



**RESORTS WORLD BHD** (58019-U)

ANNUAL REPORT

**2008**



**RESORTS WORLD BHD** (58019-U)

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[www.resortsworld.com](http://www.resortsworld.com)  
[www.genting.com.my](http://www.genting.com.my)

a **Genting** company

# RESORTS WORLD BHD

To be the leading Leisure, Hospitality and Entertainment Corporation in the world.

## OUR MISSION

We will:

1. Be responsive to the changing demands of our customers and excel in providing quality products and services.
2. Be committed to innovation and the adoption of new technology to achieve competitive advantage.
3. Generate a fair return to our shareholders.
4. Pursue personnel policies which recognise and reward performance and contributions of employees and provide proper training, development and opportunities for career advancement.
5. Be a responsible corporate citizen, committed to enhancing corporate governance and transparency.

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## CORPORATE PROFILE



**RESORTS WORLD BHD**

[www.resortsworld.com](http://www.resortsworld.com)  
[www.genting.com.my](http://www.genting.com.my)

Resorts World Bhd ("Resorts World") is widely recognised as one of the world's leading companies in the leisure and hospitality industry, with a formidable financial background and strong management. As an integral member of the Genting Group headed by Genting Berhad, Resorts World contributes towards the success of the Group as one of Asia's leading multinational group of companies.

Resorts World's crown jewel is the highly-acclaimed Genting Highlands Resort - voted as the World's Leading Casino Resort (2005, 2007 - 2008) and Asia's Leading Casino Resort (2005 - 2008) by World Travel Awards. Genting Highlands Resort has six hotels offering over

10,000 rooms, 170 dining and shopping outlets, international business convention facilities, fun rides & attractions, mega shows, and endless entertainment, all at 2,000 metres (6,000 feet) above sea level. With 6,118 rooms, the First World Hotel is the world's largest hotel as acknowledged by the Guinness World Records.

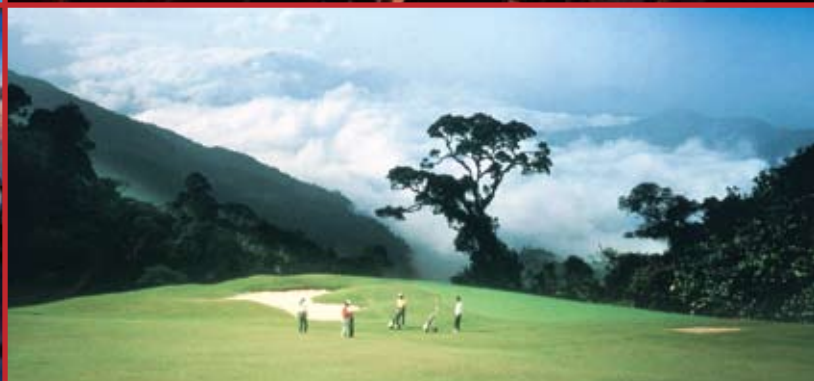
Resorts World also owns and operates the Awana hotel chain in Malaysia, comprising Awana Genting Highlands Golf & Country Resort, Awana Kijal Golf, Beach & Spa Resort, Terengganu and Awana Porto Malai, Langkawi.





## bringing you the **best** in...

accommodation • dining pleasure • theme parks & attractions • gaming experience  
international shows • meetings & conventions • spa & relaxation • leisure cruising





# GENTING PREMIER BRANDS



RESORTS WORLD BHD



CLUBS, SUITES, PENTHOUSE AND RESIDENCES  
GENTING HIGHLANDS RESORT  
MALAYSIA



INTEGRATED RESORT  
RESORTS WORLD AT SENTOSA  
SINGAPORE

.....

## GENTING UK



CASINO CLUBS  
LONDON  
UNITED KINGDOM

## CORPORATE DIARY

## 2008

## 28 February

Announcement of the following:

- (a) Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2007.
- (b) Book Closure Date in respect of the Proposed Non-Renounceable Offer for Sale by Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company of its entire equity interest in Genting International Public Limited Company to the shareholders of the Company ("Proposed GIPLC Offer for Sale").
- (c) Offer Price in respect of the Proposed GIPLC Offer for Sale.

## 23 April

Announcement on the results of acceptance/excess application and basis of allocation for excess application in respect of the Proposed GIPLC Offer for Sale.

## 2 May

Announcement of the following:

- (a) Proposed Renewal of the Authority for the Company to purchase its own shares and Proposed Exemption under Practice Note 2.9.10 of the Malaysian Code on Take-Overs and Mergers, 1998.
- (b) Completion of the Proposed GIPLC Offer for Sale on 30 April 2008.

## 21 May

Announcement of the following:

- (a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2007.
- (b) Twenty-Eighth Annual General Meeting.
- (c) Proposed Amendments to the Articles of Association of the Company.

## 28 May

Announcement on the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2008.

## 30 May

Notice to Shareholders of the Twenty-Eighth Annual General Meeting.

## 23 June

Twenty-Eighth Annual General Meeting.

## 25 June

Announcement on the revision to the ratio of the Company's Level 1 American Depositary Receipt Programme.

## 7 August

Announcement on the maturity of RM1.1 billion nominal value 2-year

convertible notes due 2008 on 21 September 2008.

## 27 August

Announcement of the following:

- (a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2008.
- (b) Entitlement Date for the Interim Dividend in respect of the half year ended 30 June 2008.

## 8 October

Announcement on the re-designation of Mr Quah Chek Tin as Independent Non-Executive Director from Non-Independent Non-Executive Director of the Company.

## 26 November

Announcement of the following:

- (a) Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2008.
- (b) Proposed Acquisitions by RWL of the entire issued and paid-up share capital of Bromet Limited and Digital Tree (USA) Inc. for a total cash consideration of United States Dollar 69.0 million ("Proposed Bromet and Digital Tree Acquisitions").

## 17 December

Announcement on the completion of the Proposed Bromet and Digital Tree Acquisitions.

## 2009

## 25 February

Announcement on the Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2008.

## 7 April

Announcement on the Proposed Renewal of the Authority for the Company to purchase its own shares and Proposed Exemption under Practice Note 2.9.10 of the Malaysian Code on Take-Overs and Mergers, 1998.

## 12 May

Announcement of the following:

- (a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2008.
- (b) Twenty-Ninth Annual General Meeting.
- (c) Proposed Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature.
- (d) Proposed Change of Name from Resorts World Bhd to Genting Malaysia Berhad.

## DIVIDENDS

		Announcement	Entitlement Date	Payment
2007	Final - 3.6 sen less tax per ordinary share of 10 sen each	28 February 2008	30 June 2008	18 July 2008
2008	Interim - 3.0 sen less tax per ordinary share of 10 sen each	27 August 2008	30 September 2008	21 October 2008
2008	Proposed Final - 4.0 sen less tax per ordinary share of 10 sen each	25 February 2009	30 June 2009	21 July 2009*

\* Upon approval of Shareholders at the Twenty-Ninth Annual General Meeting

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Tan Sri Lim Kok Thay	Chairman & Chief Executive
Tun Mohammed Hanif bin Omar	Deputy Chairman
Tan Sri Alwi Jantan	Executive Director
Mr Quah Chek Tin	Independent Non-Executive Director
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	Independent Non-Executive Director
Tan Sri Dr. Lin See Yan	Independent Non-Executive Director
Tan Sri Clifford Francis Herbert	Independent Non-Executive Director
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	Independent Non-Executive Director

### AUDIT COMMITTEE

Tan Sri Clifford Francis Herbert	<i>Chairman/Independent Non-Executive Director</i>
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	<i>Member/Independent Non-Executive Director</i>
Tan Sri Dr. Lin See Yan	<i>Member/Independent Non-Executive Director</i>
Mr Quah Chek Tin	<i>Member/Independent Non-Executive Director</i>

### NOMINATION COMMITTEE

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	<i>Chairman/Independent Non-Executive Director</i>
Tan Sri Clifford Francis Herbert	<i>Member/Independent Non-Executive Director</i>
Tan Sri Dr. Lin See Yan	<i>Member/Independent Non-Executive Director</i>

### REMUNERATION COMMITTEE

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	<i>Chairman/Independent Non-Executive Director</i>
Tan Sri Clifford Francis Herbert	<i>Member/Independent Non-Executive Director</i>
Tan Sri Dr. Lin See Yan	<i>Member/Independent Non-Executive Director</i>
Tan Sri Lim Kok Thay	<i>Member/Chairman &amp; Chief Executive</i>

### SECRETARY

Ms Loh Bee Hong

### PRINCIPAL EXECUTIVE OFFICERS

Tan Sri Lim Kok Thay	<i>Chairman &amp; Chief Executive</i>
Tun Mohammed Hanif bin Omar	<i>Deputy Chairman</i>
Tan Sri Alwi Jantan	<i>Executive Director</i>
Dato' Lee Choong Yan	<i>President</i>
Mr Thuy Tuong Trinh	<i>Chief Operating Officer</i>
Ms Koh Poy Yong	<i>Senior Vice President - Finance</i>
Mr Jeffrey Teoh Kak Siew	<i>Senior Vice President - Casino Marketing, Promotions &amp; Entertainment</i>
Mr Leow Beng Hooi	<i>Senior Vice President - Casino Marketing</i>
Mr Lim Eng Ming	<i>Senior Vice President - Casino &amp; Security Operations</i>
Mr Kevin Sim Kia Ju	<i>Senior Vice President - Casino Operations</i>
Mr Wong Yun On	<i>Senior Vice President - Hotel Operations</i>
Mr Edward Arthur Holloway	<i>Senior Vice President - Hotel Operations</i>
Mr Paul Chan Meng Yeong	<i>Senior Vice President - Sales &amp; Marketing</i>
Mr Charles Chow Chon Jin	<i>Senior Vice President - Human Resources</i>
Dato' Anthony Yeo Keat Seong	<i>Senior Vice President - Public Relations &amp; Communications</i>
Mr Jarrod Kenneth Reyes	<i>Senior Vice President - Business Development &amp; Strategy</i>

### RESORTS WORLD BHD

A public limited liability company  
Incorporated and domiciled in Malaysia  
Company no. 58019-U

### REGISTERED OFFICE

24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur  
Tel : +603 2178 2288/2333 2288  
Fax : +603 2161 5304  
E-mail: ir.rwb@genting.com

### REGISTRARS

Genting Management and Consultancy Services Sdn Bhd  
24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur  
Tel : +603 2178 2266/2333 2266  
Fax : +603 2161 5304

### STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad  
(Listed on 22 December 1989)

### AUDITORS

PricewaterhouseCoopers (Chartered Accountants)

### INTERNET HOMEPAGE

www.resortsworld.com  
www.genting.com.my



## DIRECTORS' PROFILE



**TAN SRI LIM KOK THAY**  
*Chairman and Chief Executive*

Tan Sri Lim Kok Thay (Malaysian, aged 57), appointed on 17 October 1988, is the Chairman and Chief Executive. He holds a Bachelor of Science Degree in Civil Engineering from the University of London. He attended the advanced management programme of Harvard Business School, Harvard University in 1979. He is also the Chairman and Chief Executive of Genting Berhad, the Chief Executive and a Director of Asiatic Development Berhad, the Executive Chairman of Genting Singapore PLC (formerly known as Genting International P.L.C.) and the Chairman of Genting UK Plc (formerly known as Genting Stanley Plc).

In addition, he sits on the Boards of other Malaysian and foreign companies. He joined the Genting Group in 1976 and has since served in various positions within the Group. He also sits on the Board of trustees of several charitable organisations in Malaysia.

Tan Sri Lim holds 1,660,000 ordinary shares and has a share option to subscribe for 2,340,000 ordinary shares in the Company.

Tan Sri Lim is the Chairman and Chief Executive Officer of Star Cruises Limited ("Star Cruises"), a company listed on The Stock Exchange of Hong Kong Limited. He also has interest in the securities of Star Cruises. The Star Cruises group engages in cruise and cruise-related businesses which form a segment of the leisure industry. As disclosed in Star Cruises' circular dated 30 March 2007, Star Cruises group acquired shares in Macau Land Investment Corporation to invest in Macau with a view to develop a hotel for the operation of a casino (subject to obtaining the relevant authorisation from the Government of Macau). On 31 July 2008, the Star Cruises group entered into a number of agreements with Alliance Global Group, Inc., a company listed on the Philippine Stock Exchange, Inc. to acquire, upon completion, an aggregate of 50% (direct and indirect) interests in the share capital of Travellers International Hotel Group, Inc. to pursue strategic and collaborative arrangements to develop and operate hotel and casino complexes in the Philippines.

In the context of the above businesses of Star Cruises, Tan Sri Lim is therefore considered as having interests in business apart from the Group's business, which may compete indirectly with the Group's business.



**TUN MOHAMMED HANIF BIN OMAR**  
*Deputy Chairman*

Tun Mohammed Hanif bin Omar (Malaysian, aged 70), appointed on 23 February 1994, is the Deputy Chairman. He was the Inspector-General of The Royal Malaysian Police for 20 years before retiring in January 1994, having joined as an officer in 1959. He holds a Bachelor of Arts Degree from the University of Malaya, Singapore, Bachelor of Law (Honours) Degree from Buckingham University and the Certificate of Legal Practice (Honours) from the Legal Qualifying Board.

He is also the Deputy Chairman of Genting Berhad and the Chairman of General Corporation Berhad and sits on the Boards of AMMB Holdings Berhad, AmBank (M) Berhad, Amlslamic Bank Berhad, AMFB Holdings Berhad and AmlInvestment Bank Berhad.

He has received honorary awards by Malaysia, Indonesia, Thailand, Singapore, Brunei and the Philippines for his invaluable contribution towards the region's security. In 1993, he became the only serving public servant to be awarded non-ex-officio Malaysia's highest non-royal award which carries the title of 'Tun'.

Tun Mohammed Hanif was a member of the 2004 Royal Commission for the Enhancements of the Operations and Management of The Royal Malaysian Police. He is the President of the Malaysian Institute of Management (MIM) and the Malaysian Branch of the Royal Asiatic Society (MBRAS), member of the Malaysian Equine Council and a council member of the Malaysian Crime Prevention Foundation. In addition, he is the Chairman of the Tun Razak Trust Foundation, a trustee of the Malaysian Liver Foundation and The MCKK Foundation.

Tun Mohammed Hanif holds 5,000 ordinary shares and has a share option to subscribe for 2,185,000 ordinary shares in the Company.



**TAN SRI ALWI JANTAN**  
*Executive Director*

Tan Sri Alwi Jantan (Malaysian, aged 74), appointed on 10 August 1990, is an Executive Director. A graduate of the University of Malaya with Bachelor of Arts (Honours) Degree, he had a distinguished career in the public service. Prior to joining the Company, he was the Director General of Public Service Malaysia. He holds directorships in other companies within the Resorts World Group, which include three public companies, Genting Golf Course Bhd, Genting Highlands Berhad and Awana Vacation Resorts Development Berhad. In addition, he sits on the Board of UOA Asset Management Sdn Bhd, the manager of the public-listed UOA Real Estate Investment Trust and on the Board of public-listed Hiap Teck Venture Bhd.

Tan Sri Alwi holds 540,000 ordinary shares and has a share option to subscribe for 1,555,000 ordinary shares in the Company.

## DIRECTORS' PROFILE (cont'd)



**MR QUAH CHEK TIN**

*Independent Non-Executive Director*

Mr Quah Chek Tin (Malaysian, aged 57), appointed on 15 January 2003, was redesignated as an Independent Non-Executive Director on 8 October 2008. He began his career with Coopers & Lybrand, London before returning to Malaysia. He joined the Genting Group in 1979 and has served in various positions within the Group. He was the Executive Director and Chief Operating Officer of the Company as well as the Executive Director of Genting Berhad prior to his retirement on 8 October 2006. He holds a Bachelor of Science (Honours) Degree in Economics from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

In addition, he sits on the Boards of Genting Berhad, Asiatic Development Berhad and Paramount Corporation Berhad.

Mr Quah holds 5,000 ordinary shares in the Company.



**TAN SRI WAN SIDEK BIN HJ WAN ABDUL RAHMAN**

*Independent Non-Executive Director*

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman (Malaysian, aged 73), appointed on 28 August 1997, is an Independent Non-Executive Director. Tan Sri Wan Sidek holds a Bachelor of Arts (Honours) Degree in Economics from the University of Malaya. He has vast experience in the civil service where he held several senior posts such as Federal Secretary, Sarawak (1970 - 1974), State Secretary, Pahang (1974 - 1978), Secretary General of the Ministry of Science, Technology & Environment (1981 - 1982), Secretary General of the Ministry of Information (1982 - 1986), Deputy Secretary General in the Prime Minister's Department (1986 - 1988) and Secretary General of the Ministry of Home Affairs Malaysia (1988 - 1990). Between 1990 to 1993, he served as the High Commissioner for Malaysia to the United Kingdom and Ambassador for Malaysia to the Republic of Ireland. He also sits on the Board of I-Power Berhad.



**TAN SRI DR. LIN SEE YAN**

*Independent Non-Executive Director*

Tan Sri Dr. Lin See Yan (Malaysian, aged 69), appointed on 27 February 2002, is an Independent Non-Executive Director. He is an independent strategic and financial consultant and a chartered statistician. Tan Sri Dr. Lin received three degrees from Harvard University, including a PhD in economics. He is an Eisenhower Fellow and also Pro-Chancellor, Universiti Sains Malaysia, Professor of Economics (Adjunct) at Universiti Utara Malaysia and Professor of Business & International Finance (Adjunct) at University Malaysia Sabah.

Prior to 1998, Tan Sri Dr. Lin was Chairman/President and Chief Executive Officer of the Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia (the Central Bank), having been a central banker for 34 years. After retiring as Chairman of EXCO, Khazanah Nasional in 2000, he continues to serve the public interest, including Member, Prime Minister's Economic Council & National Innovation Council as well as the National Committee to Transform Higher Education; and Economic Advisor, Associated Chinese Chambers of Commerce and Industry of Malaysia. He is Chairman Emeritus, Harvard Graduate School Alumni Association Council at Harvard University as well as its Regional Director for Asia, Harvard Alumni Association. He is also President, Harvard Club of Malaysia and an Eisenhower Fellow & Distinguished Fellow, Institute of Strategic and International Studies Malaysia.

Tan Sri Dr. Lin advises and sits on the Boards of a number of publicly listed and private enterprises in Malaysia, Singapore, Hong Kong and Indonesia, including as Independent Director of Genting Berhad, Ancom Berhad, Fraser & Neave Holdings Berhad, Jobstreet Corporation Berhad, KrisAssets Holdings Berhad and Wah Seong Corporation Berhad.

Tan Sri Dr. Lin is a Trustee of Tun Ismail Ali Foundation (PNB), Malaysian Economic Association Foundation and National Cancer Foundation (MAKNA) as well as Mentor Counsellor of the LIN Foundation.

Tan Sri Dr. Lin holds 450,000 ordinary shares in the Company.

## DIRECTORS' PROFILE (cont'd)



**TAN SRI CLIFFORD FRANCIS HERBERT**  
Independent Non-Executive Director

Tan Sri Clifford Francis Herbert (Malaysian, aged 67), appointed on 27 June 2002, is an Independent Non-Executive Director. He holds a Bachelor of Arts (Honours) Degree from the University of Malaya and a Masters of Public Administration from the University of Pittsburgh, United States of America. He retired from the civil service in 1997 and at present sits on the Boards of AMMB Holdings Berhad, AmInvestment Bank Berhad, AmIslamic Bank Berhad, AmBank (M) Berhad and Shell Refining Company (Federation of Malaya) Berhad.

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

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

Tan Sri Clifford is also the Chairman of Montfort Boys Town and is also a trustee of Yayasan Nanyang and the National Kidney foundation. He is also a Vice President of the Federation of Malaysian Manufacturers.

Tan Sri Clifford was instrumental in establishing the Securities Commission of which he was a member from 1993 to 1994 and was also a Board member of the Institute of Strategic and International Studies from 1989 to 1997. As Secretary General to the Minister of Finance, he was also appointed as alternate Governor to the World Bank. Tan Sri Clifford was Chairman of KL International Airport Bhd (KLIAB) from 1993 to 1999. On 16 July 2000, he was appointed as Executive Chairman of Percetakan Nasional Malaysia Berhad ("PNMB") and was Chairman of PNMB from 16 July 2002 to 31 December 2006.



**GENERAL (R) TAN SRI MOHD ZAHIDI BIN HJ ZAINUDDIN**  
Independent Non-Executive Director

General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin (Malaysian, aged 61), appointed on 4 August 2005, is an Independent Non-Executive Director. He holds a Masters of Science Degree in Defence and Strategic Studies from the Quaid-I-Azam University, Islamabad, Pakistan and had attended the Senior Executive Programme in Harvard University, United States of America in 2002. He is a Fellow of the Malaysian Institute of Management (MIM).

General (R) Tan Sri Mohd Zahidi has had a distinguished career in the Malaysian Armed Forces for 38 years 11 months, before retiring from the Force on 30 April 2005. During the period as a professional military officer, he served 6 years 4 months as the Malaysian Chief of Defence Forces from 1 January 1999 and as the Chief of the Malaysian Army for one year from 1 January 1998. Most notable appointments in the Armed Forces held were Aide de Camp (ADC) to His Majesty Yang Di-Pertuan Agong Sultan Azlan Shah, Commander Infantry Brigade, Assistant

Chief of Staff Human Resources, Commander of Army Training and Doctrine Command, Deputy Chief of Army and Chief of Army. In international duties, General (R) Tan Sri Mohd Zahidi served as a Military Observer under the United Nations International Monitoring Group in Iraq after Iran-Iraq War Ceasefire in 1988/1989. General (R) Tan Sri Mohd Zahidi is also a Director of Asiatic Development Berhad, Cahya Mata Sarawak Berhad, Affin Holdings Berhad, Wah Seong Corporation Berhad, Bandar Raya Developments Berhad and Bintulu Port Holdings Berhad.

General (R) Tan Sri Mohd Zahidi was made a Member of Dewan Negara Perak, elected by DYMM Paduka Seri Sultan Perak on 25 November 2006 and also a Director of Yayasan Sultan Azlan Shah. He was also made a Member of the Malaysian-Indonesian Eminent Persons Group (EPG) elected by the Prime Minister in July 2008.

General (R) Tan Sri Mohd Zahidi holds 10,000 ordinary shares in the Company.

### Notes:

The details of Directors' attendances at Board Meetings are set out in the Corporate Governance statement on page 28 of this Annual Report.

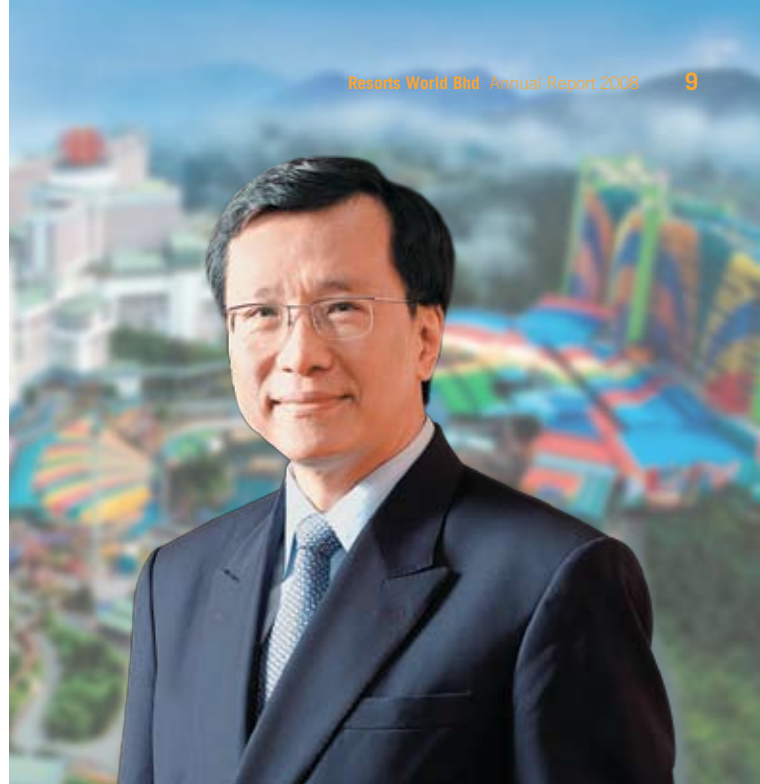
Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of Resorts World Bhd, have no conflict of interest with Resorts World Bhd and have not been convicted for any offence within the past ten years.



## CHAIRMAN'S STATEMENT

**“ We will continue to focus on yield management and maximise operational efficiencies in all our business segments, during this challenging economic environment”**

- Tan Sri Lim Kok Thay



On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of Resorts World Bhd (“Company”) and its group of companies (“Group” or “We”) for the financial year ended 31 December 2008.

### PERFORMANCE REVIEW

The year 2008 has been challenging as the financial crisis arising from the meltdown of major global economies began to negatively impact most of the world, including Malaysia.

Despite this, the Group was able to generate a higher revenue of RM4.89 billion, representing a 12% increase from the previous year’s revenue of RM4.35 billion. The improved revenue is mainly attributable to the stronger underlying performance of the leisure and hospitality segment as a result of higher business volume and better luck factor from the premium player business.

The Group’s profit before tax of RM1.13 billion was 41% lower in 2008 (2007: RM1.91 billion), primarily due to an impairment loss of RM781.5 million relating to the investment in Star Cruises Limited (“SCL”).

### FINANCIAL HIGHLIGHTS

Year ended 31 December	2008 RM million	2007 RM million	Change %
Operating revenue	<b>4,886.7</b>	4,352.3	12.3%
Profit from operations	<b>1,127.9</b>	1,936.1	(41.7)%
Profit before taxation	<b>1,127.0</b>	1,912.1	(41.1)%
Profit after taxation	<b>634.0</b>	1,555.3	(59.2)%
Profit attributable to Shareholders	<b>634.4</b>	1,555.7	(59.2)%
Shareholders’ equity	<b>8,317.8</b>	8,189.0	1.6%
Total assets	<b>9,422.9</b>	9,341.5	0.9%
Basic earnings per share (sen)*	<b>11.06</b>	27.42	(59.7)%
Diluted earnings per share (sen)*	<b>10.99</b>	26.48	(58.5)%
Gross dividend per share (sen)	<b>7.00</b>	6.48	8.0%
Dividend cover (times)	<b>2.1</b>	5.7	(63.2)%
Net assets per share (RM)	<b>1.45</b>	1.43	1.4%
Return (after tax and minority interests) on average shareholders’ equity (%)	<b>7.7</b>	21.5	(64.2)%

\* Computed based on profit after taxation and minority interests

The cumulative fair value loss, which was represented by the decline in SCL’s share price, was recognised in the 2008 income statement in compliance with Financial Reporting Standard 139 (Financial Instruments : Recognition and Measurement). Also, the previous year’s profit before tax had included a one-off gain on part-disposal of equity investment in SCL of RM337.1 million, gain on dilution of investment in SCL of RM81.0 million and a share of loss in SCL of RM63.1 million. Excluding these items, the Group’s profit before tax for 2008 would have been 23% higher than the previous year’s profit before tax, in tandem with its increased revenue.

### DIVIDENDS

We have consistently sought to balance dividend payout with fund preservation for future investment in business growth. An interim dividend of 3.0 sen less 26% tax per ordinary share of RM0.10 each (“Share”) amounting to RM127.75 million was paid on 21 October 2008.

The Board has recommended a final gross dividend of 4.0 sen per Share, for the approval of shareholders at the forthcoming 29th Annual General Meeting. Total gross dividend per Share in 2008 would thus amount to 7.0 sen (2007: 6.48 sen).

