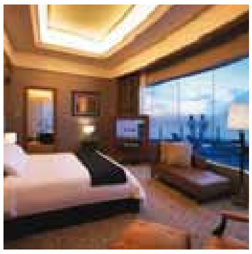
GENTING
MALAYSIA



ANNUAL REPORT

2011

GENTING MALAYSIA BERHAD (58019-U)

Genting Malaysia Berhad (58019-U)
24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

T : +603 2178 2288 / 2333 2288
F : +603 2161 5304

www.gentingmalaysia.com

GENTING

MALAYSIA

www.gentingmalaysia.com

OUR VISION

To be a leading integrated resort operator in the world.

OUR MISSION

We are committed towards providing the most delightful and memorable experiences to our customers.

We aim to generate sustainable growth and profits, and to consistently enhance our stakeholders' value.

CORPORATE PROFILE

Genting Malaysia Berhad ("Genting Malaysia") (www.gentingmalaysia.com) is one of the leading leisure and hospitality corporations in the world, with strong financial position and management leadership. Genting Malaysia was incorporated in 1980 and was subsequently listed on Bursa Malaysia's Main Market in 1989. Genting Malaysia owns and operates major properties including Resorts World Genting, Genting Casinos UK Limited ("Genting UK") and Resorts World Casino New York City ("RWNYC").

Genting Malaysia's primary attraction of Resorts World Genting (www.rwgenting.com) is a premier leisure and entertainment resort located at Genting Highlands, Malaysia. Resorts World Genting was a five-time winner of the World's Leading Casino Resort (2005, 2007-2010) and six-time winner of Asia's Leading Casino Resort (2005-2010) at the World Travel Awards, and it contains over 8,000 rooms at five hilltop hotels, 50 theme park rides and entertainment attractions, 200 retail and food & beverage outlets, international shows and business convention facilities.

Genting Malaysia also owns and operates the Awana Hotels & Resorts chain (www.awana.com.my), which comprises Awana Genting Highlands Golf & Country Resort and two beautiful seaside properties namely Awana Kijal Golf, Beach & Spa Resort in Terengganu and Awana Porto Malai in Langkawi.

With its headquarters located in Kuala Lumpur, Genting Malaysia has since 2010 expanded its operations to the United Kingdom ("UK") and the United States of America.

Genting UK (www.gentingcasinos.co.uk) is the largest casino operator in the UK and a leading innovator in the provision of high quality customer-focused gaming. It operates five casinos and a poker club in London, as well as 38 casinos in other parts of the UK. Genting UK also holds a casino licence to develop Resorts World at The NEC (www.resortsworldnec.co.uk), a leisure and entertainment complex at the National Exhibition Centre in Birmingham. When completed, it will feature a casino, hotel accommodation, spa, conference and banqueting centre, cinema, food & beverage outlets and a retail outlet centre.

RWNYC (www.rwnewyork.com) was newly opened at the Aqueduct Racetrack in 2011 as the first video lottery facility within the city of New York. Developed and operated by Genting New York LLC, the resort is a premier entertainment hub providing the ultimate gaming and entertainment experience, with over 5,000 electronic gaming machines, food & beverage outlets, event spaces and shows.

Genting Malaysia is a member of the Genting Group, one of Asia's best-managed conglomerates. The Genting Group is the collective name for Genting Berhad, its subsidiaries and associates, which have significant interests in leisure & hospitality, power generation, oil palm plantations, property development, biotechnology and oil & gas related activities.

CONTENTS

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders,

On behalf of the Board of Directors, I am delighted to present to you the Annual Report and Audited Financial Statements of Genting Malaysia Berhad ("Company") and its group of companies ("Group") for the financial year ended 31 December 2011.

I am pleased to report that the Group has recorded another successful year, despite operating in competitive and challenging environments. Our United Kingdom ("UK") business has performed well in spite of the uncertainties facing the UK economy. We also welcomed the maiden contribution from the operations of Resorts World Casino New York City ("RWNYC").

The Group's revenue for 2011 was RM8.49 billion, an increase of 59% over RM5.33 billion in the previous year. The adjusted earnings before interest, taxes, depreciation and amortisation ("adjusted EBITDA") of RM2.33 billion reflects a year on year increase of 15% (2010: RM2.02 billion). The increase was mainly attributable to the leisure and hospitality segment of the Group.

The Malaysian leisure and hospitality operations recorded revenue of RM5.42 billion in 2011, representing a 7% increase over 2010. The corresponding adjusted EBITDA for the Malaysian operations increased by 7% to RM2.11 billion (2010: RM1.98 billion). These increases were mainly due to the overall higher volume of business and higher hold percentage in the premium players business. Despite the intense regional competitive operating environment, the Group maintained its adjusted EBITDA margin for Malaysia at 39%.

Our UK businesses registered revenue of RM1.15 billion and an adjusted EBITDA of RM154.1 million, with London casino properties being the major contributors. Our strategy to leverage on our Asian clientele network to grow the premium players business at our London-based casinos has proven successful.

The revenue and adjusted EBITDA for our United States ("US") businesses are RM1.84 billion and RM37.0 million during the year. Construction revenue and profit from the development of RWNYC were RM1.74 billion and RM13.4 million respectively. The remaining revenue and adjusted EBITDA of RM95.3 million and RM23.6 million were mainly contributed by RWNYC operations.

Excluding the construction revenue and construction profit, the Group's revenue and adjusted EBITDA would have increased by 27% and 14% respectively.

The Group's 2011 profit before tax of RM1.90 billion was 9.8% higher (2010: RM1.73 billion) primarily because of higher adjusted EBITDA and significantly lower impairment charges. This is offset by higher depreciation and amortisation charges of RM93.1 million mainly from our UK and US operations, as well as higher pre-operating expenses of RM56.3 million incurred for RWNYC and the master plan development in Miami. We also incurred property-related termination costs of RM39.4 million on purchase of properties in Miami.

"This has been one of the most exciting periods in the history of the Group. We are implementing a growth strategy geared towards international expansion of our core leisure, hospitality and entertainment business."

We are mindful of the need to conserve funds to take advantage of potential investment and expansion opportunities whilst recognising the importance of rewarding our shareholders, many of whom have remained steadfast to the Group for a long time. In this context, we will endeavour to maintain a consistent dividend payout in line with the performance of the Group. On 21 October 2011, the Company paid an interim dividend of 3.8 sen less 25% tax per ordinary share of RM0.10 each, amounting to RM161.23 million. The Board of Directors recommended a final gross dividend of 4.8 sen per share for shareholders' approval at the forthcoming Annual General Meeting, bringing the total gross dividend per share declared by the Company for the financial year ended 31 December 2011 to 8.6 sen (2010: 8.0 sen).

In the UK, we initiated a major re-branding programme, with *Genting Club* and *Genting Casino* to eventually replace the *Circus*, *Maxims* and *Mint* brands. The *Genting Club* brand is oriented towards a wider leisure offering, whereas the Genting Casino brand has a more focused offering on traditional gaming. The re-branding programme is aimed at bringing a more modern and contemporary style to our casinos. Derby Riverlights, our first property under the new *Genting Club* brand opened its doors to the public in November 2011. During the year, we secured a casino licence in Birmingham to develop the upcoming Resorts World at the NEC. The resort will be set within one of Europe's largest exhibition centres, and is expected to house a casino, hotel accommodation, premium outlet centre, cinema, conferencing facilities and restaurants when completed. We also acquired the Fox Poker Club which owns a casino premises licence and operates a poker club in Shaftesbury Avenue in central London. In addition, we added a hotel to our UK operations via the acquisition of the Park Lane Mews Hotel located in the prestigious London district of Mayfair. These acquisitions will broaden our offerings to our UK customers in terms of a wider variety of gaming options and accommodation.

In the US, RWNYC's opening on 28 October 2011 was a major milestone for the Group. It was exactly one year ago when I officiated the ground-breaking ceremony at the historic Aqueduct Racetrack. I was proud to witness the opening that saw a huge crowd turnout far exceeding our expectations. The second phase of the property opened two months later with full capacity rollout of 5,000 gaming machines, event space and upscale dining options. Our performance since opening has been encouraging, with RWNYC having attracted a daily average of 27,000 visitors in 2011. In addition, our daily gaming revenue per machine (commonly known as Win Per Unit or WPU) exceeded the statewide industry average.

Our plans for Miami took form in May 2011 when we acquired the Miami Herald properties for US$236 million. In November 2011, we also secured ownership of the adjacent property, Omni Center – comprising a shopping mall, office space and a hotel operated by Hilton. Together with other nearby properties, we assembled a contiguous 30-acre prime waterfront site overlooking Biscayne Bay in the heart of Miami. We are currently developing plans for a mixed-use development which include hotel, residential, commercial with retail offerings. The development will occupy the five-acre site currently occupied by the Miami Herald building, inclusive of an 800-foot waterfront promenade along Biscayne Bay.

Due to the uncertain global economic climate, we are cautious on the outlook for the leisure and hospitality industry. Nevertheless, we have seen that in this region, industry sentiments have benefited from higher tourism arrivals, receipts and disposable incomes. Growth in the gaming industry is expected to be a global trend in the coming year, mainly driven by key Asian markets.

In 2011, Malaysia received over 24.7 million tourists and generated RM58.3 billion in tourism revenue. This is in line with the Malaysia Tourism Transformation Plan 2020 which has a target of achieving 36 million tourist arrivals and tourism revenue of RM168 billion receipts by 2020. Such projected growths can only augur well for our Malaysian operations.

In Malaysia, our emphasis on service excellence and yield management were instrumental in addressing intense regional competition. Yield management strategies have reaped tangible benefits and will continue to be pursued. We will also capitalise on regional growth in the premium players business. Along with property enhancement initiatives at Resorts World Genting, these efforts bear testimony to our commitment towards enhancing the leisure, entertainment and hospitality experiences of our customers.

In the UK, the subdued economic environment will not deter our determination to forge ahead and build on our brand's strength. We will continue to capitalise on our established Asian network to grow our London premium players business and re-position certain of the properties outside London with a more leisure-centric concept. Development of Resorts World at the NEC is expected to commence during the latter part of 2012 with completion expected to be in 2015.

In the US, RWNYC's performance has been encouraging and is expected to contribute positively to the Group. In 2012, we will continue to work with the New York State to bring about further development and expansion of RWNYC as a premier entertainment hub in the city of New York. We will also work hard and engage our stakeholders in achieving the eventual realisation of the potential of a destination resort in Resorts World Miami.

I express my appreciation and gratitude to our Board members who have worked tirelessly. Their invaluable insights have provided strong guidance for the direction that the Group is heading. On behalf of the Board, I thank all our shareholders, guests, business associates, authorities and other stakeholders for their support. Not least of all, I thank our management and staff for their professionalism and hard work, which forms the base from which we will move forward to the next chapter of our Group's growing success.

TAN SRI LIM KOK THAY
Chairman and Chief Executive
10 May 2012

PENYATA PENGERUSI

> "Ini merupakan salah satu tempoh paling memberangsangkan dalam sejarah Kumpulan. Kami sedang melaksanakan strategi pertumbuhan bertaraf antarabangsa yang menjurus ke arah mengembangkan perniagaan teras peranginan, keraian dan hiburan kami."

Para Pemegang Saham,

Bagi pihak Lembaga Pengarah, sukacita saya membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit Genting Malaysia Berhad ("Syarikat") dan kumpulan syarikat-syarikatnya ("Kumpulan") bagi tahun kewangan berakhir 31 Disember 2011.

Sukacita saya melaporkan bahawa Kumpulan telah mencatat satu lagi tahun yang berjaya, walaupun beroperasi dalam persekitaran bersaing dan mencabar. Perniagaan United Kingdom ("UK") kami menunjukkan prestasi yang baik walaupun ekonomi UK menghadapi ketidaktentuan. Kami juga telah menerima hasil daripada operasi Resorts World Casino New York City ("RWNYC") buat julung kali.

Hasil Kumpulan bagi tahun 2011 ialah RM8.49 bilion, peningkatan sebanyak 59% berbanding RM5.33 bilion pada tahun sebelumnya. Perolehan sebelum faedah, cukai, susut nilai dan pelunasan diselaraskan ("EBITDA diselaraskan") sebanyak RM2.33 bilion melambangkan kenaikan tahun ke tahun sebanyak 15% (2010: RM2.02 bilion). Peningkatan ini terutamanya disebabkan segmen peranginan dan keraian Kumpulan.

Operasi peranginan dan keraian Malaysia mencatat hasil sebanyak RM5.42 bilion pada 2011, mewakili peningkatan sebanyak 7% berbanding 2010. EBITDA diselaraskan sepadan bagi operasi Malaysia meningkat sebanyak 7% kepada RM2.11 bilion (2010: RM1.98 bilion). Peningkatan ini terutamanya disebabkan jumlah perniagaan keseluruhan yang lebih tinggi dan peratusan pegangan lebih tinggi dalam perniagaan pemain premium. Walaupun wujudnya persekitaran operasi yang bersaing sengit di rantau ini, Kumpulan dapat mengekalkan margin EBITDA diselaraskan untuk Malaysia pada 39%.

Perniagaan UK kami mencatat hasil sebanyak RM1.15 bilion dan EBITDA diselaraskan sebanyak RM154.1 juta, dengan harta tanah kasino London sebagai penyumbang utama. Strategi kami untuk memanfaatkan rangkaian pelanggan Asia kami untuk memajukan perniagaan pemain premium di kasino kami yang bertempat di London terbukti berjaya.

Hasil dan EBITDA diselaraskan bagi perniagaan Amerika Syarikat ("AS") kami ialah RM1.84 bilion dan RM37.0 juta pada tahun tersebut. Hasil dan keuntungan pembinaan daripada pembangunan RWNYC ialah RM1.74 bilion dan RM13.4 juta masing-masing. Baki hasil dan EBITDA diselaraskan sebanyak RM95.3 juta dan RM23.6 juta kebanyakannya disumbangkan oleh operasi RWNYC.

Tidak termasuk hasil pembinaan dan keuntungan pembinaan, hasil dan EBITDA diselaraskan Kumpulan akan meningkat masing-masing sebanyak 27% dan 14%.

Keuntungan sebelum cukai Kumpulan bagi 2011 sebanyak RM1.90 bilion ialah 9.8% lebih tinggi (2010: RM1.73 bilion) terutamanya disebabkan EBITDA diselaraskan yang lebih tinggi dan caj penjejasan nilai yang ternyata lebih rendah. Ini diimbangi oleh caj susutan nilai dan pelunasan yang lebih tinggi sebanyak RM93.1 juta terutamanya daripada operasi UK dan AS kami, serta perbelanjaan pra-operasi yang lebih tinggi sebanyak RM56.3 juta yang ditanggung untuk RWNYC dan pelan pembangunan induk di Miami. Kami juga menanggung kos penamatan berkaitan hartanah sebanyak RM39.4 juta ke atas pembelian hartanah di Miami.

Kami sedar akan keperluan menyimpan dana untuk mengambil kesempatan peluang pelaburan dan perkembangan yang berpotensi sambil memberi ganjaran kepada pemegang-pemegang saham kami, yang ramai lama setia kepada Kumpulan. Dalam konteks ini, kami akan berusaha untuk mengekalkan pembayaran dividen yang konsisten selaras dengan prestasi Kumpulan. Pada 21 Oktober 2011, Syarikat telah membayar dividen interim 3.8 sen ditolak 25% cukai bagi sesaham biasa bernilai RM0.10 setiap satu, berjumlah RM161.23 juta. Lembaga Pengarah telah mencadangkan dividen kasar akhir sebanyak 4.8 sen bagi sesaham untuk kelulusan para pemegang saham di Mesyuarat Agung Tahunan yang akan datang, menjadikan jumlah dividen kasar bagi sesaham yang diumumkan oleh Syarikat bagi tahun kewangan berakhir 31 Disember 2011 sebanyak 8.6 sen (2010: 8.0 sen).

Di UK, kami telah memulakan program penjenamaan semula yang utama, di mana *Genting Club* dan *Genting Casino* akan menggantikan jenama-jenama *Circus*, *Maxims* dan *Mint*. Jenama Genting Club menawarkan kemudahan-kemudahan keraian yang pelbagai manakala Genting Casino lebih berfokus kasino tradisional. Program penjenamaan semula ini bertujuan memberi gaya yang lebih moden dan kontemporari kepada kasino-kasino kami. Derby Riverlights, hartanah pertama kami di bawah jenama *Genting Club* telah membuka pintunya kepada orang ramai pada bulan November 2011.

Pada tahun ini, kami telah menperolehi lesen kasino di Birmingham untuk membangunkan Resorts World at NEC, yang akan datang. Resort ini akan terletak di dalam salah satu pusat pameran yang terbesar di Eropah, dan akan menempatkan sebuah kasino, penginapan hotel, pusat saluran premium, pawagam, kemudahan persidangan dan restoran-restoran apabila siap nanti. Kami juga memperolehi Fox Poker Club yang memiliki lesen premis kasino dan mengendali sebagai kelab poker di Shaftesbury Avenue di pusat London. Tambahan lagi, kami telah menambahkan sebuah hotel kepada operasi kami di UK dengan pemerolehan Park Lane Mews Hotel yang terletak di Mayfair, daerah berprestij di London. Pemerolehan-pemerolehan ini akan memperluaskan tawaran kami kepada pelanggan-pelanggan kami di UK dari segi pilihan kasino dan penginapan yang lebih luas.

Di AS, pembukaan RWNYC pada 28 Oktober 2011 merupakan tanda mercu penting bagi Kumpulan kami. Genap satu tahun telah berlalu sejak saya merasmikan upacara pecah tanah di Aqueduct Racetrack yang bersejarah. Saya amat bangga dapat menyaksikan pembukaan yang dihadiri oleh begitu ramai orang yang jauh melebihi jangkaan kami. Fasa kedua hartanah tersebut dibuka dua bulan kemudian dengan pelaksanaan kapasiti penuh sebanyak 5,000 mesin permainan kasino, ruang acara dan pilihan makan mewah. Prestasi kami sejak pembukaan amat menggalakkan, dengan RWNYC menarik purata harian seramai 27,000 pelawat pada 2011. Tambahan pula, hasil perjudian harian kami bagi setiap mesin (secara amnya dikenali sebagai Kemenangan Setiap Unit atau WPU) melebihi purata industri serata negeri.

