

annual report

annual report 1998



RESORTS WORLD BHD

(58019-U)

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COVER RATIONALE

In its ceaseless strive to provide the best leisure and entertainment in Malaysia and in Asia, the Group expanded its leisure operations in 1998, by investing in its associate Star Cruises PLC, the operator of the largest and leading luxury cruise fleet in Asia Pacific.

The front cover depicts the exquisite design of the Grand Centrum, the seven-deck marble atrium located in the stylish interior of SuperStar Leo, the latest addition to Star Cruises' cruise fleet in 1998.

With the immense, powerful and ultra-luxurious 76,800-gross tonne SuperStar Leo and its sister ship SuperStar Virgo (to be delivered in the second half of 1999), Star Cruises is set to enhance its position as the Leading Cruise Line in Asia Pacific beyond Year 2000.

Backed by its leisure businesses at Genting Highlands Resort, the Awana chain of resort hotels, Genting World leisure centres and Star Cruises; Resorts World Bhd will strive to overcome the challenges ahead and to grow in strength into the next millennium.

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 12 May 1999 at 10.30 a.m.

BUSINESS

1. To receive and adopt the Accounts for the financial year ended 31 December 1998 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To sanction the declaration of a final dividend. **(Resolution 2)**
3. To approve Directors' fees of RM288,000 for the financial year ended 31 December 1998 (1997 - RM341,918) **(Resolution 3)**
4. To re-elect Directors:
- Mr Justin Tan Wah Joo **(Resolution 4)**
- Mr Goh Sin Huat **(Resolution 5)**
5. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:

"That Tan Sri Lim Goh Tong, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 6)**

"That Dato' Siew Nim Chee, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 7)**
6. To appoint Auditors and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is set out in Note 2 below, has been received by the Company for the nomination of Messrs PricewaterhouseCoopers who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:

"That Messrs PricewaterhouseCoopers be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors." **(Resolution 8)**
7. To transact any other business of which due notice shall have been given.

By Order of the Board
TAN WOUI MENG
Secretary

Kuala Lumpur
27 April 1999

NOTES

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

2. Nomination Letter

Genting Berhad
Wisma Genting
28 Jalan Sultan Ismail
50250 Kuala Lumpur

16 March 1999

The Board of Directors
Resorts World Bhd
24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur

Dear Sirs

CHANGE OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, we, being a shareholder of the Company, hereby give notice of our intention to nominate Messrs PricewaterhouseCoopers for appointment as auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring auditors, Messrs Deloitte Touche Tohmatsu:

"That Messrs PricewaterhouseCoopers be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully

GENTING BERHAD

COLIN AU FOOK YEOW
Executive Director

1998

- 17 February** Announcement of the Proposed Cash Subscription by Genting Administrative Services Sdn Bhd of 200,000 new ordinary shares of RM1.00 each in the issued and paid-up share capital of Star Cruise Properties Sdn Bhd.
- 23 February** Announcement of Preliminary Results for the financial year ended 31 December 1997.
- 9 April** Announcement of the Proposed Subscription by Resorts World Limited of 125 million new ordinary shares of US\$0.10 each representing approximately 20% equity interest in the enlarged issued and paid-up share capital of Star Cruises PLC for a total cash consideration of US\$262.5 million ("Proposed Subscription").
- 21 May** Announcement of the following:
(a) Entitlement and Book Closure Dates for the Proposed Final Dividend in respect of the financial year ended 31 December 1997.
(b) Eighteenth Annual General Meeting.
- 4 June** Notice to the Shareholders of the Eighteenth Annual General Meeting and Extraordinary General Meeting in respect of the Proposed Subscription.
- 19 June** Eighteenth Annual General Meeting and Extraordinary General Meeting in respect of the Proposed Subscription.
- 13 August** Announcement of Interim Results for the half-year ended 30 June 1998.

Announcement of the Entitlement and Book Closure Dates for the Interim Dividend in respect of the half-year ended 30 June 1998.

1999

- 24 February** Preliminary Announcement of 1998 Results.
- 16 March** Announcement of the Proposed Extension of the exercise period for an additional five (5) years for the outstanding share options granted under The Resorts World Employees' Share Option Scheme for Executives ("Proposed ESOS Extension").
- 13 April** Announcement pertaining to the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 1998 and the Nineteenth Annual General Meeting.
- 14 April** Announcement pertaining to the appointment of Mr Justin Tan Wah Joo as an Executive Director and resignation of Mr Quah Chek Tin as Director of the Company.
- 27 April** Notice to Shareholders of the Nineteenth Annual General Meeting and Extraordinary General Meeting in respect of the Proposed ESOS Extension.
- 12 May** Nineteenth Annual General Meeting and Extraordinary General Meeting in respect of the Proposed ESOS Extension.

DIVIDENDS

	Announcement	Entitlement Date	Payment
1997 Final - 12.0 sen less tax	23 February 1998	1 July 1998	27 July 1998
1998 Interim - 8.0 sen less tax	13 August 1998	2 October 1998	26 October 1998
1998 Proposed Final - 9.0 sen less tax	24 February 1999	21 May 1999	14 June 1999*

* Upon approval of Shareholders at the Nineteenth Annual General Meeting.

BOARD OF DIRECTORS & CORPORATE INFORMATION



Tan Sri Lim Goh Tong
Chairman and Chief Executive



Tun Mohammed Hanif bin Omar
Deputy Chairman



Dato' Lim Kok Thay
Managing Director



Tan Sri Alwi Jantan
Executive Director



Mr Justin Tan Wah Joo
Executive Director



Mr Goh Sin Huat
Director



Dato' Siew Nim Chee
Director



**Tan Sri Dato' Wan Sidek bin
Haji Wan Abdul Rahman**
Director

PRINCIPAL EXECUTIVE OFFICERS

Tan Sri Lim Goh Tong
Tun Mohammed Hanif bin Omar
Dato' Lim Kok Thay
Tan Sri Alwi Jantan
Mr Justin Tan Wah Joo
Colonel (R) Dato' Cheng Wah
Mr Wong Yun On
Encik Rosli bin Kamili
Dato' Anthony Yeo Keat Seong
Dato' Seri N T Rajah, JP
Mr Lee Choong Yan
Mr Jeffrey Teoh Kak Siew
Mr Lim Eng Ming

Chairman and Chief Executive
Deputy Chairman
Managing Director
Executive Vice President – Public Affairs & Human Resources
Executive Vice President – Leisure & Hospitality
Senior Vice President – Property Development
Senior Vice President – Hotel Operations
Senior Vice President – Awana & Leisure
Senior Vice President – Public Relations & Human Resources
Senior Vice President – Liaison
Senior Vice President – Finance & Planning
Senior Vice President – Casino Marketing
Senior Vice President – Casino Operations

AUDIT COMMITTEE

Dato' Siew Nim Chee
Mr Goh Sin Huat
Dato' Lim Kok Thay

Chairman/Independent Non-Executive Director
Member/Independent Non-Executive Director
Member

SECRETARY

Mr Tan Wooi Meng

REGISTERED OFFICE

24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel: (03) 261 2288

REGISTRARS

Genting Management and Consultancy Services Sdn Bhd
23rd Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur Tel: (03) 261 2288

AUDITORS

Deloitte Touche Tohmatsu (*Public Accountants*)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I would like to present the Annual Report of the Resorts World Group of Companies ("Group") for the financial year ended 31 December 1998.

PERFORMANCE REVIEW

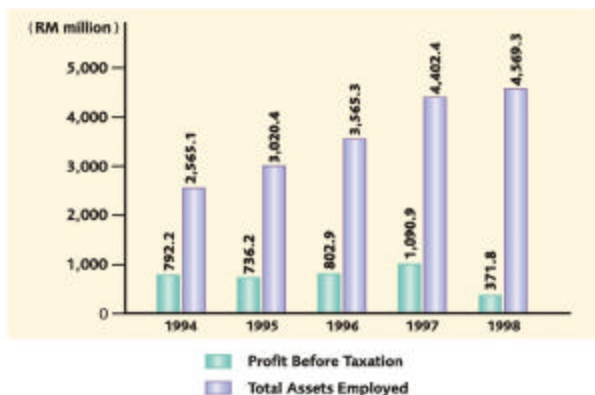
It has been a very tough and challenging year for the Group. Turnover (including proceeds from sale of investments) declined by 17% to RM2,514.9 million. Profit before tax, which included an exceptional item of RM373.2 million on the write-off of goodwill mainly from the acquisition of Star Cruises PLC, declined by 66% to RM371.8 million. Earnings per share also decreased by 83% to 13.6sen.

DIVIDENDS

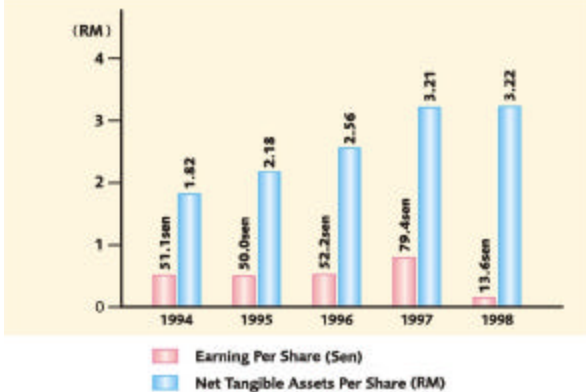
An interim dividend of 8.0 sen less 28% tax per ordinary share of 50 sen each, amounting to RM62.9 million was paid on 26 October 1998.

For the financial year ended 31 December 1998, your Directors recommend a final dividend of 9.0 sen less 28% tax per ordinary share of 50 sen each, subject to the approval of the shareholders at the forthcoming Nineteenth Annual General Meeting. The total annual net dividend for the year will amount to RM133.6 million.

PROFIT BEFORE TAXATION & TOTAL ASSETS EMPLOYED



EARNINGS PER SHARE & NET TANGIBLE ASSETS PER SHARE



PENYATA PENERUSI

Saya bagi pihak Lembaga Pengarah, ingin membentangkan Laporan Tahunan Syarikat-syarikat dalam Kumpulan Resorts World ("Kumpulan") bagi tahun kewangan berakhir 31 Disember 1998.

TINJAUAN PRESTASI

Tahun ini merupakan satu tahun yang sukar dan mencabar bagi Kumpulan. Perolehan (termasuk hasil daripada penjualan pelaburan) menurun sebanyak 17% kepada RM2,514.9 juta. Keuntungan sebelum cukai yang termasuk perkara terkecuali sebanyak RM373.2 juta hasil pelupusan muhibah terutamanya daripada pemerolehan Star Cruises PLC, telah menurun sebanyak 66% kepada RM371.8 juta. Pendapatan sesaham juga berkurangan sebanyak 83% kepada 13.6sen.

DIVIDEN

Dividen interim sebanyak 8.0 sen tolak 28% cukai bagi setiap saham biasa berharga 50 sen sesaham, yang berjumlah RM62.9 juta telah dibayar pada 26 Oktober 1998.

Bagi tahun kewangan berakhir 31 Disember 1998, Pengarah-pengarah anda mengesyorkan dividen akhir sebanyak 9.0 sen tolak 28% cukai bagi setiap saham biasa berharga 50 sen sesaham, yang tertakluk kepada kelulusan daripada para pemegang saham pada Mesyuarat Agung Tahunan Kesembilan Belas akan datang. Jumlah dividen bersih tahunan bagi tahun ini akan berjumlah RM133.6 juta.

FINANCIAL HIGHLIGHTS			
Year ended 31 December	1998 RM million	1997 RM million	Change %
Operating revenue	2,514.9	3,038.7	(17)
Profit before taxation	371.8	1,090.9	(66)
Profit after taxation	149.4	866.4	(83)
Profit attributable to shareholders	149.0	867.3	(83)
Shareholders' funds	3,521.5	3,501.9	1
Total assets employed	4,569.3	4,402.4	4
Earnings per share (sen)	13.6	79.4	(83)
Net dividend per share (sen)	12.2	14.6	(16)
Dividend cover (times)*	1.1	5.4	(80)
Net tangible assets per share (RM)	3.22	3.21	0
Return (after tax and minority interests) on average shareholders' funds (%)	4.2	27.6	(85)

* Computed based on profit after taxation and minority interests.

CORPORATE & BUSINESS DEVELOPMENTS

In June 1998, the Group invested US\$262.5 million for approximately 20% equity interest in the enlarged issued share capital of Star Cruises PLC ("SCPLC"). As at 31 December 1998, the Group owns about 27% equity interest in SCPLC.

During the year, the Group acquired Star Cruise Properties Sdn Bhd, which owns a 100% interest in 35.3 acres of land in Pulau Langkawi and a 60% interest in 115.6 acres of land in Pulau Indah in Klang, Selangor for a total consideration of RM72.3 million.

YEAR 2000 (Y2K)

Led by the Group's Y2K task force to address the issue, the Group is well on schedule in ensuring that all of its relevant systems and applications are Y2K ready.

PROSPECTS

The Group's future performance will remain dependent on the regional economic conditions. In the face of the current economic downturn, as well as the tougher operating environment, the Group will work harder to continuously improve its infrastructure, facilities and services to our valuable customers.

More new attractions are scheduled to open at Genting Highlands Resort in 1999, such as *Super Toboggan*, *Space Adventure*, *The Water Park* (a family-oriented wet park comprising the ever-popular heated splash pool, a wave pool and a wave-generated action river). The Group will continue to strengthen its other new leisure businesses to ensure long term sustainable growths.

The Group with its strong management team and financial strengths, is confident of overcoming the challenges ahead.

APPRECIATION

On behalf of the Board, I wish to congratulate Dato' Lim Kok Thay on his appointment as Managing Director and welcome Mr. Justin Tan Wah Joo, who has joined the Board as an Executive Director. I will continue to serve as Chairman and Chief Executive. My fellow Directors and I would also like to express our sincere appreciation for the invaluable contributions made by Mr. Quah Chek Tin, who has resigned from the Board and has been appointed as an Executive Director of our holding company, Genting Berhad.

Our sincere thanks is also extended to our shareholders, customers, various authorities and business associates for their continuous support and confidence in the Group. My commendation also goes to the Management and staff for their hard work, dedication, loyalty and untiring efforts.

TAN SRI LIM GOH TONG

Chairman and Chief Executive
12 April 1999

PERKEMBANGAN KORPORAT & PERNIAGAAN

Pada bulan Jun 1998, Kumpulan telah melaburkan US\$262.5 juta untuk memiliki kira-kira 20% kepentingan ekuiti modal terbitan saham yang telah diperbesarkan dalam Star Cruises PLC ("SCPLC"). Pada 31 Disember 1998, Kumpulan memiliki kira-kira 27% kepentingan ekuiti dalam SCPLC.

Pada tahun dalam kajian, Kumpulan memiliki Star Cruise Properties Sdn Bhd yang mempunyai 100% kepentingan dalam 35.3 ekar tanah di Pulau Langkawi dan 60% kepentingan dalam 115.6 ekar tanah di Pulau Indah di Klang, Selangor dengan pertimbangan berjumlah RM72.3 juta.

TAHUN 2000 (Y2K)

Kumpulan yang dilengkapi dengan sepasukan tenaga petugas Y2K bagi menangani isu ini, kini telah berjaya menepati jadualnya bagi memastikan supaya semua sistem dan aplikasi berkaitannya bersedia menghadapi Y2K.

PROSPEK

Prestasi Kumpulan pada masa depan akan terus bergantung kepada keadaan ekonomi serantau. Dalam menghadapi kemelesetan ekonomi semasa serta persekitaran operasi yang semakin mencabar, Kumpulan akan berusaha lebih gigih untuk terus mempertingkatkan infrastruktur, kemudahan-kemudahan dan perkhidmatan yang disediakan kepada para pelanggan kami yang dihargai.

Lebih banyak tarikan baru dijadualkan akan dibuka di Genting Highlands Resort pada tahun 1999 seperti *Super Toboggan*, *Space Adventure*, *The Water Park* (taman air berorientasi keluarga yang terdiri daripada kolam splash yang dipanaskan, kolam berombak dan sungai tiruan yang berombak). Kumpulan akan terus mengukuhkan lagi perniagaan peranginan barunya untuk memastikan pertumbuhan jangka panjang yang berkekalan.

Kumpulan yang memiliki pasukan pengurusan dan kewangan yang mantap, yakin dapat mengatasi sebarang cabaran di masa akan datang.

PENGHARGAAN

Saya bagi pihak Lembaga Pengarah ingin mengucapkan tahniah kepada Dato' Lim Kok Thay di atas pelantikannya sebagai Pengarah Urusan dan mengalu-alukan Encik Justin Tan Wah Joo yang telah menyertai Lembaga sebagai Pengarah Eksekutif. Saya akan meneruskan perkhidmatan saya sebagai Pengerusi dan Ketua Eksekutif. Saya dan rakan-rakan pengarah juga ingin menyampaikan penghargaan tulus ikhlas ke atas sumbangan yang tidak ternilai dari Encik Quah Chek Tin, yang telah meletakkan jawatan dari Lembaga, serta pelantikan beliau sebagai Pengarah Eksekutif syarikat pemegang kita, Genting Berhad.

Ucapan terima kasih juga dirakamkan kepada para pemegang saham kami, pelanggan, pelbagai pihak berkuasa dan rakan perniagaan di atas sokongan serta keyakinan mereka yang berterusan terhadap Kumpulan. Saya juga ingin memuji pihak pengurusan dan kakitangan Kumpulan ke atas kerajinan, dedikasi, kesetiaan dan kegigihan mereka selama ini.

TAN SRI LIM GOH TONG

Pengerusi dan Ketua Eksekutif
12 April 1999



An overview of Genting Highlands Resort

GENTING HIGHLANDS RESORT

The year under review was an active year for the Group with the construction of new facilities and addition of new businesses. Despite the difficult economic conditions, the numbers of visitors have increased and the hotel occupancy continued to be strong.

The Group continued to expand its business with a 27% equity investment in Star Cruises PLC, the leading cruise operator in Asia Pacific; the opening of three additional leisure centres under the brand name "Genting World" and the commencement of Awana Timeshare Ownership scheme business.

GENTING – CITY OF ENTERTAINMENT

During the year, spectacular concerts were held at the 6,000-seat *Arena of Stars*. International artistes such as The Wynners, Anita Mui, Alex To, Roman Tam, Francis Yip, Chilam, and local favourites like Zainal Abidin, Seha, Camelia, Elite and Sara Loo played to enthusiastic crowds at the *Arena of Stars*.

The regular television musical programme, '3.2.1 Action' held its annual award presentation in December 1998, bringing together superstars from Hong Kong and Taiwan, including Andy Lau, Leon Lai, Cheng E-Kin, Jordan Chan, Coco Lee, Jeff Chang, Nicholas Tse, Harlem Yu, and Hacken Lee.

The *Arena of Stars* also staged other entertainment extravaganzas, notably variety shows featuring stars from

popular Hong Kong television serials namely, "Hong Kong True Love" and "Enjoy Yourself Tonite". The spectacular 3rd Genting World Lion Dance Championship (17 - 19 July 98) was also held at the *Arena of Stars*. This event saw the participation of 18 world-class lion dance teams from 10 countries.

The Magic Xscape with its spellbinding illusions performed at the 1,800-seater *Genting International Showroom* ("GIS") and completed its successful run in August 1998. Subsequently another world-class production, "Harary ImagineNation" was introduced, featuring Franz Harary, who is highly acclaimed as one of the world's best illusionists. This multi-million Ringgit production with the latest special effects, will be one of the most talked about event of the year, providing great spectacle and entertainment for all.

At the Celebrity Lounge, the latest blockbuster movies, game shows, dance performances and live telecasts of sporting events made it a popular entertainment hub for patrons of the Resort.

Mr & Miss Chinatown 98 were also held at the Genting Grand Ballroom with 12 local beauties vying for the Miss Malaysia Chinatown and 12 local finalists for the Mr Chinatown International title.

The Group won a total of eight awards during the Malaysia Book of Records Awards Night held on 9 December 1998.



The Corkscrew roller coaster

The new entrance of Genting Theme Park

Genting Skyway Cable Car

Genting Skyway which travels at a maximum speed of 21.6km per hour, won two awards for the "World's Fastest Mono Cable Car System" and the "Longest Cable Car in Malaysia and Southeast Asia". The journey from Gohtong Jaya to Highlands Hotel, which spans 3.38 km, takes a mere 11 minutes.

Genting Theme Park won three awards under the "first in the kind in Malaysia category" - i.e. the Motion Simulator (Motion Master), the Monorail (Caterpillar) and the 3-D Theatre (3-D Fun House). Genting Theme Park also won the "Most Number of Roller Coasters in Malaysia" for its four roller coasters, namely The Corkscrew, The Rolling Thunder Mine Train, The Space Odyssey and The Cyclone.

From the perspective of human achievement, a Malaysian record was for making the Longest "Yar Char Keoy" a deep-fried Chinese delicacy measuring 108 feet.

The eighth award was for having the "Most Number of Rooms" at Highlands Hotel, which has a total of 888 rooms and suites.

HOTELS

Despite the economic downturn, the four hotels at the Resort, namely Genting Hotel, Highlands Hotel, Resort Hotel and Theme Park Hotel registered an overall occupancy rate of 84% in 1998 (1997: 79%). A total of 888,098 room nights were sold, representing an increase of 6%.

Efforts to refurbish and upgrade existing hotel rooms were carried out throughout the year to maintain the high quality standards at the Resort.

At the Highlands Hotel, 180 Deluxe Twin rooms at the 11th and 12th floors were refurbished and upgraded to Premier Club rooms, bringing the total number of Premier Club rooms to 360.

During the year of review, the 445-room Theme Park Hotel underwent a room improvement programme that would continue into early 1999.

Located at 6,000 feet above sea level, the *Galleria Observatory* was officially opened by the Minister of Culture, Arts & Tourism, Dato' Sabaruddin Chik on 14 August 1998. It offers a panoramic view of the highlands, a gallery of informative pictorial history of the Resort and a Genting Theme Park Souvenirs counter.

Touch Screen Info kiosks were installed at all hotel lobbies in July 1998, to provide quick access information on the Resort's facilities and services and general public data to patrons. Four Astro Channels has been installed for additional television entertainment to all guestrooms at the Genting Hotel and Highlands Hotel.



Galleria Observatory

Studio 98

Genting World Kafe

CONVENTIONS

The Resort continues to be a favourite venue for major organisations to hold their conventions and annual functions. A total of 839 conventions and functions were held in 1998.

The *Genting Convention Centre* underwent major renovations and expansion during the year. Four new meeting rooms (Bilik Maxwell, Bilik Fraser, Bilik Kelebang and Bilik Titiwangsa) and a new convention hall (Bilik Tahan) were added to the convention facilities. The Resort, including Awana Genting and *Arena of Stars*, have in total 36 venues for convention facilities that can cater up to 10,200 conventioners.

FOOD & BEVERAGE

During the year under review, the Group has a total of 27 food and beverage outlets at the Resort (excluding Awana Genting Highlands), and served 8.0 million covers, an increase of 15% compared to the previous year. Three new exciting outlets were opened during the year, namely the *Genting World Kafe*, *Latin Quarter* and *Studio 98*.

The *Genting World Kafe*, the latest fun house and swanky watering hole is a one-stop entertainment centre. Opened on 31 October 1998, it has six theme concepts - namely the *Pizza Factory*, *Internet Kafe*, *Sports Kafe*, *Dance Kafe*, *Ulu Kali Lounge* and the *Side Walk Kafe*.

The *Latin Quarter* at the Genting Hotel, offers the old world charm and nostalgia in its four-in-one stop entertainment lookouts - namely the *Mardi Gras* with its live jazz bands, *New Orleans Barbecue* that offers open grill barbecue fare with a *Las Vegas* feel, *The Bourbon Street Bar* for the pub

lovers and the *Cigar Bar* that offers a wide variety of exotic Havana Club brand cigars.

Studio 98 at the Indoor Theme Park offers visitors the state-of-the-art discotheque with the latest in design and technology. This two-tiered discotheque with a floor space of 18,105 sq. ft. and a mega 22 ft. x 9 ft. video wall and sound system, allows patrons to enjoy music at its best!

Three additional dining venues opened in the first two months of 1999, namely the *Imperial Rama*, *VIP Restaurant* and *Restoran Selera Malaysia*.

The *Imperial Rama*, at the Highlands Hotel offers a blend of fine dining in Chinese and Thai cuisine. The *VIP Restaurant* at the Highlands Hotel caters exclusively to our valued Genting World Gold and Platinum Card members. The *Restoran Selera Malaysia* at the Theme Park Hotel offers authentic nyonya food and is an ideal family restaurant.

GENTING THEME PARK

The theme park celebrated a new milestone when the one-price entry programme was introduced in May 1998, where guests can enjoy unlimited rides and theme park attractions in a day.

