



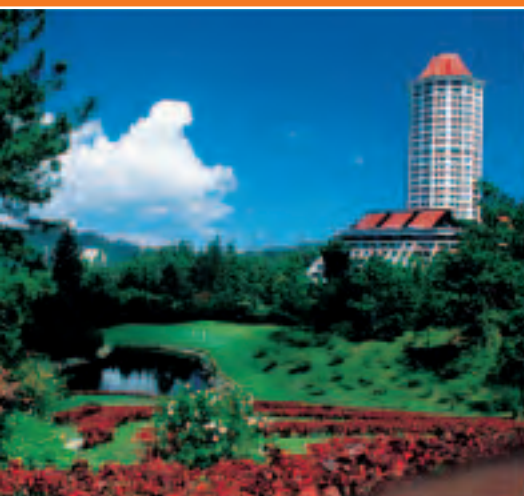
RESORTS WORLD BHD
(58019-U)



Genting Highlands Resort

annual report 2006





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RESORTS WORLD

We are one of the world's leading leisure and hospitality corporations with strong financial and management expertise in developing and managing integrated entertainment resorts.

Our Mission

We will:

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





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

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



Genting Premier Brands



GENTING GROUP

RESORTS WORLD BHD



CLUBS, SUITES, PENTHOUSE & RESIDENCES
GENTING HIGHLANDS RESORT
MALAYSIA

GENTING INTERNATIONAL P.L.C.



CASINO CLUBS
LONDON
UNITED KINGDOM

STAR CRUISES LIMITED



CRUISES
WORLDWIDE

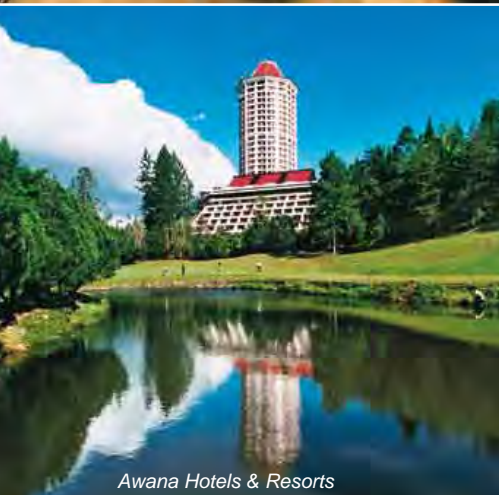
Corporate Profile



Resorts World - one of the world's leading leisure & hospitality corporations



Maxims Genting, Malaysia



Awana Hotels & Resorts



Star Cruises



RESORTS WORLD BHD

A member of the Genting Group

www.resortsworld.com
www.genting.com.my
www.maxims.com.my
www.awana.com.my
www.worldcard.com.my
www.awanavacation.com.my
mice.genting.com.my

Resorts World is one of the world's leading leisure and hospitality corporations with strong financial and management expertise in developing and managing integrated entertainment resorts.

Resorts World is a member company of the Genting Group, one of Asia's leading and best managed multinationals. The Genting Group is the collective name for Genting Berhad and its subsidiaries and associates.

The crown jewel is Genting Highlands Resort, which was voted the World's Leading Casino Resort 2005 and Asia's Leading Casino Resort 2005 & 2006 by World Travel Awards. The resort offers 6 hotels with 10,000 rooms, 60 fun rides, 170 dining and shopping outlets, mega shows, international business convention facilities and endless entertainment – all in one location. At 2,000 metres (6,000 feet) above sea level, Genting Highlands Resort enjoys fresh cool climate all year round and splendid view of its surrounding mountains. One of its hotels, First World Hotel is the world's largest hotel with 6,118 rooms (officially acknowledged by Guinness World Records and Ripley's Believe It or Not).

In addition, Resorts World owns and operates the Awana hotel chain, comprising three beautifully designed hotels in Malaysia - Awana Genting Highlands Golf & Country Resort, Awana Kijal Golf, Beach & Spa Resort, Terengganu and Awana Porto Malai, Langkawi.

Its associate, Star Cruises Limited, is the world's third largest cruise line and the leading cruise line in Asia-Pacific, operating under internationally recognised brands of Star Cruises, Norwegian Cruise Line, NCL America, Orient Lines and Cruise Ferries. It has a combined fleet of 21 ships in service with three new ships due to be delivered by 2010.

Resorts World has 6% equity interest in Genting International P.L.C, which oversees the international leisure and gaming-related businesses of the Genting Group. Genting International has 46 casino properties in the United Kingdom ("UK") under the brands of the Stanley Leisure group. In Singapore, it is developing Resorts World at Sentosa, an integrated leisure and entertainment resort on Sentosa Island.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 21 June 2007 at 2.45 p.m.

AS ORDINARY BUSINESS

1. To receive and adopt the Financial Statements for the financial year ended 31 December 2006 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To sanction the declaration of a final dividend. **(Resolution 2)**
3. To approve Directors' fees of RM661,900 for the financial year ended 31 December 2006 (2005: RM564,083). **(Resolution 3)**
4. To re-elect the following persons as Directors of the Company pursuant to Article 99 of the Articles of Association of the Company:
 - (i) Tan Sri Clifford Francis Herbert **(Resolution 4)**
 - (ii) Tan Sri Dr. Lin See Yan **(Resolution 5)**
5. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:

"That Tan Sri Alwi Jantan, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 6)**

"That Tan Sri Wan Sidek bin Hj Wan Abdul Rahman, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Resolution 7)**
6. To re-appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following Resolutions:

Ordinary Resolutions

7. **Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten (10) per centum of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 9)**

Notice of Annual General Meeting (cont'd)

8. Proposed renewal of the authority for the purchase of own shares

"THAT, subject to compliance with the Companies Act, 1965, the Articles of Association of the Company, regulations and guidelines issued from time to time by Bursa Malaysia Securities Berhad ("Bursa Malaysia") or any other regulatory authorities, approval be and is hereby given to the Company to utilise an amount not exceeding the total retained earnings and share premium of the Company to purchase such amount of ordinary shares of RM0.10 each in the Company as may be determined by the Directors of the Company from time to time on Bursa Malaysia upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed 568,039,000 ordinary shares of RM0.10 each representing ten (10) per centum of the issued and paid-up share capital of the Company as at 3 May 2007. Based on the audited financial statements for the financial year ended 31 December 2006, the Company's retained earnings and share premium accounts were RM7,254.2 million and RM60.1 million respectively;

AND THAT such authority shall commence upon the passing of this resolution and shall remain in force until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or cancel them and/or resell the treasury shares or to distribute them as share dividend and/or subsequently cancel them;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary (including the appointment of up to two (2) Participating Organisations as defined in the Bursa Malaysia Listing Requirements and the opening and maintaining of Central Depository Accounts designated as Share Buy-Back Accounts) and to enter into any agreements and arrangements with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

(Resolution 10)

9. To transact any other business of which due notice shall have been given.

By Order of the Board

TAN WOUI MENG

Secretary

Kuala Lumpur

30 May 2007

NOTES

A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- (1) Ordinary Resolution 9, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot shares in the Company up to and not exceeding in total ten (10) per centum of the issued and paid-up share capital of the Company for the time being, for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
- (2) Ordinary Resolution 10, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten (10) per centum of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the total retained earnings and share premium of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Further information on the Proposed Share Buy-Back is set out in the Share Buy-Back Statement of the Company dated 30 May 2007 which is despatched together with the Company's 2006 Annual Report.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad

- (1) The following are the Directors standing for re-election at the Twenty-Seventh Annual General Meeting of the Company:
 - (a) Pursuant to Article 99 of the Articles of Association of the Company.
 - (i) Tan Sri Clifford Francis Herbert
 - (ii) Tan Sri Dr. Lin See Yan
 - (b) Pursuant to Section 129 of the Companies Act, 1965.
 - (i) Tan Sri Alwi Jantan
 - (ii) Tan Sri Wan Sidek bin Hj Wan Abdul Rahman
- (2) Further details on the Directors standing for re-election at the Twenty-Seventh Annual General Meeting are set out on pages 11 to 12 of this Annual Report.

Corporate Diary

2006

3 January

Announcement of the resignation of Mr Justin Tan Wah Joo as a Non-Independent Non-Executive Director and as a member of the Audit Committee of the Company.

26 January

Announcement of the appointment of Mr Quah Chek Tin as a member of the Audit Committee of the Company.

22 February

Announcement of the Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2005.

19 April

Announcement of the following:

- (a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2005.
- (b) Twenty-Sixth Annual General Meeting.
- (c) Proposed Renewal of Mandate for the Proposed Share Buy-Back.

30 May

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

31 May

Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2006.

21 June

Twenty-Sixth Annual General Meeting.

30 August

Announcement of the following:

- (a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2006.
- (b) Entitlement Date for the Interim Dividend in respect of the half year ended 30 June 2006.

7 September

Announcement of the proposed issuance of RM1.1 billion nominal value 2-year convertible notes due 2008 ("Proposed Notes Issue").

8 September

Announcement of the completion of the book-building process in relation to the Proposed Notes Issue.

9 October

Announcement of the re-designation of Mr Quah Chek Tin as a Non-Independent Non-Executive Director of the Company, following his retirement as an Executive Director with effect from 8 October 2006, upon reaching his retirement age.

21 September

Announcement of the issuance of RM1.1 billion nominal value 2-year convertible notes due 2008.

23 November

Announcement of the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2006.

2007

15 January

Announcement of the Proposed Share Split involving the subdivision of each of the Company's existing ordinary shares of RM0.50 each into 5 ordinary shares of RM0.10 each ("Proposed Share Split") and the Proposed Amendments to the Articles of Association of the Company ("Proposed Amendments to the M&A").

27 February

Notice to Shareholders of the Extraordinary General Meeting ("EGM") in relation to the Proposed Share Split and Proposed Amendments to the M&A.

28 February

Announcement of the Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2006.

21 March

EGM in respect of the Proposed Share Split and Proposed Amendments to the M&A.

30 March

Announcement of the Entitlement Date for the Proposed Share Split.

16 April

Listing of and quotation for the ordinary shares of RM0.10 each in the Company on the Main Board of Bursa Malaysia Securities Berhad.

24 April

Announcement of the following:

- (a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2006.
- (b) Twenty-Seventh Annual General Meeting.
- (c) Proposed Renewal of Mandate for the Proposed Share Buy-Back.

DIVIDENDS

		Announcement	Entitlement Date	Payment
2005	Final - 14.0 sen less tax per ordinary share of 50 sen each	22 February 2006	3 July 2006	24 July 2006
2006	Interim - 12.0 sen less tax per ordinary share of 50 sen each	30 August 2006	3 October 2006	27 October 2006
2006	Proposed Final - 3.0 sen less tax per ordinary share of 10 sen each (Adjusted for Share Split from 15.0 sen less tax per ordinary share of 50 sen each)	28 February 2007	27 June 2007	19 July 2007*

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

Corporate Information

PRINCIPAL EXECUTIVE OFFICERS

Tan Sri Lim Kok Thay
Chairman & Chief Executive

Tun Mohammed Hanif bin Omar
Deputy Chairman

Tan Sri Alwi Jantan
*Executive Director & Executive Vice President
- Public Affairs & Human Resources*

Mr Lee Choong Yan
President & Chief Operating Officer

Mr Alan Teo Kwong Chia
Executive Vice President - Resorts Operations

Mr Jeffrey Teoh Kak Siew
Senior Vice President - Casino Marketing

Mr Lim Eng Ming
Senior Vice President - Casino & Security Operations

Mr Wong Yun On
Senior Vice President - Hotel Operations

Dato' Anthony Yeo Keat Seong
Senior Vice President - Public Relations & Communications

Ms Koh Poy Yong
Senior Vice President - Finance

Mr Paul Chan Meng Yeong
Senior Vice President - Sales & Marketing

AUDIT COMMITTEE

Tan Sri Clifford Francis Herbert
Chairman/Independent Non-Executive Director

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman
Member/Independent Non-Executive Director

Tan Sri Dr. Lin See Yan
Member/Independent Non-Executive Director

Mr Quah Chek Tin
Member/Non-Independent Non-Executive Director

Tan Sri Lim Kok Thay
Member/Chairman & Chief Executive

NOMINATION COMMITTEE

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman
Chairman/Independent Non-Executive Director

Tan Sri Clifford Francis Herbert
Member/Independent Non-Executive Director

Tan Sri Dr. Lin See Yan
Member/Independent Non-Executive Director

REMUNERATION COMMITTEE

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman
Chairman/Independent Non-Executive Director

Tan Sri Clifford Francis Herbert
Member/Independent Non-Executive Director

Tan Sri Dr. Lin See Yan
Member/Independent Non-Executive Director

Tan Sri Lim Kok Thay
Member/Chairman & Chief Executive

SECRETARY

Mr Tan Wooi Meng

RESORTS WORLD BHD

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

REGISTERED OFFICE

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

REGISTRARS

Genting Management and Consultancy Services Sdn Bhd
23rd Floor, Wisma Genting,
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel : (603) 2178 2266 / 2333 2266
Fax : (603) 2161 5304

STOCK EXCHANGE LISTING

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

AUDITORS

PricewaterhouseCoopers (Chartered Accountants)

INTERNET HOMEPAGE

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

Corporate Information (cont'd)



TAN SRI LIM GOH TONG
Founder

Board of Directors



TAN SRI LIM KOK THAY
Chairman & Chief Executive



TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman



TAN SRI ALWI JANTAN
Executive Director



MR QUAH CHEK TIN
*Non-Independent
Non-Executive Director*



**TAN SRI WAN SIDEK
BIN HJ WAN ABDUL RAHMAN**
Independent Non-Executive Director



TAN SRI DR. LIN SEE YAN
Independent Non-Executive Director



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



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

Directors' Profile

Tan Sri Lim Kok Thay (Malaysian, aged 55), appointed on 17 October 1988, is the Chairman and Chief Executive. He holds a Bachelor of Science Degree in Civil Engineering from the University of London. He attended the advanced management programme of Harvard Business School, Harvard University in 1979. He is also the Chairman, President and Chief Executive of Genting Berhad, the Joint Chief Executive and a Director of Asiatic Development Berhad, the Executive Chairman of Genting International P.L.C. and the Chairman of Stanley Leisure plc. In addition, he sits on the Boards of other Malaysian and foreign companies. He joined the Genting Group in 1976 and has since served in various positions within the Group. He also sits on the Board of trustees of several charitable organisations in Malaysia.

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

Tan Sri Lim is the Chairman and Chief Executive Officer of Star Cruises Limited ("Star Cruises"), a company listed on the Stock Exchange of Hong Kong Limited. He also has an interest in the securities of Star Cruises. The Star Cruises group engages in cruise and cruise related businesses. As the cruise industry forms a segment of the leisure industry, there may be indirect competition between the Company and Star Cruises.

Tun Mohammed Hanif bin Omar (Malaysian, aged 68), appointed on 23 February 1994, is the Deputy Chairman. He was Inspector-General of The Royal Malaysian Police for 20 years before retiring in January 1994. He holds a Bachelor of Arts Degree from the University of Malaya, Singapore, Bachelor of Law (Honours) Degree from Buckingham University and the Certificate of Legal Practice (Honours) from the Legal Qualifying Board. He is also the Deputy Chairman of Genting Berhad and the Chairman on the Board of public-listed General Corporation Berhad. He is a Director of AMMB Holdings Berhad, AMFB Holdings Berhad, Fullmark Manufacturing Bhd, Amlslamic Bank Berhad and AmBank (M) Berhad. He is the President of The Malaysian Institute of Management and The Malaysian Branch of the Royal Asiatic Society.

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

Tan Sri Alwi Jantan (Malaysian, aged 72), appointed on 10 August 1990, is an Executive Director. A graduate of the University of Malaya with Bachelor of Arts (Honours) Degree, he had a distinguished career in the public service. Prior to joining the Company, he was the Director General of Public Service Malaysia. He holds directorships in other companies

within the Resorts World Group, which include three public companies, Genting Golf Course Bhd, Genting Highlands Berhad and Awana Vacation Resorts Development Berhad. In addition, he sits on the Board of UOA Asset Management Sdn Bhd, the manager of the public-listed UOA Real Estate Investment Trust and also on the Boards of public-listed Guinness Anchor Berhad and Hiap Teck Venture Bhd.

Tan Sri Alwi holds 640,000 ordinary shares in the Company and has a share option to subscribe for 1,555,000 ordinary shares in the Company.

Mr Quah Chek Tin (Malaysian, aged 55), appointed on 15 January 2003, was re-designated as a Non-Independent Non-Executive Director, following his retirement on 8 October 2006. He was the Executive Director and the Chief Operating Officer of the Company prior to his retirement. He holds a Bachelor of Science (Honours) Degree in Economics from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants in England and Wales.

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

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

Tan Sri Wan Sidek bin Hj Wan Abdul Rahman (Malaysian, aged 71), appointed on 28 August 1997, is an Independent Non-Executive Director. Tan Sri Wan Sidek holds a Bachelor of Arts (Honours) Degree in Economics from the University of Malaya. He has vast experience in the civil service where he held several senior posts such as Federal Secretary, Sarawak (1970 - 1974), State Secretary, Pahang (1974 - 1978), Secretary General of the Ministry of Science, Technology & Environment (1981 - 1982), Secretary General of the Ministry of Information (1982 - 1986), Deputy Secretary General in the Prime Minister's Department (1986 - 1988) and Secretary General of the Ministry of Home Affairs Malaysia (1988 - 1990). Between 1990 to 1993, he served as the High Commissioner for Malaysia to the United Kingdom and Ambassador for Malaysia to the Republic of Ireland. He also sits on the Boards of Eng Teknologi Holdings Bhd, Olympia Industries Berhad and I - Power Berhad.

Tan Sri Dr. Lin See Yan (Malaysian, aged 67), appointed on 27 February 2002, is an Independent Non-Executive Director. He is an independent strategic and financial consultant and a chartered statistician. Tan Sri Dr. Lin received three degrees from Harvard University, including a PhD in economics. He is an Eisenhower Fellow and also the Professor of Economics (Adjunct) at Universiti Utara Malaysia.

Directors' Profile (cont'd)

Prior to 1998, Tan Sri Dr. Lin was Chairman/President and Chief Executive Officer of the Pacific Bank Group and for 14 years since 1980, the Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. He continues to serve the public interest, including being a Member of: National Economic Action Council (NEAC) Working Group; Prime Minister's Private Investment Advisory Panel and the National Steering Committee to Transform Higher Education; Economic Adviser, Associated Chinese Chambers of Commerce and Industry of Malaysia; Pro-Chancellor of Universiti Sains Malaysia; Trustee of Malaysia University for Sciences & Technology and Monash University (Sunway Campus) Malaysia; Governor of Asian Institute of Management, Manila and Member of Asian Financial Regulatory Shadow Committee.

He is Chairman Emeritus, Council of the Graduate School Alumni Association at Harvard University and Regional Director for Asia, Harvard Alumni Association at the University, in addition to being President, Harvard Club of Malaysia and its Foundation. Tan Sri Dr. Lin advises and sits on the Boards of a number of publicly listed and private enterprises in Malaysia, Singapore and Indonesia, including as Independent Director of Genting Berhad, Ancom Berhad, Fraser & Neave Holdings Berhad, Jobstreet Corporation Berhad, KrisAssets Holdings Berhad and Wah Seong Corporation Berhad.

Tan Dr. Sri Lin holds 250,000 ordinary shares in the Company.

Tan Sri Clifford Francis Herbert (Malaysian, aged 65), appointed on 27 June 2002, is an Independent Non-Executive Director. He holds a Bachelor of Arts (Honours) Degree from the University of Malaya and a Masters of Public Administration from the University of Pittsburgh, United States of America. He retired from the civil service in 1997 and at present sits on the Boards of AMMB Holdings Berhad, AmInvestment Bank Berhad (formerly known as AmMerchant Bank Berhad), AmIslamic Bank Berhad, AmInvestment Group Berhad and AmBank (M) Berhad.

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

During Tan Sri Clifford's tenure in the civil service, he sat on the Boards of the Pepper Marketing Agency, Tourist Development Corporation, Advisory Council of the Social Security Organisation (SOCSO), Aerospace Industries Malaysia Sdn Bhd, Malaysian Highway Authority, Malaysian

Rubber Development Corporation (MARDEC), Port Kelang Authority, Kelang Container Terminal Berhad, Bank Industri Malaysia Berhad, Malaysia Export Credit Insurance Ltd., National Trust Fund (KWAN), Kumpulan Khazanah Nasional Bhd, Malaysia Airline System Berhad (MAS), Petroliaam Nasional Berhad (PETRONAS), Bank Negara Malaysia and Multimedia Development Corporation Sdn Bhd. He also served as Chairman of the Inland Revenue Board in 1997.

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

General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin (Malaysian, aged 59), appointed on 4 August 2005, is an Independent Non-Executive Director. He holds a Masters of Science Degree in Defence and Strategic Studies from the Quaid-I-Azam University, Islamabad, Pakistan and had attended the Senior Executive Programme in Harvard University, United States of America in 2002. He is a Fellow of the Malaysian Institute of Management (MIM).

General (R) Tan Sri Mohd Zahidi has had a distinguished career in the Malaysian Armed Forces for 38 years 11 months, before retiring from the Force on 30 April 2005. During the period as a professional military officer, he served 6 years 4 months as the Malaysian Chief of Defence Forces from 1 January 1999 and as the Chief of the Malaysian Army for one year from 1 January 1998. Most notable appointments in the Armed Forces held were Aide de Camp (ADC) to His Majesty Yang Di-Pertuan Agong Sultan Azlan Shah, Commander Infantry Brigade, Assistant Chief of Staff Human Resources, Commander of Army Training and Doctrine Command, Deputy Chief of Army and Chief of Army. In international duties, General (R) Tan Sri Mohd Zahidi served as a Military Observer under the United Nations International Monitoring Group in Iraq after Iran-Iraq War Ceasefire in 1988/1989. General (R) Tan Sri Mohd Zahidi is also a Director of Asiatic Development Berhad, Cahya Mata Sarawak Berhad, Affin Holdings Berhad, Wah Seong Corporation Berhad, Bandar Raya Developments Berhad and Bintulu Port Holdings Berhad.

Tan Sri Zahidi was made a Member of Dewan Negara Perak, elected by DYMM Paduka Seri Sultan Perak on 25 November 2006 and also a Director of Yayasan Sultan Azlan Shah.

Attendance at Board Meetings

The details of Directors' attendances at Board Meetings are set out in the Corporate Governance statement on page 36 of this Annual Report.

Chairman's Statement

“We are committed to grow as the world's leading integrated resort operator”

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of the Resorts World Group of Companies (“Resorts World”, “Group” or “We”) for the financial year ended 31 December 2006.

REVIEW OF RESULTS

The Group's revenue rose by 5% to a new high of RM3.8 billion in 2006 (2005: RM3.6 billion), mainly attributable to higher volume of business in the leisure and hospitality segment.

Profit from operations was higher at RM1.37 billion in 2006 (2005: RM1.32 billion). A lower profit before tax of RM1.14 billion was posted in 2006 (2005: RM1.30 billion), mainly due to higher share of losses incurred by its associate, Star Cruises Limited (“Star Cruises”) and higher exceptional gains in the previous financial year, comprising the disposals of equity interest in London Clubs International plc (RM113.3 million) and other investments (RM18.1 million). The underlying performance of leisure and hospitality remained strong, registering a growth in profit of 12% in 2006.

FINANCIAL HIGHLIGHTS

Year ended 31 December	2006 RM million	2005 RM million (Restated)	Change %
Revenue	3,808.5	3,614.0	5.4
Profit from operations	1,366.6	1,325.1	3.1
Profit before taxation	1,138.7	1,301.6	-12.5
Profit after taxation	945.5	967.8	-2.3
Net profit attributable to equity holders of the Company	945.9	968.2	-2.3
Shareholders' equity	6,249.6	5,636.4	10.9
Total assets employed	8,372.4	7,049.9	18.6
Basic earnings per share (sen)**	86.5	88.7	-2.5
Diluted earnings per share (sen)**	86.3	88.7	-2.7
Net dividend per share (sen)#	19.6	17.3	13.3
Dividend cover (times)**	4.4	5.1	-13.7
Net assets per share (RM)#	5.71	5.16	10.7
Return (after tax and minority interests) on average shareholders' equity (%)	15.9	18.6	-2.7

* computed based on profit after taxation and minority interests.

computed based on issued share capital prior to the share split exercise which was completed on 16 April 2007.

DIVIDENDS

We will maintain a reasonable balance between dividend payouts and the setting aside of funds for future investment and business growth.

An interim dividend of 12.0 sen less tax per ordinary share of 50 sen each (2.4 sen less tax per ordinary share of 10 sen each) amounting to RM94.5 million, was paid on 27 October 2006. The Board has recommended a final gross dividend per ordinary share of 3.0 sen less tax per ordinary share of 10 sen each, which will require the approval of shareholders at the forthcoming Twenty-Seventh Annual General Meeting. Total gross dividend per ordinary share in 2006 would amount to 5.4 sen, reflecting a 12.5% increase from the previous year of 4.8 sen.

