

RESORTS WORLD BHD

(Incorporated in Malaysia under Company No. 58019-U)

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FOURTH QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 December 2008. The figures for the cumulative period have been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	UNAUDITED INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Fourth quarter ended 31 December		Financial year ended 31 December	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	1,329,102	1,141,219	4,886,703	4,352,333
Cost of sales	(769,297)	(679,030)	(2,903,918)	(2,620,590)
Gross profit	559,805	462,189	1,982,785	1,731,743
Other income:				
- Gain on disposal of equity investment in associate	-	-	-	337,061
- Gain on disposal of long term investment arising from foreign exchange translation	682	-	19,784	-
- Others	37,786	35,658	135,458	110,235
Other expenses:				
- Impairment loss	(781,502)	-	(781,502)	-
- Others	(61,350)	(64,083)	(228,540)	(242,951)
(Loss)/Profit from operations	(244,579)	433,764	1,127,985	1,936,088
Finance cost	(1)	(2,000)	(1,645)	(41,940)
Share of results in:				
- Jointly controlled entity	84	-	670	118
- Associate	-	-	-	(63,188)
Gain on dilution of equity investment in associate	-	-	-	80,981
(Loss)/Profit before taxation	(244,496)	431,764	1,127,010	1,912,059

RESORTS WORLD BHD
CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	UNAUDITED INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Fourth quarter ended 31 December		Financial year ended 31 December	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Taxation	(143,446)	(87,770)	(493,024)	(356,800)
(Loss)/Profit for the financial period	(387,942)	343,994	633,986	1,555,259
Attributable to:				
Equity holders of the Company	(387,843)	344,094	634,389	1,555,654
Minority interest	(99)	(100)	(403)	(395)
	(387,942)	343,994	633,986	1,555,259
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	(6.75)	6.30	11.06	27.42
Diluted earnings per share (sen)	(6.74)	6.19	10.99	26.48

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2007.)

RESORTS WORLD BHD
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	As at 31.12.2008 RM'000	As at 31.12.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,638,491	3,663,449
Land held for property development	181,534	186,117
Investment properties	16,552	17,910
Leasehold land use rights	94,357	95,471
Jointly controlled entity	1,864	1,194
Available-for-sale financial asset	415,039	1,505,362
Other long term investments	242,801	535,502
Long term receivables	11,352	9,241
	<u>4,601,990</u>	<u>6,014,246</u>
Current assets		
Assets classified as held for sale	4,582	-
Inventories	60,497	59,099
Trade and other receivables	185,554	188,346
Amount due from other related companies	15,332	28,074
Short term investments	1,760,187	794,880
Bank balances and deposits	2,794,793	2,256,871
	<u>4,820,945</u>	<u>3,327,270</u>
TOTAL ASSETS	<u><u>9,422,935</u></u>	<u><u>9,341,516</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	590,180	583,012
Reserves	8,355,132	8,083,134
Treasury shares	(627,571)	(477,185)
	<u>8,317,741</u>	<u>8,188,961</u>
Minority interests	<u>7,338</u>	<u>7,741</u>
TOTAL EQUITY	<u><u>8,325,079</u></u>	<u><u>8,196,702</u></u>
Non-current liabilities		
Other long term liabilities	91,303	95,226
Deferred taxation	227,666	202,984
	<u>318,969</u>	<u>298,210</u>
Current liabilities		
Trade and other payables	541,234	492,177
Amount due to holding company	17,265	13,187
Amount due to other related companies	49,534	46,384
Amount due to jointly controlled entity	116	176
Short term borrowing	-	175,058
Taxation	170,738	119,622
	<u>778,887</u>	<u>846,604</u>
TOTAL LIABILITIES	<u><u>1,097,856</u></u>	<u><u>1,144,814</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>9,422,935</u></u>	<u><u>9,341,516</u></u>
NET ASSETS PER SHARE (RM)	<u><u>1.45</u></u>	<u><u>1.43</u></u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2007.)