New attractions launched in 1998 included the *Flying Dragon Family Coaster*, the *Bumper Boat* ride at the Outdoor Theme Park and the new *Motion Master* film James Bond's "*License to Thrill*" at the Indoor Theme Park.

A new entrance is being constructed to provide a better ambience and more space for guests entering the Outdoor Theme Park.



The new Wet Park at Genting Theme Park



Genting World Leisure Centre, Bukit Mertajam, Penang

TRANSPORTATION

For the convenience of our overseas patrons, a hotel reservations and information counter was opened at the arrival hall of the Main Terminal Building at the new Kuala Lumpur International Airport (KLIA). In addition, a hospitality suite, the Genting Lounge was installed at the Departure Hall providing a location to welcome guests and also for patrons awaiting departure.

A shuttle service from KLIA and a base for the chartered helicopter service near KLIA were established during the year, to ensure that guests are conveniently transported to the Resort.

In our efforts to continuously provide and upgrade our Genting Express Bus Service, six units of Air Suspension coaches costing RM2.4 million in total were purchased to replace older ones. The Genting Golden Package, introduced in 1998, continues to enjoy good response amongst day-trippers and tourists from several new destinations within the Klang Valley region, Singapore and Southern Thailand.

DEVELOPMENT PROJECTS

Major refurbishment and upgrading works in Genting Hotel, Highlands Hotel and Theme Park Hotel were completed during the year under review, and the new Wet Park at the Outdoor Theme Park is to be ready by early 1999.

In our continuous efforts to improve the road system, the Group had begun to implement maintenance and

improvement work on the 10km stretch of the main Genting Road from Genting Sempah to Genting Skyway. This road upgrade will cater to the future traffic demands at the Resort as well as reduce travelling time on a high quality dual-carriage road.

To-date, the Group has invested more than RM2 billion in total, since the beginning of the first 5-Year Development Plan in the year 1990. The Group will continue with its untiring efforts to remain competitive and to attract more visitors to the Resort.

GENTING WORLD

Genting World continued to expand its leisure activities in 1998, comprising mainly of bowling and snooker, at selected major towns throughout the country.

The first Genting World leisure centre was opened at Bukit Mertajam, Penang in 1997. Subsequently, another three Genting World leisure centres opened during the year of review - namely at Awana Porto Malai in Langkawi, Kedah; Ipoh Parade in Ipoh, Perak and the Summit USJ in the Klang Valley, Selangor.

The Genting World leisure centres are fast becoming popular attractions that offer the latest and high-tech bowling lanes, snooker tables and cafes. These leisure centres also act as one-stop outlets which enable guests to make hotel reservations and provide other services of the Resort.



Awana Genting Highlands

Awana Kijal, Terengganu

Awana Porto Malai, Langkawi

AWANA HOTELS & RESORTS

The three Awana properties (Awana Genting Highlands Golf & Country Resort; Awana Kijal Golf and Beach Resort, Terengganu; and Awana Porto Malai, Langkawi) continue to attract its niche clientele with its innovative packages, aggressive marketing and smart partnership with key players in the travel arena. The Awana Dream Holidays is an example where an affordable package was launched by establishing a smart partnership with our national airline, Malaysia Airlines System.

AWANA GENTING HIGHLANDS GOLF & COUNTRY RESORT ("AWANA GENTING")

In 1998, Awana Genting Highlands again won the Most Scenic Golf Course in Malaysia 1998/1999 award by Golf Malaysia Magazine. The newly renovated Rajawali Restaurant reopened for business in November 1998. Attractively designed with stone carvings, Malaccan stained glass and traditionally inspired furniture and fittings, the Rajawali is a unique and cosy Malaysian restaurant, overlooking the Most Scenic Golf Course in Malaysia.

AWANA KIJAL GOLF & BEACH RESORT ("AWANA KIJAL")

The year also saw tourists on board Star Cruises making their inaugural visit to the five-star Awana Kijal in May 1998. Numerous major golf tournaments were held such as the *Heineken Golf Classic* and the *World Cup of Golf "Green" Challenge* were held during the year.

Awana Kijal co-hosted the Rainforest Challenge '98, a 4x4 Wheel Drive competition.

AWANA PORTO MALAI LANGKAWI ("AWANA PORTO MALAI")

This Mediterranean-style resort with its alfresco dining concept and a boardwalk by the sea, continues to enjoy good patronage from sea-sports tourists as well as corporate and incentive groups.

The All-Inclusive packages where holidaymakers pay just a single price for hotel accommodations, meals and facilities proved to be a continuing success.

Awana Porto Malai hosted various sports events such as the 1st Malaysian Jet Endurance Grand Prix, the Malaysia Open Sepak Takraw Tournament and the Joran Fishing Competition.

AWANA TIMESHARE OWNERSHIP SCHEME

The year under review saw the launching of the timeshare ownership scheme under Awana Vacation Resorts Development Bhd.

The holiday resorts currently under the timeshare scheme are Awana Genting and Awana Kijal. The scheme also provides access to Resort Condominium International (RCI) exchanges that have more than 3,300 affiliated resorts over 85 countries around the world.

Timeshare owners can also exchange into other hotels within the group and enjoy numerous discounts offered by the Awana Resorts, special rates on Star Cruises and Genting Highlands Resort.



Star Cruises fleet of liners

STAR CRUISES PLC

For the year under review, the Group expanded its leisure business to cruises, by its investment in associate Star Cruises PLC, the leading cruise operator in Asia Pacific and one of the five largest cruise lines in the world.

Star Cruises has a fleet of eight vessels, namely SuperStar Leo, Star Aquarius, Star Pisces, SuperStar Gemini, MegaStar Aries, MegaStar Taurus, SuperStar Capricorn and SuperStar Express. Four more vessels will complement the fleet over the next four years. At present, Star Cruises has one of the youngest cruise fleets in the world.

These efforts have been duly recognised by the numerous awards won by Star Cruises, such as the 1998 PATA Travel Awards "The Best Cruise Operator" for the second consecutive year, the prestigious "World Travel Market 1998 Global Travel Award" and the 1998 Meeting & Conventions Gold Service Award for the "Best Cruise Company".

Star Cruises has been innovative in its packaging and marketing all-inclusive cruise packages that are affordable for everyone.

The latest vessel, SuperStar Leo is the first newbuilding, specifically built for Asian cruising conditions. With 1,000 cabins, the length of which is equivalent to a 100-storey hotel, SuperStar Leo has the size, luxury and appointments to create significant consumer demand in the Asian region.

Ever since its official launch in October 1998, the 76,800-gross ton SuperStar Leo has received overwhelming response from the market.

By the third quarter of 1999, two vessels one of similar size and luxury to SuperStar Leo, named the SuperStar Virgo and SuperStar Europe (former MS Europa) will join the Star Cruises fleet. By year 2002, two additional newbuildings, the SuperStar Libra and SuperStar Scorpio will be added to the Star Cruises fleet.

YEAR 2000

Recognising the business challenges that can arise from the potential Year 2000 ("Y2K") problem, the Group has set up a Y2K task force to address the Y2K issues both from the IT as well as business perspectives. This is to ensure a smooth continuity of the Group's business processes and systems into the next millennium.

Led by the Y2K task force, the Group has to-date completed several major phases of the project - including the awareness programme, checklist on inventory, impact analysis, budgeting and setting up of testing facilities. The task force is currently at the testing, validation and remediation phases.

The Group is constantly reviewing the previous phases to ensure complete coverage of any Y2K-related issue for critical systems, including third-party linkages and business chain. The total budgeted cost of the Y2K project for the Group is estimated at RM4 million.



The Group's Deputy Chairman, Tun Mohammed Hanif bin Omar with the 25 years of service award recipients

HUMAN RESOURCES

As at December 1998, the Group's total workforce stood at 9,044. The Group is committed towards the development of a flexible and multi-skilled workforce to meet the challenges and changing needs of its business.

The Genting Centre of Excellence ("GCE") located at Gohtong Jaya, conducts hotel courses under the Hotel Apprenticeship Scheme for which it received the "Best Supporter Award" from the Ministry of Human Resources. It also provides management courses and training programmes.

Various 5-Service Standard campaigns were held to instil and enhance our service quality. The Group also embarked on ISO 9002 Certification to benchmark our standard of service.

The importance of safety and health at the work place is emphasised with regular audit inspections and campaigns to inculcate safe work practices.

The Resorts World Employees Union was presented with the Ministry of Human Resources "Model Trade Union - Private Sector" Award, in conjunction with Workers' Day Celebrations.



The Group's Chairman, Tan Sri Lim Goh Tong handing over the Queen's Baton to Pahang's Chief Minister, Tan Sri Mohamad Khalil Yaacob

COMMUNITY SERVICES

Despite the economic slowdown, the Group continued to support in cash and in kind, various welfare and non governmental organisations, as well as the development of sports, education, culture and other charities throughout the nation.

The Group was the Platinum Partner contributing RM5 million to Sukom '98, and hosted the Queen's Baton Run, prior to the grand opening at the Bukit Jalil Stadium on 11 September 1998. More than 200 runners from the Group participated in the Baton run from Awana Genting Highlands and Genting Skyway to Genting Hotel.

The Group continued to support major sports and related associations, such as the Football Association of Malaysia and the Foundation for Malaysian Sporting of Excellence and the cycling competition Le Tour de Langkawi.

The Group contributed RM2.1 million to the Special National Fund and supported various conferences on the economic recovery.

In supporting humanitarian services, the Group provided RM3.0 million to the Malaysian Red Crescent Society and contributed in cash to numerous other welfare organisations.

The Group also sponsored the publication of books such as "Tun Razak: Jejak Bertapak Seorang Patriot", "The Sultanate of Kedah", "Suara Pendidik", "Buku Masjid-Masjid Dunia, Malaysia & Kuala Lumpur".

The Directors of **RESORTS WORLD BHD** have pleasure in submitting their report and the audited accounts of the Group and of the Company for the financial year ended 31 December 1998.

PRINCIPAL ACTIVITIES

The Company is involved in the operation of a tourist resort at Genting Highlands and its activities cover leisure and hospitality, amusement, gaming and entertainment.

The principal activities of the Group include property development and management, leisure and hospitality services, investment holding, tours and travel related services.

Details of the principal activities of the Group are set out in Note 28 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS

The audited results of the operations of the Group and of the Company for the financial year are as follows:

	Group RM million	Company RM million
Profit before taxation	371.8	701.2
Taxation	(222.4)	(221.7)
Profit after taxation	<u>149.4</u>	<u>479.5</u>
Minority shareholders' interests	<u>(0.4)</u>	<u>-</u>
Profit attributable to shareholders of Resorts World Bhd	149.0	479.5
Unappropriated profit at beginning of the year	<u>2,922.7</u>	<u>2,392.1</u>
Profit available for appropriation	3,071.7	2,871.6
Appropriations:		
Interim dividend - 8.0sen less 28% tax	(62.9)	(62.9)
Proposed final dividend - 9.0sen less 28% tax	(70.7)	(70.7)
	<u>(133.6)</u>	<u>(133.6)</u>
Unappropriated profit at end of the year	<u>2,938.1</u>	<u>2,738.0</u>

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

- (i) a final dividend of 12.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM94,335,264 in respect of the financial year ended 31 December 1997 and which has been dealt with in the previous Directors' report was paid on 27 July 1998; and
- (ii) an interim dividend of 8.0sen less 28% tax per ordinary share of 50 sen each amounting to RM62,890,176 in respect of the financial year ended 31 December 1998 was paid on 26 October 1998.

The Directors recommend payment of a final dividend of 9.0 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 14 June 1999 to shareholders registered in the Register of Members at the close of business on 21 May 1999. Based on the issued and paid-up ordinary shares of the Company as at the date of this report, the final dividend would amount to RM70,751,448.

RESERVES AND PROVISIONS

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in the accounts.

ISSUE OF SHARES. DEBENTURES AND SHARE OPTIONS

During the financial year, there were no issue of shares, debentures and share options.

The following Options to take up unissued ordinary shares of the Company, previously granted to executive employees of the Group under The Resorts World Employees' Share Option Scheme for Executives, were outstanding as at 31 December 1998:

Option	Option Expiry Date	Subscription Price Per Share	No. of Shares
1994/1999	22 September 1999	RM16.77	<u>1,607,000</u>

ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS (Cont'd)

The shares under the aforesaid Options may be exercised in full or in respect of 1,000 shares or a multiple thereof on the payment of the requisite subscription price within three months prior to the Option expiry date. The persons to whom the Options have been issued have no right to participate by virtue of the Options in any share issue of any other company.

On 9 March 1999, the Securities Commission approved the Company's application to extend the Option and exercise period of the outstanding Options for an additional five (5) years from 22 September 1999 to 22 September 2004 ("Proposed Extension") subject to the approval of the shareholders of the Company at a general meeting to be convened.

The Proposed Extension thereby extends the Option period of the outstanding Options to the maximum ten (10) years permissible under Section 68 of the Companies Act, 1965 as amended by the Companies (Amendment) (No.2) Act 1998 which came into force on 1 November 1998.

DIRECTORATE

The Directors who served since the date of the last report are:

Tan Sri Lim Goh Tong
Tun Mohammed Hanif bin Omar
Dato' Lim Kok Thay
Mr Quah Chek Tin (*Resigned on 12 April 1999*)
Tan Sri Alwi Jantan
Mr Goh Sin Huat
Dato' Siew Nim Chee
Tan Sri Dato' Wan Sidek bin Hj Wan Abdul Rahman
Mr Justin Tan Wah Joo (*Appointed on 12 April 1999*)

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company; Genting Berhad, the holding company; Asiatic Development Berhad, a related company; and of Genting International PLC, a related corporation as set out below:

INTEREST IN THE COMPANY

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	2,610,000	-	2,610,000
Mr Quah Chek Tin	1,000	-	1,000
Mr Goh Sin Huat	236,000	(151,000)	85,000
Share Options in the names of Directors	1.1.1998	Offered/(Lapsed)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	1,000,000	(700,000)	300,000
Tun Mohammed Hanif bin Omar	1,000,000	(500,000)	500,000
Dato' Lim Kok Thay	650,000	(475,000)	175,000
Tan Sri Alwi Jantan	600,000	(350,000)	250,000

INTEREST IN GENTING BERHAD

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	6,681,000	-	6,681,000
Dato' Lim Kok Thay	2,553,000	-	2,553,000
Mr Quah Chek Tin	1,000	-	1,000
Mr Goh Sin Huat	9,000	(9,000)	-
Shareholdings in which the Director is deemed to have an interest	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	11,523,996	-	11,523,996
Share Options in the names of Directors	1.1.1998	Offered/(Exercised)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	600,000	-	600,000
Tun Mohammed Hanif bin Omar	500,000	-	500,000
Dato' Lim Kok Thay	400,000	-	400,000

INTEREST IN ASIATIC DEVELOPMENT BERHAD

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	437,500	-	437,500
Dato' Lim Kok Thay	144,000	-	144,000
Dato' Siew Nim Chee	9,000	(9,000)	-

INTEREST IN GENTING INTERNATIONAL PLC

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	1,832,468	-	1,832,468
Dato' Lim Kok Thay	623,000	-	623,000

Shareholdings in which the Director is deemed to have an interest	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of US\$0.10 each)		
Dato' Lim Kok Thay	4,649,598	-	4,649,598

Share Options in the name of Director	1.1.1998	Offered/(Relinquished)	31.12.1998
	(Number of unissued ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	500,000	(500,000)	-

Call Options in the name of Director	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of unissued ordinary shares of US\$0.10 each)		
Dato' Lim Kok Thay	1,000,000	(1,000,000)	-

Apart from the above disclosures:

- (a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- (b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirements gratuities shown in the accounts or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) A company in which Dato' Lim Kok Thay is a director and a substantial shareholder has retained Asiatic Development Berhad, a related company to provide plantation advisory services.
- (ii) The Company had extended a housing loan to Mr Quah Chek Tin to enable him to acquire a home.
- (iii) A company in which Tan Sri Lim Goh Tong is a director and a substantial shareholder has rented approximately 5.87 hectares of land in the Mukim of Batang Kali, District of Ulu Selangor, Selangor to Genting Utilities & Services Sdn. Bhd., a wholly-owned subsidiary of the Company.
- (iv) A corporation in which Tan Sri Lim Goh Tong is a shareholder; and Dato' Lim Kok Thay is a director, shareholder and call option holder has issued and allotted 125,000,000 new ordinary shares of US\$0.10 each to Resorts World Limited, an indirect wholly-owned subsidiary of the Company for a cash consideration of US\$262.5 million.

Mr. Justin Tan Wah Joo is due to retire in accordance with Article 104 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Mr. Goh Sin Huat is due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Tan Sri Lim Goh Tong and Dato' Siew Nim Chee retire pursuant to Section 129 of the Companies Act, 1965 and that separate resolutions will be proposed for their re-appointment as Directors under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

OTHER STATUTORY INFORMATION

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Group and of the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the accounts of the Group and of the Company misleading;
- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the accounts of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the accounts of the Group and of the Company, that would render any amount stated in the respective accounts misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the exceptional items as reported in Note 6 to the accounts; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

HOLDING COMPANY

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

On behalf of the Board,

DATO' LIM KOK THAY

TAN SRI ALWI JANTAN

Kuala Lumpur
12 April 1999



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PROFIT & LOSS ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		1998	1997	1998	1997
OPERATING REVENUE	3, 4 & 5	2,514.9	3,038.7	2,266.7	2,243.9
PROFIT BEFORE TAXATION	4, 5 & 6	371.8	1,090.9	701.2	751.8
Taxation	7	(222.4)	(224.5)	(221.7)	(222.6)
PROFIT AFTER TAXATION		149.4	866.4	479.5	529.2
Minority shareholders' interests		(0.4)	0.9	-	-
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF RESORTS WORLD BHD		149.0	867.3	479.5	529.2
Unappropriated profit at beginning of the year		2,922.7	2,214.7	2,392.1	2,022.2
PROFIT AVAILABLE FOR APPROPRIATION		3,071.7	3,082.0	2,871.6	2,551.4
Appropriation:					
Dividends	8	(133.6)	(159.3)	(133.6)	(159.3)
UNAPPROPRIATED PROFIT AT END OF THE YEAR	22	2,938.1	2,922.7	2,738.0	2,392.1
EARNINGS PER SHARE	25	13.6 sen	79.4 sen		

The notes set out on pages 22 to 32 form part of these accounts.

BALANCE SHEETS

AS AT DECEMBER 1998

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		1998	1997	1998	1997
EMPLOYMENT OF CAPITAL					
FIXED ASSETS	9	2,389.7	2,168.3	1,772.1	1,738.9
PROPERTY DEVELOPMENT	10	219.1	217.5	-	-
INVESTMENT PROPERTIES	11	76.4	76.4	-	-
SUBSIDIARY COMPANIES	12	-	-	2,010.7	1,675.1
INVESTMENTS	13	2.2	116.2	2.2	2.2
INVESTMENT IN ASSOCIATED COMPANY	14	951.6	-	0.3	-
CURRENT ASSETS					
Property development	10	16.6	18.3	-	-
Stocks	15	12.7	9.7	11.1	8.4
Trade debtors	16	16.1	270.0	6.1	5.2
Other debtors, deposits and prepayments		45.5	67.4	34.1	47.2
Amount due from other related companies		4.4	0.4	4.3	0.2
Loan to a director	17	0.1	0.1	0.1	0.1
Short-term investments	18	178.5	684.0	106.9	108.8
Bank balances and deposits	19	656.4	774.1	314.3	245.8
		930.3	1,824.0	476.9	415.7
LESS: CURRENT LIABILITIES					
Trade creditors		22.6	19.8	17.3	17.4
Other creditors and accrued expenses		291.0	258.2	272.3	236.3
Amount due to holding company	20	5.8	2.1	5.6	8.5
Amount due to other related companies		60.5	19.3	10.8	16.6
Provision for taxation		465.9	392.6	464.7	390.3
Proposed dividend		70.7	94.3	70.7	94.3
		916.5	786.3	841.4	763.4
NET CURRENT ASSETS/(LIABILITIES)		13.8	1,037.7	(364.5)	(347.7)
		3,652.8	3,616.1	3,420.8	3,068.5
CAPITAL EMPLOYED					
SHARE CAPITAL	21	545.9	545.9	545.9	545.9
RESERVES	22	2,975.6	2,956.0	2,771.3	2,425.4
SHAREHOLDERS' FUNDS		3,521.5	3,501.9	3,317.2	2,971.3
MINORITY INTERESTS		11.7	1.2	-	-
LONG-TERM ADVANCE	23	14.3	14.3	-	-
DEFERRED TAXATION	24	17.9	11.0	17.8	10.6
RETIREMENT BENEFITS AND GRATUITIES		87.4	87.7	85.8	86.6
		3,652.8	3,616.1	3,420.8	3,068.5
NET TANGIBLE ASSETS PER SHARE		RM3.22	RM3.21		

The notes set out on pages 22 to 32 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after minority interests but before taxation	371.4	1,091.8
Adjustments for:		
Depreciation of fixed assets	164.1	119.8
Provision for retirement gratuities	0.3	8.2
Interest income	(77.2)	(72.9)
Gain on disposal of short-term investments	(38.0)	(329.3)
Dividend income	(0.8)	(1.7)
Goodwill written off	373.2	24.2
Gain on disposal of fixed assets	(3.0)	(0.3)
Assets written off	35.1	3.7
Provision for diminution in value of investments	17.0	-
Share of minority interest in profits/(loss) of subsidiary companies	0.4	(0.9)
Share in profit of associated company	(20.5)	-
Other non cash items	1.8	1.0
	452.4	(248.2)
Operating profit before working capital changes	823.8	843.6
Related companies	(11.6)	5.7
(Increase)/Decrease in stocks	(2.7)	3.3
Decrease/(Increase) in debtors, deposits and prepayments	279.1	(264.5)
Increase in creditors and accrued expenses	32.4	14.5
Holding company	3.6	(232.8)
	300.8	(473.8)
Cash generated from operations	1,124.6	369.8
Retirement gratuities paid	(0.7)	(0.3)
Tax paid	(142.1)	(149.7)
Expenditure on property development	(1.6)	(1.6)
	(144.4)	(151.6)
NET CASH FROM OPERATING ACTIVITIES	980.2	218.2
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(295.3)	(285.9)
Acquisition of subsidiary companies net of cash *	(2.8)	(127.4)
Purchase of short-term investments	(157.9)	(465.8)
Proceeds from disposal of short-term investments	187.3	747.2
Interest received	77.2	72.9
Proceeds from disposal of fixed assets	6.8	2.4
Proceeds from disposal of properties	1.8	0.7
Dividends received	0.8	1.7
Purchase of investments in associated company	(1,142.1)	-
Disposal of subsidiary company **	0.7	-
Purchase of additional shares from minority shareholders	(1.3)	-
Purchase of investments	-	(9.0)
NET CASH USED IN INVESTING ACTIVITIES	(1,324.8)	(63.2)

The notes set out on pages 22 to 32 form part of these accounts.

Amounts in RM million unless otherwise stated

	1998	1997
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(157.2)	(156.7)
Advances to associated company	(0.5)	-
NET CASH USED IN FINANCING ACTIVITIES	(157.7)	(156.7)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(502.3)	(1.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,265.6	1,267.3
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	763.3	1,265.6
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	656.4	774.1
Money market instruments	106.9	491.5
	763.3	1,265.6
* Analysis of acquisition of subsidiary companies		
Net assets acquired		
Fixed assets	(133.8)	224.9
Property development	-	20.7
Provision for taxation	-	(0.2)
Goodwill arising on consolidation	14.4	24.2
Long-term liability	-	(47.6)
Investments	-	105.0
Minority interest	(11.7)	(0.8)
	136.5	326.2
Net working capital	5.2	(195.7)
Total purchase consideration	141.7	130.5
Less: reclassification from long-term investments	(114.0)	-
	27.7	130.5
Bank balances of subsidiary companies acquired	(14.6)	(3.1)
	13.1	127.4
Less: balance of purchase consideration not paid	(10.3)	-
Net cash outflow on acquisition of subsidiary companies	2.8	127.4
** Analysis of acquisition of subsidiary companies		
Net assets sold		
Fixed assets	2.9	-
Net working capital	(2.2)	-
Total sales consideration	0.7	-
Cash and bank balances of subsidiary company disposed	-	-
Net cash inflow on disposal of subsidiary company	0.7	-

The notes set out on pages 22 to 32 form part of these accounts.

NOTES TO THE ACCOUNTS

31 December 1998

Amounts in RM million unless otherwise stated

1. PRINCIPAL ACTIVITIES

The Company is involved in the operation of a tourist resort at Genting Highlands and its activities cover leisure and hospitality, amusement, gaming and entertainment.

The principal activities of the Group include property development and management, leisure and hospitality services, investment holding, tours and travel related services.