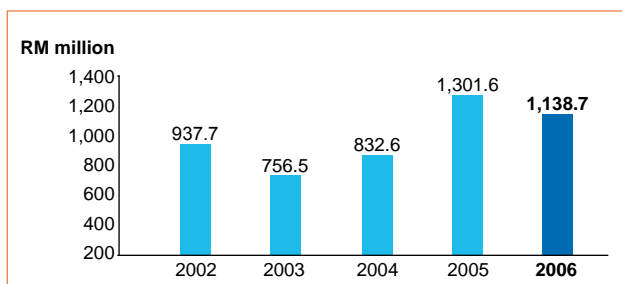
CORPORATE DEVELOPMENTS

On 21 September 2006, the Group issued RM1.1 billion convertible notes due in 2008. Proceeds from this issue will be used for working capital, investments and/or acquisitions relating to the Group's principal businesses in the leisure and entertainment sector. As at 11 May 2007, RM517.4 million of the convertible notes have been converted into 202.9 million new ordinary shares of 10 sen of the Company.

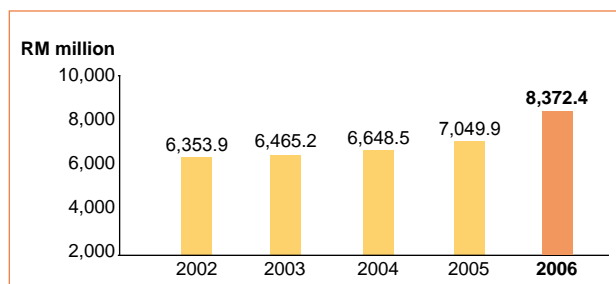
On 15 January 2007, the Group proposed a share split exercise. The share split exercise was completed on 16 April 2007, which resulted in the creation of five ordinary shares of 10 sen par value each for every one ordinary share of 50 sen held. The lower share price after this exercise should improve affordability and we hope will encourage more investors to invest in our shares.

The Group has a 6% equity interest in Genting International P.L.C. (“Genting International”), which became the largest casino operator in the UK when it completed the acquisition of **Stanley Leisure** plc in December 2006. We look forward to the synergies that will arise with Genting International's 46 casinos in the UK and furthermore when Singapore's integrated resort, named **Resorts World at Sentosa**, opens.

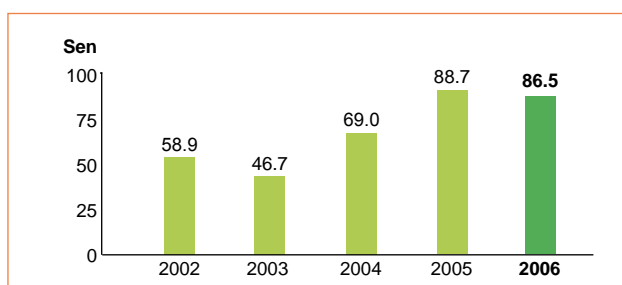
PROFIT BEFORE TAXATION



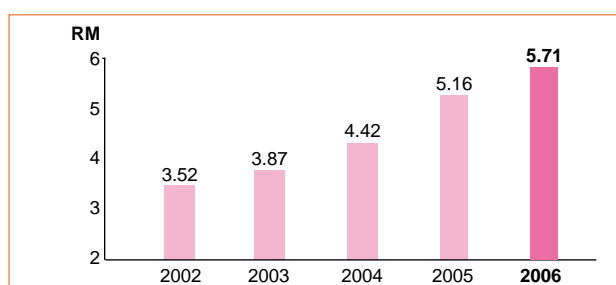
TOTAL ASSETS EMPLOYED



BASIC EARNINGS PER SHARE



NET ASSETS PER SHARE



BUSINESS DEVELOPMENTS

As one of the world's leading integrated leisure and entertainment destinations, Genting Highlands Resort ("Resort") was a key contributor to the nation's tourism growth in 2006. The Resort was voted as the *World's Leading Casino Resort (2005)*, *Asia's Leading Casino Resort (2005 and 2006)* and *Malaysia's Leading Resort (2006)* by World Travel Awards. In 2006, the Resort attracted 18.5 million visitors.

The Resort caters to all market segments of the leisure and hospitality industry with its wide range of facilities including hotels, food and beverages outlets, indoor and outdoor theme parks, mega entertainment shows and events, shopping, spa, golfing, eco-nature activities and much more.

Throughout the year, the Resort mesmerised visitors with magnificent shows, star-studded concerts and world-class entertainment - providing fun and memorable moments for the entire family.

Among the shows held in 2006 was "Mysteria", a popular daily resident show produced by the Group showcasing world-class performers. Internationally acclaimed artistes such as Connie Francis, Lobo, Tony Orlando, Smokie and canto-pop superstars from Hong Kong, Singapore and Taiwan performed at the Resort.

First World Hotel was officially acknowledged as the *World's Largest Hotel* by the Guinness World Records and Ripley's Believe It or Not in 2006.

New facilities were introduced at First World Hotel such as the new First World Fitness Centre and innovative self-service check-in kiosks.

Maxims, the super luxury brand accommodation of the Resort continued to cater exclusively to our premium hotel guests.

Two new premier brand products were launched. The new **Club Elite** was opened in December 2006. Offering 86 luxurious suites in Highlands Hotel, it is set to be another eminent place for our elite patrons who appreciate refined living and exclusivity. New restaurants for fine dining and a high-end buffet were introduced to complement the offerings of Club Elite. The newly refurbished **VIP** room provides a stylish and comfortable ambience for premier customers.

During the year, the existing rooms and hotel lobby of **Resort Hotel** were modernised to reflect a stylish and contemporary look.

The Bakery and **Lobby Café**, two existing food and beverage outlets of the Group were refurbished to offer a refreshing dining experience. **Ming Ren**, the Group's lamb specialty restaurant was relocated to the walkway level of **Highlands Hotel**. In conjunction with the Malaysia International Gourmet Festival, three Michelin Star chefs from Europe were flown in to showcase their internationally acclaimed culinary masterpieces at **The Olive** restaurant in October and November 2006.

Genting Theme Park continued to captivate visitors with 60 rides and attractions. New rides such as *Mini Train* at the First World Indoor Theme Park and *Pirate Ship* at the Outdoor Theme Park were introduced.

The road infrastructure and transportation vehicles of the Resort continued to be upgraded to ensure safe, comfortable and convenient travel. A new residential staff complex will be ready by July 2007 to cater to the increasing staff population at the Resort.

WorldCard, the Group's customer loyalty programme grew to over 2.2 million members in 2006. WorldCard members enjoy a multitude of benefits internationally and are recognised at more than 430 merchants covering over 1,900 outlets in Malaysia, Singapore and Hong Kong from a variety of leisure, dining, retail and entertainment outlets.

The Awana chain of hotel resorts was refurbished to improve its offerings to customers. **Awana Kijal Golf, Beach & Spa Resort** in Terengganu was named the No. 1 Resort in the East Coast in 2006 by the Hospitality magazine for the third consecutive year and remained a favourite host venue for some major international events in the east coast of Peninsular Malaysia.

Star Cruises, the record nine-time winner of the Best Cruise Operator in Asia-Pacific by TTG Asia, added two new 93,500-tonne ships to its US operations in 2006, as part of its ongoing fleet renewal programme. The **Pride of Hawaii** is the third and final vessel to join the NCL America fleet in April and is the largest US-flagged passenger ship ever built. The **Norwegian Pearl**, featuring the industry's first four-lane ten-pin bowling alley, joined the NCL fleet in November 2006.

The Asian fleet continued to offer a combination of regular and special cruises, providing new destination choices and cruise itineraries on ships like **SuperStar Virgo** and **SuperStar Gemini**. NCL's Norwegian Wind will be renamed **SuperStar Aquarius** and will join the Star Cruises brand fleet in June 2007. Plans are underway to build three new 150,000-gross tonne cruise ships (the third new ship is optional) under the NCL brand, for delivery between 2009 and 2011. The ships will represent a new generation of *Freestyle Cruising* vessels for NCL.

As a socially responsible corporation, the Group has contributed positively to the development of tourism and the community welfare of our country. The Group supports various charitable bodies, non-governmental organisations, educational institutions, health organisations, sports associations and other worthy causes in the country.

CORPORATE GOVERNANCE, TRANSPARENCY AND COMPLIANCE

The Board is committed to ensure that the highest standards of corporate governance, transparency and compliance are practised throughout the Group.

The Board is supported by three key Committees, namely the Audit, Remuneration and Nominating Committees, which meet regularly and are each chaired by an independent non-executive director.

PROSPECTS

In line with Visit Malaysia Year 2007, tourist arrivals are expected to increase and this will benefit the Group. With our new and improved facilities, we look forward to welcoming more visitors. Barring any unforeseen circumstances, we should continue to perform well in 2007.

APPRECIATION

I wish to extend my appreciation to our distinguished fellow members of the Board, who have always been supportive and provided valuable insights to the Group throughout the year.

Mr. Quah Chek Tin retired as the Executive Director and Chief Operating Officer of the Group with effect from 8 October 2006, upon reaching his retirement age. On behalf of the Board, I would like to extend our thanks and appreciation to him for his 27 years of dedicated service and contribution. Mr Quah will continue to contribute to the Group as a non-independent non-executive director of the Board.

To all of our stakeholders, including our customers, shareholders, business associates, authorities and employees, thank you for your confidence in the Group. I look forward to your continued support as we forge ahead to grow stronger and achieve greater success.

TAN SRI LIM KOK THAY

Chairman

11 May 2007

Penyata Pengerusi

“Kami bertekad untuk berkembang menjadi peneraju resort bersepadu di dunia”

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah Diaudit bagi Kumpulan Syarikat-Syarikat Resorts World (“Resorts World”, “Kumpulan” atau “Kami”) untuk tahun kewangan berakhir 31 Disember 2006.

TINJAUAN KEPUTUSAN

Perolehan Kumpulan telah meningkat sebanyak 5% untuk mencatat paras tertinggi yang baru iaitu sebanyak RM3.8 bilion dalam tahun 2006 (2005: RM3.6 bilion), terutamanya disebabkan oleh peningkatan dalam jumlah perniagaan dalam sektor Peranginan dan Keraian.

Keuntungan operasi sebelum cukai telah meningkat mencapai RM1.37 bilion pada tahun 2006 (2005: RM1.32 bilion). Keuntungan sebelum cukai yang lebih rendah sebanyak RM1.14 bilion telah dicatatkan dalam 2006 (2005: RM1.30 bilion), terutamanya disebabkan oleh sumbangan kerugian yang lebih tinggi daripada sekutunya, iaitu Star Cruises Limited (“Star Cruises”) dan keuntungan luar jangkaan yang lebih tinggi dalam tahun kewangan yang lalu, iaitu penjualan kepentingan saham dalam London Clubs International plc (RM113.3 juta) dan pelaburan-pelaburan lain (RM18.1 juta).

Prestasi asas sektor Peranginan and Keraian masih baik, mencatatkan peningkatan keuntungan sebanyak 12% dalam 2006.

SOROTAN KEWANGAN

Tahun berakhir 31 Disember	2006 RM juta	2005 RM juta (Dinyata semula)	Beza %
Perolehan	3,808.5	3,614.0	5.4
Untung daripada operasi	1,366.6	1,325.1	3.1
Untung sebelum cukai	1,138.7	1,301.6	-12.5
Untung selepas cukai	945.5	967.8	-2.3
Untung bersih bagi pemegang ekuiti syarikat	945.9	968.2	-2.3
Ekuiti pemegang saham	6,249.6	5,636.4	10.9
Jumlah aset diguna	8,372.4	7,049.9	18.6
Perolehan asas sesaham (sen)**	86.5	88.7	-2.5
Perolehan bersih sesaham (sen)**	86.3	88.7	-2.7
Dividen bersih sesaham (sen)#	19.6	17.3	13.3
Liputan dividen (kali)**	4.4	5.1	-13.7
Aset bersih sesaham (RM)#	5.71	5.16	10.7
Pulangan (selepas cukai dan kepentingan minoriti) per purata ekuiti pemegang saham (%)	15.9	18.6	-2.7

* Dikira berasaskan untung selepas cukai dan kepentingan minoriti.

Dikira berasaskan modal saham penerbitan sebelum pecahan saham yang telah diselenggarakan pada 16 April 2007.

DIVIDEN

Kami akan mengekalkan keseimbangan yang munasabah di antara dividen-dividen yang dibayar dengan peruntukan dana untuk pelaburan dan perkembangan perniagaan di masa hadapan.

Dividen interim sebanyak 12.0 sen tolak cukai bagi setiap saham yang bernilai tara 50 sen (2.4 sen tolak cukai bagi setiap saham yang bernilai tara 10 sen) yang berjumlah RM94.5 juta telah dibayar pada 27 Oktober 2006. Lembaga Pengarah telah mencadangkan dividen kasar akhir sebanyak 3.0 sen tolak cukai bagi setiap saham yang bernilai tara 10 sen, yang memerlukan kelulusan para pemegang saham di Mesyuarat Agung Tahunan Ke-Dua Puluh Tujuh. Jumlah dividen kasar sesaham dalam tahun 2006 akan berjumlah 5.4 sen, iaitu peningkatan sebanyak 12.5% berbanding dengan 4.8 sen dalam tahun sebelumnya.

PEMBANGUNAN KORPORAT

Pada 21 September 2006, Kumpulan telah menerbitkan nota-nota boleh tukar berjumlah RM1.1 bilion yang tamat tempoh dalam tahun 2008. Perolehan-perolehan daripada terbitan ini akan digunakan sebagai modal kerja, pelaburan dan/atau pemerolehan berkaitan perniagaan-perniagaan utama Kumpulan dalam peranginan dan keraian. Setakat 11 Mei 2007, RM517.4 juta daripada nota-nota boleh tukar ini telah ditukarkan kepada 202.9 juta saham-saham biasa Syarikat bernilai tara 10.0 sen yang baru.

Pada 15 Januari 2007, Kumpulan telah mencadangkan satu pelaksanaan pecahan saham. Pelaksanaan pecahan saham ini telah disempurnakan pada 16 April 2007, di mana lima saham biasa baru yang bernilai tara 10.0 sen sesaham diterbitkan untuk setiap saham biasa yang bernilai tara 50.0 sen yang dipegang. Harga saham yang lebih rendah selepas pelaksanaan ini akan menambahkan kemampuan upaya-beli dan kami berharap akan menggalakkan lebih ramai pelabur untuk melabur dalam saham-saham kami.

Kumpulan memiliki 6% kepentingan ekuiti dalam Genting International, yang telah menjadi pengendali kasino yang terbesar di UK selepas pemerolehan **Stanley Leisure** plc disempurnakan pada Disember 2006. Kami akan memperolehi manfaat dari sinergi-sinergi hasil usaha daripada Genting International yang mengendalikan 46 kasino-kasino di UK dan apabila resort bersepadu di Singapura, yang dinamakan **Resorts World at Sentosa** dibuka.

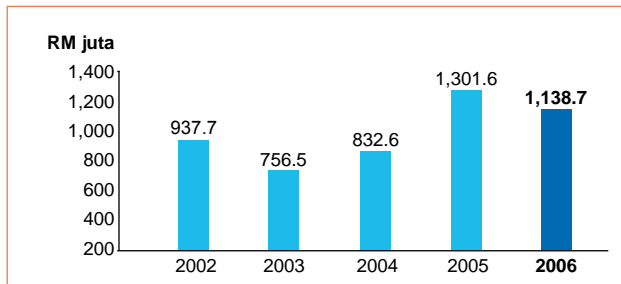
PEMBANGUNAN PERNIAGAAN

Sebagai salah satu destinasi-destinasi peranginan dan resort bersepadu yang terkemuka di dunia, Genting Highlands Resort (“Resort”) telah menjadi penyumbang utama kepada pertumbuhan pelancongan negara dalam tahun 2006. Resort telah dianugerahkan *World’s Leading Casino Resort (2005)*, *Asia’s Leading Casino Resort (2005 dan 2006)* dan *Malaysia’s Leading Resort (2006)* oleh World Travel Awards. Dalam tahun 2006, Resort ini telah menarik 18.5 juta para pengunjung.

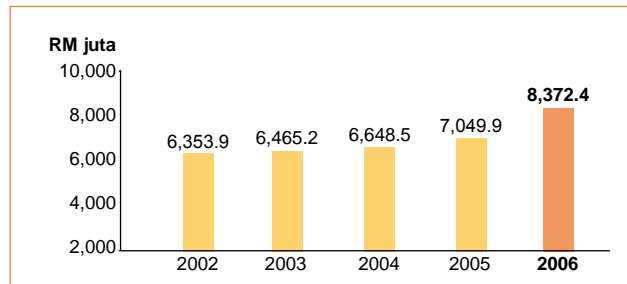
Resort ini memenuhi kehendak semua segmen pasaran dalam industri peranginan dan keraian dengan kemudahan-kemudahannya yang beraneka jenis termasuk hotel-hotel, premis makanan dan minuman, taman tema dalam dan luar, persembahan dan konsert hiburan mega, pusat membeli-belah, spa, golf, kegiatan eko-alam semulajadi dan banyak lagi.

Penyata Pengerusi (sambungan)

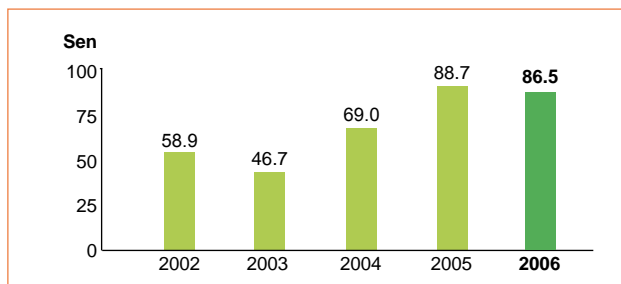
UNTUNG SEBELUM CUKAI



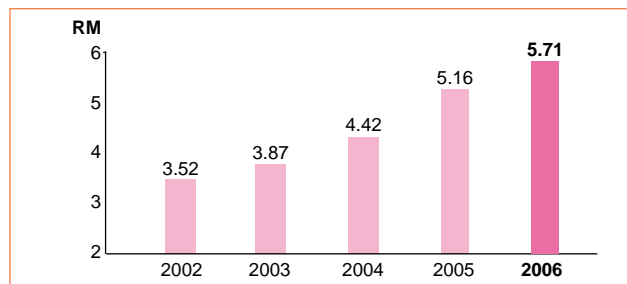
JUMLAH ASET DIGUNA



PEROLEHAN ASAS SESAHAM



ASET BERSIH SESAHAM



Sepanjang tahun, Resort telah mempersonakan para pengunjungnya dengan persembahan-persembahan yang mengagumkan, konsert-konsert bintang terkemuka dan hiburan-hiburan bertaraf antarabangsa – menyediakan detik-detik kerian dan kenangan untuk seisi keluarga.

Antara persembahan-persembahan yang diadakan dalam tahun 2006 ialah "*Mysteria*", iaitu satu persembahan residen harian popular yang diterbitkan oleh Kumpulan, memaparkan artis-artis dari luar negara yang bertaraf antarabangsa. Artis-artis terkenal seperti Connie Francis, Lobo, Tony Orlando dan Smokie, bintang-bintang popular dari Hong Kong, Singapura dan Taiwan telah mempersembahkan pertunjukan-pertunjukan mereka di Resort.

First World Hotel telah diiktirafkan secara rasmi sebagai **Hotel Yang Terbesar Di Dunia** oleh Guinness World Records dan Ripley's Believe It or Not dalam tahun 2006.

Kelengkapan-kelengkapan yang baru telah diperkenalkan di First World Hotel seperti First World Fitness Center dan kiosk-kiosk inovatif untuk daftar masuk bilik secara automatik.

Maxims yang menawarkan penginapan gaya mewah di Resort, terus memenuhi keperluan yang eksklusif untuk para pelanggan premium hotel.

Dua jenama produk unggul yang baru telah dilancarkan. **Club Elite** yang baru telah dibuka pada Disember 2006. Dengan 86 suite mewah di Highlands Hotel, ia akan menjadi satu lagi tempat terkenal bagi para pelanggan elit untuk menikmati kehidupan mewah dan eksklusif. Restoran-restoran baru untuk jamuan dan bufet bertaraf tinggi telah diperkenalkan untuk melengkapi penawaran-penawaran Club Elite. Bilik **VIP** yang baru dihias semula, menawarkan suasana yang bergaya dan selesa untuk para pelanggan premium.

Dalam tahun 2006, bilik-bilik dan lobi di **Resort Hotel** telah dimodenisasikan untuk menampilkan rupa yang bergaya dan kontemporari.

The Bakery dan **Lobby Café**, dua premis makanan dan minuman Kumpulan telah diubah suai untuk menawarkan suasana jamu selera yang memberangsangkan. **Ming Ren**, restoran daging bebiri muda istimewa Kumpulan telah dipindah lokasinya ke aras laluan **Highlands Hotel**.

Selaras dengan Pesta Makanan Antarabangsa Malaysia, tiga chef Michelin Star dari Eropah telah mempersembahkan seni masakan mereka di restoran **The Olive** pada Oktober dan November 2006.

Genting Theme Park terus menawan hati para pengunjung dengan 60 jenis mainan dan tarikan. Mainan-mainan baru telah diperkenalkan seperti **Mini Train** di Taman Tema Dalam First World dan **Pirate Ship** di Taman Tema Luar.

Infrastruktur jalan raya dan pengangkutan di Resort terus dipertingkatkan demi menjamin keselamatan, keselesaan dan kemudahan perjalanan. Kompleks kediaman kakitangan yang baru akan siap dibina pada Julai 2007 untuk menampung pertumbuhan populasi kakitangan di Resort.

WorldCard, program kesetiaan pelanggan Kumpulan telah berkembang dan mencapai lebih daripada 2.2 juta ahli dalam tahun 2006. Ahli-ahli WorldCard menikmati pelbagai nilai dan pengiktirafan dari syarikat-syarikat pedagang yang lebih dari 430 dan meliputi lebih dari 1,900 premis niaga di Malaysia, Singapura dan Hong Kong, merangkumi premis-premis peranginan, jamuan, membeli-belah dan hiburan.

Rangkaian hotel resort Awana telah diubah suai demi mempertingkatkan lagi kemudahan-kemudahan resort untuk para pelanggannya. Pada tahun ketiga berturut-turut, **Awana Kijal Golf, Beach & Spa Resort** di Terengganu telah diiktirafkan sebagai Resort No. 1 di Pantai Timur dalam 2006 oleh majalah Hospitality dan kekal sebagai satu tempat pilihan untuk mengadakan acara-acara antarabangsa yang utama di Pantai Timur Semenanjung Malaysia.

Penyata Pengerusi (sambungan)

Star Cruises, pemenang anugerah Best Cruise Operator in Asia-Pacific oleh TTG Asia untuk rekod sejarah kali yang kesembilan, telah menambahkan dua buah kapal 93,500-tan yang baru bagi operasi US dalam tahun 2006, sejajar dengan program pembaharuan rangkaian kapal persiarannya. **Pride of Hawaii** merupakan kapal yang ketiga dan yang terakhir menyertai rangkaian kapal NCL America pada April dan merupakan kapal penumpang berbendera US yang paling besar pernah dibina. **Norwegian Pearl** yang menawarkan lorong boling 10-pin empat-laluan yang pertama jenisnya di industri ini, telah menyertai rangkaian kapal persiaran NCL pada November 2006.

Rangkaian kapal persiarannya di Asia seperti **SuperStar Virgo** dan **SuperStar Gemini** terus menawarkan kombinasi pelayaran-pelayaran biasa dan istimewa serta pilihan destinasi dan perjalanan pelayaran yang baru. Norwegian Wind di bawah jenama NCL akan dinamakan semula sebagai **SuperStar Aquarius** dan akan menyertai rangkaian kapal persiaran jenama Star Cruises pada Jun 2007. Dalam perancangan, adalah pembinaan tiga kapal persiaran 150,000-tan kasar yang baru (kapal baru yang ketiga adalah tertakluk kepada pilihan) di bawah jenama NCL bagi penghantaran di antara 2009 dan 2011. Kapal-kapal ini akan mewakili generasi baru pelayaran *Freestyle Cruising* di bawah naungan jenama NCL.

Sebagai korporat yang bertanggungjawab sosial, Kumpulan telah memberi sumbangan secara positif terhadap pembangunan pelancongan dan kebajikan masyarakat di negara ini.

Kumpulan menyokong pelbagai badan kebajikan, organisasi bukan kerajaan, institusi pendidikan, organisasi kesihatan, persatuan sukan dan usaha-usaha manfaat yang lain di negara ini.

PENTADBIRAN KORPORAT, KETELUSAN DAN PEMATUHAN

Lembaga Pengarah bertekad menjamin piawaian tertinggi dalam pentadbiran korporat, ketelusan dan pematuhan yang diamalkan di seluruh Kumpulan.

Lembaga Pengarah disokong oleh tiga Jawatankuasa utama, iaitu Jawatankuasa Audit, Ganjaran dan Pencalonan yang kerap bermesyuarat dan masing-masing dipengerusi oleh seorang pengarah bebas bukan eksekutif.

PROSPEK

Selaras dengan Tahun Melawat Malaysia 2007, ketibaan para pelancong dijangka meningkat dan ini akan memberi manfaat kepada Kumpulan. Kami telah bersiap sedia untuk mengalu-alukan kedatangan lebih ramai para pengunjung dengan kemudahan-kemudahan baru yang lebih baik. Sekiranya tiada aral melintang, kami akan mengekalkan prestasi baik dalam tahun 2007.

PENGHARGAAN

Saya ingin menyampaikan penghargaan saya kepada ahli-ahli Lembaga Pengarah, yang memberi sokongan dan sumbangan bernilai kepada Kumpulan sepanjang tahun ini.