RESORTS WORLD BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Attributable to equity holders of the Company							Minority Interests	Total Equity
	Share Capital	Share Premium	Fair Value Reserve	Other Reserves	Treasury Shares	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2008	583,012	927,674	349,504	(224,028)	(477,185)	7,029,984	8,188,961	7,741	8,196,702
Foreign exchange differences recognised directly in equity	-	-	-	94,893	-	-	94,893	-	94,893
Available-For-Sale Financial Asset - Fair value movement	-	-	(1,131,006)	-	-	-	(1,131,006)	-	(1,131,006)
Net income and expenses recognised directly in equity	-	-	(1,131,006)	94,893	-	-	(1,036,113)	-	(1,036,113)
Profit for the financial period	-	-	-	-	-	1,415,891	1,415,891	(403)	1,415,488
Impairment loss charged to income statement	-	-	781,502	-	-	(781,502)	-	-	-
Total recognised income and expenses for the financial period	-	-	(349,504)	94,893	-	634,389	379,778	(403)	379,375
Share based payments under ESOS	-	-	-	33	-	-	33	-	33
Issue of shares	7,168	172,490	-	-	-	-	179,658	-	179,658
Buy-back of shares	-	-	-	-	(150,386)	-	(150,386)	-	(150,386)
Appropriation:									
Final dividend declared for the year ended 31 December 2007	-	-	-	-	-	(152,553)	(152,553)	-	(152,553)
Interim dividend declared for the year ended 31 December 2008	-	-	-	-	-	(127,750)	(127,750)	-	(127,750)
At 31 December 2008	590,180	1,100,164	-	(129,102)	(627,571)	7,384,070	8,317,741	7,338	8,325,079
At 1 January 2007	547,294	60,086	-	(69,367)	-	5,711,489	6,249,502	8,136	6,257,638
Foreign exchange differences recognised directly in equity	-	-	-	(129,656)	-	-	(129,656)	-	(129,656)
Foreign exchange reserve realised directly in income statement	-	-	-	(6,659)	-	-	(6,659)	-	(6,659)
Decrease in equity portion of convertible bonds in associate	-	-	-	(10,058)	-	-	(10,058)	-	(10,058)
Realisation of equity portion of convertible bonds in associate	-	-	-	(8,275)	-	8,275	-	-	-
Available-For-Sale Financial Asset - Measurement at date of designation	-	-	1,473,961	-	-	-	1,473,961	-	1,473,961
- Fair value movement	-	-	(1,124,457)	-	-	-	(1,124,457)	-	(1,124,457)
Net income and expenses recognised directly in equity	-	-	349,504	(154,648)	-	8,275	203,131	-	203,131
Profit for the financial period	-	-	-	-	-	1,555,654	1,555,654	(395)	1,555,259
Total recognised income and expenses for the financial period	-	-	349,504	(154,648)	-	1,563,929	1,758,785	(395)	1,758,390
Share based payments under ESOS	-	-	-	(13)	-	-	(13)	-	(13)
Issue of shares	35,718	867,588	-	-	-	-	903,306	-	903,306
Buy-back of shares	-	-	-	-	(477,185)	-	(477,185)	-	(477,185)
Appropriation:									
Final dividend declared for the year ended 31 December 2006	-	-	-	-	-	(125,067)	(125,067)	-	(125,067)
Interim dividend declared for the year ended 31 December 2007	-	-	-	-	-	(120,367)	(120,367)	-	(120,367)
At 31 December 2007	583,012	927,674	349,504	(224,028)	(477,185)	7,029,984	8,188,961	7,741	8,196,702

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2007.)

