FINANCIAL Statements

• INCOME STATEMENTS •

For The Financial Year Ended 31 December 2002

Amounts in RM million unless otherwise stated

		Group		Company	
	Note(s)	**2002**	2001	**2002**	2001
Revenue	5 & 6	**2,781.5**	2,503.1	**2,508.8**	2,274.3
Cost of sales	7	**(1,669.9)**	(1,567.0)	**(1,438.5)**	(1,314.3)
Gross profit		**1,111.6**	936.1	**1,070.3**	960.0
Other income		**29.7**	20.5	**60.0**	61.2
Selling and distribution costs		**(48.5)**	(39.7)	**(33.7)**	(30.3)
Administration expenses		**(108.0)**	(119.5)	**(82.7)**	(70.7)
Other expenses		**(70.8)**	(58.1)	**(12.2)**	(23.7)
Profit from operations		**914.0**	739.3	**1,001.7**	896.5
Finance cost		**(94.2)**	(117.8)	**(94.2)**	(115.3)
Share of results of associated company		**88.7**	(16.1)	**-**	-
Gain on dilution of investment in associated company		**31.1**	-	**-**	-
Profit before taxation	8 & 9	**939.6**	605.4	**907.5**	781.2
Taxation					
- Company & subsidiary companies		**(295.5)**	(251.5)	**(289.5)**	(246.4)
- Share of taxation in associated company		**(1.9)**	(2.4)	**-**	-
	10	**(297.4)**	(253.9)	**(289.5)**	(246.4)
Profit from ordinary activities after taxation		**642.2**	351.5	**618.0**	534.8
Minority shareholders' interest		**0.4**	0.4	**-**	-
Net profit for the financial year		**642.6**	351.9	**618.0**	534.8
Basic earnings per share (sen)	29	**58.9**	32.2		
Diluted earnings per share (sen)	29	**58.9**	N/A		
Gross dividends per share (sen)	11	**17.5**	16.0		

The notes set out on pages 42 to 66 form part of these financial statements.

• BALANCE SHEETS •

As At 31 December 2002

Amounts in RM million unless otherwise stated

	Note(s)	Group 2002	Group 2001	Company 2002	Company 2001
NON-CURRENT ASSETS					
Property, plant and equipment	12	**3,226.1**	3,261.4	**1,708.3**	1,789.6
Real property assets	13	**201.2**	202.5	**-**	-
Investment in subsidiary companies	14	**-**	-	**3,916.1**	3,830.1
Associated company	15	**1,910.4**	1,591.9	**-**	-
Other investments	16	**3.2**	3.6	**3.2**	3.6
Trade and other receivables	17	**13.8**	12.1	**-**	-
		5,354.7	5,071.5	**5,627.6**	5,623.3
CURRENT ASSETS					
Property development	13	**-**	24.1	**-**	-
Inventories	18	**41.9**	17.0	**15.4**	14.6
Trade and other receivables	17	**90.1**	75.2	**41.6**	38.4
Amount due from subsidiary companies	14	**-**	-	**1,225.6**	964.6
Amount due from other related companies	19	**5.6**	3.0	**3.7**	0.8
Amount due from associated company	15	**0.5**	0.7	**0.1**	-
Short term investments	20	**419.8**	260.0	**384.1**	153.6
Bank balances and deposits	21	**366.8**	281.2	**281.3**	241.7
		924.7	661.2	**1,951.8**	1,413.7
LESS: CURRENT LIABILITIES					
Trade and other payables	22	**304.0**	445.6	**235.1**	360.1
Amount due to holding company	19	**12.8**	117.3	**12.3**	116.8
Amount due to subsidiary companies	14	**-**	-	**1,332.5**	1,130.3
Amount due to other related companies	19	**32.7**	50.3	**29.2**	39.2
Short term borrowings	23	**473.7**	-	**-**	-
Taxation		**240.8**	200.4	**240.1**	197.0
		1,064.0	813.6	**1,849.2**	1,843.4
NET CURRENT (LIABILITIES)/ASSETS		**(139.3)**	(152.4)	**102.6**	(429.7)
		5,215.4	4,919.1	**5,730.2**	5,193.6
FINANCED BY					
SHARE CAPITAL	24	**545.9**	545.9	**545.9**	545.9
RESERVES	25	**3,278.2**	2,766.6	**4,639.7**	4,151.4
SHAREHOLDERS' EQUITY		**3,824.1**	3,312.5	**5,185.6**	4,697.3
MINORITY INTERESTS		**9.7**	10.1	**-**	-
LONG TERM LIABILITIES					
Long term borrowings	23	**809.4**	1,079.2	**-**	-
Amount due to holding company	19 & 23	**371.9**	374.9	**371.9**	374.9
Other long term liability	26	**24.9**	19.7	**-**	-
Deferred taxation	27	**55.4**	26.3	**54.2**	26.2
Provision for retirement gratuities	28	**120.0**	96.4	**118.5**	95.2
TOTAL LONG TERM LIABILITIES		**1,381.6**	1,596.5	**544.6**	496.3
		5,215.4	4,919.1	**5,730.2**	5,193.6
NET TANGIBLE ASSETS PER SHARE	31	**RM3.50**	RM3.03		

The notes set out on pages 42 to 66 form part of these financial statements.

• STATEMENTS OF CHANGES IN EQUITY •

For The Financial Year Ended 31 December 2002

Amounts in RM million unless otherwise stated

Group	Note	Share Capital	Non-Distributable: Share Premium	Non-Distributable: Capital Redemption Reserves	Non-Distributable: Reserve on Exchange Differences	Distributable: Unappropriated Profit	Total
Balance at 1 January 2001							
As previously reported		545.9	33.3	0.1	4.2	2,440.0	3,023.5
Prior year adjustment							
- Proposed final dividend for the year ended 31 December 2000		-	-	-	-	62.9	62.9
As restated		545.9	33.3	0.1	4.2	2,502.9	3,086.4
Net profit for the financial year		-	-	-	-	351.9	351.9
Appropriation:							
Dividends for the year ended:							
- 31 December 2000							
- Final		-	-	-	-	(62.9)	(62.9)
- 31 December 2001							
- Interim	11	-	-	-	-	(62.9)	(62.9)
Balance at 31 December 2001		545.9	33.3	0.1	4.2	2,729.0	3,312.5
Balance at 1 January 2002							
As previously reported		545.9	33.3	0.1	4.2	2,666.1	3,249.6
Prior year adjustment							
- Proposed final dividend for the year ended 31 December 2001	31	**-**	**-**	**-**	**-**	**62.9**	**62.9**
As restated		**545.9**	**33.3**	**0.1**	**4.2**	**2,729.0**	**3,312.5**
Net profit for the financial year		**-**	**-**	**-**	**-**	**642.6**	**642.6**
Appropriation:							
Dividends for the year ended:							
- 31 December 2001							
- Final	11	**-**	**-**	**-**	**-**	**(62.9)**	**(62.9)**
- 31 December 2002							
- Interim	11	**-**	**-**	**-**	**-**	**(66.8)**	**(66.8)**
Other movements		**-**	**-**	**-**	**(1.3)**	**-**	**(1.3)**
Balance at 31 December 2002		**545.9**	**33.3**	**0.1**	**2.9**	**3,241.9**	**3,824.1**

The notes set out on pages 42 to 66 form part of these financial statements.

• STATEMENTS OF CHANGES IN EQUITY •

For The Financial Year Ended 31 December 2002 (Cont'd)

Amounts in RM million unless otherwise stated

Company	Note	Share Capital	Non-Distributable Share Premium	Distributable Unappropriated Profit	Total
Balance at 1 January 2001					
As previously reported		545.9	33.3	3,646.2	4,225.4
Prior year adjustment					
- Proposed final dividend for the year ended 31 December 2000		-	-	62.9	62.9
As restated		545.9	33.3	3,709.1	4,288.3
Net profit for the financial year		-	-	534.8	534.8
Appropriation:					
Dividends for the year ended:					
- 31 December 2000					
- Final		-	-	(62.9)	(62.9)
- 31 December 2001					
- Interim	11	-	-	(62.9)	(62.9)
Balance at 31 December 2001		545.9	33.3	4,118.1	4,697.3
Balance at 1 January 2002					
As previously reported		545.9	33.3	4,055.2	4,634.4
Prior year adjustment					
- Proposed final dividend for the year ended 31 December 2001	31	**-**	**-**	**62.9**	**62.9**
As restated		**545.9**	**33.3**	**4,118.1**	**4,697.3**
Net profit for the financial year		**-**	**-**	**618.0**	**618.0**
Appropriation:					
Dividends for the year ended:					
- 31 December 2001					
- Final	11	**-**	**-**	**(62.9)**	**(62.9)**
- 31 December 2002					
- Interim	11	**-**	**-**	**(66.8)**	**(66.8)**
Balance at 31 December 2002		**545.9**	**33.3**	**4,606.4**	**5,185.6**

The notes set out on pages 42 to 66 form part of these financial statements.

