9	+12	181.7	+33	631.4	680.9	-7
Interest income	4.4	5.4	-19	5.1	-14	15.4	11.7	+32
Finance cost	(15.0)	(23.1)	+35	(19.8)	+24	(57.9)	(69.6)	+17
Share of results of associated company	77.1	70.2	+10	(37.3)	+>100	37.3	113.7	-67
Gain on dilution of investment in associated company	—	—	—	—	—	—	31.1	-100
Profit before tax	308.4	269.4	+14	129.7	+>100	626.2	767.8	-18

The Group registered revenue of RM671.4 million and RM1,976.4 million for the current quarter and the nine months to 30 September 2003 respectively. This is an increase of 3% and decrease of 5% respectively compare to the previous year's corresponding periods' revenue.

The increase in the current quarter is mainly attributable to the better underlying performance in the leisure and hospitality segment as a result of the increase in visitor arrivals. The decrease in revenue for the nine months to 30 September 2003 is mainly due to the lower revenue from leisure and hospitality segment which was affected by the Severe Acute Respiratory Syndrome ("SARS") outbreak in the region during the second quarter of 2003 and the lower proceeds from sale of quoted shares in 2003.

The Group profit before tax for the current quarter and the nine months to 30 September 2003 is RM308.4 million and RM626.2 million respectively, representing an increase of 14% and decrease of 18% respectively compared to the previous year's corresponding periods.

The higher profit for the current quarter is mainly contributed by the leisure and hospitality segment. The lower profit for the nine months to 30 September 2003 is mainly due to the lower share of profit of Star Cruises Limited ("SCL"), an associated company, of RM37.3 million in 2003 compared to RM113.7 million in 2002. There was a gain arising on dilution of investment in SCL of RM31.1 million which arose in the first half of 2002. In addition, the leisure and hospitality segment recorded lower profit for the nine months to 30 September 2003. This is mainly due to the adverse effects of the SARS outbreak in the region during the second quarter of 2003 and higher donations of RM22.5 million made in the first quarter of 2003.

2) Material Changes in Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The Group registered a profit before tax of RM308.4 million in the current quarter as compared to RM129.7 million in the preceding quarter.

The higher profit is mainly due to share of profit of SCL of RM77.1 million in the current quarter as compared to share of losses of RM37.3 million in the preceding quarter. Since the outbreak of SARS was under control by the end of second quarter of this year, the leisure and hospitality segment saw an improvement in visitor arrivals. This has contributed to the higher profit in the current quarter as compared to the preceding quarter which was adversely affected by the SARS outbreak.

3) Prospects

In line with the government's continual policy to promote Malaysia as an international tourist destination and barring unforeseen circumstances, the Group's performance is expected to be satisfactory for the remaining period of the year.

4) Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the year.

5) Taxation

Taxation charges for the current quarter and current financial year-to-date are as follows:

	Current quarter	Current financial year-to-date
	RM'000	**RM'000**
Current Taxation		
Malaysian taxation	68,810	191,159
Foreign taxation	—	15
Deferred Taxation	(168)	678
	68,642	191,852
Share of tax in associated company	755	1,675
	69,397	193,527
(Over)/under provision in respect of prior years		
Income taxation	(17,430)	(17,708)
Deferred taxation	313	(166)
	52,280	175,653

The effective tax rate of the Group for the current quarter before the adjustment of taxation in respect of prior years, is lower than the statutory tax rate mainly due to the share of profit of an associated company which are mainly derived from income not subject to income tax.

The effective tax rate of the Group for the current financial year-to-date before the adjustment of taxation in respect of prior years, is higher than the statutory tax rate mainly due to the non-deductibility of certain expenses for tax purpose.

6) Profit on Sale of Unquoted Investments and/or Properties

The results for the current quarter and current financial year-to-date do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business.

7) Quoted Securities other than Securities in Existing Subsidiary and Associated Companies

(a) The dealings in quoted securities for the current quarter and financial year-to-date are as follows:

	Current quarter	Current financial year-to-date
	RM'000	**RM'000**
Total purchases at cost	—	—
Total disposal proceeds	49	30,706
Total gain on disposals	48	5,434

(b) The details of the investments in quoted shares excluding associated company, as at 30 September 2003 are as set out below:

	RM'000
Total investments at cost	7,897
Total investments at book value	7,897
Total investments at market value	26,493

8) Status of Corporate Proposals Announced

Please refer to Part I note (j) for corporate proposal on Resorts World Limited's participation in Star Cruises Limited ("SCL") Right Issue.