RESORTS WORLD BHD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Financial year ended 31 December	
	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,127,010	1,912,059
Adjustments for:		
Depreciation of property, plant and equipment	260,180	244,119
Finance costs	1,645	41,940
Interest and finance income	(115,372)	(85,421)
Impairment loss	781,502	-
Share of results in jointly controlled entity and associate	(670)	63,070
Unrealised exchange gain	(2,124)	(1,197)
Gain on disposal of investments	(19,839)	-
Gain on dilution of equity investment in associate	-	(80,981)
Gain on disposal of equity investment in associate	-	(337,061)
Other non-cash items and adjustments	3,969	11,251
	909,291	(144,280)
Operating profit before working capital changes	2,036,301	1,767,779
Net change in current assets	9,174	(19,573)
Net change in current liabilities	89,625	9,718
	98,799	(9,855)
Cash generated from operations	2,135,100	1,757,924
Net tax paid	(415,845)	(304,959)
Retirement gratuities paid	(6,980)	(1,397)
Other net operating receipts/(payments)	974	(613)
	(421,851)	(306,969)
Net Cash Flow From Operating Activities	1,713,249	1,450,955
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(262,028)	(411,575)
Proceeds from disposal of equity investment in associate	-	1,172,655
Purchase of investments	(255,674)	-
Net proceeds from disposal of investments	521,071	-
Other investments	117,962	(241,412)
Net Cash Flow From Investing Activities	121,331	519,668
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	7,680	31,090
Buy-back of shares	(150,386)	(477,185)
Repayment of borrowings	-	(125,856)
Settlement of Zero Coupon Convertible Notes	-	(77,645)
Redemption of Zero Coupon Convertible Notes	(4,674)	-
Dividend paid	(280,303)	(245,434)
Interest paid	-	(2,589)
Other financing expenses	(3)	(943)
Net Cash Flow From Financing Activities	(427,686)	(898,562)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,406,894	1,072,061
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	3,051,751	1,980,677
EFFECT OF CURRENCY TRANSLATION	84,317	(987)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4,542,962	3,051,751
<u>ANALYSIS OF CASH AND CASH EQUIVALENTS</u>		
Bank balances and deposits	2,794,793	2,256,871
Money market instruments (included in short term investments)	1,748,169	794,880
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	4,542,962	3,051,751

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2007.)

RESORTS WORLD BHD
NOTES TO THE INTERIM FINANCIAL REPORT - FOURTH QUARTER ENDED 31 DECEMBER
2008

Part I: Compliance with Financial Reporting Standard (“FRS”) 134

a) Accounting Policies and Methods of Computation

The interim financial report has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The figures for the cumulative period have been audited.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2007. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2007.

In the current financial year ended 31 December 2008, the Group adopted the following revised FRSs and IC interpretation which are applicable to financial statements for annual periods beginning on or after 1 January 2008 and are relevant to its operations:-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in Foreign Operation.	

IC Interpretation 8	Scope of FRS 2
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The adoption of the above FRSs and IC interpretation did not result in substantial changes to the Group’s accounting policies. In respect of FRS 112, the Group will continue to recognise in the income statement, the tax impact arising from the investment tax allowances as and when it is utilised.

b) Seasonal or Cyclical Factors

The business operations of the Group’s leisure and hospitality division are subject to seasonal fluctuations. The results are affected by major festive seasons and holidays.

c) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

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

c) **Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (Cont'd)**

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

Other than the above, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial year ended 31 December 2008.

d) **Material Changes in Estimates**

There were no material changes in estimates of amounts reported in prior interim periods of the current financial quarter ended 31 December 2008 or that of prior financial years.

e) **Changes in Debt and Equity Securities**

- i) The Company issued 3,789,000 new ordinary shares of 10 sen each, for cash, arising from the exercise of options granted under the Executive Share Option Scheme for Eligible Executives of Resorts World Bhd during the financial year ended 31 December 2008 at the following exercise prices:

Exercise price (RM)	No. of options exercised during the financial year ended 31 December 2008
1.700	80,000
1.898	660,000
1.984	35,000
2.064	2,994,000
2.134	20,000
	<u>3,789,000</u>

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

During the financial year ended 31 December 2008, RM172.0 million of Notes were converted into 67.9 million new ordinary shares of 10 sen each of the Company. The Company redeemed the outstanding Notes of RM4.7 million on 19 September 2008 (being the business day immediately preceding the maturity date of the Notes on 21 September 2008) at 99.0% of the principal amount.