• CASH FLOW STATEMENTS •

For The Financial Year Ended 31 December 2002

Amounts in RM million unless otherwise stated	Group		Company	
	2002	2001	**2002**	2001
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit after minority interests but before taxation	**940.0**	605.9	**907.5**	781.2
Adjustments for:				
Depreciation of property, plant and equipment	**201.6**	192.9	**122.8**	134.5
Property, plant and equipment written off	**9.8**	2.3	**-**	-
Loss/(Gain) on disposal of property, plant and equipment	**3.3**	(0.3)	**(0.5)**	0.3
Impairment loss on property, plant and equipment	**1.6**	-	**-**	-
Gain on disposal of real property assets	**(0.2)**	-	**-**	-
(Write back)/Allowance for diminution in value in short term investments	**(7.1)**	19.2	**-**	-
Loss on disposal of investments	**3.1**	2.6	**-**	-
Investment income	**(0.3)**	(4.0)	**-**	-
Investments written down	**30.1**	50.7	**0.9**	-
Interest income	**(17.4)**	(10.4)	**(11.1)**	(8.3)
Interest income from subsidiary company	**-**	-	**(41.1)**	(44.5)
Interest expense	**61.6**	63.4	**-**	-
Interest expense to subsidiary company	**-**	-	**61.6**	61.4
Interest expense to holding company	**30.9**	47.3	**30.9**	47.3
Gain on dilution of investment in associated company	**(31.1)**	-	**-**	-
Share in results of associated company	**(88.7)**	16.1	**-**	-
Allowance for doubtful debts	**3.9**	-	**0.1**	-
Provision/(Write back) for retirement gratuities	**23.9**	(3.4)	**23.5**	(3.8)
Goodwill written off	**-**	28.0	**-**	-
Unrealised loss/(gain) on foreign exchange	**2.1**	-	**(0.4)**	-
Minority shareholders' interest	**(0.4)**	(0.4)	**-**	-
	226.7	404.0	**186.7**	186.9
Operating profit before working capital changes	**1,166.7**	1,009.9	**1,094.2**	968.1
Related companies	**(19.8)**	6.4	**(12.4)**	15.3
Increase in inventories	**(0.8)**	(2.1)	**(0.8)**	(1.7)
Increase in property development	**-**	(1.0)	**-**	-
(Increase)/Decrease in trade and other receivables	**(10.0)**	7.6	**(3.6)**	10.0
(Decrease)/Increase in trade and other payables	**(81.1)**	31.4	**(90.6)**	32.2
Increase/(Decrease) in amount due to holding company	**0.6**	(2.8)	**0.5**	(2.6)
(Increase)/Decrease in amount due from subsidiary companies	**-**	-	**(79.1)**	100.5
Decrease/(Increase) in amount due from associated company	**0.2**	3.3	**(0.1)**	1.6
	(110.9)	42.8	**(186.1)**	155.3
Cash generated from operations	**1,055.8**	1,052.7	**908.1**	1,123.4
Retirement gratuities paid	**(0.3)**	(0.2)	**(0.2)**	(0.2)
Taxation paid	**(229.1)**	(312.8)	**(218.3)**	(304.9)
Deferred membership income	**5.2**	4.7	**-**	-
	(224.2)	(308.3)	**(218.5)**	(305.1)
Net Cash From Operating Activities	**831.6**	744.4	**689.6**	818.3

The notes set out on pages 42 to 66 form part of these financial statements.

• CASH FLOW STATEMENTS •

For The Financial Year Ended 31 December 2002 (Cont'd)

Amounts in RM million unless otherwise stated	Group		Company	
	2002	2001	**2002**	2001
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(247.9)**	(514.0)	**(76.2)**	(189.9)
Proceeds from disposal of property, plant and equipment	**3.6**	1.0	**0.6**	0.9
Expenditure on real property assets	**-**	(0.4)	**-**	-
Proceeds from disposal of real property assets	**-**	0.6	**-**	-
Purchase of investments	**(234.8)**	(7.4)	**(86.5)**	-
Proceeds from disposal of investments	**77.7**	86.0	**-**	-
Dividends received	**0.3**	3.5	**-**	-
Interest received	**13.9**	10.4	**11.2**	8.3
Loan to subsidiary company	**-**	-	**(201.4)**	-
Net Cash Used In Investing Activities	**(387.2)**	(420.3)	**(352.3)**	(180.7)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(129.7)**	(125.8)	**(129.7)**	(125.8)
Interest paid	**(92.0)**	(102.2)	**(30.9)**	(47.4)
Borrowings from financial institutions	**201.4**	760.0	**-**	-
Repayment of borrowings	**-**	(382.9)	**-**	-
Borrowings from subsidiary company	**-**	-	**201.4**	-
Borrowings from holding company	**-**	46.4	**-**	46.4
Repayment of borrowings to holding company	**(108.0)**	(250.0)	**(108.0)**	(250.0)
Net Cash Used In Financing Activities	**(128.3)**	(54.5)	**(67.2)**	(376.8)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**316.1**	269.6	**270.1**	260.8
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	**434.8**	165.2	**395.3**	134.5
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	**750.9**	434.8	**665.4**	395.3
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank balances and deposits (Note 21)	**366.8**	281.2	**281.3**	241.7
Money market instruments (Note 20)	**384.1**	153.6	**384.1**	153.6
	750.9	434.8	**665.4**	395.3

The notes set out on pages 42 to 66 form part of these financial statements.

Amounts in RM million unless otherwise stated

1. PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies include property development and management, leisure and hospitality services, investments, time share ownership scheme, tours and travel related services. Details of the principal activities are set out in Note 35 to the financial statements.

The principal activities of the associated company include cruise and cruise related operations.

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

2. BASIS OF PREPARATION

The financial statements are prepared in accordance with and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The financial statements adopt the historical cost convention modified by the revaluation of certain property, plant and equipment and land held for development and unless otherwise indicated in the individual policy statements set out in Note 3 to the financial statements.

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act require the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Actual results could differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies adopted by the Group have been applied consistently in dealing with all material items in relation to the financial statements.

In addition, the Group complies with new accounting standards that are effective for the reporting year. New accounting standards are retrospectively applied unless in cases where the standard specifically does not require comparatives on first adoption due to non availability of such information or when it is not practicable to do so.

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

Consolidation

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

Subsidiary companies are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date the control ceases. Subsidiary companies are consolidated using the acquisition method of accounting whereby the results of subsidiary companies acquired or disposed off during the year are included from the date of acquisition up to the date when the control ceases. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

All material intercompany transactions, balances and unrealised gains on transactions between group companies have been eliminated; unrealised losses have also been eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

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

Borrowing Costs

Costs incurred on external borrowings to finance expenditure and other long term qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of Assets

The carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets, are reviewed to determine whether there is any indication of impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

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

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the income statement, unless the asset is carried at revalued amount, in which case it is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised in the income statement.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortisation.

Leasehold properties are amortised equally over their respective periods of lease, ranging from 60 to 97 years.

Freehold land and property, plant and equipment which are under construction are not depreciated.

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

Buildings and improvements	2% – 50%
Plant, equipment and vehicles	10% – 50%

Real Property Assets, Property Development and Profit Recognition

Real property assets and property development comprise land held for development and development expenditure and are stated at cost of acquisition. Cost of acquisition includes all related costs incurred on activities necessary to prepare the land for its intended use. These assets remain as real property assets until the sales launch of these properties, after which they are then transferred to property development.

Assets under property development comprise land at cost and all related development costs incurred and carried forward together with profit accrued to the appropriate stage of completion less progress billings and allowance for foreseeable losses, if any. These developments are expected to be completed within the normal operating cycle of one to three years and are considered as current assets.

Upon completion of development, the unsold completed development properties are transferred to inventories.

Profits on property development projects are recognised based on the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property project activities progresses. The stage of completion is determined based on the proportion of development cost incurred for work performed up to the balance sheet date over the estimated total development cost to completion. Foreseeable losses, if any, are immediately recognised in the income statement.

Investments

Long term investments, both quoted and unquoted, include investments in subsidiary companies, associated companies and other non-current investments. These investments are stated at cost except where the Directors are of opinion that there is a permanent diminution in the value of an investment, in which case the investment is written down. Permanent diminution in the value of an investment is recognised as an expense in the financial period in which it arises.

Investments in subsidiary companies are eliminated on consolidation while investments in associated companies are accounted for by the equity method of accounting.

Associated companies are companies in which the Group exercises significant influence. Significant influence is the power to participate in its financial and operating policy decisions of the associated companies but not control over those policies.