Pada 8 Oktober 2006, Encik Quah Chek Tin bersara sebagai Pengarah Eksekutif and Ketua Pegawai Operasi Kumpulan setelah mencapai usia bersara. Bagi pihak Lembaga, saya ingin menyampaikan ucapan terima kasih dan penghargaan kepada beliau ke atas khidmat dan sumbangan dedikasinya selama 27 tahun. Encik Quah akan terus menyumbangkan khidmatnya kepada Kumpulan sebagai pengarah bukan bebas bukan eksekutif.

Saya ingin menyampaikan ucapan terima kasih kepada para pemegang amanah harta kami termasuk para pelanggan, pemegang saham, sekutu niaga, pelbagai pihak berkuasa dan para pekerja ke atas sokongan dan keyakinan sekalian terhadap Kumpulan. Semoga kita terus berganding bahu untuk berkembang maju dan mencapai lebih kejayaan.

TAN SRI LIM KOK THAY

Pengerusi
11 Mei 2007

主席文告

“我們承諾全力以赴, 成為全球首屈一指的綜合名勝經營者”

本人謹代表董事部向您呈獻名勝世界集團（以下簡稱‘名勝世界’、‘本集團’或‘我們’）截至2006年12月31日的常年報告及已審核財政報告。

業績回顧

本集團在2006年的營業額取得5%的增長，創下三十八億令吉的新高記錄（2005年：三十六億令吉），而這主要歸功於休閒與酒店業務量的提升。

2006年的營運盈利稍微增加至十三億七千萬令吉（2005年：十三億二千萬令吉）。由於分攤聯號公司麗星郵輪有限公司（麗星郵輪）更高的虧損額，加上前一個財政年獲得較高的一次性投資賺利，2006年的稅前盈利減少至十一億四千萬令吉（2005年：十三億令吉）。上一年的一次性投資賺利主要來自脫售倫敦俱樂部國際有限公司股權（一億一千三百三十萬令吉）與其他投資（一千八百一十萬令吉）所得。休閒與酒店業務保持強勁，2006年盈利成長12%。

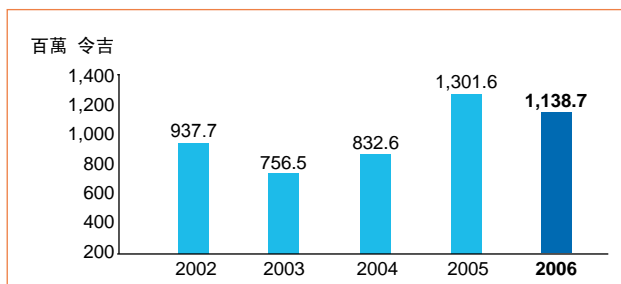
財政重點

截至12月31日	2006年 百萬令吉	2005年 百萬令吉 (經重列)	差額 %
收入	3,808.5	3,614.0	5.4
營運盈利	1,366.6	1,325.1	3.1
稅前盈利	1,138.7	1,301.6	-12.5
稅後盈利	945.5	967.8	-2.3
股東淨盈利	945.9	968.2	-2.3
股東股權	6,249.6	5,636.4	10.9
全部動用資產	8,372.4	7,049.9	18.6
每股基本收益 (仙)**	86.5	88.7	-2.5
每股沖淡收益 (仙)**	86.3	88.7	-2.7
每股淨股息 (仙)*	19.6	17.3	13.3
股息支付率 (倍)**	4.4	5.1	-13.7
每股淨資產 (令吉)*	5.71	5.16	10.7
平均股東股權 (在扣稅及扣除少數股東利益后) 的報酬(%)	15.9	18.6	-2.7

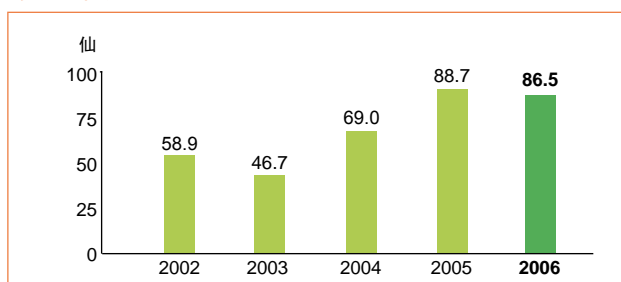
* 根據扣稅及扣除少數股東利益后的盈利計算

* 根據股票分拆前（4月16日完成）所計算的發行股本

稅前盈利



每股基本收益



股息

本集團的政策是在派息的同時，保留部分資金作為未來投資與業務擴展之用，並讓三者之間維持合理的平衡。

每股12.0仙（扣除稅款及面值50仙）或2.4仙（扣除稅款及面值10仙），總值高達九千四百五十萬令吉的中期股息已于2006年10月27日支付。董事部建議本年度的終期股息為每股3.0仙（扣除稅款及面值10仙），並將在來臨的第27屆股東大會提出，由股東批准。2006年分發的每股股息總額，從上一年的4.8仙增加12.5%至5.4仙。

企業發展

本集團在2006年9月21日發行的十一億令吉可轉換票據，將於2008年到期。這項發行行動所籌集的資金收入將作為營運資本，以資助本集團在休閒與娛樂業務之投資與/或收購活動。截至2007年5月11日，總值五億一千七百四十萬令吉的可轉換票據已轉換為本公司二億二百九十萬股新普通股，每股面值10仙。

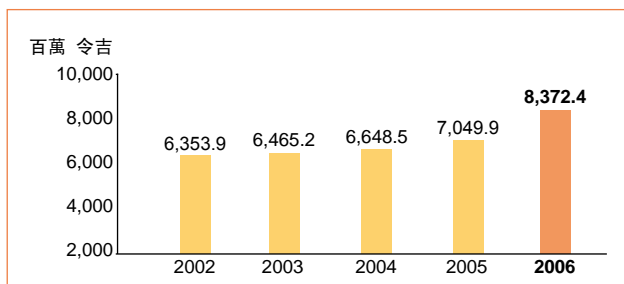
本集團在2007年1月15日建議推行股票分拆計畫。這項股票分拆計畫在2007年4月16日完成，使原本每股面值50仙的一股股票，在分拆后變成每股面值10仙的五股股票。股票分拆后，每股的價格更便宜也更大眾化，從而鼓勵更多投資者投資我們的股票。

本集團持有6%股權的雲頂國際，在2006年12月份完成收購史丹尼休閒有限公司（Stanley Leisure）之后，晉升為英國最大規模的賭場經營者。我們期望雲頂國際在英國經營的46間賭場，以及即將來臨的新加坡聖淘沙綜合名勝——**聖淘沙名勝世界（Resorts World at Sentosa）**能相映生輝，起著相輔相成的作用。

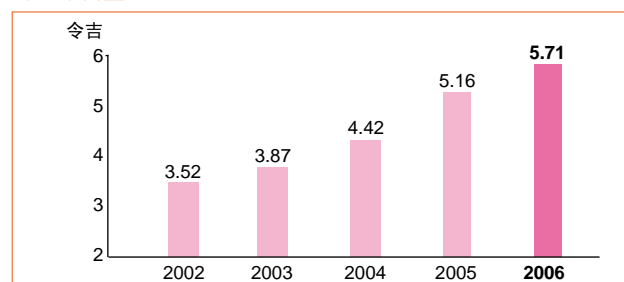
業務發展

作為世界首屈一指的綜合休閒與娛樂勝地之一，**雲頂高原勝地**（以下簡稱‘勝地’）是2006年國家旅遊業成長之主要貢獻者。勝地獲得世界旅遊大獎（World Travel Awards）投選為世界首要賭場名勝（2005年）、亞洲首要賭場名勝（2005與2006年）以及馬來西亞首要名勝（2006年），並成功於2006年吸引多達一千八百五十萬名到訪遊客。

全部動用資產



每股淨資產



勝地的休閒娛樂設施包羅萬象，從酒店、餐飲精選、室內與戶外主題公園、大型娛樂表演與活動盛會、購物樂趣、溫泉浴、高爾夫球至生態自然活動以及其他多姿多彩的休閒娛樂活動，足於提供各層面的休閒娛樂。

這一年來，勝地透過炫麗奪目的精彩演出、星光熠熠的演唱會以及世界級的娛樂表演，讓遊客們陶醉其中、樂而忘返，也為一家大小帶來無窮歡樂和美好回憶。2006年的重量級表演包括“Mysteria”-這支由本集團製作的常駐表演節目雲集了世界一流的國際表演者，備受觀眾歡迎。享譽國際的藝術大師如 Connie Francis、Lobo、Tony Orlando 與Smokie，以及香港、新加坡與台灣流行歌手也在勝地精彩演出。

第一大酒店在2006年的世界健力士大全與利普里信不信由你世界記錄中，正式成為世界最大酒店。第一大酒店的新設備包括嶄新的第一大酒店健身中心與自助登記入住的創新系統。

美星 (Maxims) 是勝地的超級豪華酒店品牌，專為酒店的貴賓級客戶精心設立。

此外，我們也推出了兩個新的產品品牌。嶄新的**精英俱樂部 (Club Elite)**在2006年12月開張。精英俱樂部設立了八十六間豪華套房在高原酒店，讓貴賓們齊聚一堂，享受豪華尊貴的卓越生活。專為精英俱樂部而設立的精緻餐飲服務與高級自由餐廳也已開始投入運作。新裝潢的**貴賓室 (VIP)**則讓貴賓們享受優越性和舒適時尚的氛圍。

這一年來，名勝酒店的現有客房與酒店大廳都進行了裝潢和現代化工程，展現時髦且富有時代氣息的優雅外觀。

本集團現有的兩家餐廳**The Bakery** 與 **Lobby Cafe**，在重新裝潢之後，為旅客帶來嶄新的飲食體驗。本集團的羊肉專賣餐館一人名餐廳搬遷到高原酒店的步道樓層。在馬來西亞國際美食節舉辦期間，三位來自歐洲的Michelin美食星級廚師也於2006年10月與11月前來共襄盛舉，在我們的頂級餐廳**The Olive** 大展廚藝，分享他們享譽國際的經典佳肴。

雲頂主題公園的60個遊樂乘騎裝置與景點繼續吸引大量遊客前來遊玩。新推出的乘騎裝置包括第一大酒店室內主題公園的迷你火車 (**Mini Train**) 與戶外主題公園的海盜船 (**Pirate Ship**)。

來往勝地的道路設施與交通服務也不斷獲得提升，以確保訪客順利安全地抵達勝地。我們新的員工宿舍大廈將在2007年7月竣工，以應付日益龐大的員工人數。

在本集團客戶忠誠計畫下所推出的環通卡，2006年會員人數突破二百二十萬名。環通卡會員可在馬來西亞、新加坡與香港等地超過四百三十間商店與它們的一千九百間分店享受休閒、餐飲、零售與娛樂等領域的國際性優惠禮遇。

阿娃娜連鎖酒店也完成裝潢翻新工程，以提升名勝的相關設施。位於登嘉樓的阿娃娜琪佳高爾夫球、海灘及溫泉勝地連續第三年被‘Hospitality’休閒酒店雜誌投選為2006年度東海岸第一名勝，並繼續成為馬來西亞半島東海岸在舉辦大型國際活動的首選地點。

連續第九次獲得TTG旅遊大獎頒發“亞太區最佳郵輪業者”的**麗星郵輪**，在其持續更新船隊的計畫下，已於2006年在美國增加兩艘全

新九萬三千五百公噸位郵輪。有史以來最大艘的美國客船 - **夏威夷之傲 (The Pride of Hawaii)**，是第三艘也是最後一艘在4月份加入NCL美國船隊的郵輪。擁有業內首創的四道十球瓶保齡球場的**挪威珍珠 (Norwegian Pearl)**，則在2006年11月加入NCL美國船隊。

亞洲船隊繼續提供結合例常路線與專用郵輪的全面服務，由**處女超級星號**和**雙子超級星號**提供全新旅遊到達站與郵輪路線。NCL美國品牌**挪威風號 (Norwegian Wind)**重新被命名為**寶瓶超級星號**，並將在2007年6月加入麗星郵輪品牌船隊。擬議中的計畫還包括在NCL美國品牌下，興建三艘十五萬總公噸位郵輪（第三艘屬選擇性），預計在2009年至2011年期間完成。這支船隊代表著NCL美國品牌的新生代自由式郵輪船隊。

作為一家深具社會責任感與使命感的企業，我們對我國的旅遊業發展與社會福利方面皆作出了積極性的貢獻。我們資助各類慈善團體、非政府組織、教育機構、衛生組織、體育協會與國內其他值得關注之項目活動。

企業治理、透明度與監管遵循

董事部承諾在整個集團內奉行最高標準之企業治理、透明度與監管遵循。

董事部獲得三大主要委員會之支援。這三大委員會分別是審計、報酬與任命委員會，個別由一位獨立非執行董事主持，並定期召開會議。

前景

2007年是大馬旅遊年，預計到訪的遊客人數將有所增加，讓本集團獲益。我們已準備就緒，以嶄新和完善的服務設備來迎接到訪遊客。排除其它特殊情況，我們應該能在2007年繼續取得更出色的表現。

致謝

本人謹此對董事部成員過去一年來對本集團的支持與意見提供，致以萬分謝意。

柯建伯先生因已屆退休年齡，已於2006年10月8日起，卸下本集團執行董事與首席執行員的職務。本人謹代表全體董事部，向柯先生這二十七年來對本集團所作的獻身服務與積極貢獻，表達最深切的謝意。柯先生將繼續留任董事部，擔任非獨立及非執行董事。

本人謹此由衷感謝我們的利益相關者，包括我們的客戶、股東、商業同仁以及各有關當局一直以來給予本集團的支持與信賴。在本集團茁壯成長、邁向另一尖峰之際，我們衷心期望能持續獲得您的鼎力支持。

丹斯里林國泰

主席

2007年5月11日



Come visit Genting - "City of Entertainment". The only city in Malaysia that "never sleeps". It offers six hotels with 10,000 rooms and a myriad of leisure, business and fun-filled activities that span over 170 food, beverage and retail outlets, 60 fun rides and entertainment attractions, world-class convention and mega show venues and much, much more. Be entertained at Asia's leading integrated resort.

Review of Operations



Genting Highlands Resort



Scenic view of Genting Theme Park and its cool surrounding



Mysteria at the Pavilion, First World Plaza

GENTING HIGHLANDS RESORT

GENTING - CITY OF ENTERTAINMENT

www.genting.com.my



Asia's Leading Casino Resort
(2006 & 2005)

Genting Highlands Resort ("Resort") is **Asia's leading integrated leisure and entertainment resort**. Popularly known as **Genting – City of Entertainment**, the Resort has won numerous awards of excellence, including being voted as the World's Leading Casino Resort. The Resort was voted twice as Asia's Leading Casino Resort in 2006 and 2005 (by World Travel Awards), reflecting its consistent world-class products and service excellence.

The Resort attracted 18.5 million visitors in 2006, of which 27% were hotel guests and the remaining 73% were day-trippers. Malaysians comprised the bulk of day-trippers and hotel guests while Singaporean hotel guests formed about 5% of the total visitor arrivals to the Resort in 2006. Tourist arrivals from China, India, Middle East, Indonesia and neighbouring countries grew significantly while domestic demand remained strong in 2006.

The Resort has become a popular venue for world-class shows and international performances with three mega entertainment venues with a total combined capacity of 10,000.

During the year, a series of exciting shows and events, including *Christmas and Motown with the Former Ladies of the Supremes*, *Karaoke World Championship 2006* and *Maria Cordero Live in Genting* were held at the **Genting International Showroom** (1,600 capacity).

The popular long-running daily resident show "*Mysteria – Believe the Impossible*" was held at the **Pavilion** (2,000 capacity). Set in the ancient Egyptian era and featuring captivating choreography and acrobatic performances, including the world-renowned illusionist Tim Kole, *Mysteria* was one of the most watched live performances in the country. The show was extended by three months to 1 January 2007 to cater to the overwhelming demand.

Arena of Stars

The **Arena of Stars** (6,000 capacity) is the ideal venue for spectacular star-studded concerts, live-telecast shows and adrenalin-pumping sporting events. In 2006, it was the host venue to 41 exciting mega concerts, award ceremonies and show events, attracting thousands of fans to the Resort. International artistes who performed at the Arena of Stars included Connie Francis, Jim Brickman, Lobo, Tony Orlando, Smokie and canto-pop superstars from Hong Kong, Singapore and Taiwan such as Twins, S.H.E, Harlem Yu, Stefanie Sun, George Lam, Sandy Lam, Tsai Chin, Fong Fei Fei, Paula Tsui, Liu Jia Chang and Fei Yu Ching.

In addition, the Group hosted the *4 Asian Divas* concert, which combined superstars Frances Yip, Anita Sarawak, Maria Cordero and Eliza Chan. Due to popular demand from customers, additional concerts of the *4 Asian Divas* and Tsai Chin were held within the same year, much to the delight of their respective fans.

Other events held at the Arena of Stars in 2006 included the 7th Genting World Lion Dance Championship, National Kids Talent Search, Nation Care Charity Show, Lillian Too's Your Fortune & Feng Shui and local awards shows such as the Anugerah Bintang Popular Berita Harian, Astro Talent Quest, MYFM 8th Anniversary Live Concert and Astro Classic Golden Melody Award 2006.

Genting International Showroom





First World Hotel - World's Largest Hotel

FIRST WORLD HOTEL & PLAZA ("FIRST WORLD COMPLEX")



First World Hotel & Plaza is Malaysia's highest and only leisure, shopping and entertainment venue that enjoys cool fresh highlands air. With the completion of Tower 2 in December 2005, First World Hotel was officially recognised by *Guinness World Records* and *Ripley's Believe It or Not* as the **World's Largest Hotel** with a total of 6,118 rooms.

The new *First World Fitness Centre*, located at Tower Two was opened in November 2006 to provide the ideal environment for workouts and stress relief. The Fitness Centre received good response from the hotel and walk-in guests. Other new facilities at First World Hotel included a new ticketing and information counter to cater to the heavy customer traffic flow during check-ins.

Self-service check-in kiosks were introduced at First World Hotel to provide an innovative alternative check-in option for the convenience of hotel guests with confirmed and prepaid bookings. The eVoucher system, which incorporates meals entitlement into the hotel key cards, was introduced to progressively replace the conventional meal vouchers for hotel guests.

Star World at First World Plaza continues to be a popular venue for contemporary gaming patrons, offering the latest in gaming entertainment and technology.



STARWORLD
FIRST WORLD PLAZA



*Enjoy shopping and leisure entertainment at
Genting Times Square, First World Plaza*





Maxims Residences



M Spa & Fitness



Club Elite



Resort Hotel

HOTELS

The Resort's six hotels with about 10,000 rooms of 3, 4, 5 and luxury 6-star standards cater to the accommodation needs of all visitors. The five hill top hotels at the Resort - Genting Hotel, Highlands Hotel, Resort Hotel, Theme Park Hotel and First World Hotel achieved an overall average occupancy of 78% in 2006. Over 2.3 million room nights were sold in 2006, a 9% growth over the previous year. The five hill top hotels were certified with Quality Management System ISO 9001:2000 Certification, reflecting the high standards of service quality.

During the year, the hotel rooms and facilities were progressively improved to attract new customers to the Resort and retain loyal, repeat guests.

Maxims (www.maxims.com.my) represents the exquisite super luxury brand accommodation of the Resort. Located in Genting Hotel, this "hotel within a hotel" concept has 3 units of Maxims Suites & Residences, 107 units of Club Suites, a classy business centre, a private VIP check-in lounge and an exclusive dining and entertainment facility.

Maxims Residences, located on the 17th and 18th floors of Genting Hotel, offers luxury living with state-of-the-art facilities and extraordinary spacious suites. The largest suite, "Royal Suite" has a built-up area of 13,000 square feet with jacuzzis, sauna, massage area, gym and audio-visual room. These super luxury rooms cater

exclusively to corporate and premium guests. Maxims has a collaborative marketing programme with its sister brand in Maxims Casino Club, London, one of the select number of high-end casinos in the UK.

During the year under review, the Group developed another luxury brand accommodation with the "hotel within a hotel" concept. Three top floors of Highlands Hotel were upgraded and converted into the new **Club Elite**. Comprising 86 luxurious suites and two new fine dining and high-end buffet restaurants, Club Elite provides a stylish and contemporary ambience for the Resort's premier gaming patrons.

Room refurbishments were also carried out at the other hotels. In Highlands Hotel, two floors of Deluxe and Premier rooms were refurbished and upgraded in September 2006. 480 superior rooms at Resort Hotel were enhanced with deluxe facilities in May and four of its top floors were renovated in November.

M Spa & Fitness continued to provide invigorating spa treatments for guests. Located at the lobby floor of Genting Hotel, the spa has 15 luxurious treatment rooms including sauna, steam room and jacuzzi areas as well as a beauty salon, café and a fully equipped modern gym with a fantastic view of the Outdoor Theme Park.



Genting International Convention Centre



The Olive

CONVENTIONS

mice.genting.com.my

Genting International Convention Centre ("GICC") is one of the largest and most popular convention centres in Malaysia. Located at First World Hotel & Plaza, GICC is a one-stop destination for Meetings, Incentives, Conventions and Exhibitions (MICE), offering over 150,000 square feet of conference space including 18 meeting rooms, a Grand Ballroom, 3 Convention Halls and a Business Centre to accommodate all types of corporate events.

A total of 3,159 functions were held at the Resort in 2006. Among the major conventions who held their events at the Resort were Network J&J, Prudential Assurance, Nasa Products Dealers, Malaysian Assurance Alliance and Diamond Interest.

FOOD & BEVERAGE ("F&B")

The Group's 43 F&B outlets catered to 11.9 million F&B covers in 2006. Together with other third party operators, the Resort has a total of 91 F&B outlets, offering a wide range of dining choices, from local to international cuisines.

The Olive is the Resort's fine dining restaurant that has earned a distinction of excellence in the culinary world. In conjunction with the Malaysia International Gourmet Festival, three world-renowned Michelin star chefs showcased some of the world's finest culinary at the Olive.

Several F&B outlets were extensively renovated to offer refreshing new dining experiences. **The Bakery**, located beside the entrance of Genting Hotel, reopened for business in September 2006 after a three-month renovation. The trendy Bakery with alfresco dining serves a wide range of high quality gourmet pastries, sandwiches and specialty coffees and has become a popular food hangout.

Lobby Café at First World Hotel was refurbished and reopened for business in November 2006. It has now become a favourite café amongst hotel guests and visitors at the First World Hotel lobby area.

Ming Ren was temporarily closed in August 2006 and relocated to the walkway of Highlands Hotel. The restaurant reopened in early 2007 with new delicious menus, emphasising on Xin Jiang lamb specialties.

In September 2006, the Group via its loyalty programme **WorldCard**, launched the Prepaid Dining Card, an innovative dining payment option for customers and members.

In October 2006, First World Hotel's F&B division achieved the HACCP – Food Safety Management System (Hazard Analysis Critical Control Point) certification by World Certification Services, reflecting the high standards of food quality and safety management implemented.



Ming Ren



The Bakery



Lobby Café

SHOPPING PARADISE

First World Plaza is a shopping and leisure paradise, offering more than 170 retail shops, food and beverage outlets, 25 fun rides, 6 vibrant themed boulevards and many more entertainment attractions - all under one roof. The Plaza is accessible to the public 24 hours a day and is beautifully designed with world famous landmarks and appropriately themed boulevards such as *Times Square*, *Champs Elysees*, *Venice*, *Covent Garden*, *Universal Walk* and *Genting Walk*. Dotted around First World Plaza are replicas of world famous icons such as the *Statue of Liberty*, the *Hollywood Oscar*, *Eiffel Tower*, *Big Ben*, *Petronas Twin Towers* and the *Golden Gate*.

During the year, continuous efforts were made to enhance convenience and service levels when shopping at First World Plaza. On-going new facilities and services include free mobile phone battery charging kiosks, enhancement of toilets and outlet facades and a fashionable new Cultural Village. The various cultural arts, handicrafts and souvenirs from key Asian countries and from the Middle East are reflected in the Cultural Village concept stalls and have become a great attraction for locals and international visitors.

First World Plaza has many branded retail outlets for the young and trendy including Esprit, U2, Nike, Timberland, Adidas, Giordano, Bonia, Padini Concept Store, Soda, Converse, The Body Shop, Hush Puppies, Osim, Renoma, Carlo Rino, Bonita, Girls, Union Bay, Travel for All, Poney, Cheetah, Diadora, Voir, World Of Cartoon and Blush.

Specialty restaurants, popular fast food outlets, cafes and various eateries can be found at First World Plaza such as Ah Yat Abalone Forum Restaurant, The Causeway Bay, Market Food Street, McDonald's, KFC, Burger King, Kenny Roger Roasters, Pizza Hut, MarryBrown, Sushi Corner, Starbucks Coffee, The Coffee Bean & Tea Leaf, Baskin Robbins and The Kopitiam Food Hall.

Endless entertainment programmes were organised at **Genting Times Square** all year round including daily local cultural dances, acrobatic shows, special themed dances, magic shows and performances by famous local artistes. The **Genting Universal Walk** at First World Plaza has become a popular venue for events such as Automobile Fair, Formula 1 Road Show, Thai Fair, Shanghai Yuyuan Master Craftsmen Showcase, the 4th Asia Pacific Yoyo Championship Competition, Padini Holiday Launching Event, Osim Fair and many others. The annual countdown celebrations, especially the Christmas Eve's Countdown Party and New Year Eve's Countdown Party with exciting pyrotechnic, confetti displays and a whole night of great entertainment have become much-awaited events for thousands of revellers.



Fun and entertainment at First World Plaza



Exciting shows and countdown parties at Genting Times Square



GENTING THEME PARK

Genting Theme Park provides endless "Fun at the Peak" with 60 rides and unique attractions.