Rancangan kami untuk Miami bermula pada Mei 2011 apabila kami memperolehi hartanah Miami Herald bernilai USD236 juta. Pada November 2011, kami juga memperolehi pemilikan hartanah bersebelahannya, Omni Center – yang terdiri daripada pusat membeli-belah, ruang pejabat dan sebuah hotel yang dikendalikan oleh Hilton. Bersama dengan hartanah-hartanah lain yang bersebelahan, kami telah membentuk tapak seluas 30 ekar yang utama di persisiran pantai menghadapi Teluk Biscayne di pusat bandar Miami. Kami sedang merancangkan satu pembangunan serbaguna yang termasuk hotel, tempat kediaman dan pusat komersial dengan kemudahan-kemudahan beli-belah. Pembangunan serbaguna ini akan terletak di tapak seluas lima ekar di mana bangunan Miami Herald kini berada, termasuk sesiaran tepi pantai sepanjang 800 kaki di sepanjang Teluk Biscayne.

Dengan suasana ekonomi global yang tidak menentu, kami berhati-hati terhadap tinjauan industri peranginan dan keraian. Walau bagaimanapun, berdasarkan pengalaman kami di rantau ini, sentimen industri telah menerima manfaat dari ketibaan para pelancong perolehan, resit-resit dan hasil pendapatan boleh guna yang lebih tinggi. Pertumbuhan dalam industri kasino dijangka menjadi tren global pada tahun yang akan datang, terutamanya didorong oleh pasaran-pasaran utama Asia.

Dalam 2011, Malaysia telah menerima lebih daripada 24.7 juta para pelancong dan menjana hasil pelancongan sebanyak RM58.3 bilion. Ini adalah selaras dengan Pelan Transformasi Pelancongan Malaysia 2020 yang mensasarkan ketibaan 36 juta para pelancong dan hasil resit pelancongan sebanyak RM168 bilion menjelang 2020. Unjuran pertumbuhan sedemikian merupakan tanda yang baik bagi operasi-operasi kami di Malaysia.

Di Malaysia, penekanan kami terhadap layanan unggul dan pengurusan hasil adalah penting dalam menangani saingan sengit serantau. Strategi hasil pengurusan telah memberi manfaat yang nyata dan akan terus diusahakan. Kami juga akan mengambil kesempatan pertumbuhan serantau dalam sektor perniagaan pemain-pemain premium. Bersama dengan inisiatif meningkatkan hartanah di *Resorts World Genting*, usaha-usaha ini membuktikan komitmen kami untuk meningkatkan detik-detik pengalaman peranginan, hiburan dan keraian para pelanggan kami.

Di UK, persekitaran ekonomi yang malap tidak akan menghalang kami untuk terus mara ke hadapan dan membina kemantapan jenama kami. Kami akan terus mengambil kesempatan daripada rangkaian kukuh kami di Asia untuk memajukan sektor perniagaan pemain-pemain premium kami di London dan melokasikan semula hartanah-hartanah tertentu di luar London dengan konsep yang lebih berpandukan keraian. Pembangunan Resorts World di NEC dijangka bermula pada penghujung 2012 dan dijangka siap pada 2015.

Di AS, prestasi RWNYC amat merangsangkan dan dijangka menyumbang secara positif kepada Kumpulan. Pada 2012, kami akan terus bekerjasama dengan Negeri New York untuk membangun dan memperluaskan RWNYC sebagai pusat hiburan utama di bandaraya New York. Kami juga akan berusaha gigih dan berkerjasama dengan para pemegang kepentingan kami untuk merealisasikan potensi resort destinasi di Resorts World Miami.

Saya ingin merakamkan penghargaan dan rasa terima kasih kepada ahli-ahli Lembaga yang telah bertungkus lumus bekerja. Pandangan bernilai mereka telah membimbing Kumpulan menuju ke arah yang betul. Bagi pihak Lembaga, saya ingin mengucapkan terima kasih kepada semua pemegang saham, tetamu, rakan perniagaan, pihak berkuasa dan pemegang kepentingan lain di atas sokongan mereka. Tidak lupa juga, saya ingin mengucapkan terima kasih kepada pihak pengurusan dan para pekerja kami di atas sikap profesional dan usaha gigih mereka, yang membentuk asas dari mana kumpulan kami akan terus mara ke peringkat kecemerlangan.

TAN SRI LIM KOK THAY
Pengerusi dan Ketua Eksekutif
10 Mei 2012

主席文告

> “这已成为集团历史内其中一项最令人振备的时期，我们已为休闲、旅游及娱乐业务拟定了迈向国际扩充的三大增长策略。”

亲爱的股东,

我仅代表董事局，欣喜地向你汇报云顶马来西亚及集团子公司，在截至2011年12月31日为止财政年的常年报告及已审核业绩报告。

尽管面对经营环境的竞争及挑战，我欣喜地报告集团取得成功的一年。虽然面对英国经济的不确定因素，但我们的英国业务表现良好。我们也对美国纽约名胜世界赌场(RWNYC)首次为集团作出业务贡献表示欢迎。

集团2011年的营业额达84亿9千万令吉，比前期的53亿3000万令吉劲扬59%。2011年调整后的税息折旧及摊销前利润(EBITDA)为23亿3千万令吉，按年上扬15%(2010年: 20亿200万令吉)。有关扬升表现主要是休闲与旅游所贡献。

大马的休闲与旅游业务在2011年取得54亿2千万令吉的营业额，即比2010年扬升7%。同期大马业务调整后的EBITDA上升7%至21亿1千万令吉(2010年:19亿8千万令吉)。有关升势主要是受到整体业务量及较高的贵宾业务比例提升所激励。尽管区域的营运环境竞争激烈，集团有能力将调整后的EBITDA利潤率保持在39%水平。

我们的英国业务取得11亿5千万令吉的营业额，而调整后的EBITDA为1亿5千410万令吉，其中伦敦赌场产业为主要的贡献来源。我们在伦敦赌场采取搭势于亚洲客户网络，以拓展贵宾业务的策略证明奏效。

我们这一年内的美国业务所取得的营业额及调整后的EBITDA分别为18亿4千万令吉及3千700万令吉。美国纽约名胜世界赌场(RWNYC)发展项目的建筑营业额及盈利，分别是17亿4千万令吉及1千340万令吉。其余的营业额及EBITDA则分别为9千530万令吉及2千360万令吉，主要是美国纽约名胜世界赌场营运所贡献。

排除建筑营业额及建筑盈利，集团的营业额及调整后的EBITDA则是分别扬升27%及14%。

集团2011年的税前盈利达19亿令吉， 按年扬升9.8%(2010年:17亿3千万令吉)主要是因为更高调整后的EBITDA及显著更低的减值费用。这主要被美国及英国业务总值9千310万令吉更高的折旧及摊销费用、美国纽约名胜世界赌场总值5千630万令吉的营运开销，以及迈阿密发展大蓝图所抵消。我们也面对迈阿密产业收购总值3千940万令吉的产业相关终止费用。

在认同回馈许多已与集团共处很长的时间股东的同时，我们一直铭记稳守基金的重要性，以趁势进行有潜质的投资机会与扩充良机。有鉴于此，我们将持续维持符合集团业绩表现的一致性派息策略。在分配投资基金及扩充海外的当儿，我们将持续一致性的派息策略。公司在2011年10月21日，为每股面值10仙的股票，支付3.8仙，需扣税25%的中期股息，总值达1亿6千230万令吉。董事局建议派送每股4.8的终期股息，并寻求股东在来届的常年股东大会中通过。一旦获得批准，即意味著截至2011年12月31日财政年的股息因而达每股8.6仙(2010年:每股8.0仙)。

在英国，我们启动了主要的品牌重塑活动，即*Genting Club*及*Genting Casino*最终将取代*Circus*, *Maxims*及*Mint*品牌。*Genting Club*以更广阔的娱乐产品为主导，而Genting Casino则比较专注于传统的博彩产品。有关的品牌重塑活动，旨在为我们的赌场呈现更现代化的风格。首个在Genting Club品牌下的Derby Riverlights于2011年11月 推介。这一年内，云顶英国在伯明翰取得了赌场执照，以在英国伯明翰国际展览中心(NEC)开发名胜世界。这座度假村将会是欧洲其中一座最大型展览中心，一旦完成之后，将容纳一个大型赌场、酒店、名牌商城中心、电影院、会议设施和餐馆。我们也收购了Fox Poker Club，后者持有一张赌场执照，并在伦敦中部的Shaftesbury经营一家俱乐部。另外，我们也通过收购坐落在伦敦著名Mayfair区的Park Lane Mew酒店，为我们在英国的营运增添一家酒店业务。这些收购计划有助于扩充我们为英国客户提供更广泛的博彩产品与住宅选项。

在美国，纽约名胜世界赌场于2011年10月28日成功开幕成为了集团的一个主要里程碑。这刚好正是我在1年前为美国纽约阿达跑马场(Aqueduct Racetrack)主持动土礼。我感到骄傲的是，我见证了开幕时的汹涌人潮远超我们所估计的。有关产业第二阶段在两个月后开张，全面装置了5千架的博彩游戏机、活动空间及高档的餐饮场所。自开业以来，我们的表现令人鼓舞，2011年，纽约名胜世界赌场平均每天吸引了2万7000名游客。另外，我们的每台每天平均营收(Win Per Unit 或WPU)也超过州内领域的平均数字。

我们在迈阿密的计划，于2011年5月成型，当时我们以2亿3600万美元，收购《迈阿密先驱报》位于迈阿密的产业。于2011年11月，我们也获得邻近Omni中心的持有权，涵盖一座商业中心、办公楼及希尔顿经营的酒店。加上邻近其他产业，我们已组合了一段占地30英亩，并可在迈阿密市中心俯瞰比斯坎湾(Biscayne Bay)的主要海滨地段。我们目前发展的计划包括发展豪华式的综合发展，其中包括酒店，住宅，商业零售产品。有关综合发展将占用现有《迈阿密先驱报》大厦占地5英亩的地段，包括沿比斯坎湾800英尺长的海滨长廊。

基于全球不确定的经济气候，我们谨慎看待休闲及旅游领域的前景。尽管如此，我们预见这个区域的休闲与旅游方行业情绪，将从更多的游客到访，更高的收入及可支配收入因素激励下受惠。博彩领域的增长预计将在受到亚洲市场推动下，成为未来数年的全球趋势。

在2011年，马来西亚的游客到访人数超过2千740万人，并获得583亿的旅游收入。这符合了大马的2020年的旅游转型计划，即放眼在2020年达致3千600万的游客到访人次及1千680万令吉的旅游收入。有关的增长预计是我们马来西亚业务的好兆头。

在马来西亚，我们著重于卓越的服务及回酬管理的重点在于应对区域激烈竞争。回酬管理策略带来了有型的优势，并将持续地推行。我们也会透过区域的增长，趁势于贵宾业务。而随著云顶名胜世界采取加强产业措施，这些努力也证明我们的承诺，即致力于提高客户对休闲、娱乐及旅游的体验。

在英国，疲弱的经济环境并不会打击我们继续前进及打造品牌实力的决心。我们将继续利用我们建立的亚洲网络，拉拔我们的伦敦贵宾业务及以更娱乐为中心的概念，为伦敦以外的产业重新定位。英国伯明翰国际展览中心的名胜世界发展计划预计在2012年下半年启动，料于2015年竣工。

在美国，纽约名胜世界赌场的表现令人鼓舞，并预计将持续地为集团作出积极的贡献。在2012年，我们将持续与纽约州合作，以进一步发展纽约名胜世界赌场，将其扩充成为纽约市的主要娱乐中心。我们也将致力于与我们的权益持有人紧密合作，致力发掘美国迈阿密名胜世界成为度假村景点的潜能。

我要向不言倦的董事局成员表达我的谢意与感激。他们无价的远见为集团前进的步伐提供了有力的指引。我仅代表董事局，向所有股东、客户、商业伙伴、各有关当局及其他权益持有人致谢。我也要谢谢我们管理层及员工，他们的专业以及付出，奠定了我们集团迈向下一页成功新篇章的基础。

丹斯里林国泰
主席兼总执行长
2012年5月10日

BOARD OF DIRECTORS

TAN SRI LIM KOK THAY
Chairman and Chief Executive
(seated, second from left)

TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman/Non-Independent Executive Director
(seated, second from right)

MR QUAH CHEK TIN
Independent
Non-Executive Director
(seated, first from right)

TAN SRI CLIFFORD FRANCIS HERBERT
Independent
Non-Executive Director
(seated, first from left)

AUDIT COMMITTEE

TAN SRI CLIFFORD FRANCIS HERBERT
Chairman/Independent Non-Executive Director

MR QUAH CHEK TIN
Member/Independent Non-Executive Director

MR TEO ENG SIONG
Member/Independent Non-Executive Director

NOMINATION COMMITTEE

MR QUAH CHEK TIN
Chairman/Independent Non-Executive Director

TAN SRI CLIFFORD FRANCIS HERBERT
Member/Independent Non-Executive Director

MR TEO ENG SIONG
Independent Non-Executive Director
(standing, first from left)

GENERAL (R) TAN SRI MOHD ZAHIDI BIN HJ ZAINUDDIN
Independent Non-Executive Director
(standing, second from left)

TAN SRI ALWI JANTAN
Independent Non-Executive Director
(standing, first from right)

REMUNERATION COMMITTEE

TAN SRI CLIFFORD FRANCIS HERBERT
Chairman/Independent Non-Executive Director

TAN SRI LIM KOK THAY
Member/Chairman and Chief Executive

MR TEO ENG SIONG
Member/Independent Non-Executive Director

DIRECTORS' PROFILE

TAN SRI LIM KOK THAY
Chairman and Chief Executive

Tan Sri Lim Kok Thay (Malaysian, aged 60), 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 Programme for Management Development of Harvard Business School, Harvard University in 1979. He is also the Chairman and Chief Executive of Genting Berhad; the Chief Executive and a Director of Genting Plantations Berhad; and the Executive Chairman of Genting Singapore PLC, Resorts World at Sentosa Pte Ltd and Genting UK 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 is the Chairman of the Board of Trustees of The Community Chest, Malaysia. He also sits on the Boards of Trustees of several charitable organisations in Malaysia. He is a Visiting Professor of the Institute of Biomedical Engineering, Imperial College London, appointed since October 2009 and an Honorary Professor of Xiamen University, China, since December 2007.

Tan Sri Lim is the Chairman and Chief Executive Officer of Genting Hong Kong Limited ("GENHK"), a company listed on The Stock Exchange of Hong Kong Limited. He also has an interest in the securities of GENHK. The GENHK group is principally engaged in the business of cruise and cruise-related operations and leisure, entertainment and hospitality activities.

In the context of the above businesses of GENHK, Tan Sri Lim is therefore considered as having interests in business apart from the Group's business, which may compete indirectly with the Group's business.

For his leadership excellence and significant contributions to the leisure and travel industry, he was named the "Travel Entrepreneur of the Year" by Travel Trade Gazette (TTG) Asia, "The Most Influential Person in Asian Gaming" by Inside Asian Gaming in 2009 and "Asian Leader for Global Leisure and Entertainment Tourism" by Seagull Philippines Inc. in 2011.

TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman/ Non-Independent Executive Director

TAN SRI ALWI JANTAN
Independent Non-Executive Director

Tun Mohammed Hanif bin Omar (Malaysian, aged 73), appointed on 23 February 1994, is the Deputy Chairman. He was the Inspector-General of The Royal Malaysian Police for 20 years before retiring in January 1994, having joined as an officer in 1959. He holds a Bachelor of Arts Degree from the University of Malaya, Singapore, Bachelor of Law (Honours) Degree from the University of Buckingham and the Certificate of Legal Practice (Honours) from the Legal Qualifying Board.

He is also the Deputy Chairman of Genting Berhad and the Chairman of General Corporation Berhad (In Members' Voluntary Winding-up) and sits on the Boards of AMMB Holdings Berhad, AmBank (M) Berhad, AmIslamic Bank Berhad, AMFB Holdings Berhad and AmInvestment Bank Berhad.

He has received honorary awards from Malaysia, Indonesia, Thailand, Singapore, Brunei and the Philippines for his invaluable contribution towards the region's security. In 1993, he became the only serving public servant to be awarded non-ex-officio Malaysia's highest non-royal award which carries the titleship of 'Tun'. He was conferred the Honorary Doctorate of Law by Universiti Kebangsaan Malaysia in 1992, Honorary Doctorate of Philosophy (Internal Security) by University Pertahanan Nasional Malaysia on 2 October 2011 and Honorary Doctorate of Law by the University of Buckingham on 16 March 2012.

Tun Mohammed Hanif was a member of the 2004 Royal Commission for the Enhancement of the Operations and Management of The Royal Malaysian Police. He is the President of the Malaysian Institute of Management (MIM) and Malaysian Branch of the Royal Asiatic Society (MBRAS), member of the Malaysian Equine Council and a Council Member of the Malaysian Crime Prevention Foundation. In addition, he is the Chairman of the Yayasan Tun Razak, a member of the Board of Trustees of the Malaysian Liver Foundation, Yayasan DayaDiri, The MCKK Foundation and The Community Chest, Malaysia.

Tan Sri Alwi Jantan (Malaysian, aged 77), appointed on 10 August 1990, was redesignated as an Independent Non-Executive Director on 1 July 2011. He joined the Company on 1 July 1990 as Executive Vice President – Public Affairs & Human Resources and was redesignated as Executive Director on 2 July 2007. A graduate of the University of Malaya with a 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 sits on the Board of UOA Asset Management Sdn Bhd, the manager of the public-listed UOA Real Estate Investment Trust and on the Board of public-listed Hiap Teck Venture Bhd and UOA Development Bhd.