Details of the principal activities of the Group are set out in Note 28 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The accounts have been prepared under the historical cost convention and also in accordance with the applicable approved accounting standards of the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965.

Basis of Consolidation

The consolidated accounts include the audited accounts of the Company and all its subsidiary companies made up to 31 December 1998.

The results of subsidiary companies acquired or disposed of during the year are included in the Group accounts from the effective date of acquisition or to the date of disposal.

Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Fixed assets, other than freehold land, leasehold land, construction in progress and operating assets of hotels, are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major groups of assets are as follows:

Buildings and improvements 2 - 50%

Plant, equipment and vehicles 10 - 50%

With effect from the current financial year, the annual depreciation rate for buildings and improvements and computer equipment are changed from 2% - 5% to 2% - 50% and 20% to 50% respectively so as to reflect more realistically the estimated useful life of these assets. The effect on the accounts of this change in accounting estimate is not material.

Depreciation is not provided on freehold land and fixed assets which are under construction.

Leasehold land are amortised over their respective lease period ranging from 95 to 99 years.

The initial costs of operating assets of hotels such as soft furnishing and kitchen utensils have been capitalised and included under plant and equipment and are not depreciated. Subsequent acquisitions to replace these operating assets are written off in the year in which they are acquired.

Goodwill

Goodwill arising on consolidation which represents the excess of the Company's purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition, is written off to the profit and loss accounts in the year of acquisition.

Property Development and Recognition of Profits

Profits on property development projects are recognised based on the percentage of completion method. Under this method, profits are recognised as the property project progresses. Profits are, however, recognised only in respect of sales of which agreements have been finalised by the end of the financial year.

Investment Properties

Investment properties are properties held for long-term investment and are stated at cost. Depreciation is not provided on investment properties.

Investments

Investments in subsidiary companies are stated at cost less pre-acquisition dividends received while other long-term investments are stated at cost. Investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

Short-term investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Associated Company

An associated company is a company, other than a subsidiary company, in which the Group has a long term equity interest of between 20% to 50% and where the Group has representation on the board and is in a position to exercise significant influence.

The Group's share in the profits less losses of an associated company is included in the consolidated profit and loss account and the Group's interest in the associated company is stated at cost, net of goodwill written off plus adjustments to reflect changes in the Group's share in the net assets of the associated company.

Retirement Benefits and Gratuities

Provision for retirement benefits made prior to 1982 was computed based on a fixed monetary scale and length of services of all eligible employees. Since 1982, no retirement benefit is being provided as these benefits are in the form of increased contribution to the Employees Provident Fund.

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors ("participants") of the Company and subsidiary companies. Provision for retirement gratuities under this scheme is computed based on length of service and basic salary. Retirement gratuities in respect of services rendered prior to 1991 is provided over periods not exceeding the retirement age of participants.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Deferred Taxation

Deferred tax accounting using the 'liability' method is adopted by the Group. Deferred taxation provides for the effects of timing differences between accounting income and taxable income arising from the inclusion of items in different periods. Tax effects of timing differences are not recognised in respect of timing differences which are not expected to reverse in the foreseeable future.

Cash and Cash Equivalents

Cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value.

Foreign Currencies

The accounts are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies during the year have been translated into RM at the rates ruling on the dates of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at approximately the rates ruling on that date. Gains and losses arising from translations are included in the profit and loss account. However, translation gains and losses arising from transactions which provide an effective hedge against investments in foreign currency are taken to reserves. The corresponding translation gains and losses arising from such investments are also taken to reserves.

Profit and loss accounts 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 rates approximate to those ruling at the year end. Exchange differences arising from the translation of profit and loss accounts 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.

3. OPERATING REVENUE

Operating revenue, other than those arising from property development projects and casino operations, represents the invoiced value receivable for goods and services supplied, income from investments and proceeds from sale of investments. For property development projects, revenue is recognised as the project activity progresses and is in respect of those units where the sales agreements have been finalised by the end of the financial year. Casino revenue represents net house takings.

The Casino licence of the Company is renewable every three months.

4. SEGMENT ANALYSIS

	Operating Revenue		Profit Before Taxation		Assets Employed	
	1998	1997	1998	1997	1998	1997
By activity						
Leisure and Hospitality Properties	2,318.4	2,277.8	625.2	717.0	2,354.1	2,170.9
	8.3	11.0	10.4	7.5	520.8	460.8
	<u>2,326.7</u>	<u>2,288.8</u>	<u>635.6</u>	<u>724.5</u>	<u>2,874.9</u>	<u>2,631.7</u>
Investment in an associated company	-	-	20.5	-	951.6	-
	<u>2,326.7</u>	<u>2,288.8</u>	<u>656.1</u>	<u>724.5</u>	<u>3,826.5</u>	<u>2,631.7</u>
Non-Segment Items						
- Interest bearing investments	-	-	77.2	72.9	663.3	1,177.7
- Short-term equity investments and others	188.2	749.9	(361.5)	293.5	79.5	593.0
	<u>2,514.9</u>	<u>3,038.7</u>	<u>371.8</u>	<u>1,090.9</u>	<u>4,569.3</u>	<u>4,402.4</u>
By geographical location						
Malaysia	2,326.7	2,288.8	635.6	724.5	2,874.9	2,631.7
Outside Malaysia	-	-	20.5	-	951.6	-
Non-Segment Items						
- Interest bearing investments	-	-	77.2	72.9	663.3	1,177.7
- Short-term equity investments and others	188.2	749.9	(361.5)	293.5	79.5	593.0
	<u>2,514.9</u>	<u>3,038.7</u>	<u>371.8</u>	<u>1,090.9</u>	<u>4,569.3</u>	<u>4,402.4</u>

Included in the Profit Before Taxation in 1998 of short-term equity investments and others is the goodwill written off arising from acquisition of associated/subsidiary companies.

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.

5. PROFIT BEFORE TAXATION

	Group		Company	
	1998	1997	1998	1997
Operating revenue	2,514.9	3,038.7	2,266.7	2,243.9
Other income	98.5	72.9	49.9	30.1
	<u>2,613.4</u>	<u>3,111.6</u>	<u>2,316.6</u>	<u>2,274.0</u>
Operating expenses	(1,663.5)	(1,806.2)	(1,429.1)	(1,344.0)
Other expenses	(578.1)	(214.5)	(186.3)	(178.2)
	<u>371.8</u>	<u>1,090.9</u>	<u>701.2</u>	<u>751.8</u>

Profit before taxation as stated above has been determined after inclusion of the following charges and credits:

	Group		Company	
	1998	1997	1998	1997
	RM'000	RM'000	RM'000	RM'000
Charges:				
Depreciation of fixed assets	164,112	119,827	148,208	111,511
Directors' remuneration:				
From the Company				
- Directors' fees	288	342	288	342
- Provision for retirement gratuities	1,123	(63)	1,123	(63)
- Other emoluments	23,396	17,303	23,396	17,303
From subsidiary companies				
- Directors' fees	70	23	-	-
- Other emoluments	546	14	-	-
Fixed assets written off	35,057	3,762	35,057	2,482
Provision of diminution in value of investments	16,984	-	-	-
Hire of equipment	4,229	3,832	4,229	3,816
Rental of land and buildings	1,934	1,103	669	1,006
Auditors' remuneration:				
- Current year provision	301	306	166	158
- Under provision in prior year	-	5	-	-

5. PROFIT BEFORE TAXATION (Cont'd)

	Group		Company	
	1998 RM'000	1997 RM'000	1998 RM'000	1997 RM'000
Charges by holding company:				
- Management and licensing fees	68,873	67,195	68,759	66,942
- Hire of equipment	161	-	161	-
Charges by other related companies:				
- Management and licensing fees	182,993	174,139	181,434	173,517
- Rental of land and buildings	1,539	1,551	1,451	1,512
- Hire of equipment	186	-	-	-
- Interest on finance lease	-	23	-	-
Charges by subsidiary companies:				
- Hire of equipment	-	-	1,073	585
- Rental of land and buildings	-	-	164	271
Provision for retirement gratuities	-	8,053	-	7,915
Credits:				
Interest income	77,219	72,947	26,806	24,759
Share in profits of associated company	20,547	-	-	-
Rental income from land and buildings	11,546	9,506	5,831	4,735
Provision for retirement gratuities no longer required	794	-	1,020	-
Gross dividends from quoted overseas corporations	793	1,707	-	-
Rental of equipment	59	-	-	-
Interest income from subsidiary companies	-	-	23,058	5,321

6. EXCEPTIONAL ITEMS

Included in profit before taxation are the following exceptional items:

	Group	
	1998	1997
Goodwill written off arising from acquisition of subsidiary companies	14.4	24.2
Goodwill written off arising from acquisition of associated company	358.8	-
Gain on disposal of short-term investments	38.0	329.3

7. TAXATION

	Group		Company	
	1998	1997	1998	1997
Current Taxation				
Malaysian taxation	215.3	214.5	214.5	212.0
Foreign taxation	0.2	0.1	-	-
	215.5	214.6	214.5	212.0
Deferred Taxation	6.9	9.9	7.2	10.6
	222.4	224.5	221.7	222.6

The investment tax allowance incentive granted to the Company for a period of five years under the Promotion of Investments Act 1986, expired on 23 June 1997. A similar incentive granted to Genting Golf Course Bhd, a subsidiary company, for a period of five years expired on 30 January 1997.

The effective tax rate for the Group for 1998 is higher than the statutory tax rate due mainly to goodwill written off which is not deductible for tax purposes. The effective tax rate for the Group for 1997 is lower than the statutory tax rate due mainly to income of an overseas subsidiary company which was not taxable. The effective tax rate for the Company for 1998 and 1997 is higher than the statutory tax rate due mainly to certain expenses which are not deductible for tax purposes.

There is no material adjustment for under/over provision for taxation relating to prior years for the Group and for the company.

8. DIVIDENDS

	1998	1997
Interim - 8.0 sen less 28% tax [1997: 8.5 sen less 30% tax (now deemed as 28%)] per share	62.9	65.0
Proposed final - 9.0 sen less 28% tax [1997: 12.0 sen less 28% tax] per share	70.7	94.3
	133.6	159.3

9. FIXED ASSETS

1998 Group	Freehold land	Long leasehold land	Buildings & improvement	Plant, equipment & vehicles	Construction in progress	Total
Amount at cost unless otherwise stated:						
Beginning of the year	196.3	51.6	1,521.9	881.6	64.8	2,716.2
Additions	1.2	2.7	14.8	52.8	223.8	295.3
Disposals	(1.4)	-	-	(5.1)	-	(6.5)
Written off	-	-	(31.4)	(10.4)	-	(41.8)
Assets of subsidiaries acquired	-	57.9	62.3	13.4	0.2	133.8
Reclassifications	-	-	143.1	41.8	(184.9)	-
Others	-	-	(1.8)	-	-	(1.8)
End of the year	196.1	112.2	1,708.9	974.1	103.9	3,095.2
Accumulated depreciation:						
Beginning of the year	-	0.5	120.8	426.6	-	547.9
Charge for the year	-	0.4	35.0	128.7	-	164.1
Disposals	-	-	-	(2.7)	-	(2.7)
Written off	-	-	(1.0)	(5.7)	-	(6.7)
Assets of subsidiaries acquired	-	-	1.0	1.9	-	2.9
End of the year	-	0.9	155.8	548.8	-	705.5
Net book value at beginning of the year	196.3	51.1	1,401.1	455.0	64.8	2,168.3
Net book value at end of the year	196.1	111.3	1,553.1	425.3	103.9	2,389.7
1997 Group						
Amount at cost unless otherwise stated:						
Beginning of the year	190.5	0.5	1,171.3	690.1	151.0	2,203.4
Additions	7.6	-	9.0	56.4	212.9	285.9
Disposals	(1.8)	-	(1.8)	(4.4)	(1.2)	(9.2)
Assets of subsidiaries acquired	-	51.1	140.9	33.1	7.0	232.1
Reclassifications	-	-	202.5	106.4	(304.9)	4.0
End of the year	196.3	51.6	1,521.9	881.6	64.8	2,716.2
Accumulated depreciation:						
Beginning of the year	-	-	89.9	334.4	-	424.3
Charge for the year	-	0.1	28.0	91.7	-	119.8
Disposals	-	-	(0.1)	(3.3)	-	(3.4)
Assets of subsidiaries acquired	-	0.4	3.0	3.8	-	7.2
End of the year	-	0.5	120.8	426.6	-	547.9
Net book value at beginning of the year	190.5	0.5	1,081.4	355.7	151.0	1,779.1
Net book value at end of the year	196.3	51.1	1,401.1	455.0	64.8	2,168.3

9. FIXED ASSETS (Cont'd)

1998 Company	Freehold land	Long leasehold land	Buildings & improvement	Plant, equipment & vehicles	Construction in progress	Total
Amount at cost unless otherwise stated:						
Beginning of the year	87.3	0.5	1,312.6	765.1	56.2	2,221.7
Additions	-	-	1.3	43.6	173.7	218.6
Disposals	-	-	-	(4.8)	-	(4.8)
Written off	-	-	(31.4)	(10.3)	-	(41.7)
Reclassifications	-	-	143.0	41.7	(184.7)	-
End of the year	87.3	0.5	1,425.5	835.3	45.2	2,393.8
Accumulated depreciation:						
Beginning of the year	-	-	110.0	372.8	-	482.8
Charge for the year	-	-	30.1	118.1	-	148.2
Disposals	-	-	-	(2.6)	-	(2.6)
Written off	-	-	(1.0)	(5.7)	-	(6.7)
End of the year	-	-	139.1	482.6	-	621.7
Net book value at beginning of the year	87.3	0.5	1,202.6	392.3	56.2	1,738.9
Net book value at end of the year	87.3	0.5	1,286.4	352.7	45.2	1,772.1
1997 Company						
Amount at cost unless otherwise stated:						
Beginning of the year	81.2	0.5	1,114.0	622.5	148.6	1,966.8
Additions	6.1	-	2.3	41.8	211.3	261.5
Disposals	-	-	(1.8)	(3.7)	(1.1)	(6.6)
Reclassifications	-	-	198.1	104.5	(302.6)	-
End of the year	87.3	0.5	1,312.6	765.1	56.2	2,221.7
Accumulated depreciation:						
Beginning of the year	-	-	83.8	290.3	-	374.1
Charge for the year	-	-	26.2	85.3	-	111.5
Disposals	-	-	-	(2.8)	-	(2.8)
End of the year	-	-	110.0	372.8	-	482.8
Net book value at beginning of the year	81.2	0.5	1,030.2	332.2	148.6	1,592.7
Net book value at end of the year	87.3	0.5	1,202.6	392.3	56.2	1,738.9

10. PROPERTY DEVELOPMENT

	Group	
	1998	1997
Non-current portion:		
Freehold land held for development - at cost	219.1	217.5
Current portion:		
Completed development - at cost	<u>16.6</u>	<u>18.3</u>

11. INVESTMENT PROPERTIES

Investment properties of the Group comprise apartments and condominiums which are owned by subsidiary companies.

12. SUBSIDIARY COMPANIES

	Company	
	1998	1997
Unquoted shares - at cost	1,477.3	1,248.3
Amount due from subsidiary companies	540.6	434.8
Amount due to subsidiary companies	(7.2)	(8.0)
	<u>2,010.7</u>	<u>1,675.1</u>

The subsidiary companies are listed in Note 28.

13. INVESTMENTS

	Group		Company	
	1998	1997	1998	1997
Shares in unquoted local corporations				
- at cost	2.2	116.2	2.2	2.2

14. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	1998	1997	1998	1997
Quoted				
Cost of acquisition, net of goodwill written off	895.9	-	-	-
Group's share of post acquisition reserve	24.2	-	-	-
	<u>920.1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount due from associated company	31.5	-	0.3	-
	<u>951.6</u>	<u>-</u>	<u>0.3</u>	<u>-</u>

The associated company is listed in Note 29.

15. STOCKS

	Group		Company	
	1998	1997	1998	1997
Food, beverages, tobacco and other hotel supplies	4.9	4.2	4.2	3.4
Stores and spares	7.8	5.5	6.9	5.0
	<u>12.7</u>	<u>9.7</u>	<u>11.1</u>	<u>8.4</u>

16. TRADE DEBTORS

	Group		Company	
	1998	1997	1998	1997
Trade debtors	16.7	270.8	6.2	6.0
Provision for doubtful debts	(0.6)	(0.8)	(0.1)	(0.8)
	<u>16.1</u>	<u>270.0</u>	<u>6.1</u>	<u>5.2</u>

17. LOAN TO A DIRECTOR

This represents housing loan granted to a director of the Company.

18. SHORT-TERM INVESTMENT

	Group		Company	
	1998	1997	1998	1997
Quoted – at cost				
Shares in foreign corporations	82.9	192.5	-	-
Share in local corporation	5.7	-	-	-
Money market instruments	106.9	491.5	106.9	108.8
	195.5	684.0	106.9	108.8
Less: provision for diminution in value	(17.0)	-	-	-
	178.5	684.0	106.9	108.8
Market value of quoted shares	71.6	314.0	-	-

19. BANK BALANCES AND DEPOSITS

	Group		Company	
	1998	1997	1998	1997
Deposits with licensed banks	545.1	674.7	211.6	158.9
Cash and bank balances	111.3	99.4	102.7	86.9
	656.4	774.1	314.3	245.8

20. HOLDING COMPANY

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

21. SHARE CAPITAL

	1998	1997
Authorised 1,600.0 million ordinary shares of 50 sen each	800.0	800.0
Issued and fully paid 1,091.8 million ordinary shares of 50 sen each	545.9	545.9

At the year end, options to subscribe for 1.6 million unissued ordinary shares of 50 sen each under The Resorts World Employees' Share Option Scheme for Executives were outstanding. These options granted in 1994 are exercisable as follows:

Exercisable Period		Subscription Price Per Share	No. of Shares Million
From	To	RM	
25 June 1999	22 September 1999	16.77	1.6

22. RESERVES

	Group		Company	
	1998	1997	1998	1997
Non-Distributable Reserves:				
Share premium	33.3	33.3	33.3	33.3
Distributable Reserves:				
Unappropriated profit	2,938.1	2,922.7	2,738.0	2,392.1
Other Reserves:				
Exchange Differences	-	-	-	-
At beginning of the year	4.2	-	-	-
Movement during the year	4.2	-	-	-
At end of the year	2,975.6	2,956.0	2,771.3	2,425.4

Based on the estimated investment tax allowance claimed and the tax exempt income earned during the pioneer period which may be utilised to frank the payment of tax exempt dividend, and the estimated Section 108 tax credits available, the Company may distribute its entire unappropriated profit as at 31 December 1998 as cash dividends without additional tax liability being incurred.

23. LONG-TERM ADVANCE

This represents an unsecured, interest-free long-term advance from a minority shareholder in a subsidiary company.

24. DEFERRED TAXATION

	Group		Company	
	1998	1997	1998	1997
Excess of capital allowances over depreciation	33.7	35.2	33.6	34.8
Timing differences arising from provisions	(15.8)	(24.2)	(15.8)	(24.2)
	<u>17.9</u>	<u>11.0</u>	<u>17.8</u>	<u>10.6</u>

25. EARNINGS PER SHARE

Earnings per ordinary share is calculated based on the Group's profit attributable to shareholders of the Company of RM149.0 million (1997: RM867.3 million) and the number of ordinary shares in issue of 1,091.8 million (1997: 1,091.8 million).

26. CAPITAL COMMITMENTS

	Group		Company	
	1998	1997	1998	1997
Authorised capital expenditure not provided for in the accounts:				
- contracted	208.5	164.8	63.0	84.8
- not contracted	67.6	81.3	22.3	81.3
	<u>276.1</u>	<u>246.1</u>	<u>85.3</u>	<u>166.1</u>

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Significant related party transactions between the Group and Genting Berhad ("GB"), the holding company and with Genting Hotel & Resorts Management Sdn Bhd ("GHRM"), a wholly-owned subsidiary of GB during the year are as follows:

- (i) Licensing fees of RM68.9 million (1997: RM67.2 million) paid to GB for the use of the "Genting" Name and Logo and
- (ii) Management fees of RM183.0 million (1997: RM174.1 million) paid to GHRM for the operation and management of the gaming, hotel and resort related operations of the Company.

These fees have been agreed by respective parties based on commercial rates.

(b) Transactions which are deemed related by virtue of the interest of some of the Company's directors are as follows:

On 30 June 1998, Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company, subscribed for 125.0 million new ordinary shares of US\$0.10 each in Star Cruises PLC ("SCPLC"), representing approximately 20% equity interest in SCPLC, for a cash consideration of US\$262.5 million (RM974.7 million) or at US\$2.10 per share.

The subscription price of US\$2.10 per share was based primarily on the average market price of SCPLC shares since its listing and quotation on the Luxembourg Stock Exchange and on the Central Limit Order Book International, Singapore, up to 8 April 1998 being the last date before the announcement of the proposed subscription.

The subscription by RWL of the new ordinary shares in SCPLC was approved by the shareholders of the Company at an Extraordinary General Meeting.

As at 31 December 1998, RWL held approximately 167.0 million shares in SCPLC representing an equity interest of 26.8%. The acquisition resulted in a goodwill of approximately RM358.8 million. The entire goodwill amount has been written off through the Profit and Loss Account of RWL in 1998.

The nature and extent of the interests of the directors concerned are as set out below:

Tan Sri Lim Goh Tong - a shareholder of SCPLC and a preference unit holder of the Golden Hope Unit Trust ("GHUT"), which is a substantial shareholder of SCPLC 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 director and shareholder of SCPLC and a director of GHL, the trustee of the GHUT 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.

- is a member of the family of Tan Sri Lim Goh Tong.

Other than the above, there are no material related party transactions.

28. SUBSIDIARY COMPANIES

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<u>Direct Subsidiary Companies</u>				
Genting Golf Course Bhd	100	100	Malaysia	Golf resort, condotel, hotel operations and property development
Genting Highlands Bhd	100	100	Malaysia	Land and property development
Genting Utilities & Services Sdn Bhd	100	100	Malaysia	Provision of utilities services
Setiabahagia Sdn Bhd	100	100	Malaysia	Property investment
Setiaseri Sdn Bhd	100	100	Malaysia	Property investment
Vestplus Sdn Bhd	100	100	Malaysia	Property investment
Gentinggi Sdn Bhd	100	100	Malaysia	Investment holding
Sierra Springs Sdn Bhd	100	100	Malaysia	Investment holding
Resorts World Tours Sdn Bhd	100	100	Malaysia	Provision of tour and travel related services
Resorts World Food Services Sdn Bhd	100	100	Malaysia	Restaurant, food catering and related management services
First World Hotels and Resorts Sdn Bhd (Formerly known As Resorts World Management Services Sdn Bhd)	100	100	Malaysia	Pre-operating
* Vestplus (Hong Kong) Limited	100	100	Hong Kong	Pre-operating
Leisure & Cafe Concept Sdn Bhd (Formerly known as Sterling Park Sdn Bhd)	100	70	Malaysia	Pre-operating
Genting Studio Sdn Bhd	100	100	Malaysia	Pre-operating
Resorts Tavern Sdn Bhd	100	100	Malaysia	Pre-operating
Seraya Mayang Sdn Bhd	99.9	99.9	Malaysia	Investment holding
Genting Centre of Excellence Sdn Bhd	100	100	Malaysia	Training services
Genting Leisure Sdn Bhd	100	100	Malaysia	Investment holding
Genting Entertainment Sdn Bhd	100	100	Malaysia	Entertainment business
Vestroute (M) Sdn Bhd	100	100	Malaysia	Provision of cable car services
Awana Vacation Resorts Development Berhad	100	100	Malaysia	Operating and managing a proprietary timeshare ownership scheme
Profil Masa (M) Sdn Bhd	100	-	Malaysia	Pre-operating
* Vestplus (Thailand) Ltd	100	-	Thailand	Pre-operating
<u>Indirect Subsidiary Companies</u>				
Genting Property Management Sdn Bhd	100	100	Malaysia	Property management
Genasa Sdn Bhd	100	100	Malaysia	Sale and letting of apartment
Gentasa Sdn Bhd	100	100	Malaysia	Pre-operating
Gentas Sdn Bhd	100	100	Malaysia	Pre-operating
Genmas Sdn Bhd	100	100	Malaysia	Pre-operating
Genas Sdn Bhd	100	100	Malaysia	Pre-operating
Genawan Sdn Bhd	100	100	Malaysia	Pre-operating
Gensa Sdn Bhd	100	100	Malaysia	Pre-operating
Gentinggi Quarry Sdn Bhd	100	100	Malaysia	Pre-operating

28. SUBSIDIARY COMPANIES (Cont'd)

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
Indirect Subsidiary Companies (cont'd)				
* Resorts World Limited	100	100	Isle of Man	Investment holding
* R. W. Investments Limited	100	100	Isle of Man	Dormant
* Resorts Overseas Investments Limited	100	100	Isle of Man	Pre-operating
Rantau Cempaka (M) Sdn Bhd	100	100	Malaysia	Pre-operating
Genting World Sdn Bhd	100	100	Malaysia	Leisure and entertainment business
Kijal Resort Sdn Bhd	69.9	69.9	Malaysia	Property development and property management
Widuri Pelangi Sdn Bhd	69.9	69.9	Malaysia	Golf resort and hotel operations
* Lafleur Limited	100	100	Isle of Man	Investment holding
* Genting Administrative Services Sdn Bhd	100	100	Malaysia	Investment holding
Star Cruise Properties Sdn Bhd	100	-	Malaysia	Investment holding
Bandar Pelabuhan Sdn Bhd	60	-	Malaysia	Investment holding
Papago Sdn Bhd	100	-	Malaysia	Resorts and hotel operation
Merriwa Sdn Bhd	100	-	Malaysia	Pre-operating
Nippontech Resources Sdn Bhd	100	-	Malaysia	Pre-operating
Twinmatics Sdn Bhd	100	-	Malaysia	Pre-operating
Twinsurf Sdn Bhd	100	-	Malaysia	Pre-operating
Dutabay Sdn Bhd	100	-	Malaysia	Pre-operating
Twinkle Glow Sdn Bhd	60	-	Malaysia	Pre-operating
Tullamarine Sdn Bhd	60	-	Malaysia	Pre-operating
Jomara Sdn Bhd	60	-	Malaysia	Pre-operating
Sweet Bonus Sdn Bhd	60	-	Malaysia	Pre-operating
Vintage Action Sdn Bhd	60	-	Malaysia	Pre-operating
Yarrowin Sdn Bhd	60	-	Malaysia	Pre-operating
Hitechwood Sdn Bhd	60	-	Malaysia	Pre-operating
Rapallo Sdn Bhd	60	-	Malaysia	Pre-operating
Laserwood Sdn Bhd	60	-	Malaysia	Pre-operating
Space Fair Sdn Bhd	60	-	Malaysia	Pre-operating
Waxwood Sdn Bhd	60	-	Malaysia	Pre-operating
Neutrino Space Sdn Bhd	60	-	Malaysia	Pre-operating
Possible Affluent Sdn Bhd	60	-	Malaysia	Pre-operating

* The accounts of these companies are examined by auditors other than the auditors of the Company.