It is the first theme park in this region to be certified with the Quality Management System Standards ISO9001:2000 from Lloyd's Register Quality Assurance Ltd for its excellent management and operation of a theme park.

The theme park features unique attractions such as the *Flying Coaster* - Asia's first hang gliding roller coaster thrill ride, *Genting Sky Venture* - Asia's first sky diving simulation, *Genting X-pedition Wall* - the biggest indoor climbing wall in Southeast Asia and Malaysia's first *4D Motion Master Theater*. The 4D Motion Master Theater transforms the normal 3D imaging technology into a Motion Master format, enabling viewers to experience heat, wind, mist and other special effects.

Snow World, the largest indoor snow attraction in Malaysia has become a popular choice for educational visits for students from various local schools. Innovative ideas such as teaching the art of making ice cream in Snow World has made it a unique infotainment attraction for students and tourists alike.

Third party entertainment brands include *Ripley's Believe It or Not Museum* (the first in Malaysia featuring some of the world's most bizarre oddities) and *Haunted Adventure*.

During the year under review, Genting Theme Park introduced two new family fun rides, namely the *Mini Train* with a travel-round-the-world theme at the First World Indoor Theme Park and *Pirate Ship* at the Outdoor Theme Park.

Rainforest Splash Pool, Malaysia's only heated indoor water park at 2,000 metres above sea level, introduced water scooters for rent in 2006. More 'dinosaurs' from Cretaceous Period and Jurassic Age were added at *Dinosaurland*, a unique attraction at the Outdoor Theme Park.

During the year, the ever-popular *Flying Jumbo*, the spinning *Tea Cup*, *Rodeo Rider*, *Astro Fighter*, the go-karts used for the *Grand Prix Fun Kart* track, *Matahari Ferris Wheel* and Malaysia's first roller coaster named the *Cyclone* were refurbished to ensure these popular rides remain in excellent condition. A double-train concept was introduced at the *Corkscrew* roller coasters, where a second train was put onto the track to cater to the overwhelming response for this thrilling ride.

Flying Coaster - Asia's first hang gliding roller coaster



Snow World - Malaysia's largest indoor snow attraction





New one-way three-lane road from hilltop to Chin Swee Caves Temple

The Genting Theme Park Frequent Pass was launched in August 2006, giving members the benefits of unlimited discounts and savings for five consecutive years at Genting Theme Park.

These continuous enhancements demonstrate the Group's commitment to ensure Genting Theme Park remains one of the best and the most popular attractions in Malaysia.



Genting Theme Park

INFRASTRUCTURE AND TRANSPORT

The Resort, which is less than an hour's drive from Kuala Lumpur, is easily accessible via an excellent road network and highway infrastructure as well as by helicopter. The Group's priority has always been to provide safe, comfortable and convenient travel to and from the Resort.

In April 2006, the Group completed upgrading the one-way three-lane road from Chin Swee Caves Temple to the hilltop of the Resort.

For group travellers to the Resort, air-conditioned coaches remain one of the most economical modes of transport. During the year under review, a 26-seat VIP bus and two 44-seat buses were replaced. The Group has a fleet of 36 buses and 48 limousines to offer safe, reliable and comfortable transportation to the Resort.



Awana Genting



Awana Kijal



Awana Porto Malai

AWANA HOTELS & RESORTS

www.awana.com.my



The Awana brand, which comprise three beautifully designed resort hotels in Malaysia achieved a higher overall average occupancy rate of 65% in 2006 (2005: 61%).

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

Awana Genting is a cool refreshing five-star highlands resort surrounded by natural greenery at the mid-hill of Genting Highlands Resort. With 430 well-appointed guest rooms, a grand ballroom and 17 function rooms in a relaxed and refreshing environment, the resort is ideal for meetings and functions.

The resort offers an 18-hole championship golf course, heated swimming pools and jacuzzi. Outdoor activities such as horse riding, jungle trekking, abseiling and rock climbing as well as outdoor facilities like longhouses and camping grounds enable guests to enjoy the scenic and natural beauty of the highlands.

During the year, 300 of its existing hotel rooms were refurbished to provide a more comfortable stay for guests. Awana Genting recorded an average occupancy of 61% in 2006 (2005: 63%).

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

Awana Kijal, is a five-star holiday and convention beach resort in Kijal, Terengganu, offering 343 rooms and suites with panoramic views of the South China Sea. The resort has the longest private beachfront in Peninsular Malaysia with 7.6km of pristine sandy beach and an 18-hole championship golf course with magnificent view of the sea.

Voted the **No. 1 Resort In The East Coast** by the Hospitality magazine for a record third consecutive year, this charming retreat offers banquet, recreational and convention facilities, numerous water sports as well as a traditional Javanese-inspired spa called the Taman Sari Royal Heritage Spa Awana Kijal. The "Joy & Adventurous" programme organised by the resort's team remained a popular weekend in-house entertainment performed for the guests.

During the year, Awana Kijal was the host venue for some major events including the 10th Annual Leaders Consultation Malaysia-Brunei and the Genting Masters & Pro-am Golf Tournament 2006. Awana Kijal achieved a higher average occupancy rate of 68% in 2006 (2005: 64%).

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

Awana Porto Malai is a popular holiday resort destination on the legendary island of Langkawi, Kedah. Located by the serene bay of Tanjung Malai, Awana Porto Malai is a 208-room Mediterranean "themed" seafront resort, offering a panoramic view of the famed Dayang Bunting Island of Langkawi. The resort has an extensive range of facilities including a marina, food and beverage outlets, conference rooms, banquet halls and a picturesque 300-metre boardwalk. The resort's swimming pool with a children fun pool is a favourite attraction for families. Awana Porto Malai caters to a wide segment of the market including tourists, company outings and meeting groups.

During the year, Awana Porto Malai attracted close to 100,000 tourists, of which about 30% are foreign visitors of various countries from regions such as the United Kingdom, Europe, North Asia and the Middle East.

Proactive marketing and promotional efforts including tie-ups with airlines and other merchants have enabled the resort to achieve a higher occupancy rate of 68% in 2006 (2005: 51%).

AWANA VACATION RESORTS

www.awanavacation.com



Awana Vacation Resorts Development Bhd ("AVRD") is the Group's timeshare operator with 5,684 timeshare members as at 31 December 2006.

AVRD members are entitled to stay at the numerous hotels in Genting Highlands Resort and the Awana Hotels and Resorts at favourable rates, subject to booking conditions. AVRD is affiliated with Resorts Condominium International (RCI), which allows AVRD's members the access to more than 3,800 affiliated resorts in over 85 countries. AVRD has direct exchange with resorts in Europe, Australia, China, India and Thailand, in addition to Group's resort properties. All room reservations are subject to availability.



STAR CRUISES LIMITED

www.starcruises.com
www.ncl.com
www.orientlines.com



Star Cruises Limited ("Star Cruises"), the Group's 33.9%-owned associate is the **leading cruise line in Asia-Pacific** and the **third largest cruise operator in the world**, operating a fleet of cruise ships under the *Star Cruises*, *Norwegian Cruise Line* ("NCL"), *NCL America*, *Orient Lines* and *Cruise Ferries* brands.

Star Cruises is a global cruise brand with a combined fleet of 21 ships in service with three new ships due to be delivered by 2010. Its cruises cover destinations and islands in Asia-Pacific, North and South America, Hawaii, Caribbean, Alaska, Europe, Mediterranean, Bermuda and the Antarctica.

Two new 93,500-tonne ships, namely **Pride of Hawaii** and **Norwegian Pearl** were added to the US operations as part of its ongoing fleet renewal programme. The *Pride of Hawaii* is the third and final vessel to join the NCL America fleet in April 2006, offering Hawaii inter-island cruises. It is the largest US-flagged passenger ship ever built.

The *Norwegian Pearl* joined the NCL fleet in November 2006. The cruise ship, featuring the industry's first four-lane ten-pin bowling alley, is a reflection of how far NCL has come over the last 40 years as the industry's most innovative cruise line.

The Asian fleet offered a combination of regular and special cruises, providing new destination choices and cruise itineraries on ships like **SuperStar Virgo** and **SuperStar Gemini**.

Having enjoyed a promising inaugural season in India, **SuperStar Libra** was deployed to Valetta, Malta in the summer of 2006, to increase the awareness of the Star Cruises brand in new markets. The deployment to the Eastern Mediterranean also provided an opportunity to showcase the Star Cruises product in the Middle East with two special stops in Dubai



and Bahrain, prior to the ship's arrival in Valetta. Her return to Mumbai in October 2006 to begin the second season reflects Star Cruises' commitment to growing its presence in India.

During the year, maiden calls were initiated by SuperStar Gemini to Kuching, Redang Island and Kota Kinabalu in Malaysia and by SuperStar Virgo to Hua Hin in Thailand.

Star Cruises continued to win numerous awards of excellence including the **Best Cruise Operator in Asia-Pacific** by TTG Asia for a record ninth time, *Best Cruise Operator* by the Travel Weekly China Industry Awards 2006 and the inaugural BrandLaureate Award of *Best Brands in Leisure and Hospitality 2006*. Star Cruises won four Products of Excellence awards at the India International Travel Mart Shows 2006 and three Top Destinations awards in the China Outbound Travel Awards 2006 Poll.

The Genting-Star International Management Programme launched in 2005, saw the graduation of the pioneer batch of hospitality students from the Shanghai-based Nanhu Vocational School in March 2006.

Star Cruises & Its Fleet

Star Cruises	Norwegian Cruise Line	NCL America
SuperStar Virgo SuperStar Gemini SuperStar Libra Star Pisces MegaStar Aries MegaStar Taurus	Norwegian Dawn Norwegian Star Norwegian Sun Norwegian Spirit Norwegian Majesty Norwegian Dream Norwegian Crown Norwegian Jewel Norwegian Pearl Norwegian Wind* Norwegian Gem** F3 One* F3 Two**	Pride of Aloha Pride of America Pride of Hawaii
Cruise Ferries		Orient Lines
Wasa Queen		Marco Polo

* Will join the Star Cruises fleet in June 2007 and to be renamed as SuperStar Aquarius

** Expected delivery in 2007
+ Scheduled delivery in 2009
++ Scheduled delivery in 2010



Norwegian Pearl

Sporting activities

SuperStar Virgo and SuperStar Gemini at
Awana Porto Malai, Langkawi



E-COMMERCE & IT DEVELOPMENT



eGENTING, the IT-related subsidiary of Genting International, provides Resorts World with the platform to enhance its operational systems and applications and to capitalise on the latest in information technology.

www.genting.com.my, Resorts World's leisure and hospitality website continued to be Malaysia's highest grossing hospitality web site in 2006. Online sales of rooms grew by 115%, with total turnover of RM21.3 million achieved in 2006. During the year, attractive online offers including the value-for-money 888 Deals and exclusive redemption offers with Genting and/or WorldCard points for WorldCard members were actively promoted. The Internet booking system was enhanced to provide better customer experience with faster and easier booking processes.

A new payment server was deployed with the latest security capabilities for secure credit card and multi-currency transactions. The website has become an interactive marketing channel enabling online users to browse for the latest promotion and information on our leisure and hospitality offers.

The WorldReservations Centre accepted more reservation bookings in 2006. Its drive to encourage customers to check their enquiries on Interactive Voice Response and to make bookings via the web and Short Messaging Services, has reduced the volume of phone calls by 13% while room bookings grew by 10%.

The eGIT reservation system was implemented for travel agents worldwide to perform an end-to-end reservations 24-hour a day at their convenience.

In November 2006, the Research and Development systems team was certified with the International Standard of ISO 9001:2000 as part of its on-going commitment to provide high quality in system design, development, installation, support and maintenance services.

The Document Management and Workflow Modules of the Gaming Treasury System were implemented to automate the authority limit approval process. The Ticketing Platform was enhanced with tier pricing capabilities to improve sales. An Electronic Voucher System was also developed for better administration and tracking of vouchers to replace the paper-based voucher system.

The implementation of Global Hospitality Management System (GhpMS) was extended to the remaining two hotel properties of Resorts World, namely Awana Porto Malai in Langkawi and Awana Kijal in Terengganu in the fourth quarter of 2006. All Resorts World hotel properties now operate on a consolidated property management system for better room management and integration.

The sales and marketing teams of WorldCard customer loyalty programme participated in various travel fairs, business exhibitions and recruitment fairs to promote WorldCard to the public. In 2006, these activities increased membership to over 2.2 million members. WorldCard has over 430 participating merchants, covering 1,900 outlets throughout Malaysia, Singapore and Hong Kong. One of the member appreciation events included a special screening of the latest James Bond film Casino Royale, which was organised for 1,000 WorldCard members at Genting International Showroom in November.

The Data Centre Shared Services team continued to improve in the areas of integrated support services, disaster recovery services, co-location services, IT service desks and consolidated vendor management during the year.



The one-stop centre for reservations of rooms, shows, transport, cruises, flights and vacations
located at Wisma Genting, Kuala Lumpur, Malaysia.
Tel : 603 2718 1118 Online : www.genting.com.my



18th Senior Managers' Conference



30-year Long Service Award recipients

HUMAN RESOURCES

As a leading player in the service-oriented leisure and hospitality industry, the development of human resources within the Group is vital to ensure continuous improvement in service excellence, business continuity and further growth. The Group's policies and strategies are focused on striking a balance between improving productivity, job enhancement and the ensuing rewards.

As at 31 December 2006, the Group has a total workforce of about 13,100 employees. A total of 1,330 employees were honoured with Long Service Awards in 2006, ranging from 5, 10, 15, 20, 25 and 30 years of service.

In 2006, training courses, management conferences and team-building events were organised to enhance and develop employees' skills.

The 18th Resorts World Bhd Senior Managers' Conference was held at Sentosa Resort and Spa, Singapore in July 2006 with the theme "Achieving Competitive Advantage Through Employee Innovation". The "Idea Bank" was conceptualised during this conference and implemented via the Human Resource departments at the Resort and at the Genting Group's corporate head offices in Wisma Genting.

The Balanced Scorecard Performance Management System was implemented across the Group during the year to ensure that employees who contributed positively to the Group's success are identified and rewarded.

In 2006, the Group launched the 3R Initiatives, which focused on Right People, Right Environment and Right Motivation.

A service excellence reward programme was implemented to reward front line employees for any excellent service rendered.

During the year, over 30 specially designed training programmes were conducted for executives of the Genting Group, emphasising on skills development in areas such as communications, customer service, information technology, quality management, management development, personal development, operations management for hotels and theme parks.

40 management trainees in the Group successfully completed their training and were deployed to various departments and business units in 2006. In addition, graduates were recruited to undergo the Institute of Chartered Accountants in England & Wales (ICAEW) Finance Trainee programme. The Group is one of the first non-audit firms awarded as the Authorised Training Organisation for ICAEW outside the UK.

The 13th Resorts World Bhd HR Conference with the theme "Transforming HR to Deliver World Class Customer Service" was held in Awana Genting. In addition, fun-filled activities such as Family Day carnivals were held to foster camaraderie amongst employees and family members.

The hostel facilities at the Resort were progressively upgraded to enhance the comfort and lifestyle of employees in 2006. The new residential staff complex, to be ready by July 2007, will further boost the accommodation facilities for employees residing at the Resort. The 25-storey complex comprising 926 rooms will have a total built-up area of about 691,000 square feet. It will include a 5-level car park with about 470 parking bays.





YA Bhg Tun Mohd Hanif Omar (second from left) presenting a mock cheque to Alzheimer's Disease Foundation's patron Y Bhg Datin Seri Wendy Ong, witnessed by YB Dato' Seri Ong Ka Ting, Minister of Housing and Local Government



Y Bhg Tan Sri Alwi Jantan (centre right) and Y Bhg Tan Sri Mohd Amin (centre left) with recipients from various welfare organisations

COMMUNITY SERVICES

As a socially responsible corporation, Resorts World is focused on contributing positively to the development of the economy, community welfare, care for the environment and tourism sports for the country.

Financial support was provided to many charitable homes and bodies throughout Malaysia, including the Society of the Orthopaedically Handicapped, Kiwanis Down Syndrome Foundation, Serdang Old Folks Home, Good Samaritan Home, Malaysian Association for the Blind, Shepherd's Centre Foundation, Special Children Society of Ampang and Selangor/Federal Territory Association for Retarded Children. A total of 1,082 underprivileged children from 25 welfare homes were hosted at the Resort in 2006.

In advocating better healthcare in Malaysia, the Group supported health-related organisations such as PRIDE, MAKNA, National Cancer Society, Heart Foundation of Malaysia, Yayasan Kebajikan SSL Haemodialysis, Cancerlink Foundation, IJN Foundation, Thalassaemia Association of Malaysia, Malaysian Mental Health Association, Arthritis Foundation of Malaysia and the Alzheimer's Disease Foundation Malaysia.

Local community initiatives undertaken included providing financial support to build a kindergarten and community hall for Tamu Hill Park in Batang Kali, providing the landscaping work for Felda Bukit Tajau, Pahang and the funding of dialysis machines for the District of Raub.

The Group contributed and participated in the Kuala Lumpur Rat Race 2006 for the second consecutive year in September.

Financial support was extended to non-governmental organisations that provided care and assistance in various fields, including the Yayasan Budi Penyayang, MERCY Malaysia, St. John Ambulance Malaysia, Malaysian Nature Society, Malaysian AIDS Foundation, Malaysia Crime

Prevention Foundation and Force of Nature Aid Organisation. In recognition of the uniformed bodies that served the nation, the Group contributed to the Ex-Police Association of Malaysia, Peace Foundation of Retired Senior Police and Military Officers and the Fire and Rescue Services of Kuala Kubu Bharu and Kuala Lumpur.

Numerous education and research-related organisations in the country received the Group's support, including the Malaysian Institute of Economic Research, Asian Strategy and Leadership Institute, Malaysian Institute of Management, Women's Institute of Management and Asian Institute of Management. This support was also extended to some local schools that required funding for infrastructure development and maintenance.

In promoting the development of sports, financial support was extended to the Football Association of Malaysia, Pahang Volleyball Association, Selangor Tennis Association, Sultan Ahmad Shah Veteran's Hockey Team, Yoshinkan Aikido International Festival, Federal Territory Amateur Athletics Association and Pahang Football Association. The Group continued its long-term partnership with renowned sporting events, including the prestigious Le Tour de Langkawi and KL International Marathon, as well as its charter membership with SportExcel.

Dato' Anthony Yeo Keat Seng (centre) hosted children from local schools during the Genting 41st Anniversary and 49th Merdeka Day celebrations



RECOGNITION

The Resort's growing list of international accolades and awards of excellence is testimony to its excellent achievements in the leisure and hospitality industry.

Genting Highlands Resort was voted as **Asia's Leading Casino Resort** at the World Travel Awards 2006 for the second consecutive year. It was also voted as **Malaysia's Leading Resort** 2006 at the same World Travel Awards.



Asia's Leading Casino Resort
(World Travel Awards 2006)



Malaysia's Leading Resort
(World Travel Awards 2006)



Other major accolades received in 2006 were as follows:

- Resorts World Bhd - **Best Brands in Leisure & Hospitality** at The BrandLaureate Awards 2006 – 2007 by Asia Pacific Brands Foundations.
- First World Hotel - **World's Largest Hotel** under the Feats of Engineering for Big Buildings by Guinness World Records.
- First World Hotel - **World's Largest Hotel** by Ripley's Believe It or Not.
- Awana Kijal Golf, Beach & Spa Resort - **No. 1 Resort in the East Coast** by Hospitality magazine 2006.
- Star Cruises - **Best Cruise Operator in Asia-Pacific** for a **record ninth time** at the TTG Travel Awards 2006.
- Star Cruises - **Best Brands in Leisure & Hospitality** at The BrandLaureate Awards 2006 – 2007 by Asia Pacific Brands Foundations.
- Star Cruises - **Best Cruise Operator** by the Travel Weekly China Industry Awards 2006.
- Star Cruises - **Best Product Promotion International** by India International Travel Mart 2006.
- Star Cruises - **Best Unique Product International** by India International Travel Mart 2006.
- Star Cruises - **Top 10 Family Travel Destinations** by China Outbound Travel Mart 2006.
- Star Cruises - **Top 10 Incentive Travel Destinations** by China Outbound Travel Mart 2006.
- Star Cruises - **Top 10 Honeymoon Destinations** by China Outbound Travel Mart 2006.



Mr Lee Choong Yan, President & Chief Operating Officer (right), receiving the Best Brands in Leisure & Hospitality award for Resorts World Bhd

Corporate Governance

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

A. DIRECTORS

(i) The Board

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

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

During the year under review, five meetings of the Board were held and all Directors have complied with the requirements in respect of board meeting attendance as provided in the Articles of Association.

The details of Directors' attendances are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Lim Kok Thay	4
Tun Mohammed Hanif bin Omar	5
Tan Sri Alwi Jantan	5
Mr Quah Chek Tin	4
Tan Sri Dr. Lin See Yan	5
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	5
Tan Sri Clifford Francis Herbert	5
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	5

(ii) Board Balance

During the financial year, the Board had eight members, three executive Directors and five non-executive Directors. On 8 October 2006, Mr Quah Chek Tin was re-designated from executive Director to non-independent non-executive Director following his retirement from the Company. Four of the five non-executive Directors are independent non-executive Directors. The Directors have wide ranging experience and all have occupied or currently occupy senior positions in the public and/or private sectors. The independent non-executive Directors provide a strong independent element on the Board with Tan Sri Wan Sidek bin Hj Wan Abdul Rahman as the senior independent non-executive Director to whom concerns may be conveyed. The independent non-executive Directors also participate

in the Audit, Remuneration and Nomination Committees as members of these Committees.

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

A brief profile of each of the Directors is presented on pages 11 to 12 of this Annual Report.

(iii) Supply of Information

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

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

(iv) Appointments to the Board

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

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

All the Directors have attended the Mandatory Accreditation Programme conducted by the then Research Institute of Investment Analysts Malaysia. Directors are also encouraged to attend courses whether in-house or external to help them in the discharge of their duties.

The following are courses and training programmes attended by the Directors in 2006:

- 18th Resorts World Bhd Senior Managers' Conference 2006
- Technology, Entertainment and Design Conference
- Information Security for Board Members, Directors and Senior Management
- Financial Reporting Standards ("FRS") Briefing
- Executive Workshop on Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT)

Corporate Governance (Cont'd)

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

- The Monaco Experience in Creating a Luxury Destination: Lesson from Europe
- The 2007 Budget
- Tax Update on Recent Public Rulings relating to Employment Income
- Directors' duties to exercise skill and care - The Emerging Standard
- General Meetings of Public Listed Companies - Practical Aspects
- Overview of new Financial Reporting Standards
- Corporate Social Responsibility (CSR) - Putting the Soul Back into Business
- Implementation and Preparation for Goods and Services Tax
- 2004-2005 Performance Review of Shell, Dutch Lady and GAB and Outlook for 2006
- Outlook for the Malaysian and Regional economies over the next 3 years
- Asian Shadow Financial Regulatory Committee Forum on "Corporate Governance: Implementing Best Practices in Finance"
- South Asia and Globalisation: On Ethics, Culture and Corporate Social Responsibility
- Corporate Governance and Globalisation: The Asian Experience
- Corporate Governance Expert Working Group Roundtable on National Integrity Issues
- Strategy: Building and Sustaining Competitive Advantage
- Financial and Tax Implications of Using Treasury Shares
- Workshop on IFRS 4/SFRS 104 Accounting
- Asset Liability Management
- Blue Ocean Leadership
- 8th Malaysia Strategic Outlook Conference 2006
- National Investment & Trade Dialogue & Seminar
- National Convention on the Ninth Malaysian Plan
- The 10th Malaysian Banking Finance & Insurance Summit 2006
- ICLIF INSIED Director Forum
- Financial Reporting Standard Training
- Taking Charge: Leaders in Action
- Improving Board Directors' Performances, Leadership & Governance
- Growth, Globalisation, Sustainability - Preserving Core Value
- High Performance Leadership
- The Oil & Gas Industry
- 26th Management Conference (Plantation Division)
- IAS 41: Agriculture
- Assistant Managers' Conference 2006 (Plantation Division - West Malaysia)

(v) Re-election

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

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

B. DIRECTORS' REMUNERATION

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

The Remuneration Committee met twice during the financial year.

Details of the Directors' remuneration are set out in the Audited Financial Statements on pages 71 to 72 of this Annual Report. In the interest of security, additional information have not been provided other than the details stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad.

C. SHAREHOLDERS

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

Corporate Governance (Cont'd)

C. SHAREHOLDERS (cont'd)

The Group maintains a corporate website at **www.resortsworld.com** which provides information relating to annual reports, press releases, quarterly results, announcements and corporate developments.

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

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

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

The Directors are also required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the Financial Reporting Standards, MASB approved accounting standards for Entities Other than Private Entities in Malaysia and which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flow of the Group and of the Company for the financial year.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 94 of this Annual Report.

(ii) Internal Control

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

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group has in place, an adequately resourced internal audit department. The activities of this department which reports regularly to the Audit Committee provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

(iii) Relationship with Auditors

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

E. OTHER INFORMATION

Material Contracts

Material Contracts of the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 39 to the financial statements under "Significant Related Party Disclosure" on pages 89 to 91 of this Annual Report.