Unrealised gains on transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments (Cont'd)

Equity accounting involves recognising in the income statements the Group's share of the associated companies's results for the financial year. The Group's interest in associated companies is stated at cost net of goodwill written off plus adjustments to reflect changes in the Group's share of the net assets of the associated companies.

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

Goodwill

Goodwill arising on consolidation which represents the excess of the purchase price over the fair value of the net assets of the subsidiary/associated company at the date of acquisition, is written off to the income statement in the year of acquisition.

Inventories

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

Receivables

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

Financial Instruments

a) Financial instruments recognised on the balance sheet

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

b) Financial instruments not recognised on the balance sheet

The Group, in managing its interest and currency exposures, enters into foreign currency forward contracts, interest rate swap and currency swap agreements. These instruments are not recognised in the financial statements on inception.

As foreign currency forward contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates are used to translate the underlying foreign currency transactions into Ringgit Malaysia.

The related interest differentials paid or received under the swap agreements for interest rate swaps are recognised over the terms of the agreements in interest expense.

The underlying foreign currency assets or liabilities, which are effectively hedged by currency swap agreements, and designated as a hedge, are translated in the respective hedged currencies, at their contracted rates.

c) Fair value estimation for disclosure purposes

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

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

Provision for Retirement Gratuities

In 1991, the Board introduced a retirement gratuity scheme for executives and executive directors of the Company and certain subsidiary companies. The level of retirement gratuities payable is determined by the Board and is based either on length of service and basic salary or the immediate past three years' emoluments.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred Taxation

Deferred tax accounting using the 'liability' method is adopted by the Group. Deferred taxation provides for the effects of all material timing differences between accounting income and taxable income arising from the inclusion of items in different periods. No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net deferred taxation asset unless it can be demonstrated that these benefits can be realised in the foreseeable future.

Foreign Currencies

The financial statements are stated in Ringgit Malaysia ("RM").

Transactions in foreign currencies have been translated into RM at the rates ruling on the dates of the transactions unless hedged by forward foreign contracts, in which case the rates specified in such forward contracts are used. Monetary assets and liabilities in foreign currencies at the balance sheet date have been translated at the rates ruling on that date. Gains and losses arising from translation are included in the income statements. The corresponding translation gains and losses arising from such investments are recognised in the reserves on exchange differences.

The Group's foreign entities are those operations that are not an integral part of the operations of the Company.

Income statements of subsidiary and associated company in other reporting currencies are translated into RM at average rates for the financial year and the balance sheets are translated at the financial year end rates approximate to those ruling at the financial year end. Exchange differences arising from the translation of income statements at average rates and balance sheets at year end rates, and the restatement at year end rates of the opening net investments in such subsidiary and associated company are taken to reserves.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Group and are translated accordingly at the exchange rate ruling at the date of the transaction.

The principal rates of exchange used in translation are as follows:
(RM to one unit of foreign currency)

Currency	**Year end rate**	
	2002	2001
US Dollar	**3.8000**	3.8000
Sterling Pound	**6.1114**	5.5102
Australian Dollar	**2.1510**	1.9418
Singapore Dollar	**2.1882**	2.0549
Hong Kong Dollar	**0.4873**	0.4873

Cash and Cash Equivalents

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

Revenue Recognition

Revenue are recognised upon delivery of products or performance of services, net of sales tax and discounts, and after eliminating sales within the Group. Casino revenue represents net house takings. The casino license is renewable every three months. Timeshare advance membership fees are recognised as income over the next twenty four years from the commencement of membership. Sales relating to property development projects are recognised as the project activity progresses and are in respect of sales where agreements have been recognised. Sales of short term investments are accounted for when the contracts are executed.

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

Other income earned by the Group includes interest income recognised on an accrual basis.

Dividends

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Segmental Reporting

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

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

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

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Foreign currency exchange risk

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

Interest rate risk

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

Market risk

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

Credit risk

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

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

Liquidity risk

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

5. SEGMENT ANALYSIS

a) Primary segment - by activity

2002 Group	Leisure & Hospitality	Properties	Others	Eliminations	Total
Revenue					
External	2,687.3	8.5	85.7	-	2,781.5
Inter segment	1.1	6.6	33.2	(40.9)	-
	2,688.4	15.1	118.9	(40.9)	2,781.5
Results					
Segment profit/(loss)	922.2	3.3	(28.9)	-	896.6
Interest income					17.4
Finance cost					(94.2)
Share of result of associated company	88.7	-	-	-	88.7
Gain on dilution of investment in associated company	31.1	-	-	-	31.1
Profit from ordinary activities before taxation					939.6
Taxation					(297.4)
Profit from ordinary activities after taxation					642.2
Minority shareholders' interest					0.4
Net profit for the year					642.6
OTHER INFORMATION					
Assets					
Segment assets	3,328.1	475.0	54.7	(118.9)	3,738.9
Interest bearing instruments					630.1
Associated company	1,910.4	-	-	-	1,910.4
Total assets					6,279.4
Liabilities					
Segment liabilities	510.7	71.4	22.2	(118.9)	485.4
Interest bearing instruments					1,664.0
Unallocated corporate liabilities					296.2
Total liabilities					2,445.6

2002 Group	Leisure & Hospitality	Properties	Others	Total
OTHER DISCLOSURE				
Capital expenditure	178.9	23.4	1.3	203.6
Depreciation	196.5	2.4	2.7	201.6
Impairment loss on property, plant and equipment	1.6	-	-	1.6
Significant non-cash items				
- charges	24.7	-	29.3	54.0
- credit	31.1	-	-	31.1

5. SEGMENT ANALYSIS (Cont'd)

2001 **Group**	**Leisure &** **Hospitality**	**Properties**	**Others**	**Eliminations**	**Total**
Revenue					
External	2,400.5	6.3	96.3	-	2,503.1
Inter segment	0.6	10.2	30.4	(41.2)	-
	2,401.1	16.5	126.7	(41.2)	2,503.1
Results					
Segment profit/(loss)	757.2	2.0	(30.3)	-	728.9
Interest income					10.4
Finance cost					(117.8)
Share of result of associated company	(16.1)	-	-	-	(16.1)
Profit from ordinary activities before taxation					605.4
Taxation					(253.9)
Profit from ordinary activities after taxation					351.5
Minority shareholders' interest					0.4
Net profit for the year					351.9
OTHER INFORMATION					
Assets					
Segment assets	3,382.3	450.2	130.1	(93.8)	3,868.8
Interest bearing instruments					272.0
Associated company	1,591.9	-	-	-	1,591.9
Total assets					5,732.7
Liabilities					
Segment liabilities	636.4	46.1	27.0	(93.8)	615.7
Interest bearing instruments					1,567.7
Unallocated corporate liabilities					226.7
Total liabilities					2,410.1

2001 **Group**	**Leisure &** **Hospitality**	**Properties**	**Others**	**Total**
OTHER DISCLOSURE				
Capital expenditure	538.4	0.5	0.3	539.2
Depreciation	187.8	2.4	2.7	192.9
Significant non-cash item - charges	66.3	-	31.6	97.9

5. **SEGMENT ANALYSIS (Cont'd)**

The Group is organised into two main business segments:

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

Property - this division holds the real property assets of the Group and is involved in property developments.

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

b) Secondary segment – by geographical location

	Revenue		**Total Assets**		**Capital Expenditure**	
Group	**2002**	2001	**2002**	2001	**2002**	2001
Malaysia	**2,703.5**	2,426.3	**4,258.0**	4,006.7	**203.6**	539.2
Other Countries	**78.0**	76.8	**111.0**	134.1	**-**	-
	2,781.5	2,503.1	**4,369.0**	4,140.8	**203.6**	539.2
Associated Company			**1,910.4**	1,591.9		
			6,279.4	5,732.7		

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

6. **REVENUE**

	Group		**Company**	
	2002	2001	**2002**	2001
Rendering of services:				
Leisure & Hospitality	**2,687.3**	2,400.5	**2,508.8**	2,274.3
Properties management & sale of properties	**8.5**	6.3	**-**	-
Other services	**7.7**	6.3	**-**	-
Sale of investments	**77.7**	86.0	**-**	-
Dividend income	**0.3**	4.0	**-**	-
	2,781.5	2,503.1	**2,508.8**	2,274.3

7. **COST OF SALES**

Included in cost of sales for the current financial year is an amount of RM73.8 million (2001: RM107.8 million) representing cost of short term investments disposed and related costs.

The balance of the cost of sales represents cost of inventories which include cost of services and cost of goods sold.

