

## CHAIRMAN'S STATEMENT

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

### PERFORMANCE REVIEW

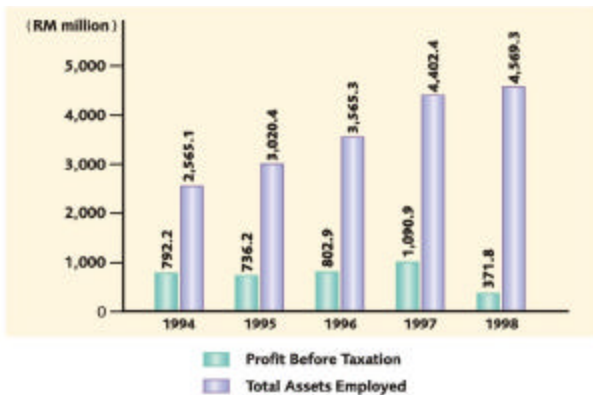
It has been a very tough and challenging year for the Group. Turnover (including proceeds from sale of investments) declined by 17% to RM2,514.9 million. Profit before tax, which included an exceptional item of RM373.2 million on the write-off of goodwill mainly from the acquisition of Star Cruises PLC,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

### DIVIDENDS

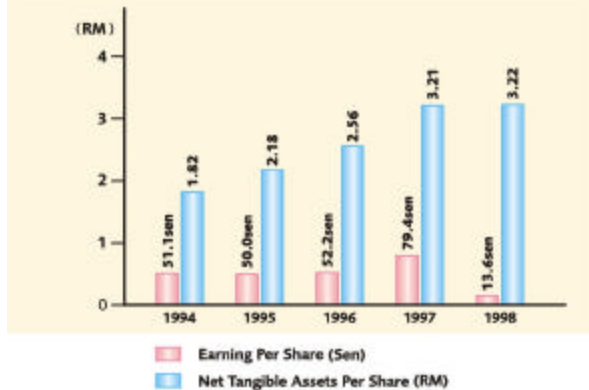
An interim dividend of 8.0 sen less 28% tax per ordinary share of 50 sen each, amounting to RM62.9 million was paid on 26 October 1998.

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

### PROFIT BEFORE TAXATION & TOTAL ASSETS EMPLOYED



### EARNINGS PER SHARE & NET TANGIBLE ASSETS PER SHARE



## PENYATA Pengerusi

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

### TINJAUAN PRESTASI

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

### DIVIDEN

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

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

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

\* Computed based on profit after taxation and minority interests.

## CORPORATE & BUSINESS DEVELOPMENTS

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

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

### YEAR 2000 (Y2K)

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

### PROSPECTS

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

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

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

### APPRECIATION

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

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

### TAN SRI LIM GOH TONG

Chairman and Chief Executive  
12 April 1999

## PERKEMBANGAN KORPORAT & PERNIAGAAN

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

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

### TAHUN 2000 (Y2K)

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

### PROSPEK

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

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

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

### PENGHARGAAN

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

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

### TAN SRI LIM GOH TONG

Pengerusi dan Ketua Eksekutif  
12 April 1999