

FINANCIAL STATEMENTS

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Income Statements

for the financial year ended 31 December 2005

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2005	2004	2005	2004
Revenue	5 & 6	3,614.0	2,838.9	3,199.0	2,580.6
Cost of sales	7	(2,129.3)	(1,759.5)	(1,895.6)	(1,542.9)
Gross profit		1,484.7	1,079.4	1,303.4	1,037.7
Other income		45.4	31.7	58.4	54.1
Selling and distribution costs		(67.7)	(57.9)	(44.1)	(36.8)
Administration expenses		(102.3)	(89.4)	(87.2)	(68.9)
Other expenses		(34.6)	(74.3)	(99.0)	(35.7)
Profit from operations		1,325.5	889.5	1,131.5	950.4
Finance cost		(36.1)	(68.5)	(34.3)	(67.7)
Share of results in jointly controlled entity		0.0	-	-	-
Share of results in associates		16.4	12.9	-	-
Profit from ordinary activities before taxation	5, 8, 9 & 10	1,305.8	833.9	1,097.2	882.7
Taxation:					
- Company and subsidiaries		(333.8)	(79.6)	(326.1)	(75.9)
- Share of tax in associates		(3.8)	(1.3)	-	-
	11	(337.6)	(80.9)	(326.1)	(75.9)
Profit from ordinary activities after taxation		968.2	753.0	771.1	806.8
Minority shareholders' interests		0.4	0.4	-	-
Net profit for the financial year		968.6	753.4	771.1	806.8
Basic earnings per share (sen)	12	88.7	69.0		
Diluted earnings per share (sen)	12	88.7	69.0		
Gross dividends per share (sen)	13	24.0	20.0		

The notes set out on pages 56 to 91 form part of these financial statements.

Balance Sheets

as at 31 December 2005

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2005	2004	2005	2004
NON-CURRENT ASSETS					
Property, plant and equipment	14	3,542.2	3,383.9	1,843.2	1,741.5
Land held for property development	15	186.1	186.1	-	-
Subsidiaries	16	-	-	4,601.0	4,379.7
Jointly controlled entity	17	1.1	-	-	-
Associates	18	2,093.2	2,070.3	-	7.5
Other long term investments	19	249.5	3.3	3.1	3.1
Trade and other receivables	20	13.5	17.3	-	-
		6,085.6	5,660.9	6,447.3	6,131.8
CURRENT ASSETS					
Inventories	21	53.5	47.4	25.9	20.6
Trade and other receivables	20	126.7	112.5	87.9	70.5
Amount due from subsidiaries	16	-	-	985.0	1,116.0
Amount due from other related companies	22	7.4	3.8	3.1	1.6
Amount due from associates	18	0.8	3.5	0.3	1.4
Short term investments	23	276.0	374.0	275.9	258.4
Bank balances and deposits	24	438.9	371.9	420.7	354.2
		903.3	913.1	1,798.8	1,822.7
LESS : CURRENT LIABILITIES					
Trade and other payables	25	475.5	507.5	388.1	401.9
Amount due to holding company	22	10.4	12.9	10.2	12.7
Amount due to subsidiaries	16	-	-	606.3	992.0
Amount due to other related companies	22	41.6	21.5	37.5	19.7
Amount due to associates	18	-	14.4	-	11.7
Short term borrowings	26	396.1	414.3	-	-
Taxation		99.3	38.5	99.1	38.2
		1,022.9	1,009.1	1,141.2	1,476.2
NET CURRENT (LIABILITIES)/ASSETS		(119.6)	(96.0)	657.6	346.5
		5,966.0	5,564.9	7,104.9	6,478.3
FINANCED BY					
SHARE CAPITAL	27	545.9	545.9	545.9	545.9
RESERVES	28	5,029.5	4,207.1	6,399.9	5,793.5
		5,575.4	4,753.0	6,945.8	6,339.4
SHAREHOLDERS' EQUITY		8.5	8.9	-	-
MINORITY INTERESTS					
NON-CURRENT LIABILITIES					
Long term borrowings	26	137.6	580.7	-	-
Other long term liability	29	32.0	33.8	-	-
Deferred taxation	30	173.1	157.2	121.7	109.0
Provision for retirement gratuities	31	39.4	31.3	37.4	29.9
		382.1	803.0	159.1	138.9
		5,966.0	5,564.9	7,104.9	6,478.3
NET ASSETS PER SHARE		RM5.11	RM4.35		
NET TANGIBLE ASSETS PER SHARE		RM5.11	RM4.35		

The notes set out on pages 56 to 91 form part of these financial statements.

Statements Of Changes In Equity

for the financial year ended 31 December 2005

Amounts in RM million unless otherwise stated

Group	Note	Share Capital	Share Premium	Other Reserves	Unappropriated Profit	Total
Balance at 1 January 2004		545.9	33.3	6.8	3,559.4	4,145.4
Net profit for the financial year		-	-	-	753.4	753.4
Appropriation:						
Final dividend paid for the financial year ended 31 December 2003 (9.5 sen less 28% income tax)	13	-	-	-	(74.7)	(74.7)
Interim dividend paid for the financial year ended 31 December 2004 (9.0 sen less 28% income tax)	13	-	-	-	(70.8)	(70.8)
Other movements		-	-	(0.3)	-	(0.3)
Balance at 31 December 2004		545.9	33.3	6.5	4,167.3	4,753.0
Balance at 1 January 2005		545.9	33.3	6.5	4,167.3	4,753.0
Issue of shares (see Note 27)		0.0	0.4	-	-	0.4
Net profit for the financial year		-	-	-	968.6	968.6
Appropriation:						
Final dividend paid for the financial year ended 31 December 2004 (11.0 sen less 28% income tax)	13	-	-	-	(86.5)	(86.5)
Interim dividend paid for the financial year ended 31 December 2005 (10.0 sen less 28% income tax)	13	-	-	-	(78.6)	(78.6)
Other movements		-	-	18.5	-	18.5
Balance at 31 December 2005		545.9	33.7	25.0	4,970.8	5,575.4

The notes set out on pages 56 to 91 form part of these financial statements.

Statements Of Changes In Equity

for the financial year ended 31 December 2005 (cont'd)

Amounts in RM million unless otherwise stated

Company	Note	Non-Distributable		Distributable	Total
		Share Capital	Share Premium	Unappropriated Profit	
Balance at 1 January 2004		545.9	33.3	5,098.9	5,678.1
Net profit for the financial year		-	-	806.8	806.8
Appropriation:					
Final dividend paid for the financial year ended 31 December 2003 (9.5 sen less 28% income tax)	13	-	-	(74.7)	(74.7)
Interim dividend paid for the financial year ended 31 December 2004 (9.0 sen less 28% income tax)	13	-	-	(70.8)	(70.8)
Balance at 31 December 2004		545.9	33.3	5,760.2	6,339.4
Balance at 1 January 2005		545.9	33.3	5,760.2	6,339.4
Issue of shares (see Note 27)		0.0	0.4	-	0.4
Net profit for the financial year		-	-	771.1	771.1
Appropriation:					
Final dividend paid for the financial year ended 31 December 2004 (11.0 sen less 28% income tax)	13	-	-	(86.5)	(86.5)
Interim dividend paid for the financial year ended 31 December 2005 (10.0 sen less 28% income tax)	13	-	-	(78.6)	(78.6)
Balance at 31 December 2005		545.9	33.7	6,366.2	6,945.8

The notes set out on pages 56 to 91 form part of these financial statements.