8. PROFIT BEFORE TAXATION

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

	Group		Company	
	2002	2001	**2002**	2001
	RM'000	RM'000	**RM'000**	RM'000
Charges:				
Depreciation of property, plant and equipment	**201,555**	192,900	**122,821**	134,513
Property, plant and equipment written off	**9,799**	2,318	**54**	18
Loss on disposal of property, plant and equipment	**3,889**	-	**-**	363
Impairment loss on property, plant and equipment included in Other Expenses	**1,550**	-	**-**	-
Investments written down	**30,138**	50,679	**900**	-
Allowance for diminution in value of short term investments	**-**	19,226	**-**	-
Loss on disposal of investments	**3,124**	2,577	**-**	-
Goodwill written off	**-**	27,968	**-**	-
Hire of equipment	**5,558**	5,188	**5,537**	5,168
Rental of land and buildings	**1,459**	2,626	**369**	409
Auditors' remuneration	**246**	207	**110**	99
Provision for retirement gratuities	**17,768**	-	**17,300**	-
Allowance for doubtful debts	**3,950**	-	**140**	-
Finance cost	**63,258**	70,441	**-**	-
Net exchange losses/(gain)				
- Realised	**372**	2,205	**433**	-
- Unrealised	**2,063**	63	**(408)**	-
Charges by holding company:				
- Licensing fees	**85,004**	75,234	**83,129**	73,831
- Shared services fees	**3,697**	3,407	**3,121**	2,796
- Finance cost	**30,902**	47,355	**30,902**	47,355
Charges by other related companies:				
- Management fees	**239,094**	210,973	**231,864**	206,454
- Rental of land and buildings	**2,751**	2,596	**2,391**	2,209
- Hire of equipment	**4,401**	4,579	**4,386**	1,865
- Shared services fees	**11,906**	11,918	**11,785**	11,706
- Commissions	**26,946**	23,359	**19,076**	17,632
- Marketing fees	**480**	480	**480**	480
Charges by subsidiary companies:				
- Finance cost	**-**	-	**63,258**	67,935
- Management fees	**-**	-	**340**	-
- Hire of equipment	**-**	-	**1,195**	1,195
- Rental of land and buildings	**-**	-	**14,733**	14,090
- Shared services fee	**-**	-	**157**	150
Credits:				
Interest income	**17,413**	10,389	**11,100**	8,321
Interest income from subsidiary companies	**-**	-	**41,119**	44,521
Write back of provision for retirement gratuities	**-**	1,917	**-**	2,167
Write back of diminution in value of short term investment	**7,093**	-	**-**	-
Gain on dilution of investment in associated company	**31,132**	-	**-**	-
Rental income from land and buildings	**29,424**	12,848	**9,753**	9,058
Rental of equipment	**723**	78	**336**	-
Rental income from subsidiary companies	**-**	-	**1,308**	410
Gross dividends from quoted				
- overseas corporations	**265**	3,763	**-**	-
- local corporations	**-**	200	**-**	-
Gain on disposal of property, plant and equipment and real property assets	**814**	284	**476**	45
Other information:				
Non-audit fees to auditors				
- payable to auditors	**16**	20	**10**	2
- payable to firms affiliated to auditors	**156**	158	**-**	158
Staff costs (including remuneration of executive directors)	**336,177**	269,358	**290,100**	231,104
Number of employees at year end ('000)	**10.2**	9.8	**7.7**	7.7

9. DIRECTORS' REMUNERATION

	Group		Company	
	2002	2001	**2002**	2001
	RM'000	RM'000	**RM'000**	RM'000
Non-executive Directors				
- Fees	**171**	96	**171**	96
Executive Directors				
- Fees	**240**	192	**240**	192
- Basic salary	**18,667**	17,627	**18,667**	17,627
- Bonus	**16,631**	3,979	**16,631**	3,979
- Allowances / Contributions	**5,532**	3,667	**5,532**	3,667
- Provision/(Write back) for retirement gratuities	**6,136**	(1,472)	**6,136**	(1,472)
- Estimated money value of benefits-in-kind (not charged to the income statements)	**190**	132	**190**	132
	47,567	24,221	**47,567**	24,221

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

	Group Number	
Amounts in RM'000	**2002**	2001
Non-executive Directors		
50 and below	**5**	3
Executive Directors		
550 to 600		1
650 to 700		1
700 to 750		1
950 to 1,000	**2**	
1,050 to 1,100	**1**	
5,450 to 5,500		1
10,650 to 10,700	**1**	
16,650 to 16,700		1
33,700 to 33,750	**1**	

10. TAXATION

	Group		Company	
	2002	2001	**2002**	2001
Current Taxation				
Malaysian taxation	**276.6**	237.6	**271.5**	232.4
Foreign taxation	**0.1**	0.4	**-**	-
Deferred taxation	**8.1**	10.4	**7.8**	11.5
	284.8	248.4	**279.3**	243.9
Share of taxation in associated company	**1.9**	2.4	**-**	-
	286.7	250.8	**279.3**	243.9
(Over)/Under provision in respect of prior years				
Income Taxation	**(10.3)**	8.8	**(10.1)**	8.0
Deferred Taxation	**21.0**	(5.7)	**20.3**	(5.5)
	297.4	253.9	**289.5**	246.4

The effective tax rate for the Group for the financial year before the adjustment of taxation in respect of prior years is higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes and the tax losses of certain subsidiary companies.

10. TAXATION (Cont'd)

Subject to agreement by the Inland Revenue Board, the amount of unutilized tax losses of subsidiary companies available for which the related tax effects have not been included in the net income amounted to RM66.9 million (2001: RM65.0 million).

Subject to the agreement by the Inland Revenue Board, the Group has investment tax allowance of approximately RM1,056.2 million (2001: RM968.6 million) which is available to set off against future taxable profits of the Group.

11. DIVIDENDS

Dividends declared or proposed are as follows:

	2002		2001	
	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	**8.5**	**66.8**	8.0	62.9
Proposed final dividend	**9.0**	**70.8**	8.0	62.9
	17.5	**137.6**	16.0	125.8

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2002 of 9.0 sen less 28% tax per ordinary share of 50 sen each (2001: 8.0 sen less 28% tax) amounting to RM70.8 million (2001: RM62.9 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. This represents a change in accounting treatment from that of prior years as explained in Note 31.

12. PROPERTY, PLANT AND EQUIPMENT

Group	**Freehold land**	**Long leasehold land**	**Buildings & improvements**	**Plant, equipment & vehicles**	**Construction in progress**	**Total**
At cost:						
At 1 January 2002	197.8	103.0	2,779.5	1,347.7	57.3	4,485.3
Additions	**23.0**	**1.3**	**2.4**	**52.9**	**124.0**	**203.6**
Disposals	**(0.1)**	**-**	**(5.2)**	**(11.7)**	**(0.8)**	**(17.8)**
Written off	**-**	**-**	**(10.7)**	**(1.1)**	**-**	**(11.8)**
Reclassification/adjustment	**-**	**2.0**	**51.5**	**44.1**	**(115.4)**	**(17.8)**
Impairment in value	**-**	**-**	**-**	**(2.6)**	**-**	**(2.6)**
At 31 December 2002	**220.7**	**106.3**	**2,817.5**	**1,429.3**	**65.1**	**4,638.9**
Accumulated depreciation:						
At 1 January 2002	-	3.5	336.7	883.7	-	1,223.9
Charge for the financial year	**-**	**1.1**	**59.9**	**140.6**	**-**	**201.6**
Disposals	**-**	**-**	**(1.7)**	**(8.0)**	**-**	**(9.7)**
Written off	**-**	**-**	**(1.1)**	**(0.9)**	**-**	**(2.0)**
Impairment in value	**-**	**-**	**-**	**(1.0)**	**-**	**(1.0)**
At 31 December 2002	**-**	**4.6**	**393.8**	**1,014.4**	**-**	**1,412.8**
Net book value at 31 December 2002	**220.7**	**101.7**	**2,423.7**	**414.9**	**65.1**	**3,226.1**
Net book value at 31 December 2001	197.8	99.5	2,442.8	464.0	57.3	3,261.4

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Freehold land	Long leasehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
At cost:						
At 1 January 2002	87.3	0.5	1,647.7	1,034.4	40.8	2,810.7
Additions	**-**	**-**	**0.3**	**39.4**	**18.4**	**58.1**
Disposals	**(0.1)**	**-**	**-**	**(10.3)**	**-**	**(10.4)**
Written Off	**-**	**-**	**-**	**(0.7)**	**-**	**(0.7)**
Reclassification/adjustment	**-**	**-**	**14.1**	**7.7**	**(38.0)**	**(16.2)**
At 31 December 2002	**87.2**	**0.5**	**1,662.1**	**1,070.5**	**21.2**	**2,841.5**
Accumulated depreciation:						
At 1 January 2002	-	-	270.8	750.3	-	1,021.1
Charge for the financial year	**-**	**-**	**36.5**	**86.3**	**-**	**122.8**
Disposals	**-**	**-**	**-**	**(10.0)**	**-**	**(10.0)**
Written Off	**-**	**-**	**-**	**(0.7)**	**-**	**(0.7)**
At 31 December 2002	**-**	**-**	**307.3**	**825.9**	**-**	**1,133.2**
Net book value at 31 December 2002	**87.2**	**0.5**	**1,354.8**	**244.6**	**21.2**	**1,708.3**
Net book value at 31 December 2001	87.3	0.5	1,376.9	284.1	40.8	1,789.6

13. REAL PROPERTY ASSETS AND PROPERTY DEVELOPMENT

	Group	
	2002	2001
Non – current portion: Real property assets		
Freehold land held for development and development expenditure - at cost	**201.2**	202.5
Current portion: Property development		
Leasehold land and development expenditure - at cost	**-**	24.1

During the year, the completed property development amounting to RM24.1 million was reclassified to inventory.