9) Group Borrowings and Debt Securities

The details of the Group's borrowings are as set out below:

		As at 30 September 2003	
		Foreign currency	RM Equivalent
		'000	**'000**
Long-term borrowings	Unsecured	USD213,000	809,400
Long-term borrowing denominated in Ringgit Malaysia	Unsecured	—	371,870
			1,181,270

The borrowing denominated in Ringgit Malaysia represents loan from holding company, Genting Berhad.

10) Off Balance Sheet Financial Instruments

As at 13 November 2003, the Group has the following off balance sheet financial instruments:

(a) Foreign Currency Contracts

Currency	Contract Amounts	Transaction Dates	Expiry Dates
	'000		
US Dollars	4,149	05/03/2003 to 10/11/2003	21/11/2003 to 26/04/2004

As the above foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

(b) Singapore Dollar ("SGD")/US Dollar ("USD") Cross-Currency Swap ("CCS")

Euro Medium Term Notes ("Notes") of SGD100 million which were issued on 26 May 2000 matured on 26 May 2003.

The CCS agreements to convert the SGD Notes into a fixed rate USD liability and which were entered into on 26 May 2000 and 3 August 2000, terminated on 26 May 2003.

(c) USD Interest Rate Swap ("IRS")

(i) Notes for USD26 million which were issued on 16 June 2000 matured on 16 June 2003.

The IRS agreement to fix the interest rate payable on that tranche of the loan and which was entered into on 8 August 2000 terminated on 16 June 2003.

(ii) On 25 April 2001, the Group had drawndown a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Initial Contract Amounts	Outstanding Amounts
			USD '000	USD '000
13 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
16 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
22 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
30 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
08 May 2002	25 July 2002	25/04/2005	10,000	10,000
08 May 2002	25 July 2002	25/04/2006	10,000	10,000
24 July 2003	25 October 2003	25/04/2005	30,000	30,000
24 July 2003	25 October 2003	25/04/2006	30,000	30,000

The above swaps effectively fix the interest rate payable on that tranche of the loan from the respective effective dates of commencement of contracts and up to their respective maturity dates as set out above.

(iii) On 27 November 2002, the Group had drawndown a loan amounting to USD53 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Contract Amounts
			USD '000
11 June 2003..	27 May 2003	29/11/2004 to 27/11/2007	25,468

The Group intends to enter into further interest rate swaps to manage the Group's exposure to interest rate fluctuations for the remaining portion of the loans amounting to USD27.5 million.

These instruments are executed with creditworthy financial institutions and the Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The Group uses derivative financial instruments including interest rate swap and currency swap agreements in order to limit the Group's exposure in relation to its underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates and to diversify sources of funding. The related interest differentials under the swap agreements are recognised over the terms of the agreements in interest expense. The underlying foreign currency liabilities, which have been effectively hedged by currency swap agreements, and designated as a hedge, were translated in the respective hedged currencies, at their contracted rates.

11) Changes in Material Litigation

There are no pending material litigations as at 13 November 2003.

12) Dividend Proposed or Declared

(a) No dividend has been proposed or declared for the current quarter ended 30 September 2003.

(b) Total dividend payable for the current financial year-to-date was an interim dividend of 8.5 sen per ordinary share of 50 sen each, less 28% tax and which was paid on 27 October 2003.

13) Earnings per share ("EPS")

(a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are as follows:

	Current quarter	Current financial year-to-date
	RM'000	**RM'000**
Net profit for the period (used as numerator for the computation of Basic and Diluted EPS)	256,202	450,864

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are:

	Current quarter	Current financial year-to-date
	Number of shares	**Number of shares**
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	1,091,843,334	1,091,843,334
Adjustment for share options granted under Tranche 2 of the New ESOS to executives	37,130	23,834
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	1,091,880,464	1,091,867,168

As at 30 September 2003, the Company has 100,000 and 14,027,000 unissued ordinary shares outstanding under the previous executive share option scheme ("previous ESOS") and the new executive share option scheme ("new ESOS") respectively. The previous ESOS was implemented on 26 September 1989 which expired on 25 September 1994, with options expiring on 22 September 2004 ("outstanding options"). The new ESOS became effective on 12 August 2002 for a duration of ten years expiring on 11 August 2012. The eligible executives of the Group who hold the outstanding options of the previous ESOS are allowed to participate in the new ESOS provided they surrender their outstanding options before the participation.