DIRECTORS' PROFILE

MR QUAH CHEK TIN
Independent
Non-Executive Director

TAN SRI CLIFFORD FRANCIS HERBERT
Independent
Non-Executive Director

Mr Quah Chek Tin (Malaysian, aged 60), appointed on 15 January 2003, was redesignated as an Independent Non-Executive Director on 8 October 2008. He began his career with Coopers & Lybrand, London before returning to Malaysia.

He joined the Genting Group in 1979 and has served in various positions within the Group. He was the Executive Director and Chief Operating Officer of the Company as well as the Executive Director of Genting Berhad prior to his retirement in 2006. 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 and a member of the Malaysian Institute of Accountants.

In addition, he sits on the Boards of Genting Plantations Berhad, Paramount Corporation Berhad, ECS ICT Berhad and Batu Kawan Berhad.

Tan Sri Clifford Francis Herbert (Malaysian, aged 70), 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, AmIslamic Bank Berhad, AmBank (M) Berhad and Shell Refining Company (Federation of Malaya) Berhad.

Tan Sri Clifford joined the Administrative and Diplomatic Service of 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 Klang Authority, Klang Container Terminal Berhad, Bank Industri Malaysia Berhad, Malaysia Export Credit Insurance Ltd, National Trust Fund (KWAN), Kumpulan Khazanah Nasional Berhad, Malaysia Airline System Berhad (MAS), Petroliam 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 is the Chairman of Montfort Boys Town and is a trustee of Yayasan Nanyang and the National Kidney Foundation.

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 from 1989 to 1997. As Secretary General to the Minister of Finance, he was 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
Independent
Non-Executive Director

MR TEO ENG SIONG
Independent
Non-Executive Director

General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin (Malaysian, aged 64), 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 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 the Iran-Iraq War Ceasefire in 1988/1989. General (R) Tan Sri Mohd Zahidi is a Director of Genting Plantations Berhad ("GENP") and was appointed as the Chairman of GENP on 1 October 2011. He is also a Director of Cahya Mata Sarawak Berhad, Affin Holdings Berhad, Bandar Raya Developments Berhad and Bintulu Port Holdings Berhad.

General (R) Tan Sri Mohd Zahidi was made a Member of Dewan Negara Perak by DYMM Paduka Seri Sultan Perak on 25 November 2006 and is a Director of Yayasan Sultan Azlan Shah. He was also made a Member of the Malaysian-Indonesian Eminent Persons Group (EPG) by the Prime Minister in July 2008.

Mr Teo Eng Siong (Malaysian, aged 65), appointed on 25 February 2010, is an Independent Non-Executive Director. He began his career with Ernst & Young, Melbourne, Australia, in November 1969.

He had worked in Singapore and Malaysia; and had held several positions in various companies. Prior to his retirement on 31 March 2009, he was the General Manager and Company Secretary of Kien Huat Realty Sdn Berhad as well as the Company Secretary of Yayasan Lim Goh Tong, a charitable organisation.

He holds a Bachelor of Economics Degree from Monash University, Melbourne and is an Associate of the Institute of Chartered Accountants in Australia, a Fellow of CPA Australia, a member of the Malaysian Institute of Certified Public Accountants, a member of the Malaysian Institute of Accountants and an Associate of The Malaysian Institute of Chartered Secretaries and Administrators.

Notes:
The details of Directors' attendances at Board Meetings are set out in the Corporate Governance statement on page 36 of this Annual Report.
The details of the Board Committees where certain Directors are also members are set out on pages 8 and 9 of this Annual Report.
Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of Genting Malaysia Berhad, have no conflict of interest with Genting Malaysia Berhad and have not been convicted for any offences within the past ten years.

MANAGEMENT & CORPORATE INFORMATION

MANAGEMENT

TAN SRI LIM KOK THAY
Chairman and Chief Executive

TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman

DATO' LEE CHOONG YAN
President and Chief Operating Officer

DATO' KEVIN SIM KIA JU
Executive Vice President – Resorts Operations

MS KOH POY YONG
Chief Financial Officer

MR JAMES KOH CHUAN SENG
Senior Vice President – Finance & Corporate Affairs

MR LEOW BENG HOOI
Senior Vice President – Casino Marketing

MR LIM ENG MING
Senior Vice President - Casino & Security Operations

MR AARON CHIA KHONG CHID
Senior Vice President - Casino Operations

MR EDWARD ARTHUR HOLLOWAY
Senior Vice President – Hotel Operations

MR PAUL CHAN MENG YEONG
Senior Vice President – Marketing

MR EDDIE TEH YONG TENG
Senior Vice President – Human Resources

CORPORATE INFORMATION

GENTING MALAYSIA BERHAD
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 : ir.genm@genting.com

REGISTRARS
Genting Management and Consultancy Services Sdn Bhd
24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : +603 2178 2266/2333 2266
Fax : +603 2161 5304

SECRETARY
Ms Loh Bee Hong

AUDITORS
PricewaterhouseCoopers
(Chartered Accountants)

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
(Listed on 22 December 1989)

Stock Name : GENM
Stock Code : 4715

INTERNET HOMEPAGE
www.gentingmalaysia.com
www.rwgenting.com

CORPORATE DIARY

23.02.2011
Announcement of the Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2010.

15.04.2011
Announcement of the proposed renewal of the authority for the Company to purchase its own shares and proposed exemption under Paragraph 24.1, Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010.

29.04.2011
Announcement of the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

06.05.2011
Announcement of the following:
(a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2010.
(b) Date of Thirty-First Annual General Meeting.

16.05.2011
Notice to Shareholders of the Thirty-First Annual General Meeting.

26.05.2011
Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2011.

27.05.2011
Announcement of the acquisition by Bayfront 2011 Property, LLC, now known as Resorts World Miami LLC, an indirect wholly-owned subsidiary of the Company, of Miami Herald Properties in Miami, Florida, United States of America ("USA") from The McClatchy Company and Richwood, Inc for a total consideration of US$236 million.

08.06.2011
Thirty-First Annual General Meeting.

01.07.2011
Announcement of the redesignation of Tan Sri Alwi Jantan as Independent Non-Executive Director with effect from 1 July 2011 from Non–Independent Non-Executive Director of the Company.

25.08.2011
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2011.
(b) Entitlement Date for the Interim Dividend in respect of the half year ended 30 June 2011.

15.09.2011
Announcement of the master plan for Resorts World Miami in Miami, Florida, USA.

18.10.2011
Announcement of the opening of Resorts World Casino New York City on 28 October 2011.

24.10.2011
Announcement of the proposed acquisition of the entire equity interests in E-Genting Holdings Sdn Bhd and Ascend International Holdings Limited from Genting Singapore PLC for a total cash consideration of RM50 million ("Proposed Acquisitions").

31.10.2011
Announcement of the completion of the Proposed Acquisitions.

24.11.2011
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2011.
(b) Acquisition of the entire issued share capital of Fox Poker Club Limited by Genting Casinos UK Limited, an indirect wholly-owned subsidiary of the Company, for a purchase consideration of £7.75 million (equivalent to approximately RM38.35 million).

05.01.2012
Announcement of the non-binding letter of intent on the proposed development of an integrated mixed-use complex on real property located adjacent to the Aqueduct Racetrack, Queens, New York, USA by Genting New York LLC, an indirect wholly-owned subsidiary of the Company with an anticipated project cost of at least USD4 billion.

28.02.2012
Announcement of the Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2011.

12.04.2012
Announcement of the proposed renewal of the authority for the Company to purchase its own shares and proposed exemption under Paragraph 24.1, Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010.

07.05.2012
Announcement of the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

10.05.2012
Announcement of the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2011.

DIVIDENDS

		Announcement	Entitlement Date	Payment
2010	Final – 4.4 sen less tax per ordinary share of 10 sen each	23 February 2011	30 June 2011	21 July 2011
2011	Interim – 3.8 sen less tax per ordinary share of 10 sen each	25 August 2011	30 September 2011	21 October 2011
2011	Proposed Final – 4.8 sen less tax per ordinary share of 10 sen each	28 February 2012	29 June 2012	23 July 2012*

* *Upon approval of shareholders at the Thirty-Second Annual General Meeting*

FINANCIAL HIGHLIGHTS

REVENUE
8.5 billion
(5.3 billion in 2010)

EBITDA
2.3 billion
(2.0 billion in 2010)

NET PROFIT
1.4 billion
(1.3 billion in 2010)

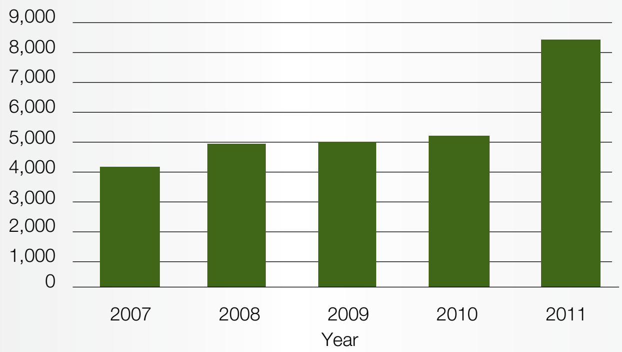
MARKET CAPITALISATION
22.7 billion
As of 31 December 2011

SHAREHOLDERS' EQUITY
11.9 billion
(11.6 billion in 2010)

TOTAL ASSETS EMPLOYED
16.5 billion
(14.8 billion in 2010)

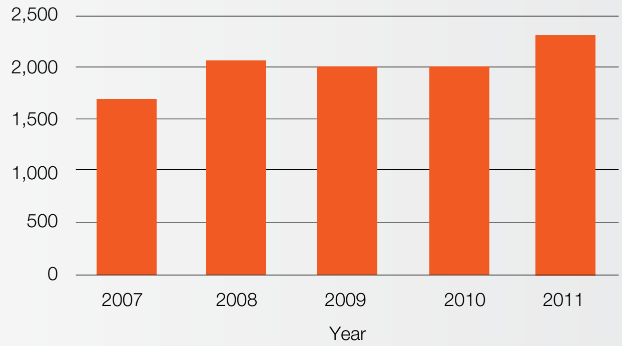
RM million

REVENUE



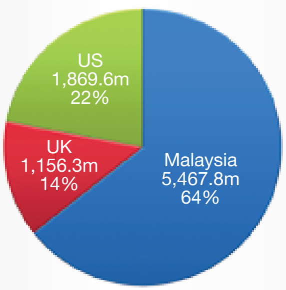
RM million

EBITDA*

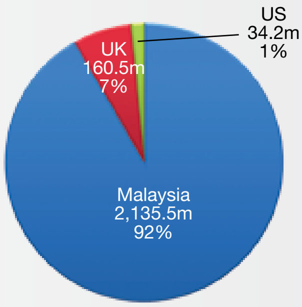


* Earnings before interest, taxes, depreciation and amortisation.

REVENUE BY LOCATION

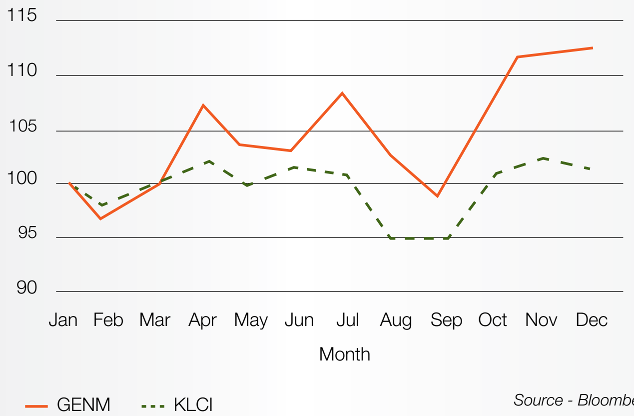


EBITDA BY LOCATION



2011 GENTING MALAYSIA SHARE PRICE PERFORMANCE RELATIVE TO KLCI

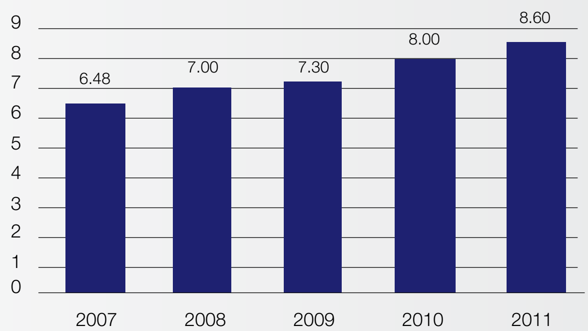
Normalised data (rebased to 100)



Source - Bloomberg

GROSS DIVIDEND PER SHARE

Sen



All figures are in Ringgit Malaysia

MANAGEMENT'S DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

General Description of the Group's Business

The Group is involved in the leisure and hospitality industry. The Group owns and operates properties such as Resorts World Genting ("RWG") in Malaysia, casinos in the United Kingdom ("UK") and Resorts World Casino New York City ("RWNYC") in the United States of America ("US").

RWG is a premier leisure and entertainment resort in Malaysia with over 8,000 rooms in five hotels, theme parks with fun rides and entertainment attractions, as well as dining and retail outlets, international shows and business convention facilities. In addition, the Group owns and operates three Awana properties in Malaysia, namely Awana Genting Highlands Golf & Country Resort, Awana Kijal Golf, Beach & Spa Resort and Awana Porto Malai, Langkawi.

In the UK, the Group is the largest casino operator with 43 casinos and a poker club. The Group also owns and operates a hotel in London.

In the US, RWNYC is a video lottery facility located at the Aqueduct Racetrack in the City of New York with electronic gaming machines, food and beverage outlets, entertainment and event space. In addition, the Group owns properties which includes a shopping mall, hotel, office and retail spaces, in the City of Miami, Florida.

Financial Year Ended 31 December 2011 ("Year 2011") compared with Financial Year Ended 31 December 2010 ("Year 2010")

<u>Revenue</u>

The Group's revenue for Year 2011 was RM8,493.7 million, which is an increase of RM3,160.6 million (59%) compared with RM5,333.1 million for Year 2010.

The leisure and hospitality business in Malaysia registered an increase in revenue of RM349.4 million. The increase is mainly due to the overall higher volume of business and higher hold percentage in the premium players business. The UK operations which the Group acquired on 15 October 2010, registered a revenue of RM1,154.8 million, contributed mainly by its London casino operations. Included in the Year 2011 revenue was the construction revenue of RM1,741.5 million from the development of RWNYC. The remaining revenue for leisure and hospitality business in the US of RM95.3 million was mainly contributed by RWNYC which commenced operations on 28 October 2011.

The property segment's revenue was higher by RM9.7 million compared to Year 2010 mainly attributable to additional rental income arising from properties in the City of Miami, Florida, US ("Miami") which the Group acquired in the second quarter of Year 2011.

<u>Costs and expenses</u>

Total costs and expenses before finance costs and share of results in jointly controlled entities and associates for Year 2011 amounted to RM6,556.1 million compared with RM3,588.6 million in Year 2010, an increase of RM2,967.5 million, mainly due to the net effect of the following items:

(a) Cost of sales increased by RM2,832.1 million, from RM3,325.3 million for Year 2010 to RM6,157.4 million for Year 2011, mainly due to construction costs incurred for the development of RWNYC as well as higher cost of services and other operating costs. The higher cost of services and other operating costs incurred for Year 2011 were mainly due to the commencement of the Group's operations in US and the full year impact of the UK operations which the Group acquired in October 2010.

(b) Selling and distribution costs decreased by RM24.6 million, from RM59.3 million for Year 2010 to RM34.7 million for Year 2011, mainly due to lower sales and marketing expenses as a result of the cessation of the provision of international sales and marketing services from Genting Singapore PLC to the Group.

(c) Administrative expenses increased by RM167.4 million, from RM181.1 million for Year 2010 to RM348.5 million for Year 2011, mainly due to higher pre-operating expenses of RM56.3 million incurred for the development and operations of RWNYC and masterplan development of a destination resort in Miami as well as the operating expenses and depreciation & amortisation of RM88.8 million as a result of the commencement of the Group's operations in US.

(d) A lower impairment loss of RM15.1 million was recorded in Year 2011 compared to RM110.9 million in Year 2010. The impairment loss recorded in Year 2011 was mainly on leasehold land and buildings owned by the Group in Malaysia. The impairment loss recorded in Year 2010 was mainly on the Group's investment in Walker Digital Gaming, LLC.

(e) Other expenses increased by RM73.0 million, from RM69.6 million for Year 2010 to RM142.6 million for Year 2011, mainly due to property related termination costs of RM39.4 million incurred on the purchase of the properties in Miami and the expenses from the Group's UK operations for the full year.

Adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA")

Adjusted EBITDA excludes the effects of non-recurring items from the reporting segments, such as fair value gains and losses, impairment losses, pre-operating expenses, property related termination costs and gain or loss on disposal of assets.

The Group's adjusted EBITDA for Year 2011 was RM2,330.2 million compared with RM2,024.2 million for Year 2010, an increase of 15%. The increase in EBITDA was mainly attributable to the leisure and hospitality segment of the Group. The leisure and hospitality business in Malaysia registered an adjusted EBITDA of RM2,105.7 million, representing an increase of 6% as compared with RM1,980.4 million in Year 2010. The adjusted EBITDA margin for the leisure and hospitality business in Malaysia was 39% which is consistent with the margin for Year 2010.

The UK operations which the Group acquired on 15 October 2010, registered an adjusted EBITDA of RM1,154.1 million, contributed mainly by its London casino operations. The adjusted EBITDA of RM37.0 million from the leisure and hospitality business in US was attributable to the construction profit of RM13.4 million from the development of RWNYC and RM23.6 million mainly from the operations of RWNYC.

Finance costs

The Group's finance costs increased by RM27.7 million from RM4.6 million for Year 2010 compared to RM32.3 million for Year 2011 as a result of higher average outstanding bank borrowings in relation to the Group's expansion in the US.

Taxation

The Group incurred a taxation expense of RM472.7 million compared with RM455.1 million for Year 2010. The increase in the tax expense is consistent with the improved results of the Group primarily from the Malaysia operations.

Profit attributable to equity holders

As a result of the above, profit attributable to equity holders of the Company was RM1,427.9 million for Year 2011, which was an increase of RM151.3 million (12%) compared to RM1,276.6 million for Year 2010.