- iii) At the Annual General Meeting of the Company held on 23 June 2008, the shareholders of the Company had approved, amongst others,

- (I) the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company; and

e) *Changes in Debt and Equity Securities (Cont'd)*

(II) the proposed exemption under Practice Note 2.9.10 of the Malaysian Code on Take-Overs and Mergers, 1998 to Genting Berhad (“Genting”) and persons acting in concert with it from the obligation to undertake a mandatory take-over offer on the remaining voting shares in the Company not already owned by them, upon the purchase by the Company of its own shares pursuant to the renewal of the authority for the purchase of own shares (“Proposed Exemption”).

On 2 July 2008, Genting informed the Company that Securities Commission (“SC”) has, on 1 July 2008, approved the Proposed Exemption subject to the requirement that Genting and persons acting in concert with it must at all times disclose to the SC all acquisitions or purchases of the voting shares in the Company made by them in a 12-month period from 1 July 2008.

During the financial year ended 31 December 2008, the Company had repurchased a total of 56,959,400 ordinary shares of 10 sen each of its issued share capital from the open market for a total consideration of RM150.4 million. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

f) *Dividends Paid*

Dividends paid during the financial year ended 31 December 2008 are as follows:

	RM'000
Final dividend paid on 18 July 2008 for the financial year ended 31 December 2007	
3.6 sen less 26% tax per ordinary share of RM0.10 each	152,553
Interim dividend paid on 21 October 2008 for the financial year ended 31 December 2008	
3.0 sen less 26% tax per ordinary share of RM0.10 each	127,750
	<u>280,303</u>

g) *Segment Information*

Segment analysis for the financial ended 31 December 2008 is set out below:

	<u>Leisure & Hospitality</u> <u>RM'000</u>	<u>Property</u> <u>RM'000</u>	<u>Others</u> <u>RM'000</u>	<u>Elimination</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>Revenue</u>					
External	4,857,258	5,039	24,406	-	4,886,703
Inter segment	1,524	7,788	71,086	(80,398)	-
	<u>4,858,782</u>	<u>12,827</u>	<u>95,492</u>	<u>(80,398)</u>	<u>4,886,703</u>
<u>Results</u>					
Segment profit	1,775,282	789	18,091		1,794,162
Interest income					115,325
Finance cost					(1,645)
Share of result in jointly controlled entity					670
Impairment loss					(781,502)
Profit before taxation					<u>1,127,010</u>
Taxation					(493,024)
Profit for the financial period					<u>633,986</u>

h) Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment since the last financial year ended 31 December 2007.

i) Material Events Subsequent to the end of Financial Year

There were no material events subsequent to the end of current financial year ended 31 December 2008 that have not been reflected in this interim financial report.

j) Changes in the Composition of the Group

On 17 December 2008, Resorts World Limited (“RWL”), an indirect wholly-owned subsidiary of the Company completed its acquisitions of the entire equity interest of Bromet Limited and Digital Tree (USA) Inc. for a total cash consideration of USD69.0 million.

k) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2007.

l) Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2008 are as follows:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements:	
- Contracted	42,992
- Not contracted	278,571
	<u>321,563</u>

RESORTS WORLD BHD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FOURTH QUARTER ENDED
31 DECEMBER 2008

Part II: Compliance with Appendix 9B of Bursa Securities Listing Requirements

1) Review of Performance

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER		Var %	PRECEDING QUARTER		Var %	FINANCIAL YEAR ENDED 31 DECEMBER		
	4Q2008 RM'Mil	4Q2007 RM'Mil		3Q2008 RM'Mil	2008 RM'Mil		2007 RM'Mil	Var %	
Revenue									
Leisure & Hospitality	1,323.5	1,132.2	17%	1,219.7	9%	4,857.3	4,322.9	12%	
Property	1.0	5.9	-83%	0.8	25%	5.0	8.9	-44%	
Others	4.6	3.1	48%	4.4	5%	24.4	20.5	19%	
	1,329.1	1,141.2	16%	1,224.9	9%	4,886.7	4,352.3	12%	
Profit before tax									
Leisure & Hospitality	505.8	403.8	25%	431.1	17%	1,775.3	1,494.5	19%	
Property	0.4	2.1	-81%	0.6	-33%	0.8	4.0	-80%	
Others - gain on disposal (*)	0.7	-	+>100%	-	+>100%	19.8	-	+>100%	
- others	(1.3)	1.2	->100%	2.1	->100%	(1.8)	15.1	->100%	
	505.6	407.1	24%	433.8	17%	1,794.1	1,513.6	19%	
Interest income	31.3	26.7	17%	30.9	1%	115.3	85.4	35%	
Finance cost	-	(2.0)	100%	-	-	(1.6)	(41.9)	96%	
Share of results in jointly controlled entity and associate	0.1	-	100%	0.1	-	0.7	(63.1)	+>100%	
Impairment loss	(781.5)	-	->100%	-	->100%	(781.5)	-	->100%	
Gain on disposal of investment in associate	-	-	-	-	-	-	337.1	-100%	
Gain on dilution of equity investment in associate	-	-	-	-	-	-	81.0	-100%	
	(244.5)	431.8	->100%	464.8	->100%	1,127.0	1,912.1	-41%	