Properties held by the Genting Group and Resorts World Group

List of Properties held by the Genting Group As At 31 December 2002

	Location	Tenure	Approximate area	Description	Net book value as at 31 Dec 2002	Age of Building	Year of acquisition (A)/ revaluation (R)*
					(RM' million)	(Years)	
STATE OF PAHANG DARUL MAKMUR							
1	Genting Highlands, Bentung	Freehold	Built-up: 100,592 sq.metres	18-storey Genting Hotel Complex	205.7	21	1982 (R)
2	Genting Highlands, Bentung	Freehold	Built-up: 95,485 sq.metres	23-storey Resort Hotel & Car Park II	144.6	10	1992 (A)
3	Genting Highlands, Bentung	Freehold	Built-up: 330,149 sq.metres	22-storey First World Hotel & Car Park V (Phase 1)	785.7	3	2000 (A)
4	Genting Highlands, Bentung	Freehold	Built-up: 20,516 sq.metres	23-storey Awana Tower Hotel	27.7	9	1993 (A)
5	Genting Highlands, Bentung	Freehold	Built-up: 19,688 sq.metres	10-level Theme Park Hotel	36.9	31	1989 (R)
6	Genting Highlands, Bentung	Freehold	Built-up: 11,902 sq.metres	10-level Theme Park Hotel - Valley Wing	12.6	27	1989 (R)
7	Genting Highlands, Bentung	Freehold	Built-up: 29,059 sq.metres	16-storey Residential Staff Complex I	10.9	19	1989 (R)
8	Genting Highlands, Bentung	Freehold	Built-up: 28,804 sq.metres	19-storey Residential Staff Complex II	18.5	10	1992 (A)
9	Genting Highlands, Bentung	Freehold	Built-up: 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park III	70.4	10	1992 (A)
10	Genting Highlands, Bentung	Freehold	Built-up: 41,976 sq.metres	25-storey Residential Staff Complex V	60.3	6	1996 (A)
11	Genting Highlands, Bentung	Freehold	Built-up: 4,119 sq.metres	5-storey Ria Staff Residence	0.7	30	1989 (R)
12	Genting Highlands, Bentung	Freehold	Built-up: 4,109 sq.metres	5-storey Sri Layang Staff Residence	22.5	8	1989 (R)
13	Genting Highlands, Bentung	Freehold	Built-up: 18,397 sq.metres	8-level Car Park I	2.3	19	1989 (R)
14	Genting Highlands, Bentung	Freehold	Built-up: 1,086 sq.metres	5-storey Bomba Building	0.9	19	1989 (A)
15	Genting Highlands, Bentung	Freehold	Built-up: 1,503 sq.metres	Petrol Station	2.6	3	1999 (A)
16	Genting Highlands, Bentung	Freehold	Built-up: 4,151 sq.metres	3-storey Lakeside Teahouse	4.1	15	1989 (R)
17	Genting Highlands, Bentung	Freehold	Lake: 2 hectares	Man-made Lake	0.7	—	1989 (R)
18	Genting Highlands, Bentung	Freehold	Built-up: 2,769 sq.metres	4-storey Staff Recreation Centre	3.6	10	1992 (A)
19	Genting Highlands, Bentung	Freehold	Built-up: 540 sq.metres	1 unit of Kayangan Apartment	0.2	22	1989 (A)
				1 unit of Kayangan Apartment	0.2	22	1990 (A)
20	Genting Highlands, Bentung	Freehold	Built-up: 7,666 sq.metres	Awana Golf & Country Resort Complex	21.8	16	1989 (R)
21	Genting Highlands, Bentung	Freehold	Built-up: 17,010 sq.metres	174 units of Awana Condominium	26.4	16	1989 (R)
22	Genting Highlands, Bentung	Freehold	Built-up: 10,243 sq.metres	92 units of Ria Apartment (Pahang Tower)	14.2	16	1989 (R)
23	Genting Highlands, Bentung	Freehold	Land: 2,936 hectares	7 plots of land & improvements	263.9	—	1989 (R)
				1 plot of land & improvements	6.0	—	1996 (A)
				10 plots of land & improvements	52.1	—	1989 (R)
				1 plot of land & improvements	0.1	—	1991 (A)
				66 plots of land & improvements	154.7	—	1989 (R)
				3 plots of land & improvements	23.0	—	2002 (A)
				13 plots of land & improvements	9.4	—	1995 (R)