29. ASSOCIATED COMPANY

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
* Star Cruises PLC	26.8	-	Isle of Man	Investment holding

* The accounts of the associated company are examined by auditors other than the auditors of the Company.

30. COMPARATIVES

Certain figures relating to previous year have been reclassified to conform with current year's presentation.

STATEMENT BY DIRECTORS

We, DATO' LIM KOK THAY and TAN SRI ALWI JANTAN, two of the Directors of **RESORTS WORLD BHD**, state that, in the opinion of the Directors, the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the notes on pages 22 to 32 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 1998 and of the results of the Group and of the company and the cash flows of the Group for the year ended on that date.

On behalf of the Board,

DATO' LIM KOK THAY

Kuala Lumpur
12 April 1999

TAN SRI ALWI JANTAN

STATUTORY DECLARATION

I, **KOH POY YONG**, the Officer primarily responsible for the financial management of **RESORTS WORLD BHD**, do solemnly and sincerely declare that the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the notes on pages 22 to 32 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
By the abovenamed **KOH POY YONG**)
At KUALA LUMPUR on 12 April 1999)
Before me,

KOH POY YONG

DATO' NG MANN CHEONG

Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accompanying balance sheets as of 31 December 1998, and the related profit and loss accounts and consolidated cash flow statement, together with the notes thereto, for the year then ended. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as of 31 December 1998 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the accounts and consolidated accounts; 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.

We have considered the accounts and auditors' reports of the subsidiary companies of which we have not acted as auditors as shown in Note 28 to the accounts, being accounts that have been included in the consolidated accounts.

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the accounts of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE TOUCHE TOHMATSU

AF 0834
Public Accountants

TAN BUN POO

1304/5/00(J/PH)
Partner

Kuala Lumpur
12 April 1999

AUDIT COMMITTEE

TERMS OF REFERENCE

The Board of Directors of Resorts World Bhd ("Company") has established an Audit Committee ("Committee") on 11 August 1994. The Committee shall be governed by the following terms of reference:

1. COMPOSITION

- (i) The Committee shall comprise three directors, a majority of whom are independent of management and operating responsibilities. One of the Committee members who is a non-executive director shall be appointed as the Committee's Chairman by the members of the Committee; and
- (ii) If the number of members of the Committee is reduced to below three for reasons of resignation, death or otherwise, the Board of Directors of the Company shall appoint such number of new members as may be required to make up the minimum number of three members.

2. AUTHORITY

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

3. RESPONSIBILITY

The Committee is to serve as a focal point for communication between non-Committee directors, the external auditors, internal auditors and the Management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

4. FUNCTIONS

The functions of the Committee are as follows:

- (i) review with the external auditors, their audit plan;
- (ii) review with the external auditors, their evaluation of the system of internal accounting control;
- (iii) review with the external auditors, their audit report;
- (iv) review the assistance given by the Company's officers to the external auditors;
- (v) review the scope and results of the internal audit procedures;
- (vi) review the financial statements of the Company and the consolidated financial statements of the Group prior to the directors' approval;
- (vii) review related party transactions that may arise within the Company or the Group; and
- (viii) consider the appointment of external auditors, their audit fees and any question of resignation and dismissal.

5. MEETINGS

- (i) The Committee is to meet at least twice a year and as many times as the Committee deems necessary;
- (ii) The quorum for any meeting of the Committee shall be two;
- (iii) The finance director (head of finance), the head of internal audit and a representative of the external auditors shall normally attend meetings of the Committee; and
- (iv) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the directors or shareholders of the Company.

6. SECRETARY AND MINUTES

The Secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's directors who are not members of the Committee.

NINE-YEAR SUMMARY

Amount in RM million unless otherwise stated	1998	1997	1996	1995	1994	1993	1992	1991	1990
Profit before taxation #	371.8	1,090.9	802.9	736.2	792.2	617.4	474.9	404.7	314.5
Taxation	(222.4)	(224.5)	(233.2)	(190.0)	(236.5)	(166.2)	(88.6)	(95.1)	(110.7)
Profit after taxation	149.4	866.4	569.7	546.2	555.7	451.2	386.3	309.6	203.8
Profit attributable to shareholders	149.0	867.3	569.7	546.2	555.7	451.2	386.3	309.6	203.8
Issued capital	545.9	545.9	545.9	545.9	545.9	542.8	541.7	541.7	541.7
Unappropriated profit	2,938.1	2,922.7	2,214.7	1,801.7	1,405.1	991.7	664.4	384.7	166.6
Other reserves	37.5	33.3	33.3	33.3	33.3	33.3	33.4	33.4	33.4
Shareholders' funds	3,521.5	3,501.9	2,793.9	2,380.9	1,984.3	1,567.8	1,239.5	959.8	741.7
Minority interest	11.7	1.2	1.3	1.3	1.3	-	-	-	-
Long-term advance	14.3	14.3	-	-	-	-	-	-	-
Deferred taxation	17.9	11.0	1.1	2.8	1.8	3.8	12.7	1.8	1.4
Retirement benefits and gratuities	87.4	87.7	79.8	67.7	55.8	44.3	32.8	12.2	1.3
Capital employed	3,652.8	3,616.1	2,876.1	2,452.7	2,043.2	1,615.9	1,285.0	973.8	744.4
Fixed assets	2,389.7	2,168.3	1,779.1	1,415.7	1,132.8	936.9	740.3	492.3	290.1
Property development	219.1	217.5	215.9	198.2	197.0	192.6	191.6	193.2	195.7
Investment properties	76.4	76.4	79.7	80.8	79.7	81.9	83.9	85.6	89.9
Associated company	951.6	-	-	-	-	5.3	-	-	-
Investments	2.2	116.2	2.2	2.2	2.1	2.1	2.1	-	0.3
Goodwill	-	-	-	-	-	-	55.4	58.1	60.7
	3,639.0	2,578.4	2,076.9	1,696.9	1,411.6	1,218.8	1,073.3	829.2	636.7
Net current assets	13.8	1,037.7	799.2	755.8	631.3	397.1	211.7	144.6	107.7
Employment of capital	3,652.8	3,616.1	2,876.1	2,452.7	2,043.2	1,615.9	1,285.0	973.8	744.4
Earnings per share (sen)*	13.6	79.4	52.2	50.0	51.1	41.6	35.7	28.6	18.8
Net dividend per share (sen)*	12.2	14.6	14.4	13.7	13.0	11.4	9.8	8.5	7.2
Dividend cover (times)	1.1	5.4	3.6	3.6	3.9	3.6	3.6	3.4	2.6
Current ratio	1.0	2.3	2.2	2.3	2.2	1.8	1.6	1.5	1.4
Net tangible assets per share (RM)*	3.22	3.21	2.56	2.18	1.82	1.44	1.09	0.83	0.63
Return (after tax and minority interests)									
On average shareholders' fund (%)	4.2	27.6	22.0	25.0	31.3	32.1	35.1	36.4	30.0
Market share price*									
- highest (RM)	9.55	13.30	15.90	17.80	18.00	17.50	7.95	5.20	3.63
- lowest (RM)	2.85	4.08	11.30	11.00	12.60	7.00	4.85	2.93	2.65

Figures are adjusted to reflect the compliance with International Accounting Standard 8 (IAS 8): Net profit or loss for the period, fundamental errors and changes in accounting policies which came into effect on 1 January 1997.

* Adjusted to reflect the increased number of ordinary shares of the Company.

LIST OF PROPERTIES HELD AS AT 31 DECEMBER 1998

LOCATION	TENURE	APPROXIMATE AREAS	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 1998 (RM million)	AGE OF BUILDINGS (Years)
MALAYSIA					
STATE OF PAHANG DARUL MAKMUR					
1. Genting Highlands, Bentung	Freehold	Built-up : 100,592 sq.metres	18-storey Genting Hotel Complex	213.9	17
2. Genting Highlands, Bentung	Freehold	Built-up : 95,485 sq.metres	23-storey Resort Hotel & Car Park II	159.0	6
3. Genting Highlands, Bentung	Freehold	Built-up : 20,516 sq.metres	23-storey Awana Tower Hotel	30.3	5
4. Genting Highlands, Bentung	Freehold	Built-up : 19,688 sq.metres	10-level Theme Park Hotel	40.9	27
5. Genting Highlands, Bentung	Freehold	Built-up : 11,902 sq.metres	10-level Theme Park Hotel – Valley Wing	14.9	23
6. Genting Highlands, Bentung	Freehold	Built-up : 29,059 sq.metres	16-storey Residential Staff Complex I	14.4	15
7. Genting Highlands, Bentung	Freehold	Built-up : 28,804 sq.metres	19-storey Residential Staff Complex II	20.4	6
8. Genting Highlands, Bentung	Freehold	Built-up : 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park III	77.5	6
9. Genting Highlands, Bentung	Freehold	Built-up : 41,976 sq.metres	25-storey Residential Staff Complex V	65.1	2
10. Genting Highlands, Bentung	Freehold	Built-up : 4,119 sq.metres	5-storey Ria Staff Residence	1.2	26
11. Genting Highlands, Bentung	Freehold	Built-up : 4,109 sq.metres	5-storey Sri Layang Staff Residence	24.5	4
12. Genting Highlands, Bentung	Freehold	Built-up : 18,397 sq.metres	8-level Car Park I	2.7	15
13. Genting Highlands, Bentung	Freehold	Built-up : 1,086 sq.metres	5-storey Bomba Building	0.9	15
14. Genting Highlands, Bentung	Freehold	Built-up : 513 sq.metres	Petrol Station	0.1	19
15. Genting Highlands, Bentung	Freehold	Built-up : 1,033 sq.metres	Indoor Stadium	8.1	11
16. Genting Highlands, Bentung	Freehold	Built-up : 4,151 sq.metres	3-storey Lakeside Teahouse	4.6	11
17. Genting Highlands, Bentung	Freehold	Lake : 2 hectares	Man-made Lake	0.7	-
18. Genting Highlands, Bentung	Freehold	Built-up : 2,769 sq.metres	4-storey Staff Recreation Centre	4.0	6
19. Genting Highlands, Bentung	Freehold	Built-up : 540 sq.metres	2 units of Kayangan Apartment	0.4	18
20. Genting Highlands, Bentung	Freehold	Built-up : 7,666 sq.metres	Awana Golf & Country Resort Complex	22.5	12
21. Genting Highlands, Bentung	Freehold	Built-up : 17,010 sq.metres	174 units of Awana Condominium	42.3	12
22. Genting Highlands, Bentung	Freehold	Built-up : 10,243 sq.metres	92 units of Ria Apartment	20.0	12
23. Genting Highlands, Bentung	Freehold	Land : 3,300 hectares	105 plots of land & improvements	375.2	-
24. Genting Highlands, Bentung	Leasehold (unexpired lease period of 95 years)	Land : 6 hectares	2 plots of land	0.5	-
25. Mentakab, Temerluh	Freehold	Land : 84 hectares	Vacant housing development land	5.8	-
STATE OF SELANGOR DARUL EHSAN					
1. Genting Highlands, Hulu Selangor	Freehold	Built-up : 149,941 sq.metres	28-storey Highlands Hotel & Car Park IV	462.1	2
2. Genting Highlands, Hulu Selangor	Freehold	Land : 6 hectares	1 plot of building land	6.1	-
		Built-up : 47,715 sq.metres	5-storey Genting Skyway Station Complex with 4-level of basement carpark	82.9	2
3. Genting Highlands, Hulu Selangor	Freehold	Built-up : 3,008 sq.metres	2-storey and 4-storey Gothong Jaya Security Buildings	4.8	1
4. Genting Highlands, Hulu Selangor	Freehold	Built-up : 8,485 sq.metres	75 units of Ria Apartment	16.8	12
5. Genting Highlands, Hulu Selangor	Freehold	Land : 615 hectares	18 plots of building land	62.1	-
6. Genting Highlands, Gombak	Freehold	Land : 396 hectares	2 plots of vacant building land	30.7	-
7. Batang Kali, Hulu Selangor	Freehold	Land : 9 hectares	1 plot of vacant agriculture land	2.2	-
8. Ulu Yam, Hulu Selangor	Freehold	Land : 38 hectares	1 plot of vacant building land	16.3	-
9. Ulu Yam, Hulu Selangor	Freehold	Land : 4 hectares	3 plots of vacant agriculture land	1.1	-
10. Pulau Indah, Klang	Leasehold (unexpired lease period of 97 years)	Land : 47 hectares	13 plots of vacant industrial land & improvements	50.1	-
FEDERAL TERRITORY OF KUALA LUMPUR					
1. Taman U Thant, Kuala Lumpur	Freehold	Built-up : 178 sq.metres	1 units of Desa Angkasa Apartment	0.3	12
STATE OF TERENGGANU DARUL IMAN					
1. Kijal, Kemaman	Leasehold (unexpired lease period of 93 years)	Land : 272 hectares	5 plots of resort/property development land	36.7	-
		Land : 51 hectares	18-hole Awana Kijal Golf Course	13.5	-
		Built-up : 35,563 sq.metres	7-storey Awana Kijal Hotel	128.5	2
		Built-up : 4,028 sq.metres	12 units of shop/office	3.9	3
		Built-up : 5,928 sq.metres	85 units of Baiduri Apartment	8.8	4
		Built-up : 10,113 sq.metres	127 units of Angsara Apartment	16.2	3
STATE OF KEDAH DARUL AMAN					
1. Tanjung Malai, Langkawi	Leasehold (unexpired lease period of 89 years)	Land : 14 hectares	5 plots of building land	10.5	-
		Built-up : 14,387 sq.metres	3-storey Awana Langkawi Hotel with 19 units of shops, Cultural/Sports Centre, Maritime/Entertainment Centre	60.8	1

GROUP OFFICES

Group Head Office

Genting Berhad

Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel: (03) 261 2288 / 202 2288
Fax: (03) 261 5304
Telex: GHHB MA 30022

CORPORATE OFFICE

Resorts World Bhd

Awana Hotels & Resorts

23rd Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia.
Tel : (03) 261 3833 / 202 3833
Fax : (03) 261 5304 / 202 2633
Telex : GHHB MA 30022
E-mail : roomrsv@genting.po.my
Websites : <http://www.genting.com.my>
: <http://www.awana.com.my>

RESORTS

Genting Highlands Resort

69000 Pahang, Malaysia.
Tel : (03) 211 1118 Fax : (03) 211 1888

Awana Genting Highlands Golf & Country Resort

8th Mile, Genting Highlands, 69000 Pahang, Malaysia.
Tel : (03) 211 3015 Fax : (03) 211 3535

Awana Kijal Golf & Beach Resort

Km.28, Jalan Kemaman-Dungun, 24100 Kijal,
Kemaman, Terengganu, Malaysia.
Tel : (09) 864 1188 Fax : (09) 864 1688

Awana Porto Malai, Langkawi

Tanjung Malai, 07000 Langkawi, Kedah, Malaysia.
Tel : (04) 955 5111 Fax : (04) 955 5222

Star Cruises

Star Cruises Terminal, Pulau Indah, Pelabuhan Barat,
42000 Pelabuhan Klang, Selangor, Malaysia.
Tel : (03) 301 1333 Fax : (03) 301 1222
Website : <http://www.starcruses.com>

SALES & RESERVATIONS OFFICES

Genting Highlands Resort

Central Reservations Service

For rooms, shows, theme park and other resort facilities
Ground Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel: (03) 262 3555 / 201 3555 Fax : (03) 261 6611
Toll Free Line : 1 800 88 8228 / 1 800 88 1328

Subang Jaya Office

Lot 3.38A, The Summit, Subang USJ, Persiaran Kewajipan,
USJ1, 47600 UEP Subang Jaya, Selangor, Malaysia.
Tel : (03) 724 7488 Fax : (03) 724 8788

Penang Office

5th Floor, 5, Wisma Berjaya Prudential,
41 Cantonment Road,
10250 Penang, Malaysia.
Tel : (04) 228 2655 Fax : (04) 227 6284

Ipoh Office

Lot T24, 3rd Floor, Ipoh Parade,
105 Jalan Sultan Abdul Jalil, Greentown,
30450 Ipoh, Perak, Malaysia
Tel : (05) 243 2988 Fax : (05) 243 6988

Johor Bahru Office

1F-(Ground) Floor, Jalan Maju, Taman Maju Jaya,
80400 Johor Bahru, Johor, Malaysia.
Tel : (07) 334 4555 Fax: (07) 334 4666

Kuching Office

No.25, Bukit Mata, Jalan Padungan, Kuching, 93100
Sarawak, Malaysia.
Tel : (082) 412 522 Fax : (082) 412 022

Property Sales

- Awana Condominium

- Ria Apartments

Tel : (03) 261 3833 Fax : (03) 263 5079

CONVENTION SALES

23rd Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia.
Tel : (03) 262 2666 Fax : (03) 262 1551

OTHER SERVICES

Genting Transport Reservations Centre

For buses and limousines
Lot 1988/4888, Jalan Segambut Tengah,
51200 Kuala Lumpur, Malaysia.
Tel : (03) 621 8398 Fax : (03) 621 8399

Limousine Service Counter (KLIA Sepang)

Arrival Level 3, Main Terminal Building,
KL International Airport,
64000 KLIA Sepang, Selangor, Malaysia.
Tel : (03) 877 66753 Fax : (03) 843 1050

Limousine Service Counter (Genting Highlands)

Highlands Hotel, 69000 Genting Highlands Resort.
Tel : (03) 211 1118 ext : 58771 / 7750 / 7916

Resorts World Tours Sdn Bhd

For airline ticketing and travel agency services
Ground Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel : (03) 262 2666 Fax : (03) 200 6995

OVERSEAS

Singapore

Genting International (S) Pte Ltd

268, Orchard Road, #08-02/04, Singapore 238856.
Tel : (02) 734 2735 Fax : (02) 737 7260

Hong Kong SAR

Genting International PLC

Suite 1503, Ocean Centre, 5, Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong SAR.
Tel : (852) 231 77133 Fax : (852) 231 48724

Bangkok c/o Star Cruises

18th Floor, B.U.I. Building, 177/1 Soi Anumamrachathon 1
Surawongse Road, Bangrak, Bangkok, 10500 Thailand.
Tel : (662) 634 7240 Fax : (662) 634 7217

ANALYSIS OF SHAREHOLDINGS

AS AT 22 MARCH 1999

Class of Shares : Ordinary Shares of 50sen each

Voting Rights : One vote per share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 499	675	2.19	246,077	0.02
500 - 5,000	24,705	80.01	49,040,758	4.49
5,001 - 10,000	2,668	8.64	21,704,774	2.00
10,001 - 100,000	2,410	7.81	67,394,524	6.17
100,001 - 1,000,000	355	1.15	109,969,062	10.07
1,000,001 & above	63	0.20	843,488,139	77.25
Total	30,876	100	1,091,843,334	100

TWENTY (20) LARGEST SHAREHOLDERS

Name	No. of Shares Held	% of Issued Capital
1. Genting Berhad	605,818,000	55.49
2. Lembaga Tabung Angkatan Tentera	62,281,668	5.70
3. Wang Tak Company Limited	29,398,000	2.69
4. Templeton Developing Markets Trust	13,064,000	1.20
5. Tifi Emerging Market Series	10,439,000	0.96
6. Great Eastern Life Assurance (Malaysia) Berhad (Malaysia Life Fund)	8,878,000	0.81
7. Inverway Sdn Bhd	8,747,114	0.80
8. The Great Eastern Life Assurance Co. Ltd	8,039,000	0.73
9. State Street Bank & Trust Funds for Employee Trusts	4,800,700	0.44
10. Abu Dhabi Investment Authority	4,454,000	0.41
11. Massachusetts State Teachers & Employees Retirement Trusts	4,054,000	0.37
12. The Overlook Partners Fund LP	4,024,000	0.37
13. General Motors Employees Global Group Pension Trust	3,252,000	0.30
14. Merrill Lynch Pierce Fenner & Smith-Simon Rahardia	3,234,635	0.29
15. Templeton Emerging Markets Investment Trust	3,055,000	0.28
16. RG Zelfselect Fund	2,825,000	0.26
17. Oppenheimer Global Fund	2,804,000	0.26
18. Legal & General Assurance (Pensions Management) Limited	2,786,250	0.25
19. Schroder Institutional Pacific Fund	2,635,796	0.24
20. Dato' Lim Kok Thay	2,610,000	0.24
Total	787,200,163	72.09

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest	% of Issued Capital	Indirect/ Deemed Interest	% of Issued Capital
Genting Berhad	605,818,000	55.49	1,218,000	0.11
Kien Huat Realty Sdn Bhd	-	-	614,804,900	56.31
Parkview Management Sdn Bhd	-	-	614,804,900	56.31
Merchant Nominees (Tempatan) Sendirian Berhad (As bare trustee)	-	-	62,534,668	5.73
Lembaga Tabung Angkatan Tentera	300,000	0.02	61,981,668	5.68
Cartaban Nominees (Asing) Sdn Bhd (As custodian)	-	-	61,642,536	5.65
Chase Malaysia Nominees (Asing) Sdn Bhd	-	-	55,200,366	5.06
HSBC Nominees (Asing) Sdn Bhd (As bare trustee)	-	-	44,190,585	4.05
Franklin Resources, Inc.	-	-	39,339,000	3.60
Templeton International, Inc.	-	-	39,339,000	3.60
Templeton Worldwide, Inc.	-	-	39,339,000	3.60
Templeton Asset Management Ltd.	-	-	39,339,000	3.60
Citicorp Nominees (Asing) Sdn Bhd (As bare trustee)	-	-	30,106,131	2.76
Wang Tak Company Limited	29,398,000	2.69	-	-
Lee Hing Development Limited	-	-	29,398,000	2.69
Parkway Holdings Limited	-	-	29,398,000	2.69
CIMB Nominees (Tempatan) Sdn Bhd (As bare trustee)	-	-	22,000,000	2.01



RESORTS WORLD BHD
(58019-U)
FORM OF PROXY

(Before completing the form please refer to the notes overleaf)

"A"

I/We _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member/members of RESORTS WORLD BHD hereby appoint *the CHAIRMAN OF THE MEETING

or _____
(FULL NAME)

of _____
(ADDRESS)

or failing him _____
(FULL NAME)

of _____
(ADDRESS)

as my/our *first proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 12 May 1999 at 10.30 a.m. and at any adjournment thereof.

"B"

Where it is desired to appoint a second proxy this section must also be completed, otherwise it should be deleted.