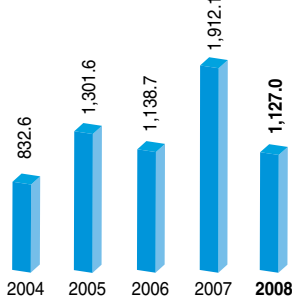
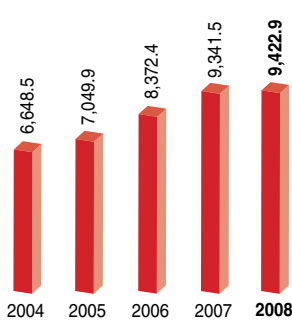
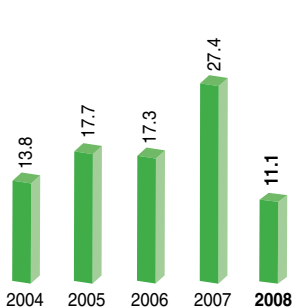
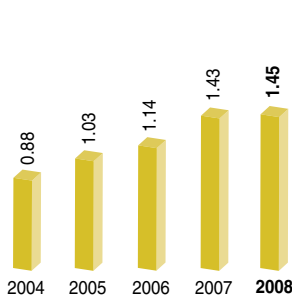
### CORPORATE DEVELOPMENTS

The Group undertook the following corporate exercises in 2008, in chronological order.

On 30 April 2008, the Group through its subsidiary completed the sale of its entire equity interest of 6.16% in Genting International P.L.C. to the Company’s shareholders and raised approximately RM522.5 million in cash.

On 23 June 2008, the Company obtained its shareholders’ renewed authorisation at the 28th Annual General Meeting for the Company to purchase and/or hold its own shares of an aggregate amount of up to 10% of its prevailing issued and paid-up share capital at any time. As at 23 April 2009, the Company had purchased 182.8 million of its own shares for a total consideration of RM634.3 million.

## CHAIRMAN'S STATEMENT (cont'd)

**PROFIT BEFORE TAXATION**  
RM million**TOTAL ASSETS**  
RM million**BASIC EARNINGS PER SHARE\***  
Sen**NET ASSETS PER SHARE\***  
RM

\* adjusted for share split

On 17 December 2008, the Group completed its acquisition of a 10% equity stake in Walker Digital Gaming LLC, a US limited liability company principally involved in developing, protecting and commercialising patents attributable to the gaming industry. The investment is expected to allow the Group to align itself with one of the leading innovators in proprietary gaming products to meet the increasingly advanced gaming technology being adopted globally as well as broaden its earnings base.

**CORPORATE SOCIAL RESPONSIBILITY**

We place great emphasis on our role as an exemplary corporate citizen. The Group's corporate social responsibility (CSR) programme reflects the Group's position as a leading corporation in the leisure and hospitality industry where it provides responsible world-class entertainment within a sustainable business environment. As testament to the Group's commitment, the Group's performance ranks in the leading band in the Bursa Malaysia Corporate Social Responsibility survey 2008. We aim to exceed industry standards in all aspects of management, operations and procedures in the areas of Environment, Marketplace, Workplace and Community, yet not forgetting to fulfill our core responsibilities to our stakeholders.

A separate section in this Annual Report highlights our key corporate social responsibility activities in 2008.

**PROSPECTS**

Prospects in 2009 will be challenging as the adverse global economic situation has impacted the leisure and hospitality industry. We will nevertheless continue to focus on yield management and maximise operational efficiencies in all our business segments. Genting Highlands Resort will continue to provide exciting and affordable leisure and entertainment activities to mitigate any decline in visitations. Commitment to provide excellent service to our guests and visitors will remain one of our key priorities.

We will also look for strategic opportunities that may arise from these challenging times that will provide long-term growth and expansion plans for the Group.

**APPRECIATION**

I would like to take this opportunity to thank our distinguished members of the Board, who have provided valuable insights and guidance to the Group during the year.

On behalf of the Board, I am pleased to announce the re-designation of Mr. Quah Chek Tin as Independent Non-Executive Director of the Company from Non-Independent Non-Executive Director with effect from 8 October 2008.

I would like to welcome Ms. Elaine Loh Bee Hong who joined the Group on 1 May 2008, as Company Secretary of the Company. Ms. Loh has had more than 18 years of secretarial experience.

My gratitude goes out to all our customers, shareholders, business associates and authorities for their continued trust and belief in the Group. I greatly anticipate working together with you as we seek to enhance our success and achieve greater heights. I also extend heartfelt thanks to the employees of the Group for their loyalty, dedication and commitment that have been instrumental in the Group's ongoing success.

**TAN SRI LIM KOK THAY**

Chairman

23 April 2009

## PENYATA PENERUS

**“Kami bertekad untuk terus memberi fokus kepada pengurusan hasil dan memaksimumkan kecekapan operasi dalam semua segmen perniagaan di persekitaran ekonomi yang mencabar.”**

- Tan Sri Lim Kok Thay

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah Diaudit bagi Resorts World Bhd (“Syarikat”) dan kumpulan syarikat-syarikat (“Kumpulan” atau “Kami”) untuk tahun kewangan berakhir 31 Disember 2008.

### SEMAKAN PRESTASI

Tahun 2008 adalah mencabar berikutan krisis kewangan yang muncul akibat kemerosotan ekonomi-ekonomi utama dunia mula memberi kesan negatif kepada kebanyakan negara, termasuk Malaysia.

Namun begitu, Kumpulan berjaya menjana perolehan yang lebih tinggi sebanyak RM4.89 bilion, iaitu peningkatan sebanyak 12% berbanding perolehan tahun sebelumnya sebanyak RM4.35 bilion. Perolehan yang lebih cemerlang ini didorong terutamanya oleh prestasi asas yang lebih kukuh dalam segmen peranginan dan keraian berikutan peningkatan jumlah perniagaan dan faktor nasib yang lebih baik daripada perniagaan pelanggan premium.

Keuntungan sebelum cukai Kumpulan sebanyak RM1.13 bilion adalah 41% lebih rendah pada 2008 (2007: RM1.91 bilion), disebabkan terutamanya oleh kerugian kemerosotan sebanyak RM781.5 juta berkaitan pelaburan dalam Star Cruises Limited (“SCL”). Kerugian nilai wajar terkumpul, yang dicerminkan oleh penurunan dalam harga saham SCL, telah dinyatakan dalam penyata pendapatan 2008 selaras dengan pematuhan Piawaian Pelaporan Kewangan 139 (Instrumen Kewangan: Penyataan dan Penilaian). Di samping itu, keuntungan sebelum cukai tahun sebelumnya telah merangkumi keuntungan satu-kali daripada pelupusan sebahagian pelaburan ekuiti dalam SCL sebanyak RM337.1 juta, keuntungan daripada pengurangan pelaburan dalam SCL sebanyak RM81.0 juta dan sebahagian daripada kerugian dalam SCL sebanyak RM63.1 juta. Tanpa mengira butiran-butiran ini dan selaras dengan perolehan yang meningkat, keuntungan sebelum cukai Kumpulan bagi 2008 adalah 23% lebih tinggi daripada keuntungan sebelum cukai tahun sebelumnya.

### SOROTAN KEWANGAN

Tahun berakhir 31 Disember	2008 RM juta	2007 RM juta	Beza %
Perolehan operasi	<b>4,886.7</b>	4,352.3	12.3%
Untung daripada operasi	<b>1,127.9</b>	1,936.1	(41.7)%
Untung sebelum cukai	<b>1,127.0</b>	1,912.1	(41.1)%
Untung selepas cukai	<b>634.0</b>	1,555.3	(59.2)%
Untung boleh agih kepada Pemegang Saham	<b>634.4</b>	1,555.7	(59.2)%
Ekuiti pemegang saham	<b>8,317.8</b>	8,189.0	1.6%
Jumlah aset	<b>9,422.9</b>	9,341.5	0.9%
Perolehan asas sesaham (sen)*	<b>11.06</b>	27.42	(59.7)%
Perolehan bersih sesaham (sen)*	<b>10.99</b>	26.48	(58.5)%
Dividen kasar sesaham (sen)	<b>7.00</b>	6.48	8.0%
Liputan dividen (kali)	<b>2.1</b>	5.7	(63.2)%
Aset bersih sesaham (RM)	<b>1.45</b>	1.43	1.4%
Pulangan (selepas cukai dan kepentingan minoriti) per purata ekuiti pemegang saham (%)	<b>7.7</b>	21.5	(64.2)%

\* Dikira berasaskan untung selepas cukai dan kepentingan minoriti.

### DIVIDEN

Kami sentiasa mengekalkan keseimbangan di antara dividen yang dibayar dengan peruntukan dana untuk pelaburan bagi perkembangan perniagaan di masa hadapan. Dividen interim sebanyak 3.0 sen sesaham biasa RM0.10 (“Saham”) ditolak cukai 26% untuk jumlah RM127.75 juta telah dibayar pada 21 Oktober 2008.

Lembaga Pengarah telah mencadangkan dividen kasar akhir sebanyak 4.0 sen seSaham, untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan Ke-29. Dengan itu, jumlah dividen kasar seSaham bagi tahun 2008 adalah sebanyak 7.0 sen (2007: 6.48 sen).

### PEMBANGUNAN KORPORAT

Pada tahun 2008, Kumpulan telah melaksanakan beberapa aktiviti korporat, mengikut turutan di bawah.

Pada 30 April 2008, Kumpulan melalui subsidiarinya telah menyelesaikan penjualan keseluruhan kepentingan ekuitinya sebanyak 6.16% dalam Genting International P.L.C. kepada pemegang saham Syarikat, dengan itu mengumpulkan kira-kira RM522.5 juta dalam tunai.

Pada 23 Jun 2008, Syarikat telah memperoleh kelulusan semula daripada pemegang saham pada Mesyuarat Agung Tahunan ke-28, untuk membeli balik dan/atau memegang sahamnya sendiri untuk jumlah terkumpul sehingga 10% daripada modal saham terbitan dan berbayar semasa, pada bila-bila masa. Setakat 23 April 2009, Syarikat telah membeli balik 182.8 juta saham sendiri dengan jumlah bayaran RM634.3 juta.

Pada 17 Disember 2008, Kumpulan menyelesaikan pemerolehan 10% pegangan ekuiti dalam Walker Digital Gaming LLC, sebuah syarikat liabiliti terhad Amerika yang terlibat dalam pembangunan, perlindungan dan pengkomersialan paten berkaitan dengan industri perjudian. Pelaburan ini dijangka akan membolehkan Kumpulan untuk menyelaras kedudukannya dengan salah satu peneraju keluaran produk perjudian utama bagi memenuhi permintaan teknologi perjudian yang semakin maju yang diadaptasi secara global dan untuk meluaskan dasar perolehannya.

### TANGGUNGJAWAB SOSIAL KORPORAT

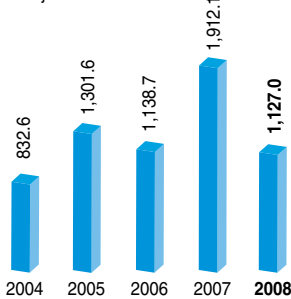
Kami memberi penekanan utama dalam peranan sebagai warga korporat yang dicontohi. Program tanggungjawab sosial korporat (CSR) Kumpulan menyaksikan kedudukan Kumpulan sebagai peneraju korporat dalam industri peranginan dan keraian di mana ia menawarkan hiburan bertaraf dunia yang bertanggungjawab dalam persekitaran perniagaan yang mapan. Sebagai bukti komitmen Kumpulan, prestasi Kumpulan telah ditarafkan dalam golongan teratas dalam kajian tanggungjawab sosial korporat Bursa Malaysia 2008. Kami bertekad untuk menjangkau piawaian industri dalam semua aspek pengurusan, operasi dan prosedur bagi Persekitaran, Tempat Pasaran, Tempat Kerja dan Komuniti, tanpa mengabaikan tanggungjawab utama kepada para pemegang kepentingan kami.

Seksyen yang berasingan di dalam Laporan Tahunan ini mengemukakan aktiviti utama tanggungjawab sosial korporat kami pada 2008.



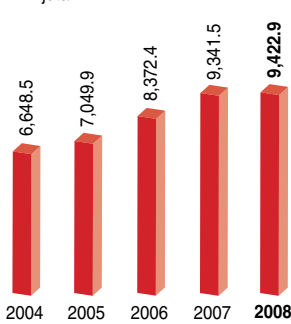
**UNTUNG SEBELUM CUKAI**

RM juta



**JUMLAH ASET**

RM juta



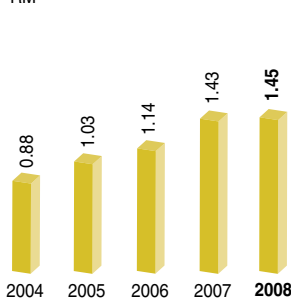
**PEROLEHAN ASAS SESAHAM\***

Sen



**ASET BERSIH SESAHAM\***

RM



\* diselaraskan untuk pecahan saham

**PROSPEK**

Prospek untuk 2009 kekal mencabar kesan daripada kemelesetan ekonomi global yang menjejaskan industri peranginan dan keraian. Namun, kami bertekad untuk terus memberi fokus kepada pengurusan hasil dan memaksimumkan kecekapan operasi dalam semua segmen perniagaan. Genting Highlands Resort akan terus menyediakan aktiviti-aktiviti peranginan dan hiburan yang menarik dengan harga yang berpatutan bagi mengekang sebarang penurunan dalam lawatan. Komitmen untuk menyediakan perkhidmatan yang cemerlang kepada pelanggan dan pelawat kekal menjadi salah satu keutamaan kami.

Kami juga akan mencari peluang-peluang strategik yang mungkin muncul pada masa yang mencabar ini yang akan memberikan pertumbuhan dan perancangan perkembangan jangka panjang untuk Kumpulan.

**PENGHARGAAN**

Saya ingin mengambil peluang ini untuk mengucapkan terima kasih kepada ahli Lembaga Pengarah yang dihormati, yang telah memberikan pendapat dan bimbingan yang bernilai kepada Kumpulan sepanjang tahun ini.

Bagi pihak Lembaga Pengarah, sukacitanya saya mengumumkan penjawatan-semula En. Quah Chek Tin sebagai Pengarah Bukan-Eksekutif Bebas Syarikat daripada Pengarah Bukan-Eksekutif Bukan-Bebas bermula dari 8 Oktober 2008.

Saya ingin mengalu-alukan Puan Elaine Loh Bee Hong yang menyertai Kumpulan pada 1 Mei 2008, sebagai Setiausaha Syarikat kepada Syarikat. Puan Loh mempunyai lebih daripada 18 tahun pengalaman dalam bidang kesetiausahaan.

Penghargaan saya turut ditujukan kepada semua pelanggan, pemegang saham, rakan niaga dan pihak berkuasa, atas kepercayaan dan keyakinan mereka terhadap Kumpulan. Saya amat mengharapkan kerjasama berterusan daripada anda semua dalam usaha kami untuk mempertingkatkan kejayaan dan mencapai kecemerlangan yang lebih tinggi. Saya juga merakamkan penghargaan ikhlas saya kepada kakitangan Kumpulan atas kesetiaan, dedikasi dan komitmen yang telah memainkan peranan penting dalam kejayaan berterusan Kumpulan.

**TAN SRI LIM KOK THAY**

Pengerusi  
23 April 2009

## 主席文告

“在充满挑战的经济环境下，我们将继续专注效益管理，力求各项业务达到最高营运效率。”

- 丹斯里林国泰

本人谨代表董事部向您呈献名胜世界有限公司（以下简称“本公司”）与其集团成员公司（以下简称“本集团”或“我们”）截至2008年12月31日的年度报告及已审核财务报告。

### 业绩回顾

随著主要经济体的金融危机对全球经济形成冲击，马来西亚也无法幸免地面对负面影响，2008年可算是一个充满挑战的年头。

尽管如此，本集团仍取得更高的四十八亿九千万令吉营运收入，比前一年的四十三亿五千万令吉增加了12%。营运收入改善，主要归功于云顶胜地业务量增加再加上在赌场豪客业务享有更佳运气，带动了休闲与酒店组业务所致。

本集团2008年税前盈利下跌41%至十一亿三千万令吉（2007年：十九亿一千万令吉），这主要是丽星邮轮投资相关的七亿八千一百五十万令吉减值亏损所致。按照丽星邮轮股价跌幅所计算的合理价值累积亏损，已根据财务报告准则第139准则（金融工具-确认与计量）在2008年综合收益表确认。同时，前一年的税前盈利包括了脱售丽星邮轮部分股权的叁亿叁千七百一十万令吉一次过盈利、稀释丽星邮轮投资的八千一百一十万令吉盈利，以及分摊丽星邮轮的六千叁百一十万令吉亏损。若不包括这些项目，本集团2008年的税前盈利，反比前一年的税前盈利高出23%，与营运收入增加的步伐一致。

### 财政重点

截至2008年12月31日财政年	2008年 百万令吉	2007年 百万令吉	差额 %
营运收入	4,886.7	4,352.3	12.3%
营运盈利	1,127.9	1,936.1	(41.7)%
税前盈利	1,127.0	1,912.1	(41.1)%
税后盈利	634.0	1,555.3	(59.2)%
归股东盈利	634.4	1,555.7	(59.2)%
股东股权	8,317.8	8,189.0	1.6%
总资产	9,422.9	9,341.5	0.9%
每股基本收益 (仙)*	11.06	27.42	(59.7)%
每股稀释收益 (仙)*	10.99	26.48	(58.5)%
每股毛股息 (仙)	7.00	6.48	8.0%
股息支付率 (倍)	2.1	5.7	(63.2)%
每股净资产 (令吉)	1.45	1.43	1.4%
平均股东股权 (在扣税与扣除少数股东利益後) 的回酬 (%)	7.7	21.5	(64.2)%

\* 根据扣税与扣除少数股东利益後盈利计算。

### 股息

我们在派息的同时，保留部分资金作为未来投资与业务扩展之用，以让两者维持合理的平衡。我们已于2008年10月21日，为每股面值10仙普通股支付3.0仙中期股息（须扣除26%税务），总值高达一亿二千七百七十五万令吉。

董事部所建议的每股面值10仙普通股取得4.0仙，并将在来临的第二十九届股东大会提出，由股东批准。2008年分发的每股股息总额为7.0仙（2007年：6.48仙）。

### 企业发展

本集团於2008年进行了以下企业计划，下列摘要乃按时间顺序排列。

在2008年4月30日，本集团通过一家子公司完成脱售云顶国际有限公司全部的6.16%股权给本公司股东，并筹措到五亿二千二百五十万令吉现金。

在2008年6月23日，本公司在第二十八届股东大会取得股东重新授权，以随时收购与/或持有本身股票，累积之数可达到现有发行与缴足本的10%。截至2009年4月23日，本公司总共以六亿三千四百三十万令吉价格，收购了一亿八千二百八十万股本股票。

在2008年12月17日，本集团完成收购美国 Walker Digital Gaming 公司10%股权，後者从事博采业的专利开发、保障与商业化等业务。这项收购可让本集团与名列博彩专利产品的首要革新者之一结盟，以迎合全球日益先进的博采科技，并扩大其盈利基础。

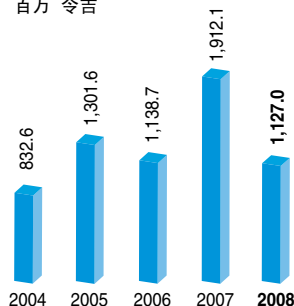
### 企业社会责任

我们竭尽所能树立企业公民之优良典范。本集团的企业社会责任计划，反映出本集团作为休闲与酒店业之佼佼者的地位，我们在可持续营运的业务环境下，负责任地提供一流娱乐。我们的绩效排名，在马来西亚交易所2008年的企业社会责任调查中名列前茅，正是本集团秉持承诺的最佳证明。我们致力于在环境、市场、工作场所与社区之管理、营运与程序上超越业界标准，同时也全力以赴地兼顾我们对利益相关者之重要责任。

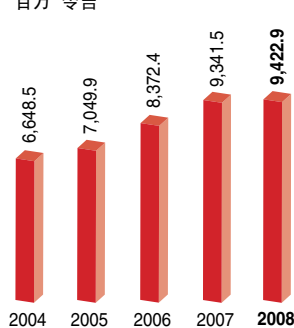
此报告另僻专页，重点介绍我们於2008年履行企业社会责任之主要活动。

## 主席文告

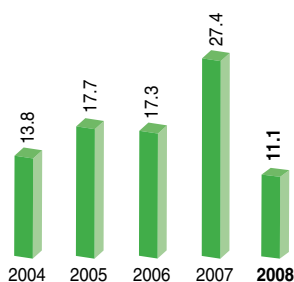
税前盈利  
百万 令吉



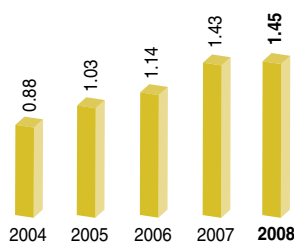
总资产  
百万 令吉



每股基本收益\*  
仙



每股净资产  
令吉



\* 經調整股票分拆

### 前景

有鉴于全球经济的不利局势已对休闲与酒店业形成冲击，因此2009年的前景将充满挑战。然而我们将继续专注效益管理并力求各项业务达到最高营运效率。云顶高原胜地将继续提供引人入胜与能力可及的休闲与娱乐活动，以缓和游客减少的现象。我们的重要任务之一仍是为宾客与游客提供最卓越服务。

我们将留意当前挑战所带来的任何策略契机，以作为本集团长期成长与扩充的计划。

### 致谢

本人谨此对董事局成员过去一年来为本集团提供的宝贵意见与指导，致以万分谢意。

本人谨代表董事部，欣然宣佈柯建伯先生自2008年10月8日起，从本公司非独立非执行董事调任为独立非执行董事。

本人欢迎卢美凤女士於2008年5月1日加盟本集团成为本公司的公司秘书。卢女士拥有逾十八年的秘书行政经验。

對於我们的顾客、股东、商业同仁、各有关当局，一直以来给予本集团的支持与信赖，本人谨此表达由衷感谢。在本集团茁壮成长、迈向另一顶峰之际，我们衷心期望能继续获得您的鼎力支持。我要在此衷心感谢本集团的全体员工，一直以来忠心耿耿、专注一致与孜孜不倦地付出，为本集团的成就作出卓越贡献。

丹斯里林國泰

主席

2009年4月23日





Come visit "Genting - City of Entertainment", the only city in Malaysia that "never sleeps". It offers six hotels with 10,000 rooms and a myriad of leisure, business and fun-filled activities that span over 90 food and beverage, 80 retail outlets, over 60 fun rides and attractions, world-class convention and mega show venues and much more. Be entertained at Asia's leading integrated resort.



REVIEW OF OPERATIONS



Genting Highlands Resort

GENTING HIGHLANDS RESORT

GENTING - CITY OF ENTERTAINMENT

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

Genting Highlands Resort ("Resort") is one of the world's leading integrated resort and one of the most popular tourist destinations in Malaysia. It is a three-time winner of World's Leading Casino Resort (2005, 2007 and 2008) and a four-time consecutive winner of Asia's Leading Casino Resort (from 2005 to 2008) by World Travel Awards, reflecting its consistency in delivering world-class products and service excellence.



*World's Leading Casino Resort  
Asia's Leading Casino Resort  
Asia's Leading Family Resort  
(World Travel Awards 2008)*

The Resort received 19.2 million visitors in 2008, of which 27% were hotel guests and 73% were day-trippers. Approximately 6% of total visitors were Singaporean hotel guests, as the largest single segment. Visitors from India, Middle East, Taiwan, Vietnam, Indonesia and other regional countries continue to arrive in significant numbers, joining local Malaysian visitors whose numbers remain robust. Tourist arrivals to Malaysia totaled 22.1 million in 2008 (2007: 21.0 million), according to Tourism Malaysia.

With its tagline "Genting - City of Entertainment", the Resort is a prime destination for world-class shows and international performances, held at its three mega entertainment venues. **Genting International Showroom** (1,600 capacity), **Pavilion** (2,000 capacity) and **Arena of Stars** (6,000 capacity) hosted some of the best performers from the East and West in 2008.

The Resort's resident show DREAMZ received overwhelming response, leading to a six-month extension into 2009. The daily show features the elusive white tiger and white lion, with an internationally-assembled cast showcasing their illusions, motorcycle stunts and acrobatic performances.

The Arena of Stars played host to the MTV Asia Awards 2008, Southeast Asia's most popular music awards event, which attracted popular artistes from around the world including the Pussycat Dolls, Leona Lewis, One Republic, Panic At The Disco, Jared Leto, Karen Mok and Super Junior. This event was broadcasted to nine countries for over 80 million viewers and showcased the Resort's offerings to the world.



DREAMZ



## REVIEW OF OPERATIONS (cont'd)

*Arena of Stars*

Chinese music fans were treated with the performances of various superstars from Hong Kong and Taiwan. The year kicked off with three days of full-house concerts featuring Jacky Cheung, followed by Sam Hui, Emil Chou, Alan Tam, Hacken Lee, Fei Yu Ching, Liza Wang, Joey Yung, Sammi Cheng, May Day, Vinci, Justin Lo, FIR and Leo Ku. Fans of Western artists were also treated to world-class performers including Missy Elliot, Click 5, Tony Orlando, Kenny G and The Osmonds. One highly-anticipated event was the "Here and Now Tour 2008 - The Best of 80's" concert that featured Paul Young, Limahl, Bananarama, Johnny Hates Jazz and Howard Jones.

The Resort also hosted successful collaborations such as Taiwanese Greatest Hits, Anugerah Bintang Popular and Eric Tsang Super Show, which provided variety and choices in terms of entertainment, for the Resort's vast customer base. Charity-based concerts such as "Magic Mirror - The Musical" and the New York Harlem Singers were also held.

*Here and Now Tour 2008  
- The Best of 80's**Magic Mirror - The Musical**The Osmonds*



## REVIEW OF OPERATIONS (cont'd)

*Maxims Genting**M Spa & Fitness*

## HOTELS

During the year under review, the five hilltop hotels (**Maxims Genting** (formerly Genting Hotel), **Highlands Hotel**, **Resort Hotel**, **Theme Park Hotel** and **First World Hotel**) achieved an overall average occupancy of 90%, with over 2.6 million room nights sold.

The Resort is continually refurbished and enhanced to provide our guests with the most up-to-date facilities and a high level of customer service. In 2008, the bulk of refurbishment works focused on Maxims Genting and Resort Hotel.

**Maxims Genting**, the Resort's premier flagship hotel, converted a further three floors covering 168 rooms to Maxims Suites during the year, and now has 11 floors covering 248 suites under the "Maxims" brand. Maxims Club, Suites and Residences have been heavily refurbished and redesigned to provide guests with complete comfort, privacy and exclusivity. Maxims Residences offer panoramic views of the highlands and comprise the Royal Suite (over 13,000 square feet), Presidential Suite (over 9,600 square feet) and Ambassador Suite (over 2,600 square feet). The Residences are the ultimate in extravagance, lavishly furnished and fully equipped with state-of-the-art facilities. During the year, Maxims Genting introduced a "one touch button for service" system to further enhance its premium personal butler service.

The concourse way between Highlands Hotel and Maxims Genting was upgraded to complement the new interior designs of the renovated food and beverage ("F&B") outlets in 2008. **Resort Hotel** was upgraded to feature a newly-renovated lobby, a 24-hour reception counter, upgraded corridors and 147 rooms with interior facelifts and reconfigurations to reflect stylish contemporary design.

**First World Hotel & Plaza**, comprising First World Hotel and First World Plaza is the only leisure, shopping and entertainment venue that enjoys cool fresh highlands air.

During the year, two floors of **First World Hotel** with 324 rooms were renovated and upgraded from standard to deluxe rooms. Another 60 rooms were refurbished into World Club rooms with deluxe facilities. First World Hotel's keycard system was integrated with the Genting Hospitality Management System (GhpMS) in 2008 to provide automated key issuance to reduce check-in time and increases front office efficiency. The use of the Genting WorldCard as room keycards for members was introduced in First World Hotel and in Highlands Hotel during the year.