	Location	Tenure	Approximate area	Description	Net book value as at 31 Dec 2002	Age of Building	Year of acquisition (A)/ revaluation (R)*
					(RM' million)	(Years)	
24	Genting Highlands, Bentung	Leasehold (unexpired lease period of 91 years)	Land: 6 hectares	2 plots of land & improvements	0.4	—	1994 (A)
25	Genting Highlands, Bentung	Leasehold (unexpired lease period of 56 years)	Land: 5 hectares	3 plots of land	0.6	—	1995 (A)
26	Genting Highlands, Bentung	Leasehold (unexpired lease period of 88 years)	Land: 3 hectares	1 plot of educational land	1.3	—	2000 (A)
27	Bukit Tinggi, Bentung	Leasehold (unexpired lease period of 92 years)	Built-up: 49 sq.metres	1 unit of Meranti Park Apartment, Bukit Tinggi Resort	0.1	3	1999 (A)
28	Mentakab, Temerloh	Freehold	Land: 84 hectares	Vacant housing development land	5.9	—	1989 (R)
29	Beserah, Kuantan	Freehold	Land: 3 hectares Built-up: 713 sq.metres	2 plots of agriculture land with residential bungalow	1.2	16	1987 (A)
30	Beserah, Kuantan	Freehold	Land: 4 hectares	4 plots of vacant agriculture land	0.9	—	1989/1991 (A)
31	Kg Permatang Badak, Kuantan	Freehold	Land: 0.7 hectares Built-up: 335 sq.metres	1 plot of agriculture land with factory	0.8	1	2001 (A)
STATE OF SELANGOR DARUL EHSAN							
1	Genting Highlands, Hulu Selangor	Freehold	Built-up: 149,941 sq.metres	28-storey Highlands Hotel & Car Park IV	457.4	5	1997 (A)
2	Genting Highlands, Hulu Selangor	Freehold	Land: 6 hectares	1 plot of building land	6.1	—	1993 (A)
			Built-up: 47,715 sq.metres	5-storey Genting Skyway Station Complex with 4-level of basement carpark	77.6	5	1997 (A)
3	Genting Highlands, Hulu Selangor	Freehold	Built up: 3,008 sq.metres	2-storey & 4-storey Gohtong Jaya Security Buildings	6.4	4	1998 (A)
4	Genting Highlands, Hulu Selangor	Freehold	Built-up: 8,485 sq.metres	75 units of Ria Apartment (Selangor Tower)	11.5	16	1989 (R)
5	Genting Highlands, Hulu Selangor	Freehold	Land: 615 hectares	3 plots of building land	12.3	—	1989 (R)
				10 plots of building land	42.0	—	1995 (R)
				7 plots of building land	10.4	—	1993 (A)
6	Genting Highlands, Gombak	Freehold	Land: 394 hectares	2 plots of vacant building land	28.8	—	1995 (R)
7	Batang Kali, Hulu Selangor	Freehold	Land: 9 hectares	1 plot of vacant agriculture land	2.3	—	1994 (A)
8	Ulu Yam, Hulu Selangor	Freehold	Land: 38 hectares	1 plot of vacant building land	16.3	—	1994 (A)
9	Ulu Yam, Hulu Selangor	Freehold	Land: 4 hectares	3 plots of vacant agriculture land	1.1	—	1994 (A)
10	Mukim Tanjung Dua Belas, Kuala Langat	Freehold	Land: 45 hectares Built-up: 118,382 sq.metres	1 plot of industrial land with paper mill & power plant complex	118.0	1-11	1990 (A)
11	Mukim Tanjung Dua Belas, Kuala Langat	Leasehold (unexpired lease period of 73 years)	Land: 32 hectares Built-up: 36,736 sq.metres	27 plots of industrial land with factory	69.8	2	1994 (A)
12	Mukim Tanjung Dua Belas, Kuala Langat	Leasehold (unexpired lease period of 94 years)	Land: 3 hectares	1 plot of industrial land	2.3	—	1994 (A)
13	Bandar Baru Bangi, Kajang	Leasehold (unexpired lease period of 84 years)	Land: 4,047 sq.metres Built-up: 1,505 sq.metres	1 plot of land with factory	2.8	6	1996 (A)