I/We _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member/members of RESORTS WORLD BHD hereby appoint

(FULL NAME)

of _____
(ADDRESS)

or failing him _____
(FULL NAME)

of _____
(ADDRESS)

as my/our *second proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 12 May 1999 at 10.30 a.m. and at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows :-

First Proxy "A"	%
Second Proxy "B"	%
	100%

In case of a vote taken by a show of hands *First Proxy "A"/*Second Proxy "B" shall vote on my/our behalf. My/our proxies shall vote as follows:

ORDINARY RESOLUTION		First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
To receive and adopt the Audited Accounts	Resolution 1				
To sanction the declaration of a final dividend	Resolution 2				
To approve Directors' fees	Resolution 3				
To re-elect Directors: (i) Mr Justin Tan Wah Joo (ii) Mr Goh Sin Huat	Resolution 4 Resolution 5				
To re-appoint Tan Sri Lim Goh Tong as a Director in accordance with Section 129 of the Companies Act, 1965.	Resolution 6				
To re-appoint Dato' Siew Nim Chee as a Director in accordance with Section 129 of the Companies Act, 1965.	Resolution 7				
To appoint Messrs PricewaterhouseCoopers as auditors in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu	Resolution 8				

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/their discretion.)

Signed this _____ day of _____ 1999.

No. of Shares held	
--------------------	--

* Delete if inapplicable

.....
Signature of Member(s)

NOTES

A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

In the case of a corporation, this form must be either under seal or signed by a duly authorised officer or attorney.

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 12 May 1999 at 10.30 a.m.

BUSINESS

1. To receive and adopt the Accounts for the financial year ended 31 December 1998 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To sanction the declaration of a final dividend. **(Resolution 2)**
3. To approve Directors' fees of RM288,000 for the financial year ended 31 December 1998 (1997 - RM341,918) **(Resolution 3)**
4. To re-elect Directors:
- Mr Justin Tan Wah Joo **(Resolution 4)**
- Mr Goh Sin Huat **(Resolution 5)**
5. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:

"That Tan Sri Lim Goh Tong, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 6)**

"That Dato' Siew Nim Chee, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 7)**
6. To appoint Auditors and to authorise the Directors to fix their remuneration.

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is set out in Note 2 below, has been received by the Company for the nomination of Messrs PricewaterhouseCoopers who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:
"That Messrs PricewaterhouseCoopers be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors." **(Resolution 8)**
7. To transact any other business of which due notice shall have been given.

By Order of the Board
TAN WOUI MENG
Secretary

Kuala Lumpur
27 April 1999

NOTES

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

2. Nomination Letter

Genting Berhad
Wisma Genting
28 Jalan Sultan Ismail
50250 Kuala Lumpur

16 March 1999

The Board of Directors
Resorts World Bhd
24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur

Dear Sirs

CHANGE OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, we, being a shareholder of the Company, hereby give notice of our intention to nominate Messrs PricewaterhouseCoopers for appointment as auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring auditors, Messrs Deloitte Touche Tohmatsu:

"That Messrs PricewaterhouseCoopers be and are hereby appointed auditors of the Company in place of the retiring auditors, Messrs Deloitte Touche Tohmatsu to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

Yours faithfully

GENTING BERHAD

COLIN AU FOOK YEOW
Executive Director

1998

- 17 February** Announcement of the Proposed Cash Subscription by Genting Administrative Services Sdn Bhd of 200,000 new ordinary shares of RM1.00 each in the issued and paid-up share capital of Star Cruise Properties Sdn Bhd.
- 23 February** Announcement of Preliminary Results for the financial year ended 31 December 1997.
- 9 April** Announcement of the Proposed Subscription by Resorts World Limited of 125 million new ordinary shares of US\$0.10 each representing approximately 20% equity interest in the enlarged issued and paid-up share capital of Star Cruises PLC for a total cash consideration of US\$262.5 million ("Proposed Subscription").
- 21 May** Announcement of the following:
(a) Entitlement and Book Closure Dates for the Proposed Final Dividend in respect of the financial year ended 31 December 1997.
(b) Eighteenth Annual General Meeting.
- 4 June** Notice to the Shareholders of the Eighteenth Annual General Meeting and Extraordinary General Meeting in respect of the Proposed Subscription.
- 19 June** Eighteenth Annual General Meeting and Extraordinary General Meeting in respect of the Proposed Subscription.
- 13 August** Announcement of Interim Results for the half-year ended 30 June 1998.

Announcement of the Entitlement and Book Closure Dates for the Interim Dividend in respect of the half-year ended 30 June 1998.

1999

- 24 February** Preliminary Announcement of 1998 Results.
- 16 March** Announcement of the Proposed Extension of the exercise period for an additional five (5) years for the outstanding share options granted under The Resorts World Employees' Share Option Scheme for Executives ("Proposed ESOS Extension").
- 13 April** Announcement pertaining to the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 1998 and the Nineteenth Annual General Meeting.
- 14 April** Announcement pertaining to the appointment of Mr Justin Tan Wah Joo as an Executive Director and resignation of Mr Quah Chek Tin as Director of the Company.
- 27 April** Notice to Shareholders of the Nineteenth Annual General Meeting and Extraordinary General Meeting in respect of the Proposed ESOS Extension.
- 12 May** Nineteenth Annual General Meeting and Extraordinary General Meeting in respect of the Proposed ESOS Extension.

DIVIDENDS

	Announcement	Entitlement Date	Payment
1997 Final - 12.0 sen less tax	23 February 1998	1 July 1998	27 July 1998
1998 Interim - 8.0 sen less tax	13 August 1998	2 October 1998	26 October 1998
1998 Proposed Final - 9.0 sen less tax	24 February 1999	21 May 1999	14 June 1999*

* Upon approval of Shareholders at the Nineteenth Annual General Meeting.

BOARD OF DIRECTORS & CORPORATE INFORMATION



Tan Sri Lim Goh Tong
Chairman and Chief Executive



Tun Mohammed Hanif bin Omar
Deputy Chairman



Dato' Lim Kok Thay
Managing Director



Tan Sri Alwi Jantan
Executive Director



Mr Justin Tan Wah Joo
Executive Director



Mr Goh Sin Huat
Director



Dato' Siew Nim Chee
Director



**Tan Sri Dato' Wan Sidek bin
Haji Wan Abdul Rahman**
Director

PRINCIPAL EXECUTIVE OFFICERS

Tan Sri Lim Goh Tong
Tun Mohammed Hanif bin Omar
Dato' Lim Kok Thay
Tan Sri Alwi Jantan
Mr Justin Tan Wah Joo
Colonel (R) Dato' Cheng Wah
Mr Wong Yun On
Encik Rosli bin Kamili
Dato' Anthony Yeo Keat Seong
Dato' Seri N T Rajah, JP
Mr Lee Choong Yan
Mr Jeffrey Teoh Kak Siew
Mr Lim Eng Ming

Chairman and Chief Executive
Deputy Chairman
Managing Director
Executive Vice President – Public Affairs & Human Resources
Executive Vice President – Leisure & Hospitality
Senior Vice President – Property Development
Senior Vice President – Hotel Operations
Senior Vice President – Awana & Leisure
Senior Vice President – Public Relations & Human Resources
Senior Vice President – Liaison
Senior Vice President – Finance & Planning
Senior Vice President – Casino Marketing
Senior Vice President – Casino Operations

AUDIT COMMITTEE

Dato' Siew Nim Chee
Mr Goh Sin Huat
Dato' Lim Kok Thay

Chairman/Independent Non-Executive Director
Member/Independent Non-Executive Director
Member

SECRETARY

Mr Tan Wooi Meng

REGISTERED OFFICE

24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel: (03) 261 2288

REGISTRARS

Genting Management and Consultancy Services Sdn Bhd
23rd Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur Tel: (03) 261 2288

AUDITORS

Deloitte Touche Tohmatsu (*Public Accountants*)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I would like to present the Annual Report of the Resorts World Group of Companies ("Group") for the financial year ended 31 December 1998.

PERFORMANCE REVIEW

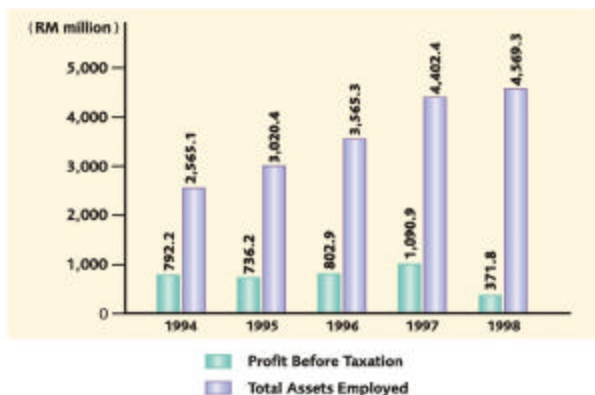
It has been a very tough and challenging year for the Group. Turnover (including proceeds from sale of investments) declined by 17% to RM2,514.9 million. Profit before tax, which included an exceptional item of RM373.2 million on the write-off of goodwill mainly from the acquisition of Star Cruises PLC, declined by 66% to RM371.8 million. Earnings per share also decreased by 83% to 13.6sen.

DIVIDENDS

An interim dividend of 8.0 sen less 28% tax per ordinary share of 50 sen each, amounting to RM62.9 million was paid on 26 October 1998.

For the financial year ended 31 December 1998, your Directors recommend a final dividend of 9.0 sen less 28% tax per ordinary share of 50 sen each, subject to the approval of the shareholders at the forthcoming Nineteenth Annual General Meeting. The total annual net dividend for the year will amount to RM133.6 million.

PROFIT BEFORE TAXATION & TOTAL ASSETS EMPLOYED



EARNINGS PER SHARE & NET TANGIBLE ASSETS PER SHARE



PENYATA PENERUSI

Saya bagi pihak Lembaga Pengarah, ingin membentangkan Laporan Tahunan Syarikat-syarikat dalam Kumpulan Resorts World ("Kumpulan") bagi tahun kewangan berakhir 31 Disember 1998.

TINJAUAN PRESTASI

Tahun ini merupakan satu tahun yang sukar dan mencabar bagi Kumpulan. Perolehan (termasuk hasil daripada penjualan pelaburan) menurun sebanyak 17% kepada RM2,514.9 juta. Keuntungan sebelum cukai yang termasuk perkara terkecuali sebanyak RM373.2 juta hasil pelupusan muhibah terutamanya daripada pemerolehan Star Cruises PLC, telah menurun sebanyak 66% kepada RM371.8 juta. Pendapatan sesaham juga berkurangan sebanyak 83% kepada 13.6sen.

DIVIDEN

Dividen interim sebanyak 8.0 sen tolak 28% cukai bagi setiap saham biasa berharga 50 sen sesaham, yang berjumlah RM62.9 juta telah dibayar pada 26 Oktober 1998.

Bagi tahun kewangan berakhir 31 Disember 1998, Pengarah-pengarah anda mengesyorkan dividen akhir sebanyak 9.0 sen tolak 28% cukai bagi setiap saham biasa berharga 50 sen sesaham, yang tertakluk kepada kelulusan daripada para pemegang saham pada Mesyuarat Agung Tahunan Kesembilan Belas akan datang. Jumlah dividen bersih tahunan bagi tahun ini akan berjumlah RM133.6 juta.

FINANCIAL HIGHLIGHTS			
Year ended 31 December	1998 RM million	1997 RM million	Change %
Operating revenue	2,514.9	3,038.7	(17)
Profit before taxation	371.8	1,090.9	(66)
Profit after taxation	149.4	866.4	(83)
Profit attributable to shareholders	149.0	867.3	(83)
Shareholders' funds	3,521.5	3,501.9	1
Total assets employed	4,569.3	4,402.4	4
Earnings per share (sen)	13.6	79.4	(83)
Net dividend per share (sen)	12.2	14.6	(16)
Dividend cover (times)*	1.1	5.4	(80)
Net tangible assets per share (RM)	3.22	3.21	0
Return (after tax and minority interests) on average shareholders' funds (%)	4.2	27.6	(85)

* Computed based on profit after taxation and minority interests.

CORPORATE & BUSINESS DEVELOPMENTS

In June 1998, the Group invested US\$262.5 million for approximately 20% equity interest in the enlarged issued share capital of Star Cruises PLC ("SCPLC"). As at 31 December 1998, the Group owns about 27% equity interest in SCPLC.

During the year, the Group acquired Star Cruise Properties Sdn Bhd, which owns a 100% interest in 35.3 acres of land in Pulau Langkawi and a 60% interest in 115.6 acres of land in Pulau Indah in Klang, Selangor for a total consideration of RM72.3 million.

YEAR 2000 (Y2K)

Led by the Group's Y2K task force to address the issue, the Group is well on schedule in ensuring that all of its relevant systems and applications are Y2K ready.

PROSPECTS

The Group's future performance will remain dependent on the regional economic conditions. In the face of the current economic downturn, as well as the tougher operating environment, the Group will work harder to continuously improve its infrastructure, facilities and services to our valuable customers.

More new attractions are scheduled to open at Genting Highlands Resort in 1999, such as *Super Toboggan*, *Space Adventure*, *The Water Park* (a family-oriented wet park comprising the ever-popular heated splash pool, a wave pool and a wave-generated action river). The Group will continue to strengthen its other new leisure businesses to ensure long term sustainable growths.

The Group with its strong management team and financial strengths, is confident of overcoming the challenges ahead.

APPRECIATION

On behalf of the Board, I wish to congratulate Dato' Lim Kok Thay on his appointment as Managing Director and welcome Mr. Justin Tan Wah Joo, who has joined the Board as an Executive Director. I will continue to serve as Chairman and Chief Executive. My fellow Directors and I would also like to express our sincere appreciation for the invaluable contributions made by Mr. Quah Chek Tin, who has resigned from the Board and has been appointed as an Executive Director of our holding company, Genting Berhad.

Our sincere thanks is also extended to our shareholders, customers, various authorities and business associates for their continuous support and confidence in the Group. My commendation also goes to the Management and staff for their hard work, dedication, loyalty and untiring efforts.

TAN SRI LIM GOH TONG

Chairman and Chief Executive
12 April 1999

PERKEMBANGAN KORPORAT & PERNIAGAAN

Pada bulan Jun 1998, Kumpulan telah melaburkan US\$262.5 juta untuk memiliki kira-kira 20% kepentingan ekuiti modal terbitan saham yang telah diperbesarkan dalam Star Cruises PLC ("SCPLC"). Pada 31 Disember 1998, Kumpulan memiliki kira-kira 27% kepentingan ekuiti dalam SCPLC.

Pada tahun dalam kajian, Kumpulan memiliki Star Cruise Properties Sdn Bhd yang mempunyai 100% kepentingan dalam 35.3 ekar tanah di Pulau Langkawi dan 60% kepentingan dalam 115.6 ekar tanah di Pulau Indah di Klang, Selangor dengan pertimbangan berjumlah RM72.3 juta.

TAHUN 2000 (Y2K)

Kumpulan yang dilengkapi dengan sepasukan tenaga petugas Y2K bagi menangani isu ini, kini telah berjaya menepati jadualnya bagi memastikan supaya semua sistem dan aplikasi berkaitannya bersedia menghadapi Y2K.

PROSPEK

Prestasi Kumpulan pada masa depan akan terus bergantung kepada keadaan ekonomi serantau. Dalam menghadapi kemelesetan ekonomi semasa serta persekitaran operasi yang semakin mencabar, Kumpulan akan berusaha lebih gigih untuk terus mempertingkatkan infrastruktur, kemudahan-kemudahan dan perkhidmatan yang disediakan kepada para pelanggan kami yang dihargai.

Lebih banyak tarikan baru dijadualkan akan dibuka di Genting Highlands Resort pada tahun 1999 seperti *Super Toboggan*, *Space Adventure*, *The Water Park* (taman air berorientasi keluarga yang terdiri daripada kolam splash yang dipanaskan, kolam berombak dan sungai tiruan yang berombak). Kumpulan akan terus mengukuhkan lagi perniagaan peranginan barunya untuk memastikan pertumbuhan jangka panjang yang berkekalan.

Kumpulan yang memiliki pasukan pengurusan dan kewangan yang mantap, yakin dapat mengatasi sebarang cabaran di masa akan datang.

PENGHARGAAN

Saya bagi pihak Lembaga Pengarah ingin mengucapkan tahniah kepada Dato' Lim Kok Thay di atas pelantikannya sebagai Pengarah Urusan dan mengalu-alukan Encik Justin Tan Wah Joo yang telah menyertai Lembaga sebagai Pengarah Eksekutif. Saya akan meneruskan perkhidmatan saya sebagai Pengerusi dan Ketua Eksekutif. Saya dan rakan-rakan pengarah juga ingin menyampaikan penghargaan tulus ikhlas ke atas sumbangan yang tidak ternilai dari Encik Quah Chek Tin, yang telah meletakkan jawatan dari Lembaga, serta pelantikan beliau sebagai Pengarah Eksekutif syarikat pemegang kita, Genting Berhad.

Ucapan terima kasih juga dirakamkan kepada para pemegang saham kami, pelanggan, pelbagai pihak berkuasa dan rakan perniagaan di atas sokongan serta keyakinan mereka yang berterusan terhadap Kumpulan. Saya juga ingin memuji pihak pengurusan dan kakitangan Kumpulan ke atas kerajinan, dedikasi, kesetiaan dan kegigihan mereka selama ini.

TAN SRI LIM GOH TONG

Pengerusi dan Ketua Eksekutif
12 April 1999



An overview of Genting Highlands Resort

GENTING HIGHLANDS RESORT

The year under review was an active year for the Group with the construction of new facilities and addition of new businesses. Despite the difficult economic conditions, the numbers of visitors have increased and the hotel occupancy continued to be strong.

The Group continued to expand its business with a 27% equity investment in Star Cruises PLC, the leading cruise operator in Asia Pacific; the opening of three additional leisure centres under the brand name "Genting World" and the commencement of Awana Timeshare Ownership scheme business.

GENTING – CITY OF ENTERTAINMENT

During the year, spectacular concerts were held at the 6,000-seat *Arena of Stars*. International artistes such as The Wynners, Anita Mui, Alex To, Roman Tam, Francis Yip, Chilam, and local favourites like Zainal Abidin, Seha, Camelia, Elite and Sara Loo played to enthusiastic crowds at the *Arena of Stars*.

The regular television musical programme, '3.2.1 Action' held its annual award presentation in December 1998, bringing together superstars from Hong Kong and Taiwan, including Andy Lau, Leon Lai, Cheng E-Kin, Jordan Chan, Coco Lee, Jeff Chang, Nicholas Tse, Harlem Yu, and Hacken Lee.

The *Arena of Stars* also staged other entertainment extravaganzas, notably variety shows featuring stars from

popular Hong Kong television serials namely, "Hong Kong True Love" and "Enjoy Yourself Tonite". The spectacular 3rd Genting World Lion Dance Championship (17 - 19 July 98) was also held at the *Arena of Stars*. This event saw the participation of 18 world-class lion dance teams from 10 countries.

The Magic Xscape with its spellbinding illusions performed at the 1,800-seater *Genting International Showroom* ("GIS") and completed its successful run in August 1998. Subsequently another world-class production, "Harary ImagineNation" was introduced, featuring Franz Harary, who is highly acclaimed as one of the world's best illusionists. This multi-million Ringgit production with the latest special effects, will be one of the most talked about event of the year, providing great spectacle and entertainment for all.

At the Celebrity Lounge, the latest blockbuster movies, game shows, dance performances and live telecasts of sporting events made it a popular entertainment hub for patrons of the Resort.

Mr & Miss Chinatown 98 were also held at the Genting Grand Ballroom with 12 local beauties vying for the Miss Malaysia Chinatown and 12 local finalists for the Mr Chinatown International title.

The Group won a total of eight awards during the Malaysia Book of Records Awards Night held on 9 December 1998.



The Corkscrew roller coaster

The new entrance of Genting Theme Park

Genting Skyway Cable Car

Genting Skyway which travels at a maximum speed of 21.6km per hour, won two awards for the "World's Fastest Mono Cable Car System" and the "Longest Cable Car in Malaysia and Southeast Asia". The journey from Gohtong Jaya to Highlands Hotel, which spans 3.38 km, takes a mere 11 minutes.

Genting Theme Park won three awards under the "first in the kind in Malaysia category" - i.e. the Motion Simulator (Motion Master), the Monorail (Caterpillar) and the 3-D Theatre (3-D Fun House). Genting Theme Park also won the "Most Number of Roller Coasters in Malaysia" for its four roller coasters, namely The Corkscrew, The Rolling Thunder Mine Train, The Space Odyssey and The Cyclone.

From the perspective of human achievement, a Malaysian record was for making the Longest "Yar Char Keoy" a deep-fried Chinese delicacy measuring 108 feet.

The eighth award was for having the "Most Number of Rooms" at Highlands Hotel, which has a total of 888 rooms and suites.

HOTELS

Despite the economic downturn, the four hotels at the Resort, namely Genting Hotel, Highlands Hotel, Resort Hotel and Theme Park Hotel registered an overall occupancy rate of 84% in 1998 (1997: 79%). A total of 888,098 room nights were sold, representing an increase of 6%.

Efforts to refurbish and upgrade existing hotel rooms were carried out throughout the year to maintain the high quality standards at the Resort.

At the Highlands Hotel, 180 Deluxe Twin rooms at the 11th and 12th floors were refurbished and upgraded to Premier Club rooms, bringing the total number of Premier Club rooms to 360.

During the year of review, the 445-room Theme Park Hotel underwent a room improvement programme that would continue into early 1999.

Located at 6,000 feet above sea level, the *Galleria Observatory* was officially opened by the Minister of Culture, Arts & Tourism, Dato' Sabaruddin Chik on 14 August 1998. It offers a panoramic view of the highlands, a gallery of informative pictorial history of the Resort and a Genting Theme Park Souvenirs counter.

Touch Screen Info kiosks were installed at all hotel lobbies in July 1998, to provide quick access information on the Resort's facilities and services and general public data to patrons. Four Astro Channels has been installed for additional television entertainment to all guestrooms at the Genting Hotel and Highlands Hotel.



Galleria Observatory

Studio 98

Genting World Kafe

CONVENTIONS

The Resort continues to be a favourite venue for major organisations to hold their conventions and annual functions. A total of 839 conventions and functions were held in 1998.

The *Genting Convention Centre* underwent major renovations and expansion during the year. Four new meeting rooms (Bilik Maxwell, Bilik Fraser, Bilik Kelebang and Bilik Titiwangsa) and a new convention hall (Bilik Tahan) were added to the convention facilities. The Resort, including Awana Genting and *Arena of Stars*, have in total 36 venues for convention facilities that can cater up to 10,200 conventioners.

FOOD & BEVERAGE

During the year under review, the Group has a total of 27 food and beverage outlets at the Resort (excluding Awana Genting Highlands), and served 8.0 million covers, an increase of 15% compared to the previous year. Three new exciting outlets were opened during the year, namely the *Genting World Kafe*, *Latin Quarter* and *Studio 98*.

The *Genting World Kafe*, the latest fun house and swanky watering hole is a one-stop entertainment centre. Opened on 31 October 1998, it has six theme concepts - namely the *Pizza Factory*, *Internet Kafe*, *Sports Kafe*, *Dance Kafe*, *Ulu Kali Lounge* and the *Side Walk Kafe*.

The *Latin Quarter* at the Genting Hotel, offers the old world charm and nostalgia in its four-in-one stop entertainment lookouts - namely the *Mardi Gras* with its live jazz bands, *New Orleans Barbecue* that offers open grill barbecue fare with a *Las Vegas* feel, *The Bourbon Street Bar* for the pub

lovers and the *Cigar Bar* that offers a wide variety of exotic Havana Club brand cigars.

Studio 98 at the Indoor Theme Park offers visitors the state-of-the-art discotheque with the latest in design and technology. This two-tiered discotheque with a floor space of 18,105 sq. ft. and a mega 22 ft. x 9 ft. video wall and sound system, allows patrons to enjoy music at its best!

Three additional dining venues opened in the first two months of 1999, namely the *Imperial Rama*, *VIP Restaurant* and *Restoran Selera Malaysia*.

The *Imperial Rama*, at the Highlands Hotel offers a blend of fine dining in Chinese and Thai cuisine. The *VIP Restaurant* at the Highlands Hotel caters exclusively to our valued Genting World Gold and Platinum Card members. The *Restoran Selera Malaysia* at the Theme Park Hotel offers authentic nyonya food and is an ideal family restaurant.

GENTING THEME PARK

The theme park celebrated a new milestone when the one-price entry programme was introduced in May 1998, where guests can enjoy unlimited rides and theme park attractions in a day.

New attractions launched in 1998 included the *Flying Dragon Family Coaster*, the *Bumper Boat* ride at the Outdoor Theme Park and the new *Motion Master* film James Bond's "*License to Thrill*" at the Indoor Theme Park.