(*) This represents the gain on disposal of long term investment arising from foreign exchange translation.

a) Quarter ended 31 December 2008 compared with quarter ended 31 December 2007

Revenue increased by 16% to RM1,329.1 million mainly due to the better underlying performance of the leisure and hospitality segment which arose from the higher volume of business and better luck factor from the premium player business.

The Group recorded a loss before tax of RM244.5 million in the current quarter ended 31 December 2008 compared with a profit before tax of RM431.8 million recorded in the quarter ended 31 December 2007. This loss is due to the impairment loss of RM781.5 million relating to the Group's investment in available-for-sale financial assets ("AFS"). Excluding this impairment loss, profit before tax would have increased by 24% reflecting the better underlying performance of the leisure and hospitality business.

1) *Review of Performance (Cont'd)*

b) **Financial year ended 31 December 2008 compared with financial year ended 31 December 2007**

Revenue increased by 12% to RM4,886.7 million and this is mainly attributable to better underlying performance of the leisure and hospitality segment which arose from higher volume of business and better luck factor from the premium player business.

Profit before tax was RM1,127.0 million, which is lower by 41%. The lower profit before tax is mainly due to impairment loss of RM781.5 million relating to the Group's investment in AFS, and last year's one-off gain on part-disposal of equity investment in Star Cruises Limited ("SCL") of RM337.1 million and gain on dilution of investment in SCL of RM81.0 million. Last year's profit before tax also included the results of SCL, which was a share of loss of RM63.2 million. However, since 31 July 2007, the Group no longer equity account for the results of SCL. Excluding these impairment loss, one-off gains and share of losses in SCL last year, the profit before tax would have increased by 23% reflecting the better underlying performance of the leisure and hospitality business.

2) *Material Changes in Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter*

The Group registered a loss before tax of RM244.5 million in the current quarter ended 31 December 2008 compared with a profit of RM464.8 million in the third quarter ended 30 September 2008.

The loss before tax was mainly attributable to the impairment loss of the Group's investment in AFS. Excluding this impairment loss, profit before tax would have increased by 16%, reflecting the better performance in the leisure and hospitality segment in the current quarter ended 31 December 2008 arising primarily from better luck factor from the premium player business and higher volume of business.

3) *Prospects*

The Group recognises that the worsening global economic situation will render the business environment challenging and expects consumer sentiments to be impacted by the slowing local economy which may affect visitations to Genting Highlands Resort. The Group will continue to closely monitor its business and will take appropriate measures to address any slowdown in business activities.

4) *Variance of Actual Profit from Forecast Profit*

The Group did not issue any profit forecast or profit guarantee for the year.

5) *Taxation*

Taxation charges for the current quarter and financial year ended 31 December 2008 are as follows:

	<u>Current quarter ended 31 December 2008</u>	<u>Current financial year ended 31 December 2008</u>
	<u>RM'000</u>	<u>RM'000</u>
Current taxation charge:		
Malaysian income tax charge	132,304	452,224
Deferred tax charge	11,031	24,675
	<hr/> 143,335	<hr/> 476,899
Prior years' taxation:		
Income tax under provided	91	16,105
Deferred tax	20	20
	<hr/> 143,446	<hr/> 493,024

5) *Taxation (Cont'd)*

The effective tax rate of the Group for the current quarter ended 31 December 2008 before the adjustment of taxation in respect of prior years, is higher than statutory income tax rate mainly due to the impairment loss of the Group's investment in AFS and non-deductible expenses.