Location		Tenure	Approximate area	Description	Net book value as at 31 Dec 2002	Age of Building	Year of acquisition (A)/ revaluation (R)*
					(RM' million)	(Years)	
14	Section 28, Petaling Jaya	Leasehold (unexpired lease period of 64 years)	Land: 2,875 sq.metres Built-up: 780 sq.metres	2 plots of industrial land with factory	5.0	6	1996 (A)
15	Sungai Buloh, Gombak	Freehold	Land: 5,172 sq.metres Built-up: 1,267 sq.metres	1 plot of land with factory	3.6	7	1996 (A)
16	Pandamaran, Klang	Freehold	Land: 2,471 sq.metres Built-up: 1,316 sq.metres	2 plots of land with factory	1.4	6	1996 (A)
17	Pulau Indah, Klang	Leasehold (unexpired lease period of 93 years)	Land: 47 hectares	13 plots of vacant industrial land & improvements	47.9	—	1997 (A)
18	Rawang, Gombak	Freehold	Land: 5,574 sq.metres Built-up: 669 sq.metres	1 plot of industrial land with factory	2.0	4	1996 (A)
19	Bangi Factory, Selangor	Leasehold (unexpired lease period of 84 years)	Land: 12,140 sq.metres Built-up: 5,556 sq.metres	1 plot of land with factory	2.5	21	1990 (A)
FEDERAL TERRITORY OF KUALA LUMPUR							
1	Taman U Thant, Kuala Lumpur	Freehold	Built-up: 178 sq.metres	1 unit of Desa Angkasa Apartment	0.2	16	1988 (A)
2	Jalan Sultan Ismail, Kuala Lumpur Built-up: 63,047 sq.metres	Freehold	Land: 3,940 sq.metres	Wisma Genting - 25-level office building with 6-level basement	111.8	17	1983/1991 (A)
3	Segambut, Kuala Lumpur	Leasehold (unexpired lease period of 72 years)	Land: 4 hectares Built-up: 2,601 sq.metres	Store, helicopter, bus and limousine depot	10.1	27	1982 (A)
STATE OF PERAK DARUL RIDZUAN							
1	Kinta, Perak	Leasehold (unexpired lease period of 87 years)	Land: 6 hectares	349 vacant housing development lots	1.8	—	1989 (A)
STATE OF TERENGGANU DARUL IMAN							
1	Kijal, Kemaman	Leasehold (unexpired lease period of 89 years)	Land: 262 hectares	4 plots of resort/property development land	46.8	—	1996 (A)
			Land: 51 hectares	18-hole Awana Kijal Golf Course	12.3	—	1997 (A)
			Built-up: 35,563 sq.metres	7-storey Awana Kijal Hotel	114.7	6	1997 (A)
			Built-up: 1,854 sq.metres	28 units of Baiduri Apartment	2.8	8	1995 (A)
			Built-up: 7,278 sq.metres	96 units of Angsana Apartment	10.9	7	1996 (A)
		Leasehold (unexpired lease period of 89 years)	Land: 18 hectares	17 plots of resort/property development land	1.2	—	2002 (A)
		Leasehold (unexpired lease period of 99 years)	Land: 10 hectares	1 plot of resort/property development land	1.8	—	1995 R
STATE OF KEDAH DARUL AMAN							
1	Mukim Sg. Seluang, Kulim	Freehold	Land: 7,299 sq.metres Built-up: 669 sq.metres	2 plots of industrial land with factory	1.0	4	1996 (A)
2	Mukim Sg. Petani, Kuala Muda	Freehold	Land: 2,922 sq.metres Built-up: 1,041 sq.metres	1 plot of industrial land with factory	0.9	7	1995 (A)

	Location	Tenure	Approximate area	Description	Net book value as at 31 Dec 2002	Age of Building	Year of acquisition (A)/ revaluation (R)*
					(RM' million)	(Years)	
3	Tanjung Malai, Langkawi	Leasehold (unexpired lease period of 85 years)	Land: 14 hectares	5 plots of building land	11.8	—	1997 (A)
			Built-up: 14,387 sq.metres	3-storey Awana Langkawi Hotel Cultural / Sports Centre, Maritime / Entertainment Centre	46.0	5	1997 (A)
STATE OF PULAU PINANG							
1	Seberang Perai Selatan, Pulau Pinang	Freehold	Land: 7 hectares Built-up: 37,976 sq.metres	1 plot of industrial land with factory	66.2	1	1997 (A)
STATE OF JOHORE							
1	Kulai, Johor	Freehold	Land: 15 hectares	8 plots of industrial land	25.6	—	1999 (A)
ESTATES/PROPERTY DEVELOPMENT ("PD")							
1	ASIATIC Bukit Sembilan Estate, Baling/Sg. Petani/Jitra, Kedah	Freehold	Estate: 1,318 hectares	Oil palm estate, property development and golf course & clubhouse PD: 131 hectares	64.2	7	1981 (R)
2	ASIATIC Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	Freehold	Estate: 1,853 hectares	Oil palm estate	24.0	—	1981 (R)
3	ASIATIC Sepang Estate, Sepang & Ulu Langat, Selangor	Freehold	Estate: 666 hectares	Oil palm estate and orchard	13.9	—	1981 (R)
4	ASIATIC Tebong Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold	Estate: 2,321 hectares	Oil palm estate	29.8	—	1981 (R)
5	ASIATIC Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	Freehold	Estate: 793 hectares PD: 13 hectares	Oil palm estate and property development	26.0	—	1981 (R)
6	ASIATIC Tanah Merah Estate, Tangkak, Johor	Freehold	Estate: 1,820 hectares	Oil palm estate	25.3	—	1981 (R)
7	ASIATIC Sg. Rayat Estate, Batu Pahat, Johor	Freehold	Estate: 1,707 hectares	Oil palm estate	29.4	—	1983 (A)
8	ASIATIC Sri Gading Estate, Batu Pahat, Johor	Freehold	Estate: 3,660 hectares	Oil palm estate	65.5	—	1983 (A)
9	ASIATIC Sing Mah Estate, Air Hitam, Johor	Freehold	Estate: 669 hectares	Oil palm estate and mill	13.0	22	1983 (A)
10	ASIATIC Kulai Besar Estate, Kulai/Simpang Renggam, Johor	Freehold	Estate: 3,160 hectares PD: 120 hectares	Oil palm estate and mill and property development	322.1	13	1983 (A)
11	ASIATIC Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold	Estate: 172 hectares PD: 100 hectares	Oil palm estate and property development	85.7	—	1996 (A)
12	ASIATIC Sabapalm Estate, Labuk Valley Sandakan, Sabah	Leasehold (unexpired lease period of 885 years)	Estate: 4,077 hectares	Oil palm estate and mill	39.9	32	1991 (A)