A new entrance is being constructed to provide a better ambience and more space for guests entering the Outdoor Theme Park.



The new Wet Park at Genting Theme Park



Genting World Leisure Centre, Bukit Mertajam, Penang

TRANSPORTATION

For the convenience of our overseas patrons, a hotel reservations and information counter was opened at the arrival hall of the Main Terminal Building at the new Kuala Lumpur International Airport (KLIA). In addition, a hospitality suite, the Genting Lounge was installed at the Departure Hall providing a location to welcome guests and also for patrons awaiting departure.

A shuttle service from KLIA and a base for the chartered helicopter service near KLIA were established during the year, to ensure that guests are conveniently transported to the Resort.

In our efforts to continuously provide and upgrade our Genting Express Bus Service, six units of Air Suspension coaches costing RM2.4 million in total were purchased to replace older ones. The Genting Golden Package, introduced in 1998, continues to enjoy good response amongst day-trippers and tourists from several new destinations within the Klang Valley region, Singapore and Southern Thailand.

DEVELOPMENT PROJECTS

Major refurbishment and upgrading works in Genting Hotel, Highlands Hotel and Theme Park Hotel were completed during the year under review, and the new Wet Park at the Outdoor Theme Park is to be ready by early 1999.

In our continuous efforts to improve the road system, the Group had begun to implement maintenance and

improvement work on the 10km stretch of the main Genting Road from Genting Sempah to Genting Skyway. This road upgrade will cater to the future traffic demands at the Resort as well as reduce travelling time on a high quality dual-carriage road.

To-date, the Group has invested more than RM2 billion in total, since the beginning of the first 5-Year Development Plan in the year 1990. The Group will continue with its untiring efforts to remain competitive and to attract more visitors to the Resort.

GENTING WORLD

Genting World continued to expand its leisure activities in 1998, comprising mainly of bowling and snooker, at selected major towns throughout the country.

The first Genting World leisure centre was opened at Bukit Mertajam, Penang in 1997. Subsequently, another three Genting World leisure centres opened during the year of review - namely at Awana Porto Malai in Langkawi, Kedah; Ipoh Parade in Ipoh, Perak and the Summit USJ in the Klang Valley, Selangor.

The Genting World leisure centres are fast becoming popular attractions that offer the latest and high-tech bowling lanes, snooker tables and cafes. These leisure centres also act as one-stop outlets which enable guests to make hotel reservations and provide other services of the Resort.



Awana Genting Highlands

Awana Kijal, Terengganu

Awana Porto Malai, Langkawi

AWANA HOTELS & RESORTS

The three Awana properties (Awana Genting Highlands Golf & Country Resort; Awana Kijal Golf and Beach Resort, Terengganu; and Awana Porto Malai, Langkawi) continue to attract its niche clientele with its innovative packages, aggressive marketing and smart partnership with key players in the travel arena. The Awana Dream Holidays is an example where an affordable package was launched by establishing a smart partnership with our national airline, Malaysia Airlines System.

AWANA GENTING HIGHLANDS GOLF & COUNTRY RESORT ("AWANA GENTING")

In 1998, Awana Genting Highlands again won the Most Scenic Golf Course in Malaysia 1998/1999 award by Golf Malaysia Magazine. The newly renovated Rajawali Restaurant reopened for business in November 1998. Attractively designed with stone carvings, Malaccan stained glass and traditionally inspired furniture and fittings, the Rajawali is a unique and cosy Malaysian restaurant, overlooking the Most Scenic Golf Course in Malaysia.

AWANA KIJAL GOLF & BEACH RESORT ("AWANA KIJAL")

The year also saw tourists on board Star Cruises making their inaugural visit to the five-star Awana Kijal in May 1998. Numerous major golf tournaments were held such as the *Heineken Golf Classic* and the *World Cup of Golf "Green" Challenge* were held during the year.

Awana Kijal co-hosted the Rainforest Challenge '98, a 4x4 Wheel Drive competition.

AWANA PORTO MALAI LANGKAWI ("AWANA PORTO MALAI")

This Mediterranean-style resort with its alfresco dining concept and a boardwalk by the sea, continues to enjoy good patronage from sea-sports tourists as well as corporate and incentive groups.

The All-Inclusive packages where holidaymakers pay just a single price for hotel accommodations, meals and facilities proved to be a continuing success.

Awana Porto Malai hosted various sports events such as the 1st Malaysian Jet Endurance Grand Prix, the Malaysia Open Sepak Takraw Tournament and the Joran Fishing Competition.

AWANA TIMESHARE OWNERSHIP SCHEME

The year under review saw the launching of the timeshare ownership scheme under Awana Vacation Resorts Development Bhd.

The holiday resorts currently under the timeshare scheme are Awana Genting and Awana Kijal. The scheme also provides access to Resort Condominium International (RCI) exchanges that have more than 3,300 affiliated resorts over 85 countries around the world.

Timeshare owners can also exchange into other hotels within the group and enjoy numerous discounts offered by the Awana Resorts, special rates on Star Cruises and Genting Highlands Resort.



Star Cruises fleet of liners

STAR CRUISES PLC

For the year under review, the Group expanded its leisure business to cruises, by its investment in associate Star Cruises PLC, the leading cruise operator in Asia Pacific and one of the five largest cruise lines in the world.

Star Cruises has a fleet of eight vessels, namely SuperStar Leo, Star Aquarius, Star Pisces, SuperStar Gemini, MegaStar Aries, MegaStar Taurus, SuperStar Capricorn and SuperStar Express. Four more vessels will complement the fleet over the next four years. At present, Star Cruises has one of the youngest cruise fleets in the world.

These efforts have been duly recognised by the numerous awards won by Star Cruises, such as the 1998 PATA Travel Awards "The Best Cruise Operator" for the second consecutive year, the prestigious "World Travel Market 1998 Global Travel Award" and the 1998 Meeting & Conventions Gold Service Award for the "Best Cruise Company".

Star Cruises has been innovative in its packaging and marketing all-inclusive cruise packages that are affordable for everyone.

The latest vessel, SuperStar Leo is the first newbuilding, specifically built for Asian cruising conditions. With 1,000 cabins, the length of which is equivalent to a 100-storey hotel, SuperStar Leo has the size, luxury and appointments to create significant consumer demand in the Asian region.

Ever since its official launch in October 1998, the 76,800-gross ton SuperStar Leo has received overwhelming response from the market.

By the third quarter of 1999, two vessels one of similar size and luxury to SuperStar Leo, named the SuperStar Virgo and SuperStar Europe (former MS Europa) will join the Star Cruises fleet. By year 2002, two additional newbuildings, the SuperStar Libra and SuperStar Scorpio will be added to the Star Cruises fleet.

YEAR 2000

Recognising the business challenges that can arise from the potential Year 2000 ("Y2K") problem, the Group has set up a Y2K task force to address the Y2K issues both from the IT as well as business perspectives. This is to ensure a smooth continuity of the Group's business processes and systems into the next millennium.

Led by the Y2K task force, the Group has to-date completed several major phases of the project - including the awareness programme, checklist on inventory, impact analysis, budgeting and setting up of testing facilities. The task force is currently at the testing, validation and remediation phases.

The Group is constantly reviewing the previous phases to ensure complete coverage of any Y2K-related issue for critical systems, including third-party linkages and business chain. The total budgeted cost of the Y2K project for the Group is estimated at RM4 million.



The Group's Deputy Chairman, Tun Mohammed Hanif bin Omar with the 25 years of service award recipients

HUMAN RESOURCES

As at December 1998, the Group's total workforce stood at 9,044. The Group is committed towards the development of a flexible and multi-skilled workforce to meet the challenges and changing needs of its business.

The Genting Centre of Excellence ("GCE") located at Gohtong Jaya, conducts hotel courses under the Hotel Apprenticeship Scheme for which it received the "Best Supporter Award" from the Ministry of Human Resources. It also provides management courses and training programmes.

Various 5-Service Standard campaigns were held to instil and enhance our service quality. The Group also embarked on ISO 9002 Certification to benchmark our standard of service.

The importance of safety and health at the work place is emphasised with regular audit inspections and campaigns to inculcate safe work practices.

The Resorts World Employees Union was presented with the Ministry of Human Resources "Model Trade Union - Private Sector" Award, in conjunction with Workers' Day Celebrations.



The Group's Chairman, Tan Sri Lim Goh Tong handing over the Queen's Baton to Pahang's Chief Minister, Tan Sri Mohamad Khalil Yaacob

COMMUNITY SERVICES

Despite the economic slowdown, the Group continued to support in cash and in kind, various welfare and non governmental organisations, as well as the development of sports, education, culture and other charities throughout the nation.

The Group was the Platinum Partner contributing RM5 million to Sukom '98, and hosted the Queen's Baton Run, prior to the grand opening at the Bukit Jalil Stadium on 11 September 1998. More than 200 runners from the Group participated in the Baton run from Awana Genting Highlands and Genting Skyway to Genting Hotel.

The Group continued to support major sports and related associations, such as the Football Association of Malaysia and the Foundation for Malaysian Sporting of Excellence and the cycling competition Le Tour de Langkawi.

The Group contributed RM2.1 million to the Special National Fund and supported various conferences on the economic recovery.

In supporting humanitarian services, the Group provided RM3.0 million to the Malaysian Red Crescent Society and contributed in cash to numerous other welfare organisations.

The Group also sponsored the publication of books such as "Tun Razak: Jejak Bertapak Seorang Patriot", "The Sultanate of Kedah", "Suara Pendidik", "Buku Masjid-Masjid Dunia, Malaysia & Kuala Lumpur".

The Directors of **RESORTS WORLD BHD** have pleasure in submitting their report and the audited accounts of the Group and of the Company for the financial year ended 31 December 1998.

PRINCIPAL ACTIVITIES

The Company is involved in the operation of a tourist resort at Genting Highlands and its activities cover leisure and hospitality, amusement, gaming and entertainment.

The principal activities of the Group include property development and management, leisure and hospitality services, investment holding, tours and travel related services.

Details of the principal activities of the Group are set out in Note 28 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS

The audited results of the operations of the Group and of the Company for the financial year are as follows:

	Group RM million	Company RM million
Profit before taxation	371.8	701.2
Taxation	(222.4)	(221.7)
Profit after taxation	<u>149.4</u>	<u>479.5</u>
Minority shareholders' interests	(0.4)	-
Profit attributable to shareholders of Resorts World Bhd	149.0	479.5
Unappropriated profit at beginning of the year	<u>2,922.7</u>	<u>2,392.1</u>
Profit available for appropriation	3,071.7	2,871.6
Appropriations:		
Interim dividend - 8.0sen less 28% tax	(62.9)	(62.9)
Proposed final dividend - 9.0sen less 28% tax	(70.7)	(70.7)
	<u>(133.6)</u>	<u>(133.6)</u>
Unappropriated profit at end of the year	<u>2,938.1</u>	<u>2,738.0</u>

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

- (i) a final dividend of 12.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM94,335,264 in respect of the financial year ended 31 December 1997 and which has been dealt with in the previous Directors' report was paid on 27 July 1998; and
- (ii) an interim dividend of 8.0sen less 28% tax per ordinary share of 50 sen each amounting to RM62,890,176 in respect of the financial year ended 31 December 1998 was paid on 26 October 1998.

The Directors recommend payment of a final dividend of 9.0 sen less 28% tax per ordinary share of 50 sen each in respect of the current financial year to be paid on 14 June 1999 to shareholders registered in the Register of Members at the close of business on 21 May 1999. Based on the issued and paid-up ordinary shares of the Company as at the date of this report, the final dividend would amount to RM70,751,448.

RESERVES AND PROVISIONS

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in the accounts.

ISSUE OF SHARES. DEBENTURES AND SHARE OPTIONS

During the financial year, there were no issue of shares, debentures and share options.

The following Options to take up unissued ordinary shares of the Company, previously granted to executive employees of the Group under The Resorts World Employees' Share Option Scheme for Executives, were outstanding as at 31 December 1998:

Option	Option Expiry Date	Subscription Price Per Share	No. of Shares
1994/1999	22 September 1999	RM16.77	<u>1,607,000</u>

ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS (Cont'd)

The shares under the aforesaid Options may be exercised in full or in respect of 1,000 shares or a multiple thereof on the payment of the requisite subscription price within three months prior to the Option expiry date. The persons to whom the Options have been issued have no right to participate by virtue of the Options in any share issue of any other company.

On 9 March 1999, the Securities Commission approved the Company's application to extend the Option and exercise period of the outstanding Options for an additional five (5) years from 22 September 1999 to 22 September 2004 ("Proposed Extension") subject to the approval of the shareholders of the Company at a general meeting to be convened.

The Proposed Extension thereby extends the Option period of the outstanding Options to the maximum ten (10) years permissible under Section 68 of the Companies Act, 1965 as amended by the Companies (Amendment) (No.2) Act 1998 which came into force on 1 November 1998.

DIRECTORATE

The Directors who served since the date of the last report are:

Tan Sri Lim Goh Tong
Tun Mohammed Hanif bin Omar
Dato' Lim Kok Thay
Mr Quah Chek Tin (*Resigned on 12 April 1999*)
Tan Sri Alwi Jantan
Mr Goh Sin Huat
Dato' Siew Nim Chee
Tan Sri Dato' Wan Sidek bin Hj Wan Abdul Rahman
Mr Justin Tan Wah Joo (*Appointed on 12 April 1999*)

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company; Genting Berhad, the holding company; Asiatic Development Berhad, a related company; and of Genting International PLC, a related corporation as set out below:

INTEREST IN THE COMPANY

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	2,610,000	-	2,610,000
Mr Quah Chek Tin	1,000	-	1,000
Mr Goh Sin Huat	236,000	(151,000)	85,000
Share Options in the names of Directors	1.1.1998	Offered/(Lapsed)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	1,000,000	(700,000)	300,000
Tun Mohammed Hanif bin Omar	1,000,000	(500,000)	500,000
Dato' Lim Kok Thay	650,000	(475,000)	175,000
Tan Sri Alwi Jantan	600,000	(350,000)	250,000

INTEREST IN GENTING BERHAD

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	6,681,000	-	6,681,000
Dato' Lim Kok Thay	2,553,000	-	2,553,000
Mr Quah Chek Tin	1,000	-	1,000
Mr Goh Sin Huat	9,000	(9,000)	-
Shareholdings in which the Director is deemed to have an interest	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Dato' Lim Kok Thay	11,523,996	-	11,523,996
Share Options in the names of Directors	1.1.1998	Offered/(Exercised)	31.12.1998
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	600,000	-	600,000
Tun Mohammed Hanif bin Omar	500,000	-	500,000
Dato' Lim Kok Thay	400,000	-	400,000

INTEREST IN ASIATIC DEVELOPMENT BERHAD

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Goh Tong	437,500	-	437,500
Dato' Lim Kok Thay	144,000	-	144,000
Dato' Siew Nim Chee	9,000	(9,000)	-

INTEREST IN GENTING INTERNATIONAL PLC

Shareholdings in the names of Directors	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	1,832,468	-	1,832,468
Dato' Lim Kok Thay	623,000	-	623,000

Shareholdings in which the Director is deemed to have an interest	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of ordinary shares of US\$0.10 each)		
Dato' Lim Kok Thay	4,649,598	-	4,649,598

Share Options in the name of Director	1.1.1998	Offered/(Relinquished)	31.12.1998
	(Number of unissued ordinary shares of US\$0.10 each)		
Tan Sri Lim Goh Tong	500,000	(500,000)	-

Call Options in the name of Director	1.1.1998	Acquired/(Disposed)	31.12.1998
	(Number of unissued ordinary shares of US\$0.10 each)		
Dato' Lim Kok Thay	1,000,000	(1,000,000)	-

Apart from the above disclosures:

- (a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- (b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirements gratuities shown in the accounts or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) A company in which Dato' Lim Kok Thay is a director and a substantial shareholder has retained Asiatic Development Berhad, a related company to provide plantation advisory services.
- (ii) The Company had extended a housing loan to Mr Quah Chek Tin to enable him to acquire a home.
- (iii) A company in which Tan Sri Lim Goh Tong is a director and a substantial shareholder has rented approximately 5.87 hectares of land in the Mukim of Batang Kali, District of Ulu Selangor, Selangor to Genting Utilities & Services Sdn. Bhd., a wholly-owned subsidiary of the Company.
- (iv) A corporation in which Tan Sri Lim Goh Tong is a shareholder; and Dato' Lim Kok Thay is a director, shareholder and call option holder has issued and allotted 125,000,000 new ordinary shares of US\$0.10 each to Resorts World Limited, an indirect wholly-owned subsidiary of the Company for a cash consideration of US\$262.5 million.

Mr. Justin Tan Wah Joo is due to retire in accordance with Article 104 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Mr. Goh Sin Huat is due to retire by rotation in accordance with Article 99 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Tan Sri Lim Goh Tong and Dato' Siew Nim Chee retire pursuant to Section 129 of the Companies Act, 1965 and that separate resolutions will be proposed for their re-appointment as Directors under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

OTHER STATUTORY INFORMATION

Before the profit and loss accounts and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Group and of the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the accounts of the Group and of the Company misleading;
- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the accounts of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the accounts of the Group and of the Company, that would render any amount stated in the respective accounts misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the exceptional items as reported in Note 6 to the accounts; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

HOLDING COMPANY

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

On behalf of the Board,

DATO' LIM KOK THAY

TAN SRI ALWI JANTAN

Kuala Lumpur
12 April 1999



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PROFIT & LOSS ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		1998	1997	1998	1997
OPERATING REVENUE	3, 4 & 5	2,514.9	3,038.7	2,266.7	2,243.9
PROFIT BEFORE TAXATION	4, 5 & 6	371.8	1,090.9	701.2	751.8
Taxation	7	(222.4)	(224.5)	(221.7)	(222.6)
PROFIT AFTER TAXATION		149.4	866.4	479.5	529.2
Minority shareholders' interests		(0.4)	0.9	-	-
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF RESORTS WORLD BHD		149.0	867.3	479.5	529.2
Unappropriated profit at beginning of the year		2,922.7	2,214.7	2,392.1	2,022.2
PROFIT AVAILABLE FOR APPROPRIATION		3,071.7	3,082.0	2,871.6	2,551.4
Appropriation:					
Dividends	8	(133.6)	(159.3)	(133.6)	(159.3)
UNAPPROPRIATED PROFIT AT END OF THE YEAR	22	2,938.1	2,922.7	2,738.0	2,392.1
EARNINGS PER SHARE	25	13.6 sen	79.4 sen		

The notes set out on pages 22 to 32 form part of these accounts.

BALANCE SHEETS

AS AT DECEMBER 1998

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		1998	1997	1998	1997
EMPLOYMENT OF CAPITAL					
FIXED ASSETS	9	2,389.7	2,168.3	1,772.1	1,738.9
PROPERTY DEVELOPMENT	10	219.1	217.5	-	-
INVESTMENT PROPERTIES	11	76.4	76.4	-	-
SUBSIDIARY COMPANIES	12	-	-	2,010.7	1,675.1
INVESTMENTS	13	2.2	116.2	2.2	2.2
INVESTMENT IN ASSOCIATED COMPANY	14	951.6	-	0.3	-
CURRENT ASSETS					
Property development	10	16.6	18.3	-	-
Stocks	15	12.7	9.7	11.1	8.4
Trade debtors	16	16.1	270.0	6.1	5.2
Other debtors, deposits and prepayments		45.5	67.4	34.1	47.2
Amount due from other related companies		4.4	0.4	4.3	0.2
Loan to a director	17	0.1	0.1	0.1	0.1
Short-term investments	18	178.5	684.0	106.9	108.8
Bank balances and deposits	19	656.4	774.1	314.3	245.8
		930.3	1,824.0	476.9	415.7
LESS: CURRENT LIABILITIES					
Trade creditors		22.6	19.8	17.3	17.4
Other creditors and accrued expenses		291.0	258.2	272.3	236.3
Amount due to holding company	20	5.8	2.1	5.6	8.5
Amount due to other related companies		60.5	19.3	10.8	16.6
Provision for taxation		465.9	392.6	464.7	390.3
Proposed dividend		70.7	94.3	70.7	94.3
		916.5	786.3	841.4	763.4
NET CURRENT ASSETS/(LIABILITIES)		13.8	1,037.7	(364.5)	(347.7)
		3,652.8	3,616.1	3,420.8	3,068.5
CAPITAL EMPLOYED					
SHARE CAPITAL	21	545.9	545.9	545.9	545.9
RESERVES	22	2,975.6	2,956.0	2,771.3	2,425.4
SHAREHOLDERS' FUNDS		3,521.5	3,501.9	3,317.2	2,971.3
MINORITY INTERESTS		11.7	1.2	-	-
LONG-TERM ADVANCE	23	14.3	14.3	-	-
DEFERRED TAXATION	24	17.9	11.0	17.8	10.6
RETIREMENT BENEFITS AND GRATUITIES		87.4	87.7	85.8	86.6
		3,652.8	3,616.1	3,420.8	3,068.5
NET TANGIBLE ASSETS PER SHARE		RM3.22	RM3.21		

The notes set out on pages 22 to 32 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

Amounts in RM million unless otherwise stated

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after minority interests but before taxation	371.4	1,091.8
Adjustments for:		
Depreciation of fixed assets	164.1	119.8
Provision for retirement gratuities	0.3	8.2
Interest income	(77.2)	(72.9)
Gain on disposal of short-term investments	(38.0)	(329.3)
Dividend income	(0.8)	(1.7)
Goodwill written off	373.2	24.2
Gain on disposal of fixed assets	(3.0)	(0.3)
Assets written off	35.1	3.7
Provision for diminution in value of investments	17.0	-
Share of minority interest in profits/(loss) of subsidiary companies	0.4	(0.9)
Share in profit of associated company	(20.5)	-
Other non cash items	1.8	1.0
	452.4	(248.2)
Operating profit before working capital changes	823.8	843.6
Related companies	(11.6)	5.7
(Increase)/Decrease in stocks	(2.7)	3.3
Decrease/(Increase) in debtors, deposits and prepayments	279.1	(264.5)
Increase in creditors and accrued expenses	32.4	14.5
Holding company	3.6	(232.8)
	300.8	(473.8)
Cash generated from operations	1,124.6	369.8
Retirement gratuities paid	(0.7)	(0.3)
Tax paid	(142.1)	(149.7)
Expenditure on property development	(1.6)	(1.6)
	(144.4)	(151.6)
NET CASH FROM OPERATING ACTIVITIES	980.2	218.2
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(295.3)	(285.9)
Acquisition of subsidiary companies net of cash *	(2.8)	(127.4)
Purchase of short-term investments	(157.9)	(465.8)
Proceeds from disposal of short-term investments	187.3	747.2
Interest received	77.2	72.9
Proceeds from disposal of fixed assets	6.8	2.4
Proceeds from disposal of properties	1.8	0.7
Dividends received	0.8	1.7
Purchase of investments in associated company	(1,142.1)	-
Disposal of subsidiary company **	0.7	-
Purchase of additional shares from minority shareholders	(1.3)	-
Purchase of investments	-	(9.0)
NET CASH USED IN INVESTING ACTIVITIES	(1,324.8)	(63.2)

The notes set out on pages 22 to 32 form part of these accounts.

Amounts in RM million unless otherwise stated	1998	1997
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(157.2)	(156.7)
Advances to associated company	(0.5)	-
NET CASH USED IN FINANCING ACTIVITIES	(157.7)	(156.7)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(502.3)	(1.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,265.6	1,267.3
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	763.3	1,265.6
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	656.4	774.1
Money market instruments	106.9	491.5
	763.3	1,265.6
* Analysis of acquisition of subsidiary companies		
Net assets acquired		
Fixed assets	(133.8)	224.9
Property development	-	20.7
Provision for taxation	-	(0.2)
Goodwill arising on consolidation	14.4	24.2
Long-term liability	-	(47.6)
Investments	-	105.0
Minority interest	(11.7)	(0.8)
	136.5	326.2
Net working capital	5.2	(195.7)
Total purchase consideration	141.7	130.5
Less: reclassification from long-term investments	(114.0)	-
	27.7	130.5
Bank balances of subsidiary companies acquired	(14.6)	(3.1)
	13.1	127.4
Less: balance of purchase consideration not paid	(10.3)	-
Net cash outflow on acquisition of subsidiary companies	2.8	127.4
** Analysis of acquisition of subsidiary companies		
Net assets sold		
Fixed assets	2.9	-
Net working capital	(2.2)	-
Total sales consideration	0.7	-
Cash and bank balances of subsidiary company disposed	-	-
Net cash inflow on disposal of subsidiary company	0.7	-

The notes set out on pages 22 to 32 form part of these accounts.