*First World Hotel*



## REVIEW OF OPERATIONS (cont'd)



Genting International Convention Centre

### CONVENTIONS

**Genting International Convention Centre (GICC)** at the First World Hotel & Plaza spans over 150,000 square feet. GICC is one of the most sought-after venues for business events, and holds local and international meetings, incentives, conventions and exhibitions (MICE). Its Grand Ballroom is Malaysia's largest column-free hall which can host over 6,000 people in theatre-style seating. The Convention Hall can be split into three smaller halls. GICC also has 18 meeting rooms equipped with high-tech features including built-in LCD projectors, motorised screens, touch panel control systems and the latest video conferencing equipment. Its new Business Centre is equipped with modern business facilities such as secretarial services, facsimile, telephones and Internet access. Major conventioners at GICC during the year included the International Olympic Council, Network J&J, Nasa Oil Dealers, American International Assurance and Nu Skin.

In 2008, the MICE Privilege Card was introduced to conventioners for discounts on F&B, leisure facilities and shows.

### FOOD & BEVERAGE

The Resort housed a total of 102 F&B outlets offering diners local and international cuisine choices. 43 outlets were operated by the Group, catering to over 13.7 million covers in 2008. New F&B outlets opened in 2008 included Shanghai 10 with its innovative take on Shanghai food, and Vietnam House offering Vietnamese cuisine.

Various food promotions such as A Taste of Malaysia, Best of India, Indochina - An Intriguing Flavor, Singapore Hawker Food Promotion, Fruits & Food Promotion, Perak Food Promotion, Sarawak Food Promotion, The Best of Melaka, A Taste of Vietnam, A Taste of Thai, Made In Australia, Champagne & Oyster Promotion were organised during the year at dining havens such as First World Café, Resort Café, Restoran Kampong, Coffee Terrace, VIP Restaurant, Good Luck Restaurant and the award-winning The Olive.

The Resort's participation in the Malaysian International Gourmet Festival 2008 saw Chef Eric Lee of the Imperial Rama from Highlands Hotel, and Executive Chef Oliver Lopez of The Olive from Maxims Genting showcasing their culinary skills. The teams won four Awards of Excellence for "Best Marketed Restaurant", "Most Creative Dining Experience", "Most Creative Restaurant Station" and "Most Creative Food Presentation".

As part of the Resort's continuous efforts to provide excellent dining experiences, Chef Anton Mosimann of *Mosimann's of London* and Chinese Master Chef Sam Leong from the famous *Tung Lok Group*, were brought back by popular demand. Chef John King, featuring authentic British cuisine, from *Crockford's of London*, was the first of many joint culinary programmes planned for the future.

Club Elite

The Olive





## REVIEW OF OPERATIONS (cont'd)

### SHOPPING

**First World Plaza** is the highest shopping destination in Malaysia covering 500,000 square feet in area. The Plaza houses over 50 retail shops, 60 F&B outlets, 25 fun rides and six themed boulevards. During the year, new retail outlets including Lazo Diamond joined existing outlets such as Adidas, World Of Cartoons, Padini Concept Shop, F.O.S. Clothing, The Body Shop, OSIM, Lovely Lace, Bonia and many more.

**Genting Times Square** continued to host numerous local cultural performances, international magic shows, artiste showcases, festive celebration specials, fashion shows and event launches in 2008.

**Universal Walk** was a popular venue for numerous arts & cultural showcases, lifestyle & fashion fairs, and themed promotions in 2008, such as Chinese New Year Fair, SQE Valentine's Roadshow, Thai Songkran Festival, Colourful Yunnan Passion of China Art Cultural Fair, Tenants' Sale cum Malaysia Mega Sale Roadshow, Hari Raya Fair, Bumcity Roadshow, Batik Charity Showcase, OSIM Roadshow and The Nature of Inner Mongolia Showcase.

*First World Plaza*



The "Charming Vietnam" event was held in April-May 2008, showcasing an array of traditional musical and dance performances, fashion shows, Vietnamese water puppet show, Vietnamese martial arts demonstration and a bazaar featuring a variety of arts and craft, apparels and authentic Vietnamese food. Launched by Malaysia's Ministry of Unity, Culture, Arts and Heritage in cooperation with Vietnam's Ministry of Foreign Affairs and Ministry of Culture, Sports and Tourism, the event served to further increase regional cultural exchange activities.

Annual countdown parties for Christmas Eve and New Year's Eve were extremely popular and well-attended by revellers at the Resort in 2008. Throughout the year, live-band music, dancing performances, pyrotechnic fireworks and confetti displays were held at the indoor party celebrations at the First World Plaza to provide many enjoyable and memorable moments.



*The Nature of Inner Mongolia Showcase*



*Thai Songkran Festival*



*Genting Times Square*





Genting Theme Park - Fun at the Peak



## GENTING THEME PARK

**Genting Theme Park** has over 60 rides and attractions, catering for all age groups. As the winner of the Hospitality Asia Platinum Awards (HAPA) Tourist Attraction of The Year 2007/2008, it is also certified with the Quality Management System Standards ISO 9001:2000 from Lloyds's Register Quality Assurance Ltd.

In 2008, the theme park adopted the Rainforest theme to beautify the park with various flora and fauna that suited the highlands climate - "a-park-within-a-park" concept. The theme park was lit up in the evenings with additional lighting effects for unique night experiences. As one of the premier theme parks in the region, improvements were made to existing and new rides to ensure refreshing experiences and excitement for the entire family. Park rides are continuously refurbished to ensure safe and optimal working conditions for maximum enjoyment.

**First World Indoor Theme Park** is located within the First World Plaza, amongst the retail and F&B outlets. The Motion Master Theatre, being the first in Malaysia to present a 4D movie experience, now has new movie titles 'The Adventures of Jett and Jin' and 'Monsters of the Deep'.

**Outdoor Theme Park** featured new attractions in 2008 including the 3D Archery Paintball at the Magic Mountain and Beryl's Chocolate Wonderland. The Chocolate Wonderland is a quaint conservatory of 3,000 square feet storing the finest chocolates made from Ghanaian chocolate beans, and features a chocolate garden, chocolate wishing well and a chocolate factory. Events held annually at the park include the Genting Theme Park Annual Passport WorldCard members Birthday Bash and the Giant Mascot Party hosted by Tabby & Friends.

Beryl's Chocolate Wonderland



## TRANSPORT

The Group places great emphasis on road safety and convenience for travel to and from the Resort, which is situated 51km and a 45-minute drive away from Kuala Lumpur. The Resort is easily accessible through a mature road network supported by well-developed infrastructure. In 2008, tour bus services were initiated to penetrate new areas in Selangor for travelers to the Resort. The "Go Genting RM38" bus package with return transfers was launched for northern and southern Selangor. For the convenience of WorldCard members, the Group's express bus counters at Puduraya, Pasar Rakyat, KL Sentral, Putra LRT Gombak station, 1 Utama and Kajang now accept bus ticket redemptions using WorldCard points.

Resort visitors continued to travel in comfort and style, as the Group carried out an on-going limousine replacement plan to upgrade its premium limousines. Three units each of Mercedes Benz S300 and Toyota Alphard MPV were added, with the Standard fleet upgraded in 2008 to include eight units of the latest Toyota Camry 2.4V, to make up a fleet total of 47 prestigious limousines.

The popular Genting Skyway, as Southeast Asia's longest and fastest mono-cable car system, provides an exhilarating ride to the Resort, with a beautiful view of tropical rainforest along the way.

By air, esteemed WorldCard members and guests have flown to the Resort from all over the world in the Group's Gulfstream G450 private jet aircraft.

For travel within the Resort itself, shuttle services between Highlands Hotel and First World Hotel have been extended in terms of time and service frequency. During the year, visitors to the Chin Swee Caves Temple began enjoying free hourly shuttle bus services from the Highlands Hotel.

Chauffer-driven Mercedes-Benz limousines





## REVIEW OF OPERATIONS (cont'd)



Awana Genting

### AWANA HOTELS & RESORTS [www.awana.com.my](http://www.awana.com.my)



The Awana Hotels & Resorts comprise three beautifully-designed resort properties in Malaysia, and achieved an overall occupancy rate of 65% in 2008 (2007:69%).

#### Awana Genting Highlands Golf & Country Resort ("Awana Genting")

Nestled in pristine greenery at 3,000 feet above sea level, Awana Genting is a haven for families, golfers, conventioners, eco-sports lovers and anyone seeking for quiet repose, cool fresh air and breathtaking natural panoramas. Situated close to a host of entertainment facilities at Genting Highlands Resort, Awana Genting has 430 guest rooms, 17 function rooms with a grand ballroom and an 18-hole championship golf course, for which its Hole 4 has been selected as the Most Scenic Hole, by Par Golf Magazine.

Awana Genting has abundant natural greenery, stunning hillside landscapes and plenty of opportunities for sustainable eco-activities. During the year, two new programmes were introduced, namely the Moonlight Walk Tour and Nature Discovery Package. The Moonlight Walk Tour provides visitors with an opportunity to experience the resort's natural surroundings at night. The Nature Discovery Package is designed to promote areas surrounding the resort and to create attractive activities for in-house guests. In November 2008, the 'Genting Trailblazer' 14km run was held at Awana Genting, with a participation of 900 local and international runners.

Awana Genting is a preferred MICE (meetings, incentives, conventions and exhibitions) venue for numerous government and corporate events. It has hosted 'Charles River Center' and 'Harvard Business School Alumni Club of Malaysia' events for the past two years. In 2008, Awana Genting's Tower Rooms, Meeting Rooms, F&B Outlets and the Lobby areas were equipped with Wi-Fi services. Awana Genting achieved a lower occupancy rate of 64% in 2008, due to the economic downturn (2007: 72%).

#### Awana Kijal Golf, Beach & Spa Resort ("Awana Kijal")

Located at Terengganu's premier beach, Awana Kijal is the No.1 resort on the East Coast of Peninsular Malaysia. Awana Kijal is a luxurious 5-star resort with an 18-hole championship golf course stretching along the 7.6 kilometres of beachfront facing the South China Sea. With a blend of classical Malay architecture and contemporary look, Awana Kijal has a unique feature of an eighty-foot atrium - the first in the country.

In 2008, Awana Kijal obtained certification for HACCP by World Certification Services (WCS), the authority for the Food Safety Management Systems. During the year under review, the resort installed broadband internet access in guest rooms, Wi-Fi service in the lobby and F&B outlets, installed new carpets and upgraded its surveillance monitoring units. The Waterfall Café was transformed into a terrace dining and entertainment lounge concept with added seating capacity.

For the MICE market, the resort collaborated with two teambuilding consultants, namely RRC Worldwide Sdn Bhd and D' Jungle People Sdn Bhd, which have chosen Awana Kijal as their choice learning hub for team building and training center.

Awana Kijal has actively participated in Turtle Release and Adopt-A-Turtle Program carried out by the Fisheries Department of Malaysia, reflecting its care for the environment. Despite the tourism industry softening from the impact of the global economic downturn, Awana Kijal recorded a higher occupancy rate of 71% in 2008 (2007: 65%).

#### Awana Porto Malai, Langkawi ("Awana Porto Malai")

Awana Porto Malai is a popular choice for family vacations and a highly recommended business MICE resort venue in Langkawi.

Its unique Mediterranean-themed seafront resort with 208 well-decorated rooms attract especially international tourists from South East Asia and Europe, with growing interest from the Middle East and India. During the year, Awana Porto Malai hosted several international MICE events for major conventioners such as Asia Pacific Correctional Conference Administrators, Royal Police Department, 3rd Langkawi International Temporal Bone Course & ASEAN Academy of Neuro-Oto-Audiology. It also hosted several international tourism events such as Langkawi International Fishing Tournament and Inaugural Friendship Sports Fishing Competition Fish Tales - Langkawi 2008 which were covered by foreign media from Taiwan, China and BBC London.

Awana Porto Malai achieved the HACCP certification in 2008, ensuring the safest procedures in food preparation. Awana Porto Malai introduced the Taman Sari Royal Heritage Spa offering unique Javanese spa treatments, to enhance the 'Rediscover Relaxation' theme. Awana Porto Malai registered a lower occupancy rate of 59% in 2008, due to the economic downturn (2007: 71%).

Awana Kijal







Awana Porto Malai

**AWANA VACATION RESORTS (“AVRD”)**

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



The Awana Timeshare Ownership Scheme, operated by Awana Vacation Resorts Development (“AVRD”) provides accommodation at various holiday resorts for its Timeshare Owners. The resorts offered under this Timeshare are Awana Genting, Ria Apartments at Genting Highlands Resort and Angsana Apartments at Kijal Beach Resort in Terengganu. The Timeshare members have a choice of 3,800 resorts in 85 countries worldwide through the affiliation with Resort Condominium International (RCI). As at 31 December 2008, AVRD had a total of 5,943 timeshare members.

AVRD is the proud winner, for the second consecutive year, of the “Best Brand in Leisure and Hospitality - Time Sharing” at the BrandLaureate - SMEs Chapter Awards 2008.

**E-COMMERCE AND IT DEVELOPMENT**

The Group has been upgrading its resorts’ network infra-structure to improve the speed and security of its services. The increase in backbone bandwidth and expansion of local area network will result in more hot spots and faster internet speed. The data centre and infrastructure support team achieved the ISO27001 Information Security and Management Systems (ISMS) certification in 2008.

WorldReservations Centre (WRC) provides the Resort’s call centre services. During the year, the award-winning WRC obtained ISO 9001:2000 certification. WRC received close to 2 million room bookings in 2008. The online marketing channel via [www.genting.com.my](http://www.genting.com.my) also secured substantial online sales.

The **WorldCard** membership base increased to approximately 2.7 million members in 2008 with 392 participating merchants, at 1,914 outlets throughout Malaysia, Singapore and Hong Kong. WorldCard Malaysia has been accredited with the ISO20071 certification in relation to best practices in information security. The “888” promotion was launched in conjunction with the September 2008 Matta Fair, and WorldCard kicked off its WorldCard Movie Mania campaign in November 2008. The Holiday Card and MICE privilege card were newly-launched, as well as the new e-commerce portals of [www.worldcard-shopping.com](http://www.worldcard-shopping.com) and [www.worldcard-travel.com](http://www.worldcard-travel.com) which allow for WorldCard point redemptions for various lifestyle offers and to establish an unique online community.



When it matters most



The one-stop centre for reservations of rooms, shows, transport, cruises, flights and vacations located at Wisma Genting, Kuala Lumpur, Malaysia.

Tel : 603 2718 1118 Online : [www.genting.com.my](http://www.genting.com.my)

Genting OneHub



Promoting the cashless society with a wide range of prepaid/gift cards (top) and loyalty cards (bottom).



When it matters most



## REVIEW OF OPERATIONS (cont'd)



YA Bhg Tun Dr Mahathir Mohamad presenting the Brand Personality Award to Y Bhg Tan Sri Lim Kok Thay.



YA Bhg Tun Dr Mahathir Mohamad presenting the Best Brands in Leisure and Hospitality award to YA Bhg Tun Mohammed Hanif Omar.

### RECOGNITION

The Group has been the recipient of various local and international awards, as a result of its commitment towards excellence and distinction in the leisure and hospitality industry. Major awards received in 2008 include:

- The late Tan Sri (Dr.) Lim Goh Tong, Founder of Genting Group - **G2E Asia Visionary Award** by Global Gaming Expo & Macau Business Magazine.
- Tan Sri Lim Kok Thay - **Brand Personality Award** by Asia Pacific Brands Foundations (APBF).
- Genting Highlands Resort - **World's Leading Casino Resort 2008, Asia's Leading Casino Resort 2008** and **Asia's Leading Family Resort 2008** by World Travel Awards.
- Resorts World Bhd (Genting - City of Entertainment) - Ranked No. 4 in **Malaysia's Most Valuable Brand 2008** by Association of Accredited Advertising Agents Malaysia & The Edge.
- Resorts World Bhd - **Malaysia's Top 10 Brands** by Brand Finance plc.
- Resorts World Bhd - **Best Brands in Leisure and Hospitality** and **Societe Award for Best Brands in Humanitarian - Philanthropy** by Asia Pacific Brands Foundations (APBF).
- Resorts World Bhd - No. 10 in **Asia's Most Admired Companies: Malaysia (Overall)** and No. 10 in **Asia's Most Admired Companies: Malaysia (Innovation)** by The Wall Street Journal.
- WorldReservations Centre (WRC), Resorts World Bhd - Bronze Award for **Best In-House Contact Centre (Over 50 seats)** by The Customer Relationship Management and Contact Centre Association of Malaysia (CCAM).
- Awana Vacation Resorts Development Bhd - **Best Brand in Leisure and Hospitality - Time Sharing** at The BrandLaureate - SMEs Chapter Awards 2008.



Resorts World Bhd  
Best Brands in  
Leisure and Hospitality  
(The BrandLaureate Awards 2008)



World's Leading Casino Resort  
Asia's Leading Casino Resort  
Asia's Leading Family Resort  
(World Travel Awards 2008)



Y Bhg Tan Sri Lim Kok Thay receiving the G2E Asia Visionary Award for the late Tan Sri (Dr.) Lim Goh Tong



YB Senator Tan Sri Amirsham Abdul Aziz, Minister in Prime Minister's Department presenting the Malaysia's Most Valuable Brands award to Y Bhg Dato' Lee Choong Yan, President of Resorts World Bhd.



## CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to being a socially responsible corporation, mindful of the long-term interests of its stakeholders, including shareholders, customers, employees, business partners, local communities and other organisations. The Group has always focused on contributing to the sustainable development of the economy and community welfare and care for the environment and its employees. These practices have been an integral part of the Group's business ethics and reflect the Group's continuous pursuit of enhancement of its corporate values through the adoption of good business practices. In line with the Listing Requirements of Bursa Malaysia Securities Berhad, which requires listed companies to provide a description of its corporate social responsibility ("CSR") activities and practices, these efforts are now being articulated under the Group's CSR framework, with the Group's various subsidiaries having specific areas of focus within their respective areas of business.

### ENVIRONMENT

The environment and its sustainability is one of the key areas of interest for the Group. The Resort, despite its vast magnitude, holds a strong environmental record as a result of the Group's environmentally-friendly approach, one that has minimal impact on the environment.

The Group's environmental management systems are constantly reviewed and adapted to improve the quality of the environment. The four core areas of interests are conservation of natural resources (energy, fuel and water), waste management, prevention of pollution to water, land and air, as well as the use of renewable energy.

The mid-term review of the Ninth Malaysia Plan states that a key agenda regarding energy is to intensify initiatives for more prudent and productive use of energy resources. The Group thus employs various schemes to help reduce electricity consumption and conserve energy. Measures include the installation of variable speed drives to reduce energy consumed by motors and installation of energy-saving light bulbs in the casino, hotel rooms and car parks to reduce electricity consumption and the heat load for air-conditioning systems.

The Group introduced several schemes to reduce diesel consumption, including the installation of heat recovery systems such as economisers and air pre-heaters at steam plants. The Group also uses a steam trap with no moving parts to avoid unnecessary steam loss. These measures have helped reduce diesel consumption by approximately 15 %.

In addition, the Group successfully reduced water consumption by installing flow restrictors to minimise flow rate in selected areas and effectively reduce water volume per flush for water cistern tanks.

Waste management efforts are intensified following the 3R (Reduce, Reuse and Recycle) program and scheduled waste management. 'Reduce' is achieved by replacing conventional lights with smaller long-life energy saving lights that are lesser in quantity and weight to save energy. 'Reuse' is achieved by using recycled papers in back offices. 'Recycle' is then achieved by collecting recyclables such as plastic wastes, scrap metals and aluminium cans to be sent to recycling centers. The Group has also identified the types of scheduled waste generated and engaged an authorised contractor to recycle and treat them.

One of the objectives of the Ministry of Natural Resources and Environment is to ensure a clean, safe, healthy, productive and unpolluted environment. Recognising this, the Group implements various initiatives to prevent pollution of natural resources. Based on

the Yearly Sanitary Survey conducted on the water supply system, remedial actions were identified for the Group to prevent water pollution. Additionally, 110% containments for the diesel tanks are installed and the diesel piping is checked daily to eliminate the risk of water contamination due to leaking diesel. Effective waste management procedures are currently in place to avoid land pollution.

Within the Group, Engineering Department has achieved ISO14001:2004 (Environmental Management System - EMS) together with OHSAS18001:2007 (Occupational Health and Safety Assessment Series), certified by SIRIM Bhd.

### MARKETPLACE

The Group's standard engineering and construction contracts require conformity to, where applicable, the Environmental Control Act 1974, to ensure no emission, discharges or disposal of radioactive, toxic or harmful substances, chemicals, pollutants, contaminations or other wastes of any form on or under the Group's site as well as compliance with the Occupational Safety and Health Act 1994 requirements, to ensure good safety practices, when working on or within the Group's properties.

RWB's 2007 Annual Report received the Global Reporting Initiative (GRI) C+ standard, as checked by an authorised certifier. The C+ standard is the first level of standardisation towards future progress by following the Sustainability Reporting Guidelines by GRI. The GRI Reporting Framework is a sustainability report providing a balanced and reasonable representation of the Group's performance in economic, environmental and social impacts. It provides a clear CSR report to help stakeholders understand the management and it also indicates value added improvements. Additionally, the GRI Reporting Framework also helps internal strategies through KPIs and benchmark besides being essential for good investor relations.

*Genting Highlands Resort - surroundings*





20th Senior Managers' Conference



Employees Appreciation Nite 2008

**WORKPLACE**

As of 31 December 2008, the Group has a total workforce of approximately 12,800 employees.

Staff training is a key thrust for the Group, in line with its vision of becoming an efficient, responsible and professional organisation. The Group's stipulation for employees to attend a certain number of trainings annually saw over 11,000 employees receiving training in 2008. The main focus of the training was on customer service, especially in the induction of new hotel staff into the hospitality industry and training of the existing staff and executives on relevant customer service programs.

Employee grooming was also emphasised in order to project workplace professionalism. Front line executives attended etiquette and professional image programs on a compulsory basis, while front line service staff attended basic grooming programs. Grooming rallies were held to inculcate awareness on the importance of grooming. Additionally, team building programs were organised to strengthen team spirit, improve relationships and train staff to perform and interact better.

The Ministry of Human Resources seeks to assure the safety and health of the workforce. In line with this, the Group conducts relevant safety, health and environmental training programs to instill safety consciousness amongst employees and continuously upgrade technician skills. The NIOSH Genting Safety Passport Program was established to enhance safety awareness amongst third party contract workers as part of the Group's Safety Culture initiative, where service-providing contractors are required to undergo a formal OSH training program before commencing work within our properties. Some of these trainings also coincide with the Group's preparation towards additional Environmental Health and Safety Certifications for the Resort.

The Group also organised various conferences for the development of its executives, such as the 20th Senior Managers' Conference themed "Leading the Business of Tomorrow" in Manila, Philippines, to explore leadership successes from outstanding organisations globally. In addition, the 15th Human Resources Conference at Awana Kijal, Terengganu hosted teambuilding activities aimed at strengthening bonds within the HR Department, with the knowledge disseminated to forge better ties amongst Group employees. Senior managers from operations departments were invited to the Conference to provide feedback and strengthen mutual understanding.

In line with the Group's overall CSR programs, the hotels embarked on an extensive Talent Management Program and introduced a new Hotel Management Trainee program. Selected middle management participated in advanced management programs through the Malaysian Hotels educational arm MAHTEC, while selected senior management partook in various Cornell University programs.

The Group encourages its properties and Departments to practice Quality Management System (QMS) standards. In line with that, Maxims Genting, Highlands Hotel, Resort Hotel, Theme Park Hotel, Awana Genting Highlands Golf & Country Resort and several other departments namely Tenancy Management Department, National Marketing and National Sales Departments, Engineering Department and Finance (Hospitality) Department have achieved ISO9001.

In 2008, 25 Management Trainees graduated and entered into various operational units. The Group also hired 19 graduates to undergo a structured development program for succession into various managerial positions. Additionally, 25 scholarships were awarded to deserving employees and students to pursue their studies in any field relevant to the business, with the aim of providing financial assistance to internal staff and offer employment upon graduation. Furthermore, to aid the development of a skilled workforce in the hospitality industry, the Group offered 78 candidates a chance to participate in the Hotel Industry Apprenticeship Scheme (HIAS) and undergo apprenticeship training in the Group's hotels before being offered full time employment.

WorldReservations Centre (WRC) also jointly organised with non-governmental organisations (NGOs) a series of talks on career opportunities for the disabled community. Shortlisted candidates attended training sessions before possible employment with WRC.

The HR Department will continue to focus on employee development in its effort to raise service and skill levels whilst steering employees to reach their full potential.

RWB Scholarship Award 2008



Genting Olympics 2008







Y Bhg Tan Sri Lim Kok Thay with the recipients of donations in memory of the late Tan Sri (Dr.) Lim Goh Tong.



Y Bhg Tan Sri Lim Kok Thay presenting the mock-cheque to Universiti Tunku Abdul Rahman's representative during the official opening of the late Tan Sri (Dr.) Lim Goh Tong Memorial Hall.

## COMMUNITY

The Group's community investment contributions reflect its success in adhering to the philosophy of the Group, the government and the society towards contributing for the development of a sustainable community. They fall within a clear set of priority areas.

**Infrastructure Support and Services to Local Communities:** The Group's contributions reach out to different sectors of the community irrespective of race and religion. The Group contributed to Majlis Kebajikan dan Pembangunan Masyarakat Kebangsaan Malaysia, as well as donating to Gang Yin Temple, Raub for the Official Opening of Thousand Hands Kwan Yin Statue, Sri Aathi Sankarar Ashramam Building Fund for the expansion of its current facilities for young children, SMJK Phor Tay High School Building Fund for the relocation of its Penang school and to the Sri Thandayuthapani Temple. According to the Ninth Malaysia Plan, a core area of interest in health is for the government, private sectors and NGOs to work together and provide good healthcare and services to the community. The Group's community investments are aligned with this, as the Group has donated a new ambulance to the Malaysian Volunteer Fire and Rescue Association (MVFRA) for faster and more efficient emergency rescue services in the Klang Valley. The Group also contributed to the Malaysian Red Crescent Society, Bentong District to aid in repairing and purchasing new life saving apparatus, and also to St John Ambulance Malaysia for its 24 Hours Highway Emergency Ambulance Service during festive seasons.

**Youth development:** A strategy of the National Youth Development Policy is to equip youths with technical knowledge and vocational skills to meet the demands of nation-building. The Group is therefore a corporate sponsor for the Monfort Boys' Town and has assisted to renovate 2,000sq feet of the centre's Bakery and Pastry department and purchase new baking equipment for students. The Group also offers internship and employment opportunities for Monfort alumni and more than 10 alumni have secured jobs with the Group to date. The Group has also donated to Desa Kreatif, an integrated centre that provides creative terrain for youths.

**Education:** The Group strongly believes in enhancing the quality and status of education in the country and has supported various educational institutions. In memory of the Group's beloved late founder, Tan Sri (Dr.) Lim Goh Tong, the Genting Group allocated RM4.5 million to five leading institutions of higher learning in Malaysia in April 2008 during the official opening of the Group founder's Memorial Hall whereby Resorts World Bhd pledged donations to two education funds worth RM1 million each in his honour, namely with Universiti Tunku Abdul Rahman and Tunku Abdul Rahman College.

The Group also contributed to The Malaysian Branch of The Royal Asiatic Society to replenish The Malay Annals (Sejarah Melayu) in hopes of meeting the demands of scholars, students and Malay history enthusiasts. The Group also donated to numerous education funds to help deserving students in Pahang including Tabung Kebajikan Pelajar Miskin Pahang and Yayasan Pendidikan Pelajar Melayu. The Group's support also extended to Kolej Tunku Ja'afar, SK Kg Kuantan Batang Kali and SMK Victoria, among others.