Cash Flow Statements

for the financial year ended 31 December 2005

Amounts in RM million unless otherwise stated

	Group		Company	
	2005	2004	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit from ordinary activities before taxation	1,305.8	833.9	1,097.2	882.7
Adjustments for:				
Depreciation of property, plant and equipment	232.7	210.9	144.4	114.0
Property, plant and equipment written off	0.2	19.5	0.1	15.5
Gain on disposal of property, plant and equipment	(0.3)	(0.6)	(0.1)	(0.4)
Development expenditure written off	-	15.1	-	-
Impairment loss on property, plant and equipment	-	13.9	-	0.1
Impairment loss on investment in subsidiary	-	-	75.4	-
Additional gain from disposal of related corporation	(9.0)	-	-	-
Gain on disposal of associate	-	-	(10.0)	-
Gain on disposal of short term investments	(113.3)	(0.6)	-	-
Gain on disposal of investment in a subsidiary	(9.2)	-	-	-
Investment income	(0.0)	(0.0)	-	-
Interest income	(12.0)	(18.7)	(11.3)	(18.5)
Interest income from a subsidiary	-	-	(30.6)	(27.0)
Interest expense	36.0	42.4	-	-
Interest expense to subsidiaries	-	-	34.2	41.5
Interest expense to holding company	-	26.0	-	26.0
Share of results in jointly controlled entity	(0.0)	-	-	-
Share of results in associates	(16.4)	(12.9)	-	-
Allowance for doubtful debts	4.1	0.2	0.1	0.1
Net provision for / (write-back of) retirement gratuities	9.5	7.1	8.9	6.8
Unrealised (gain)/loss on foreign exchange	(2.2)	(0.2)	1.7	0.0
	120.1	302.1	212.8	158.1
Operating profit before working capital changes	1,425.9	1,136.0	1,310.0	1,040.8
Related companies	4.2	(10.3)	4.8	(9.9)
Increase in inventories	(5.8)	(5.5)	(5.3)	(5.1)
Increase in trade and other receivables	(15.9)	(17.0)	(17.8)	(11.2)
(Decrease)/increase in trade and other payables	(8.6)	128.6	(5.8)	117.9
(Decrease)/increase in amount due to holding company	(2.5)	0.7	(2.5)	0.9
Jointly controlled entity	(0.0)	-	-	-
Associates	(0.1)	11.6	0.2	10.7
Subsidiaries	-	-	(48.0)	(24.2)
	(28.7)	108.1	(74.4)	79.1
Cash generated from operations	1,397.2	1,244.1	1,235.6	1,119.9
Retirement gratuities paid	(1.4)	(70.7)	(1.4)	(70.5)
Taxation paid	(257.5)	(245.1)	(252.5)	(240.6)
Advanced membership fees	(1.8)	4.3	-	-
	(260.7)	(311.5)	(253.9)	(311.1)
Net Cash From Operating Activities	1,136.5	932.6	981.7	808.8

The notes set out on pages 56 to 91 form part of these financial statements.

Cash Flow Statements

for the financial year ended 31 December 2005 (cont'd)

Amounts in RM million unless otherwise stated

	Group		Company	
	2005	2004	2005	2004
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(411.4)	(341.6)	(254.6)	(184.5)
Proceeds from disposal of property, plant and equipment	1.7	2.2	0.5	31.1
Purchase of investments	(1.0)	(87.9)	-	(7.5)
Subscription of shares issued by existing subsidiaries	-	-	(55.1)	(66.0)
Subscription of shares in a newly incorporated company	-	-	0.0	0.0
Additional proceeds received from disposal of related corporation	9.0	-	-	-
Proceeds from disposal of investments	-	0.9	-	-
Dividends received	0.0	0.0	-	-
Interest received	12.0	18.9	11.5	18.6
Net Cash Used In Investing Activities	(389.7)	(407.5)	(297.7)	(208.3)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(165.1)	(145.5)	(165.1)	(145.5)
Interest paid	(40.1)	(66.7)	-	(26.0)
Interest paid to subsidiaries	-	-	(36.9)	(41.0)
Borrowings from financial institutions	19.0	59.8	-	-
Proceeds from issue of shares	0.4	-	0.4	-
Repayment of borrowings	(476.5)	(50.4)	-	-
Repayment of borrowings to a subsidiary	-	-	(398.4)	(50.4)
Repayment of borrowings to holding company	-	(371.9)	-	(371.9)
Net Cash Used In Financing Activities	(662.3)	(574.7)	(600.0)	(634.8)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	84.5	(49.6)	84.0	(34.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	630.3	679.9	612.6	646.9
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	714.8	630.3	696.6	612.6
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank balances and deposits (Note 24)	438.9	371.9	420.7	354.2
Money market instruments (Note 23)	275.9	258.4	275.9	258.4
	714.8	630.3	696.6	612.6

The notes set out on pages 56 to 91 form part of these financial statements.

Notes To The Financial Statements

31 December 2005

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 services, which comprise amusement, gaming, hotel and entertainment.

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.

The principal activities of the associate include cruise and cruise related operations.

Details of the principal activities of the subsidiaries and associate are set out in Notes 37 and 18 to the financial statements respectively.

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 Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The historical cost convention modified by the revaluation of certain property, plant and equipment and land held for development, unless otherwise indicated in the individual policy statements set out in Note 3 to the financial statements, were adopted in the preparation of the financial statements.

The preparation of financial statements in conformity with the MASB approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results could differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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 acquisition 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. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Consolidation (Cont'd)

a) Subsidiaries (cont'd)

All material intra-group 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.

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.

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.

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.

c) Associates

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

Equity accounting involves recognising in the income statement the Group's share of the associates' results for the financial year. The Group's interest in associates is stated at cost net of goodwill written off, for acquisitions prior to 1 January 2004, plus adjustments to reflect changes in the Group's share of the net assets of the associates. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or made payments on behalf of the associate.

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

Borrowing Costs

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.

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 (excluding investments in subsidiaries, jointly controlled entity and associates), 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. 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 charge is made if the carrying amount exceeds the recoverable amount.

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, amortisation and impairment loss where applicable.

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.

Leasehold properties are amortised equally over their respective periods of lease, ranging from 60 to 99 years.

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

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

Where 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 the proceeds with carrying amounts and are included in profit/(loss) from operations.

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.

Cost of acquisition includes 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 these amounts as its surrogate cost as allowed by Financial Reporting Standard (FRS) 201₂₀₀₄: *Property Development Activities* (formerly known as MASB 32). 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property Development Activities (Cont'd)

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; 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).

Investments

Long term investments, both quoted and unquoted, include investments in subsidiaries, jointly controlled entities, associates and other non-current investments. Investments in subsidiaries, jointly controlled entities and associates are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

Investments in other non-current investments are shown at cost and 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. 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.

Goodwill

Goodwill represents the excess of the purchase price over the Group's share of the fair value of the identifiable net assets of the subsidiaries, jointly controlled entities and associates 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. Prior to 1 January 2004, the Group's policy was to write off goodwill to the income statement in the financial year when the acquisition occurs. The change in accounting policy is applied prospectively with effect from the current financial year as the resulting adjustment that relates to previous financial years is not reasonably determinable and impractical to reinstate. The comparative figures are therefore not restated.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Goodwill (Cont'd)

With this change, the carrying value of goodwill will be subjected to annual impairment review and whenever events or changes in circumstances indicate that it may not be recoverable. An impairment charge will be recognised in the income statement when the results of such impairment review indicate that the carrying value of goodwill is impaired.

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.

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 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.

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Employee Benefits (Cont'd)

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) Equity compensation benefits

Equity compensation benefits include share options issued to eligible Executives and Executive Directors of the Company and certain subsidiaries.

The Group does not make a charge to the income statement in respect of share options granted to employees. As and when the share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital and share premium. Details of the employee share options scheme are set out in the relevant notes to the financial statements.

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 of the Group are primarily denominated in Ringgit Malaysia, whereas the financial liabilities of the Group are primarily denominated in US Dollar and 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, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

b) Financial instruments not recognised on the balance sheet (Cont'd)

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 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 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.

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 for all 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 taxable income 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 which are applicable at the balance sheet date.

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.

Foreign Currencies

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign Currencies (Cont'd)

The Group's foreign entities are those operations that are not an integral part of the operations of the Company. Income statements of these entities are translated into RM at average rates for the financial year and the balance sheets are translated at the financial year end rates. Exchange differences arising from the translation of income statements at average rates and balance sheets at year end rates, and the restatement at year end rates of the opening net investments in such subsidiaries and associates are taken to reserves.

Fair value adjustments and goodwill arising on the acquisition of a foreign entity are treated as assets or 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 rates	
	2005	2004
US Dollar	3.7785	3.8000
Sterling Pound	6.5260	7.3308
Australian Dollar	2.7740	2.9623
Singapore Dollar	2.2729	2.3280
Hong Kong Dollar	0.4873	0.4888

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 is renewable every three months.

The revenue relating to property development projects are recognised progressively as the project activity progresses and are in respect of sales where agreements have been finalised. The recognition of revenue is based on the percentage of completion method and is consistent with the method adopted for profit recognition.

Sales of short term investments are accounted for when the contracts are executed.

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 unappropriated profit and accrued as a liability in the financial year in which the obligation to pay is established.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Segmental Reporting (Cont'd)

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 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

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

Market risk

The Group, in the normal course of business, is exposed to market risks in respect of its equity investments. 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.