Location	Tenure	Approximate area	Description	Net book value as at 31 Dec 2002	Age of Building	Year of acquisition (A)/ revaluation (R)*
				(RM' million)	(Years)	
	Leasehold (unexpired lease period of 83 years)	Estate: 283 hectares	Oil palm estate		—	1991 (A)
13 ASIATIC Tanjung Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 84 years)	Estate: 4,153 hectares	Oil palm estate and mill	41.2	8	1988 (A)
	Leasehold (unexpired lease period of 94 years)	Estate: 192 hectares	Oil palm estate	1.7	—	2001 (A)
14 ASIATIC Bahagia Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 84 years)	Estate: 3,941 hectares	Oil palm estate	28.4	—	1988 (A)
15 ASIATIC Tenegang Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 86 years)	Estate: 4,047 hectares	Oil palm estate	32.4	—	1990 (A)
16 ASIATIC Landworthy Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 81 years)	Estate: 4,039 hectares	Oil palm estate	32.0	—	1992 (A)
17 ASIATIC Layang Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 88 years)	Estate: 1,683 hectares	Oil palm estate	16.6	—	1993 (A)
18 Asiatic Regional Office, Sandakan, Sabah	Leasehold (unexpired lease period of 885 years)	Land: 1,206 sq.metres Built-up: 374 sq.metres	2 units of 2-storey intermediate detached house	0.1	18	1991 (A)
19 Asiatic Vegetable Oils Refinery, Sandakan, Sabah	Leasehold (unexpired lease period of 78 years)	Land: 8 hectares	Vacant land	2.3	—	1992 (A)
20 ASIATIC Jambongan Estate, Beluran, Sabah	Leasehold (unexpired lease period of 68 years)	Land: 61 hectares	Unplanted agricultural land	11.1	—	2002 (A)
	Leasehold (unexpired lease period of 70 years)	Land: 676 hectares	Unplanted agricultural land		—	2001 (A)
	Leasehold (unexpired lease period of 71 years)	Land: 202 hectares	Unplanted agricultural land		—	2002 (A)
	Leasehold (unexpired lease period of 72 years)	Land: 102 hectares	Unplanted agricultural land		—	2001 (A)
	Leasehold (unexpired lease period of 75 years)	Land: 168 hectares	Unplanted agricultural land		—	2001 (A)
	Leasehold (unexpired lease period of 75 years)	Land: 101 hectares	Unplanted agricultural land		—	2002 (A)
	Leasehold (unexpired lease period of 98 years)	Land: 808 hectares	Unplanted agricultural land		—	2002 (A)