**Underprivileged and Disability Groups:** The Group gives paramount importance to the underprivileged and disabled - by playing host at the Resort in 2008 to 49 schools and organisations for over 2,174 children and senior citizens during festive celebrations such as the Lunar New Year, Hari Raya Aidilfitri, Deepavali, 51st Merdeka celebration, Genting's 43rd anniversary, as well as meeting singer and host Henley, with R&B soul group Ruffedge. A Christmas party was organised where the staff and Management donated cash to help grant the wishes of the underprivileged. Besides playing host, the Group also provided a platform for NGOs such as Agathians Shelter, Mouth and Foot painting Artistes and Kiwanis Club of Metro KL to conduct a fund raising and exhibition on their initiatives and handicrafts at Times Square, First World Plaza. The objective was to raise public awareness of the works of the less fortunate.

**Sports:** The Group believes that sporting activities are essential to help groom a nation that is dedicated, driven and athletic. In line with that, the Group contributed substantially to help organisations execute various sporting events. These include the International Federation for Equestrian (FEI) World Endurance Championship with Malaysia as the host and the Group as a main sponsor. We also sponsored Le Tour de Langkawi, Kuala Lumpur International Marathon, Sultan Ahmad Shah Tioman International Eco-Challenge and the Selangor Tennis Association - Junior Development Programme and supported the Persatuan Kriket Melayu Malaysia, Olympic Council of Malaysia, Football Association of Malaysia and Pahang Football Association, among others, to assist them in sports development.

**Culture and Arts:** The Group works alongside the Ministry of Culture, Arts and Heritage to highlight and popularise arts and culture, by sponsoring the participation of local artists in the World Championship of Performing Arts in Hollywood, USA. Upon their return, the Resort hosted the group who made Malaysia proud by winning 27 Gold, 7 Silver, 2 Bronze and also won 15 Titles of Champions of the World Award at the competition. The group popularly known as Showcase Malaysia performed three days at the Times Square, First World Plaza. The Group also contributed to the National Film Development Corporation Malaysia (FINAS) for their 21st Malaysian Film Festival 2008 and the 21st Malaysian Chinese Folk Dance Festival.

**RWB We CARE Team:** This year marked the inception of the Group's very own community service volunteer team aptly named 'RWB We CARE Team'. The team of 120 members was formed in line with the Group's effort to intensify community service efforts especially amongst employees. During the year of review, the team regularly visited the Selangor Family Aid Association, Ulu Yam and Badan Amal Nur Zaharah, Janda Baik. The team assisted the homes to carry out maintenance work, gardening, cooking, cleaning, teaching and organised fun-filled games for the residents. The team also donated necessary supplies including food.

Furthermore, in conjunction with the festive season in December, the team donated food supplies to nine homes including Ampang Old Folks Home, Rumah Bakti, Rumah Peyakin, Good Samaritan and Pertubuhan Kebajikan Anak-anak Yatim.

## CORPORATE GOVERNANCE

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Set out below is a statement on how the Company has applied the principles and complied with the best practices as set out in the Malaysian Code on Corporate Governance ("the Code").

### A. DIRECTORS

#### (i) The Board

The Board has overall responsibility for the proper conduct of the Company's business. The Board meets on a quarterly basis and additionally as required. The Board has a formal schedule of matters specifically reserved for its decision, including overall strategic direction, annual operating plan, capital expenditure plan, acquisitions and disposals, major capital projects and the monitoring of the Group's operating and financial performance.

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

During the year under review, seven meetings of the Board were held and all Directors have complied with the requirements in respect of board meeting attendance as provided in the Listing Requirements of Bursa Malaysia Securities Berhad.

The details of Directors' attendances are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Lim Kok Thay	6 out of 7
Tun Mohammed Hanif bin Omar	7 out of 7
Tan Sri Alwi Jantan	6 out of 7
Mr Quah Chek Tin	7 out of 7
Tan Sri Dr. Lin See Yan	7 out of 7
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	7 out of 7
Tan Sri Clifford Francis Herbert	7 out of 7
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	7 out of 7

#### (ii) Board Balance

The Board has eight members, comprising three executive Directors and five non-executive Directors. All the five non-executive Directors are independent non-executive Directors. The Directors have wide ranging experience and all have occupied or are currently occupying senior positions in the public and/or private sectors.

The independent non-executive Directors provide a strong independent element on the Board with Tan Sri Wan Sidek bin Hj Wan Abdul Rahman as the senior independent non-executive Director to whom concerns may be conveyed. Four of the five independent non-executive Directors participate in the Audit Committee. Three of the five independent non-executive Directors also participate in the Remuneration and Nomination Committees as members of these Committees.

The Board is mindful of the dual roles of Chairman and Chief Executive held by Tan Sri Lim Kok Thay but is of the view that there are sufficient experienced and independent-minded Directors on the Board to provide the assurance that there is sufficient check and balance. Also, the dual roles have to a certain extent been balanced by the presence of Tun Mohammed Hanif bin Omar as Deputy Chairman.

A brief profile of each of the Directors is presented on pages 6 to 8 of this Annual Report.

#### (iii) Supply of Information

Notice of meetings, setting out the agenda and accompanied by the relevant Board papers are given to the Directors in sufficient time to enable the Directors to peruse, obtain additional information and/or seek further clarification on the matters to be deliberated.

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

#### (iv) Appointments to the Board

The Nomination Committee comprising entirely of independent non-executive Directors is responsible for identifying and recommending to the Board suitable nominees for appointment to the Board and Board Committees.

On appointment, Directors are provided with information about the Group and are encouraged to visit the sites of the Group's operating units and meet with key senior executives.

The Nomination Committee has reviewed the membership of the Board, the professional qualifications and experience of the Directors and was satisfied that the Board composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills is adequate.

The process of assessing the Directors is an on-going responsibility of the entire Board.

All the Directors have attended the Mandatory Accreditation Programme and are also encouraged to attend courses whether in-house or external to help them in the discharge of their duties.

The following are the courses and training programmes attended by the Directors in 2008:

COURSES	NAMES OF DIRECTORS							
	Tan Sri Lim Kok Thay	Tun Mohammed Hanif bin Omar	Tan Sri Alwi Jantan	Mr Quah Chek Tin	Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	Tan Sri Dr. Lin See Yan	Tan Sri Clifford Francis Herbert	Gen. (R) Tan Sri Mohd Zahidi bin Hj Zainuddin
Harvard Asian Leaders' Workshop, Shanghai by Association of Harvard University Alumni Clubs of Asia						√		
Harvard Club of Malaysia Colloquium - Making Mergers & Acquisitions Work by Professor Nabil N. Eh-Hage		√						
Prevention of Fraud, Anti Money Laundering and Board Effectiveness by KPMG								√
Board Remuneration on the Upswing - A foreseeable trend? By Dato' Johan Raslan		√						



## CORPORATE GOVERNANCE (cont'd)

## A. DIRECTORS (cont'd)

## (iv) Appointments to the Board (cont'd)

COURSES	NAMES OF DIRECTORS							
	Tan Sri Lim Kok Thay	Tun Mohammed Hanif bin Omar	Tan Sri Alwi Jantan	Mr Quah Chek Tin	Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	Tan Sri Dr. Lin See Yan	Tan Sri Clifford Francis Herbert	Gen. (R) Tan Sri Mohd Zahidi bin Hj Zainuddin
Directors' Continuing Education Programme 2008 by Guinness Anchor Berhad and Fraser & Neave Holdings Bhd: - Module 1 - Revised Code of Corporate Governance - Module 2 - Amendments to Companies Act - Module 3 - Corporate Fraud, Fraud Risk Management - Module 4 - Stock Market Outlook and Investors' Perception on GAB and F&N			√					
Crisis Management by Charles River Centre						√		
World Congress on Information Technology - Genomics: From Human Health to the Environment by Dr. J. Craig Venter	√	√	√	√			√	
G2E Asia 2008 - Successful Strategies in Partnering with Government - Integrated Resorts Driving Tourism and Growth	√							
How 3D Negotiation Can Transform Your Organisation and Generate Value Creating Deals in the Private and Public Sector by Professor James K Sebenius		√						
Strategy : Building and Sustaining Competitive Advantage by Charles River Centre						√		
28th Management Conference (Plantation Division) Sustainability - The Way Forward				√				√
What Policy Should Malaysia Pursue in an Environment of High Inflation and Low Growth by Professor Dr. Takatoshi Ito		√						
The 2009 Budget by Deloitte KassimChan Tax Services Sdn Bhd					√			√
The Essentials of Upstream Oil and Gas - Delivering Commercial Insight to the Global Energy Industry by Wood Mackenzie	√	√		√		√		
Operational Risk Management from a Basel Perspective (Awareness Program for the Board) organised by Ambank Group Risk Management Department		√						
Enhancing the Resilience and Stability of the Islamic Financial System hosted by Bank Negara Malaysia and jointly organised by The Islamic Financial Services Board (IFSB) and Institute of International Finance (IIF)		√						
Strategy Execution & Leadership in Today's Uncertain Times by Prof. Paul Tiffany				√				

## (v) Re-election

The Articles of Association of the Company provides that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire once in every three years. A retiring Director is eligible for re-election. The Articles of Association also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

## CORPORATE GOVERNANCE (cont'd)

### B. DIRECTORS' REMUNERATION

The Remuneration Committee comprising three independent non-executive Directors and one executive Director is responsible for making recommendations to the Board on the remuneration packages of executive Directors and members of Board Committees. In making recommendations to the Board, information provided by independent consultants and appropriate survey data are taken into consideration. The Board as a whole determines the level of fees of non-executive Directors and executive Directors. Directors' fees are approved at the Annual General Meeting by the shareholders. Directors do not participate in decisions regarding their own remuneration packages.

The Remuneration Committee met twice during the financial year.

Details of the Directors' remuneration are set out in the Audited Financial Statements on pages 57 to 58 of this Annual Report. In the interest of security, additional information have not been provided other than the details stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad.

### C. SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company's Annual General Meeting remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and to ask questions about the resolutions being proposed and the operations of the Group.

The Group maintains a corporate website at [www.resortsworld.com](http://www.resortsworld.com) which provides information relating to annual reports, press releases, quarterly results, announcements and corporate developments.

The Group also participates in investor forums held locally and abroad and also organises briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.

### D. ACCOUNTABILITY AND AUDIT

#### (i) Financial Reporting

The Board aims to ensure that the quarterly reports, annual financial statements as well as the annual review of operations in the annual report are presented in a manner which provides a balanced and understandable assessment of the Company's performance and prospect.

The Directors are also required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards for Entities Other than Private Entities in Malaysia and which give a true and fair view of the state of affairs of the Group and of

the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 77 of this Annual Report.

#### (ii) Internal Control

The Board is responsible for the Group's system of internal control and risk management and for reviewing its adequacy and integrity. While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatement or loss.

The Internal Audit Function is provided by the Internal Audit Department of the holding company, Genting Berhad, based on the plan approved by the Company's Audit Committee, to assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets. The activities of this department which reports regularly to the Audit Committee provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

#### (iii) Relationship with Auditors

The Company through the Audit Committee, has an appropriate and transparent relationship with the external auditors. In the course of audit of the Group's financial statements, the external auditors have highlighted to the Audit Committee and the Board, matters that require the Board's attention. All Audit Committee meetings are attended by the external auditors for purposes of presenting their audit plan and report and for presenting their comments on the audited financial statements.

### E. OTHER INFORMATION

#### (i) Material Contracts

Material Contracts of the Company and its subsidiaries involving Directors and major shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 41 to the financial statements under "Significant Related Party Disclosures" on pages 71 to 73 of this Annual Report.

#### (ii) SHARE BUY-BACK

The details of the Company's Share Buy-Back exercises for the financial year ended 31 December 2008 are as follows:

Schedule of Share Buy-Back for the Financial Year Ended 31 December 2008

Month	No. of Shares Purchased & Retained As Treasury Shares	Purchase Price Per Share			Total Consideration* (RM)
		Lowest (RM)	Highest (RM)	Average (RM)	
January	230,000	3.80	3.98	3.97	916,967
March	7,710,900	3.36	3.68	3.57	27,578,522
June	17,073,400	2.77	2.93	2.84	48,696,649
July	790,000	2.57	2.60	2.59	2,056,064
November	9,105,100	2.33	2.35	2.34	21,355,772
December	22,050,000	2.14	2.29	2.25	49,781,846
<b>Total</b>	<b>56,959,400</b>			<b>2.63</b>	<b>150,385,820</b>

\* Inclusive of transaction costs

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 31 December 2008, the number of treasury shares was 178,083,600.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors.



## AUDIT COMMITTEE REPORT

### AUDIT COMMITTEE

The Audit Committee ("Committee") was established on 26 July 1994 to serve as a Committee of the Board.

### MEMBERSHIP

The present members of the Committee comprise:

Tan Sri Clifford Francis Herbert	Chairman/Independent Non-Executive Director
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	Member/Independent Non-Executive Director
Tan Sri Dr. Lin See Yan	Member/Independent Non-Executive Director
Mr Quah Chek Tin	Member/Independent Non-Executive Director

### ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2008

The Committee held a total of seven (7) meetings. Details of attendance of the Committee members are as follows:

Name of Member	Number of Meetings Attended*
Tan Sri Clifford Francis Herbert	7 out of 7
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	7 out of 7
Tan Sri Dr. Lin See Yan	7 out of 7
Mr Quah Chek Tin	7 out of 7

\* The total number of meetings is inclusive of the special meetings held between members of the Committee who are non-executive Directors of the Company and representatives of the external auditors, PricewaterhouseCoopers without the presence of any Executive Director.

### SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2008

The Committee carried out its duties in accordance with its Terms of Reference.

The main activities carried out by the Committee were as follows:

- i) considered and approved the internal audit plan for the Company and the Group and authorised resources to address risk areas that have been identified;
- ii) reviewed the internal audit reports for the Company and the Group;
- iii) reviewed the external audit plan for the Company and the Group with the external auditors;
- iv) reviewed the external audit reports for the Company and the Group with the external auditors;
- v) reviewed the quarterly reports of the Company and of the Group, focusing particularly on:
  - (a) changes in or implementation of major accounting policy changes;
  - (b) significant and unusual events; and
  - (c) compliance with accounting standards and other legal requirements;

- vi) reviewed related party transactions of the Company and of the Group;
- vii) reviewed the proposed audit fees for the external auditors in respect of their audit of the Group and of the Company;
- viii) considered the re-appointment of the external auditors for recommendation to the shareholders for their approval;
- ix) reviewed the Financial Statements of the Group and of the Company for the financial year ended 31 December 2007; and
- x) reviewed the reports submitted by the Risk and Business Continuity Management Committee of the Company.

### INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT PROCESS

The Internal Audit function is provided by the Internal Audit Department of the holding company, Genting Berhad based on the plan approved by the Committee, to assist the Board in maintaining a sound system of internal control. The internal audit department reports to the Committee and is independent of the activities it audits. The primary role of the department is to undertake regular and systematic review of the systems of internal control so as to provide sufficient assurance that the Group has sound systems of internal control and that established policies and procedures are adhered to and continue to be effective and satisfactory.

During the financial year ended 31 December 2008, the Internal Audit Department carried out its duties covering operation audit, information system audit and compliance audit.

On a quarterly basis, audit reports and the plan status are submitted for review and approval by the Committee. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by Management.

As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

### TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

#### 1. Composition

- (i) The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors; shall consist of not less than three members, all of whom are non-executive Directors with a majority of them being independent Directors; and at least one member of the audit committee:
  - (a) must be a member of the Malaysian Institute of Accountants; or
  - (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
    - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
    - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

## AUDIT COMMITTEE REPORT (cont'd)

### TERMS OF REFERENCE (cont'd)

#### 1. Composition (cont'd)

- (c) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

The Chairman shall be an independent Director elected by the members of the Committee.

- (ii) In the event of any vacancy in the Committee resulting in the non-compliance of paragraph (i) above, the Board must fill the vacancy within 3 months.
- (iii) The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

#### 2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries within its terms of reference, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to obtain independent professional or other advice and 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 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.

If the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.

#### 4. Functions

The functions of the Committee are to review:

- i) with the external auditors, their audit plan;
- ii) with the external auditors, their evaluation of the system of internal accounting controls;
- iii) with the external auditors, their audit report and management letter (if any);
- iv) the assistance given by the Company's officers to the external auditors;
- v) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

- vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- vii) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
  - (a) changes in or implementation of major accounting policy changes;
  - (b) significant and unusual events; and
  - (c) compliance with accounting standards and other legal requirements;
- viii) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Management integrity; and
- ix) consider the nomination, appointment and re-appointment of external auditors; their audit fees; and any questions on resignation, suitability and dismissal.

#### 5. Meetings

- i) The Committee is to meet at least four times a year and as many times as the Committee deems necessary.
- ii) In order to form a quorum for any meeting of the Committee, the majority of members present must be independent.
- iii) The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.
- iv) The head of finance and the head of internal audit shall normally attend meetings of the Committee. The presence of a representative of the external auditors will be requested, if required.
- v) 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.
- vi) At least twice a year, the Committee shall meet with the external auditors without the presence of any executive Director.
- vii) Whenever deemed necessary, meetings can be convened with the external auditors, internal auditors or both, excluding the attendance of other directors and employees.

#### 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.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors.



## STATEMENT ON INTERNAL CONTROL

as at 31st December, 2008

### The Board's Responsibilities

In relation to internal control, pursuant to the requirements under the Malaysian Code on Corporate Governance for companies listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Board of Directors ("the Board") acknowledges their responsibility under the Bursa Malaysia Listing Requirements to: -

- Identify principal risks and ensure implementation of appropriate control measures to manage the risks.
- Review the adequacy and integrity of the internal control system, management information systems and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

It should be noted that an internal control system is designed to manage risks rather than eliminate them and can provide only reasonable but not absolute assurance against any material misstatement or loss.

The Board confirms that there is an ongoing risk management process established to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of the RWB Group of companies' ("the RWB Group") business and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risks and measures are taken to mitigate any weaknesses in the control environment.

### The Risk Management Process

The RWB Group has implemented the Control Self-Assessment ("CSA") to formalise the risk management process. With the CSA, departments/business areas of the RWB Group are required to identify and evaluate controls within key functions/activities of their business processes.

The implementation of the risk management process for the RWB Group is the responsibility of the Executive Committee comprising the Executive Directors, the Business/Operations Heads of the RWB Group's operating units with oversight and assistance provided by relevant senior management staff of the holding company, Genting Berhad. The Risk and Business Continuity Management Committee ("RBCMC"), chaired by the Head of Finance ("SVP Finance"), further oversees the effectiveness of the risk management program.

The key aspects of the risk management process are:-

- Business/Operations Heads are required to update their risk profiles on a half yearly basis and in this regard issue a Letter of Assurance at the end of each second half yearly review to confirm that they have reviewed the risk profiles, risk reports and related business processes and are also monitoring the implementation of action plans.
- Reviews of the risk profiles, the control procedures and status of the action plans are carried out on a regular basis by the Head-Risk Management of the holding company and the Business/Operations Heads.
- Management of the respective companies are provided with reports to enable them to review, discuss and monitor the risk profiles and implementation of action plans.
- The risks to the RWB Group's strategic objectives are assessed at both the group and company levels.
- On a quarterly basis, a risk report detailing significant risk issues and control measures implemented or to be implemented to deal with the risks will be reviewed by the RBCMC prior to being tabled to the RWB Group Executive Committee.

- On a quarterly basis, a risk management report summarising the significant risks and/or the status of action plans are presented to the Audit Committee for review, deliberation and recommendation for endorsement/approval by the Board.

### The Internal Control Processes

The other key aspects of the internal control process are:-

- The Board and the Audit Committee meet every quarter to discuss matters raised by Management of the RWB Group ("Management") on business and operational matters including potential risks and control issues.
- The Board has delegated their responsibilities to various committees established by the Board and Management to implement and monitor the Board's policies on controls.
- Delegation of authority including authorisation limits at various levels of Management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility.
- Internal procedures and policies are clearly documented in manuals and reviewed and revised periodically to meet changing business, operational and statutory reporting needs.
- Performance and cash flow reports are provided to Management and the RWB Group Executive Committee to review and monitor the financial performance and cash flow position.
- Business/operating units present their annual budget which includes the financial and operating targets, capital expenditure proposals and performance indicators for approval by the RWB Group Executive Committee and the Board.
- A half yearly review of the annual budget is undertaken by Management to identify and where appropriate, to address significant variances from the budget.

Some weaknesses in internal control were identified for the year under review but these are not deemed significant and hence have not been included in this statement, as these weaknesses have not materially impacted the business or operations of the RWB Group.

Business continuity management is regarded to be an integral part of the RWB Group's risk management process. In this regard, the RWB Group has commenced implementation of business continuity plans to minimise business disruptions in the event of potential failure of critical IT systems and operational processes. The documentation of the business continuity plan for the RWB Group's core business operations has been completed.

### The Internal Audit Function

The Internal Audit function is provided by the Internal Audit Department of the holding company, Genting Berhad, based on the plan approved by the RWB Group Audit Committee to undertake regular and systematic review of the internal controls and to provide the RWB Group Audit Committee with sufficient assurance that the systems of internal control are effective in addressing the risks identified.

On a quarterly basis, audit reports and the plan status are submitted for review and approval by the RWB Group Audit Committee. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by Management.

This Statement on Internal Control is made in accordance with the resolution of the Board of Directors.

## DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

The Directors of RESORTS WORLD BHD have pleasure in submitting their report together with their statement pursuant to Section 169(15) of the Companies Act, 1965 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

### PRINCIPAL ACTIVITIES

The Company is involved in a tourist resort business at Genting Highlands and its activities cover leisure and hospitality services, which comprise gaming, hotel, entertainment and amusement.

The principal activities of the subsidiaries include property development and management, leisure and hospitality services, investments, time share ownership scheme, tours and travel related services.

Details of the principal activities of the subsidiaries are set out in Note 42 to the financial statements.

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

### FINANCIAL RESULTS

	Group RM Million	Company RM Million
Profit before taxation	1,127.0	715.0
Taxation	(493.0)	(464.8)
Profit for the financial year	<b>634.0</b>	<b>250.2</b>

### TREASURY SHARES

The shareholders of the Company had granted a mandate to the Company to purchase its own shares at the Annual General Meeting held on 23 June 2008.

During the financial year, the Company purchased 56,959,400 ordinary shares of 10 sen each of its issued share capital from the open market at an average price of RM2.63 per share. The share buy back transactions were financed by internally generated funds. As at 31 December 2008, the total number of shares purchased was 178,083,600 and held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

### DIVIDENDS

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

- (i) a final dividend of 3.6 sen less 26% tax per ordinary share of 10 sen each amounting to RM152,552,859 in respect of the financial year ended 31 December 2007 was paid on 18 July 2008; and

- (ii) an interim dividend of 3.0 sen less 26% tax per ordinary share of 10 sen each amounting to RM127,750,388 in respect of the financial year ended 31 December 2008 was paid on 21 October 2008.

The Directors recommend payment of a final dividend of 4.0 sen less 25% tax per ordinary share of 10 sen each in respect of the current financial year ended 31 December 2008 to be paid to shareholders registered in the Register of Members on a date to be determined later by the Directors. Based on the issued and paid-up capital less Treasury Shares of the Company as at the date of this report, the final dividend would amount to RM171.7 million.

### 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 financial statements.

### ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS

During the financial year, the Company issued:

- (a) 3,789,000 new ordinary shares of 10 sen each for cash arising from the following exercise of options to take up unissued ordinary shares of the Company by executive employees pursuant to The Executive Share Option Scheme for Eligible Executives of Resorts World Bhd and its subsidiaries ("Scheme"). These options were granted prior to the current financial year.

Subscription Price Per Share RM	No. of Ordinary Shares of 10 sen each fully paid
2.064	2,994,000
1.700	80,000
1.898	660,000
1.984	35,000
2.134	20,000
	<hr/> 3,789,000 <hr/>

- (b) 39,352,937 new ordinary shares of 10 sen each arising from the conversion of RM100,350,000 zero coupon convertible notes due 2008 at RM2.55 per share.
- (c) 28,537,044 new ordinary shares of 10 sen each arising from the conversion of RM71,628,000 zero coupon convertible notes due 2008 at RM2.51 per share.

All the abovementioned ordinary shares rank pari passu with the then existing ordinary shares of the Company.

There were no issue of debentures during the financial year.

The following Options to take up unissued ordinary shares in the Company, which have been granted to executive employees of the Group as specified in the Scheme, were outstanding as at 31 December 2008:

Option Number	Option Expiry Date	Subscription Price Per Share RM	No. of Unissued Shares
1/2002	11 August 2012	2.064	33,367,000
2/2002	11 August 2012	1.700	300,000
3/2004	11 August 2012	1.898	4,112,000
4/2005	11 August 2012	1.984	180,000
5/2005	11 August 2012	2.134	375,000
			<hr/> 38,334,000 <hr/>



## DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (cont'd)

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

The Scheme became effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012.

- (a) The expiry date of the Options on 11 August 2012 shall apply unless the Options have ceased by reason of non compliance by the Grantee with the terms and conditions under which the Options were granted pursuant to the Scheme.
- (b) (i) The Options granted can only be exercised by the Grantee in the third year from the Date of Offer and the number of new Shares comprised in the Options which a Grantee can subscribe for from the third year onwards shall at all times be subject to the following maximum:

Percentage of new Shares comprised in the Options exercisable each year from the Date of Offer				
Year 1	Year 2	Year 3	Year 4	Year 5
-	-	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares
Year 6	Year 7	Year 8	Year 9	Year 10
12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% or balance of all options allotted

- (ii) Any new Shares comprised in an Option which is exercisable in a particular year but has not been exercised in that year, can be exercised in subsequent years within the Option Period, subject to the Scheme remaining in force.
- (iii) In the event that an Eligible Executive becomes a Grantee after the first year of the Scheme, the Grantee shall always observe the two-year incubation period and the Options granted can only be exercised in the third year from the Date of Offer subject to the maximum percentage of new Shares comprised in the Options exercisable as stipulated above.
- (c) 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.