Liquidity and capital resources

Sources and uses of funds

Substantially all of the Group's cash and cash equivalents are held in Ringgit Malaysia, United States Dollar and Pound Sterling. During the year, cash and cash equivalents of the Group reduced from RM2,866.3 million to RM2,142.8 million as at 31 December 2011. The decrease of RM723.5 million in cash and cash equivalents was mainly due to the following:

(a) The Group's businesses generated a net cash inflow of RM2,116.0 million from operating activities for Year 2011 as compared to the previous year of RM1,467.4 million. The increase of RM648.6 million was primarily due to higher operating profit generated by its Malaysia operations, the full year's contribution from its UK operations and improvements in working capital.

(b) The Group's capital expenditure in Year 2011 was RM1,408.9 million, primarily due to the acquisition of properties in Miami as well as the refurbishment and upgrading works of the Group's properties in Malaysia and UK. In addition, the Group acquired the Omni Center in Miami, through a foreclosure bidding process of RM585.8 million. The Omni Center includes shopping mall, office, a hotel and parking garage.

(c) During the year, the Group incurred RM1,003.4 million in relation to the construction and development of RWNYC, net of the construction grant received from the New York State Urban Development Corporation (doing business as Empire State Development Corporation).

(d) The Group invested RM250.0 million in unquoted preference shares in a Malaysian corporation during the year.

(e) The Group acquired the entire equity interest of Fox Poker Club Limited and the business of Park Lane Mews Hotel in London, UK for RM148.9 million. The Group also acquired the entire equity interests of E-Genting Holdings Sdn Bhd and Ascend International Holdings Limited for RM50.0 million.

(f) During the year, the Group had drawn down a total of RM1,445.7 million from its bank loan facilities to part finance the acquisition of one of the properties in Miami and for the construction, development and working capital of RWNYC. The Group made a repayment of RM752.6 million under existing bank loan facilities.

Gearing ratio

The gearing ratio of the Group as at 31 December 2011 was 0.13 times, an increase from 0.08 times as at 31 December 2010. The gearing ratio is calculated as total debt divided by total capital. Total debt of the Group is approximately RM1.8 billion (2010: RM1.0 billion). Total capital of approximately RM13.7 billion (2010: RM12.7 billion) is calculated as total debt plus total equity.

Contingent liabilities

Details of the Group's contingent liabilities as at 31 December 2011 are disclosed in note 38(c) to the consolidated financial statements.

Future commitments and funding sources

On 24 May 2011, the Group signed an agreement with a syndicate of banks to provide financing facilities of up to US$265.0 million (comprising a term loan facility of US$225.0 million and revolving credit facilities of US$40.0 million) to refinance the existing short term borrowing of US$200.0 million and to part finance the construction and development as well as for working capital of RWNYC. The Group had also drawn down US$200.0 million short term bank borrowing to part finance the acquisition of one of the properties in Miami.

As at 31 December 2011, the Group had approximately RM1.2 billion of net cash after taking into account approximately RM1.8 billion of bank borrowings. Net cash is calculated as cash and cash equivalents (including the restricted cash and current portion of available-for-sale financial asset) less total bank borrowings (including current and non-current portion). Details of the borrowings and a maturity profile of such borrowings are disclosed in note 37 to the consolidated financial statements.

Prospects

Global economic growth prospects are still uncertain and the Group is therefore cautious on the outlook for the leisure and hospitality industry.

In this region, higher tourism arrivals, receipts and disposable income levels contributed positively to the business sentiments in the leisure and hospitality industry. The growth in the global gaming industry in 2011 was mainly driven by key Asian markets and this trend is expected to continue. The premium players business in this region saw robust growth, albeit at a slower rate.

Amidst this backdrop, the Group is heartened by the successful opening of Resorts World Casino New York City, encouraging performance of its UK operations and resilience of its Malaysian operations.

In Malaysia, the Group's emphasis on service excellence and yield management are instrumental in addressing intense regional competition. Yield management strategies have reaped tangible benefits and will continue to be pursued. The Group will also capitalise on regional growth in the premium players business. Along with property enhancement initiatives at Resorts World Genting, these efforts bear testimony to the Group's commitment towards enhancing the leisure, entertainment and hospitality experiences of its customers.

In the UK, the subdued economic environment in Europe had affected business and consumer sentiments. Whilst this is likely to be a backdrop going forward, the Group remains committed to the development of its business, building on the strength of the Genting brand and strengthening links with the Group's established network in Asia, to grow further the premium players business in London.

In the US, Resorts World Casino New York City made headlines in its debut on 28 October 2011. The 2nd (final) phase of the property opened two months later with full capacity rollout. Since its initial opening, the Group noted that Resorts World Casino New York City's performance has been encouraging and expects it to contribute positively to the Group.

The Group is confident that its performance will continue to chart further growth, whilst taking cognisance of the increasingly competitive environment in the markets in which the Group operates.

OPERATIONAL REVIEW

MALAYSIA

RESORTS WORLD GENTING

www.rwgenting.com

Resorts World Genting (RWG) is the Group's jewel in the crown and the primary contributor to the Group's financial performance. As a destination of choice in Malaysia, it has something for everyone.

High class accommodation and great infrastructure

RWG welcomed 20.3 million (2010: 19.9 million) visitors in 2011, of which 27% were hotel guests and 73% were day-trippers. The hilltop resort, with its spring-like cool weather, attracted visitors of all age groups, comprising families and individuals alike. Malaysians formed the largest single nationality of visitors, with regional visitors coming mainly from Singapore, Indonesia, Thailand, Vietnam, China and India.

In 2011, the overall average occupancy of the RWG's hilltop hotels, namely Maxims Genting, Highlands Hotel, Resort Hotel, Theme Park Hotel and First World Hotel, maintained a high rate of 94% (2010: 93%), with 2.72 million room nights sold (2010: 2.67 million), at an average room rate of RM82 (2010: RM81). The Resort's innovative marketing strategies focused on customer loyalty programs which offer more privileges and promotions to draw in visitors. The enhancement of RWG's properties and facilities is designed to provide yet another pull factor to keep the experience fresh for our guests. RWG's hotels cater to a wide range of visitors – from First World Hotel, as one of the largest hotels in the world with more than 6,000 rooms providing affordable accommodation, Resort Hotel for mid-range customers, to Maxims Genting and Highlands Hotel which offer premier rooms and exclusivity for premium customers.

1 Resorts World Genting – at ground level
2 Genting Highlands – panoramic view
3 Bombardier Global Express private jet
4 Maxims Genting room – luxurious settings
5 Outdoor Theme Park

Accessibility to RWG was enhanced with the expansion of daily tour bus services to cover 51 locations throughout Peninsular Malaysia. The popularity of the “Go Genting” tour bus program led to additional VIP coaches for Klang Valley stops. Bus and limousine fleets were augmented and the ever-popular Genting Skyway and Awana Skyway cable cars sold 2.9 million tickets in 2011 (2010: 2.8 million). The Group now has two aircraft to provide luxury service to our discerning premium customers, with the recent addition of an 18-seater Bombardier Global Express private jet.

Entertainment all year round

RWG offers world-class shows and performances with unfailing regularity. GLITZ ended its run and was replaced by the new resident show on ice, FREEZE. Performed daily at the Genting International Showroom, FREEZE takes its audience on an emotional journey through a combination of visuals, sounds and movement that evokes memories from the past and draws upon thoughts of the future.

As a top regional entertainment venue, Arena of Stars attracted top international performers and hosted 65 events in 2011. Legendary superstar Elton John finally reached Malaysian shores and left his adoring fans in awe and wanting more. Kitaro, John Ford Coley, Bobby Kimball and Richard Marx were mesmerising with renditions of everlasting hits. Evergreen names such as Tsai Chin, Fei Yu Ching, Jeff Chang and Richie Jen were joined by Songbirds of Taiwan featuring Chyi Yu, Shunza, Michelle Pan and Winnie Hsin. Lovers of TVB drama series immersed themselves in the Genting Mid Autumn Celebration with “My 4 Favourite Divas” featuring top-rated Hong Kong performers and All Stars Gala featuring famous TVB celebrities. Miriam Yeung, Sammi Cheng and Andy Hui came to the fore in “Be Charmed Live In Malaysia 2011”, while comedy fans laughed out loud with Michael Hui and Wong Tze Wah.

Some of the hottest competition, variety and awards shows were held, including the 15th National Lion Dance Championship, 2nd MY Astro Music Award, Anugerah Bintang Popular and Miss Astro Chinese International Pageant. RWG also brought in Superstars of Magic featuring seven world-renowned magicians from the USA, Spain, Germany and Ukraine to showcase their spellbinding magic acts. In conjunction with the school holidays, RWG organised the Cool School Break which featured one of the largest Balloon Art Festivals in Southeast Asia, with giant balloon rides along with ‘Transformers’ sculptures.

1 Sir Elton John taking charge
2 Richie Jen summons inner peace
3 The elegance of FREEZE
4 15th National Lion Dance Championship
5 Lin Shu Rong in full blossom

OPERATIONAL REVIEW

Mountain of food, shopping and events

RWG has over 100 food & beverage outlets which catered to 22.3 million covers in 2011 (2010: 21.6 million). The Group operates 43 of these outlets which catered to 14.1 million covers in 2011 (2010: 14.0 million).

In January 2011, RWG launched its inaugural *Mountain of Food* celebration with Chef Wan, a renowned Malaysian celebrity chef. The aim of making RWG a food paradise all year round got off to a delicious start with Penang Hawker's Fest, followed by a series of food promotions. Mouth-watering feasts to tempt the palate - such as "the Taste of the Past" featuring traditional home-cooked food, Food & Fruits, World of Satay and Rice of the World – were the order of the day. The reputation of the Genting moon cake has grown from strength to strength, with over 750,000 sold during the year. Individual moon cakes were offered for sale to reduce the use of packaging. *Lobby Cafe* at the First World Hotel was re-opened in November 2011 after being refurbished to create a cosier and more spacious dining area with a relaxing ambience. It now features an open-style kitchen which offers a bigger selection of local foods.

First World Plaza is still Malaysia's highest and only leisure, shopping and entertainment hub enjoying cool fresh highland air. A shopping paradise with approximately 200 retail and food & beverage outlets, Nyonya Colors opened during the year as the first Nyonya concept café offering Straits Chinese food.

All year round, *Genting Times Square* lined up popular Malaysian cultural dance and singing performances, international magic shows, famous local and international artiste showcases, festive celebration special, fashion shows and launch events. *Universal Walk* hosted art and cultural showcases, fashion road shows and themed promotions such as Chinese New Year Celebration, Health and Beauty Fair, Panasonic Malaysia Showcase Theatre, Thai Songkran Festival, Balloon Art Festival and Hush Puppies Footwear Technology Parade. The Christmas's Eve and New Year Countdown parties have become much-awaited annual events, and it was no different for 2011. Live band music, dancing performances as well as pyrotechnic and confetti displays all combined to present the Wildest Indoor Party celebration at First World Plaza.

In Genting International Convention Centre (GICC), we have one of the largest convention centres in the country. GICC served over 270,000 covers in 2011 and hosted numerous functions including the 16th Teo Chew International Convention and the 15th National Chinese Life Insurance Congress.

1


2


3


1 Mountain of Food leaves Chef Wan in awe
2 Balloon Art Festival in First World Plaza
3 Imperial Rama at Highlands Hotel

At *The First World Indoor Theme Park*, two new titles - Pirate Story and Robots of Mars – were introduced to 4D Motion Master in 2011. Other new features such as Low Game, Lucky Train and Mega Slot were added at the Genting Bowl.

Vision City and *Fantasy World Video Games Park* now has more than 650 arcade games ranging from video simulation machines, redemption machines, skill games, and kiddies' rides. Games which are most popular included Animal Kaiser Evolution: Forgotten Warriors as well as Hello Kitty and the Apron of Magic.

Rides to remember

Genting Theme Park has more than 40 rides and attractions to deliver a "Fun at the Peak" experience to visitors. The number of tickets sold in 2011 was over 3.4 million (2010: 3.9 million).

The Outdoor Theme Park's signature rides included the Corkscrew, Pirate Ship, and Flying Coaster - Asia's first hang-gliding roller coaster. Adding to the excitement, numerous annual events were held, such as The 5th Genting Giant Mascot Party, Theme Park Annual Passport Annual Party 2011, Halloween Party and other themed activities. For the first time ever, the Night Park with Carnival Parade was held, featuring clowns, Genting Theme Park mascots, LED-decorated buggies, trishaws and fire eaters in their signature "Apollo Fireball" performances.

WorldReservations Centre and WorldCard

The multi-channel *WorldReservations Centre* ("WRC") is the front line contact centre for our Malaysian operations. WRC's call centre received 1.7 million calls whilst its online channel, www.rwgenting.com, received a total of 7.7 million visitor sessions in 2011. The "iHoliday" online reservation system was enhanced with improved features in 2011, such as new payment mode via WorldCard points, fast track redemption and online application for Genting Theme Park Annual Passport *WorldCard*. A cross-selling feature added to the iHoliday allowed better rates and discounts for online purchases. The Group's e-Quotation service for the Meetings, Incentives, Conventions and Exhibitions (MICE) market was re-branded as iMICE in April 2011. The service has been upgraded to allow users to generate quotations tailored to their function requirements.

WorldCard Loyalty Programme currently has 3.3 million members with 171 participating merchants and 1,510 merchant outlets in Malaysia, Singapore and Hong Kong. Various joint marketing campaigns were undertaken in 2011 to promote the programme, with significant campaigns including the popular "888" promotion and the "Astounding Awana Savers" where room packages can be redeemed with minimal points.

1


2


3


4


1 Outdoor Theme Park – memories to last a lifetime
2 Vision City and Fantasy World Video Games Park
3 WorldReservations Centre
4 RWG's entry in 1Malaysia International Tourism Night Floral Parade 2011

AWANA HOTELS & RESORTS

www.awana.com.my

Awana Genting Highlands Golf & Country Resort ("Awana Genting") lies in close proximity to Resorts World Genting and is blessed with pristine greenery surrounding its 411 rooms. A favourite with families, conventioneers, nature lovers and eco-sports enthusiasts, Awana Genting is a preferred MICE and golfing destination. During the year, Charles River Centre held its *Harvard Business School Alumni Club of Malaysia* event for the sixth year running. The new *Pasar Ikan Bakar* restaurant was opened opposite the Awana Longhouse, offering freshly grilled seafood in natural surroundings. Awana Genting, as a designated *Birdlife International's Important Bird Area (IBA)* by *Malaysian Nature Society* (MNS), offers bird-watching and eco-tourism programmes. As part of its eco-tourism teambuilding programmes, its "Tear of Sun" obstacle received positive acknowledgments from Tourism Selangor and the Ministry of Youth & Sports' "Rakan Muda" youth camp. In 2011, Awana Genting recorded an average occupancy rate of 65% (2010: 70%).

Awana Kijal Golf, Beach & Spa Resort ("Awana Kijal") is a luxurious five-star beach resort in Terengganu, with 341 guest rooms and suites. One of the foremost resorts on the east coast facing South China Sea, Awana Kijal features a seven-kilometre long pristine beach. Awana Kijal embarked on several improvement projects in 2011 which included expanding the capacity of its Restaurant Kampong. Awana Kijal recorded an occupancy rate of 65% in 2011 (2010: 55%).

Awana Porto Malai, Langkawi ("Awana Langkawi"), at the south-western tip of the famed Langkawi Island, has 208 Mediterranean-inspired rooms. Awana Langkawi hosted the Maritime Exhibition which was part of LIMA'11 (Langkawi International Maritime and Aerospace) exhibition held biennially. It also hosted the Dinner of Girl Scouts Malaysia Kedah Branch and the Gala Dinner for Kedah International Red Tee Invitation Langkawi 2011 golf championship. During the year, Awana Langkawi achieved the ISO 9001:2008 certification from SIRIM QAS International, and a Five-Star Spa Rating from the Ministry of Tourism of Malaysia for its Taman Sari Royal Heritage Spa. Awana Langkawi recorded an average occupancy rate of 54% in 2011 (2010: 61%).

1


2


4


3


1 Awana Genting
2 Awana Porto Malai
3 Awana Kijal
4 Pasar Ikan Bakar at Awana Genting

UNITED KINGDOM

GENTING UK

www.gentingcasinos.co.uk

Genting UK has the largest casino network in the UK, with its ownership of 44 of the 145 total operating casinos as at 31 December 2011. Genting UK has extensive heritage within its flagship London offerings, and it also operates 38 casinos outside of London.

Genting UK operates five casinos and one poker club in London, including four of the most prestigious brands in the capital city, namely Crockfords, The Colony Club, Maxims Casino Club and The Palm Beach. Crockfords (in Mayfair), The Colony Club (in Mayfair) and Maxims Casino Club (in Chelsea & Kensington) offer luxurious gaming in opulent surroundings catering for private and exclusive gaming for high level and international players. The Palm Beach (in Mayfair), which has been extensively refurbished during 2011, continues to offer one of the most vibrant and exciting gaming floors in the UK. Fox Poker Club, acquired in November 2011, operates from the heart of London's West End.

The year 2011, as Genting UK's first full year of operations under Genting Malaysia's ownership, saw an improvement in attendance numbers, revenues and profitability across the UK business.

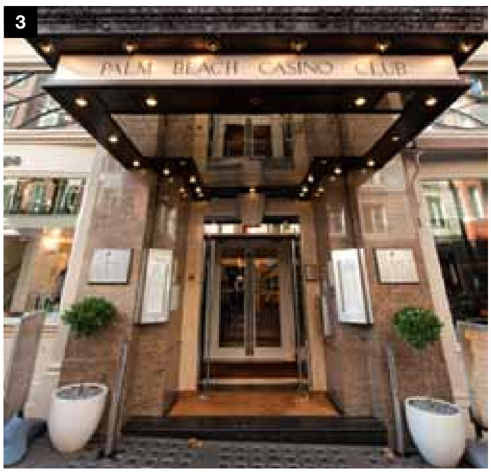
A major re-branding programme was completed during the first quarter of 2012. In order to bring a more modern and contemporary style to our regional casinos, *Genting Club* and *Genting Casino* brands replaced the *Circus*, *Maxims* and *Mint* brands. *Genting Clubs* are more oriented to a wider leisure offering, whereas *Genting Casinos* has a more focused offering on traditional gaming. Our first greenfield site under the new branding was opened in November 2011 at Derby Riverlights.