Audit Committee Report

AUDIT COMMITTEE

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

MEMBERSHIP

The present members of the Committee comprise:

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

Re-designated on 8 October 2006

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2006

The Committee held a total of *six (6) meetings. Details of attendance of the Committee members are as follows:

Name of Member	Number of Meetings Attended
Tan Sri Clifford Francis Herbert	*6
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	*6
Tan Sri Dr. Lin See Yan	*6
Mr Quah Chek Tin #	4
Tan Sri Lim Kok Thay	3

Re-designated on 8 October 2006

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

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2006

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

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

- considered and approved the internal audit plan for the Company and the Group and authorised resources to address risk areas that have been identified;
- reviewed the internal audit reports for the Company and the Group;
- reviewed the external audit plan for the Company and the Group with the external auditors;
- reviewed the external audit reports for the Company and the Group with the external auditors;
- reviewed the quarterly and annual reports of the Company and of the Group, focusing particularly on:

- changes in or implementation of major accounting policy changes;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements;
- reviewed related party transactions of the Company and of the Group;
 - reviewed the proposed audit fees for the external auditors in respect of their audit of the Group and of the Company for the financial year ended 31 December 2006;
 - considered the reappointment of the external auditors for recommendation to the shareholders for their approval;
 - reviewed the Financial Statements of the Group and of the Company for the financial year ended 31 December 2005; and
 - reviewed the reports submitted by the Risk and Business Continuity Management Committee of the Company.

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT PROCESS

The Group has an adequately resourced internal audit department to assist the Board in maintaining a sound system of internal control. The internal audit department reports to the Committee and is independent of the activities they audit. The primary role of the department is to undertake regular and systematic review of the systems of internal control so as to provide sufficient assurance that the Group has sound systems of internal control and that established policies and procedures are adhered to and continue to be effective and satisfactory.

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

TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

1. Composition

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

Audit Committee Report (Cont'd)

1. Composition (cont'd)

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

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

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

2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries within its terms of reference, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to obtain independent professional or other advice and retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

3. Responsibility

The Committee is to serve as a focal point for communication between non-Committee Directors, the external auditors, internal auditors and the Management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

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

4. Functions

The functions of the Committee are as follows:

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

- vi) review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

- vii) review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:

- (a) changes in or implementation of major accounting policy changes;
- (b) significant and unusual events; and
- (c) compliance with accounting standards and other legal requirements;

- viii) review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and

- ix) consider the nomination, appointment and re-appointment of external auditors; their audit fees; and any questions on resignation and dismissal.

5. Meetings

- i) The Committee is to meet at least four times a year and as many times as the Committee deems necessary.
- ii) In order to form a quorum for any meeting of the Committee, the majority of members present must be independent.
- iii) The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.
- iv) The head of finance and the head of internal audit shall normally attend meetings of the Committee. The presence of a representative of the external auditors will be requested, if required.
- v) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the Directors or Shareholders of the Company.

- vi) At least once a year, the Committee shall meet with the external auditors without the presence of any executive Director.

6. Secretary and Minutes

The Secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's Directors who are not members of the Committee.

Statement on Internal Control

as at 31 December 2006

The Board's Responsibilities

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

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

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

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

The Risk Management Process

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

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

The key aspects of the risk management process are:-

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

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

The Internal Control Processes

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

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

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

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

The Board in issuing this statement has taken into consideration the representation made by its associated company, Star Cruises Limited in respect of its state of internal control.

The Internal Audit Function

The Group Internal Audit Division ("Group Internal Audit") of the holding company is responsible for undertaking regular and systematic review of the internal controls to provide the RWB Audit Committee and the Board with sufficient assurance that the systems of internal controls are effective in addressing the risks identified.

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

Directors' Report and Statement pursuant to Section 169(15) of the Companies Act, 1965

The Directors of **RESORTS WORLD BHD** have pleasure in submitting their report together with their statement pursuant to Section 169(15) of the Companies Act, 1965 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2006.

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, timeshare 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 40 and 19 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.

FINANCIAL RESULTS

	Group RM Million	Company RM Million
Profit before taxation	1,138.7	1,267.5
Taxation	(193.2)	(174.8)
Profit for the financial year	<u>945.5</u>	<u>1,092.7</u>

DIVIDENDS

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

- (i) a final dividend of 14.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM110,213,040 in respect of the financial year ended 31 December 2005 was paid on 24 July 2006; and
- (ii) an interim dividend of 12.0 sen less 28% tax per ordinary share of 50 sen each amounting to RM94,474,109 in respect of the financial year ended 31 December 2006 was paid on 27 October 2006.

The Directors recommend payment of a final dividend of 15.0 sen less 27% tax per ordinary share of 50 sen each in respect of the current financial year to be paid to shareholders registered in the Register of Members on a date to be determined later by the Directors. Based on the issued and paid-up capital of the Company as at the date of this report, the final dividend would amount to RM119,857,423.

RESERVES AND PROVISIONS

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS

During the financial year, the following ordinary shares of 50 sen each fully paid were issued by virtue of the exercise of options to take up unissued ordinary shares of the Company by executive employees pursuant to The Executive Share Option Scheme for Eligible Executives of Resorts World Bhd and its subsidiaries ("Scheme"), all of which ordinary shares rank pari passu with the then existing shares of the Company. These options were granted prior to the current financial year.

Subscription Price Per Share RM	No. of Ordinary Shares of 50 sen each fully paid
10.32	2,583,000
8.50	81,000
9.49	45,000
	<u>2,709,000</u>

There were no issue of debentures during the financial year.

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

Under the Scheme, the following Options to take up unissued ordinary shares in the Company, which have been granted to executive employees of the Group as specified in the Scheme, were outstanding as at 31 December 2006:

Option Number	Option Expiry Date	Subscription Price Per Share RM	No. of Unissued Shares
1/2002	11 August 2012	10.32	10,440,000
2/2002	11 August 2012	8.50	101,000
3/2004	11 August 2012	9.49	1,276,000
4/2005	11 August 2012	9.92	50,000
5/2005	11 August 2012	10.67	108,000
			<hr/> 11,975,000 <hr/>

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

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

Percentage of new Shares comprised in the Options exercisable each year from the Date of Offer

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

- (ii) Any new Shares comprised in an Option which is exercisable in a particular year but has not been exercised in that year, can be exercised in subsequent years within the Option Period, subject to the Scheme remaining in force.
- (iii) In the event that an Eligible Executive becomes a Grantee after the first year of the Scheme, the Grantee shall always observe the two-year incubation period and the Options granted can only be exercised in the third year from the Date of Offer subject to the maximum percentage of new Shares comprised in the Options exercisable as stipulated above.
- (c) The persons to whom the Options have been issued have no right to participate by virtue of the Options in any share issue of any other company.

DIRECTORATE

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

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

**Also members of the Remuneration Committee*

DIRECTORATE (Cont'd)

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company; Genting Berhad, the holding company; Asiatic Development Berhad, a related company; and Genting International P.L.C., a related corporation as set out below:

Interest in the Company

Shareholdings in the names of Directors	1.1.2006	Acquired/(Disposed)	31.12.2006
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Kok Thay	50,000	-	50,000
Tun Mohammed Hanif bin Omar	1,000	-	1,000
Tan Sri Alwi Jantan	-	126,000/(54,000)	72,000
Mr Quah Chek Tin	1,000	-	1,000

Share Option in the names of Directors	1.1.2006	Offered/(Exercised)	31.12.2006
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Kok Thay	750,000	-	750,000
Tun Mohammed Hanif bin Omar	500,000	-	500,000
Tan Sri Alwi Jantan	500,000	(126,000)	374,000

Interest in Genting Berhad

Shareholdings in the names of Directors	1.1.2006	Acquired/(Disposed)	31.12.2006
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Kok Thay	3,433,800	(1,500,000)	1,933,800
Tun Mohammed Hanif bin Omar	200	-	200
Mr Quah Chek Tin	1,000	63,000/(63,000)	1,000

Share Option in the names of Directors	1.1.2006	Offered/(Exercised)	31.12.2006
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Kok Thay	1,000,000	-	1,000,000
Tun Mohammed Hanif bin Omar	500,000	-	500,000
Mr Quah Chek Tin	374,000	(63,000)	311,000

Interest in Asiatic Development Berhad

Shareholdings in the name of Director	1.1.2006	Acquired/(Disposed)	31.12.2006
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Kok Thay	144,000	-	144,000

Share Options in the name of Director	1.1.2006	Offered/(Exercised)	31.12.2006
	(Number of unissued ordinary shares of 50 sen each)		
Tan Sri Lim Kok Thay	825,000	-	825,000

Interest in Genting International P.L.C.

Shareholdings in the name of Director	1.1.2006	Acquired/(Disposed)	31.12.2006
	(Number of ordinary shares of US\$0.10 each)		
Tan Sri Lim Kok Thay	20,000	-	20,000

DIRECTORATE (Cont'd)

Share Option in the names of Directors	1.1.2006	Offered/(Exercised)	31.12.2006
	(Number of unissued ordinary shares of US\$0.10 each)		
Tan Sri Lim Kok Thay	5,000,000	-	5,000,000
Tun Mohammed Hanif bin Omar	1,000,000	-	1,000,000
Mr Quah Chek Tin	1,500,000	-	1,500,000
Tan Sri Alwi Jantan	1,000,000	-	1,000,000
Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	1,000,000	-	1,000,000
Tan Sri Dr. Lin See Yan	1,000,000	-	1,000,000
Tan Sri Clifford Francis Herbert	1,000,000	-	1,000,000
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	1,000,000	-	1,000,000

Apart from the above disclosures:

- (a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- (b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the financial statements or the fixed salary of a full time employee of the Company and/or related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) A company in which Tan Sri Lim Kok Thay is a director and a substantial shareholder has appointed Asiatic Plantations (WM) Sdn Bhd, a related company to provide plantation advisory services.
- (ii) A corporation in which Tan Sri Lim Kok Thay and his spouse are directors and which is wholly-owned indirectly by them has rented its property to Genting International P.L.C., a related corporation.

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

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

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;

OTHER STATUTORY INFORMATION (Cont'd)

- (iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due, except as disclosed in Note 37 to the financial statements.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for those disclosed in the financial statements; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

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

In the opinion of the Directors, the financial statements set out on pages 47 to 93 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2006 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Financial Reporting Standards, Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards for Entities Other than Private Entities in Malaysia and comply with the provisions of the Companies Act, 1965.

HOLDING COMPANY

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

AUDITORS

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

On behalf of the Board,

TAN SRI LIM KOK THAY
Chairman and Chief Executive

TAN SRI ALWI JANTAN
Executive Director

Kuala Lumpur
28 February 2007

Income Statements

for the Financial Year Ended 31 December 2006

Amounts in RM million unless otherwise stated

		Group		Company	
	Note(s)	2006	2005 Restated	2006	2005
Revenue	5 & 6	3,808.5	3,614.0	3,469.7	3,199.0
Cost of sales	7	(2,302.2)	(2,129.3)	(2,064.5)	(1,895.6)
Gross profit		1,506.3	1,484.7	1,405.2	1,303.4
Other income		63.5	45.0	63.4	58.4
Selling and distribution costs		(63.9)	(67.7)	(41.7)	(44.1)
Administration expenses		(99.7)	(102.3)	(80.9)	(87.2)
Other expenses		(39.6)	(34.6)	(61.5)	(99.0)
Profit from operations		1,366.6	1,325.1	1,284.5	1,131.5
Finance cost		(17.1)	(36.1)	(17.0)	(34.3)
Share of results in jointly controlled entity		0.0	0.0	-	-
Share of results in associates		(210.8)	12.6	-	-
Profit before taxation	5, 8, 9 & 10	1,138.7	1,301.6	1,267.5	1,097.2
Taxation	11	(193.2)	(333.8)	(174.8)	(326.1)
Profit for the financial year		945.5	967.8	1,092.7	771.1
Attributable to:					
Equity holders of the Company		945.9	968.2	1,092.7	771.1
Minority interests		(0.4)	(0.4)	-	-
Profit for the financial year		945.5	967.8	1,092.7	771.1
Earnings per share for profit attributable to the equity holders of the Company:					
Basic earnings per share (sen)	12	86.5	88.7		
Diluted earnings per share (sen)	12	86.3	88.7		
Gross dividends per share (sen)	13	27.0	24.0		

The notes set out on pages 54 to 93 form part of these financial statements.

Balance Sheets

as at 31 December 2006

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2006	2005 Restated	2006	2005
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	3,615.7	3,520.0	1,979.4	1,843.2
Land held for property development	15	186.1	186.1	-	-
Investment properties	16	21.6	22.2	-	-
Subsidiaries	17	-	-	5,473.9	4,601.0
Jointly controlled entity	18	1.1	1.1	-	-
Associate	19	2,070.6	2,155.6	-	-
Other long term investments	20	232.4	248.1	3.1	3.1
Long term receivables	21	9.5	13.5	-	-
		6,137.0	6,146.6	7,456.4	6,447.3
Current Assets					
Inventories	22	53.3	53.5	25.5	25.9
Trade and other receivables	23	186.2	126.7	143.5	87.9
Amounts due from subsidiaries	17	-	-	445.1	985.0
Amounts due from other related companies	24	13.8	7.4	6.5	3.1
Amount due from associate	19	1.4	0.8	0.2	0.3
Short term investments	25	853.4	276.0	853.4	275.9
Bank balances and deposits	26	1,127.3	438.9	1,100.9	420.7
		2,235.4	903.3	2,575.1	1,798.8
Total Assets		8,372.4	7,049.9	10,031.5	8,246.1
EQUITY AND LIABILITIES					
Equity Attributable To Equity Holders Of The Company					
Share capital	27	547.3	545.9	547.3	545.9
Reserves	28	5,702.3	5,090.5	7,314.5	6,399.9
		6,249.6	5,636.4	7,861.8	6,945.8
Minority interests		8.1	8.5	-	-
Total Equity		6,257.7	5,644.9	7,861.8	6,945.8
Non-Current Liabilities					
Long term borrowings	29	41.0	137.6	-	-
Zero coupon convertible notes	30	1,085.9	-	1,085.9	-
Other long term liability	31	31.0	32.0	-	-
Deferred taxation	32	188.0	173.1	122.5	121.7
Provision for retirement gratuities	33	60.5	39.4	58.0	37.4
		1,406.4	382.1	1,266.4	159.1
Current Liabilities					
Trade and other payables	34	479.1	475.5	404.5	388.1
Amount due to holding company	24	12.9	10.4	12.6	10.2
Amount due to subsidiaries	17	-	-	362.1	606.3
Amount due to other related companies	24	45.0	41.6	42.1	37.5
Amount due to jointly controlled entity		0.2	-	-	-
Short term borrowings	29	87.8	396.1	-	-
Taxation		83.3	99.3	82.0	99.1
		708.3	1,022.9	903.3	1,141.2
Total Liabilities		2,114.7	1,405.0	2,169.7	1,300.3
Total Equity And Liabilities		8,372.4	7,049.9	10,031.5	8,246.1
NET ASSETS PER SHARE		5.71	5.16		

The notes set out on pages 54 to 93 form part of these financial statements.

Statements of Changes in Equity

for the Financial Year Ended 31 December 2006

Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company							
	Share Capital	Share Premium	Reserve on Exchange Differences	Other Reserves	Retained Earnings	Total	Minority Interests	Total Equity
Balance at 1 January 2006								
As previously stated	545.9	33.7	5.2	19.8	4,970.8	5,575.4	8.5	5,583.9
Prior year adjustments - effects of adopting FRS 121	-	-	61.5	(0.1)	(0.4)	61.0	-	61.0
<hr/>								
Balance at 1 January 2006 (restated)	545.9	33.7	66.7	19.7	4,970.4	5,636.4	8.5	5,644.9
Foreign exchange differences recognised directly in equity:								
- Group	-	-	(156.2)	-	-	(156.2)	-	(156.2)
- Associate	-	-	1.5	(1.3)	-	0.2	-	0.2
<hr/>								
Net income and expenses recognised directly in equity	-	-	(154.7)	(1.3)	-	(156.0)	-	(156.0)
Profit for the financial year	-	-	-	-	945.9	945.9	(0.4)	945.5
<hr/>								
Total recognised income and expenses for the financial year	-	-	(154.7)	(1.3)	945.9	789.9	(0.4)	789.5
Share based payments under ESOS	-	-	-	0.2	-	0.2	-	0.2
Issue of shares	1.4	26.4	-	-	-	27.8	-	27.8
Appropriation:								
Final dividend paid for financial year ended 31 December 2005 (14.0 sen less 28% income tax)	-	-	-	-	(110.2)	(110.2)	-	(110.2)
Interim dividend paid for financial year ended 31 December 2006 (12.0 sen less 28% income tax)	-	-	-	-	(94.5)	(94.5)	-	(94.5)
<hr/>								
Balance at 31 December 2006	547.3	60.1	(88.0)	18.6	5,711.6	6,249.6	8.1	6,257.7

The notes set out on pages 54 to 93 form part of these financial statements.

Statements of Changes in Equity (Cont'd)

for the Financial Year Ended 31 December 2006

Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company							Total Equity
	Share Capital	Share Premium	Reserve on Exchange Differences	Other Reserves	Retained Earnings	Total	Minority Interests	
Balance at 1 January 2005								
As previously stated	545.9	33.3	6.4	0.1	4,167.3	4,753.0	8.9	4,761.9
Prior year adjustments - effects of adopting FRS 121	-	-	74.6	-	-	74.6	-	74.6
Balance at 1 January 2005 (restated)	545.9	33.3	81.0	0.1	4,167.3	4,827.6	8.9	4,836.5
Foreign exchange differences recognised directly in equity								
- Group	-	-	(13.1)	-	-	(13.1)	-	(13.1)
- Associate	-	-	(1.2)	(0.1)	-	(1.3)	-	(1.3)
Others	-	-	-	19.7	-	19.7	-	19.7
Net income and expenses recognised directly in equity	-	-	(14.3)	19.6	-	5.3	-	5.3
Profit for the financial year	-	-	-	-	968.2	968.2	(0.4)	967.8
Total recognised income and expenses for the financial year	-	-	(14.3)	19.6	968.2	973.5	(0.4)	973.1
Issue of shares	0.0	0.4	-	-	-	0.4	-	0.4
Appropriation:								
Final dividend paid for financial year ended 31 December 2004 (11.0 sen less 28% income tax)	-	-	-	-	(86.5)	(86.5)	-	(86.5)
Interim dividend paid for financial year ended 31 December 2005 (10.0 sen less 28% income tax)	-	-	-	-	(78.6)	(78.6)	-	(78.6)
Balance at 31 December 2005	545.9	33.7	66.7	19.7	4,970.4	5,636.4	8.5	5,644.9

The notes set out on pages 54 to 93 form part of these financial statements.

Statements of Changes in Equity (Cont'd)

for the Financial Year Ended 31 December 2006

Amounts in RM million unless otherwise stated

Company	Non-Distributable			Distributable	Total
	Share Capital	Share Premium	Other Reserve	Retained Earnings	
Balance at 1 January 2006	545.9	33.7	-	6,366.2	6,945.8
Profit for the financial year	-	-	-	1,092.7	1,092.7
Share based payments under ESOS	-	-	0.2	-	0.2
Issue of shares (see Note 27)	1.4	26.4	-	-	27.8
Appropriation:					
Final dividend paid for the financial year ended 31 December 2005 (14.0 sen less 28% income tax)	-	-	-	(110.2)	(110.2)
Interim dividend paid for the financial year ended 31 December 2006 (12.0 sen less 28% income tax)	-	-	-	(94.5)	(94.5)
Balance at 31 December 2006	547.3	60.1	0.2	7,254.2	7,861.8

Company	Non-Distributable		Distributable	Total
	Share Capital	Share Premium	Retained Earnings	
Balance at 1 January 2005	545.9	33.3	5,760.2	6,339.4
Profit for the financial year	-	-	771.1	771.1
Issue of shares (see Note 27)	0.0	0.4	-	0.4
Appropriation:				
Final dividend paid for the financial year ended 31 December 2004 (11.0 sen less 28% income tax)	-	-	(86.5)	(86.5)
Interim dividend paid for the financial year ended 31 December 2005 (10.0 sen less 28% income tax)	-	-	(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 54 to 93 form part of these financial statements.

Cash Flow Statements

for the Financial Year Ended 31 December 2006

Amounts in RM million unless otherwise stated

	Group		Company	
	2006	2005 Restated	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	1,138.7	1,301.6	1,267.5	1,097.2
Adjustments for:				
Depreciation of property, plant and equipment	233.5	232.0	152.0	144.4
Depreciation of investment property	0.8	0.7	-	-
Property, plant and equipment written off	0.9	0.2	0.9	0.1
Loss/(Gain) on disposal of property, plant and equipment	0.2	(0.1)	0.3	(0.1)
Gain on disposal of investment property	(0.5)	(0.2)	-	-
Impairment loss on investment in subsidiary	-	-	13.6	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	(0.1)	(113.3)	-	-
Gain on disposal of investment in a subsidiary	-	(9.2)	-	-
Investment income	(0.0)	(0.0)	-	-
Interest income	(31.3)	(12.0)	(30.5)	(11.3)
Interest income from a subsidiary	-	-	(24.2)	(30.6)
Interest expense	15.1	36.0	-	-
Interest expense to subsidiaries	-	-	15.0	34.2
Other finance cost	2.0	-	2.0	-
Share of results in jointly controlled entity	0.0	(0.0)	-	-
Share of results in associates	210.8	(12.6)	-	-
Allowance for doubtful debts	1.2	4.1	-	0.1
Net provision for retirement gratuities	23.0	9.5	22.5	8.9
Share option expenses	0.2	-	0.2	-
Unrealised (gain)/loss on foreign exchange	(7.2)	(1.8)	12.0	1.7
	448.6	124.3	163.8	212.8
Operating profit before working capital changes	1,587.3	1,425.9	1,431.3	1,310.0
Related companies	(2.7)	4.2	1.2	4.8
Decrease/(Increase) in inventories	0.2	(5.8)	0.3	(5.3)
Increase in trade and other receivables	(2.8)	(15.9)	(2.0)	(17.8)
Decrease in trade and other payables	(8.3)	(8.6)	(9.3)	(5.8)
Increase/(Decrease) in amount due to holding company	2.4	(2.5)	2.4	(2.5)
Jointly controlled entity	0.0	(0.0)	-	-
Associate	(0.5)	(0.1)	-	0.2
Subsidiaries	-	-	89.0	(48.0)
	(11.7)	(28.7)	81.6	(74.4)
Cash generated from operations	1,575.6	1,397.2	1,512.9	1,235.6
Retirement gratuities paid	(1.9)	(1.4)	(1.9)	(1.4)
Taxation paid	(247.9)	(257.5)	(244.7)	(252.5)
Advanced membership fees	(0.8)	(1.8)	-	-
	(250.6)	(260.7)	(246.6)	(253.9)
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,325.0	1,136.5	1,266.3	981.7

The notes set out on pages 54 to 93 form part of these financial statements.

Cash Flow Statements (Cont'd)

for the Financial Year Ended 31 December 2006

Amounts in RM million unless otherwise stated

	Group		Company	
	2006	2005 Restated	2006	2005
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(320.4)	(411.3)	(264.9)	(254.6)
Proceeds from disposal of property, plant and equipment	1.1	1.2	1.3	0.5
Subsequent expenditure of investment property	(0.1)	(0.1)	-	-
Proceeds from disposal of investment property	1.0	0.5	-	-
Purchase of investments	(263.8)	(1.0)	-	-
Proceeds from disposal of investments	0.1	-	-	-
Subscription of shares issued by existing subsidiaries	-	-	(268.2)	(55.1)
Subscription of shares in a newly incorporated company	-	-	-	0.0
Additional proceeds received from disposal of related corporation	-	9.0	-	-
Dividends received	0.0	0.0	-	-
Interest received	31.3	12.0	30.6	11.5
NET CASH USED IN INVESTING ACTIVITIES	(550.8)	(389.7)	(501.2)	(297.7)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(204.7)	(165.1)	(204.7)	(165.1)
Interest paid	(18.3)	(40.1)	-	-
Interest paid to subsidiaries	-	-	(18.3)	(36.9)
Borrowings from financial institutions	-	19.0	-	-
Proceeds received on exercise of share option	27.8	0.4	27.8	0.4
Net proceed from the issuance of Zero Coupon Convertible Notes (Note 30)	1,083.9	-	1,083.9	-
Repayment of borrowings	(396.1)	(476.5)	-	-
Repayment of borrowings to a subsidiary	-	-	(396.1)	(398.4)
NET CASH INFLOW/(USED IN) FINANCING ACTIVITIES	492.6	(662.3)	492.6	(600.0)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,266.8	84.5	1,257.7	84.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	714.8	630.3	696.6	612.6
EFFECT OF CURRENCY TRANSLATION	(0.9)	-	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	1,980.7	714.8	1,954.3	696.6
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank balances and deposits (Note 26)	1,127.3	438.9	1,100.9	420.7
Money market instruments (Note 25)	853.4	275.9	853.4	275.9
	1,980.7	714.8	1,954.3	696.6

The notes set out on pages 54 to 93 form part of these financial statements.

Notes to the Financial Statements

31 December 2006

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, timeshare 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 40 and 19 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 have been prepared in accordance with and comply with the Financial Reporting Standards, Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards for Entities Other than Private Entities in Malaysia and the provisions of the Companies Act, 1965. The bases of measurement applied to assets and liabilities are cost, amortised cost, lower of cost and net realisable value, revalued amount and fair value.

The preparation of financial statements in conformity with the Financial Reporting Standards 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 judgments and estimates are based on the Directors' best knowledge of current events and actions, actual results could differ from those estimates.