14. SUBSIDIARY COMPANIES

	Company	
	2002	2001
Investment		
Unquoted shares – at cost	**3,916.1**	3,830.1

The subsidiary companies are listed in Note 35.

Included in the amount due from subsidiary companies was an amount due from a subsidiary company of RM839.8 million (2001: RM638.4 million) which carries interest rates ranging from 2.3% to 8.0% (2001: 3.3% to 8.0%) per annum. Included in the amount due to subsidiary companies were advances from three wholly owned subsidiary companies amounting to RM1,280.6 million (2001: RM1,079.2 million) which carry interest rates ranging from 2.3% to 8.0% (2001: 3.5% to 8.0%) per annum. These amounts are unsecured and have no fixed terms of repayment.

The balance of the amount due from/to subsidiary companies are unsecured, interest free and have no fixed terms of repayment.

15. ASSOCIATED COMPANY

	Group 2002	Group 2001
Quoted shares in foreign corporation, at cost	**3,211.6**	3,009.5
Goodwill on acquisition written off	**(1,433.9)**	(1,433.9)
Share of post acquisition reserve	**132.7**	16.3
	1,910.4	1,591.9
Represented by:		
Share of net assets other than goodwill of the associated company	**1,910.4**	1,591.9
Market value of quoted shares in foreign corporation	**1,866.1**	2,089.9

The amount due from associated company represents outstanding amounts arising from inter company sales.

Details of the associated company are as follows:

	Effective Percentage of Ownership 2002	Effective Percentage of Ownership 2001	Country of Incorporation	Principal Activities
*Star Cruises Limited	**34.4**	35.9	Isle of Man and redomiciled to Bermuda	Cruise and cruise related operations

* The financial statements of this company is audited by an overseas firm affiliated with the auditors of the Company.

16. OTHER INVESTMENTS

	Group 2002	Group 2001	Company 2002	Company 2001
Unquoted – at cost	**33.3**	3.6	**4.1**	3.6
Amount written down	**(30.1)**	-	**(0.9)**	-
	3.2	3.6	**3.2**	3.6

It was not practicable within the constraints of cost to estimate reliably on the fair values for other investments as there are no comparable securities that are traded.

17. TRADE AND OTHER RECEIVABLES

	Group 2002	Group 2001	Company 2002	Company 2001
Current :				
Trade receivables	**42.8**	32.5	**10.9**	5.7
Other receivables	**21.4**	19.0	**5.3**	11.4
Less: Allowance for doubtful debts	**(4.4)**	(0.6)	**(0.3)**	-
	59.8	50.9	**15.9**	17.1
Deposits	**13.0**	13.6	**11.5**	11.8
Prepayments	**17.1**	10.5	**14.2**	9.5
Loan to directors	**0.2**	0.2	**-**	-
	90.1	75.2	**41.6**	38.4
Non-current :				
Trade receivables	**12.1**	11.6	**-**	-
Other receivables	**1.3**	-	**-**	-
Loan to director	**0.4**	0.5	**-**	-
	13.8	12.1	**-**	-
	103.9	87.3	**41.6**	38.4

17. TRADE AND OTHER RECEIVABLES (Cont'd)

The maturity profile for the non-current receivables are as follows:

	Group	
	2002	2001
Non-current :		
More than 1 year and less than 2 years	**11.4**	11.7
More than 2 years and less than 5 years	**2.4**	0.3
More than 5 years	**-**	0.1
	13.8	12.1

Loan to directors represent an interest-free housing loan and an interest-free loan to directors of the Company which are extended by a wholly owned and an indirect wholly owned subsidiaries of the Company respectively.

Credit terms of trade receivables range from payment in advance to 30 days.

The fair values of non-current receivables at the Balance Sheet date approximates their carrying amounts.

18. INVENTORIES

	Group		Company	
At cost	**2002**	2001	**2002**	2001
Food, beverages, tobacco and other hotel supplies	**7.7**	6.7	**6.3**	5.6
Stores, spares and retail stocks	**10.1**	10.3	**9.1**	9.0
Completed properties	**24.1**	-	**-**	-
	41.9	17.0	**15.4**	14.6

19. HOLDING COMPANY AND OTHER RELATED COMPANIES

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

Amount due to holding company comprises:

	Group		Company	
	2002	2001	**2002**	2001
Non-current:				
Interest bearing loan (Note 23)	**371.9**	374.9	**371.9**	374.9
Current:				
Interest bearing loan (Note 23)	**-**	105.0	**-**	105.0
Inter company balances	**12.8**	12.3	**12.3**	11.8
	12.8	117.3	**12.3**	116.8
	384.7	492.2	**384.2**	491.7

The amounts due to/from holding company and other related companies are unsecured, interest free, and have no fixed terms of repayment, except for the loan from Genting Berhad. The loan from Genting Berhad was to part-finance the investment in associated company, Star Cruises Limited. It is unsecured and bears interest at 1% (2001: 1%) per annum above the base lending rate of a leading local bank. The amount is to be repaid in 2004.

20. SHORT TERM INVESTMENTS

	Group		Company	
	2002	2001	**2002**	2001
Quoted – at cost				
Shares in foreign corporations	**73.6**	151.4	**-**	-
Less: Allowance for diminution in value	**(37.9)**	(45.0)	**-**	-
	35.7	106.4	**-**	-
Unquoted – at cost				
Money market instruments	**384.1**	153.6	**384.1**	153.6
	419.8	260.0	**384.1**	153.6
Market value of quoted shares				
- Foreign corporations	**35.7**	106.4	**-**	-

Both the Group's and Company's investment in money market instruments comprise negotiable certificates of deposit and bankers' acceptances.

The weighted average interest rate of money market instruments that were effective during the year was 2.7% (2001: 2.8%).

21. BANK BALANCES AND DEPOSITS

	Group		Company	
	2002	2001	**2002**	2001
Deposits with licensed banks	**233.1**	107.6	**157.3**	77.3
Cash and bank balances	**133.7**	173.6	**124.0**	164.4
	366.8	281.2	**281.3**	241.7

As at the end of current financial year, the currency exposure profile of deposits, cash and bank balances is as follows:

	Group	Company
Ringgit Malaysia	**265.6**	**257.6**
Foreign currency denominated in:		
- US Dollar	**84.8**	**9.6**
- Singapore Dollar	**8.9**	**8.2**
- HK Dollar	**5.8**	**5.8**
- Others	**1.7**	**0.1**
	366.8	**281.3**

The weighted average interest rate of deposits that were effective during the year was 2.6% (2001: 2.9%).

Deposits of the Group and Company have an average maturity of 31 days (2001: 31 days). Bank balances are deposits held at call with banks.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2002	2001	**2002**	2001
Trade payables	**21.0**	23.3	**14.7**	17.4
Accrued expenses	**191.8**	259.8	**159.2**	242.9
Deposits	**23.8**	24.5	**15.4**	18.1
Other payables	**67.4**	138.0	**45.8**	81.7
	304.0	445.6	**235.1**	360.1

22. TRADE AND OTHER PAYABLES (Cont'd)

Included in other payables and accrued expenses are progress billings payable and accruals for capital expenditures relating to constructions of new hotel and upgrading of resorts infrastructure and facilities amounting to RM52.6 million (2001: RM103.8 million).