As part of a strategic update, 2011 saw the closure of three casinos - namely Manchester Mint, Leicester Electric and Great Yarmouth - and the transfer of the Derby Mint to the new concept flagship Derby Riverlights. Significant investment is planned within the remaining Manchester and Leicester casinos in 2012 along with further major planned refurbishments projects at Southend, Liverpool, Newcastle and Southampton.

Genting UK has been successful in obtaining the large casino license in Birmingham, which forms the basis of the 'Resorts World at the NEC' development. This resort in Central England is set within one of largest exhibition centres in the UK, and will house a casino, hotel accommodation, premium outlet centre, cinema, conferencing facilities and many restaurant offerings, making it a very compelling leisure-centric destination when completed.

Genting UK added London accommodation to its portfolio in July 2011, with the purchase of the Park Lane Mews Hotel in Mayfair - located within the close proximity of Crockfords & The Colony Club.

Genting UK's loyalty card programme has continued to be developed through 2011 and resumption of the roll-out is scheduled for 2012. The UK programme is integrated with the Group's worldwide programme and this will enhance the offering for UK and International players. During 2011, Genting UK commenced its Football Premier League sponsorship of Aston Villa, which has been a successful factor in increasing the Genting brand awareness in the UK.



1 Genting Club Riverlights – external view
2 Genting Club Riverlights – internal view
3 The Palm Beach

UNITED STATES OF AMERICA

RESORTS WORLD CASINO NEW YORK CITY
www.rwnewyork.com

On 13 September 2010, Genting Malaysia Berhad's wholly-owned subsidiary Genting New York LLC was awarded the license to develop and operate a video lottery facility at the Aqueduct Racetrack in New York City, USA. Doing business as Resorts World Casino New York City (RWNYC), it represents the Group's maiden venture in its international expansion in the leisure and hospitality industry in the country. RWNYC is a premier entertainment hub providing approximately 5,000 electronic gaming machines comprising over 4,500 slot machines and close to 500 state-of-the-art electronic table games.

The first phase of RWNYC was opened on 28 October 2011 on the first anniversary of the ground-breaking ceremony. The opening ceremony was hosted by Genting Malaysia Berhad's Chairman and Chief Executive Tan Sri Lim Kok Thay and attended by numerous city officials. Met with enthusiasm from the public, government and media as well as capacity crowds, over 65,000 visitors attended the opening weekend, when *Times Square Casino* on the first floor of RWNYC was opened with approximately 2,500 electronic gaming machines. A full roll-out of RWNYC took place on 16 December 2011. *Fifth Avenue Casino* with another approximately 2,500 electronic gaming machines and *Crockfords Casino* for invited VIP guests, were both opened on the second floor.

In addition to gaming facilities, the property includes a wide range of dining options such as fine dining, buffet offerings, food court as well as several lounges featuring live entertainment. Altogether, there are 18 food & beverage outlets, including two fine dining restaurants and seven food court options. Four VIP lounges provide higher levels of privacy and service comfort.

At Times Square Casino, the international *Aqueduct Buffet* offers a wide variety of cuisine options. The *Food Court* and Midtown Express provide dining alternatives. At *Bar 360*, a massive 16'H X 28'W high definition television and walls of video screens provide a perfect setting for sports programs, live entertainment, comedy and musical acts. The *Palm Beach Lounge* offer VIP players a variety of drinks and light food options. At Fifth Avenue Casino, the Genting Palace presents authentic fine-dining Chinese cuisine by veteran Hong Kong chefs, while *RW Prime Steakhouse* features prime steaks and seafood with an open kitchen concept. *Colony Lounge* is for the exclusive use of invited VIPs, while *Liberty Bar* has views of the racetrack and a bird's eye view of Bar 360's stage.

Central Park Events Center Space provides 70,000 square feet of event space on the third floor of RWNYC, suitable for concerts, banquets, trade shows, conferences and other private events. Outdoors, *Festival Commons* offer 100,000 square feet of event space for outdoor concerts, festivals, receptions and other events.

RWNYC is the first and only casino to operate in New York City. It is located strategically within the city, with covered car parks and valet services. RWNYC is in close proximity to an extensive public transportation system including direct access to the city wide sub-way system. The JFK International Airport is a short 10-minute drive from RWNYC, providing easy connectivity for air travelers.

RESORTS WORLD MIAMI
www.rwmiami.com

Since May 2011, the Group had acquired prime freehold waterfront properties in downtown Miami, Florida, USA. These properties include the Miami Herald Building and the Omni Center, which comprise shopping mall space and a 527-room Hilton Hotel which enjoyed an average occupancy rate of 69.7% for the last two months of 2011. Together with other properties in the vicinity, the Group has assembled a contiguous 30-acre site overlooking Biscayne Bay. Comprehensive planning for Resorts World Miami is currently underway. When completed, the proposed destination resort will feature hotels, convention and meeting space, entertainment, restaurant, retail, residential and commercial facilities.

1 Resorts World Casino New York City – opening day
2 Ribbon cutting ceremony on 28 October 2011
3 Bar 360º

AWARDS AND ACCOLADES

BUSINESS

Malaysia 1000 Awards 2010/2011
:: Industry Excellence Award – Hotel Sector 2010/2011 ::

FACILITIES

Malaysia Spa & Wellness Award 2011
:: Best Spa Design (Hotel/Resort) (M Spa & Fitness, Maxims Hotel) ::

FOOD AND BEVERAGE

Hospitality Asia Platinum Awards (HAPA) 2011-2013 Regional Series
:: HAPA King of Kitchens (Platinum Best 10 in Asia) (Chef Oliver Lopez) ::
:: HAPA Artistic Chef – Pastry (Platinum Best 5 in Asia) (Chef Chern Chee Hoong) ::
:: HAPA Most Exquisite Dining Experience – Western Cuisine (Platinum Best 10 in Asia) (The Olive) ::
:: HAPA Most Innovative F&B Personality (Gold Best 10 in Asia) (Mr. Benson Koh) ::

Malaysia International Gourmet Festival 2011
:: Chef Congeniality (Judges' Choice) (Chef Daniel Sheen, The Olive) ::
:: Best Marketed Restaurant of the Festival (The Olive & Imperial Rama) ::
:: Most Outstanding Cuisine at the Gala Launch (Judges' Choice) (The Olive & Imperial Rama) ::
:: Most Creative Restaurant Station at the Gala Launch (Judges' Choice) (The Olive & Imperial Rama) ::
:: Most Creative Food Presentation at the Gala Launch (Judges' Choice) (The Olive) ::
:: Golden Cauldron Award for the Best All-Round Restaurant 2011 (Judges' Choice) (The Olive) ::

HUMAN RESOURCE

Malaysia's 100 Leading Graduate Employers Award 2011
:: 9th Leading Graduate Employer and Winner in Leisure, Travel & Hospitality sector ::

INFORMATION TECHNOLOGY

SGAM ICT Awards 2011
:: Enterprise eBusiness Excellence Award (iHoliday online eCommerce system) ::

Dato' Kevin Sim, Executive Vice President - Resort Operations receiving the award from YA Bhg Tun Dr. Mahathir Mohammed, former Prime Minister of Malaysia and patron of the Malaysia 1000 Awards.

Mr. David Jones, Chairman of EU-Malaysia Chamber of Commerce and Industry (EUMCCI), presenting GENM with the award at the Malaysia's 100 Leading Graduate Employers Awards 2011.

Chef Daniel Sheen and The Olive team with the awards won at the Malaysia International Gourmet Festival 2011.

Chef Eric Lee Mun Chun and the Imperial Rama team with the awards won at the Malaysia International Gourmet Festival 2011.

SUSTAINABILITY REPORT

1

SUSTAINABLE DEVELOPMENT

Sustainable Development to us means going beyond mere acts of philanthropy or surface-level Corporate Social Responsibility endeavours. It is an intrinsic and invaluable element that has been very much embedded into our values and business strategies and forms a core essential of our corporate DNA.

2

As a global leader in the leisure and hospitality industry, sustainable development is imperative to us and defines how we operate as a multinational global corporation. At the heart of our sustainability strategy is the goal of achieving sustainability in all that we do, from providing responsible world-class entertainment, products and services, to the well-being of our employees, environmental awareness and conservation and the development of the communities that we serve.

In order to remain financially viable and operationally sustainable, we have centred our sustainable development policies on four basic pillars – Environment, Marketplace, Workplace and Community. This framework structures our commitment to conduct our business operations in a sustainable and responsible manner while fulfilling our core responsibilities towards all our stakeholders.

MALAYSIA

ENVIRONMENT

We have long made the protection and preservation of the environment an integral part of our corporate philosophy and business policy. As such, we are committed to maintaining a responsible approach to the environment and nature particularly in the conservation of natural resources (energy, fuel and water), waste management and preservation of the flora and fauna.

Our Environmental, Health & Safety (EHS) Committee covers all significant aspects of our operations and ensures that we are in compliance with all applicable environmental legislation (ISO 14001) and other requirements in taking proactive steps to prevent environmental pollution and conserve energy, water consumption and waste generation.

Energy Efficiency: In 2011, we implemented several conservation and efficiency improvements measures. These included replacing conventional lights with longer-life and energy saving lights, replacement of metal halide spotlights with induction lamps and replacement of reciprocating compressors for aging chillers with scroll / screw compressors.

Our diesel conservation projects are aimed at alleviating the depletion of our natural resources and air pollution. All our pump house diesel engines have been replaced with electrical motors which reduces our diesel consumption to approximately 2.4 million liters per year.

Waste Management: Our waste management procedures outline standard guidelines for the management of solid and scheduled wastes. The procedures ensure that the wastes are properly identified, segregated, handled, transported and disposed off in line with the environmental policy, legal and other requirements. The EHS Committee ensures waste management processes are regularly audited in compliance with set standards.

Other Environmental Initiatives

Earth Hour 2011: We took a stand against global warming for the third consecutive year by switching off all non-essential exterior lights and electrical appliances for an entire hour, from 8:30pm to 9:30pm.

Landscaping Enhancement: We embarked on a year-long 'green' initiative by planting approximately 3,000 trees in and around our Resort in Genting Highlands.

Birds & Flora Photography Competition: *RWG* is the only integrated resort surrounded by a rare 130 million-year-old rainforest and is home to 30% of the 745 bird species in Malaysia, some of the oldest trees and plants, exquisite insects and rare flora and fauna. The purpose of the competition which was held in March and April 2011 was to create and instill an awareness of the beauty of the natural treasures amidst our surroundings. The winning photographs were published in *RWG's* coffee table book entitled 'Nature's Footprint' which was launched by the Minister of Natural Resources and Environment, Dato' Sri Douglas Uggah Embas.

1 About 3,000 trees were planted in and around Resorts World Genting in 2011.
2 New pump house using electric motors.

1

2

3

Love the Nature Programme: In November, over 150 young people from the Rakan Muda programme were invited to Awana Genting Highlands Golf & Country Resort to participate in the *RWG's* Love the Nature' with Rakan Muda programme.

MARKETPLACE

In maintaining a responsible approach to the environment in particular areas of climate protection and conservation of natural biodiversity, we have invested in energy-efficient drive technologies, careful use of natural resources and other initiatives to minimise negative impacts on the environment.

4

Many of our social and environmental impacts are derived from activities in our supply chain. Controlling whom we buy the products from, our method of purchase and what we buy is an important part of our strategy to reduce negative environmental and social impact.

As an example in supporting our 'Go Green' initiatives, we purchase locally-grown food which translates to lower transportation and packaging cost, less fuel consumption and lower emission of carbon dioxide (CO2) into the atmosphere. Our cost-effective measures which ensure the freshness of our products also lend economic stability to the local farming community and vendors.

The Environmental Quality Act 1974 stipulates proper disposal of products that are considered environmentally unfriendly or cause adverse constraint on the environment and for the control on emission of environmentally hazardous substances, pollutants and waste. To this effect, we have engaged the services of Green Seal certified companies to establish and apply an environmental management system for our business.

Our Hazard Analysis and Critical Control Point (HACCP) certification demonstrates our commitment in maintaining healthy food practices and standards, improving our employee awareness of their role in protecting consumers and eliminating or minimising the risks of food safety hazards.

We are also playing an active role towards creating a healthy and less polluted environment by selling our used cooking oil to a certified supplier. This prevents unscrupulous or irresponsible traders from recycling and retailing the cooking oil as fresh or unused merchandise.

We are also committed to the personal well-being of our guests and have implemented the Self-Exclusion Programme, whereby guests with a compulsion to gamble can voluntarily have themselves prohibited from the Casino. A fully-renovated Responsible Gaming Room has been specifically dedicated for this purpose. We have also made available brochures on responsible gaming and the self-exclusion programme at the entrance of all our casinos.

In addition, our senior staff have been trained and is conversant in responsible gaming and advisory skills. Currently our casinos have about 10 Hong Kong-trained responsible gaming counselors.

WORKPLACE

The Group has a global workforce of over 19,000 employees. At GENM, we regard the commitment and creativity of our employees, efficient working practices and a safe and good working atmosphere as essential pre-requisites for maintaining a good reputation and achieving business success.

Employee Development: The year 2011 marks an evolutionary progression and logical step for our talent management practice. As a key pre-requisite for sustainable international expansion, we embarked on increasing the standards of assessing and developing our people, elevating the level of professionalism and objectivity in talent decisions; a realm commonly plagued with subjective evaluations.

We also organised various conferences and seminars for the development of our senior management. The 23rd Genting Malaysia Senior Managers' Conference was held in Awana Kijal, Terengganu in October 2011. Themed "Purpose Driven Organisation", the conference focused on how companies can engage their people into passionately committing to a compelling cause behind the organisation's mission and core values, and how it drives behaviors and in return creates shareholder value.

1-2 Birds & Flora Photography Competition
3 Launch of Resorts World Genting's 'Nature's Footprint' Coffee Table Book.
4 Natural surroundings of Genting Highlands.

1

2

Education Enhancement: The Genting Malaysia Education Fund (GENMEF) awarded 22 scholarships worth RM1.7 million to well-deserving and talented external recipients and employees. In recognising the escalating cost of living and to further alleviate the financial burdens of our full-time scholars, the GENMEF Committee passed a resolution in December 2011 to further extend financial assistance in the form of an additional fixed annual allowance which ranges up to RM50,000 per annum (depending on the type of scholarship), beyond the existing tuition fee coverage.

3

Safe Workplace: We are committed to protecting the health and safety of our guests, employees, suppliers and the public by providing a safe and healthy environment.

In cooperation with health and safety experts, we organise monthly OSH Talks to reinforce the importance of safety and health awareness among our workers and relatively to minimise occupational accidents in the respective workplace.

<u>No-Smoking Policy and Enforcement</u>

Our 'No-Smoking Policy' has been introduced to mitigate the risk of smoking-related fire incidents. To reinforce the policy and emphasis how serious we view this matter, the OSH Section organised regular joint 'No-Smoking Enforcement' with the Management during which our Senior Management made random checks in office buildings, walkways, RSC areas and canteens.

<u>Noise Exposure Monitoring</u>

In an effort to provide a healthier working environment, the OSH Section has proactively initiated a 'Noise Exposure Monitoring Programme' at Wisma Genting, Kuala Lumpur. This programme was initiated to mitigate the risk of long term hearing impairment for employees working in higher noise areas through appropriate work practices and control measures.

Total Quality Management (TQM): TQM focuses on quality planning, process management and total participation. We aim to deliver total quality encompassing the product and services and everything that accrues in the organisation that would ultimately lead to customer satisfaction.

Two of our main initiatives in this respect are our Quality Improvement Teams (QIT) and our Standard-based Management System/Quality Management System (QMS).

<u>Quality Improvement Teams (QIT)</u>

Continuous company-wide quality improvement is our commitment in the pursuit of excellence. This year, 23 QITs jointly concentrated on improving opportunities to reduce cost, increase efficiency and improve level of customer satisfaction relentlessly.

The QITs are ingredients for great success, both at personal and organisational level as it provides individuals with the opportunity to learn new things, tackle challenges and problems, acquire and apply new skills, build character and gain confidence, and learn to be independent.

<u>Standard based Management System/QMS</u>

Applying QMS has allowed us to not only maintain high and consistent quality standards but also requires us to continuously keep raising the bar. Most importantly, we are able to assure all stakeholders that we continuously provide excellent products and services. To date, we have 12 certifications that are maintained at excellent level of conformance status.

Employee Wellbeing: We ensure that our employees continue to enhance skills that promote holistic development by organising. various sports events, wellness and health activities, weight management programmes, talks and self improvement skills.

COMMUNITY

Community development remains a priority for us at GENM and philanthropic contribution is one of the ways we adopt to support the various community development activities and deserving causes such as education, sports, youth development, culture and arts, infrastructure support to local communities, the underprivileged, disability groups and NGOs. Contributions are made both in cash and in kind throughout the year.

Employee volunteerism, carried out through the GENM We CARE Team and the Awana We CARE Teams, encourages and provides an avenue for employees within the organisation to give some of their time, energy and talents for the betterment of the society.

1 Genting employees engaging in sports activities for a healthy work-life balance.
2 Genting Malaysia ranked 9th for Malaysia's Top 100 Leading Graduate Employers Award 2011.
3 Dedicated Casino Table Games staff after receiving recognition at the Model Employee of the Month Award presentation ceremony.

Services to Communities: Our contributions reach out to different sectors of the community irrespective of race and religion. In the year 2011, we contributed both in cash and kind to various groups and sectors in the community. Among the beneficiaries included the Malaysian Liver Foundation, MAA-Medicare Kidney Foundation, OrphanCare Baby Hatch Programme, Malaysian Crime Prevention Foundation, Malaysia Diabetes Association.

Another community service we undertook was the Roti 1Malaysia Charity Project, a joint collaboration with 20 hotels in the Klang Valley, which involved the distribution of bread to approximately 50 orphanages and homes.