Location		Tenure	Approximate area	Description	Net book value as at 31 Dec 2002	Age of Building	Year of acquisition (A)/ revaluation (R)*
					(RM' million)	(Years)	
21	ASIATIC Indah & Permai Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 94 years)	Land: 8,830 hectares	Oil palm estate	72.1	—	2001 (A)
22	ASIATIC Mewah Estate, Kinabatangan, Sabah	Leasehold (unexpired lease period of 81 years)	Land: 121 hectares	Oil palm estate	116.5	—	2002 (A)
		Leasehold (unexpired lease period of 82 years)	Land: 105 hectares	Oil palm estate		—	2002 (A)
		Leasehold (unexpired lease period of 83 years)	Land: 1,437 hectares	Oil palm estate		—	2002 (A)
		Leasehold (unexpired lease period of 85 years)	Land: 398 hectares	Oil palm estate		—	2002 (A)
		Leasehold (unexpired lease period of 86 years)	Land: 390 hectares	Oil palm estate		—	2002 (A)
		Leasehold (unexpired lease period of 87 years)	Land: 271 hectares	Oil palm estate		—	2002 (A)
		Leasehold (unexpired lease period of 89 years)	Land: 2,113 hectares	Oil palm estate and mill		6	2002 (A)
		Leasehold (unexpired lease period of 92 years)	Land: 373 hectares	Oil palm estate		—	2002 (A)
		Leasehold (unexpired lease period of 888 years)	Land: 403 hectares	Oil palm estate		—	2002 (A)
ENGLAND							
1	Hyde Park, London	Leasehold (unexpired lease period of 974 years)	Built-up: 286 sq.metres	2 units of residential apartment at Hyde Park Towers	1.8	23	1980 / 1996 (A)

List of properties held by Resorts World as at 31 December 2002

	LOCATION	TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2002 (RM' million)	AGE OF BUILDING (Years)	YEAR OF ACQUISITION
STATE OF PAHANG DARUL MAKMUR							
1	Genting Highlands, Bentung	Freehold	Built-up: 100,592 sq.metres	18-storey Genting Hotel Complex	205.7	21	1982
2	Genting Highlands, Bentung	Freehold	Built-up: 95,485 sq.metres	23-storey Resort Hotel & Car Park II	144.6	10	1992
3	Genting Highlands, Bentung	Freehold	Built-up: 330,149 sq.metres	22-storey First World Hotel & Car Park V (Phase 1)	785.7	3	2000
4	Genting Highlands, Bentung	Freehold	Built-up: 20,516 sq.metres	23-storey Awana Tower Hotel	27.7	9	1993
5	Genting Highlands, Bentung	Freehold	Built-up: 19,688 sq.metres	10-level Theme Park Hotel	36.9	31	1989
6	Genting Highlands, Bentung	Freehold	Built-up: 11,902 sq.metres	10-level Theme Park Hotel - Valley Wing	12.6	27	1989
7	Genting Highlands, Bentung	Freehold	Built-up: 29,059 sq.metres	16-storey Residential Staff Complex I	10.9	19	1989
8	Genting Highlands, Bentung	Freehold	Built-up: 28,804 sq.metres	19-storey Residential Staff Complex II	18.5	10	1992
9	Genting Highlands, Bentung	Freehold	Built-up: 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park III	70.4	10	1992
10	Genting Highlands, Bentung	Freehold	Built-up: 41,976 sq.metres	25-storey Residential Staff Complex V	60.3	6	1996
11	Genting Highlands, Bentung	Freehold	Built-up: 4,119 sq.metres	5-storey Ria Staff Residence	0.7	30	1989
12	Genting Highlands, Bentung	Freehold	Built-up: 4,109 sq.metres	5-storey Sri Layang Staff Residence	22.5	8	1989
13	Genting Highlands, Bentung	Freehold	Built-up: 18,397 sq.metres	8-level Car Park I	2.3	19	1989
14	Genting Highlands, Bentung	Freehold	Built-up: 1,086 sq.metres	5-storey Bomba Building	0.9	19	1989
15	Genting Highlands, Bentung	Freehold	Built-up: 1,503 sq.metres	Petrol Station	2.6	4	1999
16	Genting Highlands, Bentung	Freehold	Built-up: 4,151 sq.metres	3-storey Lakeside Teahouse	4.1	15	1989
17	Genting Highlands, Bentung	Freehold	Lake: 2 hectares	Man-made Lake	0.7	—	1989
18	Genting Highlands, Bentung	Freehold	Built-up: 2,769 sq.metres	4-storey Staff Recreation Centre	3.6	10	1992
19	Genting Highlands, Bentung	Freehold	Built-up: 540 sq.metres	1 unit of Kayangan Apartment	0.2	22	1989
				1 unit of Kayangan Apartment	0.2	22	1990
20	Genting Highlands, Bentung	Freehold	Built-up: 7,666 sq.metres	Awana Golf & Country Resort Complex	21.8	16	1989
21	Genting Highlands, Bentung	Freehold	Built-up: 17,010 sq.metres	174 units of Awana Condominium	27.4	16	1989
22	Genting Highlands, Bentung	Freehold	Built-up: 10,243 sq.metres	92 units of Ria Apartment (Pahang Tower)	15.2	16	1989
23	Genting Highlands, Bentung	Freehold	Land: 3,286 hectares	7 plots of land & improvements	263.9	—	1989
				1 plot of land & improvements	6.0	—	1996
				10 plots of land & improvements	52.1	—	1989
				1 plot of land & improvements	0.1	—	1991
				66 plots of land & improvements	154.7	—	1989
				3 plots of land & improvements	23.0	—	2002
				13 plots of land & improvements	9.4	—	1996
24	Genting Highlands, Bentung	Leasehold (unexpired lease period of 91 years)	Land: 6 hectares	2 plots of land & improvements	0.4	—	1994
25	Genting Highlands, Bentung	Leasehold (unexpired lease period of 56 years)	Land: 5 hectares	3 plots of land	0.6	—	1995
26	Genting Highlands, Bentung	Leasehold (unexpired lease period of 88 years)	Land: 3 hectares	1 plot of educational land	1.3	—	2000