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

23. BORROWINGS

	Group		Company	
	2002	2001	**2002**	2001
Current:				
Terms Loans/Euro Medium Term Notes				
- US Dollar (unsecured)	**252.1**	-	**-**	-
Euro Medium Term Notes				
- Singapore Dollar (unsecured)	**221.6**	-	**-**	-
Loans from holding company (unsecured) (Note 19)	**-**	105.0	**-**	105.0
	473.7	105.0	**-**	105.0
Non-current:				
Terms Loans/Euro Medium Term Notes				
- US Dollar (unsecured)	**809.4**	858.8	**-**	-
Euro Medium Term Notes				
- Singapore Dollar (unsecured)	**-**	220.4	**-**	-
Loans from holding company (unsecured) (Note 19)	**371.9**	374.9	**371.9**	374.9
	1,181.3	1,454.1	**371.9**	374.9
	1,655.0	1,559.1	**371.9**	479.9
Weighted average effective interest rates (%) per annum that were effective during the year:				
- bank borrowings				
- before interest rate swaps	**3.1**	4.8	**-**	-
- after interest rate swaps	**5.4**	5.9	**-**	-
- loans from holding company	**7.4**	7.5	**7.4**	7.5
Weighted average effective interest rates (%) per annum as at year end:				
- bank borrowings				
- before interest rate swaps	**3.1**	3.6	**-**	-
- after interest rate swaps	**5.1**	5.7	**-**	-
- loans from holding company	**7.4**	7.4	**7.4**	7.4
Currency in which total borrowings are denominated in:				
- US Dollar	**1,061.5**	858.8	**-**	-
- Singapore Dollar	**221.6**	220.4	**-**	-
- Ringgit Malaysia	**371.9**	479.9	**371.9**	479.9
	1,655.0	1,559.1	**371.9**	479.9

23. BORROWINGS (Cont'd)

The maturity profile and exposure of the borrowings of the Group to interest rate risk are as follows:

	Borrowings		
	Total	**Floating interest rate**	**Fixed interest rate**
As at 31 December 2002			
Before interest rate swap			
- less than 1 year	**473.7**	**252.1**	**221.6**
- more than 1 year and less than 2 years	**422.3**	**422.3**	**-**
- more than 2 years and less than 5 years	**759.0**	**759.0**	**-**
	1,655.0	**1,433.4**	**221.6**
After interest rate swap			
- less than 1 year	**473.7**	**76.3**	**397.4**
- more than 1 year and less than 2 years	**422.3**	**422.3**	**-**
- more than 2 years and less than 5 years	**759.0**	**379.0**	**380.0**
	1,655.0	**877.6**	**777.4**
As at 31 December 2001			
Before interest rate swap			
- less than 1 year	105.0	105.0	-
- more than 1 year and less than 2 years	471.2	250.8	220.4
- more than 2 years and less than 5 years	982.9	982.9	-
	1,559.1	1,338.7	220.4
After interest rate swap			
- less than 1 year	105.0	105.0	-
- more than 1 year and less than 2 years	471.2	76.0	395.2
- more than 2 years and less than 5 years	982.9	678.9	304.0
	1,559.1	859.9	699.2

The fair values of the bank borrowings at the Balance Sheet date approximate their carrying amounts.

As at 31 December 2002, the exposure of the borrowings of the Group to interest rate changes and the periods in which the borrowings reprice are as follows:

		Repricing Periods			
	Total	**1 to 3 months**	**More than 3 months and less than 1 year**	**More than 1 year and less than 2 years**	**More than 2 years and less than 5 years**
Total borrowings	**1,655.0**	**1,433.4**	**221.6**	**-**	**-**
Movement in repricing periods due to interest rate swap	**-**	**(555.8)**	**175.8**	**-**	**380.0**
	1,655.0	**877.6**	**397.4**	**-**	**380.0**

24. SHARE CAPITAL

	2002	2001
Authorised 1,600.0 million ordinary shares of 50 sen each	**800.0**	800.0
Issued and fully paid 1,091.8 million ordinary shares of 50 sen each	**545.9**	545.9

24. SHARE CAPITAL (Cont'd)

As at 31 December 2002, the Company has 100,000 (2001: 1,502,000) and 14,397,000 (2001: Nil) unissued ordinary shares outstanding under "The Resorts World Employees' Share Option Scheme for Executives" ("Previous ESOS") and "The Executive Share Option Scheme For Eligible Executives of Resorts World Bhd and its subsidiaries" ("New ESOS") respectively.

The outstanding options granted under the Previous ESOS in the previous financial years are exercisable as follows:

Exercisable Period		Subscription Price per Share
From	To	RM
22 September 1999	22 September 2004	16.77

At an Extraordinary General Meeting ("EGM") of the Company held on 21 February 2002, the shareholders of the Company approved the New ESOS. The New ESOS became effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012. The option holders of the previous ESOS are allowed to participate in the New ESOS provided they relinquish their outstanding option under the previous ESOS.

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

On 2 September 2002 and 29 November 2002, options were offered pursuant to the New ESOS and the outstanding options granted are exercisable as follows:

Option Expiry Date	Subscription Price Per Share RM	No. of Unissued Shares
11 August 2012	10.32	14,157,000
11 August 2012	8.50	240,000
		14,397,000

The option granted under the New ESOS can only be exercised by option holders in the third year from the date of offer and the number of new shares comprised in the option which the option holders can subscribe for from the third year onwards shall at all times be subject to the following maximum percentage of new shares comprised in the options:

Year 3 to 9 : 12.5% rounded up to the next 1,000 shares for each of the year
Year 10 : 12.5% or balance of all options allotted

25. RESERVES

	Group		Company	
	2002	2001	**2002**	2001
Non-Distributable Reserves:				
Share Premium	**33.3**	33.3	**33.3**	33.3
Capital Redemption Reserves	**0.1**	0.1	**-**	-
Reserve on Exchange Differences	**2.9**	4.2	**-**	-
Distributable Reserves:				
Unappropriated Profit	**3,241.9**	2,729.0	**4,606.4**	4,118.1
	3,278.2	2,766.6	**4,639.7**	4,151.4

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank RM3,684.2 million (2001: RM3,271.0 million) of the Company's unappropriated profit if distributed by way of dividends without additional tax liabilities being incurred.

In addition, the Company has tax exempt income as at 31 December 2002, available to frank as tax exempt dividends arising mainly from the Promotions of Investment Act, 1986 and the Income Tax (Amendment) Act, 1999 relating to tax on income earned in 1999 being waived, amounting to approximately RM1,760.1 million (2001: RM1,751.6 million). The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

26. OTHER LONG TERM LIABILITY

Other long term liability represents the advance membership fees relating to fees received on sale of time share units by a subsidiary company offering a time-share ownership scheme.

27. DEFERRED TAXATION

	Group		Company	
	2002	2001	**2002**	2001
Excess of capital allowances over depreciation	**76.7**	46.2	**74.8**	46.1
Timing differences arising from provision	**(21.3)**	(19.9)	**(20.6)**	(19.9)
	55.4	26.3	**54.2**	26.2

Subject to agreement by the Inland Revenue Board, the Group has potential deferred tax benefits, of which the tax effects not taken up in the financial statements, as follows:

	2002	2001
Unutilised tax losses	**18.7**	18.2
Unutilised capital allowances	**83.4**	65.0

28. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2002	2001	**2002**	2001
Beginning of the year	**96.4**	100.0	**95.2**	99.2
Charged to income statement	**23.9**	0.4	**23.5**	0.4
Paid during the year	**(0.3)**	(0.2)	**(0.2)**	(0.2)
Provision no longer required	**-**	(3.8)	**-**	(4.2)
End of the year	**120.0**	96.4	**118.5**	95.2

29. EARNINGS PER SHARE

	Group	
	2002	2001
a) Basic earnings per share		
Net profit for the financial year (RM'million)	**642.6**	351.9
Weighted average number of ordinary shares in issue	**1,091,843,334**	1,091,843,334
Basic earnings per share (sen)	**58.9**	32.2
b) Diluted earnings per share		
Net profit for the financial year (RM'million)	**642.6**	351.9
Weighted average number of ordinary shares adjusted as follows:		
Weighted average number of ordinary share in issue	**1,091,843,334**	1,091,843,334
Adjustment for share options granted to executives of the Company	**6,960**	-
Adjusted weighted average number of ordinary shares in issue	**1,091,850,294**	1,091,843,334
Diluted earnings per share (sen)	**58.9**	Not Applicable

30. FINANCIAL INSTRUMENTS

As at the end of the current financial year, the Group has the following financial instruments:

a) Borrowings

The Group has the following borrowings as disclosed in Note 23:

i) Foreign currency borrowings

Currency	Start date	Maturity dates	Foreign currency ('million) Hedged	Foreign currency ('million) Unhedged	Foreign currency ('million) Total	Equivalent RM ('million) Total
Singapore Dollar	26/05/2000	26/05/2003	100.0	-	100.0	221.6
US Dollar	16/06/2000	16/06/2003	26.0	-	26.0	99.4
US Dollar	25/04/2001	25/04/2003	40.0	-	40.0	152.7
US Dollar	25/04/2001	25/04/2005 to 25/04/2006	-	160.0	160.0	608.0
US Dollar	27/11/2002	27/11/2004 to 27/11/2007	-	53.0	53.0	201.4
Total						1,283.1

The Singapore Dollar ("SGD") and US Dollar ("USD") borrowings as shown above, which are obtained by three wholly owned subsidiaries of the Company. These borrowings are guaranteed by the Company and are repayable in full on the respective maturity dates.