5. SEGMENT ANALYSIS

a) Primary segment - by activity

2005 Group Revenue	Leisure & Hospitality	Properties	Other	Eliminations	Total
External	3,476.5	7.4	130.1	-	3,614.0
Inter segment	1.6	11.4	49.2	(62.2)	-
	3,478.1	18.8	179.3	(62.2)	3,614.0
Results					
Segment profit/(loss)	1,170.9	3.3	139.3	-	1,313.5
Interest income					12.0
Finance cost					(36.1)
Share of results in jointly controlled entity			0.0		0.0
Share of results in associate	16.4				16.4
Profit from ordinary activities before taxation					1,305.8
Taxation					(337.6)
Profit from ordinary activities after taxation					968.2
Minority shareholders' interest					0.4
Net profit for the financial year					968.6
Other Information:					
Assets					
Segment assets	3,878.4	424.7	297.2	(164.9)	4,435.4
Interest bearing instruments					438.4
Jointly controlled entity			1.1		1.1
Associate	2,093.2				2,093.2
Unallocated corporate assets					20.8
Total assets					6,988.9
Liabilities					
Segment liabilities	700.9	43.3	19.6	(164.9)	598.9
Interest bearing instruments					533.7
Unallocated corporate liabilities					272.4
Total liabilities					1,405.0
Other Disclosures					
Capital expenditure incurred	392.7	0.3	1.2	-	394.2
Depreciation charged	229.2	2.2	1.3	-	232.7
Other significant non-cash items :					
- charges	16.1	-	0.1	-	16.2
- credits	0.3	0.1	136.0	-	136.4

5. SEGMENT ANALYSIS (Cont'd)

a) Primary segment - by activity (Cont'd)

2004 Group Revenue	Leisure & Hospitality	Properties	Other	Eliminations	Total
External	2,813.6	7.4	17.9	-	2,838.9
Inter segment	1.1	7.2	42.1	(50.4)	-
	2,814.7	14.6	60.0	(50.4)	2,838.9
Results					
Segment profit/(loss)	879.6	(11.8)	3.0	-	870.8
Interest income					18.7
Finance cost					(68.5)
Share of results in associates	12.9				12.9
Profit from ordinary activities before taxation					833.9
Taxation					(80.9)
Profit from ordinary activities after taxation					753.0
Minority shareholders' interest					0.4
Net profit for the financial year					753.4
Other Information:					
Assets					
Segment assets	3,564.6	454.3	160.8	(132.4)	4,047.3
Interest bearing instruments					436.9
Associates	2,070.3				2,070.3
Unallocated corporate assets					19.5
Total assets					6,574.0
Liabilities					
Segment liabilities	637.5	63.2	46.5	(132.4)	614.8
Interest bearing instruments					1,001.6
Unallocated corporate liabilities					195.7
Total liabilities					1,812.1
Other Disclosures					
Capital expenditure incurred	358.4	0.4	0.3	-	359.1
Depreciation charged	205.2	2.2	3.5	-	210.9
Property, plant and equipment written off	19.5	-	-	-	19.5
Impairment loss	13.9	-	-	-	13.9
Development expenditure written off	-	15.1	-	-	15.1
Other significant non-cash items					
- charges	6.5	-	0.1	-	6.6
- credits	-	-	0.6	-	0.6

The Group is organised into two main business segments:

- Leisure & Hospitality - this division includes the hotel, gaming, cruise & cruise related operations, entertainment 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 sizes to be reported separately. All intersegment sales are conducted on an arms length basis.

b) Secondary segment – by geographical location

Group	Revenue		Total Assets		Capital Expenditure	
	2005	2004	2005	2004	2005	2004
Malaysia	3,500.7	2,838.0	4,554.5	4,370.4	394.2	359.1
Other Countries	113.3	0.9	341.2	133.3	-	-
	3,614.0	2,838.9	4,895.7	4,503.7	394.2	359.1
Associates			2,093.2	2,070.3		
			6,988.9	6,574.0		

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	
	2005	2004	2005	2004
Rendering of services:				
Leisure & hospitality	3,476.5	2,813.6	3,199.0	2,580.6
Rental and properties management income	6.9	7.4	-	-
Other services	16.8	17.0	-	-
Sale of properties	0.5	-	-	-
Gain from sale of investments	113.3	0.9	-	-
	3,614.0	2,838.9	3,199.0	2,580.6

7. COST OF SALES

	Group		Company	
	2005	2004	2005	2004
Cost of inventories recognised as an expense	96.3	81.3	61.8	54.4
Cost of services and other operating costs	2,033.0	1,678.2	1,833.8	1,488.5
	2,129.3	1,759.5	1,895.6	1,542.9

8. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

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

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Charges:				
Depreciation of property, plant and equipment	232,721	210,886	144,356	113,969
Property, plant and equipment written off	167	19,501	73	15,504
Impairment loss on property, plant and equipment	-	13,876	-	127
Impairment loss on investment in subsidiary	-	-	75,359	-
Development expenditure written off	-	15,080	-	-
Hire of equipment	8,775	7,783	6,599	6,035
Rental of land and buildings	1,586	1,865	309	368
Directors' remuneration excluding estimated money value of benefits-in-kind (Note 10)	40,650	35,948	40,635	35,941
Auditors' remuneration	372	352	144	131
Allowance for doubtful debts	4,101	182	110	87
Finance cost	36,143	42,588	-	-
Net exchange losses/(gain):				
- Realised	865	2,978	1,218	3,097
- Unrealised	(2,231)	(159)	1,759	12
Charges by holding company:				
- Licensing fees	115,659	94,459	112,648	92,025
- Shared services fees	4,130	3,859	3,662	3,376
- Finance cost	-	25,960	-	25,960
Charges by other related companies:				
- Management fees	290,028	232,964	278,647	224,085
- Rental of land and buildings	3,097	2,871	2,704	2,601
- Hire of equipment	4,848	98	4,791	96
- Shared services fees	17,723	182	14,635	13
- Commissions	46,135	31,850	35,326	25,426
- Marketing fees	480	480	480	480
- Royalty fees	2,352	-	2,352	-
Charges by subsidiaries:				
- Finance cost	-	-	34,278	41,685
- Management fees	-	-	228	113
- Hire of equipment	-	-	2,492	2,264
- Rental of land and buildings	-	-	29,747	13,466
Charges by associates:				
- Hire of equipment	-	4,035	-	3,999
- Shared services fees	-	12,441	-	11,272
- Commissions	-	7,053	-	3,943
Credits:				
Interest income	11,981	18,720	11,340	18,491
Rental income from land and buildings	39,564	35,501	13,358	12,787
Rental of equipment	947	859	243	292
Gross dividends from quoted foreign corporations	2	1	-	-
Additional gain from the disposal of a related corporation (Note 34)	8,999	-	-	-
Gain on disposal of short term investments	-	557	-	-
Gain on disposal of property, plant and equipment	260	602	59	410
Income from other related companies:				
- Gain on disposal of subsidiary	9,191	-	-	-
- Gain on disposal of short term investments	113,333	-	-	-
- Rental of land and building	242	-	-	-
- Sales of air tickets	1,276	677	-	-
Income from associate:				
- Rental of land and building	-	58	-	58
Income from subsidiaries:				
- Interest income	-	-	30,613	27,033
- Gain on disposal of associate	-	-	9,980	-
- Rental of land and buildings	-	-	6,496	5,265
Other information:				
Non statutory audit fees				
- payable to auditors				
- current	231	74	163	8
- overprovision in prior year	(9)	-	-	-

9. STAFF COSTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Wages, salaries and bonuses	308,898	270,991	260,585	228,624
Defined contribution plan	36,574	33,497	30,889	28,336
Other short term employee benefits	37,791	32,727	26,962	23,011
Provision for retirement gratuities	9,511	7,086	8,903	6,801
	392,774	344,301	327,339	286,772
Number of employees at financial year end ('000)	12.3	10.8	8.8	7.9

Staff costs, as shown above, include the remuneration of Executive Directors.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Non-executive Directors:				
- Fees	249	237	234	230
- Ex-gratia	147	-	147	-
Executive Directors:				
- Fees	330	345	330	345
- Salaries and bonuses	30,751	28,697	30,751	28,697
- Defined contribution plan	4,223	3,954	4,223	3,954
- Other short term employee benefits	528	527	528	527
- Provision for retirement gratuities	4,422	2,188	4,422	2,188
Directors' Remuneration excluding estimated money value of benefits-in-kind (Note 8)	40,650	35,948	40,635	35,941
Estimated money value of benefits-in-kind (not charged to the income statements) in respect of Executive Director	719	233	719	233
	41,369	36,181	41,354	36,174

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	
	2005	2004
Non-executive Directors		
- 50 and below	1	4
- 50 to 100	3	-
- 150 to 200	1	-
Executive Directors		
- 800 to 850	-	1
- 850 to 900	2	-
- 900 to 950	-	2
- 950 to 1,000	1	-
- 1,000 to 1,050	-	1
- 1,050 to 1,100	1	-
- 32,200 to 32,250	-	1
- >36,700	1	-

10. DIRECTORS' REMUNERATION (Cont'd)

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 27) as follows:

Grant Date	Subscription price per share RM	No. of Unissued Shares			At end of the year '000
		At start of the year '000	Granted '000	Relinquished/lapsed '000	
Financial year ended 31.12.2005:					
2.9.2002	10.32	2,250	-	-	2,250
Financial year ended 31.12.2004:					
2.9.2002	10.32	2,250	-	-	2,250

The number of share options vested at the balance sheet date is 816 thousand shares (2004: Nil).