Underprivileged and Disability Groups: In our continuous effort to support the underprivileged community, we contributed to 71 homes and charitable organisations during the Chinese New Year and Hari Raya Aidilfitri 2011 celebrations – the recipients ranged from orphanages and welfare homes for the elderly to centres for the disabled and NGOs. This is in addition to our year-long contributions to the various charitable homes and organisations as well as the underprivileged and marginalised communities.

Over the year, we also hosted more than 4,000 individuals at the Resort and Theme Park for a full-day programme of activities, meals and merry-making.

On 19th November 2011, the Sultanah of Pahang Duli Yang Maha Mulia Sultanah Hajjah Kalsom binti Abdullah officially launched one of our pet projects, the Orang Asli Che Wong Cultural Building in Lanchang, Pahang. The RM180,000 building donated by GENM consists of a 2,800 square feet cultural building containing a classroom, an exhibition room and a hall for performances. Our volunteers were instrumental in the landscaping and beautification efforts.

Education: We see education as an important part of making sustainable futures real for everyone. We support programmes, training sessions and educational endeavours that have been designed to ensure our younger generation gain more knowledge and are competent.

Our collaborations include the sponsorship of 1,000 helmets for school children for the Road Safety Campaign organised by the Bentong District Council. The campaign was a fun and educational venture aimed at creating awareness on road safety and to minimise road accidents involving school children.

We also collaborated with the Ministry of Education and Yayasan Inovasi Malaysia in sponsoring children from the lower income groups to participate in the 'Kids Invent!' workshop. The 'Kids Invent!' workshop is designed to teach children about Science, Maths, invention, entrepreneurship, innovation and creativity through engagement with adult-led hands-on projects. A total of 150 children between the ages of 9 to 12 attended the workshop.

In 2011, the Group invested in securities issued by Jana Pendidikan Malaysia Sdn Bhd to acquire Pan Malaysian Pools Sdn Bhd. This led to the establishment of The Community Chest - an independent, non-profit charitable organisation - by the private sector to promote and support the local community in Malaysia. The Community Chest was officially launched by the Prime Minister of Malaysia YAB Dato' Sri Mohd Najib Tun Abdul Razak on 26 September 2011. Managed by a Board of Trustees and chaired by Tan Sri Lim Kok Thay, The Community Chest's initial focus is on education. Its first batch of funds amounting to RM26.1 million was allocated to 61 vernacular and mission schools in Malaysia.

Sports: We believe that sporting activities are essential to help groom a nation that is dedicated, driven and athletic. In line with this, GENM contributes substantially to help organisations and ministries execute various sporting events. GENM is one of the main sponsors and official partner of the King of Mountain (KOM) jersey for Le Tour de Langkawi.

We also provided funds to the Football Association of Malaysia, Selangor Tennis Association (Junior Development Programme 2011), The Malaysia Netball Association, the Special Olympics World Games, the Malaysian Rugby Union, The Federation of International Polo, Sukan Malaysia (SUKMA) XIV and the Jelajah 1Malaysia Cycling Event, among others.

1 Dato' Lee Choong Yan (left), President & Chief Operating Officer of Genting Malaysia together with top officials of Roti 1Malaysia, kick-starting the bread sponsorship support by *Resorts World Genting*.

2 Tun Mohammed Hanif Omar (2nd row, 9th from left), Dato' Lee Choong Yan (2nd row, 8th from left) and the Senior Management of Genting Group together with the recipients at the *Majlis Sumbangan Hari Raya Aidilfitri 2011*.

3 Celebrating Fairy Godmothers & Santa's Wonderland Christmas Party at Resorts World Genting with the underprivileged children, special guests Puan Sri Cecilia Lim and Toh Puan Hamidah Abdul Hamid as well as the senior management team of Genting Malaysia.

1


2


As in the past, we continued to participate in the Kuala Lumpur Rat Race and Standard Chartered KL Marathon which are held annually to raise funds for deserving charitable bodies.

3


Arts and Culture: We help nurture and cultivate appreciation for the arts and culture by contributing towards the promotion of music and performing arts. We sponsored the staging of a cultural performance, Magic Mirror The Musical at Istana Budaya, Kuala Lumpur and the International Art Exchange Programme in Vienna.

In terms of supporting our local culture and youth in performing arts, the Resort annually hosts groups of young musicians from the National Youth Symphony Orchestra to showcase their talents at *Resorts World Genting*. The OSR programme which is under the Ministry of Information, Communications and Culture provides intensive education and training for young people between the ages of 8 and 18.

As a home-grown organisation, we also take pride in preserving our local heritage and have contributed towards the upgrading and refurbishment of the 131 year-old Kwong Fook Temple and the 97 year-old Bentong Chinese Town Hall.

We CARE Team: Our GENM We CARE Team and Awana We CARE Team encourages community service among employees to cultivate the spirit of "gotong-royong". The teams now have nearly 1,000 members including those from Genting Highlands, Awana Kijal and Awana Langkawi.

GENM We CARE Team

Some of the activities undertaken by our We CARE Team during the year include repairing buildings of various charity homes, donation of food supplies to impoverished communities and providing free tuition for underprivileged children.

Awana Genting We CARE Team

The Awana Genting We CARE Team undertook three main projects for the year in addition to other joint activities with the GENM We CARE team. The first project was organising a career motivational talk for the children of Rumah Kanak-Kanak Tengku Ampuan Afzan in Raub, Pahang. The team also held some fun interactive English games and activities that enabled the children to learn new techniques in mastering the English language.

In the month of June, Awana Genting hosted a UPSR Motivation Camp in collaboration with eight primary schools from the Bentong district. A total of 105 students attended the camp which focused on leadership skills, teamwork, effective communication and self-confidence. The students each received a Certificate of Attendance at the end of the camp.

Our third main project was hosting a Majlis Buka Puasa at the resort for 35 orphans from Rumah Kanak-Kanak Tengku Ampuan Afzan Raub, Pahang.

Awana Kijal We CARE Team

The team participated in the 'Program Jiwaku Bersama Rakyat' organised by the ADUN of Kijal, YAB Dato' Seri Hj Ahmad bin Said at Kampong Meraga Beris in Kijal, where our volunteers assisted in the replacement of roofs for seven housing units.

The team also organised a cleaning activity with RANACO Marine students from Kemaman, Kelab Sukan Sosial & Rekreasi Awana Kijal and Majlis Perbandaran Kemaman to clean the beachfront and the Meraga Kijal Muslim Cemetery.

Other activities included the sponsorship of food and drinks to Kelab Perpustakaan JKKK Meraga Beris Kijal during their colouring competition, hosting a Hari Raya Aidilfitri Open House for underprivileged children from the Kerteh and Kemasek Community Centres and sponsoring a hi-tea for participants of the 'Program Jelajah Terengganu' cycling trip.

Awana Porto Malai We CARE Team

Our We CARE Team kept guests entertained during the Earth Hour 2011 by organising outdoor activities and games, while creating awareness on the need to conserve energy.

The team joined in the gotong-royong organised by the Langkawi Development Authority at Pantai Cenang together with the other hotels. The team also organised a beach clean-up gotong-royong session at Pulau Ular.

Other activities included hosting a lunch for special children from Sekolah Menengah Kebangsaan Tunku Putra, Langkawi and organising a Malaysia Day colouring contest and fancy dress competition for children.

1 Sultanah of Pahang Duli Yang Maha Mulia Sultanah Hajjah Kalsom binti Abdullah talking to the children during her visit to the classroom at the launching of the Orang Asli Che Wong Cultural Building.

2 YB Dato' Sri Liow Tiong Lai, Member of Parliament, Bentong (1st row, 2nd from right) and Tan Sri KT Lim, Chairman of GENM (1st row, 3rd from right) together with members of the organising committee of the Bentong Chinese Town Hall official opening ceremony.

3 Awana Kijal We Care Team roof replacement initiative.

1 

2 

UNITED KINGDOM

ENVIRONMENT

3 

Genting UK has held the Carbon Trust Standard throughout 2010 and 2011 and continues to maintain a strong focus on its environmental responsibilities. Genting UK has benefited from the cost savings derived from the energy conservation initiatives that it introduced and is committed to retaining the Carbon Trust Standard in 2012. We calculated that our electricity consumption, which accounts for the majority of our carbon emissions, has been reduced by over 5% in 2011, equating to a reduction in CO^2 emissions of over 730 tonnes CO^2. This was achieved by a combination of engaging with our teams to raise the profile of energy saving, new building control systems in some casinos and the installation of over 3,500 of the latest LED energy-saving bulbs.

The UK Government published its first Carbon Reduction Commitment League Table in October 2011 and Genting UK was placed in the top 5% of the organisations in the scheme demonstrating exemplary performance in energy consumption management.

In looking at ways to reduce the amount of refuse sent to landfills, we have so far successfully trialed new equipment to ensure that all our cardboard waste is recycled. Additionally, a programme to better manage the number of refuse collections has reduced the number of wasted miles for the refuse lorries.

The new Genting Club Riverlights which opened in November 2011 features sophisticated control systems to manage lighting and heating levels to ensure maximum efficiency.

Throughout 2011, we ran our Management Development Programme and this included a specific module relating to Carbon Cost and Management. Many of the participants referred to the efforts they are making to implement the learning in their own workplace.

MARKETPLACE

Giving customers the best experience possible in our casinos is paramount and Genting UK values the achievement of gaining GamCare accreditation throughout our casinos for our social responsibility practices. For example, all staff members are trained in responsible gambling and key people will approach and interact with customers if they have concerns about their gambling to offer support and discuss available help. We also support and contribute to the GREaT Foundation, which raises funds through voluntary donations to support socially responsible gambling research, education and treatment.

Our Signature Service Scheme was launched during the year, in which all our employees received customer service training. Customer Service Champions are in place in every casino to ensure our customers receive the highest levels of customer service with feedback and scoring by customers encouraged. Signature Service includes regular customer satisfaction surveys and focus groups.

WORKPLACE

Employees are an integral part of the business and as at 31st December 2011, Genting UK has over 3,200 employees with 173 receiving Long Service Awards for 10, 20 and 30 years of service.

During 2011, we introduced our customer service programme, Signature Service, with training provided to all our employees. The programme has worked well in raising the profile of the importance of delivering exceptional service to our customers and this message will continue to be reinforced in all our Learning and Development programmes going forward.

The HR team continued to deliver Management Development courses across the business and have acted as coach and mentor to our management teams to ensure their people management skills are continually enhanced. In addition, all our General Managers attended a four-day Management Development Programme covering Leadership and Performance Management skills.

During 2011, we recruited a Learning and Development specialist to the HR team and we have plans to provide a much wider range of learning opportunities for all our employees in 2012 and beyond, including through increased use of e-learning platforms. All these programmes have been brought together under the umbrella of 'Genting Academy'.

In June 2011, we introduced a flexible benefits scheme providing an enhanced selection of benefits for all employees utilising tax efficiencies where possible. The new package included a cycle to work scheme, critical illness insurance, a discount scheme for high street and online retailers and a dining club.

23 teams took part in the Staff Annual five-a-side Football Tournament which this year was won by London Mint. The company also provides a Staff Social Fund which is used for external social events and team building activities throughout the company.

1 Mr Peter Brooks (right), President & Chief Operating Officer of Genting UK presenting a cheque to Acorns Children's Hospice and St Basil's.
2 Genting UK as Official Main Sponsor of Aston Villa F.C.
3 Edinburgh "Race for Life"

COMMUNITY

In addition to the company's charitable donation to the GREaT Foundation through 2011, the casinos once again supported national charities such as BBC's Children In Need and Cancer UK through Race for Life events.

In June, Genting UK signed up to become the Official Main Sponsor of Aston Villa F.C., a club of great tradition and history in English Premier League football. Through this sponsorship, St Basil's and Acorns Children's Hospice benefited further with charity poker and events related to the link-up. St Basil's is a charity supported by the Genting Birmingham Casinos that works to support young homeless people across Birmingham, Solihull and North Warwickshire. Aston Villa's official charity, Acorns Children's Hospice, offers a network of care for life limited children across the Heart of England.

Around the country, our staff raised money for Cancer UK, Comic Relief (which raises money to help vulnerable and disadvantaged people both in the UK and across Africa), Marie Curie Cancer Care, Japanese Earthquake Relief, various local charities and the Chinese community, through donations, poker competitions, charity race nights, fundraiser evenings with staff dressing up and being sponsored to complete walks, runs and abseils.

All our activities are reported in our internal newsletter, Straight Talking.

UNITED STATES OF AMERICA – NEW YORK

We firmly believe in the principles of gaming, environment and community activism. We focus on the needs of our customers, community, business partners and employees by demonstrating a positive impact on society. We recognise the fundamental rights and responsibilities that our business has to the community within which we operate.

ENVIRONMENT

Protection of the environment in which we live and operate is intrinsically a part of our values and principles and we consider it to be sound business practice. In this respect, our policy statement reaffirms our commitment to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice;
- Protect the environment by striving to prevent and minimise our contribution to pollution of land, air and water;
- Manage and dispose of all waste in a responsible manner; and
- Monitor and continuously improve our environmental performance.

MARKETPLACE

We aim to create business relationships with the New York state-certified minority and women owned business and will also ensure that we deal responsibly, openly and fairly with suppliers by:

- Ensuring that we use local suppliers as much as possible;
- Endeavouring to pay on time; and
- Not expecting any discounts to have a detrimental effect on their business.

We also acknowledge problem gambling as an issue that cannot and must not be ignored. We have and will continue to take proactive steps to support problem gaming initiatives including the National Council on Problem Gaming, comply with all relevant underage and problem gambling legislations, regulations and approve codes of practice and to publicise such initiatives to our employees, customers and the community in order to take a pro-active approach to problem and underage gambling.

WORKPLACE

Diversity is a strong component of our success and we are committed to developing a culture of inclusion, which involves recruiting, talent development, employee training and overall building of a diverse workforce. In furtherance of this policy, we are committed to:

- Actively promoting our equal opportunity hiring policy; and
- Endeavour to hire over 70% of our staff from Queens, New York.

COMMUNITY

As part of our commitment to ensure that the surrounding community shares in the success of the video lottery facility, we will contribute 1% of net profit before State and Federal taxes to a committee that will work for the benefit of Queens' community projects. This commitment provides Resorts World Casino New York City with a remarkable opportunity to make a difference in the community through support for key issues and organisations. Through this community support, we strive to make an effective impact on the surrounding neighborhood in the areas of education and community development.

A detailed Sustainability Report can be accessed on our website at www.gentingmalaysia.com

1 CFO Edward Farrell and RWNYC senior management team attended the Asian American Federation (AAF) Gala. The AAF supports member organisations that provide direct services to children, seniors, women and new immigrants.

2 In celebration of our Planet and Earth Day, RWNYC employees planted trees and over 2,100 Red Leafed Wax Begonias. The flowers are planted in the shape of the Resorts World logo.

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 Malaysian 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, six meetings of the Board were held and all Directors have complied with the requirement in respect of board meeting attendance as provided in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The details of Directors' attendances are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Lim Kok Thay	6 out of 6
Tun Mohammed Hanif bin Omar	6 out of 6
Tan Sri Alwi Jantan	5 out of 6
Mr Quah Chek Tin	6 out of 6
Tan Sri Clifford Francis Herbert	6 out of 6
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	5 out of 6
Mr Teo Eng Siong	6 out of 6

(ii) Board Balance

The Board has seven members comprising two executive Directors and five independent non-executive Directors. The Directors have wide ranging experience and all have occupied or are currently occupying 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 Clifford Francis Herbert (email address: clifford.herbert@genting.com) as the senior independent non-executive Director to whom concerns may be conveyed. Three of the five independent non-executive Directors participate in the Audit Committee. Two of the five independent non-executive Directors also participate in the Nomination Committee and Remuneration Committee as members of these Committees.

The Board is mindful of the dual role 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 role 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 10 to 13 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 Company Secretary.

(iv) Appointments to the Board

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

The Nomination Committee met once during the financial year.

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.

The process of assessing the Directors is an on-going responsibility of the entire Board. The Board has put in place a formal evaluation process to assess the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each individual Director, including the independent non-executive Directors and Chief Executive on an annual basis.

In respect of the assessment for the financial year ended 31 December 2011, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills was adequate.

All the Directors have attended the Mandatory Accreditation Programme and are also encouraged to attend courses whether in-house or external to help them in the discharge of their duties.