JUDGMENTS AND ESTIMATIONS

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

i) Classification of investments

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

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

i) Provision for taxation

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

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, unless otherwise stated. The following new and revised Financial Reporting Standards ("FRS") that are relevant to the Group have been adopted during the financial year:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the above FRSs did not result in substantial changes to the Group's accounting policies other than the effects of the following FRSs:

FRS 2	Share-based Payment
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 140	Investment Property

The Group has not adopted the following FRSs as these standards are not effective in the current financial year:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 119 ₂₀₀₄ Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures.	

The principal effects of the changes in accounting policies resulting from the adoption of the above FRSs by the Group is as follows:

(i) FRS 2 Share-based Payment

An entity is required to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets or equity instruments of the entity.

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

Prior to 1 January 2006, no compensation expense was recognised in the income statement for share options granted. Effective from 1 January 2006, with the adoption of FRS 2, the fair value of employee services rendered in exchange for the grant of the share options is recognised as an expense over the vesting period. The fair value is measured by the use of an actuarial trinomial model. The total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each share option granted at the grant date and the number of share options vested by vesting date, with a corresponding increase in equity. Before the end of the vesting period, at each balance sheet date, the Group will revise its estimates of the number of share options that are expected to be vested at the vesting date and it recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement is made. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium account when the share options are exercised.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) FRS 2 Share-based Payment (Cont'd)

The Group has adopted the transitional provision in FRS 2 to recognise only share options expense for share option that were granted after 31 December 2004 and not yet vested on 1 January 2006. The financial impact to the Group arising from this change in accounting policy are as follows:

	Current financial year ended 31 December 2006
Decrease in profit for the financial year – Administration expenses	(0.2)
Increase in Share option reserves	0.2
	<hr/>

(ii) FRS 101 Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of results in associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity where it requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the Company and to minority interest.

Share of results in associates is now disclosed net of tax and minority interests in the consolidated income statement.

The current year's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with comparatives restated to conform with the current year's presentation.

The financial impact to the Group arising from this change in accounting policy are as follows:

	Current financial year ended 31 December 2006
Increase in Share of results from associate	0.2
Decrease in Taxation: Share of tax in associate	(0.2)
	<hr/>

(iii) FRS 121 The Effects of Changes in Foreign Exchange Rates

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

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

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Previously, for foreign operations, the monetary assets and liabilities are translated at the closing rate on the balance sheet date. All other balance sheet items are translated at historical rate. All resulting exchange differences are recognised in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iii) FRS 121 The Effects of Changes in Foreign Exchange Rates (Cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale. Previously, such exchange differences are taken into the income statement on the Group's financial statements.

The changes above are accounted for retrospectively. The comparative amounts as at 31 December 2005 are restated and the opening balance of retained earnings as at 1 January 2006 has been adjusted as disclosed in Note 3(v).

The financial impact to the Group arising from this change in accounting policy are as follows:

	Current financial year ended 31 December 2006
Decrease in Associate	(78.8)
Decrease in Other long term investments	(17.3)
Decrease in Reserve on exchange differences	(94.7)
Decrease in Other reserves	(1.4)

(iv) FRS 140 Investment Property

The Group adopted the cost model to measure all its investment properties. Under the cost model, investment property is measured at depreciated cost less any accumulated impairment losses.

Investment property previously classified under property, plant and equipment is now disclosed as a separate line item on the face of the consolidated balance sheet within non-current assets. In line with the revised requirements of FRS 101, the comparative is restated to conform with the current year's presentation as disclosed in Note 3(v).

The financial impact to the Group arising from this change in accounting policy are as follows :

	Current financial year ended 31 December 2006
Decrease in Property, plant and equipment	(21.6)
Increase in Investment properties	21.6

(v) Restatement of comparatives

The effect to the Group's comparative figures on adoption of the above FRSs is as follows:

	As previously reported	Increase / (Decrease)			Restated
		FRS 101	FRS 121	FRS 140	
At 1 January 2005					
Group					
Reserve on exchange differences	6.4	-	74.6	-	81.0

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(v) Restatement of comparatives (Cont'd)

	As previously reported	Increase / (Decrease)			Restated
		FRS 101	FRS 121	FRS 140	
At 31 December 2005					
Group					
Property, plant and equipment	3,542.2	-	-	(22.2)	3,520.0
Investment properties	-	-	-	22.2	22.2
Associate	2,093.2	-	62.4	-	2,155.6
Other long term investments	249.5	-	(1.4)	-	248.1
Reserve on exchange differences	5.2	-	61.5	-	66.7
Other reserves	19.8	-	(0.1)	-	19.7
Retained earnings	4,970.8	-	(0.4)	-	4,970.4
For the year ended 31 December 2005					
Group					
Other income	45.4	-	(0.4)	-	45.0
Profit from operations	1,325.5	-	(0.4)	-	1,325.1
Share of results from associates	16.4	(3.8)	-	-	12.6
Profit before taxation	1,305.8	(3.8)	(0.4)	-	1,301.6
Taxation:					
Company and subsidiaries	333.8	-	-	-	333.8
Share of tax in associates	3.8	(3.8)	-	-	-
	337.6	(3.8)	-	-	333.8
Profit for the financial year	968.6	(0.4)	(0.4)	-	967.8
Earnings per share					
Basic (sen)	88.7	-	0.0	-	88.7
Diluted (sen)	88.7	-	0.0	-	88.7

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

Basis of Consolidation

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

a) Subsidiaries

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Consolidation (Cont'd)

a) Subsidiaries (Cont'd)

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) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests that result in gains and losses for the Group are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

c) Jointly controlled entities

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

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

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

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

d) 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.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. 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 payment on behalf of the associate.

The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Unrealised gains on transactions between the Group and its associates 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.

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

Property, Plant and Equipment

Property, plant and equipment are tangible items that:

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment (Cont'd)

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

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

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

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

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 with lease period of 99 years or less are amortised equally over their respective periods of lease. The Group depreciates other assets based on their consumption pattern and is applied separately to each significant component.

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

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

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

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

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

Investment Properties

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

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

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

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

Property Development Activities

a) Land held for property development

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Property Development Activities (Cont'd)****a) Land held for property development (Cont'd)**

Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at revalued amounts, it continues to retain this amount as its surrogate cost as allowed by FRS 201₂₀₀₄ (previously MASB 32), Property Development Activities. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

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

b) Property development costs

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

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

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

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

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

Investments

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

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

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

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

Intangible Assets**a) Goodwill**

Goodwill represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiaries/jointly controlled entities/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 and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible Assets (Cont'd)

a) Goodwill (Cont'd)

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

Impairment of Assets

The carrying values of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets (excluding investments in subsidiaries, 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.

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

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

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

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

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

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 to the income statement during the financial year in which they are identified.

Cash and Cash Equivalents

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

Borrowings

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Contingent Liabilities and Contingent Assets**

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

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

Provisions

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

Income Taxes**a) Current taxation**

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

b) Deferred taxation

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

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

Employee Benefits**a) Short term employee benefits**

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

b) Post employment benefits

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

c) Long term employee benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Employee Benefits (Cont'd)

c) Long term employee benefits (Cont'd)

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

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

d) Share-based compensation

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

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

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

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

Revenue Recognition

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

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

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

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

Dividends

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

Foreign Currency Translation

a) Functional and presentation currency

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

b) Transactions and balances

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Foreign currency translation (Cont'd)****c) Group companies**

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

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

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

Currency	Year end rates	
	2006	2005
US Dollar	3.5355	3.7785
Sterling Pound	6.9443	6.5260
Australian Dollar	2.7812	2.7740
Singapore Dollar	2.2953	2.2729
Hong Kong Dollar	0.4546	0.4873

Financial Instruments

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

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

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

a) Financial instruments recognised on the balance sheet

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

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

b) Financial instruments not recognised on the balance sheet

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

As foreign currency forward contracts are entered into to cover the Group's commitments in foreign currencies, the closing 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 closing 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

c) Fair value estimation for disclosure purposes (Cont'd)

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

Segmental Reporting

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

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

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

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in 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

2006 Group	Leisure & Hospitality	Properties	Others	Eliminations	Total
<u>Revenue</u>					
External	3,786.1	4.7	17.7	-	3,808.5
Inter segment	1.2	7.0	55.0	(63.2)	-
	3,787.3	11.7	72.7	(63.2)	3,808.5
<u>Results</u>					
Segment profit	1,306.8	1.2	27.3	-	1,335.3
Interest income					31.3
Finance cost					(17.1)
Share of results in jointly controlled entity					0.0
Share of results in associate					(210.8)
Profit before taxation					1,138.7
Taxation					(193.2)
Profit for the financial year					945.5
<u>Other Information:</u>					
<u>Assets</u>					
Segment assets	4,107.8	425.9	318.4	(340.7)	4,511.4
Interest bearing instruments					1,716.2
Jointly controlled entity			1.1		1.1
Associate	2,070.6				2,070.6
Unallocated corporate assets					73.1
Total assets					8,372.4
<u>Liabilities</u>					
Segment liabilities	864.6	46.9	57.4	(340.7)	628.2
Interest bearing instruments					1,215.3
Unallocated corporate liabilities					271.2
Total liabilities					2,114.7
<u>Other Disclosures</u>					
Capital expenditure incurred	332.5	0.1	0.1	-	332.7
Depreciation charged	231.2	2.0	1.1	-	234.3
Other significant non-cash items:					
- charges	25.3	0.1	0.0	-	25.4
- credits	0.0	0.5	7.2	-	7.7

5. SEGMENT ANALYSIS (Cont'd)

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

	Leisure & Hospitality	Properties	Others	Eliminations	(Restated) Total
2005					
Group					
<u>Revenue</u>					
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
<u>Results</u>					
Segment profit	1,170.5	3.3	139.3	-	1,313.1
Interest income					12.0
Finance cost					(36.1)
Share of results in jointly controlled entity			0.0		0.0
Share of results in associates	12.6				12.6
Profit before taxation					1,301.6
Taxation					(333.8)
Profit for the financial year					967.8
<u>Other Information:</u>					
<u>Assets</u>					
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	2,155.6				2,155.6
Unallocated corporate assets					19.4
Total assets					7,049.9
<u>Liabilities</u>					
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
<u>Other Disclosures</u>					
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

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 size to be reported separately. All intersegment sales are conducted on an arms length basis.

5. SEGMENT ANALYSIS (Cont'd)**b) Secondary segment – by geographical location**

Group	Revenue		Total Assets		Capital Expenditure	
	2006	2005	2006	2005	2006	2005
Malaysia	3,808.5	3,500.7	6,063.9	4,554.5	332.7	394.2
Other Countries	-	113.3	237.9	339.8	-	-
	3,808.5	3,614.0	6,301.8	4,894.3	332.7	394.2
Associate			2,070.6	2,155.6		
			8,372.4	7,049.9		

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	
	2006	2005	2006	2005
Rendering of services:				
Leisure & hospitality	3,786.1	3,476.5	3,469.7	3,199.0
Rental and properties management income	4.2	6.9	-	-
Other services	17.7	16.8	-	-
Sale of properties	0.5	0.5	-	-
Gain from sale of investments	-	113.3	-	-
	3,808.5	3,614.0	3,469.7	3,199.0

7. COST OF SALES

	Group		Company	
	2006	2005	2006	2005
Cost of inventories recognised as an expense	103.6	96.3	65.0	61.8
Cost of services and other operating costs	2,198.6	2,033.0	1,999.5	1,833.8
	2,302.2	2,129.3	2,064.5	1,895.6

Included in the other operating costs are gaming expenses amounting to RM842.5 million (2005: RM743.2 million) for the Group and RM877.0 million (2005: RM778.5 million) for the Company.

8. PROFIT BEFORE TAXATION

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

	Group		Company	
	2006	2005	2006	2005
	RM'000	Restated RM'000	RM'000	RM'000
Charges:				
Depreciation of property, plant and equipment	233,550	232,005	151,991	144,356
Depreciation of investment properties	765	716	-	-
Property, plant and equipment written off	952	167	936	73
Loss on disposal of property, plant and equipment	177	-	306	-
Impairment loss on investment in subsidiary	-	-	13,580	75,359
Hire of equipment	7,711	8,775	5,029	6,599
Rental of land and buildings	1,134	1,586	470	309
Employee benefits expense (Note 9)	447,921	392,774	372,878	327,339
Directors' remuneration excluding estimated money value of benefits-in-kind (Note 10)	50,060	40,650	50,045	40,635
Auditors' remuneration	363	372	144	144
Allowance for doubtful debts	1,187	4,101	-	110
Finance cost	17,060	36,143	2,000	-
Net exchange (gains)/losses:				
- Realised	(7,118)	865	9,544	1,218
- Unrealised	(7,197)	(1,800)	11,998	1,759
Charges by holding company:				
- Licensing fees	123,171	115,659	119,646	112,648
- Shared services fees	4,291	4,130	3,873	3,662
Charges by other related companies:				
- Management fees	310,735	290,028	297,071	278,647
- Rental of land and buildings	3,441	3,097	2,917	2,704
- Hire of equipment	6,071	4,848	5,838	4,791
- Shared services fees	18,055	17,723	15,497	14,635
- Commissions	44,255	46,135	29,740	35,326
- Marketing fees	480	480	480	480
- Royalty fees	2,753	2,352	2,753	2,352
Charges by subsidiaries:				
- Finance cost	-	-	15,042	34,278
- Management fees	-	-	414	228
- Hire of equipment	-	-	3,620	2,492
- Rental of land and buildings	-	-	40,241	29,747
Credits:				
Interest income	31,281	11,981	30,450	11,340
Rental income from land and buildings	40,960	39,564	13,341	13,358
Rental of equipment	1,417	947	499	243
Gain on disposal of property, plant and equipment	-	260	-	59
Gain on disposal of investment property	458	216	-	-
Gross dividends from quoted foreign corporations	2	2	-	-
Additional gain from the disposal of a related corporation	-	8,999	-	-
Gain on disposal of short term investments	50	-	-	-
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	178	242	-	-
- Sales of air tickets	213	1,276	-	-
Income from subsidiaries:				
- Interest income	-	-	24,201	30,613
- Gain on disposal of associate	-	-	-	9,980
- Rental of land and buildings	-	-	6,715	6,496
Other information:				
Non statutory audit fees				
- payable to auditors				
- current	1,442	231	1,334	163
- overprovision in prior year	-	(9)	-	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2006	2005	2006	2005
Wages, salaries and bonuses	340,477	308,898	284,397	260,585
Defined contribution plan	39,705	36,574	33,288	30,889
Other short term employee benefits	44,614	37,791	32,571	26,962
Share option expenses	150	-	150	-
Provision for retirement gratuities	22,975	9,511	22,472	8,903
	447,921	392,774	372,878	327,339
Number of employees at financial year end ('000)	12.9	12.3	9.3	8.8

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

10. DIRECTORS' REMUNERATION

	Group		Company	
	2006	2005	2006	2005
Non-executive Directors:				
- Fees	352	249	337	234
- Ex-gratia	-	147	-	147
Executive Directors:				
- Fees	325	330	325	330
- Salaries and bonuses	31,273	30,751	31,273	30,751
- Defined contribution plan	4,315	4,223	4,315	4,223
- Other short term employee benefits	456	528	456	528
- Provision for retirement gratuities	13,339	4,422	13,339	4,422
Directors' Remuneration excluding estimated money value of benefits-in-kind (Note 8)	50,060	40,650	50,045	40,635
Estimated money value of benefits-in-kind (not charged to the income statements) in respect of Executive Directors	661	719	661	719
	50,721	41,369	50,706	41,354

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

	Number	
	2006	2005
Amounts in RM'000		
Non-Executive Directors		
- 50 and below	-	1
- 50 to 100	4	3
- 150 to 200	-	1
Executive Directors		
- 850 to 900	-	2
- 950 to 1,000	-	1
- 1,000 to 1,050	1	-
- 1,050 to 1,100	-	1
- 1,300 to 1,350	1	-
- 3,050 to 3,100	1	-
- 36,700 to 36,750	-	1
- >44,950	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 start of the year '000	Granted '000	Exercised '000	At end of the year '000
Financial year ended 31.12.2006:					
2.9.2002	10.32	1,750*	-	(126)	1,624
Financial year ended 31.12.2005:					
2.9.2002	10.32	2,250	-	-	2,250

The number of share options vested at the balance sheet date is 530 thousand shares (2005:816,000).

* The total number of options as at 1 January 2006 has been reduced by 500,000 shares that were granted to a director who has resigned on the same day.

11. TAXATION

	Group		Company	
	2006	2005 Restated	2006	2005
Current taxation:				
Malaysian taxation	178.3	317.9	174.0	313.4
Deferred tax charge (Note 32)	14.9	15.9	0.8	12.7
	193.2	333.8	174.8	326.1
Current taxation:				
Current year	285.3	321.3	281.0	317.4
Over provided in prior years	(107.0)	(3.4)	(107.0)	(4.0)
	178.3	317.9	174.0	313.4
Deferred taxation:				
Origination and reversal of temporary differences	11.2	23.8	(3.6)	14.6
Under/(Over) provided in prior years	3.7	(2.0)	4.4	(1.9)
Benefit from previously unrecognised temporary differences	-	(5.9)	-	-
	14.9	15.9	0.8	12.7

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

	Group		Company	
	2006	2005 Restated	2006	2005
	%	%	%	%
Malaysia tax rate:	28.0	28.0	28.0	28.0
Tax effects of:				
- expenses not deductible for tax purposes	0.4	0.9	0.9	3.3
- different tax regime	5.0	(2.4)	-	-
- income not subject to tax	(0.1)	(0.2)	(0.5)	(1.0)
- tax incentive	(6.4)	(0.1)	(5.8)	(0.1)
- previously unrecognised temporary differences	-	(0.5)	-	-
- over provided in prior years	(9.1)	(0.3)	(8.1)	(0.5)
- Effect of change in deferred tax rate	(0.8)	-	(0.7)	-
- others	(0.1)	0.2	-	-
Average effective tax rate	16.9	25.6	13.8	29.7

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 RM74.4 million as at the financial year end (2005: RM74.0 million).

Subject to the agreement by the Inland Revenue Board, the Group has investment tax allowance of approximately RM1,318.3 million (2005: RM1,275.9 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 profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2006	2005
Profit for the financial year attributable to equity holders of the Company (RM million)	945.9	968.2
Weighted average number of ordinary shares in issue	1,093,096,964	1,091,850,753
Basic earnings per share (sen)	86.5	88.7

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	
	2006	2005
Profit for the financial year attributable to equity holders of the Company (RM million)	945.9	968.2
Weighted average number of ordinary shares adjusted as follows:		
Weighted average number of ordinary shares in issue	1,093,096,964	1,091,850,753
Adjustment for share options granted to executives of the Company	2,324,302	148,520
Adjusted weighted average number of ordinary shares in issue	1,095,421,266	1,091,999,273
Diluted earnings per share (sen)	86.3	88.7

There are no dilutive potential ordinary shares arising from the Zero Coupon Convertible Notes during the financial year.

13. DIVIDENDS

	2006		2005	
	Gross dividend per share	Amount of dividend (net of tax)*	Gross dividend per share	Amount of dividend (net of 28% tax)
	Sen	RM million	Sen	RM million
Interim dividend paid	12.0	94.5	10.0	78.6
Proposed final dividend	15.0	119.9	14.0	110.2
	27.0	214.4	24.0	188.8

* Interim dividend paid is net of 28% tax; and the proposed final dividend is net of 27% tax.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2006 of 15.0 sen less 27% tax (2005: 14.0 sen less 28% tax) per ordinary share of 50 sen each amounting to RM119.9 million (2005: RM110.2 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 2006	222.6	106.3	3,190.9	1,923.6	24.5	5,467.9
Effect of adoption of FRS 140	-	-	(31.8)	-	-	(31.8)
Restated as at 1 January 2006	222.6	106.3	3,159.1	1,923.6	24.5	5,436.1
Additions	0.5	-	6.1	156.4	169.6	332.6
Disposals	-	-	-	(33.2)	-	(33.2)
Written off	-	-	-	(4.3)	(0.7)	(5.0)
Reclassification/Adjustment/Transfer	-	(0.1)	44.2	58.3	(104.4)	(2.0)
At 31 December 2006	223.1	106.2	3,209.4	2,100.8	89.0	5,728.5
Accumulated depreciation:						
At 1 January 2006	-	7.6	564.3	1,339.9	-	1,911.8
Effect of adoption of FRS 140	-	-	(9.6)	-	-	(9.6)
Restated as at 1 January 2006	-	7.6	554.7	1,339.9	-	1,902.2
Charge for the financial year	-	1.1	69.3	163.1	-	233.5
Disposals	-	-	-	(31.9)	-	(31.9)
Written off	-	-	-	(4.0)	-	(4.0)
Reclassification/Adjustment/Transfer	-	-	(0.9)	-	-	(0.9)
At 31 December 2006	-	8.7	623.1	1,467.1	-	2,098.9
Accumulated impairment losses:						
At 1 January/31 December 2006	-	0.1	13.7	0.1	-	13.9
Net book value at 31 December 2006	223.1	97.4	2,572.6	633.6	89.0	3,615.7
At cost:						
At 1 January 2005	222.6	106.3	2,938.1	1,709.1	136.1	5,112.2
Effect of adoption of FRS 140	-	-	(36.5)	-	-	(36.5)
Restated as at 1 January 2005	222.6	106.3	2,901.6	1,709.1	136.1	5,075.7
Additions	-	-	5.1	127.0	262.0	394.1
Disposals	-	-	(1.4)	(14.7)	-	(16.1)
Written off	-	-	-	(20.1)	-	(20.1)
Reclassification/Adjustment/Transfer	-	-	253.8	122.3	(373.6)	2.5
At 31 December 2005	222.6	106.3	3,159.1	1,923.6	24.5	5,436.1
Accumulated depreciation:						
At 1 January 2005	-	6.6	498.8	1,209.0	-	1,714.4
Effect of adoption of FRS 140	-	-	(10.5)	-	-	(10.5)
Restated as at 1 January 2005	-	6.6	488.3	1,209.0	-	1,703.9
Charge for the financial year	-	1.0	66.3	164.7	-	232.0
Disposals	-	-	(1.1)	(13.9)	-	(15.0)
Written off	-	-	-	(19.9)	-	(19.9)
Reclassification/Adjustment/Transfer	-	-	1.2	-	-	1.2
At 31 December 2005	-	7.6	554.7	1,339.9	-	1,902.2
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	2,590.7	583.6	24.5	3,520.0

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

Company	Freehold land	Long leasehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
At cost:						
At 1 January 2006	87.2	0.5	1,771.5	1,310.3	22.4	3,191.9
Additions	-	-	0.3	137.6	153.3	291.2
Disposals	-	-	-	(32.7)	-	(32.7)
Written off	-	-	-	(3.9)	(0.7)	(4.6)
Reclassification/Adjustment	-	-	32.6	52.3	(85.4)	(0.5)
At 31 December 2006	87.2	0.5	1,804.4	1,463.6	89.6	3,445.3
Accumulated depreciation:						
At 1 January 2006	-	0.1	406.7	941.9	-	1,348.7
Charge for the financial year	-	-	41.6	110.4	-	152.0
Disposals	-	-	-	(31.1)	-	(31.1)
Written off	-	-	-	(3.7)	-	(3.7)
Reclassification/Adjustment	-	-	0.1	(0.1)	-	-
At 31 December 2006	-	0.1	448.4	1,017.4	-	1,465.9
Net book value at 31 December 2006	87.2	0.4	1,356.0	446.2	89.6	1,979.4
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

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2006	2005
At 1 January/31 December		
Freehold land - at cost	186.1	186.1

16. INVESTMENT PROPERTIES

	Group	
	2006	2005
Group		
At Cost:		
At 1 January	-	-
Effect of adoption of FRS 140	31.8	36.5
Restated as at 1 January	31.8	36.5
Additions	0.1	0.1
Disposal	(0.8)	(0.5)
Reclassification/Transfer	1.5	(4.3)
At 31 December	32.6	31.8
Accumulated depreciation:		
At 1 January	-	-
Effect of adoption of FRS 140	9.6	10.5
Restated as at 1 January	9.6	10.5
Depreciation for the financial year	0.8	0.7
Disposal	(0.3)	(0.2)
Reclassification/Transfer	0.9	(1.4)
At 31 December	11.0	9.6
Net book value at 31 December	21.6	22.2
Fair value	36.1	36.1

The aggregate rental income and direct operating expenses incurred from investment properties which generate rental income during the financial year amounted to RM3.0 million and RM0.7 million respectively (2005:RM4.3 million and RM 0.8 million).

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

17. SUBSIDIARIES

	Company	
	2006	2005
Investment in subsidiaries		
Unquoted shares – at cost	5,562.9	4,676.4
Accumulated impairment losses	(89.0)	(75.4)
	5,473.9	4,601.0

The subsidiaries are listed in Note 40.