### DIRECTORATE

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

Tan Sri Lim Kok Thay\*  
 Tun Mohammed Hanif bin Omar  
 Tan Sri Alwi Jantan  
 Mr Quah Chek Tin  
 Tan Sri Wan Sidek bin Hj Wan Abdul Rahman\*  
 Tan Sri Dr. Lin See Yan\*  
 Tan Sri Clifford Francis Herbert\*  
 General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin

\* Also members of the Remuneration Committee

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, a company which owns 48.43% equity interest in the Company as at 31 December 2008; and Asiatic Development Berhad and Genting International P.L.C., both of which are subsidiaries of Genting Berhad as set out below:

### Interest in the Company

#### Shareholdings in which the Directors have direct interests

	1.1.2008	Acquired/ (Disposed)	31.12.2008
	(Number of ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	1,660,000	-	1,660,000
Tun Mohammed Hanif bin Omar	5,000	-	5,000
Tan Sri Alwi Jantan	540,000	-	540,000
Mr Quah Chek Tin	5,000	-	5,000
Tan Sri Dr. Lin See Yan	300,000	150,000	450,000

## DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (cont'd)

### DIRECTORATE (cont'd)

#### Interest in the Company (cont'd)

Share Option in the names of Directors	1.1.2008	Offered/ (Exercised)	31.12.2008
	(Number of unissued ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	2,340,000	-	2,340,000
Tun Mohammed Hanif bin Omar	2,185,000	-	2,185,000
Tan Sri Alwi Jantan	1,555,000	-	1,555,000

#### Interest in Genting Berhad

Shareholdings in which the Directors have direct interests	1.1.2008	Acquired/ (Disposed)	31.12.2008
	(Number of ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	10,369,000	-	10,369,000
Tun Mohammed Hanif bin Omar	631,000	(530,000)	101,000
Mr Quah Chek Tin	5,000	-	5,000

Interest of Spouse/Child of a Director <sup>^</sup>	1.1.2008	Acquired/ (Disposed)	31.12.2008
	(Number of ordinary shares of 10 sen each)		
Mr Quah Chek Tin	630,000	-	630,000

Share Option in the names of Directors	1.1.2008	Offered/ (Exercised)	31.12.2008
	(Number of unissued ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	2,500,000	-	2,500,000
Tun Mohammed Hanif bin Omar	1,555,000	-	1,555,000
Mr Quah Chek Tin	1,240,000	-	1,240,000

#### Interest in Asiatic Development Berhad

Shareholdings in which the Directors have direct interests	1.1.2008	Acquired/ (Disposed)	31.12.2008
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Kok Thay	369,000	-	369,000
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	-	20,000	20,000

#### Interest in Genting International P.L.C.

Shareholdings in which the Directors have direct interests	1.1.2008	Acquired/ (Disposed)	31.12.2008
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Kok Thay	32,000	166,000	198,000
Tan Sri Alwi Jantan	-	54,000	54,000
Tan Sri Dr. Lin See Yan	-	45,000	45,000

Share Option in the names of Directors	1.1.2008	Offered/ (Exercised)	31.12.2008
	(Number of unissued ordinary shares of US\$0.10 each)		
Tan Sri Lim Kok Thay	5,658,536	-	5,658,536
Tun Mohammed Hanif bin Omar	1,131,707	-	1,131,707
Tan Sri Alwi Jantan	1,131,707	-	1,131,707
Mr Quah Chek Tin	1,697,560	-	1,697,560
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	1,131,707	-	1,131,707
Tan Sri Dr. Lin See Yan	1,131,707	-	1,131,707
Tan Sri Clifford Francis Herbert	1,131,707	-	1,131,707
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	1,131,707	-	1,131,707

Performance Shares in the name of Director	Awarded on 15.9.2008	Vested/ (Cancelled)	31.12.2008
	(Number of unissued ordinary shares of US\$0.10 each)		
Tan Sri Lim Kok Thay	750,000#	-	750,000



## DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (cont'd)

### DIRECTORATE (cont'd)

#### Legend

<sup>^</sup> Disclosure pursuant to Section 134(12) (c) of the Companies Act, 1965 as amended by the Companies (Amendment) Act 2007 which took effect on 15 August 2007.

# Represents the right of the participant to receive ordinary shares at par value of US\$0.10 per share, upon the participant satisfying the criteria set out in the Performance Share Scheme of Genting International P.L.C. and upon satisfying such conditions as may be imposed.

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' retirement gratuities shown in the financial statements or the fixed salary of a full time employee of the Company and/or related corporations) 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 Tan Sri Lim Kok Thay is a director and a substantial shareholder has appointed Asiatic Plantations (WM) Sdn Bhd, a wholly-owned subsidiary of Asiatic Development Berhad, which in turn is a subsidiary of Genting Berhad to provide plantation advisory services.
- (ii) A corporation in which Tan Sri Lim Kok Thay and his spouse are directors and which is wholly-owned indirectly by them has rented its property to Genting International P.L.C. ("GIPLC"), a subsidiary of Genting Berhad.
- (iii) A corporation which is owned by the family of Tan Sri Lim Kok Thay has been appointed by Resorts World at Sentosa Pte Ltd, an indirect wholly-owned subsidiary of GIPLC to provide professional design consultancy and master-planning services for the Resorts World at Sentosa integrated resort in Singapore.
- (iv) Transactions made by the Company or its related corporations with certain corporations referred to in Note 41 in which the nature of relationships of Tan Sri Lim Kok Thay are disclosed therein.

Tan Sri Clifford Francis Herbert and Mr Quah Chek Tin are due to retire by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with Article 99 of the Articles of Association of the Company and they, being eligible, have offered themselves for re-election.

Tun Mohammed Hanif bin Omar, Tan Sri Alwi Jantan and Tan Sri Wan Sidek bin Hj Wan Abdul Rahman will retire pursuant to Section 129 of the Companies Act, 1965 at the forthcoming AGM and that separate resolutions will be proposed for their re-appointment as Directors at the AGM under the provision of Section 129(6) of the said Act to hold office until the next AGM of the Company.

### OTHER STATUTORY INFORMATION

Before the income statements 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 allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets, other than debts, 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 allowance for doubtful debts in the financial statements 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 financial statements 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 financial statements of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements 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 or 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 those disclosed in the financial statements; 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.

## DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (cont'd)

### STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 39 to 76 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards for Entities Other than Private Entities in Malaysia and comply with the provisions of the Companies Act, 1965.

### HOLDING COMPANY

The Directors of the Company regard Genting Berhad, a company incorporated in Malaysia, as its immediate and ultimate holding company as Genting Berhad continues to have control over the Company within the definition of "control" as set out in FRS 127 on Consolidated and Separate Financial Statements, although its shareholding in the Company has fallen to 48.43% as at 31 December 2008.

### AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

On behalf of the Board,

**TAN SRI LIM KOK THAY**  
Chairman and Chief Executive

**TAN SRI ALWI JANTAN**  
Executive Director

Kuala Lumpur  
25 February 2009



## INCOME STATEMENTS

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2008	2007	2008	2007
Revenue	5 & 6	4,886.7	4,352.3	4,461.5	3,967.9
Cost of sales	7	(2,903.9)	(2,620.6)	(2,640.8)	(2,371.8)
<b>Gross profit</b>		<b>1,982.8</b>	<b>1,731.7</b>	<b>1,820.7</b>	<b>1,596.1</b>
Other income:					
- Gain on disposal of equity investment in associate		-	337.1	-	-
- Gain on disposal of long term investment arising from foreign exchange translation	43 (a)	19.8	-	-	-
- Others		135.3	110.2	94.9	87.4
Selling and distribution costs		(68.5)	(73.7)	(41.0)	(49.7)
Administration expenses		(114.6)	(111.7)	(93.0)	(92.9)
Other expenses:					
- Impairment loss	8	(781.5)	-	(1,040.2)	(936.0)
- Others		(45.4)	(57.5)	(24.8)	(91.9)
		<b>1,127.9</b>	<b>1,936.1</b>	<b>716.6</b>	<b>513.0</b>
Finance cost	8	(1.6)	(41.9)	(1.6)	(41.9)
Share of results in jointly controlled entity	19	0.7	0.0	-	-
Share of results in associate		-	(63.1)	-	-
Gain on dilution of equity investment in associate		-	81.0	-	-
<b>Profit before taxation</b>	5, 8, 9 & 10	<b>1,127.0</b>	<b>1,912.1</b>	<b>715.0</b>	<b>471.1</b>
Taxation	11	(493.0)	(356.8)	(464.8)	(332.2)
<b>Profit for the financial year</b>		<b>634.0</b>	<b>1,555.3</b>	<b>250.2</b>	<b>138.9</b>
Attributable to:					
Equity holders of the Company		634.4	1,555.7	250.2	138.9
Minority interests		(0.4)	(0.4)	-	-
<b>Profit for the financial year</b>		<b>634.0</b>	<b>1,555.3</b>	<b>250.2</b>	<b>138.9</b>
Earnings per share for profit attributable to the equity holders of the Company:					
Basic earnings per share (sen)	12	11.06	27.42		
Diluted earnings per share (sen)	12	10.99	26.48		
Gross dividends per share (sen)	13	7.00	6.48		

The notes set out on pages 46 to 76 form part of these financial statements.

**BALANCE SHEETS**

as at 31 December 2008

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2008	2007	2008	2007
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	14	3,638.5	3,663.4	2,014.8	2,006.7
Land held for property development	15	181.5	186.1	-	-
Investment properties	16	16.5	17.9	-	-
Leasehold land use rights	17	94.4	95.5	0.4	0.4
Subsidiaries	18	-	-	3,691.9	4,838.9
Jointly controlled entity	19	1.9	1.2	-	-
Available-for-sale financial asset	20	415.0	1,505.4	-	-
Other long term investments	21	242.8	535.5	3.1	3.1
Long term receivables	22	11.4	9.2	-	-
		<b>4,602.0</b>	<b>6,014.2</b>	<b>5,710.2</b>	<b>6,849.1</b>
<b>Current Assets</b>					
Inventories	23	60.5	59.1	31.8	31.5
Trade and other receivables	24	113.4	114.2	63.5	68.5
Amounts due from subsidiaries	18	-	-	197.8	177.8
Amounts due from other related companies	25	15.4	28.1	11.0	13.6
Asset classified as held for sale	26	4.6	-	-	-
Short term investments	27	1,760.1	794.9	1,748.2	794.9
Bank balances and deposits	28	2,794.8	2,256.9	1,484.1	1,340.4
Tax recoverable		72.1	74.1	71.9	73.1
		<b>4,820.9</b>	<b>3,327.3</b>	<b>3,608.3</b>	<b>2,499.8</b>
<b>Total Assets</b>		<b>9,422.9</b>	<b>9,341.5</b>	<b>9,318.5</b>	<b>9,348.9</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable To Equity Holders Of The Company</b>					
Share capital	29	590.2	583.0	590.2	583.0
Reserves	30	8,355.2	8,083.2	8,218.0	8,075.6
Treasury shares	31	(627.6)	(477.2)	(627.6)	(477.2)
		<b>8,317.8</b>	<b>8,189.0</b>	<b>8,180.6</b>	<b>8,181.4</b>
<b>Minority interests</b>		<b>7.3</b>	<b>7.7</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>8,325.1</b>	<b>8,196.7</b>	<b>8,180.6</b>	<b>8,181.4</b>
<b>Non-Current Liabilities</b>					
Other long term liability	32	31.3	30.3	-	-
Deferred taxation	33	227.7	203.0	121.5	115.5
Provision for retirement gratuities	34	60.0	64.8	57.5	62.2
		<b>319.0</b>	<b>298.1</b>	<b>179.0</b>	<b>177.7</b>
<b>Current Liabilities</b>					
Trade and other payables	35	541.2	492.2	460.6	424.3
Amount due to holding company	25	17.3	13.2	16.8	12.7
Amount due to subsidiaries	18	-	-	269.7	215.5
Amount due to other related companies	25	49.5	46.4	44.4	42.9
Amount due to jointly controlled entity	19	0.1	0.2	-	-
Zero coupon convertible notes	36	-	175.1	-	175.1
Taxation		170.7	119.6	167.4	119.3
		<b>778.8</b>	<b>846.7</b>	<b>958.9</b>	<b>989.8</b>
<b>Total Liabilities</b>		<b>1,097.8</b>	<b>1,144.8</b>	<b>1,137.9</b>	<b>1,167.5</b>
<b>Total Equity And Liabilities</b>		<b>9,422.9</b>	<b>9,341.5</b>	<b>9,318.5</b>	<b>9,348.9</b>
<b>NET ASSETS PER SHARE*</b>		<b>1.45</b>	<b>1.43</b>		

\* The computation of net assets per share is based on weighted average number of ordinary shares in issue excludes the weighted average number of treasury shares held by the Company.

## STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company									
	Share Capital	Share Premium	Fair Value Reserve	Reserve on Exchange Differences	Other Reserves	Treasury Shares	Retained Earnings	Total	Minority Interests	Total Equity
<b>Balance at 1 January 2008</b>	583.0	927.7	349.5	(224.3)	0.3	(477.2)	7,030.0	8,189.0	7.7	8,196.7
Foreign exchange differences recognised directly in equity - Group	-	-	-	94.9	-	-	-	94.9	-	94.9
Available-for-sale financial asset - Fair value movement (Note 20)	-	-	(1,131.0)	-	-	-	-	(1,131.0)	-	(1,131.0)
Net income and expenses recognised directly in equity	-	-	(1,131.0)	94.9	-	-	-	(1,036.1)	-	(1,036.1)
Impairment loss charged to income statement	-	-	781.5	-	-	-	(781.5)	-	-	-
Profit for the financial year	-	-	-	-	-	-	1,415.9	1,415.9	(0.4)	1,415.5
Total recognised income and expenses for the financial year	-	-	(349.5)	94.9	-	-	634.4	379.8	(0.4)	379.4
Share based payments under ESOS	-	-	-	-	0.0	-	-	-	-	0.0
Issue of shares	7.2	172.5	-	-	-	-	-	179.7	-	179.7
Buy-back of own shares	-	-	-	-	-	(150.4)	-	(150.4)	-	(150.4)
Appropriation:										
Final dividend paid for financial year ended 31 December 2007 (3.6 sen less 26% income tax)	-	-	-	-	-	-	(152.5)	(152.5)	-	(152.5)
Interim dividend paid for financial year ended 31 December 2008 (3.0 sen less 26% income tax)	-	-	-	-	-	-	(127.8)	(127.8)	-	(127.8)
<b>Balance at 31 December 2008</b>	<b>590.2</b>	<b>1,100.2</b>	<b>-</b>	<b>(129.4)</b>	<b>0.3</b>	<b>(627.6)</b>	<b>7,384.1</b>	<b>8,317.8</b>	<b>7.3</b>	<b>8,325.1</b>

The notes set out on pages 46 to 76 form part of these financial statements.



## STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company									
	Share Capital	Share Premium	Fair Value Reserve	Reserve on Exchange Differences	Other Reserves	Treasury Shares	Retained Earnings	Total	Minority Interests	Total Equity
Balance at 1 January 2007	547.3	60.1	-	(88.0)	18.6	-	5,711.6	6,249.6	8.1	6,257.7
Foreign exchange differences recognised directly in equity - Group	-	-	-	(129.6)	-	-	-	(129.6)	-	(129.6)
Foreign exchange reserve realised directly in income statement - Associate	-	-	-	(6.7)	-	-	-	(6.7)	-	(6.7)
Decrease in equity portion of convertible bonds in associate	-	-	-	-	(10.2)	-	-	(10.2)	-	(10.2)
Realisation of equity portion of convertible bonds in associate	-	-	-	-	(8.1)	-	8.1	-	-	-
Available-for-sale financial asset										
- Measurement at date of designation	-	-	1,473.9	-	-	-	-	1,473.9	-	1,473.9
- Fair value movement	-	-	(1,124.4)	-	-	-	-	(1,124.4)	-	(1,124.4)
Net income and expenses recognised directly in equity	-	-	349.5	(136.3)	(18.3)	-	8.1	203.0	-	203.0
Profit for the financial year	-	-	-	-	-	-	1,555.7	1,555.7	(0.4)	1,555.3
Total recognised income and expenses for the financial year	-	-	349.5	(136.3)	(18.3)	-	1,563.8	1,758.7	(0.4)	1,758.3
Share based payments under ESOS	-	-	-	-	0.0	-	-	0.0	-	0.0
Issue of shares	35.7	867.6	-	-	-	-	-	903.3	-	903.3
Buy-back of own shares	-	-	-	-	-	(477.2)	-	(477.2)	-	(477.2)
Appropriation:										
Final dividend paid for financial year ended 31 December 2006 (3.0 sen* less 27% income tax)	-	-	-	-	-	-	(125.1)	(125.1)	-	(125.1)
Interim dividend paid for financial year ended 31 December 2007 (2.88 sen less 27% income tax)	-	-	-	-	-	-	(120.3)	(120.3)	-	(120.3)
Balance at 31 December 2007	583.0	927.7	349.5	(224.3)	0.3	(477.2)	7,030.0	8,189.0	7.7	8,196.7

\* Adjusted following the subdivision of ordinary shares of 50 sen each into 5 ordinary shares of 10 sen each.

## STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

Company	Non-Distributable			Distributable		Total
	Share Capital	Share Premium	Other Reserve	Treasury Shares	Retained Earnings	
<b>Balance at 1 January 2008</b>	<b>583.0</b>	<b>927.7</b>	<b>0.2</b>	<b>(477.2)</b>	<b>7,147.7</b>	<b>8,181.4</b>
Profit for the financial year	-	-	-	-	250.2	250.2
Share based payments under ESOS	-	-	0.0	-	-	0.0
Issue of shares	7.2	172.5	-	-	-	179.7
Buy-back of own shares	-	-	-	(150.4)	-	(150.4)
Appropriation:						
Final dividend paid for financial year ended 31 December 2007 (3.6 sen less 26% income tax)	-	-	-	-	(152.5)	(152.5)
Interim dividend paid for financial year ended 31 December 2008 (3.0 sen less 26% income tax)	-	-	-	-	(127.8)	(127.8)
<b>Balance at 31 December 2008</b>	<b>590.2</b>	<b>1,100.2</b>	<b>0.2</b>	<b>(627.6)</b>	<b>7,117.6</b>	<b>8,180.6</b>
Balance at 1 January 2007	547.3	60.1	0.2	-	7,254.2	7,861.8
Profit for the financial year	-	-	-	-	138.9	138.9
Share based payments under ESOS	-	-	0.0	-	-	0.0
Issue of shares	35.7	867.6	-	-	-	903.3
Buy-back of own shares	-	-	-	(477.2)	-	(477.2)
Appropriation:						
Final dividend paid for financial year ended 31 December 2006 (3.0 sen* less 27% income tax)	-	-	-	-	(125.1)	(125.1)
Interim dividend paid for financial year ended 31 December 2007 (2.88 sen less 27% income tax)	-	-	-	-	(120.3)	(120.3)
Balance at 31 December 2007	583.0	927.7	0.2	(477.2)	7,147.7	8,181.4

\* Adjusted following the subdivision of ordinary shares of 50 sen each into 5 ordinary shares of 10 sen each.

**CASH FLOW STATEMENTS**

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

	Group		Company	
	2008	2007	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	1,127.0	1,912.1	715.0	471.1
Adjustments for:				
Depreciation of property, plant and equipment	260.2	244.1	182.1	170.8
Depreciation of investment properties	0.5	0.7	-	-
Amortisation of leasehold land use rights	1.1	1.1	0.0	0.0
Property, plant and equipment written off	0.7	1.0	0.4	0.8
(Gain)/loss on disposal of property, plant and equipment	(1.3)	0.0	(0.6)	(0.0)
Gain on disposal of investment property	(0.6)	(2.0)	-	-
Impairment loss on investment in subsidiaries	-	-	1,040.2	936.0
Impairment loss on investment in available-for-sale financial asset	781.5	-	-	-
Reversal of impairment loss on investment in subsidiary	-	-	-	(12.2)
Gain on disposal of equity investment in associate	-	(337.1)	-	-
Gain on dilution of equity investment in associate	-	(81.0)	-	-
Gain on disposal of short term investment	(0.0)	-	-	-
Gain on disposal of long term investment arising from foreign exchange translation	(19.8)	-	-	-
Interest income	(115.3)	(85.4)	(83.2)	(64.4)
Finance cost	1.6	41.9	1.6	39.9
Finance cost to subsidiaries	-	-	-	2.0
Share of results in jointly controlled entity	(0.7)	(0.0)	-	-
Share of results in associate	-	63.1	-	-
Allowance for doubtful debts (Note 8)	1.9	1.6	0.4	50.3
Net provision for retirement gratuities	1.6	11.8	1.3	11.1
Share option expenses	0.0	0.0	0.0	0.0
Realised gain on foreign exchange	-	(2.9)	-	-
Unrealised gain on foreign exchange	(2.1)	(1.2)	(2.3)	(1.0)
	<b>909.3</b>	<b>(144.3)</b>	<b>1,139.9</b>	<b>1,133.3</b>
<b>Operating profit before working capital changes</b>	<b>2,036.3</b>	<b>1,767.8</b>	<b>1,854.9</b>	<b>1,604.4</b>
Related companies	17.5	(11.2)	5.9	(4.8)
Increase in inventories	(1.4)	(5.8)	(0.3)	(6.0)
(Increase)/Decrease in trade and other receivables	(1.7)	(1.5)	4.8	1.6
Increase in trade and other payables	82.5	8.0	61.1	26.9
Increase in amount due to holding company	4.1	0.3	4.1	0.1
Jointly controlled entity	(0.1)	0.0	-	-
Subsidiaries	-	-	143.6	336.4
Other long term assets	(2.1)	0.3	-	-
	<b>98.8</b>	<b>(9.9)</b>	<b>219.2</b>	<b>354.2</b>
<b>Cash generated from operations</b>	<b>2,135.1</b>	<b>1,757.9</b>	<b>2,074.1</b>	<b>1,958.6</b>
Retirement gratuities paid	(7.0)	(1.4)	(6.6)	(1.4)
Taxation paid	(415.8)	(305.0)	(409.5)	(301.8)
Advanced membership fees	1.0	(0.6)	-	-
	<b>(421.8)</b>	<b>(307.0)</b>	<b>(416.1)</b>	<b>(303.2)</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,713.3</b>	<b>1,450.9</b>	<b>1,658.0</b>	<b>1,655.4</b>



**CASH FLOW STATEMENTS (cont'd)**

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

	Group		Company	
	2008	2007	2008	2007
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(263.8)	(412.6)	(215.2)	(212.8)
Proceeds from disposal of property, plant and equipment	1.8	1.1	0.9	0.8
Proceeds from disposal of investment property	1.4	5.0	-	-
Purchase of investments	(255.6)	(330.6)	-	-
Proceeds from disposal of investments (Note 43 (a))	521.0	-	-	-
Subscription of shares issued by existing subsidiaries	-	-	(2.1)	(312.9)
Subscription of shares in newly incorporated subsidiaries	-	-	(0.0)	(115.8)
Proceeds from disposal of equity investment in associate	-	1,172.6	-	-
Interest received	116.5	84.2	83.1	64.8
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>121.3</b>	<b>519.7</b>	<b>(133.3)</b>	<b>(575.9)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Buy-back of shares	(150.4)	(477.2)	(150.4)	(477.2)
Dividends paid	(280.3)	(245.4)	(280.3)	(245.4)
Interest paid	-	(2.6)	-	(2.6)
Proceeds received on exercise of share option	7.7	31.1	7.7	31.1
Settlement of zero coupon convertible notes (Note 36)	-	(77.6)	-	(77.6)
Redemption of zero coupon convertible notes (Note 36)	(4.7)	-	(4.7)	-
Repayment of borrowings	-	(125.9)	-	-
Repayment of borrowings to a subsidiary	-	-	-	(125.9)
Other financing expenses	0.0	(0.9)	-	(0.9)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(427.7)</b>	<b>(898.5)</b>	<b>(427.7)</b>	<b>(898.5)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,406.9</b>	<b>1,072.1</b>	<b>1,097.0</b>	<b>181.0</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>3,051.8</b>	<b>1,980.7</b>	<b>2,135.3</b>	<b>1,954.3</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>84.3</b>	<b>(1.0)</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>4,543.0</b>	<b>3,051.8</b>	<b>3,232.3</b>	<b>2,135.3</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Bank balances and deposits (Note 28)	2,794.8	2,256.9	1,484.1	1,340.4
Money market instruments (Note 27)	1,748.2	794.9	1,748.2	794.9
	<b>4,543.0</b>	<b>3,051.8</b>	<b>3,232.3</b>	<b>2,135.3</b>

The notes set out on pages 46 to 76 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

### Amounts in RM million unless otherwise stated

#### 1. PRINCIPAL ACTIVITIES

The Company is involved in a tourist resort business at Genting Highlands and its principal activities cover leisure and hospitality services, which comprise gaming, hotel, entertainment and amusement.

The principal activities of the subsidiaries include property development and management, leisure and hospitality services, investments, timeshare ownership scheme, tours and travel related services.

Details of the principal activities of the subsidiaries are set out in Note 42 to the financial statements.

Apart from the above, there have been no other significant changes in the nature of the activities of the Group and of the Company during the financial year.

#### 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with and comply with the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards for Entities Other than Private Entities in Malaysia and the provisions of the Companies Act, 1965. The bases of measurement applied to assets and liabilities are cost, amortised cost, lower of cost and net realisable value, revalued amount and fair value.

The preparation of financial statements in conformity with the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards for Entities Other than Private Entities in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. It also requires Directors to exercise their judgements in the process of applying the Company's accounting policies. Although these judgements and estimates are based on the Directors' best knowledge of current events and actions, actual results could differ from those judgements and estimates.

#### JUDGEMENTS AND ESTIMATIONS

In the process of applying the Group's accounting policies, management makes judgements that can significantly affect the amount recognised in the financial statements. These judgements include:

##### i) Impairment of available-for-sale financial asset

Resorts World Limited's ("RWL") equity shareholding in SCL, was reduced from 36.01% as at 31 December 2006 to 19.58% as at 30 July 2007 following the disposal of 1.01 billion ordinary shares of USD0.10 each in SCL. RWL is an indirect wholly-owned subsidiary of the Company. Accordingly, RWL ceased to have significant influence over SCL and pursuant to paragraphs 18 and 19 of FRS 128, Investments in Associates, the use of the equity method was discontinued from the date the entity ceased to have significant influence over the associate and the investment was accounted for in accordance with the requirements of FRS 139, Financial Instruments: Recognition and Measurement.

In compliance with FRS 139, RWL had subsequently accounted for its investment in SCL as an "available-for-sale financial asset" ("AFS") which is measured at its fair value based on SCL's quoted share prices. Any gain or loss arising from a change in the fair value of the AFS has been recognised directly in equity, through the statement of changes in equity.

#### JUDGEMENTS AND ESTIMATIONS (cont'd)

##### i) Impairment of available-for-sale financial asset (cont'd)

Pursuant to the paragraph 61 of FRS 139, a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is objective evidence of impairment. Consequently, in compliance with the requirements of FRS 139, the cumulative fair value loss of RM781.5 million in the investment in SCL, which had previously been recognised in equity, is now recognised as an impairment loss in the income statement. This cumulative fair value loss of RM781.5 million represents the decline in SCL's share price to USD0.085 per share as at 31 December 2008 from the Group's carrying value of USD0.24 per share at the time of derecognition of SCL as an associated company in July 2007.

##### ii) Impairment of investments in subsidiaries

The Company follows the guidance of Financial Reporting Standard 136: Impairment of Assets ("FRS 136") to determine whether the Company's investment in subsidiary is impaired. In making this judgement, the Company evaluates, among other factors, the fair value and value in use of its subsidiaries. The fair value is the amount obtainable from the sale of an asset or cash generating unit of the subsidiary in an arms length transaction less the cost of disposal. The determination of fair value is based on the best information available including but not limited to the quoted market prices when available and independent appraisals, as appropriate. The calculation of value in use takes into consideration of estimated future cash flows of the subsidiary, expectations about possible variations in the amount or timing of these future cash flows, and time value of money.

The investment in subsidiary will be impaired if the carrying amount exceeds its recoverable amount measured at the higher of its fair value less cost to sell and value in use. An impairment loss is charged to the income statement.

During the financial year, the Company recorded an impairment loss of RM1,040.2 million (2007: RM936.0 million) in the income statement.

##### iii) Investment

###### a) Classification of investments

Management uses its judgement to determine the classification of the Group's investments into current and non-current. An investment is classified as current if it is readily realisable and it is held for trading or intended to be realised within 12 months after the balance sheet date. All other investments are classified as non-current.

Significant estimates used in the preparation of financial statements that may cause a material adjustment to the carrying amount of assets and liabilities are:

##### i) Provision for taxation

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Adoption of new Financial Reporting Standards

Accounting policies adopted by the Group and the Company have been applied consistently in dealing with items that are considered material in relation to the financial statements, unless otherwise stated. The following new and revised Financial Reporting Standards ("FRS") that are relevant to the Group have been adopted during the financial year:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

IC Interpretation 8 Scope of FRS 2

The adoption of the above FRSs and IC interpretation did not result in substantial changes to the Group's accounting policies. In respect of FRS 112, the Group will continue to recognise in the income statement, the tax impact arising from the investment tax allowances as and when it is utilised.

#### Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted

The new standards and IC Interpretations that are applicable to the Group, but which the Group has not early adopted, are as follows:

FRS 8	Operating Segments (effective for annual period beginning on or after 1 July 2009)
IC Interpretation 9	Reassessment of Embedded Derivatives (effective for annual period beginning on or after 1 January 2010)
IC Interpretation 10	Interim Financial Reporting and Impairment (effective for annual period beginning on or after 1 January 2010)

The following standards will be effective for annual period beginning on or after 1 January 2010. The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Group and Company.

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

The following are the significant accounting policies adopted by the Group:

#### Basis of Consolidation

Investments in subsidiaries are eliminated on consolidation while investments in jointly controlled entities and associates are accounted for by the equity method of accounting.

#### a) Subsidiaries

The consolidated financial statements include the audited financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiaries are consolidated using the purchase method of accounting whereby the results of subsidiaries acquired or disposed of during the financial year are included from the date of acquisition up to the date when the control ceases. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill. See the accounting policy note on the treatment of goodwill.

All material intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also been eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

Minority interests is measured at the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's net assets since that date. Separate disclosure is made of minority interests.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Basis of Consolidation (cont'd)

##### b) Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties.

The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting. Equity accounting involves recognising the Group's share of the post acquisition results of jointly controlled entities in the income statement and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and includes goodwill on acquisition less impairment losses, where applicable. See accounting policy note on impairment of assets.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other parties in the ventures. The Group does not recognise its share of profits or losses from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

#### Property, Plant and Equipment

Property, plant and equipment are tangible items that:

- i) are held for use in the production or supply of goods or services, or for administrative purposes; and
- ii) are expected to be used during more than one period.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss where applicable.

Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period that they are incurred.

The depreciable amount of an item of property, plant and equipment is determined as the difference between the cost less its residual value. The residual value is the estimated amount that the Group expects to obtain from disposal of the asset, after deducting the estimated cost to disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

#### Property, Plant and Equipment (cont'd)

Freehold land and property, plant and equipment which are under construction are not depreciated. Depreciation on assets under construction commences when the assets are ready for their intended use. The Group depreciates other assets based on their consumption pattern and is applied separately to each significant component.

Other property, plant and equipment are depreciated over their estimated useful lives using the straight-line method. The annual rates of depreciation used for the major classes of property, plant and equipment are as follows:

Buildings and improvements	2% - 50%
Plant, equipment and vehicles	5% - 50%

The assets residual values and useful life are reviewed annually and revised if appropriate.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in the income statement. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

#### Investment Properties

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or for capital appreciation and are not occupied by the Group. It is initially measured at cost, including direct transaction costs.

The Group adopted the cost model to measure all its investment properties. Under the cost model, investment property is measured at depreciated cost less any accumulated impairment losses. The annual rate of depreciation used for investment properties is 2%.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

Gains and losses on disposal are determined by comparing net disposal proceeds with the carrying amount and are included in the income statement.

#### Leasehold Land Use Rights

Leasehold land that normally has a finite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as leasehold land use rights (referred to as prepaid lease payment in FRS 117, Leases) that are amortised over the lease term in accordance with the pattern of benefits provided.

Leasehold land use rights with lease period of 99 years or less are amortised equally over their respective periods of lease.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Property Development Activities

##### a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.

Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at revalued amounts, it continues to retain this amount as its surrogate cost as allowed by FRS 201<sub>2004</sub> (previously MASB 32), Property Development Activities. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

Land held for development is transferred to property development costs and included under current assets when development activities have commenced and where the development activities can be completed within the normal operating cycle.

##### b) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property development activity progresses. The stage of completion is determined based on proportion of property development costs incurred for work performed up to the balance sheet date over the estimated total property development cost to completion.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable of recovery, and property development costs on the development units sold are recognised when incurred. Foreseeable losses, if any, arising when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, are recognised immediately in the income statement.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value. Upon completion of development, the unsold completed development properties are transferred to inventories.

Where revenue recognised in the income statement exceed billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under trade and other payables (within current liabilities).

#### Available-For-Sale Financial Asset

Pursuant to paragraphs 18 and 19 of FRS 128, *Investments in Associates*, in the event the Group ceased to have significant influence over its associates, the Group shall discontinue the use of equity method from the date that it ceases to have significant influence over the associate and shall account for the investment in accordance with FRS 139, *Financial Instruments: Recognition and Measurement*, from that date.

The carrying amount of the investment at the date of recognition is regarded as its cost on initial measurement as an available-for-sale financial asset ("AFS"). After the initial measurement, the Group measures the AFS at its fair values based on quoted prices in an active market.

Any gain or loss arising from a change in the fair value of the AFS is recognised directly in equity as Fair Value Reserve, except for impairment losses and foreign exchange gains and losses, if any, until the AFS is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in income statement.

When a decline in the fair value of the AFS has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from Fair Value Reserve and recognised in the income statement even though the AFS has not been derecognised. Impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The amount of cumulative loss is measured as the difference between the carrying amount and current fair value, less any impairment loss on that AFS previously recognised in the income statement including any related foreign exchange component. Impairment losses recognised in the income statement on such amount are not subsequently reversed through income statement.

#### Investments

Long term investments, both quoted and unquoted, include investments in subsidiaries, jointly controlled entities, associates and other non-current investments.

Investments in other long term investments are stated at cost less impairment losses. An allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Such a decline is recognised as an expense in the period in which it is identified.

Short term quoted investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value. Market value is calculated by reference to quoted selling prices at the close of business on the balance sheet date. Money market instruments are stated at the lower of cost and net realisable value.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Intangible Assets

##### a) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiaries/jointly controlled entities at the date of acquisition. Goodwill on acquisition of subsidiaries on or after 1 January 2004 is recognised as an intangible asset and disclosed separately on the consolidated balance sheet at cost less any impairment losses. Goodwill, less any impairment losses, on acquisition of associates occurring on or after 1 January 2004 is included in investments in associates and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of annual impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

#### Impairment of Assets

The carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets (excluding investments in subsidiaries and jointly controlled entity), are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, an impairment review is performed to assess whether the carrying amount of the asset is fully recoverable.

Irrespective of whether there is any indication of impairment, the Group also:

- a) tests intangible assets with indefinite useful life or intangible assets not yet available for use, if any, for impairment annually by comparing its carrying amount with its recoverable amount.
- b) tests goodwill acquired in a business combination, if any, for impairment annually.

Impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statement, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

Assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset unless the asset is carried at revalued amount, in which case the reversal shall be treated as a revaluation increase. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

Refer accounting policy on "Available-For-Sale Financial Asset" for impairment of available-for-sale financial assets.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

#### Assets Classified as Held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than a continuing use.

#### Receivables

Receivables are carried at estimated realisable value. In estimating realisable value, an allowance is made for doubtful receivables based on a review of all outstanding amounts at the financial year end. Bad debts are written off to the income statement during the financial year in which they are identified.

#### Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Money market instruments are included within the short term investments in current assets in the balance sheet.

#### Share Capital

Ordinary shares are classified as equity in the balance sheet. Costs directly attributable to the issuance of new equity shares are taken to equity as a deduction from the proceeds.

#### Treasury Shares

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from total shareholders' equity as treasury shares until they are cancelled, reissued or disposed of.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external costs and the related tax effects, is included in shareholders' equity.

Where the share retirement method is applied, the nominal value of the shares repurchased is cancelled by a debit to the share capital account. An amount equivalent to the nominal value of the shares repurchased is transferred to a capital redemption reserve.

The consideration, including any acquisition cost and premium or discount arising from the shares repurchased, is adjusted directly to the share premium account or any other suitable reserve. In the circumstance where there is no or insufficient share premium, the consideration, or its balance thereof, is adjusted to any other suitable reserve.

The shares cancelled and the adjustments made to share premium or reserves would be shown as a movement in the share capital account and the share premium or reserve account respectively.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Borrowings

Borrowings are recognised based on proceeds received. Costs incurred on borrowings to finance qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to the income statement. All other borrowing costs are charged to the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. When a change in the probability of an outflow of economic resources occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflow of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

#### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

#### Income Taxes

##### a) Current taxation

Current taxation is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable income and is measured using the tax rates which are applicable at the balance sheet date.

##### b) Deferred taxation

Deferred tax liabilities and/or assets are recognised, using liability method, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their related tax bases. However, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluations is also recognised. Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, jointly controlled entity and associates except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

#### Employee Benefits

##### a) Short term employee benefits

Short term employee benefits include wages, salaries, bonus, social security contributions and paid annual leave. These benefits are accrued when incurred and are measured on an undiscounted basis.

##### b) Post employment benefits

Post employment benefits include defined contribution plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These benefits are accrued when incurred and are measured on an undiscounted basis.

##### c) Long term employee benefits

Long term employee benefits include retirement gratuities payable under a retirement gratuity scheme which was established in 1991 by the Board of Directors for Executives and Executive Directors of the Company and certain subsidiaries. The level of retirement gratuities payable is determined by the Board of Directors in relation to the past services rendered and it does not take into account the employee's service to be rendered in later years up to retirement. The gratuity, which is calculated based either on length of service and basic salary as at the reporting date or on the basis of emoluments earned in the immediate past three years, is a vested benefit when the employee reaches retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the balance sheet date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of the retirement gratuities payable. The differences arising from the application of such discounting as well as any past service costs and the effects of any curtailments or settlements, if any, are recognised immediately in the income statement.

Such retirement gratuities payable are classified as current liabilities where it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

##### d) Share-based compensation

The Company operates an equity-settled, share-based compensation plan, where share options are issued to the eligible executives and executive directors.

The fair value of employee services rendered in exchange for the grant of the share options is recognised as an expense over the vesting period. The total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each share option granted at the grant date and the number of share options vested by vesting date, with a corresponding increase in equity (option reserve). At each balance sheet date, the respective companies will revise its estimates of the number of share options that are expected to become exercisable. The option reserves in respect of options which have been lapsed are transferred to retained earnings.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Employee Benefits (cont'd)

##### d) Share-based compensation (cont'd)

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

The fair value of the options was determined using "Trinomial" model based on the closing market price at Offer Date, the exercise price, expected volatility based on its historical volatility, option life and a risk free interest rate of 3.40% to 3.70% based on the yield on Malaysian Government Securities maturing between 5 to 10 years. The fair value of options granted to employees has been treated as additional paid in capital to be recognised as an expense over the option period. The unamortised amount is included as a separate component of reserves.

#### Revenue Recognition

Revenues are recognised upon delivery of products or performance of services, net of sales tax and discounts, and after eliminating revenue within the Group.

Casino revenue represents net house takings. The casino license in Malaysia is renewable every three months.

Sales of short term investments are accounted net of the cost of the respective investments when the contracts are executed.

Dividend income is recognised when the right to receive payment is established.

#### Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

#### Foreign Currency Translation

##### a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the balance sheet date, non-monetary items are translated at balance sheet date using historical rates or rates prevailing when the fair value of the assets are determined. Monetary items are translated at the closing rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at closing rate are recognised in the income statement. However, the exchange differences arising on monetary items that form part of the net investment in the foreign operations are recognised directly in equity in the consolidated financial statements until the disposal of the foreign operations in which case they are recognised as gain or loss in the consolidated income statement.

#### Foreign Currency Translation (cont'd)

##### c) Group companies

On consolidation, the results and financial position of all the Group's entities which have a functional currency different from that of the Group's presentation currency are translated into the Group's presentation currency as follows:

- i) assets and liabilities, including goodwill and fair value adjustments arising from business combinations, for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- iii) all resulting exchange differences are recognised as a separate component of equity.

#### Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

##### a) Financial instruments recognised on the balance sheet

The recognition method adopted for financial instruments that are recognised on the balance sheet are disclosed separately in the individual policy statements associated with the relevant financial instrument.

The financial assets and liabilities of the Group are primarily denominated in Ringgit Malaysia. Financial assets and liabilities that are denominated in other currencies, where material, have been disclosed in the Notes to the financial statements.

##### b) Financial instruments not recognised on the balance sheet

The Group is a party to a call option agreement as disclosed in Note 37 to the financial statements. The instrument is not recognised in the financial statements on inception.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial Instruments (cont'd)

##### c) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date. For non-traded financial instruments, the Group uses various methods and makes assumptions that are based on market conditions. Comparisons are made to similar instruments that are publicly traded and estimates based on discounted cash flow techniques are also used. For other long term financial assets and liabilities, fair value is estimated by discounting future contractual cash flows at appropriate interest rates.

The book values of financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

#### Segmental Reporting

The Group adopts business segment analysis as its primary reporting format and geographical segment analysis as its secondary reporting format.

Revenues are attributed to geographical segments based on location of customers where sale is transacted. Assets are allocated based on location of assets.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenues and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by the segment and consist principally of property, plant and equipment net of accumulated depreciation, amortisation and impairment loss, land held for property development, property development costs, inventories and receivables. Segment liabilities comprise operating liabilities. Both segment assets and liabilities do not include income tax assets and liabilities and interest bearing instruments.

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The main areas of financial risks faced by the Group are as follows:

#### Foreign currency exchange risk

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

#### Interest rate risk

The Group has no significant exposure in interest rate risk.

#### Market risk

The Group, in the normal course of business, is exposed to market risks in respect of its equity investments. The Group manages its risk through established guidelines and policies.

#### Credit risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Credit terms offered by the Group range from 30 days to 60 days from date of transaction. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses.

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

#### Liquidity risk

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



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 5. SEGMENT ANALYSIS

## a) Primary segment - by activity

2008	Leisure & Hospitality	Properties	Others	Eliminations	Total
<b>Group</b>					
<b>Revenue</b>					
External	4,857.3	5.0	24.4	-	4,886.7
Inter segment	1.5	7.8	71.1	(80.4)	-
	<u>4,858.8</u>	<u>12.8</u>	<u>95.5</u>	<u>(80.4)</u>	<u>4,886.7</u>
<b>Results</b>					
Segment profit	1,775.2	0.8	18.1	-	1,794.1
Interest income					115.3
Finance cost					(1.6)
Impairment loss	(781.5)	-	-	-	(781.5)
Share of results in jointly controlled entity	-	-	0.7	-	0.7
Profit before taxation					<u>1,127.0</u>
Taxation					<u>(493.0)</u>
Profit for the financial year					<u>634.0</u>
<b>Other Information:</b>					
<b>Assets</b>					
Segment assets	4,471.4	428.7	125.2	(353.8)	4,671.5
Interest bearing instruments	-	-	4,262.4	-	4,262.4
Jointly controlled entity	-	-	1.9	-	1.9
Available-for-sale financial asset	415.0	-	-	-	415.0
Unallocated corporate assets					<u>72.1</u>
Total assets					<u>9,422.9</u>
<b>Liabilities</b>					
Segment liabilities	951.9	44.0	106.8	(403.3)	699.4
Interest bearing instruments					0.0
Unallocated corporate liabilities					<u>398.4</u>
Total liabilities					<u>1,097.8</u>
<b>Other Disclosures</b>					
Capital expenditure incurred	236.3	-	-	-	236.3
Depreciation and amortisation charge	258.8	1.6	1.4	-	261.8
Other significant non-cash items:					
- charges	17.1	0.1	0.0	-	17.2
- credits	19.7	0.6	0.0	-	20.3
	<u>19.7</u>	<u>0.6</u>	<u>0.0</u>	<u>-</u>	<u>20.3</u>
2007	Leisure & Hospitality	Properties	Others	Eliminations	Total
<b>Group</b>					
<b>Revenue</b>					
External	4,322.9	8.9	20.5	-	4,352.3
Inter segment	1.5	5.3	60.0	(66.8)	-
	<u>4,324.4</u>	<u>14.2</u>	<u>80.5</u>	<u>(66.8)</u>	<u>4,352.3</u>
<b>Results</b>					
Segment profit	1,494.5	4.0	15.1	-	1,513.6
Interest income					85.4
Finance cost					(41.9)
Gain on disposal of equity investment in associate	337.1	-	-	-	337.1
Gain on dilution of equity investment in associate	81.0	-	-	-	81.0
Share of results in jointly controlled entity	-	-	0.0	-	0.0
Share of results in associate	(63.1)	-	-	-	(63.1)
Profit before taxation					<u>1,912.1</u>
Taxation					<u>(356.8)</u>
Profit for the financial year					<u>1,555.3</u>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 5. SEGMENT ANALYSIS (cont'd)

## a) Primary segment - by activity (cont'd)

2007 Group	Leisure & Hospitality	Properties	Others	Eliminations	Total
<u>Other Information:</u>					
<u>Assets</u>					
Segment assets	4,263.8	426.7	658.1	(365.8)	4,982.8
Interest bearing instruments					2,779.0
Jointly controlled entity	-	-	1.2	-	1.2
Available-for-sale financial asset	1,505.4	-	-	-	1,505.4
Unallocated corporate assets					73.1
Total assets					<u>9,341.5</u>
<u>Liabilities</u>					
Segment liabilities	888.2	40.1	84.7	(365.8)	647.2
Interest bearing instruments					175.1
Unallocated corporate liabilities					322.5
Total liabilities					<u>1,144.8</u>
<u>Other Disclosures</u>					
Capital expenditure incurred	391.0	-	-	-	391.0
Depreciation and amortisation charge	243.0	1.8	1.1	-	245.9
Other significant non-cash items:					
- charges	53.2	-	-	-	53.2
- credits	2.6	-	-	-	2.6

The Group is organised into two main business segments:

Leisure & Hospitality - this division includes the gaming, hotel, entertainment and amusement businesses, tours & travel related services and other support services.

Properties - this division holds the land held for development of the Group and is involved in property developments.

All other immaterial business segments including investments in equities, training services, reinsurance services and utilities services are aggregated and disclosed under "Others" as they are not of sufficient size to be reported separately. All inter-segment sales are conducted on an arms length basis.

## b) Secondary segment – by geographical location

	Revenue		Total Assets		Capital Expenditure	
	2008	2007	2008	2007	2008	2007
Malaysia	4,886.7	4,352.3	7,478.4	6,407.2	237.2	391.0
Asia Pacific (excludes Malaysia)	-	-	1,697.0	2,934.3	-	-
Others	-	-	247.5	-	-	-
	<u>4,886.7</u>	<u>4,352.3</u>	<u>9,422.9</u>	<u>9,341.5</u>	<u>237.2</u>	<u>391.0</u>

Geographically, the main business segments of the Group are concentrated in Malaysia. Included in other countries are the Group's investments in foreign corporations and interest bearing instruments.

## 6. REVENUE

	Group		Company	
	2008	2007	2008	2007
Rendering of services:				
Leisure & hospitality	4,857.3	4,322.9	4,461.5	3,967.9
Rental and properties management income	3.5	3.8	-	-
Other services	24.4	20.5	-	-
Sale of properties	1.5	5.1	-	-
	<u>4,886.7</u>	<u>4,352.3</u>	<u>4,461.5</u>	<u>3,967.9</u>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 7. COST OF SALES

	Group		Company	
	2008	2007	2008	2007
Cost of inventories recognised as an expense	133.9	118.2	88.9	73.9
Cost of services and other operating costs	2,770.0	2,502.4	2,551.9	2,297.9
	<b>2,903.9</b>	<b>2,620.6</b>	<b>2,640.8</b>	<b>2,371.8</b>

Included in the other operating costs are gaming expenses amounting to RM1,035.1 million (2007: RM939.9 million) for the Group and RM1,107.3 million (2007: RM983.8 million) for the Company.

## 8. PROFIT BEFORE TAXATION

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Charges:</b>				
Depreciation of property, plant and equipment	260,180	244,120	182,126	170,821
Depreciation of investment properties	550	734	-	-
Amortisation of leasehold land use rights	1,123	1,130	5	5
Property, plant and equipment written off	687	971	436	805
Loss on disposal of property, plant and equipment	-	45	-	-
Impairment loss on investment in subsidiaries (included in other expenses)	-	-	1,040,240	936,000
Impairment loss on investment in available-for-sale financial asset (Note 30)	781,502	-	-	-
Hire of equipment	9,485	9,346	6,318	6,289
Rental of land and buildings	1,187	1,013	255	356
Employee benefits expense (Note 9)	561,718	499,096	474,537	418,858
Directors' remuneration excluding estimated money value of benefits-in-kind (Note 10)	39,318	43,984	39,303	43,969
Auditors' remuneration - current year	450	415	196	172
Auditors' remuneration - (over)/under provision in prior year	-	24	-	19
Allowance for doubtful debts - trade	1,971	1,548	372	60
Allowance for doubtful debts - amount due from subsidiary	-	-	-	50,300
Finance cost	1,644	41,940	1,644	39,931
Net exchange losses/(gains):				
- Realised	3,529	8,119	(4,144)	11,370
- Unrealised	(2,124)	(1,198)	(2,283)	(1,014)
Charges by holding company:				
- Licensing fees	161,371	143,352	157,151	139,469
- Shared services fees	4,424	4,430	4,147	4,037
Charges by other related companies:				
- Management fees	407,253	356,248	390,757	341,193
- Rental of land and buildings	3,595	3,497	3,184	2,964
- Hire of equipment	11,670	6,223	11,148	5,929
- Shared services fees	12,493	17,907	7,947	14,815
- Commissions	49,679	52,750	32,618	36,976
- Marketing fees	480	480	480	480
- Royalty fees	3,444	3,510	3,444	3,510
- Licensing fees	245	262	245	262
Charges by subsidiaries:				
- Finance cost	-	-	-	2,009
- Service fees	-	-	1,031	526
- Hire of equipment	-	-	2,589	2,475
- Rental of land and buildings	-	-	38,201	41,079
- Transportation services	-	-	16,810	13,079



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 8. PROFIT BEFORE TAXATION (cont'd)

Profit before taxation has been determined after inclusion of the following charges and credits: (cont'd)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Credits:</b>				
Interest income	115,325	85,421	83,222	64,452
Rental income from land and buildings	48,418	44,211	14,328	14,620
Rental of equipment	1,328	1,279	58	88
Gain on disposal of property, plant and equipment	1,333	-	663	50
Gain on disposal of investment property	644	2,019	-	-
Reversal of impairment loss on investment in subsidiary	-	-	-	12,200
Gain on disposal of long term investment arising from foreign exchange translation	19,784	-	-	-
Gain on disposal of equity investment in associate	-	337,061	-	-
Gain on dilution of equity investment in associate	-	80,981	-	-
Income from other related companies:				
- Rental of land and building	338	178	-	-
- Sales of air tickets	217	248	-	-
Income from subsidiaries:				
- Rental of land and buildings	-	-	7,110	6,795
	<b>410</b>	<b>527</b>	<b>173</b>	<b>366</b>
<b>Other information:</b>				
Non statutory audit fees paid to auditors				
	<b>410</b>	<b>527</b>	<b>173</b>	<b>366</b>

## 9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages, salaries and bonuses	398,522	375,593	334,552	307,690
Defined contribution plan	50,805	45,841	43,642	37,979
Other short term employee benefits	110,776	65,899	94,967	62,084
Share option expenses	33	3	33	3
Net provision for retirement gratuities	1,582	11,760	1,343	11,102
	<b>561,718</b>	<b>499,096</b>	<b>474,537</b>	<b>418,858</b>
Number of employees at financial year end ('000)	<b>13.5</b>	<b>13.4</b>	<b>10.0</b>	<b>9.8</b>

Employee benefits expense, as shown above, includes the remuneration of Executive Directors.

## 10. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Non-executive Directors:</b>				
- Fees	493	505	478	490
<b>Executive Directors:</b>				
- Fees	264	265	264	265
- Salaries and bonuses	31,757	32,815	31,757	32,815
- Defined contribution plan	4,460	4,535	4,460	4,535
- Other short term employee benefits	439	766	439	766
- Provision for retirement gratuities	1,905	5,098	1,905	5,098
Directors' Remuneration excluding estimated money value of benefits-in-kind (Note 8)	<b>39,318</b>	<b>43,984</b>	<b>39,303</b>	<b>43,969</b>
Estimated money value of benefits-in-kind (not charged to the income statements) in respect of Executive Directors	<b>660</b>	<b>684</b>	<b>660</b>	<b>684</b>
	<b>39,978</b>	<b>44,668</b>	<b>39,963</b>	<b>44,653</b>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 10. DIRECTORS' REMUNERATION (cont'd)

Remuneration of the Directors of the Company in respect of services rendered to the Company and its subsidiaries is represented by the following bands:

Amounts in RM'000	Number	
	2008	2007
<b>Non-Executive Directors</b>		
- 50 to 100	3	4
- 100 to 150	2	1
<b>Executive Directors</b>		
- 950 to 1,000	-	1
- 1,000 to 1,050	1	-
- 1,150 to 1,200	1	-
- 1,250 to 1,300	-	1
- > 37,250	1	1

Executive Directors of the Company have been granted options under the Employees Share Option Scheme ("ESOS") on the same terms and conditions as those offered to other employees (Note 29) as follows:

## Financial year ended 31.12.2008:

Grant Date	Subscription price per share RM	No. of Unissued Shares (ordinary shares of 10 sen each)			
		At start of the year '000	Granted '000	Exercised '000	At end of the year '000
2.9.2002	2.064	6,080	-	-	6,080

## Financial year ended 31.12.2007:

## Before Share Split

Grant Date	Subscription price per share RM	No. of Unissued Shares (ordinary shares of 50 sen each)			
		At start of the year '000	Granted '000	Exercised '000	At 12 April 2007 '000
2.9.2002	10.32	1,624	-	(126)	1,498

## After Share Split

Grant Date	Subscription price per share RM	No. of Unissued Shares (ordinary shares of 10 sen each)			
		At 13 April 2007 '000	Granted '000	Exercised '000	At end of the year '000
2.9.2002	2.064*	7,490	-	(1,410)	6,080

The number of share options vested at the balance sheet date is 2,798,750 ordinary shares of 10 sen each (2007: 1,705,000 ordinary shares of 10 sen each).

\* Adjusted following the subdivision of ordinary shares of 50 sen each into 5 ordinary shares of 10 sen each.

## 11. TAXATION

	Group		Company	
	2008	2007	2008	2007
Current taxation:				
Malaysian taxation	468.3	341.8	458.8	339.2
Deferred tax charge (Note 33)	24.7	15.0	6.0	(7.0)
	<b>493.0</b>	<b>356.8</b>	<b>464.8</b>	<b>332.2</b>
Current taxation:				
Current year	452.2	340.8	442.8	338.0
Under provided in prior years	16.1	1.0	16.0	1.2
	<b>468.3</b>	<b>341.8</b>	<b>458.8</b>	<b>339.2</b>
Deferred taxation:				
Origination and reversal of temporary differences	24.7	17.3	6.1	(6.1)
Under/ (Over) provided in prior years	0.0	(2.3)	(0.1)	(0.9)
	<b>24.7</b>	<b>15.0</b>	<b>6.0</b>	<b>(7.0)</b>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 11. TAXATION (cont'd)

The reconciliation between the average effective tax rate and the Malaysian tax rate is as follows:

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Malaysia tax rate:	26.0	27.0	26.0	27.0
Tax effects of:				
- expenses not deductible for tax purposes	19.3	0.6	39.2	58.1
- different tax regime	(1.3)	0.5	-	-
- income not subject to tax	0.0	(5.9)	-	(0.0)
- tax incentive	(1.6)	(2.9)	(2.5)	(11.5)
- Under / (over) provided in prior years	1.4	(0.0)	2.2	(0.0)
- effect of change in deferred tax rate	(0.1)	(0.3)	0.1	(3.1)
- others	0.0	(0.3)	-	-
Average effective tax rate	<b>43.7</b>	18.7	<b>65.0</b>	70.5

Subject to the agreement by the Inland Revenue Board, the amount of unutilised tax losses of subsidiaries available for which the related tax effects have not been included in the net income amounted to approximately RM62.5 million as at the financial year end (2007: RM74.0 million).

Subject to the agreement by the Inland Revenue Board, the Group has investment tax allowance of approximately RM1,300.5 million (2007: RM1,327.7 million) which is available to set off against future taxable profits of the respective companies of the Group.