11. TAXATION

	Group		Company	
	2005	2004	2005	2004
Current Taxation:				
Malaysian taxation	317.9	54.1	313.4	51.1
Deferred tax charge/(credit) (Note 30)	15.9	25.5	12.7	24.8
Share of tax in associates	3.8	1.3	-	-
	337.6	80.9	326.1	75.9
Current taxation:				
Current year	321.3	246.4	317.4	243.0
Over provided in prior years	(3.4)	(192.3)	(4.0)	(191.9)
	317.9	54.1	313.4	51.1
Deferred taxation:				
Origination and reversal of temporary differences	23.8	5.3	14.6	4.6
(Over)/under provided in prior years	(2.0)	20.2	(1.9)	20.2
Benefit from previously unrecognised temporary differences	(5.9)	-	-	-
	15.9	25.5	12.7	24.8

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

	Group		Company	
	2005 %	2004 %	2005 %	2004 %
Malaysia tax rate:	28.0	28.0	28.0	28.0
Tax effects of:				
- expenses not deductible for tax purposes	0.9	4.0	3.3	2.5
- different tax regime	(2.1)	(0.3)	-	-
- income not subject to tax	(0.2)	(0.1)	(1.0)	(0.9)
- tax incentive	(0.1)	(1.3)	(0.1)	(1.2)
- previously unrecognised temporary differences	(0.5)	-	-	-
- over provided in prior years	(0.3)	(20.6)	(0.5)	(19.5)
- others	0.2	-	-	(0.3)
Average effective tax rate	25.9	9.7	29.7	8.6

11. TAXATION (Cont'd)

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 RM69.0 million as at the financial year end (2004: RM68.6 million).

Subject to the agreement by the Inland Revenue Board, the Group has investment tax allowance of approximately RM1,275.9 million (2004: RM1,251.5 million) which is available to set off against future taxable profits of the respective companies of the Group.

12. EARNINGS PER SHARE

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

a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2005	2004
Net profit for the financial year (RM million)	968.6	753.4
Weighted average number of ordinary shares in issue	1,091,850,753	1,091,843,334
Basic earnings per share (sen)	88.7	69.0

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	
	2005	2004
Net profit for the financial year (RM million)	968.6	753.4
Weighted average number of ordinary shares adjusted as follows:		
Weighted average number of ordinary shares in issue	1,091,850,753	1,091,843,334
Adjustment for share options granted to executives of the Company	148,520	29,409
Adjusted weighted average number of ordinary shares in issue	1,091,999,273	1,091,872,743
Diluted earnings per share (sen)	88.7	69.0

13. DIVIDENDS

	2005		2004	
	Gross dividend per share Sen	Amount of dividend (net of 28% tax) RM million	Gross dividend per share Sen	Amount of dividend (net of 28% tax) RM million
Interim dividend paid	10.0	78.6	9.0	70.8
Proposed final dividend	14.0	110.1	11.0	86.5
	24.0	188.7	20.0	157.3

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2005 of 14.0 sen less 28% tax (2004: 11.0 sen less 28% tax) per ordinary share of 50 sen each amounting to RM110.1 million (2004: RM86.5 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	Long leasehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
At cost:						
At 1 January 2005	222.6	106.3	2,938.1	1,709.1	136.1	5,112.2
Additions	-	-	5.2	127.0	262.0	394.2
Disposals	-	-	(1.9)	(14.7)	-	(16.6)
Written off	-	-	-	(20.1)	-	(20.1)
Reclassification/adjustment/ transfer	-	-	249.5	122.3	(373.6)	(1.8)
At 31 December 2005	222.6	106.3	3,190.9	1,923.6	24.5	5,467.9
Accumulated depreciation:						
At 1 January 2005	-	6.6	498.8	1,209.0	-	1,714.4
Charge for the financial year	-	1.0	67.0	164.7	-	232.7
Disposals	-	-	(1.3)	(13.9)	-	(15.2)
Written off	-	-	-	(19.9)	-	(19.9)
Reclassification/adjustment/ transfer	-	-	(0.2)	-	-	(0.2)
At 31 December 2005	-	7.6	564.3	1,339.9	-	1,911.8
Accumulated impairment losses:						
At 1 January/31 December 2005	-	0.1	13.7	0.1	-	13.9
Net book value at 31 December 2005	222.6	98.6	2,612.9	583.6	24.5	3,542.2
Net book value at 31 December 2004	222.6	99.6	2,425.6	500.0	136.1	3,383.9
Company						
At cost:						
At 1 January 2005	87.2	0.5	1,646.8	1,183.1	59.6	2,977.2
Additions	-	-	0.2	101.7	145.8	247.7
Disposals	-	-	-	(12.3)	-	(12.3)
Written off	-	-	-	(19.6)	-	(19.6)
Reclassification/adjustment	-	-	124.5	57.4	(183.0)	(1.1)
At 31 December 2005	87.2	0.5	1,771.5	1,310.3	22.4	3,191.9
Accumulated depreciation:						
At 1 January 2005	-	0.0	366.3	869.4	-	1,235.7
Charge for the financial year	-	0.1	40.4	103.9	-	144.4
Disposals	-	-	-	(11.9)	-	(11.9)
Written off	-	-	-	(19.5)	-	(19.5)
At 31 December 2005	-	0.1	406.7	941.9	-	1,348.7
Net book value at 31 December 2005	87.2	0.4	1,364.8	368.4	22.4	1,843.2
Net book value at 31 December 2004	87.2	0.5	1,280.5	313.7	59.6	1,741.5

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2005	2004
Freehold land - at cost	186.1	186.1
At 1 January		
- freehold land at cost	186.1	189.0
- development costs	-	12.2
Development expenditure written off		
- freehold land at cost	-	(2.9)
- development costs	-	(12.2)
At 31 December	186.1	186.1

16. SUBSIDIARIES

	Company	
	2005	2004
Investment in subsidiaries		
Unquoted shares – at cost	4,676.4	4,379.7
Accumulated impairment losses	(75.4)	-
	4,601.0	4,379.7

The subsidiaries are listed in Note 37.

Included in the amount due from subsidiaries is an interest bearing amount of RM638.4 million (2004: RM638.4 million). Included in the amount due to subsidiaries are interest bearing advances from three wholly-owned subsidiaries amounting to RM533.7 million (2004: RM935.2 million). These amounts are unsecured and have no fixed terms of repayment.

The weighted average interest rates (%) per annum at the end of the financial year are as follows:

	Company	
	2005	2004
Amount due from a subsidiary	4.8	4.5
Amount due to subsidiaries	4.8	4.5

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

17. JOINTLY CONTROLLED ENTITY

	Group	
	2005	2004
Unquoted - at cost:		
Shares in a Malaysian company	1.1	-
Group's share of post acquisition reserves	0.0	-
	1.1	-

On 2 June 2004, the Company announced that Genting Irama Sdn Bhd ("GISB"), a wholly-owned subsidiary of the Company, had signed a Joint Venture Agreement ("JVA") with INTI Higher Learning Centre Sdn Bhd ("IHLC"), to establish a joint venture company for the purpose of operating a college to be named as Kolej Antarabangsa Genting INTI. Genting INTI Education Sdn Bhd was incorporated on 21 July 2004 with an issued and paid-up share capital of 200,000 ordinary shares of RM1 each, which are held in equal shares by GISB and IHLC.