A. DIRECTORS (cont'd)

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

The following are the courses and training programmes attended by the Directors in 2011:

	NAMES OF DIRECTORS						
COURSES	**Tan Sri Lim Kok Thay**	**Tun Mohammed Hanif bin Omar**	**Mr Quah Chek Tin**	**Tan Sri Alwi Jantan**	**Mr Teo Eng Siong**	**Tan Sri Clifford Francis Herbert**	**Gen. (R) Tan Sri Mohd Zahidi bin Hj Zainuddin**
Special Public Lecture by the Right Honourable Lord Digby Jones on "Asia as the New Master of the Business Universe"	√		√		√	√	
The Inaugural ISIS Praxis Seminar on "Knowledge for Action in the Coming Year" by Institute of Strategic and International Studies (ISIS)		√					
Directors Duties & Governance 2011 by Malaysian Institute of Corporate Governance (MICG)						√	√
Sustainability Programme for Corporate Malaysia by Bursa Malaysia Berhad		√	√	√	√	√	
Assessing The Risk and Control Environment by Bursa Malaysia Berhad			√			√	
Developing an Anti-Money Laundering Risk Averse Culture Without Affecting Profitability by AmBank Group		√					
Directors' Training - Economic Outlook Implication on Financial and Banking Industries - Is Another Financial Crisis Imminent by Prof. Dr. Malick Sy							√
Corporate Directors Conference 2011 on the Resurgence of Corporate Malaysia by Malaysian Alliance of Corporate Directors		√					
Training on Financial Reporting Standards by KPMG			√				
"The Board's Responsibility for Corporate Culture - Selected Governance Concerns and Tools for Addressing Corporate Culture and Board Performance" by John H Stout			√		√		
Annual Dialogue in conjunction with the launch of Annual Report 2010 by Perbadanan Insurans Deposit Malaysia		√					
"The CFO and Conflicts of Interest" by Rick Payne, Head of ICAEW Finance Direction Programme, UK						√	
SSM National Conference 2011 - "Driving Business Transformation Dynamics Through Regulations And Enforcement" by Suruhanjaya Syarikat Malaysia			√				
Financial Institution Director's Education by Bank Negara Malaysia							√
CEO Forum on " Transforming Malaysia: Challenges to Becoming A High-Income Nation" by Perdana Leadership Foundation		√					
Workshop on "What directors should know about the investor mindset" by Columbus Circle Governance. Speaker - Mr Navin Pasricha					√		

A. DIRECTORS (cont'd)

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

The following are the courses and training programmes attended by the Directors in 2011:

COURSES	NAMES OF DIRECTORS						
	Tan Sri Lim Kok Thay	Tun Mohammed Hanif bin Omar	Mr Quah Chek Tin	Tan Sri Alwi Jantan	Mr Teo Eng Siong	Tan Sri Clifford Francis Herbert	Gen. (R) Tan Sri Mohd Zahidi bin Hj Zainuddin
30th Management Conference (Plantation Division) of Genting Plantations Berhad - Achieving Higher Productivity-The Next Phase - Changing Mindsets and Hearts by Mr Perthpal Singh of Learning Edge Consultants			√				√
Navigating a Changing Anti-Corruption Landscape (UK Bribery Act) by Wilson Ang, Norton Rose (Asia) LLP		√	√	√	√	√	
ICCA-MICPA Forum "Improving Corporate Governance in Malaysian Capital Markets - The Role of the Audit Committee" by Institute of Chartered Accountants in Australia (ICCA) and Malaysian Institute of Certified Public Accountants (MICPA)					√	√	
"The Global Outlook : How Resilient Can Asian Be" by Manu Bhaskaran			√				
Mind Mapping for Quick Action by Malaysian Institute of Accountants					√		
"Investing in An Age of Confusion" by Tan Sri Andrew Sheng					√		
Financial Institution Director's Education by Bank Negara Malaysia (2nd Session)							√
23rd Senior Managers' Conference 2011 of Genting Malaysia Berhad - "Purpose Driven Organisation" by Mr Roshan Thiran of Leaderonomics			√		√		√
"Creating Communities of Character Through Building Character in Young Children" by Ibu Ratna Megawangi and "Being Powerful with a No" by Ms Poorani Thanusha organised by KLK Managers' Conference 2011			√				
Directors' Duties and Responsibilities by Mah Kamariyah & Philip Koh							√
Scrutinizing Financial Statement Fraud & Detection of Red Flags for Directors and Officers of PLC's and Government Regulatory Agencies by MICG							√
Annual In-House Tax Seminar - The 2012 Budget by Deloitte KassimChan Tax Services Sdn Bhd			√		√		
"Comprehensive Overview of Standards" by Wayne Upton organised by Malaysian Accounting Standards Board			√				
Board Effectiveness : Understanding the Roles and Responsibilities of The Nominating and Remuneration Committees by International Centre For Leadership in Finance Leadership and Governance Centre and Bank Negara Malaysia		√					
New Corporate Governance Blueprint and Regulatory Updates Seminar 2011 - "What Directors and Co-Sec Should Know" by Federation of Public Listed Companies Bhd		√			√		
WAQF: Redefining Prosperity and Growth by IQRA Foundation and International Centre For Education in Islamic Finance, The Global University in Islamic Finance		√					

A. DIRECTORS (cont'd)

(v) Re-election

The Articles of Association of the Company provides 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 provides 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 two 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 page 81 of this Annual Report. In the interest of security, additional information have not been provided other than the details stipulated in the Main Market 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.

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

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 comprehensive 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 Malaysian Accounting Standards Board Approved Accounting Standards in Malaysia for Entities Other than Private Entities 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 the cash flows 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 110 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.

The Internal Audit Function is provided by the Internal Audit Department of the holding company, Genting Berhad, based on the plan approved by the Company's Audit Committee, 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 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. The implementation and maintenance of the risk management process is carried out by the Risk and Business Continuity Management Committee of the Company.

(iii) Relationship with Auditors

The Company through the Audit Committee, has an appropriate and transparent relationship with the external auditors. In the course of the 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. 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

(i) Material Contracts

Material contracts of the Company and its subsidiaries involving Directors and major 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 40 to the financial statements under "Significant Related Party Disclosures" on pages 100 to 103 of this Annual Report.

(ii) Share Buy-Back

The details of the Company's Share Buy-Back exercises for the financial year ended 31 December 2011 are as follows:

Month	No. of Shares Purchased & Retained As Treasury Shares	Purchase Price Per Share Lowest (RM)	Highest (RM)	Average (RM)	Total Consideration* (RM)
January 2011	4,254,100	3.22	3.30	3.26	13,894,625.47
March 2011	1,567,500	3.28	3.31	3.30	5,186,018.86
May 2011	800,000	3.58	3.62	3.60	2,889,543.48
June 2011	2,530,000	3.54	3.63	3.61	9,173,743.04
July 2011	1,042,400	3.60	3.63	3.62	3,786,740.33
August 2011	5,502,600	3.40	3.60	3.49	19,254,273.53
November 2011	700,000	3.88	3.92	3.90	2,736,680.89
Total	16,396,600			3.46	56,921,625.60

* Inclusive of transaction costs

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 31 December 2011, the number of treasury shares was 265,097,400.

(iii) Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and/or its subsidiaries, directors or management by the relevant regulatory bodies, which were material and made public during the financial year ended 31 December 2011.

(iv) Additional Information on Employee Share Option Scheme

Since the commencement of the Executive Share Option Scheme for Eligible Executives of Genting Malaysia Berhad and its subsidiaries ("Scheme"):-

a) not more than 50% of the shares available under the Scheme would be allocated, in aggregate, to the Executive Directors and Senior Management; and the actual percentage of Options granted under the Scheme to the Executive Directors and Senior Management as at 31 December 2011 computed based on the total number of shares available to be offered under the Scheme not exceeding 2.5% of the issued and paid-up capital of the Company at any time of the offer was 13.12%.

b) an aggregate of 15,162,000 Options were granted to Executive Directors and Chief Executive of which 9,567,000 Options had been exercised and an aggregate of 5,595,000 Options remained outstanding as at 31 December 2011.

There were no Options granted under the Scheme during the financial year.

During the duration of the Scheme, a total of 80,910,000 Options were granted to Eligible Executives of which 65,843,000 Options had been exercised/lapsed and 15,067,000 Options remained outstanding as at 31 December 2011.

This statement on Corporate Governance is made in accordance with the resolution of the Board of Directors.

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
Mr Quah Chek Tin	Member/Independent Non-Executive Director
Mr Teo Eng Siong	Member/Independent Non-Executive Director

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2011

The Committee held a total of eight (8) meetings. Details of attendance of the Committee members are as follows:

Name of Member	Number of Meetings Attended*
Tan Sri Clifford Francis Herbert	8 out of 8
Mr Quah Chek Tin	8 out of 8
Mr Teo Eng Siong	8 out of 8

* *The total number of meetings is inclusive of the special meetings held between members of the Committee who are 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 2011

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

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

i) considered and approved the internal audit plan for the Company and the Group and authorised resources to address risk areas that have been identified;

ii) reviewed the internal audit reports for the Company and the Group;

iii) reviewed the external audit plan for the Company and the Group with the external auditors;

iv) reviewed the external audit reports for the Company and the Group with the external auditors;

v) reviewed the quarterly reports of the Company and of the Group, 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;

vi) reviewed related party transactions of the Company and of the Group;

vii) reviewed the proposed audit fees for the external auditors in respect of their audit of the financial statements of the Group and of the Company;

viii) considered the re-appointment of the external auditors;

ix) reviewed the financial statements of the Group and of the Company for the financial year ended 31 December 2010; and

x) reviewed the reports submitted by the Risk and Business Continuity Management Committee of the Company.

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT PROCESS

The Internal Audit function is provided by the Internal Audit Department of the holding company, Genting Berhad based on the plan approved by the Committee, 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 it audits. 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.

During the financial year ended 31 December 2011, the Internal Audit Department carried out its duties covering operation audit, information system audit and compliance audit.

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

The total costs incurred by the Internal Audit Department for the internal audit function of the Group for the financial year ended 31 December 2011 amounted to RM2.6 million.

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. The implementation and maintenance of the risk management process is carried out by the Risk and Business Continuity Management Committee of the Company.

TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

1. Composition

(i) The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors; shall consist of not less than three members, all of whom are non-executive Directors with a majority of them being independent Directors; and at least one member of the audit committee:

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

(aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

(bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

TERMS OF REFERENCE (cont'd)

1. Composition (cont'd)

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

The Chairman shall be an independent 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 the 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 Securities Main Market Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.

4. Functions

The functions of the Committee are to:

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 and management letter (if any);

iv) review the assistance given by the Company's officers to the external auditors;

v) review the adequacy of the scope, functions, competency 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's integrity; and

ix) consider the nomination, appointment and re-appointment of external auditors; their audit fees; and any questions on resignation, suitability 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 twice a year, the Committee shall meet with the external auditors without the presence of any executive Director.

vii) Whenever deemed necessary, meetings can be convened with the external auditors, internal auditors or both, excluding the attendance of other directors and employees.

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 Commitee.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors.

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 responsibility 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 Genting Malaysia Berhad Group of companies' ("the Genting Malaysia 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 Genting Malaysia Group has implemented the Control Self-Assessment ("CSA") to formalise the risk management process. With the CSA, departments/business areas of the Genting Malaysia Group are required to identify and evaluate controls within key functions/activities of their business processes. The risks relating to the strategic objectives of Genting Malaysia Group are assessed at both the group and company levels.

The implementation of the risk management process for the Genting Malaysia Group is the responsibility of the Executive Committee comprising the President/Chief Operating Officer and the Business/Operations Heads of the Genting Malaysia 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 Chief Financial Officer, is tasked to carry out the implementation and maintenance of the risk management process including reviewing the effectiveness of the risk management program.

The Executive Committee considers the representations made by its principal subsidiary and associated companies in respect of their state of risk management process.

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 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 Business/Operations Heads and the Head-Risk Management.
- 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 Genting Malaysia Group Executive Committee.
- The reports from the principal subsidiaries are consolidated for review by the Genting Malaysia 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 the Management of Genting Malaysia Group ("Management") on business and operational matters including potential risks and control issues.
- The Board has delegated the responsibilities to various committees established by the Board and Management of the holding company and subsidiaries 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 which are reviewed and revised periodically to meet changing business, operational and statutory reporting needs.
- Performance and cash flow reports are provided to Management and the Genting Malaysia Group Executive Committee to facilitate review and monitoring of 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 the Genting Malaysia Group Executive Committee and the Board.

- A half yearly review of the annual budget is undertaken by the 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 Genting Malaysia Group. Nevertheless, measures have been taken or are being taken to address these weaknesses.

Business continuity management is regarded to be an integral part of the Genting Malaysia Group's risk management process. In this regard, the Genting Malaysia 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 Genting Malaysia Group's core business operations is in place and has been updated periodically.

The Board in issuing this statement has taken into consideration the representations made by its principal subsidiary and associated companies in respect of their state of internal control.

The Internal Audit Function

The Internal Audit function is provided by the Internal Audit Department of the holding company, Genting Berhad, based on the plan approved by the Genting Malaysia Group Audit Committee to undertake regular and systematic review of the internal controls and to provide the Genting Malaysia Group Audit Committee with sufficient assurance that the systems of internal control are effective in addressing the risks identified.

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

This Statement on Internal Control is made in accordance with the resolution of the Board.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

The Directors of **GENTING MALAYSIA BERHAD** 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 2011.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries include operation of casinos, property development and management, leisure and hospitality services, investments, timeshare ownership scheme, tours and travel related services, provision of sales and marketing services and information technology related services.

Details of the principal activities of the subsidiaries, jointly controlled entities and associates are set out in Note 41 to the financial statements.

Other than as mentioned above, 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	1,900.6	1,774.6
Taxation	(472.7)	(452.3)
Profit for the financial year	**1,427.9**	**1,322.3**

TREASURY SHARES

The shareholders of the Company had granted a mandate to the Company to purchase its own shares at the Annual General Meeting held on 8 June 2011.

During the financial year, the Company purchased 16,396,600 ordinary shares of 10 sen each of its issued share capital from the open market at an average price of RM3.47 per share. The share buy back transactions were financed by internally generated funds. As at 31 December 2011, the total number of shares purchased was 265,097,400 and held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965.

DIVIDENDS

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

(i) a final dividend of 4.4 sen less 25% tax per ordinary share of 10 sen each amounting to RM186,861,899 in respect of the financial year ended 31 December 2010 was paid on 21 July 2011; and
(ii) an interim dividend of 3.8 sen less 25% tax per ordinary share of 10 sen each amounting to RM161,229,656 in respect of the financial year ended 31 December 2011 was paid on 21 October 2011.

The Directors recommend payment of a final dividend of 4.80 sen less 25% tax per ordinary share of 10 sen each in respect of the current financial year ended 31 December 2011 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 less Treasury Shares of the Company as at the date of this report, the final dividend would amount to RM203.7 million.

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 Company issued 9,099,000 new ordinary shares of 10 sen each for cash arising from the following 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 Genting Malaysia Berhad and its subsidiaries ("Scheme"). These options were granted prior to the current financial year.

Subscription Price Per Share RM	No. of Ordinary Shares of 10 sen each fully paid
2.064	7,740,000
1.700	90,000
1.898	1,089,000
1.984	35,000
2.134	145,000
	9,099,000

All the abovementioned ordinary shares rank pari passu with the then existing ordinary shares of the Company.

There was no issue of debentures during the financial year.

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 2011:

Option Number	Option Expiry Date	Subscription Price Per Share RM	No. of Unissued Shares
1/2002	11 August 2012	2.064	13,106,000
2/2002	11 August 2012	1.700	40,000
3/2004	11 August 2012	1.898	1,701,000
4/2005	11 August 2012	1.984	75,000
5/2005	11 August 2012	2.134	145,000
			15,067,000

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

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 Clifford Francis Herbert*
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin
Mr Teo Eng Siong*

* Also members of the Remuneration Committee

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, a company which owns 49.40% equity interest in the Company as at 31 December 2011; and Genting Plantations Berhad and Genting Singapore PLC, both of which are subsidiaries of Genting Berhad, as set out below:

Interest in the Company

Shareholdings in which the Directors have direct interests	**1.1.2011**	**Acquired/ (Disposed)**	**31.12.2011**
	(Number of ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	1,610,000	-	1,610,000
Tun Mohammed Hanif bin Omar	5,000	-	5,000
Tan Sri Alwi Jantan	300,000	315,000/(400,000)	215,000
Mr Quah Chek Tin	5,000	-	5,000
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	10,000	-	10,000
Mr Teo Eng Siong	540,000	-	540,000

DIRECTORATE (cont'd)

Interest in the Company (cont'd)

Interest of Spouse/Child of a Director	**1.1.2011**	**Acquired/ (Disposed)**	**31.12.2011**
	(Number of ordinary shares of 10 sen each)		
Mr Teo Eng Siong	2,000	-	2,000

Share Option in the names of Directors	**1.1.2011**	**Offered/ (Exercised)**	**31.12.2011**
	(Number of unissued ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	930,000	-	930,000
Tun Mohammed Hanif bin Omar	2,185,000	-	2,185,000
Tan Sri Alwi Jantan	1,555,000	(315,000)	1,240,000

Interest in Genting Berhad

Shareholdings in which the Directors have direct interests	**1.1.2011**	**Acquired/ (Disposed)**	**31.12.2011**
	(Number of ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	9,875,000	-	9,875,000
Tun Mohammed Hanif bin Omar	1,000	950,000/(700,000)	251,000
Mr Quah Chek Tin	5,000	-	5,000
Mr Teo Eng Siong	50,000	-	50,000

Interest of Spouse/Child of a Director	**1.1.2011**	**Acquired/ (Disposed)**	**31.12.2011**
	(Number of ordinary shares of 10 sen each)		
Mr Quah Chek Tin	630,000	(420,000)	210,000

Share Option in the names of Directors	**1.1.2011**	**Offered (Exercised)**	**31.12.2011**
	(Number of unissued ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	625,000	-	625,000
Tun Mohammed Hanif bin Omar	1,555,000	(950,000)	605,000
Mr Quah Chek Tin	1,240,000	-	1,240,000

Interest in Genting Plantations Berhad

Shareholdings in which the Directors have direct interests	**1.1.2011**	**Acquired/ (Disposed)**	**31.12.2011**
	(Number of ordinary shares of 50 sen each)		
Tan Sri Lim Kok Thay	369,000	-	369,000
Mr Teo Eng Siong	8,000	-	8,000

Interest in Genting Singapore PLC

Shareholdings in which the Directors have direct interests	**1.1.2011**	**Acquired/ (Disposed)**	**31.12.2011**
	(Number of ordinary shares)		
Tan Sri Lim Kok Thay	3,958,600	690,000	4,648,600
Tan Sri Alwi Jantan	225,000	-	225,000
Mr Quah Chek Tin	300,000	-	300,000
Tan Sri Clifford Francis Herbert	10,000	148,000	158,000
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	246,000	-	246,000
Mr Teo Eng Siong	100,000	-	100,000

Share Option in the names of Directors	**1.1.2011**	**Offered/ (Exercised)**	**31.12.2011**
	(Number of unissued ordinary shares)		
Tan Sri Lim Kok Thay	2,970,463	-	2,970,463
Tun Mohammed Hanif bin Omar	1,188,292	-	1,188,292
Tan Sri Alwi Jantan	1,039,192	-	1,039,192
Mr Quah Chek Tin	890,438	-	890,438
Tan Sri Clifford Francis Herbert	593,292	(148,000)	445,292
General (R) Tan Sri Mohd Zahidi bin Hj Zainuddin	742,292	-	742,292

DIRECTORATE (cont'd)

Interest in Genting Singapore PLC (cont'd)

Performance Shares in the name of a Director

	1.1.2011	Awarded	(Vested)	31.12.2011
	(Number of unissued ordinary shares)			
Tan Sri Lim Kok Thay	1,500,000#	1,500,000#	(690,000)	2,310,000#

Legend

\# *Represents the right of the participant to receive ordinary shares, upon the participant satisfying the criteria set out in the Performance Share Scheme of Genting Singapore PLC and upon satisfying such conditions as may be imposed.*

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 wholly-owned subsidiary of a company in which Tan Sri Lim Kok Thay is a director and a substantial shareholder has appointed Genting Awanpura Sdn Bhd, a wholly-owned subsidiary of Genting Plantations Berhad, which in turn is a subsidiary of Genting Berhad, to provide plantation advisory services.