NOTES TO THE ACCOUNTS

31 December 1998

Amounts in RM million unless otherwise stated

1. PRINCIPAL ACTIVITIES

The Company is involved in the operation of a tourist resort at Genting Highlands and its activities cover leisure and hospitality, amusement, gaming and entertainment.

The principal activities of the Group include property development and management, leisure and hospitality services, investment holding, tours and travel related services.

Details of the principal activities of the Group are set out in Note 28 to the accounts.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The accounts have been prepared under the historical cost convention and also in accordance with the applicable approved accounting standards of the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965.

Basis of Consolidation

The consolidated accounts include the audited accounts of the Company and all its subsidiary companies made up to 31 December 1998.

The results of subsidiary companies acquired or disposed of during the year are included in the Group accounts from the effective date of acquisition or to the date of disposal.

Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation.

Fixed assets, other than freehold land, leasehold land, construction in progress and operating assets of hotels, are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major groups of assets are as follows:

Buildings and improvements 2 - 50%

Plant, equipment and vehicles 10 - 50%

With effect from the current financial year, the annual depreciation rate for buildings and improvements and computer equipment are changed from 2% - 5% to 2% - 50% and 20% to 50% respectively so as to reflect more realistically the estimated useful life of these assets. The effect on the accounts of this change in accounting estimate is not material.

Depreciation is not provided on freehold land and fixed assets which are under construction.

Leasehold land are amortised over their respective lease period ranging from 95 to 99 years.

The initial costs of operating assets of hotels such as soft furnishing and kitchen utensils have been capitalised and included under plant and equipment and are not depreciated. Subsequent acquisitions to replace these operating assets are written off in the year in which they are acquired.

Goodwill

Goodwill arising on consolidation which represents the excess of the Company's purchase price over the fair value of the net assets of the subsidiary companies at the date of acquisition, is written off to the profit and loss accounts in the year of acquisition.

Property Development and Recognition of Profits

Profits on property development projects are recognised based on the percentage of completion method. Under this method, profits are recognised as the property project progresses. Profits are, however, recognised only in respect of sales of which agreements have been finalised by the end of the financial year.

Investment Properties

Investment properties are properties held for long-term investment and are stated at cost. Depreciation is not provided on investment properties.

Investments

Investments in subsidiary companies are stated at cost less pre-acquisition dividends received while other long-term investments are stated at cost. Investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

Short-term investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Associated Company

An associated company is a company, other than a subsidiary company, in which the Group has a long term equity interest of between 20% to 50% and where the Group has representation on the board and is in a position to exercise significant influence.

The Group's share in the profits less losses of an associated company is included in the consolidated profit and loss account and the Group's interest in the associated company is stated at cost, net of goodwill written off plus adjustments to reflect changes in the Group's share in the net assets of the associated company.

Retirement Benefits and Gratuities

Provision for retirement benefits made prior to 1982 was computed based on a fixed monetary scale and length of services of all eligible employees. Since 1982, no retirement benefit is being provided as these benefits are in the form of increased contribution to the Employees Provident Fund.

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors ("participants") of the Company and subsidiary companies. Provision for retirement gratuities under this scheme is computed based on length of service and basic salary. Retirement gratuities in respect of services rendered prior to 1991 is provided over periods not exceeding the retirement age of participants.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Deferred Taxation

Deferred tax accounting using the 'liability' method is adopted by the Group. Deferred taxation provides for the effects of timing differences between accounting income and taxable income arising from the inclusion of items in different periods. Tax effects of timing differences are not recognised in respect of timing differences which are not expected to reverse in the foreseeable future.

Cash and Cash Equivalents

Cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value.

Foreign Currencies

The accounts are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies during the year have been translated into RM at the rates ruling on the dates of the transactions. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at approximately the rates ruling on that date. Gains and losses arising from translations are included in the profit and loss account. However, translation gains and losses arising from transactions which provide an effective hedge against investments in foreign currency are taken to reserves. The corresponding translation gains and losses arising from such investments are also taken to reserves.

Profit and loss accounts 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 rates approximate to those ruling at the year end. Exchange differences arising from the translation of profit and loss accounts 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.

3. OPERATING REVENUE

Operating revenue, other than those arising from property development projects and casino operations, represents the invoiced value receivable for goods and services supplied, income from investments and proceeds from sale of investments. For property development projects, revenue is recognised as the project activity progresses and is in respect of those units where the sales agreements have been finalised by the end of the financial year. Casino revenue represents net house takings.

The Casino licence of the Company is renewable every three months.

4. SEGMENT ANALYSIS

	Operating Revenue		Profit Before Taxation		Assets Employed	
	1998	1997	1998	1997	1998	1997
By activity						
Leisure and Hospitality Properties	2,318.4	2,277.8	625.2	717.0	2,354.1	2,170.9
	8.3	11.0	10.4	7.5	520.8	460.8
	<u>2,326.7</u>	<u>2,288.8</u>	<u>635.6</u>	<u>724.5</u>	<u>2,874.9</u>	<u>2,631.7</u>
Investment in an associated company	-	-	20.5	-	951.6	-
	<u>2,326.7</u>	<u>2,288.8</u>	<u>656.1</u>	<u>724.5</u>	<u>3,826.5</u>	<u>2,631.7</u>
Non-Segment Items						
- Interest bearing investments	-	-	77.2	72.9	663.3	1,177.7
- Short-term equity investments and others	188.2	749.9	(361.5)	293.5	79.5	593.0
	<u>2,514.9</u>	<u>3,038.7</u>	<u>371.8</u>	<u>1,090.9</u>	<u>4,569.3</u>	<u>4,402.4</u>
By geographical location						
Malaysia	2,326.7	2,288.8	635.6	724.5	2,874.9	2,631.7
Outside Malaysia	-	-	20.5	-	951.6	-
Non-Segment Items						
- Interest bearing investments	-	-	77.2	72.9	663.3	1,177.7
- Short-term equity investments and others	188.2	749.9	(361.5)	293.5	79.5	593.0
	<u>2,514.9</u>	<u>3,038.7</u>	<u>371.8</u>	<u>1,090.9</u>	<u>4,569.3</u>	<u>4,402.4</u>

Included in the Profit Before Taxation in 1998 of short-term equity investments and others is the goodwill written off arising from acquisition of associated/subsidiary companies.

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.

5. PROFIT BEFORE TAXATION

	Group		Company	
	1998	1997	1998	1997
Operating revenue	2,514.9	3,038.7	2,266.7	2,243.9
Other income	98.5	72.9	49.9	30.1
	<u>2,613.4</u>	<u>3,111.6</u>	<u>2,316.6</u>	<u>2,274.0</u>
Operating expenses	(1,663.5)	(1,806.2)	(1,429.1)	(1,344.0)
Other expenses	(578.1)	(214.5)	(186.3)	(178.2)
	<u>371.8</u>	<u>1,090.9</u>	<u>701.2</u>	<u>751.8</u>

Profit before taxation as stated above has been determined after inclusion of the following charges and credits:

	Group		Company	
	1998 RM'000	1997 RM'000	1998 RM'000	1997 RM'000
Charges:				
Depreciation of fixed assets	164,112	119,827	148,208	111,511
Directors' remuneration:				
From the Company				
- Directors' fees	288	342	288	342
- Provision for retirement gratuities	1,123	(63)	1,123	(63)
- Other emoluments	23,396	17,303	23,396	17,303
From subsidiary companies				
- Directors' fees	70	23	-	-
- Other emoluments	546	14	-	-
Fixed assets written off	35,057	3,762	35,057	2,482
Provision of diminution in value of investments	16,984	-	-	-
Hire of equipment	4,229	3,832	4,229	3,816
Rental of land and buildings	1,934	1,103	669	1,006
Auditors' remuneration:				
- Current year provision	301	306	166	158
- Under provision in prior year	-	5	-	-

5. PROFIT BEFORE TAXATION (Cont'd)

	Group		Company	
	1998 RM'000	1997 RM'000	1998 RM'000	1997 RM'000
Charges by holding company:				
- Management and licensing fees	68,873	67,195	68,759	66,942
- Hire of equipment	161	-	161	-
Charges by other related companies:				
- Management and licensing fees	182,993	174,139	181,434	173,517
- Rental of land and buildings	1,539	1,551	1,451	1,512
- Hire of equipment	186	-	-	-
- Interest on finance lease	-	23	-	-
Charges by subsidiary companies:				
- Hire of equipment	-	-	1,073	585
- Rental of land and buildings	-	-	164	271
Provision for retirement gratuities	-	8,053	-	7,915
Credits:				
Interest income	77,219	72,947	26,806	24,759
Share in profits of associated company	20,547	-	-	-
Rental income from land and buildings	11,546	9,506	5,831	4,735
Provision for retirement gratuities no longer required	794	-	1,020	-
Gross dividends from quoted overseas corporations	793	1,707	-	-
Rental of equipment	59	-	-	-
Interest income from subsidiary companies	-	-	23,058	5,321

6. EXCEPTIONAL ITEMS

Included in profit before taxation are the following exceptional items:

	Group	
	1998	1997
Goodwill written off arising from acquisition of subsidiary companies	14.4	24.2
Goodwill written off arising from acquisition of associated company	358.8	-
Gain on disposal of short-term investments	38.0	329.3

7. TAXATION

	Group		Company	
	1998	1997	1998	1997
Current Taxation				
Malaysian taxation	215.3	214.5	214.5	212.0
Foreign taxation	0.2	0.1	-	-
	215.5	214.6	214.5	212.0
Deferred Taxation	6.9	9.9	7.2	10.6
	222.4	224.5	221.7	222.6

The investment tax allowance incentive granted to the Company for a period of five years under the Promotion of Investments Act 1986, expired on 23 June 1997. A similar incentive granted to Genting Golf Course Bhd, a subsidiary company, for a period of five years expired on 30 January 1997.

The effective tax rate for the Group for 1998 is higher than the statutory tax rate due mainly to goodwill written off which is not deductible for tax purposes. The effective tax rate for the Group for 1997 is lower than the statutory tax rate due mainly to income of an overseas subsidiary company which was not taxable. The effective tax rate for the Company for 1998 and 1997 is higher than the statutory tax rate due mainly to certain expenses which are not deductible for tax purposes.

There is no material adjustment for under/over provision for taxation relating to prior years for the Group and for the company.

8. DIVIDENDS

	1998	1997
Interim - 8.0 sen less 28% tax [1997: 8.5 sen less 30% tax (now deemed as 28%)] per share	62.9	65.0
Proposed final - 9.0 sen less 28% tax [1997: 12.0 sen less 28% tax] per share	70.7	94.3
	133.6	159.3

9. FIXED ASSETS

1998 Group	Freehold land	Long leasehold land	Buildings & improvement	Plant, equipment & vehicles	Construction in progress	Total
Amount at cost unless otherwise stated:						
Beginning of the year	196.3	51.6	1,521.9	881.6	64.8	2,716.2
Additions	1.2	2.7	14.8	52.8	223.8	295.3
Disposals	(1.4)	-	-	(5.1)	-	(6.5)
Written off	-	-	(31.4)	(10.4)	-	(41.8)
Assets of subsidiaries acquired	-	57.9	62.3	13.4	0.2	133.8
Reclassifications	-	-	143.1	41.8	(184.9)	-
Others	-	-	(1.8)	-	-	(1.8)
End of the year	196.1	112.2	1,708.9	974.1	103.9	3,095.2
Accumulated depreciation:						
Beginning of the year	-	0.5	120.8	426.6	-	547.9
Charge for the year	-	0.4	35.0	128.7	-	164.1
Disposals	-	-	-	(2.7)	-	(2.7)
Written off	-	-	(1.0)	(5.7)	-	(6.7)
Assets of subsidiaries acquired	-	-	1.0	1.9	-	2.9
End of the year	-	0.9	155.8	548.8	-	705.5
Net book value at beginning of the year	196.3	51.1	1,401.1	455.0	64.8	2,168.3
Net book value at end of the year	196.1	111.3	1,553.1	425.3	103.9	2,389.7
1997 Group						
Amount at cost unless otherwise stated:						
Beginning of the year	190.5	0.5	1,171.3	690.1	151.0	2,203.4
Additions	7.6	-	9.0	56.4	212.9	285.9
Disposals	(1.8)	-	(1.8)	(4.4)	(1.2)	(9.2)
Assets of subsidiaries acquired	-	51.1	140.9	33.1	7.0	232.1
Reclassifications	-	-	202.5	106.4	(304.9)	4.0
End of the year	196.3	51.6	1,521.9	881.6	64.8	2,716.2
Accumulated depreciation:						
Beginning of the year	-	-	89.9	334.4	-	424.3
Charge for the year	-	0.1	28.0	91.7	-	119.8
Disposals	-	-	(0.1)	(3.3)	-	(3.4)
Assets of subsidiaries acquired	-	0.4	3.0	3.8	-	7.2
End of the year	-	0.5	120.8	426.6	-	547.9
Net book value at beginning of the year	190.5	0.5	1,081.4	355.7	151.0	1,779.1
Net book value at end of the year	196.3	51.1	1,401.1	455.0	64.8	2,168.3

9. FIXED ASSETS (Cont'd)

1998 Company	Freehold land	Long leasehold land	Buildings & improvement	Plant, equipment & vehicles	Construction in progress	Total
Amount at cost unless otherwise stated:						
Beginning of the year	87.3	0.5	1,312.6	765.1	56.2	2,221.7
Additions	-	-	1.3	43.6	173.7	218.6
Disposals	-	-	-	(4.8)	-	(4.8)
Written off	-	-	(31.4)	(10.3)	-	(41.7)
Reclassifications	-	-	143.0	41.7	(184.7)	-
End of the year	87.3	0.5	1,425.5	835.3	45.2	2,393.8
Accumulated depreciation:						
Beginning of the year	-	-	110.0	372.8	-	482.8
Charge for the year	-	-	30.1	118.1	-	148.2
Disposals	-	-	-	(2.6)	-	(2.6)
Written off	-	-	(1.0)	(5.7)	-	(6.7)
End of the year	-	-	139.1	482.6	-	621.7
Net book value at beginning of the year	87.3	0.5	1,202.6	392.3	56.2	1,738.9
Net book value at end of the year	87.3	0.5	1,286.4	352.7	45.2	1,772.1
1997						
Company						
Amount at cost unless otherwise stated:						
Beginning of the year	81.2	0.5	1,114.0	622.5	148.6	1,966.8
Additions	6.1	-	2.3	41.8	211.3	261.5
Disposals	-	-	(1.8)	(3.7)	(1.1)	(6.6)
Reclassifications	-	-	198.1	104.5	(302.6)	-
End of the year	87.3	0.5	1,312.6	765.1	56.2	2,221.7
Accumulated depreciation:						
Beginning of the year	-	-	83.8	290.3	-	374.1
Charge for the year	-	-	26.2	85.3	-	111.5
Disposals	-	-	-	(2.8)	-	(2.8)
End of the year	-	-	110.0	372.8	-	482.8
Net book value at beginning of the year	81.2	0.5	1,030.2	332.2	148.6	1,592.7
Net book value at end of the year	87.3	0.5	1,202.6	392.3	56.2	1,738.9

10. PROPERTY DEVELOPMENT

	Group	
	1998	1997
Non-current portion:		
Freehold land held for development - at cost	219.1	217.5
Current portion:		
Completed development - at cost	<u>16.6</u>	<u>18.3</u>

11. INVESTMENT PROPERTIES

Investment properties of the Group comprise apartments and condominiums which are owned by subsidiary companies.

12. SUBSIDIARY COMPANIES

	Company	
	1998	1997
Unquoted shares - at cost	1,477.3	1,248.3
Amount due from subsidiary companies	540.6	434.8
Amount due to subsidiary companies	(7.2)	(8.0)
	<u>2,010.7</u>	<u>1,675.1</u>

The subsidiary companies are listed in Note 28.

13. INVESTMENTS

	Group		Company	
	1998	1997	1998	1997
Shares in unquoted local corporations				
- at cost	2.2	116.2	2.2	2.2

14. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	1998	1997	1998	1997
Quoted				
Cost of acquisition, net of goodwill written off	895.9	-	-	-
Group's share of post acquisition reserve	24.2	-	-	-
	<u>920.1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount due from associated company	31.5	-	0.3	-
	<u>951.6</u>	<u>-</u>	<u>0.3</u>	<u>-</u>

The associated company is listed in Note 29.

15. STOCKS

	Group		Company	
	1998	1997	1998	1997
Food, beverages, tobacco and other hotel supplies	4.9	4.2	4.2	3.4
Stores and spares	7.8	5.5	6.9	5.0
	<u>12.7</u>	<u>9.7</u>	<u>11.1</u>	<u>8.4</u>

16. TRADE DEBTORS

	Group		Company	
	1998	1997	1998	1997
Trade debtors	16.7	270.8	6.2	6.0
Provision for doubtful debts	(0.6)	(0.8)	(0.1)	(0.8)
	<u>16.1</u>	<u>270.0</u>	<u>6.1</u>	<u>5.2</u>

17. LOAN TO A DIRECTOR

This represents housing loan granted to a director of the Company.

18. SHORT-TERM INVESTMENT

	Group		Company	
	1998	1997	1998	1997
Quoted – at cost				
Shares in foreign corporations	82.9	192.5	-	-
Share in local corporation	5.7	-	-	-
Money market instruments	106.9	491.5	106.9	108.8
	195.5	684.0	106.9	108.8
Less: provision for diminution in value	(17.0)	-	-	-
	178.5	684.0	106.9	108.8
Market value of quoted shares	71.6	314.0	-	-

19. BANK BALANCES AND DEPOSITS

	Group		Company	
	1998	1997	1998	1997
Deposits with licensed banks	545.1	674.7	211.6	158.9
Cash and bank balances	111.3	99.4	102.7	86.9
	656.4	774.1	314.3	245.8

20. HOLDING COMPANY

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

21. SHARE CAPITAL

	1998	1997
Authorised 1,600.0 million ordinary shares of 50 sen each	800.0	800.0
Issued and fully paid 1,091.8 million ordinary shares of 50 sen each	545.9	545.9

At the year end, options to subscribe for 1.6 million unissued ordinary shares of 50 sen each under The Resorts World Employees' Share Option Scheme for Executives were outstanding. These options granted in 1994 are exercisable as follows:

Exercisable Period		Subscription Price Per Share	No. of Shares Million
From	To	RM	
25 June 1999	22 September 1999	16.77	1.6

22. RESERVES

	Group		Company	
	1998	1997	1998	1997
Non-Distributable Reserves:				
Share premium	33.3	33.3	33.3	33.3
Distributable Reserves:				
Unappropriated profit	2,938.1	2,922.7	2,738.0	2,392.1
Other Reserves:				
Exchange Differences	-	-	-	-
At beginning of the year	4.2	-	-	-
Movement during the year	4.2	-	-	-
At end of the year	2,975.6	2,956.0	2,771.3	2,425.4

Based on the estimated investment tax allowance claimed and the tax exempt income earned during the pioneer period which may be utilised to frank the payment of tax exempt dividend, and the estimated Section 108 tax credits available, the Company may distribute its entire unappropriated profit as at 31 December 1998 as cash dividends without additional tax liability being incurred.

23. LONG-TERM ADVANCE

This represents an unsecured, interest-free long-term advance from a minority shareholder in a subsidiary company.

24. DEFERRED TAXATION

	Group		Company	
	1998	1997	1998	1997
Excess of capital allowances over depreciation	33.7	35.2	33.6	34.8
Timing differences arising from provisions	(15.8)	(24.2)	(15.8)	(24.2)
	<u>17.9</u>	<u>11.0</u>	<u>17.8</u>	<u>10.6</u>

25. EARNINGS PER SHARE

Earnings per ordinary share is calculated based on the Group's profit attributable to shareholders of the Company of RM149.0 million (1997: RM867.3 million) and the number of ordinary shares in issue of 1,091.8 million (1997: 1,091.8 million).

26. CAPITAL COMMITMENTS

	Group		Company	
	1998	1997	1998	1997
Authorised capital expenditure not provided for in the accounts:				
- contracted	208.5	164.8	63.0	84.8
- not contracted	67.6	81.3	22.3	81.3
	<u>276.1</u>	<u>246.1</u>	<u>85.3</u>	<u>166.1</u>

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Significant related party transactions between the Group and Genting Berhad ("GB"), the holding company and with Genting Hotel & Resorts Management Sdn Bhd ("GHRM"), a wholly-owned subsidiary of GB during the year are as follows:

- (i) Licensing fees of RM68.9 million (1997: RM67.2 million) paid to GB for the use of the "Genting" Name and Logo and
- (ii) Management fees of RM183.0 million (1997: RM174.1 million) paid to GHRM for the operation and management of the gaming, hotel and resort related operations of the Company.

These fees have been agreed by respective parties based on commercial rates.

(b) Transactions which are deemed related by virtue of the interest of some of the Company's directors are as follows:

On 30 June 1998, Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company, subscribed for 125.0 million new ordinary shares of US\$0.10 each in Star Cruises PLC ("SCPLC"), representing approximately 20% equity interest in SCPLC, for a cash consideration of US\$262.5 million (RM974.7 million) or at US\$2.10 per share.

The subscription price of US\$2.10 per share was based primarily on the average market price of SCPLC shares since its listing and quotation on the Luxembourg Stock Exchange and on the Central Limit Order Book International, Singapore, up to 8 April 1998 being the last date before the announcement of the proposed subscription.

The subscription by RWL of the new ordinary shares in SCPLC was approved by the shareholders of the Company at an Extraordinary General Meeting.

As at 31 December 1998, RWL held approximately 167.0 million shares in SCPLC representing an equity interest of 26.8%. The acquisition resulted in a goodwill of approximately RM358.8 million. The entire goodwill amount has been written off through the Profit and Loss Account of RWL in 1998.

The nature and extent of the interests of the directors concerned are as set out below:

Tan Sri Lim Goh Tong - a shareholder of SCPLC and a preference unit holder of the Golden Hope Unit Trust ("GHUT"), which is a substantial shareholder of SCPLC 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 director and shareholder of SCPLC and a director of GHL, the trustee of the GHUT 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.

- is a member of the family of Tan Sri Lim Goh Tong.

Other than the above, there are no material related party transactions.