On 31 May 2005, the Company announced that Genting INTI Education Sdn Bhd had on 30 May 2005 increased its issued and paid-up share capital by allotting at par 2,800,000 ordinary shares of RM1 each. GISB has subscribed for an additional 950,000 ordinary shares of RM1 each in Genting INTI Education Sdn Bhd, resulting in GISB holding 1,050,000 ordinary shares of RM1 each representing 35% of the enlarged issued and paid-up share capital of Genting INTI Education Sdn Bhd.

17. JOINTLY CONTROLLED ENTITY (Cont'd)

On 7 October 2005, Genting INTI Education Sdn Bhd commenced its operation upon the approval of its education license from the Ministry of Education.

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

	Group	
	2005 RM '000	2004 RM '000
Income	559.3	-
Expenses	(543.7)	-
Net income	15.6	-
Non-current assets	412.0	-
Current assets	1,178.9	-
Non-current liabilities	(22.6)	-
Current liabilities	(502.7)	-
Net assets	1,065.6	-

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.

Details of the jointly controlled entity are as follows:

Name of Jointly Controlled Entity	Effective Percentage Of Ownership		Country of Incorporation	Principal Activities
	2005	2004		
Genting INTI Education Sdn Bhd	35	-	Malaysia	Managing a college for education, tourism, leisure & hospitality

18. ASSOCIATES

	Group		Company	
	2005	2004	2005	2004
Quoted - at cost:				
Shares in a foreign corporation	3,444.0	3,444.0	-	-
Goodwill on acquisition written off	(1,438.7)	(1,438.7)	-	-
Share of post acquisition reserves	87.9	57.5	-	-
	2,093.2	2,062.8	-	-
Unquoted - at cost:				
Shares in a Malaysian company	-	7.5	-	7.5
	2,093.2	2,070.3	-	7.5
Represented by:				
Share of net assets, other than goodwill of the associates	2,093.2	2,068.4	-	5.6
Goodwill on acquisition	-	1.9	-	1.9
	2,093.2	2,070.3	-	7.5
Market value of quoted shares in a foreign corporation	1,945.0	1,853.5	-	-

The goodwill on acquisition written off amounting to RM1,438.7 million at the end of the financial year ended 31 December 2003 was in respect of acquisitions made prior to 1 January 2004.

The amount due from associates represents outstanding amounts arising from inter company sales. The amount due to associates in the prior year represented outstanding amounts arising from provision of information technology related services. The amounts due from / to associates are unsecured, interest free and have no fixed terms of repayment.

18. ASSOCIATES (Cont'd)

Details of the associates are as follows:

	Effective Percentage Of Ownership		Country of Incorporation	Principal Activities
	2005	2004		
*Star Cruises Limited	36.0	36.1	Isle of Man and continued into Bermuda on 9 October 2000	Cruise and cruise related operations
E-Genting Holdings Sdn Bhd	-	20.0	Malaysia	Investment holding and provision of information technology related services

* The financial statements of this company is audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia.

19. OTHER LONG TERM INVESTMENTS

	Group		Company	
	2005	2004	2005	2004
Quoted shares in foreign corporation, at cost	246.4	-	-	-
Unquoted – at cost	4.1	4.3	4.1	4.1
Amounts written down to date	(1.0)	(1.0)	(1.0)	(1.0)
	3.1	3.3	3.1	3.1
	249.5	3.3	3.1	3.1
Market value of quoted shares in foreign corporation	296.4	-	-	-

For the balance of the unquoted shares which are carried in the financial statements, it was not practicable within the constraints of cost to estimate reliably the fair values for unquoted shares as there are no comparable securities that are traded.

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2005	2004	2005	2004
Current :				
Trade receivables	40.7	41.2	10.2	10.7
Other receivables	11.4	11.8	5.8	4.6
Less: Allowance for doubtful debts	(1.7)	(0.7)	(0.4)	(0.3)
	50.4	52.3	15.6	15.0
Deposits	13.2	12.9	11.7	11.4
Prepayments	42.1	26.6	41.1	24.6
Income tax recoverable	20.9	20.5	19.5	19.5
Loans to directors	0.1	0.2	-	-
	126.7	112.5	87.9	70.5
Non-current :				
Trade receivables	13.4	17.1	-	-
Loan to a director	0.1	0.2	-	-
	13.5	17.3	-	-
Total trade and other receivables	140.2	129.8	87.9	70.5

20. TRADE AND OTHER RECEIVABLES (Cont'd)

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

	Group	
	2005	2004
Non-current :		
Later than 1 year and not later than 2 years	5.7	13.1
Later than 2 years and not later than 6 years	7.8	4.2
	13.5	17.3

Loans to a director represent an interest free housing loan and an interest free loan to an Executive Director of the Company which are extended by a wholly-owned and an indirect wholly-owned subsidiary of the Company respectively.

Credit terms offered by the Group and Company in respect of current trade receivables range from payment in advance to 30 days from the date of invoice.

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

21. INVENTORIES

	Group		Company	
	2005	2004	2005	2004
At cost:				
Food, beverages, tobacco and other hotel supplies	9.5	8.5	7.5	7.1
Stores, spares and retail stocks	19.9	14.8	18.4	13.5
Completed properties	24.1	24.1	-	-
	53.5	47.4	25.9	20.6

22. HOLDING COMPANY AND OTHER RELATED COMPANIES

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

23. SHORT TERM INVESTMENTS

	Group		Company	
	2005	2004	2005	2004
Quoted – at cost:				
Shares in foreign corporations	0.1	115.6	-	-
Unquoted – at cost:				
Money market instruments (Note 24)	275.9	258.4	275.9	258.4
	276.0	374.0	275.9	258.4
Market value of quoted shares				
- Foreign corporations	0.1	245.8	-	-

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 the Company as at 31 December 2005 have maturity periods ranging between overnight and two months.

Quoted short term investment of the Group is denominated in Thai Baht (2004: Sterling Pound and Thai Baht) whereas the unquoted money market instruments are denominated in Ringgit Malaysia.

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2005	2004	2005	2004
Deposits with licensed banks	140.4	152.3	126.7	140.3
Deposits with finance companies	10.6	14.2	10.6	14.2
Cash and bank balances	287.9	205.4	283.4	199.7
Bank balances and deposits	438.9	371.9	420.7	354.2
Add: Money market instruments (Note 23)	275.9	258.4	275.9	258.4
Cash and cash equivalents	714.8	630.3	696.6	612.6

The currency exposure 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	
	2005	2004	2005	2004	2005	2004	2005	2004
Ringgit Malaysia	566.0	565.4	2.62	2.61	561.4	559.6	2.62	2.61
US Dollars	43.5	27.4	3.76	1.96	29.8	15.5	-	-
Singapore Dollar	73.1	22.6	-	-	73.1	22.6	-	-
Hong Kong Dollar	31.4	14.4	-	-	31.4	14.4	-	-
Other foreign currencies	0.8	0.5	-	-	0.9	0.5	-	-
	714.8	630.3			696.6	612.6		

The deposits of the Group and Company have an average maturity period of 31 days (2004: 31 days). Bank balances of the Group and Company are deposits held at call.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2005	2004	2005	2004
Trade payables	38.9	32.7	27.0	23.3
Accruals	337.3	362.2	304.3	309.6
Deposits	20.6	24.1	8.7	12.8
Other payables	78.7	88.5	48.1	56.2
	475.5	507.5	388.1	401.9

Included in other payables and accruals of the Group are progress billings payable and accruals for capital expenditures relating to construction of a hotel and upgrading of resorts infrastructure and facilities amounting to RM64.0 million (2004: RM84.4million).

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.

26. BORROWINGS

	Group	
	2005	2004
Current:		
Unsecured:		
Term loans – US Dollar	396.1	398.3
Revolving credits – US Dollar	-	16.0
	396.1	414.3
Non-current:		
Term Loans – US Dollar (unsecured)	137.6	580.7
	533.7	995.0

26. BORROWINGS (Cont'd)

As at end of the financial year, 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
At 31 December 2005					
Total borrowings	533.7	433.5	100.2	-	-
Movement in repricing periods due to interest rate swap	-	(433.5)	346.0	43.7	43.8
	533.7	-	446.2	43.7	43.8
At 31 December 2004					
Total borrowings	995.0	844.0	151.0	-	-
Movement in repricing periods due to interest rate swap	-	(784.1)	348.0	348.0	88.1
	995.0	59.9	499.0	348.0	88.1

27. SHARE CAPITAL

	Company	
	2005	2004
Authorised 1,600.0 million ordinary shares of 50 sen each	800.0	800.0
Issued and fully paid:		
Ordinary shares of 50 sen each		
At 1 January		
- 1,091.8 million (2004:1,091.8 million)	545.9	545.9
Issuance of shares		
- 36,000 (2004: Nil)	0.0	-
At 31 December		
- 1,091.8 million (2004:1,091.8 million)	545.9	545.9

The Company had in 1994 granted share options pursuant to the Resorts World Bhd Employees' Share Option Scheme for Executives ("Previous ESOS"). The previous ESOS expired on 22 September 2004.