The Group entered into two Cross Currency Swap ("CCS) agreements, the first on the start date of the SGD borrowing and the second on 3 August 2000. The effect of the two CCS agreements is to convert the SGD borrowing into a fixed rate USD58.0 million liability. The swaps terminate on the maturity of the borrowing, which is 26 May 2003.

A portion of the USD borrowings, including the USD58.0 million liability, was subsequently hedged into Ringgit Malaysia using forward foreign exchange contracts. These contracts amounting to RM473.7 million have been included in the outstanding forward foreign exchange contracts in Note (c) below. The foreign currency exposure has been hedged to the extent permitted by the Central Bank's exchange control regulations.

The fair value of the outstanding CCS agreements of the Group which has not been recognised at the balance sheet date was an unfavourable net position of RM4.6 million.

ii) Local currency borrowings

The local currency borrowings of RM371.9 million represents loan from Genting Berhad.

b) Interest Rate Swaps ("IRS")

The Group has entered into IRS contracts to manage the exposure of its borrowings to interest rate risks. With the IRS agreements, the Group receives interest at floating rate based on three months SIBOR or LIBOR and pays interest at fixed rates on the agreed notional principal amounts.

As at the current financial year end, the terms and notional principal amounts of the outstanding interest rates swap contracts of the Group are as follows:

	USD ('million)	Equivalent RM ('million)
Within one year	46.0	175.8
More than one year and less than 5 years	100.0	380.0
	146.0	555.8

30. **FINANCIAL INSTRUMENTS (Cont'd)**

b) **Interest Rate Swaps ("IRS") (Cont'd)**

The effect of the above interest rate swaps is to effectively fix the interest rate payable on part of the foreign currencies borrowings mentioned in Note (a) above.

The fair value of the outstanding interest rate swap contracts of the Group which has not been recognised at the balance sheet date was an unfavourable net position of RM33.2 million.

c) **Forward Foreign Currency Contracts**

As at the end of the current financial year, the outstanding forward foreign exchange contracts are as follows:

Currency	Transactions dates	Expiry Dates	Contract Amounts ('million)	Equivalent RM ('million)
USD	04/04/2002 to 02/10/2002	26/02/2003 to 25/07/2003	131.0	500.4

As foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

The fair value of the forward foreign currency contracts of the Group which has not been recognised at the balance sheet date was an unfavourable net position of RM83,000.

31. **PRIOR YEAR ADJUSTMENT**

During the financial year, the Group changed its accounting policy with respect to the recognition of liabilities in compliance with the new MASB Standard 19 "Events After the Balance Sheet Date".

In previous years, dividend was accrued as a liability when proposed by directors. The Group has now changed this accounting policy to recognise dividend in shareholders' equity in the year in which the obligation to pay is established in accordance with MASB Standard 19. Therefore, final dividend is now accrued as a liability after approval by shareholders at the Annual General Meeting.

This change in accounting policy has been accounted for retrospectively and has the effect on the Group's and Company's financial statements as follows:

	As previously reported	Effect of change in policy	As restated
Group			
At 31 December 2001:			
- unappropriated profit	2,666.1	62.9	2,729.0
- proposed final dividend	62.9	(62.9)	-
Company			
At 31 December 2001:			
- unappropriated profit	4,055.2	62.9	4,118.1
- proposed final dividend	62.9	(62.9)	-

The above restatement of the Group's unappropriated profit for the year ended 31 December 2001 has the effect of increasing the Net Tangible Assets Per Share from RM2.98 to RM3.03.

32. **CAPITAL COMMITMENTS**

	Group		Company	
	2002	2001	**2002**	2001
Authorised property, plant and equipment expenditure not provided for in the financial statements:				
- contracted	**194.6**	24.2	**25.4**	-
- not contracted	**421.3**	4.0	**242.5**	4.0
	615.9	28.2	**267.9**	4.0

33. CONTINGENT LIABILITY (UNSECURED)

At 31 December 2002, the Company had contingent liability in respect of guarantees issued to financial institutions for loan facilities extended to subsidiary companies as follows:

(a) Euro Medium Term Notes issued by a subsidiary company amounting to RM319.2 million (2001: RM319.2 million).

(b) Term Loan Facility granted to a subsidiary company amounting to RM760.0 million (2001: RM760.0 million).

(c) Term Loan Facility granted to a subsidiary company amounting to RM201.4 million (2001: Nil).

The details of the loans are disclosed in Note 23 and Note 30. It is anticipated that no material liabilities will arise as a result of these guarantees.

34. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

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

Tan Sri Lim Goh Tong is the Chairman of both the Company and Genting Berhad.

Tan Sri Lim Kok Thay, a son of Tan Sri Lim Goh Tong, is the President and Chief Executive of the Company and Genting Berhad; the Chairman of Star Cruises Limited, an associated company of the Company and the Chairman of Genting International PLC, a fellow subsidiary of the Company.

Quah Chek Tin, the Executive Director and Chief Operating Officer of the Company, is the Executive Director of Genting Berhad and the Alternate Director of Genting International PLC.

Justin Tan Wah Joo, the Executive Director and Executive Vice President – Leisure & Hospitality of the Company, is the Managing Director of Genting International PLC; and the Director of E-Genting Holdings Sdn Bhd, E-Genting Sdn Bhd and Genting Information Knowledge Enterprise Sdn Bhd, the fellow subsidiaries of the Company.

(a) Rendering of services

	2002	2001
Group		
Rendering of services to:		
Star Cruises Limited and its subsidiaries; an associated company (air ticket and transportation services)	**3.1**	3.8
Genting Berhad and its subsidiaries (air ticket and transportation services)	**0.5**	1.0

Sales to Star Cruises Limited and its subsidiaries and Genting Berhad and its subsidiaries are aggregated respectively because these transactions are similar in nature within the group and no single transaction is significant enough to warrant separate disclosure.

(b) Purchase of goods and services

		2002	2001
Group			
Purchase of goods from:			
- E-Genting Holdings Sdn Bhd (information technology products); a fellow subsidiary company		**6.4**	8.3
Purchase of services from:			
- Genting Berhad	(i)	**3.7**	3.4
- Genting Information Knowledge Enterprise Sdn Bhd	(ii)	**11.7**	11.5
- E-Genting Sdn Bhd	(iii)	**6.8**	7.4
- Genting World Card Services Sdn Bhd (formerly known as Genting Card Services Sdn Bhd)	(iv)	**5.7**	5.1

34. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

(i) Genting Berhad provides shared services in relation to tax, treasury, internal audit, corporate affairs, secretarial and human resource functions based on mutually agreed terms and prices.

(ii) Genting Information Knowledge Enterprise Sdn Bhd, a wholly-owned subsidiary of E-Genting Holdings Sdn Bhd which in turn is a fellow subsidiary company of the Company, provides information technology support and maintenance services for Customer Relationship Management solution; Web, eCommerce and other software and hardware related services as well as to provide services through Customer Interactive Centre based on mutually agreed terms and prices.

(iii) E-Genting Sdn Bhd, a wholly-owned subsidiary of E-Genting Holdings Sdn Bhd, provides information technology consultation, implementation, support and maintenance services for Enterprise Resource Planning solution, hardware shared services, system research and development and information technology related management and advisory services based on mutually agreed terms and price.

(iv) Genting WorldCard Services Sdn Bhd (formerly known as Genting Card Services Sdn Bhd), a wholly-owned subsidiary of E-Genting Holdings Sdn Bhd, provides management and promotion of loyalty program for Genting WorldCard based on mutually agreed terms and prices.

(c) Rental and related services

	2002	2001
Group		
Rental of premises to:		
- Oriregal Creations Sdn Bhd	**1.3**	1.2
Rental of premises from:		
- Oakwood Sdn Bhd, a fellow subsidiary company	**2.6**	2.2

The spouse of Tan Sri Lim Goh Tong is a director and substantial shareholder of Oriregal Creations Sdn Bhd ("Oriregal").

Rental of space to third parties is negotiated based on, amongst other factors, space, size, location and nature of businesses operated by the tenants. Businesses operated by Oriregal provide basic shopping facilities to visitors and basic canteen facilities primarily catered to staff working at Genting Highlands Resort. These facilities have been long established and the rentals have been negotiated on this basis taking into account the other aforementioned factors.

The rental charges to Oriregal are transacted at commercial rates except for the rental of premises at the Resort Hotel which is 23% lower than similar premises as they are located at a low traffic area.

(d) Licence agreement

During the financial year, the Group paid a total licensing fees of RM85.0 million (2001: RM75.2 million) to Genting Berhad for the use of name and accompanying logo of "Genting" and "Awana" based on agreed terms and prices.