The effective tax of the Group for the financial year ended 31 December 2008 before the adjustment of taxation in respect of prior years is higher than statutory income tax rate due to the impairment loss of the Group's investment in AFS, mitigated by tax incentives and non taxable income.

6) *Profit on Sale of Unquoted Investments and/or Properties*

The results for the current financial year ended 31 December 2008 do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business.

7) *Quoted Securities other than Securities in Existing Subsidiaries and Associates*

(a) The dealings of quoted securities for the current quarter and financial year ended 31 December 2008 were as follows:

	<u>Current quarter</u> <u>RM'000</u>	<u>Current financial year ended 31 December 2008</u> <u>RM'000</u>
Total purchases at cost	5,529	11,967
Total sale proceeds	-	522,789
Gain on disposal	-	55
Gain on disposal arising from foreign exchange translation	682	19,784

(b) The details of the investments in quoted shares excluding subsidiaries as at 31 December 2008 are set out below:

	<u>Available-For- Sale Financial Asset</u> <u>RM'000</u>	<u>Investment in Quoted Shares</u> <u>RM'000</u>
Total investments at cost	1,195,076	12,018
Total investments at book value	415,039	12,018
Total investments at market value	415,039	12,299

8) Status of Corporate Proposals Announced

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

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

Other than the above, there were no corporate proposals announced but not completed as at 18 February 2009.

9) Group Borrowings and Debt Securities

There are no borrowings and debt securities as at 18 February 2009.

10) Off Balance Sheet Financial Instruments

There are no off balance sheet financial instruments as at 18 February 2009 except for the Call Option mentioned in Note 8.

11) Changes in Material Litigation

There are no pending material litigations as at 18 February 2009.

12) Dividend Proposed or Declared

- (a) (i) A final dividend for the current financial year ended 31 December 2008 has been recommended by the Directors for approval by shareholders.
- (ii) The recommended final dividend, if approved, shall amount to 4.00 sen per ordinary share of 10 sen each, less 25% tax.
- (iii) The final dividend paid in respect of the previous financial year ended 31 December 2007 amounted to 3.60 sen per ordinary share of 10 sen each, less 26% tax.
- (iv) The date of payment of the recommended final dividend shall be determined by the Directors and announced at a later date.
- (b) Total dividend payable for the current financial year ended 31 December 2008, including the above recommended final dividend, if approved, would amount to 7.00 sen per ordinary share of 10 sen each, comprising an interim dividend of 3.0 sen per ordinary share of 10 sen each, less 26% tax; and a proposed final dividend of 4.00 sen per ordinary share of 10 sen each, less 25% tax.

13) Earnings per share (“EPS”)

- (a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter and financial year ended 31 December 2008 are as follows:

	<u>Current quarter ended 31 December 2008</u> <u>RM’000</u>	<u>Current financial year ended 31 December 2008</u> <u>RM’000</u>
(Loss)/Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of Basic and Diluted EPS)	(387,843)	634,389

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and financial year ended 31 December 2008 are as follow:

	<u>Current quarter ended 31 December 2008</u> <u>Number of shares</u>	<u>Current financial year ended 31 December 2008</u> <u>Number of shares</u>
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of Basic EPS)	5,744,726,873	5,734,972,947
Adjustment for share options granted under the Executive Share Option Scheme For Eligible Executives of Resorts World Bhd	6,161,165	12,562,431
Adjustment for shares issuable arising from the conversion of Convertible Notes	-	26,278,640
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	5,750,888,038	5,773,814,018

(*) The weighted average number of ordinary shares of RM0.10 each in issue during the financial year ended 31 December 2008 excludes the weighted average treasury shares held by the Company.

14) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group’s annual financial statements for the year ended 31 December 2007 was not qualified.

TAN SRI LIM KOK THAY
Chairman and Chief Executive
RESORTS WORLD BHD
25 February 2009