28. SUBSIDIARY COMPANIES

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
<u>Direct Subsidiary Companies</u>				
Genting Golf Course Bhd	100	100	Malaysia	Golf resort, condotel, hotel operations and property development
Genting Highlands Bhd	100	100	Malaysia	Land and property development
Genting Utilities & Services Sdn Bhd	100	100	Malaysia	Provision of utilities services
Setiabahagia Sdn Bhd	100	100	Malaysia	Property investment
Setiaseri Sdn Bhd	100	100	Malaysia	Property investment
Vestplus Sdn Bhd	100	100	Malaysia	Property investment
Gentinggi Sdn Bhd	100	100	Malaysia	Investment holding
Sierra Springs Sdn Bhd	100	100	Malaysia	Investment holding
Resorts World Tours Sdn Bhd	100	100	Malaysia	Provision of tour and travel related services
Resorts World Food Services Sdn Bhd	100	100	Malaysia	Restaurant, food catering and related management services
First World Hotels and Resorts Sdn Bhd (Formerly known As Resorts World Management Services Sdn Bhd)	100	100	Malaysia	Pre-operating
* Vestplus (Hong Kong) Limited	100	100	Hong Kong	Pre-operating
Leisure & Cafe Concept Sdn Bhd (Formerly known as Sterling Park Sdn Bhd)	100	70	Malaysia	Pre-operating
Genting Studio Sdn Bhd	100	100	Malaysia	Pre-operating
Resorts Tavern Sdn Bhd	100	100	Malaysia	Pre-operating
Seraya Mayang Sdn Bhd	99.9	99.9	Malaysia	Investment holding
Genting Centre of Excellence Sdn Bhd	100	100	Malaysia	Training services
Genting Leisure Sdn Bhd	100	100	Malaysia	Investment holding
Genting Entertainment Sdn Bhd	100	100	Malaysia	Entertainment business
Vestroute (M) Sdn Bhd	100	100	Malaysia	Provision of cable car services
Awana Vacation Resorts Development Berhad	100	100	Malaysia	Operating and managing a proprietary timeshare ownership scheme
Profil Masa (M) Sdn Bhd	100	-	Malaysia	Pre-operating
* Vestplus (Thailand) Ltd	100	-	Thailand	Pre-operating
<u>Indirect Subsidiary Companies</u>				
Genting Property Management Sdn Bhd	100	100	Malaysia	Property management
Genasa Sdn Bhd	100	100	Malaysia	Sale and letting of apartment
Gentasa Sdn Bhd	100	100	Malaysia	Pre-operating
Gentas Sdn Bhd	100	100	Malaysia	Pre-operating
Genmas Sdn Bhd	100	100	Malaysia	Pre-operating
Genas Sdn Bhd	100	100	Malaysia	Pre-operating
Genawan Sdn Bhd	100	100	Malaysia	Pre-operating
Gensa Sdn Bhd	100	100	Malaysia	Pre-operating
Gentinggi Quarry Sdn Bhd	100	100	Malaysia	Pre-operating

28. SUBSIDIARY COMPANIES (Cont'd)

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
Indirect Subsidiary Companies (cont'd)				
* Resorts World Limited	100	100	Isle of Man	Investment holding
* R. W. Investments Limited	100	100	Isle of Man	Dormant
* Resorts Overseas Investments Limited	100	100	Isle of Man	Pre-operating
Rantau Cempaka (M) Sdn Bhd	100	100	Malaysia	Pre-operating
Genting World Sdn Bhd	100	100	Malaysia	Leisure and entertainment business
Kijal Resort Sdn Bhd	69.9	69.9	Malaysia	Property development and property management
Widuri Pelangi Sdn Bhd	69.9	69.9	Malaysia	Golf resort and hotel operations
* Lafleur Limited	100	100	Isle of Man	Investment holding
* Genting Administrative Services Sdn Bhd	100	100	Malaysia	Investment holding
Star Cruise Properties Sdn Bhd	100	-	Malaysia	Investment holding
Bandar Pelabuhan Sdn Bhd	60	-	Malaysia	Investment holding
Papago Sdn Bhd	100	-	Malaysia	Resorts and hotel operation
Merriwa Sdn Bhd	100	-	Malaysia	Pre-operating
Nippontech Resources Sdn Bhd	100	-	Malaysia	Pre-operating
Twinmatics Sdn Bhd	100	-	Malaysia	Pre-operating
Twinsurf Sdn Bhd	100	-	Malaysia	Pre-operating
Dutabay Sdn Bhd	100	-	Malaysia	Pre-operating
Twinkle Glow Sdn Bhd	60	-	Malaysia	Pre-operating
Tullamarine Sdn Bhd	60	-	Malaysia	Pre-operating
Jomara Sdn Bhd	60	-	Malaysia	Pre-operating
Sweet Bonus Sdn Bhd	60	-	Malaysia	Pre-operating
Vintage Action Sdn Bhd	60	-	Malaysia	Pre-operating
Yarrowin Sdn Bhd	60	-	Malaysia	Pre-operating
Hitechwood Sdn Bhd	60	-	Malaysia	Pre-operating
Rapallo Sdn Bhd	60	-	Malaysia	Pre-operating
Laserwood Sdn Bhd	60	-	Malaysia	Pre-operating
Space Fair Sdn Bhd	60	-	Malaysia	Pre-operating
Waxwood Sdn Bhd	60	-	Malaysia	Pre-operating
Neutrino Space Sdn Bhd	60	-	Malaysia	Pre-operating
Possible Affluent Sdn Bhd	60	-	Malaysia	Pre-operating

* The accounts of these companies are examined by auditors other than the auditors of the Company.

29. ASSOCIATED COMPANY

	Effective Percentage of Ownership		Place of Incorporation	Principal Activities
	1998	1997		
* Star Cruises PLC	26.8	-	Isle of Man	Investment holding

* The accounts of the associated company are examined by auditors other than the auditors of the Company.

30. COMPARATIVES

Certain figures relating to previous year have been reclassified to conform with current year's presentation.

STATEMENT BY DIRECTORS

We, DATO' LIM KOK THAY and TAN SRI ALWI JANTAN, two of the Directors of **RESORTS WORLD BHD**, state that, in the opinion of the Directors, the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the notes on pages 22 to 32 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 1998 and of the results of the Group and of the company and the cash flows of the Group for the year ended on that date.

On behalf of the Board,

DATO' LIM KOK THAY

Kuala Lumpur
12 April 1999

TAN SRI ALWI JANTAN

STATUTORY DECLARATION

I, **KOH POY YONG**, the Officer primarily responsible for the financial management of **RESORTS WORLD BHD**, do solemnly and sincerely declare that the accompanying balance sheets, profit and loss accounts and consolidated cash flow statement, together with the notes on pages 22 to 32 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
By the abovenamed **KOH POY YONG**)
At KUALA LUMPUR on 12 April 1999)
Before me,

KOH POY YONG

DATO' NG MANN CHEONG

Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accompanying balance sheets as of 31 December 1998, and the related profit and loss accounts and consolidated cash flow statement, together with the notes thereto, for the year then ended. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the accounts are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as of 31 December 1998 and of the results of the Group and of the Company and the cash flows of the Group for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the accounts and consolidated accounts; 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.

We have considered the accounts and auditors' reports of the subsidiary companies of which we have not acted as auditors as shown in Note 28 to the accounts, being accounts that have been included in the consolidated accounts.

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the accounts of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE TOUCHE TOHMATSU

AF 0834
Public Accountants

TAN BUN POO

1304/5/00(J/PH)
Partner

Kuala Lumpur
12 April 1999

AUDIT COMMITTEE

TERMS OF REFERENCE

The Board of Directors of Resorts World Bhd ("Company") has established an Audit Committee ("Committee") on 11 August 1994. The Committee shall be governed by the following terms of reference:

1. COMPOSITION

- (i) The Committee shall comprise three directors, a majority of whom are independent of management and operating responsibilities. One of the Committee members who is a non-executive director shall be appointed as the Committee's Chairman by the members of the Committee; and
- (ii) If the number of members of the Committee is reduced to below three for reasons of resignation, death or otherwise, the Board of Directors of the Company shall appoint such number of new members as may be required to make up the minimum number of three members.

2. AUTHORITY

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

3. RESPONSIBILITY

The Committee is to serve as a focal point for communication between non-Committee directors, the external auditors, internal auditors and the Management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

4. FUNCTIONS

The functions of the Committee are as follows:

- (i) review with the external auditors, their audit plan;
- (ii) review with the external auditors, their evaluation of the system of internal accounting control;
- (iii) review with the external auditors, their audit report;
- (iv) review the assistance given by the Company's officers to the external auditors;
- (v) review the scope and results of the internal audit procedures;
- (vi) review the financial statements of the Company and the consolidated financial statements of the Group prior to the directors' approval;
- (vii) review related party transactions that may arise within the Company or the Group; and
- (viii) consider the appointment of external auditors, their audit fees and any question of resignation and dismissal.

5. MEETINGS

- (i) The Committee is to meet at least twice a year and as many times as the Committee deems necessary;
- (ii) The quorum for any meeting of the Committee shall be two;
- (iii) The finance director (head of finance), the head of internal audit and a representative of the external auditors shall normally attend meetings of the Committee; and
- (iv) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the directors or shareholders of the Company.

6. SECRETARY AND MINUTES

The Secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's directors who are not members of the Committee.

NINE-YEAR SUMMARY

Amount in RM million unless otherwise stated	1998	1997	1996	1995	1994	1993	1992	1991	1990
Profit before taxation #	371.8	1,090.9	802.9	736.2	792.2	617.4	474.9	404.7	314.5
Taxation	(222.4)	(224.5)	(233.2)	(190.0)	(236.5)	(166.2)	(88.6)	(95.1)	(110.7)
Profit after taxation	149.4	866.4	569.7	546.2	555.7	451.2	386.3	309.6	203.8
Profit attributable to shareholders	149.0	867.3	569.7	546.2	555.7	451.2	386.3	309.6	203.8
Issued capital	545.9	545.9	545.9	545.9	545.9	542.8	541.7	541.7	541.7
Unappropriated profit	2,938.1	2,922.7	2,214.7	1,801.7	1,405.1	991.7	664.4	384.7	166.6
Other reserves	37.5	33.3	33.3	33.3	33.3	33.3	33.4	33.4	33.4
Shareholders' funds	3,521.5	3,501.9	2,793.9	2,380.9	1,984.3	1,567.8	1,239.5	959.8	741.7
Minority interest	11.7	1.2	1.3	1.3	1.3	-	-	-	-
Long-term advance	14.3	14.3	-	-	-	-	-	-	-
Deferred taxation	17.9	11.0	1.1	2.8	1.8	3.8	12.7	1.8	1.4
Retirement benefits and gratuities	87.4	87.7	79.8	67.7	55.8	44.3	32.8	12.2	1.3
Capital employed	3,652.8	3,616.1	2,876.1	2,452.7	2,043.2	1,615.9	1,285.0	973.8	744.4
Fixed assets	2,389.7	2,168.3	1,779.1	1,415.7	1,132.8	936.9	740.3	492.3	290.1
Property development	219.1	217.5	215.9	198.2	197.0	192.6	191.6	193.2	195.7
Investment properties	76.4	76.4	79.7	80.8	79.7	81.9	83.9	85.6	89.9
Associated company	951.6	-	-	-	-	5.3	-	-	-
Investments	2.2	116.2	2.2	2.2	2.1	2.1	2.1	-	0.3
Goodwill	-	-	-	-	-	-	55.4	58.1	60.7
	3,639.0	2,578.4	2,076.9	1,696.9	1,411.6	1,218.8	1,073.3	829.2	636.7
Net current assets	13.8	1,037.7	799.2	755.8	631.3	397.1	211.7	144.6	107.7
Employment of capital	3,652.8	3,616.1	2,876.1	2,452.7	2,043.2	1,615.9	1,285.0	973.8	744.4
Earnings per share (sen)*	13.6	79.4	52.2	50.0	51.1	41.6	35.7	28.6	18.8
Net dividend per share (sen)*	12.2	14.6	14.4	13.7	13.0	11.4	9.8	8.5	7.2
Dividend cover (times)	1.1	5.4	3.6	3.6	3.9	3.6	3.6	3.4	2.6
Current ratio	1.0	2.3	2.2	2.3	2.2	1.8	1.6	1.5	1.4
Net tangible assets per share (RM)*	3.22	3.21	2.56	2.18	1.82	1.44	1.09	0.83	0.63
Return (after tax and minority interests)									
On average shareholders' fund (%)	4.2	27.6	22.0	25.0	31.3	32.1	35.1	36.4	30.0
Market share price*									
- highest (RM)	9.55	13.30	15.90	17.80	18.00	17.50	7.95	5.20	3.63
- lowest (RM)	2.85	4.08	11.30	11.00	12.60	7.00	4.85	2.93	2.65

Figures are adjusted to reflect the compliance with International Accounting Standard 8 (IAS 8): Net profit or loss for the period, fundamental errors and changes in accounting policies which came into effect on 1 January 1997.

* Adjusted to reflect the increased number of ordinary shares of the Company.

LIST OF PROPERTIES HELD

AS AT 31 DECEMBER 1998

LOCATION	TENURE	APPROXIMATE AREAS	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 1998 (RM million)	AGE OF BUILDINGS (Years)
MALAYSIA					
STATE OF PAHANG DARUL MAKMUR					
1. Genting Highlands, Bentung	Freehold	Built-up : 100,592 sq.metres	18-storey Genting Hotel Complex	213.9	17
2. Genting Highlands, Bentung	Freehold	Built-up : 95,485 sq.metres	23-storey Resort Hotel & Car Park II	159.0	6
3. Genting Highlands, Bentung	Freehold	Built-up : 20,516 sq.metres	23-storey Awana Tower Hotel	30.3	5
4. Genting Highlands, Bentung	Freehold	Built-up : 19,688 sq.metres	10-level Theme Park Hotel	40.9	27
5. Genting Highlands, Bentung	Freehold	Built-up : 11,902 sq.metres	10-level Theme Park Hotel – Valley Wing	14.9	23
6. Genting Highlands, Bentung	Freehold	Built-up : 29,059 sq.metres	16-storey Residential Staff Complex I	14.4	15
7. Genting Highlands, Bentung	Freehold	Built-up : 28,804 sq.metres	19-storey Residential Staff Complex II	20.4	6
8. Genting Highlands, Bentung	Freehold	Built-up : 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park III	77.5	6
9. Genting Highlands, Bentung	Freehold	Built-up : 41,976 sq.metres	25-storey Residential Staff Complex V	65.1	2
10. Genting Highlands, Bentung	Freehold	Built-up : 4,119 sq.metres	5-storey Ria Staff Residence	1.2	26
11. Genting Highlands, Bentung	Freehold	Built-up : 4,109 sq.metres	5-storey Sri Layang Staff Residence	24.5	4
12. Genting Highlands, Bentung	Freehold	Built-up : 18,397 sq.metres	8-level Car Park I	2.7	15
13. Genting Highlands, Bentung	Freehold	Built-up : 1,086 sq.metres	5-storey Bomba Building	0.9	15
14. Genting Highlands, Bentung	Freehold	Built-up : 513 sq.metres	Petrol Station	0.1	19
15. Genting Highlands, Bentung	Freehold	Built-up : 1,033 sq.metres	Indoor Stadium	8.1	11
16. Genting Highlands, Bentung	Freehold	Built-up : 4,151 sq.metres	3-storey Lakeside Teahouse	4.6	11
17. Genting Highlands, Bentung	Freehold	Lake : 2 hectares	Man-made Lake	0.7	-
18. Genting Highlands, Bentung	Freehold	Built-up : 2,769 sq.metres	4-storey Staff Recreation Centre	4.0	6
19. Genting Highlands, Bentung	Freehold	Built-up : 540 sq.metres	2 units of Kayangan Apartment	0.4	18
20. Genting Highlands, Bentung	Freehold	Built-up : 7,666 sq.metres	Awana Golf & Country Resort Complex	22.5	12
21. Genting Highlands, Bentung	Freehold	Built-up : 17,010 sq.metres	174 units of Awana Condominium	42.3	12
22. Genting Highlands, Bentung	Freehold	Built-up : 10,243 sq.metres	92 units of Ria Apartment	20.0	12
23. Genting Highlands, Bentung	Freehold	Land : 3,300 hectares	105 plots of land & improvements	375.2	-
24. Genting Highlands, Bentung	Leasehold (unexpired lease period of 95 years)	Land : 6 hectares	2 plots of land	0.5	-
25. Mentakab, Temerluh	Freehold	Land : 84 hectares	Vacant housing development land	5.8	-
STATE OF SELANGOR DARUL EHSAN					
1. Genting Highlands, Hulu Selangor	Freehold	Built-up : 149,941 sq.metres	28-storey Highlands Hotel & Car Park IV	462.1	2
2. Genting Highlands, Hulu Selangor	Freehold	Land : 6 hectares	1 plot of building land	6.1	-
		Built-up : 47,715 sq.metres	5-storey Genting Skyway Station Complex with 4-level of basement carpark	82.9	2
3. Genting Highlands, Hulu Selangor	Freehold	Built-up : 3,008 sq.metres	2-storey and 4-storey Gothong Jaya Security Buildings	4.8	1
4. Genting Highlands, Hulu Selangor	Freehold	Built-up : 8,485 sq.metres	75 units of Ria Apartment	16.8	12
5. Genting Highlands, Hulu Selangor	Freehold	Land : 615 hectares	18 plots of building land	62.1	-
6. Genting Highlands, Gombak	Freehold	Land : 396 hectares	2 plots of vacant building land	30.7	-
7. Batang Kali, Hulu Selangor	Freehold	Land : 9 hectares	1 plot of vacant agriculture land	2.2	-
8. Ulu Yam, Hulu Selangor	Freehold	Land : 38 hectares	1 plot of vacant building land	16.3	-
9. Ulu Yam, Hulu Selangor	Freehold	Land : 4 hectares	3 plots of vacant agriculture land	1.1	-
10. Pulau Indah, Klang	Leasehold (unexpired lease period of 97 years)	Land : 47 hectares	13 plots of vacant industrial land & improvements	50.1	-
FEDERAL TERRITORY OF KUALA LUMPUR					
1. Taman U Thant, Kuala Lumpur	Freehold	Built-up : 178 sq.metres	1 units of Desa Angkasa Apartment	0.3	12
STATE OF TERENGGANU DARUL IMAN					
1. Kijal, Kemaman	Leasehold (unexpired lease period of 93 years)	Land : 272 hectares	5 plots of resort/property development land	36.7	-
		Land : 51 hectares	18-hole Awana Kijal Golf Course	13.5	-
		Built-up : 35,563 sq.metres	7-storey Awana Kijal Hotel	128.5	2
		Built-up : 4,028 sq.metres	12 units of shop/office	3.9	3
		Built-up : 5,928 sq.metres	85 units of Baiduri Apartment	8.8	4
		Built-up : 10,113 sq.metres	127 units of Angsara Apartment	16.2	3
STATE OF KEDAH DARUL AMAN					
1. Tanjung Malai, Langkawi	Leasehold (unexpired lease period of 89 years)	Land : 14 hectares	5 plots of building land	10.5	-
		Built-up : 14,387 sq.metres	3-storey Awana Langkawi Hotel with 19 units of shops, Cultural/Sports Centre, Maritime/Entertainment Centre	60.8	1

GROUP OFFICES

Group Head Office

Genting Berhad

Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel: (03) 261 2288 / 202 2288
Fax: (03) 261 5304
Telex: GHHB MA 30022

CORPORATE OFFICE

Resorts World Bhd

Awana Hotels & Resorts

23rd Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia.
Tel : (03) 261 3833 / 202 3833
Fax : (03) 261 5304 / 202 2633
Telex : GHHB MA 30022
E-mail : roomrsv@genting.po.my
Websites : <http://www.genting.com.my>
: <http://www.awana.com.my>

RESORTS

Genting Highlands Resort

69000 Pahang, Malaysia.
Tel : (03) 211 1118 Fax : (03) 211 1888

Awana Genting Highlands Golf & Country Resort

8th Mile, Genting Highlands, 69000 Pahang, Malaysia.
Tel : (03) 211 3015 Fax : (03) 211 3535

Awana Kijal Golf & Beach Resort

Km.28, Jalan Kemaman-Dungun, 24100 Kijal,
Kemaman, Terengganu, Malaysia.
Tel : (09) 864 1188 Fax : (09) 864 1688

Awana Porto Malai, Langkawi

Tanjung Malai, 07000 Langkawi, Kedah, Malaysia.
Tel : (04) 955 5111 Fax : (04) 955 5222

Star Cruises

Star Cruises Terminal, Pulau Indah, Pelabuhan Barat,
42000 Pelabuhan Klang, Selangor, Malaysia.
Tel : (03) 301 1333 Fax : (03) 301 1222
Website : <http://www.starcruses.com>

SALES & RESERVATIONS OFFICES

Genting Highlands Resort

Central Reservations Service

For rooms, shows, theme park and other resort facilities
Ground Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel: (03) 262 3555 / 201 3555 Fax : (03) 261 6611
Toll Free Line : 1 800 88 8228 / 1 800 88 1328

Subang Jaya Office

Lot 3.38A, The Summit, Subang USJ, Persiaran Kewajipan,
USJ1, 47600 UEP Subang Jaya, Selangor, Malaysia.
Tel : (03) 724 7488 Fax : (03) 724 8788

Penang Office

5th Floor, 5, Wisma Berjaya Prudential,
41 Cantonment Road,
10250 Penang, Malaysia.
Tel : (04) 228 2655 Fax : (04) 227 6284

Ipoh Office

Lot T24, 3rd Floor, Ipoh Parade,
105 Jalan Sultan Abdul Jalil, Greentown,
30450 Ipoh, Perak, Malaysia
Tel : (05) 243 2988 Fax : (05) 243 6988

Johor Bahru Office

1F-(Ground) Floor, Jalan Maju, Taman Maju Jaya,
80400 Johor Bahru, Johor, Malaysia.
Tel : (07) 334 4555 Fax: (07) 334 4666

Kuching Office

No.25, Bukit Mata, Jalan Padungan, Kuching, 93100
Sarawak, Malaysia.
Tel : (082) 412 522 Fax : (082) 412 022

Property Sales

- Awana Condominium

- Ria Apartments

Tel : (03) 261 3833 Fax : (03) 263 5079

CONVENTION SALES

23rd Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia.
Tel : (03) 262 2666 Fax : (03) 262 1551

OTHER SERVICES

Genting Transport Reservations Centre

For buses and limousines
Lot 1988/4888, Jalan Segambut Tengah,
51200 Kuala Lumpur, Malaysia.
Tel : (03) 621 8398 Fax : (03) 621 8399

Limousine Service Counter (KLIA Sepang)

Arrival Level 3, Main Terminal Building,
KL International Airport,
64000 KLIA Sepang, Selangor, Malaysia.
Tel : (03) 877 66753 Fax : (03) 843 1050

Limousine Service Counter (Genting Highlands)

Highlands Hotel, 69000 Genting Highlands Resort.
Tel : (03) 211 1118 ext : 58771 / 7750 / 7916

Resorts World Tours Sdn Bhd

For airline ticketing and travel agency services
Ground Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel : (03) 262 2666 Fax : (03) 200 6995

OVERSEAS

Singapore

Genting International (S) Pte Ltd

268, Orchard Road, #08-02/04, Singapore 238856.
Tel : (02) 734 2735 Fax : (02) 737 7260

Hong Kong SAR

Genting International PLC

Suite 1503, Ocean Centre, 5, Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong SAR.
Tel : (852) 231 77133 Fax : (852) 231 48724

Bangkok c/o Star Cruises

18th Floor, B.U.I. Building, 177/1 Soi Anumamrachathon 1
Surawongse Road, Bangrak, Bangkok, 10500 Thailand.
Tel : (662) 634 7240 Fax : (662) 634 7217

ANALYSIS OF SHAREHOLDINGS

AS AT 22 MARCH 1999

Class of Shares : Ordinary Shares of 50sen each

Voting Rights : One vote per share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 499	675	2.19	246,077	0.02
500 - 5,000	24,705	80.01	49,040,758	4.49
5,001 - 10,000	2,668	8.64	21,704,774	2.00
10,001 - 100,000	2,410	7.81	67,394,524	6.17
100,001 - 1,000,000	355	1.15	109,969,062	10.07
1,000,001 & above	63	0.20	843,488,139	77.25
Total	30,876	100	1,091,843,334	100

TWENTY (20) LARGEST SHAREHOLDERS

Name	No. of Shares Held	% of Issued Capital
1. Genting Berhad	605,818,000	55.49
2. Lembaga Tabung Angkatan Tentera	62,281,668	5.70
3. Wang Tak Company Limited	29,398,000	2.69
4. Templeton Developing Markets Trust	13,064,000	1.20
5. Tifi Emerging Market Series	10,439,000	0.96
6. Great Eastern Life Assurance (Malaysia) Berhad (Malaysia Life Fund)	8,878,000	0.81
7. Inverway Sdn Bhd	8,747,114	0.80
8. The Great Eastern Life Assurance Co. Ltd	8,039,000	0.73
9. State Street Bank & Trust Funds for Employee Trusts	4,800,700	0.44
10. Abu Dhabi Investment Authority	4,454,000	0.41
11. Massachusetts State Teachers & Employees Retirement Trusts	4,054,000	0.37
12. The Overlook Partners Fund LP	4,024,000	0.37
13. General Motors Employees Global Group Pension Trust	3,252,000	0.30
14. Merrill Lynch Pierce Fenner & Smith-Simon Rahardia	3,234,635	0.29
15. Templeton Emerging Markets Investment Trust	3,055,000	0.28
16. RG Zelfselect Fund	2,825,000	0.26
17. Oppenheimer Global Fund	2,804,000	0.26
18. Legal & General Assurance (Pensions Management) Limited	2,786,250	0.25
19. Schroder Institutional Pacific Fund	2,635,796	0.24
20. Dato' Lim Kok Thay	2,610,000	0.24
Total	787,200,163	72.09

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest	% of Issued Capital	Indirect/ Deemed Interest	% of Issued Capital
Genting Berhad	605,818,000	55.49	1,218,000	0.11
Kien Huat Realty Sdn Bhd	-	-	614,804,900	56.31
Parkview Management Sdn Bhd	-	-	614,804,900	56.31
Merchant Nominees (Tempatan) Sendirian Berhad (As bare trustee)	-	-	62,534,668	5.73
Lembaga Tabung Angkatan Tentera	300,000	0.02	61,981,668	5.68
Cartaban Nominees (Asing) Sdn Bhd (As custodian)	-	-	61,642,536	5.65
Chase Malaysia Nominees (Asing) Sdn Bhd	-	-	55,200,366	5.06
HSBC Nominees (Asing) Sdn Bhd (As bare trustee)	-	-	44,190,585	4.05
Franklin Resources, Inc.	-	-	39,339,000	3.60
Templeton International, Inc.	-	-	39,339,000	3.60
Templeton Worldwide, Inc.	-	-	39,339,000	3.60
Templeton Asset Management Ltd.	-	-	39,339,000	3.60
Citicorp Nominees (Asing) Sdn Bhd (As bare trustee)	-	-	30,106,131	2.76
Wang Tak Company Limited	29,398,000	2.69	-	-
Lee Hing Development Limited	-	-	29,398,000	2.69
Parkway Holdings Limited	-	-	29,398,000	2.69
CIMB Nominees (Tempatan) Sdn Bhd (As bare trustee)	-	-	22,000,000	2.01