(e) Sales and Marketing arrangements

During the financial year, the Group paid a total amount of RM 21.6 million (2001: RM18.4 million) to Genting International PLC, a fellow subsidiary company, for the services provided as the exclusive international sales and marketing coordinator for Genting Highlands Resort based on agreed terms and prices.

(f) Management agreements

	2002	2001
Group		
- Genting Hotel & Resorts Management Sdn Bhd	**237.2**	208.6
- Awana Hotels & Resorts Management Sdn Bhd	**1.9**	2.4

Genting Hotel & Resorts Management Sdn Bhd, a fellow subsidiary company, provides technical know-how and management expertise in the resort's operations for Genting Highlands Resort.

Awana Hotels & Resorts Management Sdn Bhd, a fellow subsidiary company, provides technical know-how and management expertise in the resort's operations for Awana chain of hotels and resorts as well as the Time Sharing Scheme for Awana Vacation Resorts Development Berhad.

The above services are undertaken on agreed terms and rates.

35. SUBSIDIARY COMPANIES

	Effective Percentage of Ownership 2002	Effective Percentage of Ownership 2001	Country of Incorporation	Principal Activities
Direct Subsidiary Companies				
Genting Golf Course Bhd	**100**	100	Malaysia	Condotel and hotel business, golf resort and property development
First World Hotels & Resorts Sdn Bhd	**100**	100	Malaysia	Hotel business
Genting Highlands Berhad	**100**	100	Malaysia	Land and property development
Genting Utilities & Services Sdn Bhd	**100**	100	Malaysia	Provision of utilities services
Setiabahagia Sdn Bhd	**100**	100	Malaysia	Property investment
Setiaseri Sdn Bhd	**100**	100	Malaysia	Property investment
Vestplus Sdn Bhd	**100**	100	Malaysia	Property investment
Gentinggi Sdn Bhd	**100**	100	Malaysia	Investment holding
Sierra Springs Sdn Bhd	**100**	100	Malaysia	Investment holding
Resorts World Tours Sdn Bhd	**100**	100	Malaysia	Provision of tour and travel related services
Kijal Facilities Services Sdn Bhd	**100**	100	Malaysia	Property management
* Vestplus (Hong Kong) Limited	**100**	100	Hong Kong	Pre-operating
Leisure & Cafe Concept Sdn Bhd	**100**	100	Malaysia	Karaoke business
Genting Studio Sdn Bhd	**100**	100	Malaysia	Agent to procure/produce programmes
Resorts Tavern Sdn Bhd	**100**	100	Malaysia	Land and property development
Seraya Mayang Sdn Bhd	**100**	100	Malaysia	Investment holding
Genting Centre of Excellence Sdn Bhd	**70**	70	Malaysia	Training services
Genting Leisure Sdn Bhd	**100**	100	Malaysia	Investment holding
Genting Entertainment Sdn Bhd	**100**	100	Malaysia	Show agent
Genting Skyway Sdn Bhd	**100**	100	Malaysia	Provision of cable car services
Awana Vacation Resorts Development Berhad	**100**	100	Malaysia	Proprietary timeshare ownership scheme
Genting Theme Park Sdn Bhd	**100**	100	Malaysia	Pre-operating
* Vestplus (Thailand) Limited	**91**	91	Thailand	Pre-operating
Delquest Sdn Bhd	**100**	100	Malaysia	Investments
First World Entertainment Sdn Bhd	**-**	100	Malaysia	De-registered
First World Equities Sdn Bhd	**-**	100	Malaysia	De-registered
First World Food Services Sdn Bhd	**-**	100	Malaysia	De-registered
First World Leisure Sdn Bhd	**-**	100	Malaysia	De-registered
First World Management Services Sdn Bhd	**-**	100	Malaysia	De-registered
First World Theme Park Sdn Bhd	**-**	100	Malaysia	De-registered
Resorts World (Labuan) Limited	**100**	100	Labuan, Malaysia	General trading
RWB (Labuan) Limited	**100**	100	Labuan, Malaysia	General trading
Resorts International (Labuan) Limited	**100**	-	Labuan, Malaysia	General trading
Ikhlas Tiasa Sdn Bhd	**100**	-	Malaysia	Pre-operating
Resorts World Spa Sdn Bhd (formerly known as Gracepac Sdn Bhd)	**100**	-	Malaysia	Pre-operating
Indirect Subsidiary Companies				
Resorts Facilities Services Sdn Bhd (formerly known as Genting Property Management Sdn Bhd)	**100**	100	Malaysia	Property management
Genasa Sdn Bhd	**100**	100	Malaysia	Sale and letting of apartment
Gentasa Sdn Bhd	**100**	100	Malaysia	Pre-operating
Gentas Sdn Bhd	**100**	100	Malaysia	Pre-operating
Genmas Sdn Bhd	**100**	100	Malaysia	Pre-operating
Genas Sdn Bhd	**100**	100	Malaysia	Pre-operating
Genawan Sdn Bhd	**100**	100	Malaysia	Pre-operating
Gensa Sdn Bhd	**100**	100	Malaysia	Pre-operating
Gentinggi Quarry Sdn Bhd	**100**	100	Malaysia	Pre-operating
* Resorts World Limited	**100**	100	Isle of Man	Investment holding
* R.W. Investments Limited	**100**	100	Isle of Man	Dormant

35. SUBSIDIARY COMPANIES (Cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2002	2001		
* Resorts Overseas Investments Limited	**100**	100	Isle of Man	Investment holding
Rantau Cempaka (M) Sdn Bhd	**-**	100	Malaysia	De-registered
Genting World Sdn Bhd	**100**	100	Malaysia	Leisure and entertainment business
Kijal Resort Sdn Bhd	**100**	100	Malaysia	Property development and property management
Widuri Pelangi Sdn Bhd	**100**	100	Malaysia	Golf resort and hotel business
* Lafleur Limited	**100**	100	Isle of Man	Investment holding
Genting Administrative Services Sdn Bhd	**100**	100	Malaysia	Investment holding
Resorts World Properties Sdn Bhd	**100**	100	Malaysia	Investment holding
Papago Sdn Bhd	**100**	100	Malaysia	Resorts and hotel business
Merriwa Sdn Bhd	**100**	100	Malaysia	Pre-operating
Nippontech Resources Sdn Bhd	**-**	100	Malaysia	De-registered
Twinmatics Sdn Bhd	**100**	100	Malaysia	Pre-operating
Twinsurf Sdn Bhd	**-**	100	Malaysia	De-registered
Dutabay Sdn Bhd	**-**	100	Malaysia	De-registered
Bandar Pelabuhan Sdn Bhd	**60**	60	Malaysia	Investment holding
Twinkle Glow Sdn Bhd	**60**	60	Malaysia	Pre-operating
Tullamarine Sdn Bhd	**60**	60	Malaysia	Pre-operating
Jomara Sdn Bhd	**60**	60	Malaysia	Pre-operating
Sweet Bonus Sdn Bhd	**60**	60	Malaysia	Pre-operating
Vintage Action Sdn Bhd	**60**	60	Malaysia	Pre-operating
Yarrawin Sdn Bhd	**60**	60	Malaysia	Pre-operating
Hitechwood Sdn Bhd	**60**	60	Malaysia	Pre-operating
Rapallo Sdn Bhd	**60**	60	Malaysia	Pre-operating
Laserwood Sdn Bhd	**60**	60	Malaysia	Pre-operating
Space Fair Sdn Bhd	**60**	60	Malaysia	Pre-operating
Waxwood Sdn Bhd	**60**	60	Malaysia	Dormant
Neutrino Space Sdn Bhd	**60**	60	Malaysia	Pre-operating
Possible Affluent Sdn Bhd	**60**	60	Malaysia	Pre-operating

* The financial statements of these companies are audited by overseas firms / Chartered Accountant affiliated with Messrs. PricewaterhouseCoopers, Malaysia.

• STATEMENT ON DIRECTORS' RESPONSIBILITY •

Pursuant To Paragraph 15.27(a) Of The Listing Requirements Of The Kuala Lumpur Stock Exchange

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 applicable approved accounting standards 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 2002.

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 3 March 2003.

• 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 36 to 66 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 3 March 2003	)	**KOH POY YONG**

Before me,

DATO' NG MANN CHEONG
Commissioner for Oaths
Kuala Lumpur

• REPORT OF THE AUDITORS •

To The Members Of Resorts World Bhd

We have audited the financial statements set out on pages 36 to 66. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :

   i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

   ii) the state of affairs of the Group and Company as at 31 December 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 35 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

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

PRICEWATERHOUSECOOPERS
(No. AF-1146)
Chartered Accountants

LEE TUCK HENG
(No. 2092/09/04(J))
Partner of the firm

Kuala Lumpur
3 March 2003