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.

The ESOS became effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012. The Option Holders of the previous ESOS who participated in the ESOS have relinquished their outstanding options under the previous ESOS.

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.

27. SHARE CAPITAL (Cont'd)

- 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.
- 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 1,500,000 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% 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

- 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.

27. SHARE CAPITAL (Cont'd)

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

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 31.12.2005							
ESOS							
2.9.2002	2.9.2004 to 11.8.2012	10.32	13,548	1,451	(26)	(1,727)	13,246
29.11.2002	29.11.2004 to 11.8.2012	8.50	222	50	(10)	(56)	206
17.12.2004	17.12.2006 to 11.8.2012	9.49	1,576	-	-	(82)	1,494
19.07.2005	19.07.2007 to 11.8.2012	9.92	-	50	-	-	50
			15,346	1,551	(36)	(1,865)	14,996

Option granted on 14 December 2005 pursuant to the Scheme in respect of 132,000 unissued ordinary shares of 50 sen each in the Company at an offer price of RM10.67 per share was still pending acceptance from the respective Executive Employees of the Company as at 31 December 2005. As at the date of this report, options in respect of 123,000 unissued ordinary shares of 50 sen each in the Company at an offer price of RM10.67 per share have been accepted.

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 31.12.2004							
Previous ESOS							
23.9.1994	22.9.1999 to 22.9.2004	16.77	100	-	-	(100)	-
ESOS							
2.9.2002	2.9.2004 to 11.8.2012	10.32	13,856	169	-	(477)	13,548
29.11.2002	29.11.2004 to 11.8.2012	8.50	232	-	-	(10)	222
17.12.2004	17.12.2006 to 11.8.2012	9.49	-	1,576	-	-	1,576
			14,088	1,745	-	(487)	15,346

The number of share options vested at the balance sheet date is 4.2 million shares (2004: Nil)

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	
			2005	2004
February 2005	10.10	8.50	2,000	-
October – December 2005	10.10 to 11.50	8.50	8,000	-
October – December 2005	10.10 to 11.50	10.32	26,000	-
			36,000	-
			2005	2004
			RM'000	RM'000
Ordinary share capital – at par			18	-
Share premium			335	-
Proceeds received on exercise of share options			353	-
Fair value at exercise date of shares issued			390	-

28. RESERVES

	Group		Company	
	2005	2004	2005	2004
Share Premium	33.7	33.3	33.7	33.3
Other Reserves:				
- Capital Redemption Reserves	0.1	0.1	-	-
- Reserve on Exchange Differences	5.2	6.4	-	-
- Equity portion of convertible bonds in associate	19.7	-	-	-
Unappropriated Profit	4,970.8	4,167.3	6,366.2	5,760.2
	5,029.5	4,207.1	6,399.9	5,793.5

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank approximately RM5,232.8 million (2004: RM4,819.2 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 2005, 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 RM1,840.1 million (2004: RM1,755.6 million). The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

29. 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 offering a time-share ownership scheme. These fees are recognised as income over the next twenty four years from commencement of membership.

30. 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 relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2005	2004	2005	2004
Deferred tax liabilities:				
- subject to income tax	(168.0)	(152.1)	(119.5)	(106.8)
- subject to real property gain tax	(5.1)	(5.1)	(2.2)	(2.2)
	(173.1)	(157.2)	(121.7)	(109.0)
At 1 January:	(157.2)	(131.7)	(109.0)	(84.2)
(Charged)/Credited to income statement (Note 11):				
- property, plant and equipment	(27.9)	(23.0)	(24.7)	(22.3)
- provisions	11.9	-	11.9	-
- others	0.1	(2.5)	0.1	(2.5)
At 31 December	(173.1)	(157.2)	(121.7)	(109.0)

30. DEFERRED TAXATION (Cont'd)

	Group		Company	
	2005	2004	2005	2004
Subject to income tax:				
(i) Deferred tax assets (before offsetting)				
- Provisions	11.9	-	11.9	-
- Others	1.8	1.7	1.8	1.7
	13.7	1.7	13.7	1.7
- Offsetting	(13.7)	(1.7)	(13.7)	(1.7)
Deferred tax assets (after offsetting)	-	-	-	-
(ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(140.1)	(112.2)	(133.2)	(108.5)
- Land held for property development	(39.2)	(39.2)	-	-
- Inventory – completed properties	(2.4)	(2.4)	-	-
	(181.7)	(153.8)	(133.2)	(108.5)
- Offsetting	13.7	1.7	13.7	1.7
Deferred tax liabilities (after offsetting)	(168.0)	(152.1)	(119.5)	(106.8)
Subject to real property gains tax:				
(iii) Deferred tax liability				
- Property, plant and equipment	(5.1)	(5.1)	(2.2)	(2.2)

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

	Group		Company	
	2005	2004	2005	2004
Unutilised tax losses	74.0	68.6	-	-
Property, plant and equipment	93.3	95.7	-	-
Provision	0.6	-	-	-
	167.9	164.3	-	-

31. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2005	2004	2005	2004
At 1 January	31.3	94.9	29.9	93.6
Charged to income statement	9.5	7.1	8.9	6.8
Paid during the financial year	(1.4)	(70.7)	(1.4)	(70.5)
At 31 December	39.4	31.3	37.4	29.9

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

32. FINANCIAL INSTRUMENTS

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

a) Borrowings

The Group has the following foreign currency borrowings as mentioned below which have not been hedged into Ringgit Malaysia. These foreign currency borrowings form the whole of the total borrowings as disclosed in Note 26:

At 31 December 2005

Currency	Start date	Maturity dates	Foreign currency (Mil)			Equivalent RM (Mil)
			Hedged	Unhedged	Total	Total
US Dollar	25/04/2001	25/04/2006	-	80.0	80.0	302.3
US Dollar	27/11/2002	28/11/2006 to 27/11/2007	-	26.5	26.5	100.2
US Dollar	24/11/2003	25/11/2006 to 24/11/2008	-	27.0	27.0	102.0
US Dollar	24/11/2003	25/11/2006 to 24/11/2008	-	7.8	7.8	29.2
Total						533.7

At 31 December 2004

Currency	Start date	Maturity dates	Foreign currency (Mil)			Equivalent RM (Mil)
			Hedged	Unhedged	Total	Total
US Dollar	25/04/2001	25/04/2005 to 25/04/2006	-	160.0	160.0	608.0
US Dollar	27/11/2002	28/11/2005 to 27/11/2007	-	39.8	39.8	151.1
US Dollar	24/11/2003	25/11/2005 to 24/11/2008	-	36.0	36.0	136.8
US Dollar	11/12/2003	12/12/2005 to 11/12/2008	-	10.4	10.4	39.3
US Dollar	08/04/2004	08/04/2004 to 08/04/2006	-	11.6	11.6	43.9
US Dollar	24/11/2004	24/05/2005	-	4.2	4.2	15.9
Total						995.0

As at 31 December 2005, the US Dollar ("USD") borrowings as shown above 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.

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 or six months London Interbank Offered Rates ("LIBOR") and pays interest at fixed rates or floating LIBOR in arrears capped at a maximum of 5% per annum rates on the agreed notional principal amounts.

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

	USD (Mil)	Equivalent RM (Mil)
At 31 December 2005		
Within one year	104.9	396.1
More than one year and less than 5 years	36.4	137.6
		141.3
		533.7
At 31 December 2004		
Within one year	104.8	398.4
More than one year and less than 5 years	141.3	536.8
		246.1
		935.2

32. FINANCIAL INSTRUMENTS (Cont'd)**b) Interest Rate Swaps ("IRS") (Cont'd)**

The effect of the above interest rate swaps is to effectively hedge the interest rate payable on the foreign currencies borrowings mentioned in Note (a) above. Of the above IRS, USD26.5 million (RM100.2 million) (2004: USD39.8 million (RM151.1 million)) refer to IRS that serve to convert the borrowings from floating rate to floating rate in arrears subjected to a maximum ("cap") on the LIBOR of 5% per annum.