Taxation is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) on the estimated chargeable profit for the year of assessment 2008. The Malaysian statutory tax rate will reduce to 25% for the year of assessment 2009. Accordingly, the deferred tax assets and deferred tax liabilities have been remeasured at the tax rate of 25%.

### 12. EARNINGS PER SHARE

The basic and diluted earnings per share of the Group are computed as follows:

#### a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year. The weighted average number of ordinary shares in issue excludes the weighted average number of treasury shares held by the Company.

	Group	
	2008	2007
Profit for the financial year attributable to equity holders of the Company (RM million)	634.4	1,555.7
Weighted average number of ordinary shares in issue	5,734,972,947	5,673,272,647
Basic earnings per share (sen)	11.06	27.42

#### b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue of the Company is adjusted to assume conversion of all dilutive potential ordinary shares issued by the Company.

	Group	
	2008	2007
Profit for the financial year attributable to equity holders of the Company (RM million)	634.4	1,555.7
<b>Weighted average number of ordinary shares adjusted as follows:</b>		
Weighted average number of ordinary shares in issue	5,734,972,947	5,673,272,647
Adjustment for share options granted to executives of the Company	12,562,431	21,632,682
Adjustment for share issuable arising from conversion of Convertible Notes	26,278,640	179,157,378
<b>Adjusted weighted average number of ordinary shares in issue</b>	<b>5,773,814,018</b>	<b>5,874,062,707</b>
Diluted earnings per share (sen)	10.99	26.48

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 13. DIVIDENDS

	2008		2007	
	Gross dividend per share Sen	Amount of dividend (net of tax) RM million	Gross dividend per share Sen	Amount of dividend (net of tax) RM million
Interim dividend paid:				
- net of 27% tax	-	-	2.88	120.3
- net of 26% tax	3.00	127.8	-	-
Proposed final dividend:				
- net of 26% tax	-	-	3.60	152.5
- net of 25% tax	4.00	171.7	-	-
	<b>7.00</b>	<b>299.5</b>	<b>6.48</b>	<b>272.8</b>

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008 of 4.00 sen less 25% tax (2007: 3.6 sen less 26% tax) per ordinary share of 10 sen each amounting to RM171.7 million (2007: RM152.5 million) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability upon approval by shareholders.

## 14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
<b>At 1 January 2008:</b>					
Cost	221.0	3,305.6	2,435.3	17.7	5,979.6
Accumulated depreciation	-	(691.7)	(1,610.7)	-	(2,302.4)
Accumulated impairment losses	-	(13.7)	(0.1)	-	(13.8)
Net book value	221.0	2,600.2	824.5	17.7	3,663.4
<b>Movement during the year 2008:</b>					
Opening net book value	221.0	2,600.2	824.5	17.7	3,663.4
Additions	0.5	2.6	119.8	113.4	236.3
Disposals	-	(0.1)	(0.3)	-	(0.4)
Written off	-	(0.3)	(0.4)	-	(0.7)
Depreciation charge	-	(70.0)	(190.1)	-	(260.1)
Reclassification/Adjustment/Transfer	-	37.0	58.4	(95.4)	-
Closing net book value	221.5	2,569.4	811.9	35.7	3,638.5
<b>At 31 December 2008:</b>					
Cost	221.5	3,344.7	2,590.9	35.7	6,192.8
Accumulated depreciation	-	(761.6)	(1,778.9)	-	(2,540.5)
Accumulated impairment losses	-	(13.7)	(0.1)	-	(13.8)
Net book value	221.5	2,569.4	811.9	35.7	3,638.5
<b>At 1 January 2007:</b>					
Cost	223.1	3,210.2	2,100.8	89.0	5,623.1
Accumulated depreciation	-	(623.1)	(1,467.1)	-	(2,090.2)
Accumulated impairment losses	-	(13.7)	(0.1)	-	(13.8)
Net book value	223.1	2,573.4	633.6	89.0	3,519.1
<b>Movement during the year 2007:</b>					
Opening net book value	223.1	2,573.4	633.6	89.0	3,519.1
Additions	0.8	4.0	243.0	143.2	391.0
Disposals	-	(0.6)	(1.0)	-	(1.6)
Written off	-	(0.0)	(1.0)	-	(1.0)
Depreciation charge	-	(70.4)	(173.7)	-	(244.1)
Reclassification/Adjustment/Transfer	(2.9)	93.8	123.6	(214.5)	-
Closing net book value	221.0	2,600.2	824.5	17.7	3,663.4



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
At 31 December 2007:					
Cost	221.0	3,305.6	2,435.3	17.7	5,979.6
Accumulated depreciation	-	(691.7)	(1,610.7)	-	(2,302.4)
Accumulated impairment losses	-	(13.7)	(0.1)	-	(13.8)
Net book value	221.0	2,600.2	824.5	17.7	3,663.4
Company	Freehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
<b>At 1 January 2008:</b>					
Cost	87.2	1,913.3	1,560.0	16.4	3,576.9
Accumulated depreciation	-	(491.0)	(1,079.2)	-	(1,570.2)
Net book value	87.2	1,422.3	480.8	16.4	2,006.7
<b>Movement during the year 2008:</b>					
Opening net book value	87.2	1,422.3	480.8	16.4	2,006.7
Additions	-	1.4	100.7	95.2	197.3
Disposals	-	(0.1)	(0.1)	-	(0.2)
Written off	-	(0.2)	(0.2)	-	(0.4)
Depreciation charge	-	(42.0)	(140.1)	-	(182.1)
Reclassification/Adjustment/Transfer	-	23.8	45.0	(75.3)	(6.5)
<b>Closing net book value</b>	<b>87.2</b>	<b>1,405.2</b>	<b>486.1</b>	<b>36.3</b>	<b>2,014.8</b>
<b>At 31 December 2008:</b>					
Cost	87.2	1,931.4	1,689.5	36.3	3,744.4
Accumulated depreciation	-	(526.2)	(1,203.4)	-	(1,729.6)
Net book value	87.2	1,405.2	486.1	36.3	2,014.8
At 1 January 2007:					
Cost	87.2	1,804.4	1,463.6	89.6	3,444.8
Accumulated depreciation	-	(448.4)	(1,017.4)	-	(1,465.8)
Net book value	87.2	1,356.0	446.2	89.6	1,979.0
<b>Movement during the year 2007:</b>					
Opening net book value	87.2	1,356.0	446.2	89.6	1,979.0
Additions	-	2.6	93.4	135.9	231.9
Disposals	-	-	(0.8)	-	(0.8)
Written off	-	(0.1)	(0.7)	-	(0.8)
Depreciation charge	-	(42.7)	(128.1)	-	(170.8)
Reclassification/Adjustment/Transfer	-	106.5	70.8	(209.1)	(31.8)
<b>Closing net book value</b>	<b>87.2</b>	<b>1,422.3</b>	<b>480.8</b>	<b>16.4</b>	<b>2,006.7</b>
At 31 December 2007:					
Cost	87.2	1,913.3	1,560.0	16.4	3,576.9
Accumulated depreciation	-	(491.0)	(1,079.2)	-	(1,570.2)
Net book value	87.2	1,422.3	480.8	16.4	2,006.7

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2008	2007
At 1 January / 31 December		
Freehold land - at cost	186.1	186.1
Reclassification to asset classified as held for sale (Note 26)	(4.6)	-
	<b>181.5</b>	<b>186.1</b>

## 16. INVESTMENT PROPERTIES

	Group	
	2008	2007
<b>At 1 January</b>		
Cost	28.0	32.6
Accumulated depreciation	(10.1)	(11.0)
Net book value	<b>17.9</b>	<b>21.6</b>
<b>Movement during the year</b>		
Opening net book value	17.9	21.6
Disposals	(0.8)	(3.0)
Depreciation charge for the financial year	(0.6)	(0.7)
<b>Closing net book value</b>	<b>16.5</b>	<b>17.9</b>
<b>At 31 December</b>		
At Cost	26.7	28.0
Accumulated depreciation	(10.2)	(10.1)
Net book value	<b>16.5</b>	<b>17.9</b>
Fair value	<b>25.9</b>	<b>37.0</b>

The aggregate rental income and direct operating expenses incurred from investment properties which generate rental income during the financial year amounted to RM2.7 million and RM0.5 million respectively (2007: RM2.8 million and RM0.6 million).

The fair value of the properties was estimated based on the last transacted price of other units in the same properties.

## 17. LEASEHOLD LAND USE RIGHTS

	Group		Company	
	2008	2007	2008	2007
At 1 January				
Cost	107.4	107.4	0.5	0.5
Accumulated amortisation	(11.8)	(10.7)	(0.1)	(0.1)
Accumulated impairment losses	(0.1)	(0.1)	-	-
Net book value	<b>95.5</b>	<b>96.6</b>	<b>0.4</b>	<b>0.4</b>
<b>Movement during the year</b>				
Opening net book value	95.5	96.6	0.4	0.4
Amortisation charge for the financial year	(1.1)	(1.1)	(0.0)	(0.0)
<b>Closing net book value</b>	<b>94.4</b>	<b>95.5</b>	<b>0.4</b>	<b>0.4</b>

## 17. LEASEHOLD LAND USE RIGHTS (cont'd)

	Group		Company	
	2008	2007	2008	2007
<b>At 31 December</b>				
Cost	107.4	107.4	0.5	0.5
Accumulated amortisation	(12.9)	(11.8)	(0.1)	(0.1)
Accumulated impairment losses	(0.1)	(0.1)	-	-
<b>Net book value</b>	<b>94.4</b>	<b>95.5</b>	<b>0.4</b>	<b>0.4</b>
Represented by:				
Unexpired period more than 50 years	<b>94.4</b>	<b>95.5</b>	<b>0.4</b>	<b>0.4</b>

## 18. SUBSIDIARIES

	Company	
	2008	2007
<b>Investment in subsidiaries</b>		
Unquoted shares - at cost	5,744.9	5,851.7
Accumulated impairment losses	(2,053.0)	(1,012.8)
	<b>3,691.9</b>	<b>4,838.9</b>
Amount due from subsidiaries	248.1	228.1
Allowance for doubtful debts	(50.3)	(50.3)
Net amount due from subsidiaries	<b>197.8</b>	<b>177.8</b>
Amount due to subsidiaries	(269.7)	(215.5)

The subsidiaries are listed in Note 42.

The balances of the amounts due from/to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

## 19. JOINTLY CONTROLLED ENTITY

	Group	
	2008	2007
Unquoted - at cost:		
Shares in a Malaysian company	1.2	1.2
Group's share of post acquisition reserves	0.7	0.0
	<b>1.9</b>	<b>1.2</b>

The Group's 35% aggregate share of the income, expenses, assets and liabilities of the jointly controlled entity is as follows:

	Group	
	2008	2007
	RM'000	RM'000
Revenue	2.4	0.8
Expenses	(1.7)	(0.8)
Net income	<b>0.7</b>	<b>0.0</b>
Total assets	2.5	1.6
Total liabilities	(0.6)	(0.4)
Net assets	<b>1.9</b>	<b>1.2</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

31 December 2008

**19. JOINTLY CONTROLLED ENTITY (cont'd)**

There is no capital commitment or contingent liability relating to the Group's interest in the jointly controlled entity as at the financial year end (2007: Nil).

Details of the jointly controlled entity are as follows:

Name of Jointly Controlled Entity	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2008	2007		
	Genting INTI Education Sdn Bhd	35		

The amount due to jointly controlled entity represents outstanding amounts arising from inter company sales. The amount due to jointly controlled entity is unsecured, interest free and have no fixed terms of repayment.

**20. AVAILABLE-FOR-SALE FINANCIAL ASSET**

	Group	
	2008	2007
At 1 January	1,505.4	-
Initial recognition, at cost	-	1,195.1
Increase in fair value at date of designation - recognised in equity	-	1,473.9
	1,505.4	2,669.0
Foreign exchange differences	40.6	(39.2)
Decrease in fair value - recognised in equity (refer to Statements of Changes in Equity)	(1,131.0)	(1,124.4)
At 31 December	415.0	1,505.4
Investment in foreign corporation		
- Quoted	415.0	1,505.4

The currency profile of the available-for-sale financial asset as at the financial year end is as follows:

	Group	
	2008	2007
Denominated in:		
- Hong Kong Dollars	78.3	338.3
- United States Dollars	336.7	1,167.1
At 31 December	415.0	1,505.4

Refer to Note 2 (i) under Judgements and Estimations on Impairment of available-for-sale financial asset.

**21. OTHER LONG TERM INVESTMENTS**

	Group		Company	
	2008	2007	2008	2007
Quoted shares in foreign corporation, at cost (note 43(a))	-	532.4	-	-
Unquoted shares in foreign corporation, at cost (note 43(c))	239.7	-	-	-
	239.7	532.4	-	-
Unquoted shares in Malaysian companies, at cost	4.1	4.1	4.1	4.1
Amounts written down to date	(1.0)	(1.0)	(1.0)	(1.0)
	3.1	3.1	3.1	3.1
	242.8	535.5	3.1	3.1
Market value of quoted shares in foreign corporation	-	933.1	-	-

**22. LONG TERM RECEIVABLES**

	Group	
	2008	2007
Trade receivables	11.4	9.2

The maturity profile for the non-current receivables which are denominated in Ringgit Malaysia are as follows:

	Group	
	2008	2007
Later than 1 year and not later than 2 years	3.8	3.0
Later than 2 years and not later than 6 years	7.6	6.2
	11.4	9.2
Fair value of long term receivables	10.6	8.6

**23. INVENTORIES**

	Group		Company	
	2008	2007	2008	2007
<b>At cost:</b>				
Food, beverage, tobacco and other hotel supplies	12.0	11.8	9.9	9.5
Stores, spares and retail stocks	24.6	23.2	21.9	22.0
Completed properties	23.9	24.1	-	-
	60.5	59.1	31.8	31.5

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 24. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
<b>Current:</b>				
Trade receivables	36.9	38.8	8.1	11.9
Other receivables	26.7	26.3	9.8	9.1
Less: Allowance for doubtful debts	(1.2)	(1.7)	(0.4)	(0.1)
	<b>62.4</b>	<b>63.4</b>	<b>17.5</b>	<b>20.9</b>
Deposits	13.4	13.0	11.7	11.7
Prepayments	37.6	37.8	34.3	35.9
Total trade and other receivables	<b>113.4</b>	<b>114.2</b>	<b>63.5</b>	<b>68.5</b>

Credit terms offered by the Group and Company in respect of current trade receivables range from payment in advance to 60 days from the date of invoice.

The fair values of trade and other receivables at the balance sheet dates closely approximate their book values.

The currency profile of the Group and Company for trade and other receivables is in Ringgit Malaysia.

## 25. HOLDING COMPANY AND OTHER RELATED COMPANIES

The Directors of the Company regard Genting Berhad, a company incorporated in Malaysia, as its immediate and ultimate holding company notwithstanding Genting Berhad's shareholding of less than 50% in the Company as Genting Berhad has control over the Company by virtue of its ability to manage the financial and operating policies of the Company pursuant to a 30-year Resort Management Agreement ("RMA") entered into in 1989 between the Company and Genting Berhad's wholly-owned subsidiary, Genting Hotel & Resorts Management Sdn Bhd ("GHRM"). The RMA, which cannot be unilaterally terminated by either party (except in limited circumstances, generally relating to default by a party continuing after a cure period or insolvency related events affecting a party), is renewable under the original terms and conditions at the end of the original term for 3 consecutive terms of 20 years each. Under the RMA, GHRM is appointed as the operator and manager of the gaming, hotel and resort-related operations ("Resort") of the Company, which includes the supply of senior management and other personnel deemed necessary or appropriate by GHRM for the operation of the Resort. A fee based on the gross revenue and the net operating income before fixed charges and taxation of the Resort is payable by the Company to GHRM for services under the RMA. In addition, Genting Berhad is the single largest shareholder of the Company.

The amount due to holding company represents outstanding balances arising from inter company sales and are unsecured, interest free and have no fixed terms of repayment.

The amounts due to/from other related companies are unsecured, interest free and have no fixed terms of repayment.

## 26. ASSET CLASSIFIED AS HELD FOR SALE

On 26 September 2008, Setiabahagia Sdn Bhd, a wholly-owned subsidiary of the Company, entered into an agreement to sell its parcel of mixed development sub-divided land in Mentakab for a cash consideration of RM7.5 million. The transaction was completed on 27 January 2009, resulting in a gain on disposal of RM2.9 million.

## 27. SHORT TERM INVESTMENTS

	Group		Company	
	2008	2007	2008	2007
Quoted - at cost:				
Shares in foreign corporations	11.9	-	-	-
Unquoted - at cost:				
Money market instruments (Note 28)	1,748.2	794.9	1,748.2	794.9
	<b>1,760.1</b>	<b>794.9</b>	<b>1,748.2</b>	<b>794.9</b>
Market value of quoted shares				
- Foreign corporations	12.3	-	-	-

Both the Group's and Company's investment in money market instruments comprise negotiable certificates of deposit and bankers' acceptances. The money market instruments of the Group and Company as at 31 December 2008 and 2007 have maturity periods ranging between overnight and two months.

Quoted short term investments of the Group are denominated in Sterling Pound and Hong Kong Dollar whereas the unquoted money market instruments are denominated in Ringgit Malaysia.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 28. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	2008	2007
Deposits with licensed banks	2,504.4	1,972.2	1,201.6	1,061.1
Cash and bank balances	290.4	284.7	282.5	279.3
Bank balances and deposits	2,794.8	2,256.9	1,484.1	1,340.4
Add:				
Money market instruments (Note 27)	1,748.2	794.9	1,748.2	794.9
Cash and cash equivalents	4,543.0	3,051.8	3,232.3	2,135.3

The carrying amount of these assets approximates their fair values.

The currency profile and weighted average interest rates (%) per annum of the bank balances, deposits and money market instruments as at the financial year end are as follows:

	Group				Company			
	Currency profile		Interest rates		Currency profile		Interest rates	
	2008	2007	2008	2007	2008	2007	2008	2007
Ringgit Malaysia	3,203.9	2,085.8	3.36	3.45	3,195.7	2,077.1	3.36	3.45
US Dollars	1,301.3	911.2	0.44	4.86	0.1	0.1	-	-
Singapore Dollar	12.8	12.8	-	-	12.8	12.8	-	-
Hong Kong Dollar	25.0	42.0	-	-	23.7	45.3	-	-
	4,543.0	3,051.8			3,232.3	2,135.3		

The deposits of the Group and Company have an average maturity period of 31 days (2007: 31 days). Bank balances of the Group and Company are deposits held at call.

## 29. SHARE CAPITAL

The authorised, issued and fully paid up capital of the Company as at year end are as follow:

	Company			
	No. of ordinary shares		Amount	
	2008	2007	2008	2007
Authorised:				
Ordinary shares of 10 sen each	8,000.0	8,000.0	800.0	800.0
Issued and fully paid:				
Ordinary shares of 50 sen each				
At 1 January 2007	-	1,094.6	-	547.3
Issuance of shares	-	31.3	-	15.6
At 12 April 2007	-	1,125.9	-	562.9
Ordinary shares of 10 sen each (Adjusted pursuant to the Share Split on 13 April 2007)				
At 1 January 2008 / 13 April 2007	5,830.1	5,629.4	583.0	562.9
Issuance of shares	71.7	200.7	7.2	20.1
<b>At 31 December</b>	<b>5,901.8</b>	<b>5,830.1</b>	<b>590.2</b>	<b>583.0</b>

During the financial year, RM172.0 million of the zero coupon convertible notes due in 2008 were converted into 67.9 million new ordinary shares of the Company (2007: 342.0 million).

The Executive Share Option Scheme for Eligible Executives of Resorts World Bhd and its subsidiaries ("ESOS") is governed by the By-Laws and was approved by the shareholders at an Extraordinary General Meeting held on 21 February 2002.

At another Extraordinary General Meeting held on 25 June 2002, the draft By-Laws of the Scheme was further amended such that the total number of new shares to be offered under the Scheme shall not exceed 2.5% of the issued and paid-up share capital of the Company at any time of the offer but the shareholders of the Company may at any time during the tenure of the Scheme, by ordinary resolution increase the total number of new shares to be offered under the Scheme up to 5% of the issued and paid-up share capital of the Company at the time of the offer.

The ESOS became effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 29. SHARE CAPITAL (cont'd)

The main features of the ESOS are as follows:

- i) The ESOS shall be in force from the Date of Commencement and continue for a period of ten years from the Date of Commencement.
- ii) Eligible executives are employees of the Group (including Executive Directors) or persons under an employment contract of the Group for a period of at least twelve full months of continuous service before the date of offer. The eligibility for participation in the Scheme shall be at the discretion of the Remuneration, Compensation and Benefits ("RCB") Committee which is established by the Board of Directors.
- iii) In the event of cessation of employment of a Grantee with the Group prior to the full exercise of the Options, such Options shall cease without any claim against the Company provided always that subject to the written approval of RCB Committee in its discretion where the Grantee ceases his employment with the Group by reason of:
  - his retirement at or after attaining retirement age;
  - ill-health or accident, injury or disability;
  - redundancy; and/or
  - other reasons or circumstances which are acceptable to the RCB Committee

the Grantee may exercise his unexercised Options within the Option Period subject to such conditions that may be imposed by the RCB Committee.

- iv) The total number of new shares to be offered under the ESOS shall not exceed 2.5% of the issued and paid-up share capital of the Company at any time of the offer but the shareholders of the Company may at any time during the tenure of the ESOS, by ordinary resolution increase the total number of new shares to be offered under the ESOS up to 5% of the issued and paid-up share capital of the Company at the time of the offer.
- v) Not more than 50% of the shares available under the ESOS would be allocated, in aggregate, to the Executive Directors and Senior Management. In addition, not more than 10% of the shares available under the ESOS would be allocated to any individual Eligible Executive who, either singly or collectively through persons connected, holds 20% or more in the issued and paid-up share capital of the Company.

### 29. SHARE CAPITAL (cont'd)

- vi) The price at which the Grantee is entitled to subscribe upon exercise of his rights under the Options shall be based on the weighted average market price of the Shares as shown in the Daily Official List of the Bursa Malaysia Berhad for the five (5) Market Days immediately preceding the Date of Offer. Notwithstanding this, the Options Price per Share shall in no event be less than the nominal value of the Shares.
- vii) No options shall be granted for less than 1,000 shares and not more than 7,500,000 shares to any eligible employee.
- viii) The Options granted can only be exercised by the Grantee in the third year from the Date of Offer and the number of new Shares comprised in the options which a Grantee can subscribe for from the third year onwards shall at all times be subjected to the following maximum percentage of new shares comprised in the options:

Year 1	Year 2	Year 3	Year 4	Year 5
-	-	12.5%	12.5%	12.5%
		rounded up to the next 1,000 shares	rounded up to the next 1,000 shares	rounded up to the next 1,000 shares
Year 6	Year 7	Year 8	Year 9	Year 10
12.5%	12.5%	12.5%	12.5%	12.5% or
rounded up to the next 1,000 shares	rounded up to the next 1,000 shares	rounded up to the next 1,000 shares	rounded up to the next 1,000 shares	balance of all options allotted

- ix) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than their entitlements to dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares and will be subject to all provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.
- x) The options shall not have any right to vote at general meeting of the Company and the Grantees shall not be entitled to any dividends, right or other entitlements in respect of their unexercised options.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 29. SHARE CAPITAL (cont'd)

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

		Ordinary shares of 10 sen each					
Grant Date	Exercisable period	Subscription price RM	At start of the year '000	Granted/Extended '000	Exercised '000	Lapsed '000	At end of the year '000
Financial year ended 31.12.2008							
ESOS							
2.9.2002	2.9.2004 to 11.8.2012	2.06	36,850	1,355	(2,994)	(1,844)	33,367
29.11.2002	29.11.2004 to 11.8.2012	1.70	395	-	(80)	(15)	300
17.12.2004	17.12.2006 to 11.8.2012	1.90	5,027	240	(660)	(495)	4,112
19.7.2005	19.7.2007 to 11.8.2012	1.98	215	-	(35)	-	180
14.12.2005	14.12.2007 to 11.8.2012	2.13	420	-	(20)	(25)	375
			42,907	1,595	(3,789)	(2,379)	38,334
		Ordinary shares of 50 sen each					
Grant Date	Exercisable period	Subscription Price RM	At start of the year '000	Granted/Extended '000	Exercised '000	Lapsed '000	At 12 April 2007 '000
Financial year ended 31.12.2007							
ESOS (Before Share Split)							
2.9.2002	2.9.2004 to 11.8.2012	10.32	10,440	29	(1,158)	(105)	9,206
29.11.2002	29.11.2004 to 11.8.2012	8.50	101	-	(11)	-	90
17.12.2004	17.12.2006 to 11.8.2012	9.49	1,276	-	(102)	(61)	1,113
19.7.2005	19.7.2007 to 11.8.2012	9.92	50	-	-	-	50
14.12.2005	14.12.2007 to 11.8.2012	10.67	108	-	-	-	108
			11,975	29	(1,271)	(166)	10,567
		Ordinary shares of 10 sen each					
Grant Date	Exercisable period	Subscription price* RM	At 13 April 2007 '000	Granted/Extended '000	Exercised '000	Lapsed '000	At end of the year '000
Financial year ended 31.12.2007							
ESOS (After Share Split)							
2.9.2002	2.9.2004 to 11.8.2012	2.06	46,030	432	(8,495)	(1,117)	36,850
29.11.2002	29.11.2004 to 11.8.2012	1.70	450	-	(25)	(30)	395
17.12.2004	17.12.2006 to 11.8.2012	1.90	5,565	-	(228)	(310)	5,027
19.7.2005	19.7.2007 to 11.8.2012	1.98	250	50	(35)	(50)	215
14.12.2005	14.12.2007 to 11.8.2012	2.13	540	-	-	(120)	420
			52,835	482	(8,783)	(1,627)	42,907

The number of share options vested at the balance sheet date is 11.1 million ordinary shares of 10 sen each (2007: 5.9 million ordinary shares of 10 sen each).

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 29. SHARE CAPITAL (cont'd)

Details relating to options exercised during the financial year are as follows:

Exercise date	Fair value of shares at share issue date (RM/share)	Subscription price (RM/share)	Number of shares issued 2008
January - March 2008	3.26 to 4.14	1.700	80,000
January - December 2008	2.18 to 4.14	1.898	660,000
September 2008	2.71	1.984	35,000
January - March 2008	3.26 to 4.02	2.134	20,000
January - December 2008	2.18 to 4.14	2.064	2,994,000
			<b>3,789,000</b>

Exercise date	Fair value of shares at share issue date* (RM/share)	Subscription price* (RM/share)	Number of shares issued 2007
January - December 2007	2.66 to 4.46	1.700	80,000
January - December 2007	2.66 to 4.46	1.898	738,000
September 2007	3.80	1.984	35,000
January - December 2007	2.66 to 4.46	2.064	14,285,000
			<b>15,138,000</b>

\* Adjusted following the subdivision of ordinary shares of 50 sen each into 5 ordinary shares of 10 sen each, where applicable.

	2008 RM'000	2007 RM'000
Ordinary share capital - at par	379	1,514
Share premium	7,302	29,576
Proceeds received on exercise of share options	7,681	31,090
Fair value at exercise date of shares issued	13,088	52,271

## 30. RESERVES

	Group		Company	
	2008	2007	2008	2007
Share premium	1,100.2	927.7	1,100.2	927.7
Fair value reserve	-	349.5	-	-
Reserve on exchange differences	(129.4)	(224.3)	-	-
Other reserves:				
- Capital redemption reserves	0.1	0.1	-	-
- Option reserve	0.2	0.2	0.2	0.2
Retained earnings	7,384.1	7,030.0	7,117.6	7,147.7
	<b>8,355.2</b>	<b>8,083.2</b>	<b>8,218.0</b>	<b>8,075.6</b>

## 30. RESERVES (cont'd)

Refer to Statements of Changes in Equity for movement in the reserves.