Included in prior year's amount due from subsidiaries was an interest bearing amount of RM638.4 million. Included in the amount due to subsidiaries are interest bearing advances from wholly-owned subsidiaries amounting to RM128.8 million (2005:RM533.7 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	
	2006	2005
Amount due from a subsidiary	-	4.8
Amounts due to subsidiaries	4.9	4.8

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

18. JOINTLY CONTROLLED ENTITY

	Group	
	2006	2005
Unquoted - at cost:		
Shares in a Malaysian company	1.1	1.1
Group's share of post acquisition reserves	0.0	0.0
	1.1	1.1

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

	Group	
	2006	2005
	RM'000	RM'000
Income	1,535.7	559.3
Expenses	(1,545.7)	(543.7)
Net income	(10.0)	15.6
Non-current assets	439.8	412.0
Current assets	1,151.1	1,178.9
Non-current liabilities	(43.1)	(22.6)
Current liabilities	(472.2)	(502.7)
Net assets	1,075.6	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
	2006	2005		
Genting INTI Education Sdn Bhd	35	35	Malaysia	Managing a college for education, tourism, leisure & hospitality

19. ASSOCIATE

	Group	
	2006	2005
Quoted - at cost:		
Shares in a foreign corporation	3,770.7	3,444.0
Goodwill on acquisition written off	(1,438.7)	(1,438.7)
Share of post acquisition reserves	(261.4)	87.9
As reported	2,070.6	2,093.2
Effect of FRS 121		62.4
As restated		2,155.6
Represented by:		
Share of net assets, other than goodwill of the associate	2,070.6	2,155.6
Market value of quoted shares in a foreign corporation	2,733.3	1,945.0

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 associate represents outstanding amounts arising from inter company sales. The amount due from associate is unsecured, interest free and has no fixed terms of repayment.

19. ASSOCIATE (Cont'd)

Detail of the associate is as follows:

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2006	2005		
*Star Cruises Limited	36.0	36.0	Isle of Man and continued into Bermuda on 9 October 2000	Cruise and cruise related operations

* 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.

Summarised financial information in respect of the Group's associate is set out below:-

	2006	2005 Restated
Income	2,983.0	2,633.0
Expenses	(3,193.8)	(2,620.4)
Net income	(210.8)	12.6
Non-current assets	6,614.9	6,450.0
Current assets	767.2	480.9
Non-current liabilities	(4,035.5)	(3,647.2)
Current liabilities	(1,276.0)	(1,128.1)
Net assets	2,070.6	2,155.6

20. OTHER LONG TERM INVESTMENTS

	Group		Company	
	2006	2005	2006	2005
Quoted shares in foreign corporation, at cost –				
As reported	229.3	246.4	-	-
Effect of FRS 121	-	(1.4)		
As restated	229.3	245.0		
Unquoted – at cost	4.1	4.1	4.1	4.1
Amounts written down to date	(1.0)	(1.0)	(1.0)	(1.0)
	3.1	3.1	3.1	3.1
	232.4	248.1	3.1	3.1
Market value of quoted shares in foreign corporation	689.0	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.

21. LONG TERM RECEIVABLES

	Group		Company	
	2006	2005	2006	2005
Trade receivables	9.5	13.4	-	-
Loan to a director	-	0.1	-	-
Other receivables	0.0	-	-	-
	9.5	13.5	-	-

21. LONG TERM RECEIVABLES (Cont'd)

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

	Group	
	2006	2005
Later than 1 year and not later than 2 years	3.1	5.7
Later than 2 years and not later than 6 years	6.4	7.8
	9.5	13.5

As at the end of the previous financial year, loan to a director represents an interest free housing loan to an Executive Director of the Company which was extended by a wholly-owned subsidiary of the Company. The director has resigned on 1 January 2006.

22. INVENTORIES

	Group		Company	
At cost:	2006	2005	2006	2005
Food, beverage, tobacco and other hotel supplies	9.3	9.5	7.1	7.5
Stores, spares and retail stocks	19.9	19.9	18.4	18.4
Completed properties	24.1	24.1	-	-
	53.3	53.5	25.5	25.9

23. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006	2005	2006	2005
Current:				
Trade receivables	38.2	40.7	8.9	10.2
Other receivables	31.4	11.4	22.1	5.8
Less: Allowance for doubtful debts	(1.0)	(1.7)	(0.1)	(0.4)
	68.6	50.4	30.9	15.6
Deposits	12.5	13.2	11.3	11.7
Prepayments	30.6	42.1	28.2	41.1
Income tax recoverable	74.5	20.9	73.1	19.5
Loan to a director (Note 21)	-	0.1	-	-
Total trade and other receivables	186.2	126.7	143.5	87.9

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.

24. 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.

25. SHORT TERM INVESTMENTS

	Group		Company	
	2006	2005	2006	2005
Quoted – at cost:				
Shares in foreign corporations	-	0.1	-	-
Unquoted – at cost:				
Money market instruments (Note 26)	853.4	275.9	853.4	275.9
	853.4	276.0	853.4	275.9
Market value of quoted shares				
- Foreign corporations	-	0.1	-	-

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 2006 have maturity periods ranging between overnight and two months.

The unquoted money market instruments are denominated in Ringgit Malaysia.

26. CASH AND CASH EQUIVALENTS

	Group		Company	
	2006	2005	2006	2005
Deposits with licensed banks	851.1	140.4	833.0	126.7
Deposits with finance companies	-	10.6	-	10.6
Cash and bank balances	276.2	287.9	267.9	283.4
Bank balances and deposits	1,127.3	438.9	1,100.9	420.7
Add:				
Money market instruments (Note 25)	853.4	275.9	853.4	275.9
Cash and cash equivalents	1,980.7	714.8	1,954.3	696.6

The carrying amount of these assets approximates their fair values.

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	
	2006	2005	2006	2005	2006	2005	2006	2005
Ringgit Malaysia	1,887.6	566.0	3.28	2.62	1,880.3	561.4	3.28	2.62
US Dollars	19.5	43.5	5.10	3.76	0.4	29.8	-	-
Singapore Dollar	9.1	73.1	-	-	9.1	73.1	-	-
Hong Kong Dollar	64.5	31.4	-	-	64.5	31.4	-	-
Other foreign currencies	-	0.8	-	-	0.0	0.9	-	-
	1,980.7	714.8			1,954.3	696.6		

The deposits of the Group and Company have an average maturity period of 31 days (2005: 31 days). Bank balances of the Group and Company are deposits held at call.

27. SHARE CAPITAL

	Company	
	2006	2005
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 (2005: 1,091.8 million)	545.9	545.9
Issuance of shares		
- 2,709,000 (2005: 36,000)	1.4	0.0
At 31 December		
- 1,094.6 million (2005: 1,091.8 million)	547.3	545.9

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

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

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

The main features of the ESOS are as follows:

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

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

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

27. SHARE CAPITAL (Cont'd)

- 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.

Set out below are details of options over the ordinary shares of the Company granted under 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 31.12.2006							
ESOS							
2.9.2002	2.9.2004 to 11.8.2012	10.32	13,246	323	(2,583)	(546)	10,440
29.11.2002	29.11.2004 to 11.8.2012	8.50	206	-	(81)	(24)	101
17.12.2004	17.12.2006 to 11.8.2012	9.49	1,494	7	(45)	(180)	1,276
19.07.2005	19.07.2007 to 11.8.2012	9.92	50	-	-	-	50
14.12.2005	14.12.2007 to 11.8.2012	10.67	-	123	-	(15)	108
			14,996	453	(2,709)	(765)	11,975
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

The number of share options vested at the balance sheet date is 2.4 million shares (2005: 4.2 million shares)

27. SHARE CAPITAL (Cont'd)

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

Exercise date	Fair value of shares at share issue date (RM/share)	Subscription price (RM/share)	Number of shares issued 2006
January – December 2006	10.80 to 14.60	8.50	81,000
January – December 2006	10.80 to 14.60	10.32	2,583,000
December 2006	14.20 to 14.60	9.49	45,000
			2,709,000
Exercise date	Fair value of shares at share issue date (RM/share)	Subscription price (RM/share)	Number of shares issued 2005
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
			2006 2005
			RM'000 RM'000
Ordinary share capital – at par			1,355 18
Share premium			26,417 335
Proceeds received on exercise of share options			27,772 353
Fair value at exercise date of shares issued			35,699 390

28. RESERVES

	Group		Company	
	2006	2005 (Restated)	2006	2005
Share premium	60.1	33.7	60.1	33.7
Reserve on exchange differences	(88.0)	66.7	-	-
Other reserves:				
- Capital redemption reserves	0.1	0.1	-	-
- Equity portion of convertible bonds in associate	18.3	19.6	-	-
- Option reserve	0.2	-	0.2	-
Retained earnings	5,711.6	4,970.4	7,254.2	6,366.2
	5,702.3	5,090.5	7,314.5	6,399.9

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank approximately RM5,948.7 million (2005: RM5,232.8 million) of the Company's retained earnings if distributed by way of dividends without additional tax liabilities being incurred.

In addition, the Company has tax exempt income as at 31 December 2006, available to frank as tax exempt dividends arising mainly from the Promotions of Investment Act, 1986 and the Income Tax (Amendment) Act, 1999 relating to tax on income earned in 1999 being waived, amounting to approximately RM2,034.6 million (2005: RM1,840.1 million). The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

29. BORROWINGS

	Group
	2006 2005
Current:	
Term loans – US Dollar (unsecured)	87.8 396.1
Non-current:	
Term loans – US Dollar (unsecured)	41.0 137.6
	128.8 533.7

The weighted average interest rates (%) per annum before and after interest rate swaps ("IRS") are as follows:

	2006		2005
	Before IRS	After IRS	Before IRS After IRS
Effective during the year:			
Term loans – US Dollar (unsecured)	5.8	5.1	4.2 4.9
As at 31 December:			
Terms loans – US Dollar (unsecured)	6.3	4.7	5.3 4.8

	Group
	2006 2005
Currency in which total borrowings are denominated in US Dollar	128.8 533.7

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

	Borrowings		
	Total	Floating interest rate	Fixed interest rate
At 31 December 2006			
Before interest rate swap			
- within one year	87.8	87.8	-
- more than 1 year and less than 2 years	41.0	41.0	-
	128.8	128.8	-
After interest rate swap			
- within one year	87.8	46.8	41.0
- more than 1 year and less than 2 years	41.0	-	41.0
	128.8	46.8	82.0
At 31 December 2005			
Before interest rate swap			
- within one year	396.1	396.1	-
- more than 1 year and less than 2 years	93.8	93.8	-
- more than 2 year and less than 5 years	43.8	43.8	-
	533.7	533.7	-
After interest rate swap			
- within one year	396.1	50.1	346.0
- more than 1 year and less than 2 years	93.8	50.1	43.7
- more than 2 year and less than 5 years	43.8	-	43.8
	533.7	100.2	433.5

The fair values of the bank borrowings at the balance sheet dates approximate their carrying amounts.

29. BORROWINGS (Cont'd)

As at the 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 2006					
Total borrowings	128.8	82.0	46.8	-	-
Movement in repricing periods due to interest rate swap	-	(82.0)	41.0	41.0	-
	128.8	-	87.8	41.0	-
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

30. ZERO COUPON CONVERTIBLE NOTES

On 21 September 2006, the Company issued RM1.1 billion nominal value zero coupon convertible notes due 2008 ("Notes"). The Notes are convertible into ordinary shares of RM0.50 each in the Company ("Resorts World Shares") in accordance with the terms and conditions of the Notes ("Terms"). The purpose of the issue is for working capital or investments or acquisitions in areas related to the Company's principal businesses, as and when such opportunities arise.

The main features of the Notes are as follows:

- The Notes are convertible at the option of the holders of the Notes ("Noteholders") into Resorts World Shares, at a conversion price of RM12.75 per Resorts World Share. The conversion price will be adjusted on the reset dates as stipulated in the Terms;
- The Company may at its option, satisfy its obligation following a conversion, in whole or in part, by paying the Noteholders in cash. Any Note which is not redeemed, converted or purchased and cancelled before the maturity date will be redeemed in cash at 99% of their principal amount on the maturity date; and
- The new Resorts World Shares to be issued upon conversion of the Notes will, upon issue and allotment, rank equal in all respects with the then existing Resorts World Shares except that they will not entitle their holders to any dividend, right, allotment and/or other distributions, the entitlement date of which is before the date of allotment of the new Resorts World Shares. The Resorts World Shares will be listed and quoted on Bursa Malaysia Securities Berhad.

The Notes is recognised in the balance sheet as follows:

	Group	
	2006 RM'000	2005 RM'000
Nominal value	1,100,000	-
Unamortised issuance cost	(14,085)	-
	1,085,915	-

31. OTHER LONG TERM LIABILITY

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

32. DEFERRED TAXATION

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

	Group		Company	
	2006	2005	2006	2005
Deferred tax liabilities:				
- subject to income tax	(182.9)	(168.0)	(120.3)	(119.5)
- subject to real property gain tax	(5.1)	(5.1)	(2.2)	(2.2)
	(188.0)	(173.1)	(122.5)	(121.7)
At 1 January:	(173.1)	(157.2)	(121.7)	(109.0)
(Charged)/Credited to income statement (Note 11):				
- property, plant and equipment	(28.1)	(27.9)	(14.2)	(24.7)
- provisions	4.2	11.9	4.1	11.9
- effect of change in deferred tax rate on prior years' temporary difference	8.7	-	8.5	-
- others	0.3	0.1	0.8	0.1
At 31 December	(188.0)	(173.1)	(122.5)	(121.7)
Subject to income tax:				
(i) Deferred tax assets (before offsetting)				
- Provisions	15.1	11.9	15.1	11.9
- Others	1.9	1.8	1.9	1.8
	17.0	13.7	17.0	13.7
- Offsetting	(17.0)	(13.7)	(17.0)	(13.7)
Deferred tax assets (after offsetting)	-	-	-	-
(ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	(158.5)	(140.1)	(137.3)	(133.2)
- Land held for property development	(39.2)	(39.2)	-	-
- Inventory – completed properties	(2.2)	(2.4)	-	-
	(199.9)	(181.7)	(137.3)	(133.2)
- Offsetting	17.0	13.7	17.0	13.7
Deferred tax liabilities (after offsetting)	(182.9)	(168.0)	(120.3)	(119.5)
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 for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group		Company	
	2006	2005	2006	2005
Unutilised tax losses	74.4	74.0	-	-
Property, plant and equipment	98.5	93.3	-	-
Provision	1.1	0.6	-	-
	174.0	167.9	-	-

33. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2006	2005	2006	2005
At 1 January	39.4	31.3	37.4	29.9
Charged to income statement	23.0	9.5	22.5	8.9
Paid during the financial year	(1.9)	(1.4)	(1.9)	(1.4)
At 31 December	60.5	39.4	58.0	37.4

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

34. TRADE AND OTHER PAYABLES

	Group		Company	
	2006	2005	2006	2005
Trade payables	45.4	38.9	29.8	27.0
Accruals	337.3	337.3	322.0	304.3
Deposits	15.8	20.6	4.4	8.7
Other payables	80.6	78.7	48.3	48.1
	479.1	475.5	404.5	388.1

Included in other payables and accruals of the Group are progress billings payable and accruals for capital expenditure relating to the upgrading of resorts infrastructure and facilities amounting to RM76.1 million (2005:RM64.0 million).

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

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

35. 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 which have not been hedged into Ringgit Malaysia. These foreign currency borrowings form the whole of the total borrowings as disclosed in Note 29:

At 31 December 2006

Currency	Start date	Maturity dates	Foreign currency (Mil)			Equivalent RM (Mil) Total
			Hedged	Unhedged	Total	
US Dollar	27/11/2002	27/11/2007	-	13.2	13.2	46.8
US Dollar	24/11/2003	24/11/2007 to 24/11/2008	-	18.0	18.0	63.6
US Dollar	11/12/2003	11/12/2007 to 11/12/2008	-	5.2	5.2	18.4
Total						128.8

35. FINANCIAL INSTRUMENTS (Cont'd)

At 31 December 2005

Currency	Start date	Maturity dates	Foreign currency (Mil)			Equivalent RM (Mil) Total
			Hedged	Unhedged	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

As at 31 December 2006, the US Dollar ("USD") borrowings as shown above are obtained by 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 Swap ("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 IRS contracts of the Group are as follows:

	USD (Mil)	Equivalent RM (Mil)
At 31 December 2006		
Within one year	24.8	87.8
More than one year and less than 5 years	11.6	41.0
	36.4	128.8
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

The effect of the above IRS contracts is to effectively hedge the interest rate payable on the foreign currency borrowings mentioned in Note (a) above. Of the above IRS, USD13.2 million (RM46.8 million) (2005:USD26.5 million (RM100.2 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 IRS contracts of the Group which has not been recognised at the balance sheet date was a favourable net position of RM2.6 million (2005:RM4.9 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 (2005:Nil).

36. CAPITAL COMMITMENTS

	Group		Company	
	2006	2005	2006	2005
Authorised property, plant and equipment expenditure not provided for in the financial statements:				
- contracted	137.7	140.9	105.8	102.7
- not contracted	402.0	363.5	348.0	320.3
	539.7	504.4	453.8	423.0

37. CONTINGENT LIABILITY (UNSECURED)

At 31 December 2006, the Company had contingent liability in respect of guarantees issued to financial institutions for loan facilities extended to subsidiaries as follows:

- (a) Term Loan Facility granted to a subsidiary amounting to RM82.0 million (2005:RM131.2 million).
- (b) Term Loan Facility granted to a subsidiary amounting to RM46.8 million (2005:RM100.2 million).

The details of the loans are disclosed in Note 29 and Note 35. It is anticipated that no material liabilities will arise as a result of these guarantees.

38. SIGNIFICANT NON-CASH TRANSACTIONS**Company**

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

- (a) Acquisition of 75,000 Irredeemable Convertible Cumulative preference shares of USD1 each at a premium of USD999 per share in Resorts World Limited, an indirect wholly-owned subsidiary of the Company, amounting to RM268,244,900 (USD75,000,000).
- (b) Acquisition of 618,324 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 RM618,324,000.

39. SIGNIFICANT RELATED PARTY DISCLOSURES

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, the Chairman and Chief Executive, shareholder and share option holder of the Company; the Chairman, President and Chief Executive, shareholder and share option holder of both GB; the Executive 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.

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

Mr Quah Chek Tin, the Non-Independent Non-Executive Director and shareholder of the Company, is also the Non-Independent Non-Executive Director, shareholder and share option holder of GB; and a share option holder of GIPLC.

39. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

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

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

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

	2006	2005
(a) Rendering of services		
Air ticketing and transportation services rendered by Resorts World Tours Sdn Bhd, a wholly-owned subsidiary company of the Company, to SCL and its subsidiaries, an indirect associated company of the Company.	4.0	3.0
(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 GB to the Company and the Group.	4.2	4.1
(ii) Provision of consultancy, research and development services for themed entertainment lounges from E-Genting Holdings Sdn Bhd ("E-Genting"), a direct wholly-owned subsidiary company of GB to the Company and the Group.	2.9	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.	15.4	15.2
(iv) Provision of information technology consultation, implementation, support and maintenance services for Enterprise Resource Planning solution, hardware shared services, information technology administration and first time application support service, system research and development and information technology related management and advisory services by E-Genting Sdn Bhd ("EGSB"), a wholly-owned subsidiary of E-Genting, to the Company and the Group based on mutually agreed terms and price.	14.6	14.5
(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.	3.8	5.7
(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), mother of Tan Sri Lim Kok Thay, is a director and substantial shareholder of Oriregal.	1.0	1.1

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

The rental charges to Oriregal are transacted at commercial rates except for the rentals at the premises of Genting Hotel and the Highlands Hotel which are 54% and 72% lower than the comparable range of commercial rate charged to other tenants respectively as a wider space is occupied. The rental of premises at the Resorts Hotel is 81% lower than similar premises as they are located at a low traffic area.

39. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

	2006	2005
(c) Rental and related services (cont'd)		
(ii) Letting of office space and provision of connected services by Oakwood Sdn Bhd, a wholly-owned subsidiary company of GB, to the Company and the Group.	3.4	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.	123.2	115.7
(e) Sales and Marketing arrangements		
Provision of services as the exclusive international sales and marketing coordinator for Genting Highlands Resort by Genting International PLC ("GIPLC"), a 54.78% owned indirect subsidiary company of GB, to the Company and the Group based on agreed terms and prices.	37.3	39.6
(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 company of GB based on agreed terms and rates.	309.0	288.3
(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 company of GB based on agreed terms and rates.	1.8	1.7

40. SUBSIDIARIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2006	2005		
<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	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 and the collection and disposal of garbage at Genting Highlands Resort
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 upkeep services
Leisure & Cafe Concept Sdn Bhd	100	100	Malaysia	Operation of Karaoke business

40. SUBSIDIARIES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2006	2005		
<u>Direct Subsidiaries (cont'd)</u>				
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 development
Setiaseri Sdn Bhd	100	100	Malaysia	Renting of its apartment
Sierra Springs Sdn Bhd	100	100	Malaysia	Investment holding
Stake Excellent Sdn Bhd	100	100	Malaysia	Support services
Vestplus Sdn Bhd	100	100	Malaysia	Sale and letting of completed apartment units
* Vestplus (Hong Kong) Limited	100	100	Hong Kong, SAR	Pre-operating
Vestplus (Thailand) Limited	-	91	Thailand	Dissolved
Genting Centre of Excellence Sdn Bhd	100	100	Malaysia	Provision of 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 units
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
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
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 upkeep services
Resorts Overseas Investments Limited	100	100	Isle of Man	Dormant
* Resorts World Limited	100	100	Isle of Man	Investment holding and investment trading
Resorts World Properties Sdn Bhd	100	100	Malaysia	Investment holding
R.W. Investments Limited	100	100	Isle of Man	Investment holding
R.W. Overseas Investments Limited	100	100	Isle of Man	Pre-operating
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

40. SUBSIDIARIES (Cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2006	2005		
<u>Indirect Subsidiaries (cont'd)</u>				
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	Renting part of its leasehold 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	Dormant
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.

41. SIGNIFICANT POST BALANCE SHEET EVENT

On 15 January 2007, the Company through CIMB Investment Bank Berhad ("CIMB") announced the following:

- a) Proposed share split involving the subdivision of each of the existing ordinary shares of RM0.50 each into 5 ordinary shares of RM0.10 each ("Split Shares") ("Proposed Share Split"); and
- b) Amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Share Split.

(collectively the "Proposals")

On 8 February 2007, the Company through CIMB further announced the following:

- (i) that the Securities Commission ("SC") had, through its letter dated 6 February 2007, granted its approval for the Proposed Share Split and the listing of and quotation for the ordinary shares of RM0.10 each of the Company to be issued under the Proposed Share Split on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"); and
- (ii) that Bursa Securities had, through its letter dated 7 February 2007, granted its approval for the Proposed Share Split and its approval-in-principle for the listing of and quotation for the Split Shares to be issued under the Proposed Share Split on the Main Board of Bursa Securities.

The SC's approval as disclosed in item (i) above is subject to full compliance by CIMB and the Company with all the relevant requirements pertaining to the implementation of the Proposed Share Split as stipulated in the SC's Policies and Guidelines on Issue/Offer of Securities.

Bursa Securities' approval and approval-in-principle as disclosed in item (ii) above is subject to full compliance by the Company with all the requirements pertaining to the Proposed Share Split as provided under the Listing Requirements of Bursa Securities at all times.

The Proposals are also subject to and conditional upon approvals being obtained from shareholders of the Company at an extraordinary general meeting to be convened.

Statement on Directors' Responsibility

pursuant to paragraph 15.27(a) of the listing requirements of Bursa Malaysia Securities Berhad

As required under the Companies Act, 1965 ("Act"), the Directors of Resorts World Bhd have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with the Financial Reporting Standards, MASB Approved Accounting Standards For Entities Other than Private Entities in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company for the financial year ended 31 December 2006.

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 28 February 2007.

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 47 to 93 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 28 February 2007

)
)

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 47 to 93. 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 for Entities Other than Private Entities 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 2006 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 40 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

LOH LAY CHOON

(No. 2497/03/08(J))

Partner of the firm

Kuala Lumpur

28 February 2007

Ten-Year Summary

Amounts in RM million unless otherwise stated	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenue	3,808.5	3,614.0	2,838.9	2,708.4	2,781.5	2,503.1	2,337.9	2,178.5	2,514.9	3,038.7
Profit/(loss) before taxation	1,138.7	1,301.6	832.6	756.5	937.7	603	(665.2)	646.8	371.7	1,090.9
Taxation	(193.2)	(333.8)	(79.6)	(247.1)	(294.8)	(250.8)	(210.2)	(0.3)	(221.6)	(223.8)
Profit/(loss) for the financial year	945.5	967.8	753.0	509.4	642.9	352.2	(875.4)	646.5	150.1	867.1
Net profit/(loss) attributable to equity holders of the Company	945.9	968.2	753.4	509.8	643.3	352.6	(875.8)	646.5	149.7	868.0
Share capital	547.3	545.9	545.9	545.9	545.9	545.9	545.9	545.9	545.9	545.9
Retained earnings	5,711.6	4,970.4	4,167.3	3,559.4	3,187.2	2,673.5	2,446.7	3,464.1	2,951.2	2,958.7
Other reserves	(9.3)	120.1	114.3	114.6	110.8	112.1	112.1	112.0	112.0	33.3
Shareholders' equity	6,249.6	5,636.4	4,827.5	4,219.9	3,843.9	3,331.5	3,104.7	4,122.0	3,609.1	3,537.9
Minority interest	8.1	8.5	8.9	9.3	9.7	10.1	10.5	183.1	11.7	1.2
Non-current liabilities	1,406.4	382.1	803.0	1,121.6	1,436.3	1,652.0	510.0	186.3	177.2	171.3
Capital employed	7,664.1	6,027.0	5,639.4	5,350.8	5,289.9	4,993.6	3,625.2	4,491.4	3,798.0	3,710.4
Property, plant and equipment	3,615.7	3,520.0	3,357.9	3,250.9	3,194.3	3,228.9	2,882.0	2,521.6	2,378.2	2,156.6
Land held for property development	186.1	186.1	186.1	201.2	201.2	202.5	202.1	220.8	219.1	217.5
Investment properties	21.6	22.2	26.0	26.6	31.8	32.5	33.3	39.7	87.9	88.1
Jointly controlled entity	1.1	1.1	-	-	-	-	-	-	-	-
Associates	2,070.6	2,155.6	2,144.8	2,122.9	1,984.9	1,666.4	1,639.4	1,073.3	994.6	-
Other long term investments	232.4	248.1	3.3	3.1	3.2	3.6	110.4	162.6	2.2	116.2
Long term receivables	9.5	13.5	17.3	14.9	13.8	12.1	10.1	3.7	-	-
	6,137.0	6,146.6	5,735.4	5,619.6	5,429.2	5,146.0	4,877.3	4,021.7	3,682.0	2,578.4
Net current assets/(liabilities)	1,527.1	(119.6)	(96.0)	(268.8)	(139.3)	(152.4)	(1,252.1)	469.7	116.0	1,132.0
Employment of capital	7,664.1	6,027.0	5,639.4	5,350.8	5,289.9	4,993.6	3,625.2	4,491.4	3,798.0	3,710.4
Basic earnings/(loss) per share (sen)#	86.5	88.7	69.0	46.7	58.9	32.3	(80.2)	59.2	13.7	79.5
Net dividend per share (sen)	19.6	17.3	14.4	13.0	12.6	11.5	11.5	13.0	12.2	14.6
Dividend cover (times)	4.4	5.1	4.8	3.6	4.7	2.8	N/A	4.6	1.1	5.4
Current ratio	3.2	0.9	0.9	0.8	0.9	0.8	0.3	1.8	1.1	2.6
Net assets per share (RM)	5.71	5.16	4.42	3.87	3.52	3.05	2.84	3.78	3.31	3.24
Return/(loss) (after tax and minority interests on average shareholders' equity - %)	15.9	18.6	16.9	12.9	18.3	11.2	(24.7)	17.1	4.2	27.3
Market share price										
- highest (RM)	14.80	11.70	11.70	11.90	12.00	7.95	15.50	18.00	9.55	13.30
- lowest (RM)	10.60	9.25	8.30	7.55	6.05	5.00	5.70	8.75	2.85	4.08

Certain figures relating to the previous years have been reclassified/adjusted to conform with the current year's presentation, due to adoption of new FRSSs.