The fair value of the outstanding interest rate swap contracts of the Group which has not been recognised at the balance sheet date was a favourable net position of RM4.9 million (2004: unfavourable net position of RM4.7 million).

c) Forward Foreign Currency Contracts

As at the end of the current financial year, the Group does not have any outstanding forward foreign currency contracts.

At 31 December 2004

Currency	Transaction dates	Expiry Dates	Contract Amounts (Mil)	Equivalent RM (Mil)
USD	01/10/2004 – 04/11/2004	25/1/05 – 25/7/05	4.9	18.7

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

The fair value of the forward foreign currency contracts of the Group which has not been recognised at the balance sheet date in the previous year was an unfavourable net position of RM61,200.

33. CAPITAL COMMITMENTS

	Group		Company	
	2005	2004	2005	2004
Authorised property, plant and equipment expenditure not provided for in the financial statements:				
- contracted	140.9	150.4	102.7	47.9
- not contracted	363.5	455.1	320.3	412.5
	504.4	605.5	423.0	460.4

34. CONTINGENT LIABILITY (UNSECURED) AND CONTINGENT ASSETS

At 31 December 2005, the Company had contingent liability in respect of guarantees issued to financial institutions for loan facilities extended to subsidiaries as follows:

- Term Loan Facility granted to a subsidiary amounting to RM302.3 million (2004: RM608.0 million).
- Term Loan Facility granted to a subsidiary amounting to RM131.2 million (2004: RM176.1 million).
- Term Loan Facility granted to a subsidiary amounting to RM100.2 million (2004: RM151.1 million).

The details of the loans are disclosed in Note 26 and Note 32. It is anticipated that no material liabilities will arise as a result of these guarantees.

34. CONTINGENT LIABILITY (UNSECURED) AND CONTINGENT ASSETS (Cont'd)

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2004 except for the following contingent asset as disclosed below:

- (a) Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company, had in November 2000 disposed its interest of 10.3 million shares of NCL Holding ASA to Arrasas Limited ("Arrasas"), a wholly-owned subsidiary of Star Cruises Limited, which in turn is a 36% associate of the Group, at Norwegian Kroner ("NOK") 15 per share. The valuation proceedings at the Oslo City Court, ongoing since October 2001, culminated in the valuation court's decision on 5 December 2003, which fixed the redemption price at NOK 25 per share. On 8 January 2004, Arrasas appealed the decision. On 28 June 2005, the Appeal Court ruled that the redemption price for the shares is fixed at NOK16.50 per share.

Consequently, the Group has received an additional payment for the disposal of above-mentioned investment amounting to USD2.4 million (RM9.0 million) on 15 August 2005 and the additional gain was recognised in the financial statements.

35. SIGNIFICANT NON-CASH TRANSACTIONS

Group

The followings are significant non-cash transactions of the Group:

- (a) Borrowings of the Group reclassified from non-current to current amounted to RM396.1 million (2004: RM398.4 million).
- (b) On 6 May 2005, the Group announced that Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company, has entered into a Share Sale and Purchase Agreement ("SSPA") to dispose of its equity interest of 26,343,468 ordinary shares of 5p each in London Clubs International plc to Palomino Limited, an Isle of Man incorporated company, wholly-owned by Genting International P.L.C. ("GIPLC"), for a consideration of £31.7m (approximately RM228.8 million). The sales consideration was satisfied by the issuance of 329,087,489 new ordinary shares of US\$0.10 each in GIPLC at an issue price of US\$0.183 per GIPLC share.
- (c) On 13 May 2005, the Group announced that RWL had entered into a SSPA with GIPLC for the disposal of its entire equity interest in Geremi Ltd, for a sale consideration of USD4.6 million. As a result of the Proposed Disposal, the Group will effectively dispose of its 20% equity interest in E-Genting Holdings Sdn Bhd, comprising 62,500 ordinary shares of RM1 each. The sale consideration was satisfied through the issuance of 26,136,364 new GIPLC Shares at an issue price of USD0.176 each. The sale was completed on 30 June 2005.

Company

The principal non-cash transactions during the year are acquisition of equities in direct subsidiaries as follows:

- (a) Acquisition of 10,000 Redeemable Convertible Non-Cumulative ("RCNC") preference shares of RM1 each at a premium of RM999 per share in Awana Vacation Resorts Development Berhad, a direct wholly-owned subsidiary of the Company, amounting to RM10,000,000.
- (b) Acquisition of 71,000 6% Redeemable Non-Convertible Cumulative 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 RM71,000,000.
- (c) Acquisition of 4,759 RCNC preference shares of RM1 each at a premium of RM999 per share in Genting Centre of Excellence Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM4,759,000.
- (d) Acquisition of 65,900 RCNC preference shares of RM1 each at a premium of RM999 per share in Genting Golf Course Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM65,900,000.
- (e) Acquisition of 1,050 RCNC preference shares of RM1 each at a premium of RM999 per share in Genting Irama Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM1,050,000.
- (f) Acquisition of 12,354 RCNC 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 RM12,354,000.

35. SIGNIFICANT NON-CASH TRANSACTIONS (Cont'd)

- (g) Acquisition of 25,091 RCNC preference shares of RM1 each at a premium of RM999 per share in Ikhlas Tiasa Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM25,091,000.
- (h) Acquisition of 4,140 6% RCNC preference shares of RM1 each at a premium of RM999 per share in Leisure Café & Concept Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM4,140,000.
- (i) Acquisition of 19,970 RCNC preference shares of RM1 each at a premium of RM999 per share in Resorts Tavern Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM19,970,000.
- (j) Acquisition of 6,018 RCNC preference shares of RM1 each at a premium of RM999 per share in Setiabahagia Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM6,018,000.
- (k) Acquisition of 96 RCNC preference shares of RM1 each at a premium of RM999 per share in Setiaseri Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM96,000.
- (l) Acquisition of 76,060 6% Redeemable Non-Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share in Sierra Springs Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM76,060,000.

36. SIGNIFICANT RELATED PARTY DISCLOSURES

On 30 June 2005, the Company disposed of its entire equity interest in E-Genting Holdings Sdn Bhd, an associate, comprising 62,500 ordinary shares of RM1 each to Geremi Ltd for a sale consideration of USD4.6 million (RM17,480,000). The sale consideration of USD4.6 million (equivalent to RM17,480,000) to be paid by Geremi Ltd to the Company was satisfied through the assignment of the sale consideration to Sierra Springs Sdn Bhd ("SSSB"), a wholly-owned subsidiary of the Company and in return thereof SSSB issued and allotted 17,480 new 6% non-convertible non-cumulative redeemable preference shares ["SSSB Preference Share(s)"] of RM1 each at a premium of RM999 per SSSB Preference Share to the Company. The sale consideration was disclosed as part of the Company's acquisition in Sierra Springs Sdn Bhd as disclosed in Note 35 (l) above.

In the normal course of business, the Company and the Group undertakes on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions 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 ("GB"), a company incorporated in Malaysia.

Tan Sri Lim Kok Thay is the Chairman, President and Chief Executive, shareholder and share option holder of both GB and the Company; the Chairman, shareholder and share option holder of Genting International P.L.C. ("GIPLC"); a director of Resorts World Limited and also the Chairman, President and Chief Executive Officer, shareholder and share option holder of Star Cruises Limited ("SCL"). He is a director of Golden Hope Limited ("GHL") and has a deemed interest in the units of the Golden Hope Unit Trust ("GHUT"), of which GHL, acting as trustee, is a substantial shareholder of SCL, by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.

Tun Mohammed Hanif bin Omar is the Deputy Chairman, shareholder and share option holder of both GB and the Company; and a share option holder of GIPLC.

Mr Quah Chek Tin, the Executive Director and Chief Operating Officer and shareholder of the Company, is also the Executive Director, shareholder and share option holder of GB; a share option holder of GIPLC and a director of Genting Hotel & Resorts Management Sdn Bhd and Oakwood Sdn Bhd.

Mr Justin Tan Wah Joo, a Non-Executive Director and share option holder of the Company is also a shareholder and share option holder of GB; the Managing Director, shareholder and share option holder of GIPLC; a director of Resorts World Limited, E-Genting Holdings Sdn Bhd, Genting Information Knowledge Enterprise Sdn Bhd and E-Genting Sdn Bhd respectively. He resigned as a Director with effect from 1 January 2006.

Tan Sri Alwi Jantan, an Executive Director of the Company is also a share option holder of GIPLC.

36. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

Tan Sri Dr. Lin See Yan is a Non-Executive Director of both GB and the Company; and a share option holder of GIPLC.

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman is a Non-Executive Director of the Company; and a share option holder of GIPLC.