LOCATION		TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2002 (RM' million)	AGE OF BUILDING (Years)	YEAR OF ACQUISITION
27	Bukit Tinggi, Bentung	Leasehold (unexpired lease period of 92 years)	Built-up: 49 sq.metres	1 unit of Meranti Park Apartment, Bukit Tinggi Resort	0.1	3	1999
28	Mentakab, Temerloh	Freehold	Land: 84 hectares	Vacant housing development land	5.9	—	1989
STATE OF SELANGOR DARUL EHSAN							
1	Genting Highlands, Hulu Selangor	Freehold	Built-up: 149,941 sq.metres	28-storey Highlands Hotel & Car Park IV	457.4	6	1997
2	Genting Highlands, Hulu Selangor	Freehold	Land: 6 hectares	1 plot of building land	6.1	—	1993
			Built-up: 47,715 sq.metres	5-storey Genting Skyway Station Complex with 4-level of basement carpark	77.6	6	1997
3	Genting Highlands, Hulu Selangor	Freehold	Built-up: 3,008 sq.metres	2-storey and 4-storey Gohtong Jaya Security Buildings	6.4	5	1998
4	Genting Highlands, Hulu Selangor	Freehold	Built-up: 8,485 sq.metres	75 units of Ria Apartment (Selangor Tower)	12.3	16	1989
5	Genting Highlands, Hulu Selangor	Freehold	Land: 598 hectares	3 plots of building land	12.3	—	1989
				10 plots of building land	42.0	—	1996
				7 plots of building land	10.4	—	1993
6	Genting Highlands, Gombak	Freehold	Land: 394 hectares	2 plots of vacant building land	28.8	—	1996
7	Batang Kali, Hulu Selangor	Freehold	Land: 9 hectares	1 plot of vacant agriculture land	2.3	—	1994
8	Ulu Yam, Hulu Selangor	Freehold	Land: 38 hectares	1 plot of vacant building land	16.3	—	1994
9	Ulu Yam, Hulu Selangor	Freehold	Land: 4 hectares	3 plots of vacant agriculture land	1.1	—	1994
10	Pulau Indah, Klang	Leasehold (unexpired lease period of 93 years)	Land: 47 hectares	13 plots of vacant industrial land & improvements	47.9	—	1997
FEDERAL TERRITORY OF KUALA LUMPUR							
1	Taman U Thant, Kuala Lumpur	Freehold	Built-up: 178 sq.metres	1 unit of Desa Angkasa Apartment	0.2	16	1988
STATE OF TERENGGANU DARUL IMAN							
1	Kijal, Kemaman	Leasehold (unexpired lease period of 89 years)	Land: 262 hectares	4 plots of resort/property development land	46.8	—	1997
			Land: 51 hectares	18-hole Awana Kijal Golf Course	12.3	—	1997
			Built-up: 35,563 sq.metres	7-storey Awana Kijal Hotel	122.3	6	1997
			Built-up: 1,854 sq.metres	28 units of Baiduri Apartment	2.8	8	1997
			Built-up: 7,278 sq.metres	96 units of Angsana Apartment	11.8	7	1997
		Leasehold (unexpired lease period of 89 years)	Land: 18 hectares	17 plots of resort/property development land	1.2	—	2002
		Leasehold (unexpired lease period of 99 years)	Land: 10 hectares	1 plot of resort/property development land	1.8	—	1997
STATE OF KEDAH DARUL AMAN							
1	Tanjung Malai, Langkawi	Leasehold (unexpired lease period of 85 years)	Land: 14 hectares	5 plots of building land	11.8	—	1997
			Built-up: 14,387 sq.metres	3-storey Awana Langkawi Hotel Cultural / Sports Centre, Maritime / Entertainment Centre	46.0	5	1997

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