Computed based on issued share capital prior to the share split exercise which was completed on 16 April 2007.

N/A - Not Applicable

List of Properties Held

as at 31 December 2006

LOCATION	TENURE	APPROXIMATE AREA	DESCRIPTION	NET BOOK VALUE AS AT 31 DEC 2006 (RM' million)	AGE OF BUILDING (Years)	YEAR OF ACQUISITION
MALAYSIA						
STATE OF PAHANG DARUL MAKMUR						
1 Genting Highlands, Bentung	Freehold	Built-up : 100,592 sq.metres	18-storey Genting Hotel Complex	211.4	25	1982
2 Genting Highlands, Bentung	Freehold	Built-up : 95,485 sq.metres	23-storey Resort Hotel & Car Park II	134.3	14	1992
3 Genting Highlands, Bentung	Freehold	Built-up : 493,750 sq.metres	22-storey First World Hotel & Car Park V	972.2	7	2000
4 Genting Highlands, Bentung	Freehold	Built-up : 20,516 sq.metres	23-storey Awana Tower Hotel	30.9	13	1993
5 Genting Highlands, Bentung	Freehold	Built-up : 19,688 sq.metres	10-level Theme Park Hotel	28.3	35	1989
6 Genting Highlands, Bentung	Freehold	Built-up : 11,902 sq.metres	10-level Theme Park Hotel - Valley Wing	10.3	31	1989
7 Genting Highlands, Bentung	Freehold	Built-up : 29,059 sq.metres	16-storey Residential Staff Complex I	7.5	23	1989
8 Genting Highlands, Bentung	Freehold	Built-up : 28,804 sq.metres	19-storey Residential Staff Complex II	16.5	14	1992
9 Genting Highlands, Bentung	Freehold	Built-up : 89,392 sq.metres	16-storey Residential Staff Complex III & Car Park III	63.3	14	1992
10 Genting Highlands, Bentung	Freehold	Built-up : 41,976 sq.metres	25-storey Residential Staff Complex V	54.7	10	1996
11 Genting Highlands, Bentung	Freehold	Built-up : 4,119 sq.metres	5-storey Ria Staff Residence	0.2	34	1989
12 Genting Highlands, Bentung	Freehold	Built-up : 4,109 sq.metres	5-storey Sri Layang Staff Residence	20.5	12	1989
13 Genting Highlands, Bentung	Freehold	Built-up : 18,397 sq.metres	8-level Car Park I	2.0	23	1989
14 Genting Highlands, Bentung	Freehold	Built-up : 1,086 sq.metres	5-storey Bomba Building	0.8	23	1989
15 Genting Highlands, Bentung	Freehold	Built-up : 1,503 sq.metres	Petrol Station	2.4	8	1999
16 Genting Highlands, Bentung	Freehold	Built-up : 4,151 sq.metres	3-storey Lakeside Teahouse	3.5	19	1989
17 Genting Highlands, Bentung	Freehold	Lake : 2 hectares	Man-made Lake	0.7	-	1989
18 Genting Highlands, Bentung	Freehold	Built-up : 2,769 sq.metres	4-storey Staff Recreation Centre	3.3	14	1992
19 Genting Highlands, Bentung	Freehold	Built-up : 540 sq.metres	1 unit of Kayangan Apartment	0.2	26	1989
			1 unit of Kayangan Apartment	0.2	26	1990
20 Genting Highlands, Bentung	Freehold	Built-up : 7,666 sq.metres	Awana Golf & Country Resort Complex	20.2	20	1989
21 Genting Highlands, Bentung	Freehold	Built-up : 17,010 sq.metres	174 units of Awana Condominium	24.3	20	1989
22 Genting Highlands, Bentung	Freehold	Built-up : 8,756 sq.metres	79 units of Ria Apartment (Pahang Tower)	12.3	20	1989
23 Genting Highlands, Bentung	Freehold	Land : 3,286 hectares	7 plots of land & improvements	263.1	-	1989
			1 plot of land & improvements	6.0	-	1996
			10 plots of land & improvements	52.1	-	1989
			1 plot of land & improvements	0.1	-	1991
			66 plots of land & improvements	234.9	-	1989
			3 plots of land & improvements	24.9	-	2002
			13 plots of land & improvements	9.8	-	1996
24 Genting Highlands, Bentung	Leasehold (unexpired lease period of 87 years)	Land : 6 hectares	2 plots of land & improvements	0.4	-	1994
25 Genting Highlands, Bentung	Leasehold (unexpired lease period of 52 years)	Land : 5 hectares	3 plots of land	0.6	-	1995
26 Genting Highlands, Bentung	Leasehold (unexpired lease period of 84 years)	Land : 3 hectares	1 plot of educational land	1.3	-	2000
27 Bukit Tinggi, Bentung	Leasehold (unexpired lease period of 88 years)	Built-up : 49 sq.metres	1 unit of Meranti Park Apartment, Bukit Tinggi Resort	0.1	7	1999
28 Mentakab, Temerloh	Freehold	Land : 84 hectares	Vacant housing development land	4.6	-	1989
STATE OF SELANGOR DARUL EHSAN						
1 Genting Highlands, Hulu Selangor	Freehold	Built-up : 149,941 sq.metres	28-storey Highlands Hotel & Car Park IV	412.7	10	1997
2 Genting Highlands, Hulu Selangor	Freehold	Land : 6 hectares	2 plots of building land	6.1	-	1993
		Built-up : 47,715 sq.metres	5-storey Genting Skyway Station Complex with 4-level of basement carpark	70.6	10	1997
3 Genting Highlands, Hulu Selangor	Freehold	Built-up : 3,008 sq.metres	2-storey & 4-storey Gohtong Jaya Security Buildings	5.9	9	1998
4 Genting Highlands, Hulu Selangor	Freehold	Built-up : 8,369 sq.metres	74 units of Ria Apartment (Selangor Tower)	11.7	20	1989
5 Genting Highlands, Hulu Selangor	Freehold	Land : 598 hectares	3 plots of building land	12.3	-	1989
			18 plots of building land	41.7	-	1996
			7 plots of building land	10.4	-	1993
6 Genting Highlands, Gombak	Freehold	Land : 394 hectares	2 plots of vacant building land	28.8	-	1996
7 Batang Kali, Hulu Selangor	Freehold	Land : 9 hectares	1 plot of vacant agriculture land	2.1	-	1994
8 Ulu Yam, Hulu Selangor	Freehold	Land : 38 hectares	1 plot of vacant building land	15.0	-	1994
9 Ulu Yam, Hulu Selangor	Freehold	Land : 4 hectares	3 plots of vacant agriculture land	1.0	-	1994
10 Pulau Indah, Klang	Leasehold (unexpired lease period of 89 years)	Land : 47 hectares	13 plots of vacant industrial land & improvements	45.8	-	1997
FEDERAL TERRITORY OF KUALA LUMPUR						
1 Taman U Thant, Kuala Lumpur	Freehold	Built-up : 178 sq.metres	1 unit of Desa Angkasa Apartment	0.2	20	1988
STATE OF TERENGGANU DARUL IMAN						
1 Kijal, Kemaman	Leasehold (unexpired lease period of 85 years)	Land : 262 hectares	4 plots of resort/property development land	44.8	-	1997
		Land : 51 hectares	18-hole Awana Kijal Golf Course	11.8	-	1997
		Built-up : 35,563 sq.metres	7-storey Awana Kijal Hotel	98.9	10	1997
		Built-up : 1,757 sq.metres	27 units of Baiduri Apartment	2.5	12	1997
		Built-up : 7,278 sq.metres	96 units of Angsana Apartment	11.2	11	1997
	Leasehold (unexpired lease period of 85 years)	Land : 18 hectares	17 plots of resort/property development land	1.5	-	2002
	Leasehold (unexpired lease period of 95 years)	Land : 10 hectares	1 plot of resort/property development land	1.7	-	1997
STATE OF KEDAH DARUL AMAN						
1 Tanjung Malai, Langkawi	Leasehold (unexpired lease period of 81 years)	Land : 14 hectares	5 plots of building land	11.3	-	1997
		Built-up : 20,957 sq.metres	3-5 storey Awana Langkawi Hotel, Convention Centre & Multipurpose Hall	59.9	9	1997

Group Offices

GROUP HEAD OFFICE

Genting Berhad

Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel : (603) 2178 2288 / 2333 2288
Fax : (603) 2161 5304
Telex : GHHB MA 30022
E-mail : gbinfo@genting.com
Website : www.genting.com

CORPORATE OFFICES

Resorts World Bhd

Awana Hotels & Resorts
23rd Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel : (603) 2178 2233 / 2333 2233
Fax : (603) 2161 5304
E-mail : rvbinfo@genting.com
Websites : www.resortsworld.com
www.genting.com.my
www.awana.com.my

Star Cruises Limited

Suite 1501, Ocean Centre,
5, Canton Road, Tsimshatsui,
Kowloon, Hong Kong SAR
Tel : (852) 2378 2000
Fax : (852) 2314 3809
Website : www.starcruses.com

RESORTS

Genting Highlands Resort

69000 Pahang, Malaysia
Tel : (603) 6101 1118
Fax : (603) 6101 1888

Awana Genting Highlands Golf & Country Resort

8th Mile, Genting Highlands,
69000 Pahang, Malaysia
Tel : (603) 6436 9000
Fax : (603) 6101 3535
E-mail : awhfo@genting.com.my

Awana Kijal Golf & Beach Resort

KM. 28, Jalan Kemaman-Dungun,
24100 Kijal, Kemaman,
Terengganu, Malaysia
Tel : (609) 864 1188
Fax : (609) 864 1688
E-mail : awanakij@tm.net.my

Awana Porto Malai, Langkawi

Tanjung Malai, 07000 Langkawi,
Kedah, Malaysia
Tel : (604) 955 5111
Fax : (604) 955 5222
E-mail : apml@genting.com.my

Star Cruises

Star Cruises Terminal,
Pulau Indah, Pelabuhan Barat,
42000 Pelabuhan Klang,
Selangor, Malaysia
Tel : (603) 3101 1313
Fax : (603) 3101 1406
E-mail : starcare@starcruses.com.my
Website : www.starcruses.com

OTHER SERVICES

Genting Transport Reservations Centre

(For buses and limousines)
Lot 1988/4888, Jalan Segambut Tengah,
51200 Kuala Lumpur, Malaysia
Tel : (603) 6251 8398/6253 1762
Fax : (603) 6251 8399

Limousine Service Counter

(KLIA Sepang)
Arrival Level 3, Main Terminal Building,
KL International Airport,
64000 KLIA Sepang,
Selangor, Malaysia
Tel : (603) 8776 6753
Fax : (603) 8787 3873

Limousine Service Counter

(Genting Highlands)
Highlands Hotel,
69000 Genting Highlands Resort
Tel : (603) 6101 1118
ext : 58771 / 7750 / 7916

SALES & RESERVATIONS OFFICES

World Reservation Centre (WRC)

Genting Highlands Resort

(For rooms, concerts & shows, Genting World Card, themepark ride tickets, transportation, airline ticketing/tours, Star Cruises, Awana Vacation Resorts)
Genting One Hub
Lower Ground Floor, Wisma Genting,
28, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel : (603) 2718 1118
Fax : (603) 2718 1888
Reservations E-mail:
worldres@genting.com
Membership E-mail:
hotline@worldcard.com.my

Penang Office

10-1AB, 10th Floor,
IP Tower, Island Plaza,
118, Jalan Tanjong Tokong,
10470 Penang, Malaysia
Tel : (604) 890 2300
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Ipoh Office

11, Persiaran Greentown 8,
Greentown Business Centre,
30450 Ipoh, Perak, Malaysia
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Johor Bahru Office

1F-(Ground) Floor, Jalan Maju,
Taman Maju Jaya,
80400 Johor Bahru, Malaysia
Tel : (607) 334 4555
Fax : (607) 334 4666

Kuching Office

Shoplot 19, Ground Floor,
Wisma Phoenix,
Song Thian Cheok Road,
93100 Kuching, Sarawak, Malaysia
Tel : (6082) 412 522
Fax : (6082) 412 022

Property Sales

- Awana Condominium

- Ria Apartments

Tel : (603) 2178 2233/2333 2233
Fax : (603) 2163 5097

MEETINGS, INCENTIVES, CONVENTIONS & EXHIBITIONS (M.I.C.E)

23rd Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel : (603) 2333 6686
Fax : (603) 2162 1551
E-mail: mice@genting.com

Genting International

Convention Centre
Website : mice.genting.com.my

OVERSEAS

AUSTRALIA

Genting (NSW) Pty Ltd (Sales Office)
Suite 810, Level 8, 401 Sussex Street,
Sydney, NSW 2000
Tel : (612) 9281 1433
Fax : (612) 9281 1430

HONG KONG (SAR)

Genting International P.L.C. (Sales Office)
1526-1527, Ocean Centre, 5 Canton Road,
Tsimshatsui, Kowloon, Hong Kong SAR
Tel : (852) 2317 7133
Fax : (852) 2314 8724

INDIA

Genting India Travel Services Pte Ltd

(Sales Office)
510, Churchgate Chambers, 5th Floor,
5 New Marine Lines Road,
Mumbai, 400020 India
Tel : (9122) 2264 0383
Fax : (9122) 2261 8369 / 2287 1948

Genting India Travel Services Pte Ltd

(Sales Office)
709-A, International Trade Towers,
Nehru Place,
New Delhi, 110019 India
Tel : (91) 11 4160 8405
Fax : (91) 11 4160 8404

SINGAPORE

Genting International (S) Pte Ltd

(Sales Office)
#13-26 Park Mall, 9 Penang Road,
Singapore 238459
Tel : (65) 6823 9888
Fax : (65) 6823 9117
Email : genting1@pacific.net.sg

THAILAND

Genting International (Thailand) Ltd

(Sales Office)
153, Lot No. 400, 4th Floor,
The Peninsula Plaza,
Radjudumri Road Patumwan,
Bangkok 10330, Thailand
Tel : (662) 254 0753 / 54 / 55
Fax : (662) 254 0768

UNITED KINGDOM

Genting International (UK) Limited

(Sales Office)
31 Curzon Street,
London W1J7TW, United Kingdom
Tel : (44) 207 629 7347
Fax : (44) 207 499 2474

UAE

Adriana Limited (Branch Office)
Sharjah Airport International, Free Zone,
Executive Suite X4-17, P.O.Box 120652,
Sharjah, U.A.E.
Tel : (971) 5051 58059

CHINA

Adriana Limited (Representative Office)
Unit 09, 16th Floor No.8 Kuai Ji Rd,
HuangPu District,
Jin Tian Di International Plaza,
Shanghai, China
Tel : (86) 6326 3866 / 6326 3626
Fax : (86) 6326 3727

VIETNAM

Adriana Limited (Representative Office)
170 BIs (3rd Floor) Tran Hung Doa,
Nguyen Cu Trinh Street, District 1,
Ho Chi Minh, Vietnam
Tel : (84) 8 920 6334
Fax : (84) 8 920 6335

Analysis of Shareholdings

as at 3 May 2007

Class of Shares : Ordinary shares of 10 sen each

Voting Rights : One vote per share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 100	3,278	9.338	22,475	0.000
100 - 1,000	7,885	22.462	6,906,544	0.122
1,001 - 10,000	18,392	52.393	90,692,239	1.597
10,001 - 100,000	4,647	13.238	145,944,114	2.569
100,001 to less than 5% of issued shares	897	2.555	2,902,119,083	51.090
5% and above of issued shares	5	0.014	2,534,709,569	44.622
Total	35,104	100.000	5,680,394,024	100.000

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Issued Capital
1. Genting Berhad	550,000,000	9.682
2. Genting Berhad	550,000,000	9.682
3. Genting Berhad	550,000,000	9.682
4. Genting Berhad	484,709,569	8.533
5. Genting Berhad	400,000,000	7.042
6. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for JPMorgan Chase Bank, National Association (U.S.A)</i>	131,612,900	2.317
7. Genting Berhad	124,690,500	2.195
8. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for Mellon Bank (Mellon)</i>	114,005,105	2.007
9. Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund GB01 for Harbor International Fund</i>	111,000,000	1.954
10. HSBC Nominees (Asing) Sdn Bhd <i>TNTC for Silchester International Investors International Value Equity Trust</i>	106,232,500	1.870
11. Genting Berhad	103,500,000	1.822
12. Genting Berhad	96,330,000	1.696
13. HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels for Magellan</i>	90,000,000	1.584
14. Malaysia Nominees (Tempatan) Sendirian Berhad <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	75,000,000	1.320
15. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for JPMorgan Chase Bank, National Association (U.K.)</i>	74,046,495	1.304
16. HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels for Matthews Pacific Tiger Fund</i>	60,482,500	1.065
17. HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels for CG Nouvelle Asie</i>	50,000,000	0.880
18. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for JPMorgan Chase Bank, National Association (Netherlands)</i>	46,033,290	0.810
19. HSBC Nominees (Asing) Sdn Bhd <i>TNTC for Silchester International Investors International Value Equity Group Trust</i>	44,709,000	0.787

Analysis of Shareholdings (Cont'd)

as at 3 May 2007

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS (Cont'd)

(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Issued Capital
20. Cartaban Nominees (Asing) Sdn Bhd <i>Government Of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)</i>	44,445,000	0.782
21. Genting Berhad	40,000,000	0.704
22. Genting Berhad	37,829,500	0.666
23. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for American International Assurance Company Limited</i>	35,993,500	0.634
24. Cartaban Nominees (Asing) Sdn Bhd <i>Investors Bank and Trust Company for Ishares, Inc.</i>	31,910,700	0.562
25. HSBC Nominees (Asing) Sdn Bhd <i>BBH and Co Boston for GMO Emerging Markets Fund</i>	31,212,500	0.549
26. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for J.P. Morgan Bank Luxembourg S.A.</i>	22,554,000	0.397
27. Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An for Prudential Assurance Malaysia Berhad</i>	22,550,000	0.397
28. Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund WB2X for Bill And Melinda Gates Foundation Trust</i>	22,141,500	0.390
29. Cartaban Nominees (Asing) Sdn Bhd <i>SSBT Fund 24D4 for Fidelity Advisor Diversified International Fund</i>	20,607,500	0.363
30. HSBC Nominees (Asing) Sdn Bhd <i>Exempt An for The Hongkong And Shanghai Banking Corporation Limited (HBFS-I CLT ACCT)</i>	20,214,800	0.356
Total	4,091,810,859	72.034

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

as at 3 May 2007

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Genting Berhad ("Genting")	2,937,059,569	51.705	-	-
Kien Huat Realty Sdn Bhd ("KHR")	-	-	2,938,258,499*	51.726
Parkview Management Sdn Bhd	-	-	2,938,258,499+	51.726

Notes:

* Deemed interested through its subsidiary and Genting.

+ Deemed interested through a subsidiary of KHR and Genting.

Analysis of Shareholdings (Cont'd)

as at 3 May 2007

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

as at 3 May 2007

INTEREST IN THE COMPANY

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Lim Kok Thay	1,660,000	0.0292	-	-
Tun Mohammed Hanif bin Omar	5,000	0.0001	-	-
Tan Sri Alwi Jantan	640,000	0.0113	-	-
Mr Quah Chek Tin	5,000	0.0001	-	-
Tan Sri Dr. Lin See Yan	250,000	0.0044	-	-

INTEREST IN RELATED COMPANIES / CORPORATION

Genting Berhad

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Lim Kok Thay	9,744,000	0.26360	-	-
Tun Mohammed Hanif bin Omar	1,000	0.00003	-	-
Mr Quah Chek Tin	5,000	0.00014	-	-

Asiatic Development Berhad

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Lim Kok Thay	721,000	0.0958	-	-

Genting International P.L.C.

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Lim Kok Thay	20,000	0.0003	-	-

AMERICAN DEPOSITORY RECEIPTS - LEVEL 1 PROGRAMME

The Company's American Depositary Receipts ("ADR") Level 1 Programme commenced trading in the U.S. over-the-counter market on 8 June 1992. Under the ADR Programme, a maximum of 27 million ordinary shares of RM0.50 each representing approximately 2.4% of the total issued and paid-up share capital of the Company will be traded in ADRs. Each ADR represents 5 ordinary shares of the Company. Citibank, N.A., New York as the Depository Bank has appointed Citibank Berhad, Kuala Lumpur as its sole custodian of the shares of the Company for the ADR Programme. As at 31 March 2007, there were 116,313 ADRs outstanding representing 581,565 ordinary shares of RM0.50 each of the Company which have been deposited with the sole custodian for the ADR Programme.



RESORTS WORLD BHD

(58019-U)

FORM OF PROXY

(Before completing the form, please refer to the notes overleaf)

"A" I/We _____ NRIC No./Co. No.: _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member of RESORTS WORLD BHD hereby appoint

_____ NRIC No.: _____
(FULL NAME)

of _____
(ADDRESS)

or failing him _____ NRIC No.: _____
(FULL NAME)

of _____
(ADDRESS)

or failing him, *the CHAIRMAN OF THE MEETING as *my/our first proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 21 June 2007 at 2.45 p.m. and at any adjournment thereof.

"B" Where it is desired to appoint a second proxy this section must also be completed, otherwise it should be deleted.

I/We _____ NRIC No./Co. No.: _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(ADDRESS)

being a member of RESORTS WORLD BHD hereby appoint

_____ NRIC No.: _____
(FULL NAME)

of _____
(ADDRESS)

or failing him _____ NRIC No.: _____
(FULL NAME)

of _____
(ADDRESS)

or failing him, *the CHAIRMAN OF THE MEETING as *my/our second proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 21 June 2007 at 2.45 p.m. and at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows:

First Proxy "A"	%
Second Proxy "B"	%
	<u>100%</u>

In case of a vote taken by a show of hands *First Proxy "A"/Second Proxy "B" shall vote on my/our behalf.

My/our proxies shall vote as follows:

ORDINARY RESOLUTIONS		First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
To receive and adopt the Audited Financial Statements	Resolution 1				
To sanction the declaration of a final dividend	Resolution 2				
To approve Directors' fees	Resolution 3				
To re-elect the following Directors: (i) Tan Sri Clifford Francis Herbert (ii) Tan Sri Dr. Lin See Yan	Resolution 4 Resolution 5				
To re-appoint the following Directors as Directors in accordance with Section 129 of the Companies Act, 1965: (i) Tan Sri Alwi Jantan (ii) Tan Sri Wan Sidek bin Hj Wan Abdul Rahman	Resolution 6 Resolution 7				
To re-appoint Auditors	Resolution 8				
To empower Directors to issue and allot shares up to 10% of total issued and paid-up capital	Resolution 9				
To renew the authority for the purchase of own shares up to 10% of total issued and paid-up capital	Resolution 10				

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/their discretion.)

Signed this _____ day of _____ 2007.

No. of Shares held	CDS Account No.

* Delete if inapplicable

Signature of Member(s)

NOTES

A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

In the case of a corporation, this form must be either under seal or signed by a duly authorised officer or attorney.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- Ordinary Resolution 9, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot shares in the Company up to and not exceeding in total ten (10) per centum of the issued and paid-up share capital of the Company for the time being, for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
- Ordinary Resolution 10, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten (10) per centum of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the total retained earnings and share premium of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Further information on the Proposed Share Buy-Back is set out in the Share Buy-Back Statement of the Company dated 30 May 2007 which is despatched together with the Company's 2006 Annual Report.