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank approximately RM7,031.9 million (2007: RM6,862.4 million) of the Company's retained earnings if distributed by way of dividends without additional tax liabilities being incurred.

In addition, the Company has tax exempt income as at 31 December 2008, available to frank as tax exempt dividends arising mainly from the Promotions of Investment Act, 1986 and the Income Tax (Amendment) Act, 1999 relating to tax on income earned in 1999 being waived, amounting to approximately RM2,480.3 million (2007: RM2,498.2 million). The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. The single tier dividend is not taxable in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007. As at 31 December 2008, subject to agreement with the tax authorities, the Company has sufficient Section 108 tax credits and tax exempt income to pay in full all of the retained earnings of the Company as franked and exempt dividends.

## 31. TREASURY SHARES

At the Annual General Meeting of the Company held on 23 June 2008, the shareholders of the Company approved the renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

During the current financial year, the Company had repurchased a total of 56,959,400 ordinary shares of 10 sen each of its issued share capital from the open market. The total consideration paid for the repurchase, including transaction costs, was RM150.4 million and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. There is no cancellation, resale or reissuance of treasury shares during the financial year.

As at 31 December 2008, of the total 5,901,797,648 issued and fully paid ordinary shares, 178,083,600 are held as treasury shares by the Company. As at 31 December 2008, the number of outstanding ordinary shares in issue after the setoff is therefore 5,723,714,048 ordinary shares of 10 sen each.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 31. TREASURY SHARES (cont'd)

Details of the repurchase of treasury shares were as follows:

Group 2008	Total shares repurchased 'million	Total consideration paid RM 'million	Purchase price per share (excludes transaction cost)		
			Highest RM	Lowest RM	Average RM
At 1 January	121.1	477.2	4.50	3.18	3.93
Shares repurchased during the financial year:					
January	0.2	0.9	3.98	3.80	3.97
March	7.7	27.6	3.68	3.36	3.57
June	17.1	48.7	2.93	2.77	2.84
July	0.8	2.1	2.60	2.57	2.59
November	9.1	21.3	2.35	2.33	2.34
December	22.1	49.8	2.29	2.14	2.25
At 31 December	<b>178.1</b>	<b>627.6</b>			<b>2.63</b>

Group 2007	Total shares repurchased 'million	Total consideration paid RM 'million	Purchase price per share (excludes transaction cost)		
			Highest RM	Lowest RM	Average RM
At 1 January	-	-	-	-	-
Shares repurchased during the financial year:					
July	33.2	144.1	4.50	4.04	4.33
August	50.1	190.2	4.10	3.18	3.79
October	22.0	83.7	3.88	3.70	3.80
November	15.8	59.2	3.78	3.64	3.72
At 31 December	<b>121.1</b>	<b>477.2</b>			<b>3.93</b>

## 32. OTHER LONG TERM LIABILITY

Other long term liability represents the advance membership fees relating to fees received on sale of timeshare units by a subsidiary offering a timeshare ownership scheme. These fees are recognised as income over the next twenty four years from commencement of membership.

## 33. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2008	2007	2008	2007
Deferred tax liabilities:				
- subject to income tax	<b>(227.7)</b>	(203.0)	<b>(121.5)</b>	(115.5)
At 1 January:	<b>(203.0)</b>	(188.0)	<b>(115.5)</b>	(122.5)
(Charged)/Credited to income statement (Note 11):				
- property, plant and equipment	<b>(24.2)</b>	(28.4)	<b>(4.9)</b>	(2.8)
- provisions	<b>(1.3)</b>	2.3	<b>(1.3)</b>	2.4
- effect of change in deferred tax rate on prior years' temporary difference	-	6.0	-	4.6
- others	<b>0.8</b>	5.1	<b>0.2</b>	2.8
At 31 December	<b>(227.7)</b>	(203.0)	<b>(121.5)</b>	(115.5)

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 33. DEFERRED TAXATION (cont'd)

	Group		Company	
	2008	2007	2008	2007
<b>Subject to income tax:</b>				
(i) Deferred tax assets (before offsetting)				
- Provisions	15.9	16.9	15.6	16.9
- Others	2.0	1.8	2.0	1.8
	<b>17.9</b>	<b>18.7</b>	<b>17.6</b>	<b>18.7</b>
- Offsetting	(17.9)	(18.7)	(17.6)	(18.7)
Deferred tax assets (after offsetting)	-	-	-	-
(ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(204.1)	(182.9)	(139.1)	(134.2)
- Land held for property development	(39.4)	(39.4)	-	-
- Inventory				
- completed properties	(2.1)	(2.1)	-	-
- Others	-	2.7	-	-
	<b>(245.6)</b>	<b>(221.7)</b>	<b>(139.1)</b>	<b>(134.2)</b>
- Offsetting	17.9	18.7	17.6	18.7
Deferred tax liabilities (after offsetting)	<b>(227.7)</b>	<b>(203.0)</b>	<b>(121.5)</b>	<b>(115.5)</b>

The amount of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group		Company	
	2008	2007	2008	2007
Unutilised tax losses	62.5	74.0	-	-
Property, plant and equipment	59.9	94.0	-	-
Provision	1.5	1.4	-	-
	<b>123.9</b>	<b>169.4</b>	<b>-</b>	<b>-</b>

In respect of the Group's unutilised Investment Tax Allowance ("ITA") with regards to FRS 112 "Income Taxes", the Group will continue to recognise in the income statement, the tax impact arising from the ITA as and when it is utilised.

## 34. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2008	2007	2008	2007
At 1 January	70.9	60.5	67.7	58.0
Charged to income statement	1.6	11.8	1.4	11.1
Paid during the financial year	(7.0)	(1.4)	(6.6)	(1.4)
At 31 December	<b>65.5</b>	<b>70.9</b>	<b>62.5</b>	<b>67.7</b>
Analysed as follows:				
Current (Note 35)	5.5	6.1	5.0	5.5
Non-current	60.0	64.8	57.5	62.2
	<b>65.5</b>	<b>70.9</b>	<b>62.5</b>	<b>67.7</b>

Refer item (c) Employee Benefits under Note 3 - Significant Accounting Policies for details of the Retirement Gratuities scheme.

## 35. TRADE AND OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
Trade payables	53.9	42.4	42.6	27.7
Accruals	366.1	324.3	341.4	307.8
Deposits	18.1	17.2	6.1	4.6
Other payables	97.6	102.2	65.5	78.7
Provision for Retirement gratuities (Note 34)	5.5	6.1	5.0	5.5
	<b>541.2</b>	<b>492.2</b>	<b>460.6</b>	<b>424.3</b>

Credit terms of trade and other payables granted to the Group and Company range from 7 days to 90 days from the date of invoice.

The carrying amount of these trade and other payables approximates their fair values.

The currency profile of the Group and Company for trade and other payables is in Ringgit Malaysia.

## 36. ZERO COUPON CONVERTIBLE NOTES

On 21 September 2006, the Company issued RM1.1 billion nominal value zero coupon convertible notes due 2008 ("Notes"). The Notes are convertible into ordinary shares of 10 sen each in the Company ("Resorts World Shares") in accordance with the terms and conditions of the Notes ("Terms"). The purpose of the issue is for working capital or investments or acquisitions in areas related to the Company's principal businesses, as and when such opportunities arise.

The main features of the Notes are as follows:

- The Notes are convertible at the option of the holders of the Notes ("Noteholders") into Resorts World Shares, at a conversion price of RM2.55 per Resorts World Share. The conversion price will be adjusted on the reset dates as stipulated in the Terms;
- The Company may at its option, satisfy its obligation following a conversion, in whole or in part, by paying the Noteholders in cash. Any Note which is not redeemed, converted or purchased and cancelled before the maturity date will be redeemed in cash at 99% of their principal amount on the maturity date; and
- The new Resorts World Shares to be issued upon conversion of the Notes will, upon issue and allotment, rank equal in all respects with the then existing Resorts World Shares except that they will not entitle their holders to any dividend, right, allotment and/or other distributions, the entitlement date of which is before the date of allotment of the new Resorts World Shares. The Resorts World Shares will be listed and quoted on Bursa Malaysia Securities Berhad.

The Notes is recognised in the balance sheet as follows:

	Group and Company	
	2008	2007
	RM'000	RM'000
<b>Current:</b>		
Nominal value	-	176,700
Unamortised issuance cost	-	(1,642)
	<b>-</b>	<b>175,058</b>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 36. ZERO COUPON CONVERTIBLE NOTES (cont'd)

During the financial year ended 31 December 2008, RM172.0 million (2007: RM872.2 million) of Notes were converted into 67.9 million (2007: 342.0 million) new ordinary shares of 10 sen each of the Company as follow:

- (a) RM100.4 million (2007: RM872.2 million) of Notes were converted into 39.4 million (2007: 342.0 million) new ordinary shares of 10 sen each at RM2.55 per share.
- (b) RM71.6 million of Notes were converted into 28.5 million new ordinary shares of 10 sen each at RM2.51 per share.

The Company redeemed the outstanding Notes of RM4.7 million on 19 September 2008 (being the business day immediately preceding the maturity date of the Notes on 21 September 2008) at 99.0% of the principal amount. As at the end of the financial year, the Company does not have any outstanding Notes (2007: RM175.0 million).

In the previous financial year ended 31 December 2007, RM51.1 million of the Notes was paid in cash for amount of RM77.6 million.

### 37. FINANCIAL INSTRUMENTS

As at the end of the financial year, the Group does not have any financial instruments except for the Call Option which is disclosed in note 43(c).

The carrying amount of the Call Option approximates its fair value.

### 38. CAPITAL COMMITMENTS

	Group		Company	
	2008	2007	2008	2007
Authorised property, plant and equipment expenditure not provided for in the financial statements:				
- contracted	43.0	140.5	33.8	90.6
- not contracted	278.6	554.6	232.3	474.1
	<b>321.6</b>	<b>695.1</b>	<b>266.1</b>	<b>564.7</b>

### 39. CONTINGENT LIABILITY (UNSECURED)

The Company does not have any contingent liability in respect of guarantees issued to financial institutions for loan facilities extended to subsidiaries as at 31 December 2008 (2007: nil).

### 40. SIGNIFICANT NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2008, RM172.0 million (2007: RM872.2 million) of Zero Coupon Convertible Notes were converted into 67.9 million (2007: 342.0 million) new ordinary shares of 10 sen each of the Company.
- (b) The Company redeemed 107,000 (2007: 140,000) Convertible Non-Cumulative Redeemable preference shares of RM1 each at a premium of RM999 per share in First World Hotels & Resorts Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM107,000,000 (2007: RM140,000,000) during the current financial year.
- (c) The Company redeemed 1,900 Convertible Non-Cumulative Redeemable preference shares of RM1 each at a premium of RM999 per share in Genting Utilities & Services Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM1,900,000 during the current financial year.

### 41. SIGNIFICANT RELATED PARTY DISCLOSURES

In the normal course of business, the Group and Company undertakes on agreed terms and prices, transactions with its related companies and other related parties. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

- (a) The immediate and ultimate holding company of the Company is Genting Berhad ("GB"), a company incorporated in Malaysia.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 41. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) The significant related party transactions of the Group during the financial year are as follows:

	Group		Company	
	2008	2007	2008	2007
<b>(i) Management agreements</b>				
• Provision of technical know-how and management expertise in the resort's operations of Genting Highlands Resort by Genting Hotel & Resorts Management Sdn Bhd, a wholly-owned subsidiary company of GB.	404.7	354.0	390.8	341.2
• Provision of technical know-how and management expertise in the resort's operations for Awana Chain of hotels and resorts as well as the Time Sharing Scheme for Awana Vacation Resorts Development Berhad by Awana Hotels & Resorts Management Sdn Bhd, an indirect wholly-owned subsidiary company of GB.	2.6	2.2	-	-
<b>(ii) Rendering of services</b>				
Air ticketing and transportation services rendered by Resorts World Tours Sdn Bhd, a wholly-owned subsidiary company of the Company to:				
• GB and its subsidiaries.	1.0	1.4	-	-
• Company	-	-	16.8	13.1
<b>(iii) Purchase of goods and services</b>				
• Provision of shared services in relation to tax, treasury, internal audit, corporate affairs, secretarial and human resource functions by GB.	4.4	4.3	4.1	4.0
• Provision of consultancy, research and development services for themed entertainment lounges from E-Genting Holdings Sdn Bhd ("E-Genting"), an indirect subsidiary company of GB.	3.4	3.6	3.4	3.6
• Provision of information technology support and maintenance services for Customer Relationship Management solution; information technology development, support and maintenance services for hotel property management solutions, Web, eCommerce and other software and hardware related services as well as services through Customer Interaction Centre by Genting Information Knowledge Enterprise Sdn Bhd ("GIKE"), a wholly-owned subsidiary of E-Genting.	17.6	16.8	11.0	10.7
• Provision of information technology consultation, implementation, support and maintenance services for Enterprise Resource Planning solution, hardware shared services, information technology administration and first time application support service, system research and development and information technology related management and advisory services by E-Genting Sdn Bhd ("EGSB"), a wholly-owned subsidiary of E-Genting.	16.0	14.7	14.0	14.0
• Provision of management and promotion of loyalty program by Genting WorldCard Services Sdn Bhd ("GWSSB"), a wholly-owned subsidiary of E-Genting.	2.8	2.8	1.4	1.6
<b>(iv) Rental and related services</b>				
• Rental of premises and provision of connected services to Oriregal Creations Sdn Bhd ("Oriregal"). Puan Sri Lim (Nee Lee), mother of Tan Sri Lim Kok Thay who is the Chairman and Chief Executive of the Company. Puan Sri Lim is a director and substantial shareholder of Oriregal.	1.3	1.3	1.3	1.3
• Letting of office space and provision of connected services by Oakwood Sdn Bhd, a wholly-owned subsidiary company of GB.	3.6	3.4	3.1	3.1
• Letting of premises by First World Hotel and Resorts Sdn Bhd, a wholly-owned subsidiary company.	-	-	37.3	40.1
<b>(v) License agreement</b>				
Licensing fees paid to GB for the use of name and accompanying logo of "Genting" and "Awana".	161.4	143.3	157.2	139.5
<b>(vi) Sales and Marketing arrangements</b>				
Provision of services as the exclusive international sales and marketing coordinator for Genting Highlands Resort by Genting International P.L.C. ("GIPLC") and its subsidiary, a 50.49% owned indirect subsidiary company of GB.	41.4	47.7	30.0	36.7



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 41. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

## (c) Directors and key management remuneration

The remuneration of Directors and other members of key management is as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages, salaries and bonuses	35,887	35,954	35,872	35,939
Defined contribution plan	4,710	4,741	4,710	4,741
Other short term employee benefits	645	766	645	766
Provision for retirement gratuities	2,821	5,263	2,821	5,263
Estimated money value of benefits-in-kind (not charged to the income statements)	769	758	769	758
	<b>44,832</b>	<b>47,482</b>	<b>44,817</b>	<b>47,467</b>

## (d) The significant outstanding balances with related parties as at 31 December 2008 were as follows:

	Group		Company	
	2008	2007	2008	2007
(i) Receivables from related parties:				
- Subsidiaries	-	-	197.8	177.8
- Related companies	15.4	28.1	11.0	13.6
	<b>15.4</b>	<b>28.1</b>	<b>208.8</b>	<b>191.4</b>
(ii) Payables to related parties:				
- Holding company	17.3	13.2	16.8	12.7
- Subsidiaries	-	-	271.6	215.5
- Related companies	49.5	46.4	44.4	42.9
	<b>66.8</b>	<b>59.6</b>	<b>332.8</b>	<b>271.1</b>

## (e) Acquisitions of the entire issued and paid-up share capital of Bromet Limited and Digital Tree (USA), Inc.

On 26 November 2008, Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with KH Digital Limited ("KHD") to acquire from KHD the entire issued and paid-up share capitals of Bromet Limited and Digital Tree (USA) Inc. for a total cash consideration of USD69.0 million ("Acquisitions"), equivalent to RM243.7 million. As part of the Acquisitions, RWL and KHD had on 26 November 2008 entered into a call option agreement ("Option Agreement") where KHD had granted a call option ("Call Option") for a cash consideration of USD1 for RWL to acquire, within a period of eighteen months from the date of the Option Agreement ("Call Option Period"), the entire issued and paid-up share capital of Karridale Limited at an exercise price of USD27.0 million.

Tan Sri Lim Kok Thay ("TSLKT") is a director, shareholder and option holder of the Company. TSLKT is also a director of KHD, a wholly-owned subsidiary of Golden Hope Limited ("GHL"). He is also a director of GHL, which acts as trustee of Golden Hope Unit Trust, a private unit trust the voting units of which are ultimately owned by a discretionary trust in which TSLKT is a beneficiary.

## 42. SUBSIDIARIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2008	2007		
<b>Direct Subsidiaries</b>				
Awana Vacation Resorts Development Berhad	100	100	Malaysia	Proprietary timeshare ownership scheme
Delquest Sdn Bhd	100	100	Malaysia	Investments
Eastern Wonder Sdn Bhd	100	100	Malaysia	Support services
First World Hotels & Resorts Sdn Bhd	100	100	Malaysia	Hotel business
Genting Centre of Excellence Sdn Bhd	100	100	Malaysia	Provision of training services
Genting Entertainment Sdn Bhd	100	100	Malaysia	Show agent
Gentinggi Sdn Bhd	100	100	Malaysia	Investment holding
Genting Golf Course Bhd	100	100	Malaysia	Condotel and hotel business, golf resort and property development

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 42. SUBSIDIARIES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2008	2007		
<u>Direct Subsidiaries (cont'd)</u>				
Genting Highlands Berhad	100	100	Malaysia	Land and property development
Genting Irama Sdn Bhd	100	100	Malaysia	Investment holding
Genting Leisure Sdn Bhd	100	100	Malaysia	Investment holding
Genting Skyway Sdn Bhd	100	100	Malaysia	Provision of cable car services
Genting Studio Sdn Bhd	100	100	Malaysia	Dormant
Genting Theme Park Sdn Bhd	100	100	Malaysia	Dormant
Genting Utilities & Services Sdn Bhd	100	100	Malaysia	Provision of electricity supply services at Genting Highlands and investment holding
GHR Risk Management (Labuan) Limited	100	100	Labuan, Malaysia	Offshore captive insurance
Ikhlas Tiasa Sdn Bhd	100	100	Malaysia	Dormant
Kijal Facilities Services Sdn Bhd	100	100	Malaysia	Letting of its apartments units
Leisure & Cafe Concept Sdn Bhd	100	100	Malaysia	Karaoke business
Orient Wonder International Limited	100	100	Bermuda	Ownership and operation of aircraft
Orient Star International Limited	100	-	Bermuda	Dormant
Phoenix Track Sdn Bhd	100	100	Malaysia	Dormant
Resorts International (Labuan) Limited	100	100	Labuan, Malaysia	Dormant
Resorts Tavern Sdn Bhd	100	100	Malaysia	Land and property development
Resorts World (Labuan) Limited	100	100	Labuan, Malaysia	Dormant
Resorts World Spa Sdn Bhd	100	100	Malaysia	Dormant
Resorts World Tours Sdn Bhd	100	100	Malaysia	Provision of tour and travel related services
RWB (Labuan) Limited	100	100	Labuan, Malaysia	Dormant
Seraya Mayang Sdn Bhd	100	100	Malaysia	Investment holding
Setiabahagia Sdn Bhd	100	100	Malaysia	Property development
Setiaseri Sdn Bhd	100	100	Malaysia	Letting of its apartment units
Sierra Springs Sdn Bhd	100	100	Malaysia	Investment holding
Stake Excellent Sdn Bhd	100	100	Malaysia	Ceased operation
Vestplus Sdn Bhd	100	100	Malaysia	Sale and letting of completed apartment units
*Vestplus (Hong Kong) Limited	100	100	Hong Kong, SAR	Dormant
<u>Indirect Subsidiaries</u>				
Aliran Tunas Sdn Bhd	100	100	Malaysia	Provision of water services at Genting Highlands
Best Track International Limited	-	100	Mauritius	Removed from Register of Companies in 2008
^@ Latte (USA) LLC	100	-	Delaware, USA	Dormant
^ Bromet Limited	100	-	Isle of Man	Investment holding
^ Digital Tree (USA) Inc.	100	-	Delaware, USA	Investment holding
^ Digital Tree LLC	100	-	Delaware, USA	Collection of royalties
Genasa Sdn Bhd	100	100	Malaysia	Sale and letting of apartment units
Genas Sdn Bhd	100	100	Malaysia	Dormant
Genawan Sdn Bhd	100	100	Malaysia	Dormant
Genmas Sdn Bhd	100	100	Malaysia	Sale and letting of land and property
Gensa Sdn Bhd	100	100	Malaysia	Sale and letting of land and property
Gentasa Sdn Bhd	100	100	Malaysia	Dormant
Gentas Sdn Bhd	100	100	Malaysia	Dormant
Genting Administrative Services Sdn Bhd	100	100	Malaysia	Investment holding
Gentinggi Quarry Sdn Bhd	100	100	Malaysia	Dormant
Genting World Sdn Bhd	100	100	Malaysia	Leisure and entertainment business
Kijal Resort Sdn Bhd	100	100	Malaysia	Property development and property management
^ Lafleur Limited	100	100	Isle of Man	Investment holding
Lingkaran Cergas Sdn Bhd	100	100	Malaysia	Provision of services at Genting Highlands
Merriwa Sdn Bhd	100	100	Malaysia	Dormant
Nature Base Sdn Bhd	100	100	Malaysia	Provision of services at Genting Highlands

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 42. SUBSIDIARIES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2008	2007		
<b>Indirect Subsidiaries (cont'd)</b>				
Netyield Sdn Bhd	100	-	Malaysia	Dormant
^ New Quest, LLC	100	-	Delaware, USA	Dormant
Papago Sdn Bhd	100	100	Malaysia	Resorts and hotel business
Resorts Facilities Services Sdn Bhd	100	100	Malaysia	Property upkeep services
Resorts Overseas Investments Limited	100	100	Isle of Man	Dormant
^ Resorts World Concepts Limited (formerly known as Resorts World Retail Concepts Limited which was formerly known as Genting Retail Concepts Limited which was formerly known as Ambani Limited)	100	-	Isle of Man	Dormant
^ Resorts World Digital, LLC (formerly known as VendWorld LLC)	100	-	Delaware, USA	Dormant
*Resorts World Limited	100	100	Isle of Man	Investment holding and investment trading
Resorts World Properties Sdn Bhd	100	100	Malaysia	Investment holding
^ R.W. Investments Limited	100	100	Isle of Man	Investment holding
^ R.W. Overseas Investments Limited	100	100	Isle of Man	Dormant
Twinmatics Sdn Bhd	100	100	Malaysia	Dormant
^ Two Digital Trees LLC	100	-	Delaware, USA	Investment holding
^ VendWorld, LLC	100	-	Delaware, USA	Dormant
Widuri Pelangi Sdn Bhd	100	100	Malaysia	Golf resort and hotel business
Bandar Pelabuhan Sdn Bhd	60	60	Malaysia	Investment holding
Hitechwood Sdn Bhd	60	60	Malaysia	Dormant
Jomara Sdn Bhd	60	60	Malaysia	Dormant
Laserwood Sdn Bhd	60	60	Malaysia	Dormant
Neutrino Space Sdn Bhd	60	60	Malaysia	Dormant
Possible Affluent Sdn Bhd	60	60	Malaysia	Dormant
Rapallo Sdn Bhd	60	60	Malaysia	Dormant
Space Fair Sdn Bhd	60	60	Malaysia	Dormant
Sweet Bonus Sdn Bhd	60	60	Malaysia	Renting part of its leasehold land
Tullamarine Sdn Bhd	60	60	Malaysia	Dormant
Twinkle Glow Sdn Bhd	60	60	Malaysia	Dormant
Vintage Action Sdn Bhd	60	60	Malaysia	Dormant
Waxwood Sdn Bhd	60	60	Malaysia	Dormant
Yarrowin Sdn Bhd	60	60	Malaysia	Dormant

\* The financial statements of these companies are audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.

^ These entities are subjected to limited review carried out by PricewaterhouseCoopers, Malaysia, although they are not subjected to statutory audit.

## 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a) **Non-renounceable offer for sale by Resorts World Limited ("RWL") (an indirect wholly-owned subsidiary of the Company) of Ordinary Shares of USD0.10 each in Genting International P.L.C. ("Offer Shares") to the shareholders of the Company ("OFS")**

The OFS by RWL of its entire equity interest of 593,719,711 ordinary shares of USD0.10 each in Genting International P.L.C. ("Offer Shares") to the shareholders of the Company on a pro-rata basis of 1 Offer Share for every 10 existing ordinary shares of RM0.10 each in the Company held by the shareholders of the Company, at the offer price of RM0.88 per Offer Share was completed on 30 April 2008. Total gross proceeds from the OFS were RM522.5 million generating a gain on disposal of RM19.8 million arising from foreign exchange translation.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

#### b) Maturity of RM1.1 billion nominal value 2-year convertible notes due 2008 ("Notes")

On 21 September 2006, the Company issued RM1.1 billion nominal value zero coupon convertible notes due in 2008 ("Notes") which are convertible at the option of the holders of the Notes into new ordinary shares of the Company at any time during the period beginning on and including 20 October 2006 and ended on 11 September 2008.

During the nine months ended 30 September 2008, RM172.0 million of Notes were converted into 67.9 million new ordinary shares of 10 sen each of the Company. The Company redeemed the outstanding Notes of RM4.7 million on 19 September 2008 (being the business day immediately preceding the maturity date of the Notes on 21 September 2008) at 99.0% of the principal amount.

#### c) Acquisitions of the entire issued and paid-up share capital of Bromet Limited and Digital Tree (USA), Inc. for a total cash consideration of USD69.0 million

On 26 November 2008, RWL had entered into a sale and purchase agreement with KH Digital Limited ("KHD") to acquire from KHD the entire issued and paid-up share capitals of Bromet Limited and Digital Tree (USA) Inc. for a total cash consideration of USD69.0 million ("Acquisitions"), equivalent to RM243.7 million. As part of the Acquisitions, RWL and KHD had on 26 November 2008 entered into a call option agreement ("Option Agreement") where KHD had granted a call option ("Call Option") for a cash consideration of USD1 for RWL to acquire, within a period of eighteen months from the date of the Option Agreement ("Call Option Period"), the entire issued and paid-up share capital of Karridale Limited at an exercise price of USD27.0 million.

The Acquisitions were completed on 17 December 2008. As at 18 February 2009, RWL has not exercised the Call Option.



## STATEMENT ON DIRECTORS' RESPONSIBILITY PURSUANT TO PARAGRAPH 15.27(a) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

As required under the Companies Act, 1965 ("Act"), the Directors of Resorts World Bhd have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with MASB Approved Accounting Standards for Entities Other than Private Entities in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company for the financial year ended 31 December 2008.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 25 February 2009.

## STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **KOH POY YONG**, the Officer primarily responsible for the financial management of **RESORTS WORLD BHD**, do solemnly and sincerely declare that the financial statements set out on pages 39 to 76 are, to the best of my knowledge and belief, 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 25 February 2009

}

**KOH POY YONG**

Before me,

**DATO' NG MANN CHEONG**  
Commissioner for Oaths  
Kuala Lumpur

## INDEPENDENT AUDITORS' REPORT

To The Members Of Resorts World Bhd  
(Company No. 58019-U)  
(Incorporated in Malaysia)

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Resorts World Bhd, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 76.

#### Management's Responsibility for the Financial Statements

The management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 42 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS  
(No. AF: 1146)  
Chartered Accountants

ERIC OOI LIP AUN  
(No. 1517/06/10(J))  
Chartered Accountant

Kuala Lumpur  
25 February 2009