Tan Sri Clifford Francis Herbert is a Non-Executive Director of the Company; and a share option holder of GIPLC.

General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin is a Non-Executive Director of the Company; and a share option holder of GIPLC.

	2005	2004
(a) Rendering of services		
Air ticketing and transportation services rendered by Resorts World Tours Sdn Bhd, a wholly-owned subsidiary of the Company, to Star Cruises Limited and its subsidiaries, an indirect associate of the Company.	3.0	2.0
(b) Purchase of goods and services		
(i) Provision of shared services in relation to tax, treasury, internal audit, corporate affairs, secretarial and human resource functions based on mutually agreed terms and prices by Genting Berhad ("GB") to the Company and the Group.	4.1	3.5
(ii) Provision of goods and services from E-Genting Holdings Sdn Bhd ("E-Genting"), a direct wholly-owned subsidiary of GB to the Company and the Group.		
- Purchase of information technology products.	-	2.3
- Provision of consultancy, research and development services for themed entertainment lounges.	3.2	-
(iii) 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, to the Company and the Group based on mutually agreed terms and prices.	15.2	15.4
(iv) Provision of information technology consultation, implementation, support and maintenance services for Enterprise Resource Planning solution, hardware shared services, information technology administration and first-line 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, to the Company and the Group based on mutually agreed terms and price.	14.5	9.3
(v) Provision of management and promotion of loyalty program for the Company and the Group's WorldCard by Genting WorldCard Services Sdn Bhd ("GWSSB"), a wholly-owned subsidiary of E-Genting, to the Company and the Group based on mutually agreed terms and prices. This includes the participation by the Company and the Group in the WorldCard Programme operated by GWSSB.	5.7	6.1

36. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

	2005	2004
(c) Rental and related services		
(i) Rental of premises and provision of connected services by the Company to Oriregal Creations Sdn Bhd ("Oriregal"). Puan Sri Lim (Nee Lee), the mother of Tan Sri Lim Kok Thay, is a director and substantial shareholder of Oriregal.	1.1	1.3
<p>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.</p> <p>The rental charges to Oriregal are transacted at commercial rates except for the rentals at the premises of Genting Hotel and the Highlands Hotel which are 38% lower than the comparable range of commercial rate charged to other tenants respectively as a larger space is occupied. The rental of premises at the Resort Hotel is 71% lower than similar premises as they are located at a low traffic area.</p>		
(ii) Letting of office space and provision of connected services by Oakwood Sdn Bhd, a wholly-owned subsidiary of GB, to the Company and the Group.	2.9	2.9
(d) License agreement		
Licensing fees paid to GB for the use of name and accompanying logo of "Genting" and "Awana" by the Company and the Group based on agreed terms and prices.	115.7	94.5
(e) Sales and Marketing arrangements		
Provision of services as the exclusive international sales and marketing coordinator for Genting Highlands Resort by Genting International P.L.C. ("GIPLC"), a 58.55% owned subsidiary of GB, to the Company and the Group based on agreed terms and prices.	39.6	32.3
(f) Management agreements		
(i) 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 of GB based on agreed terms and rates.	288.3	231.2
(ii) 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 of GB based on agreed terms and rates.	1.7	1.8

37. SUBSIDIARIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2005	2004		
<u>Direct Subsidiaries</u>				
Awana Vacation Resorts Development Berhad	100	100	Malaysia	Proprietary timeshare ownership scheme
Delquest Sdn Bhd	100	100	Malaysia	Investments
Eastern Wonder Sdn Bhd	100	-	Malaysia	Support services
First World Hotels & Resorts Sdn Bhd	100	100	Malaysia	Hotel business
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
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 management services
Genting Studio Sdn Bhd	100	100	Malaysia	Dormant
Genting Theme Park Sdn Bhd	100	100	Malaysia	Pre-operating
Genting Utilities & Services Sdn Bhd	100	100	Malaysia	Provision of utilities services
GHR Risk Management (Labuan) Limited	100	100	Labuan, Malaysia	Offshore captive insurance
Ikhlas Tiasa Sdn Bhd	100	100	Malaysia	Pre-operating
Kijal Facilities Services Sdn Bhd	100	100	Malaysia	Property management
Leisure & Cafe Concept Sdn Bhd	100	100	Malaysia	Karaoke business
Resorts International (Labuan) Limited	100	100	Labuan, Malaysia	Offshore financing
Resorts Tavern Sdn Bhd	100	100	Malaysia	Land and property development
Resorts World (Labuan) Limited	100	100	Labuan, Malaysia	Offshore financing
Resorts World Spa Sdn Bhd	100	100	Malaysia	Pre-operating
Resorts World Tours Sdn Bhd	100	100	Malaysia	Provision of tour and travel related services
RWB (Labuan) Limited	100	100	Labuan, Malaysia	Offshore financing
Seraya Mayang Sdn Bhd	100	100	Malaysia	Investment holding
Setiabahagia Sdn Bhd	100	100	Malaysia	Property investment
Setiaseri Sdn Bhd	100	100	Malaysia	Property investment
Sierra Springs Sdn Bhd	100	100	Malaysia	Investment holding
Stake Excellent Sdn Bhd	100	-	Malaysia	Support services
Vestplus Sdn Bhd	100	100	Malaysia	Property investment
* Vestplus (Hong Kong) Limited	100	100	Hong Kong, SAR	Pre-operating
* Vestplus (Thailand) Limited	91	91	Thailand	Pending liquidation
Genting Centre of Excellence Sdn Bhd	100	70	Malaysia	Training services
<u>Indirect Subsidiaries</u>				
* Best Track International Limited	100	100	Mauritius	Pre-operating
Genasa Sdn Bhd	100	100	Malaysia	Sale and letting of apartment
Genas Sdn Bhd	100	100	Malaysia	Pre-operating
Genawan Sdn Bhd	100	100	Malaysia	Pre-operating
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	Pre-operating
Gentas Sdn Bhd	100	100	Malaysia	Pre-operating

37. SUBSIDIARIES (Cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2005	2004		
Indirect Subsidiaries (Cont'd)				
Genting Administrative Services Sdn Bhd	100	100	Malaysia	Investment holding
Gentinggi Quarry Sdn Bhd	100	100	Malaysia	Pre-operating
Genting World Sdn Bhd	100	100	Malaysia	Leisure and entertainment business
Geremi Limited	-	100	Isle of Man	Disposed during the year
Kijal Resort Sdn Bhd	100	100	Malaysia	Property development and property management
* Lafleur Limited	100	100	Isle of Man	Investment holding
Merriwa Sdn Bhd	100	100	Malaysia	Pre-operating
Papago Sdn Bhd	100	100	Malaysia	Resorts and hotel business
Resorts Facilities Services Sdn Bhd	100	100	Malaysia	Property management
* Resorts Overseas Investments Limited	100	100	Isle of Man	Investment holding
* Resorts World Limited	100	100	Isle of Man	Investment holding
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	Investment holding
Twinmatics Sdn Bhd	100	100	Malaysia	Pre-operating
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	Pre-operating
Jomara Sdn Bhd	60	60	Malaysia	Pre-operating
Laserwood Sdn Bhd	60	60	Malaysia	Pre-operating
Neutrino Space Sdn Bhd	60	60	Malaysia	Pre-operating
Possible Affluent Sdn Bhd	60	60	Malaysia	Pre-operating
Rapallo Sdn Bhd	60	60	Malaysia	Pre-operating
Space Fair Sdn Bhd	60	60	Malaysia	Pre-operating
Sweet Bonus Sdn Bhd	60	60	Malaysia	Letting of land
Tullamarine Sdn Bhd	60	60	Malaysia	Pre-operating
Twinkle Glow Sdn Bhd	60	60	Malaysia	Pre-operating
Vintage Action Sdn Bhd	60	60	Malaysia	Pre-operating
Waxwood Sdn Bhd	60	60	Malaysia	Pre-operating
Yarrowin Sdn Bhd	60	60	Malaysia	Pre-operating

* 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.

Statement On Directors' Responsibility

pursuant to paragraph 15.27(a) of the listing requirements of the 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 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 2005.

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 22 February 2006.

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 50 to 91 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 22 February 2006

)
)

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 50 to 91. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion based on our audit on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 the 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 MASB 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 2005 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 subsidiaries of which we have not acted as auditors are indicated in Note 37 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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 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 subsidiaries 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

ERIC OOI LIP AUN
(No. 1517/06/06 (J))
Partner of the firm

Kuala Lumpur
22 February 2006