(ii) A corporation which is owned by the family of Tan Sri Lim Kok Thay has been appointed by Resorts World at Sentosa Pte Ltd ("RWS"), an indirect wholly-owned subsidiary of Genting Singapore PLC, which in turn is an indirect subsidiary of Genting Berhad, to provide professional design consultancy and master-planning services for the Resorts World at Sentosa integrated resort in Singapore. RWS has purchased artworks from Tan Sri Lim Kok Thay.

(iii) Transactions made by the Company or its related corporations with certain corporations referred to in Note 40 in which the nature of relationships of Tan Sri Lim Kok Thay are disclosed therein.

Mr Quah Chek Tin is 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 he, being eligible, has offered himself for re-election.

Tun Mohammed Hanif bin Omar, Tan Sri Alwi Jantan and Tan Sri Clifford Francis Herbert 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, statements of comprehensive income and financial position 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;

(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.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (cont'd)

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.

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 50 to 109 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 2011 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 Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities and comply with the provisions of the Companies Act, 1965.

HOLDING COMPANY

The Directors of the Company regard Genting Berhad, a company incorporated in Malaysia, as its immediate and ultimate holding company as Genting Berhad continues to have control over the Company within the definition of "control" as set out in FRS 127 on Consolidated and Separate Financial Statements, although its shareholding in the Company was 49.40% as at 31 December 2011.

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

TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman

Kuala Lumpur
28 February 2012

INCOME STATEMENTS

for the Financial Year Ended 31 December 2011

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2011	2010	**2011**	2010
Revenue	5 & 6	**8,493.7**	5,333.1	**5,015.6**	4,715.9
Cost of sales	7	**(6,157.4)**	(3,325.3)	**(3,102.3)**	(2,896.4)
Gross profit		**2,336.3**	2,007.8	**1,913.3**	1,819.5
Other income		**142.2**	157.6	**86.4**	1,486.7
Selling and distribution costs		**(34.7)**	(59.3)	**(41.7)**	(39.8)
Administration expenses		**(348.5)**	(181.1)	**(139.2)**	(126.2)
Other expenses:					
- Impairment losses	8	**(15.1)**	(110.9)	**(12.0)**	(7.7)
- Others		**(142.6)**	(69.6)	**(32.2)**	(59.1)
		1,937.6	1,744.5	**1,774.6**	3,073.4
Finance costs	8	**(32.3)**	(4.6)	**-**	-
Share of results in jointly controlled entities	19	**(2.8)**	(8.1)	**-**	-
Share of results in associates	20	**(1.9)**	(0.3)	**-**	-
Profit before taxation	5, 8, 9 & 10	**1,900.6**	1,731.5	**1,774.6**	3,073.4
Taxation	11	**(472.7)**	(455.1)	**(452.3)**	(418.0)
Profit for the financial year		**1,427.9**	1,276.4	**1,322.3**	2,655.4
Attributable to:					
Equity holders of the Company		**1,427.9**	1,276.6	**1,322.3**	2,655.4
Non-controlling interests		**-**	(0.2)	**-**	-
Profit for the financial year		**1,427.9**	1,276.4	**1,322.3**	2,655.4
Earnings per share for profit attributable to the equity holders of the Company:					
Basic earnings per share (sen)	12	**25.22**	22.44		
Diluted earnings per share (sen)	12	**25.19**	22.41		

STATEMENTS OF COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2011

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2011	2010	**2011**	2010
Profit for the financial year		**1,427.9**	1,276.4	**1,322.3**	2,655.4
Other comprehensive (loss)/income:					
Actuarial (loss)/gain on retirement benefit liability	34	**(7.1)**	2.0	**-**	-
Available-for-sale financial assets					
- Fair value changes	21	**(819.1)**	871.7	**-**	0.0
- Reclassification to profit or loss upon disposal		**-**	(7.3)	**-**	-
		(819.1)	864.4	**-**	0.0
Share of other comprehensive loss of an associate		**(0.0)**	-	**-**	-
Net foreign currency exchange differences		**102.8**	(245.8)	**-**	-
Other comprehensive (loss)/income, net of tax		**(723.4)**	620.6	**-**	0.0
Total comprehensive income for the financial year		**704.5**	1,897.0	**1,322.3**	2,655.4
Attributable to:					
Equity holders of the Company		**704.5**	1,897.2	**1,322.3**	2,655.4
Non-controlling interests		**-**	(0.2)	**-**	-
Total comprehensive income for the financial year		**704.5**	1,897.0	**1,322.3**	2,655.4

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2011

Amounts in RM million unless otherwise stated

		Group		Company	
	Note(s)	**2011**	2010	**2011**	2010
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	**4,797.9**	4,374.8	**1,819.8**	1,819.8
Land held for property development	15	**184.5**	181.5	**-**	-
Investment properties	16	**1,562.3**	304.0	**-**	-
Intangible assets	17	**4,332.3**	3,144.6	**-**	-
Subsidiaries	18	**-**	-	**9,000.5**	7,456.8
Jointly controlled entities	19	**13.2**	17.2	**-**	-
Associates	20	**24.5**	1.5	**-**	-
Available-for-sale financial assets	21	**1,608.2**	2,371.5	**1.7**	1.7
Long term receivables	22	**257.3**	7.5	**1.5**	1.6
Deferred tax assets	33	**1.4**	2.6	**-**	-
		12,781.6	10,405.2	**10,823.5**	9,279.9
Current Assets					
Inventories	23	**75.8**	73.9	**35.0**	36.3
Trade and other receivables	24	**545.5**	329.2	**93.4**	80.1
Tax recoverable		**3.2**	83.3	**0.2**	71.9
Amounts due from subsidiaries	18	**-**	-	**154.6**	201.1
Amounts due from other related companies	25	**16.7**	20.2	**8.5**	13.2
Amounts due from jointly controlled entities	19	**1.9**	0.0	**-**	-
Assets classified as held for sale	26	**-**	19.7	**-**	-
Financial assets at fair value through profit or loss	27	**65.0**	90.8	**-**	-
Available-for-sale financial asset	21	**250.0**	250.0	**250.0**	250.0
Restricted cash	28	**624.1**	645.8	**615.4**	636.7
Cash and cash equivalents	28	**2,142.8**	2,866.3	**1,510.0**	1,931.4
		3,725.0	4,379.2	**2,667.1**	3,220.7
Total Assets		**16,506.6**	14,784.4	**13,490.6**	12,500.6
EQUITY AND LIABILITIES					
Equity Attributable To Equity Holders of the Company					
Share capital	29	**592.4**	591.5	**592.4**	591.5
Reserves	30	**12,226.7**	11,852.6	**12,525.5**	11,533.6
Treasury shares	31	**(892.3)**	(835.4)	**(892.3)**	(835.4)
Total Equity		**11,926.8**	11,608.7	**12,225.6**	11,289.7
Non-Current Liabilities					
Long term borrowings	37	**970.6**	346.3	**-**	-
Other long term liabilities	32	**50.5**	67.1	**-**	-
Deferred tax liabilities	33	**816.7**	829.1	**119.5**	115.7
Retirement benefit liability	34	**24.4**	21.1	**-**	-
Provision for retirement gratuities	35	**101.6**	86.7	**93.6**	83.5
		1,963.8	1,350.3	**213.1**	199.2
Current Liabilities					
Trade and other payables	36	**1,591.6**	907.3	**630.5**	594.4
Amount due to holding company	25	**24.8**	16.2	**24.5**	16.2
Amounts due to subsidiaries	18	**-**	-	**275.2**	231.1
Amounts due to other related companies	25	**43.4**	53.4	**39.1**	49.0
Amount due to a jointly controlled entity	19	**26.0**	25.6	**-**	-
Amount due to an associate	20	**6.0**	-	**-**	-
Short term borrowings	37	**829.2**	701.8	**-**	-
Taxation		**95.0**	121.1	**82.6**	121.0
		2,616.0	1,825.4	**1,051.9**	1,011.7
Total Liabilities		**4,579.8**	3,175.7	**1,265.0**	1,210.9
Total Equity And Liabilities		**16,506.6**	14,784.4	**13,490.6**	12,500.6
NET ASSETS PER SHARE (RM)		**2.11**	2.05		

STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2011

Amounts in RM million unless otherwise stated

		Attributable to equity holders of the Company							
Group	**Note**	**Share Capital**	**Share Premium**	**Available-for-sale Financial Assets Reserve**	**Reserve on Exchange Differences**	**Other Reserves**	**Treasury Shares**	**Retained Earnings**	**Total Equity**
Balance at 1 January 2011		**591.5**	**1,126.5**	**1,771.3**	**(393.8)**	**0.3**	**(835.4)**	**9,348.3**	**11,608.7**
Profit for the financial year		**-**	**-**	**-**	**-**	**-**	**-**	**1,427.9**	**1,427.9**
Other comprehensive (loss)/income		**-**	**-**	**(819.1)**	**102.8**	**-**	**-**	**(7.1)**	**(723.4)**
Total comprehensive (loss)/ income for the financial year		**-**	**-**	**(819.1)**	**102.8**	**-**	**-**	**1,420.8**	**704.5**
Transactions with owners:									
Share based payments under ESOS		**-**	**-**	**-**	**-**	**0.0**	**-**	**-**	**0.0**
Issue of shares	29	**0.9**	**17.7**	**-**	**-**	**-**	**-**	**-**	**18.6**
Buy-back of own shares	31	**-**	**-**	**-**	**-**	**-**	**(56.9)**	**-**	**(56.9)**
Appropriation:									
Final dividend paid for the financial year ended 31 December 2010 (4.4 sen less 25% income tax)	13	**-**	**-**	**-**	**-**	**-**	**-**	**(186.9)**	**(186.9)**
Interim dividend paid for the financial year ended 31 December 2011 (3.8 sen less 25% income tax)	13	**-**	**-**	**-**	**-**	**-**	**-**	**(161.2)**	**(161.2)**
Total transactions with owners		**0.9**	**17.7**	**-**	**-**	**0.0**	**(56.9)**	**(348.1)**	**(386.4)**
Balance at 31 December 2011		**592.4**	**1,144.2**	**952.2**	**(291.0)**	**0.3**	**(892.3)**	**10,421.0**	**11,926.8**

STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2011

Amounts in RM million unless otherwise stated

Group	Note	Share Capital	Share Premium	Available-for-sale Financial Assets Reserve	Reserve on Exchange Differences	Other Reserves	Treasury Shares	Retained Earnings	Total	Non-controlling Interests	Total Equity
		Attributable to equity holders of the Company									
Balance at 1 January 2010		590.5	1,106.0	906.9	(148.0)	0.3	(707.5)	8,406.5	10,154.7	6.9	10,161.6
Profit for the financial year		-	-	-	-	-	-	1,276.6	1,276.6	(0.2)	1,276.4
Other comprehensive income/(loss)		-	-	864.4	(245.8)	-	-	2.0	620.6	-	620.6
Total comprehensive income/(loss) for the financial year		-	-	864.4	(245.8)	-	-	1,278.6	1,897.2	(0.2)	1,897.0
Transactions with owners:											
Share based payments under ESOS		-	-	-	-	0.0	-	-	0.0	-	0.0
Issue of shares	29	1.0	20.5	-	-	-	-	-	21.5	-	21.5
Buy-back of own shares	31	-	-	-	-	-	(127.9)	-	(127.9)	-	(127.9)
Distribution by a subsidiary		-	-	-	-	-	-	-	-	(6.7)	(6.7)
Appropriation:											
Final dividend paid for the financial year ended 31 December 2009 (4.3 sen less 25% income tax)		-	-	-	-	-	-	(183.8)	(183.8)	-	(183.8)
Interim dividend paid for the financial year ended 31 December 2010 (3.6 sen less 25% income tax)	13	-	-	-	-	-	-	(153.0)	(153.0)	-	(153.0)
Total transactions with owners		1.0	20.5	-	-	0.0	(127.9)	(336.8)	(443.2)	(6.7)	(449.9)
Balance at 31 December 2010		591.5	1,126.5	1,771.3	(393.8)	0.3	(835.4)	9,348.3	11,608.7	-	11,608.7

Amounts in RM million unless otherwise stated

		Non-Distributable				Distributable		
Company	**Note**	**Share Capital**	**Share Premium**	**Available-for-sale Financial Assets Reserve**	**Other Reserves**	**Treasury Shares**	**Retained Earnings**	**Total**
Balance at 1 January 2011		**591.5**	**1,126.5**	**0.0**	**0.2**	**(835.4)**	**10,406.9**	**11,289.7**
Profit for the financial year		**-**	**-**	**-**	**-**	**-**	**1,322.3**	**1,322.3**
Transactions with owners:								
Share based payments under ESOS		**-**	**-**	**-**	**0.0**	**-**	**-**	**0.0**
Issue of shares	29	**0.9**	**17.7**	**-**	**-**	**-**	**-**	**18.6**
Buy-back of own shares	31	**-**	**-**	**-**	**-**	**(56.9)**	**-**	**(56.9)**
Appropriation:								
Final dividend paid for the financial year ended 31 December 2010 (4.4 sen less 25% income tax)	13	**-**	**-**	**-**	**-**	**-**	**(186.9)**	**(186.9)**
Interim dividend paid for the financial year ended 31 December 2011 (3.8 sen less 25% income tax)	13	**-**	**-**	**-**	**-**	**-**	**(161.2)**	**(161.2)**
Total transactions with owners		**0.9**	**17.7**	**-**	**0.0**	**(56.9)**	**(348.1)**	**(386.4)**
Balance at 31 December 2011		**592.4**	**1,144.2**	**0.0**	**0.2**	**(892.3)**	**11,381.1**	**12,225.6**
Balance at 1 January 2010		590.5	1,106.0	-	0.2	(707.5)	8,088.3	9,077.5
Profit for the financial year		-	-	-	-	-	2,655.4	2,655.4
Other comprehensive income		-	-	0.0	-	-	-	0.0
Total comprehensive income for the financial year		-	-	0.0	-	-	2,655.4	2,655.4
Transactions with owners:								
Share based payments under ESOS		-	-	-	0.0	-	-	0.0
Issue of shares	29	1.0	20.5	-	-	-	-	21.5
Buy-back of own shares	31	-	-	-	-	(127.9)	-	(127.9)
Appropriation:								
Final dividend paid for the financial year ended 31 December 2009 (4.3 sen less 25% income tax)		-	-	-	-	-	(183.8)	(183.8)
Interim dividend paid for the financial year ended 31 December 2010 (3.6 sen less 25% income tax)	13	-	-	-	-	-	(153.0)	(153.0)
Total transactions with owners		1.0	20.5	0.0	0.0	(127.9)	(336.8)	(443.2)
Balance at 31 December 2010		591.5	1,126.5	0.0	0.2	(835.4)	10,406.9	11,289.7

STATEMENTS OF CASH FLOWS
for the Financial Year Ended 31 December 2011

Amounts in RM million unless otherwise stated

	Group		Company	
	2011	2010	**2011**	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**1,900.6**	1,731.5	**1,774.6**	3,073.4
Adjustments for:				
Depreciation of property, plant and equipment	**314.4**	267.1	**168.3**	177.6
Depreciation of investment properties	**40.0**	6.0	**-**	-
Amortisation of intangible assets	**11.8**	-	**-**	-
Property, plant and equipment written off	**5.8**	1.6	**0.9**	0.2
(Gain)/Loss on disposal of property, plant and equipment	**(0.2)**	0.1	**1.4**	30.1
Impairment losses	**15.1**	110.9	**12.0**	7.7
Reversal of previously recognised impairment losses on investment in subsidiaries	**-**	-	**-**	(1,365.0)
Impairment loss on amount due from jointly controlled entity	**4.0**	-	**-**	-
Net fair value loss on financial assets at fair value through profit or loss	**9.5**	1.9	**-**	-
Gain on disposal of investment properties	**(12.6)**	-	**-**	-
Gain on disposal of available-for-sale financial assets	**-**	(7.3)	**-**	-
Accretion of discount on long term receivables	**(0.3)**	(0.4)	**-**	-
Investment income	**(31.1)**	(32.8)	**(7.5)**	(5.6)
Interest income	**(73.9)**	(90.0)	**(67.9)**	(87.2)
Construction profit	**(13.4)**	-	**-**	-
Finance costs	**32.3**	4.6	**-**	-
Share of results in jointly controlled entities	**2.8**	8.1	**-**	-
Share of results in associates	**1.9**	0.3	**-**	-
Dividend income	**-**	-	**-**	(33.7)
Impairment loss/(reversal of impairment loss) on receivables	**1.0**	3.7	**-**	(0.1)
Provision for onerous lease	**11.7**	11.5	**-**	-
Net provision for retirement gratuities	**18.8**	19.1	**16.3**	17.6
Unrealised (gain)/loss on foreign currency exchange	**(6.2)**	0.9	**0.0**	1.0
Other non cash item	**(0.5)**	-	**-**	-
	330.9	305.3	**123.5**	(1,257.4)
Operating profit before working capital changes	**2,231.5**	2,036.8	**1,898.1**	1,816.0
Working capital changes:				
Inventories	**(1.8)**	(4.1)	**1.3**	(3.7)
Receivables	**(135.6)**	(148.8)	**(10.1)**	(9.0)
Payables	**474.6**	41.1	**30.9**	46.3
Holding company	**8.6**	2.1	**8.3**	3.2
Related companies	**3.4**	(2.1)	**(5.2)**	0.5
Associate	**6.0**	-	**-**	-
Jointly controlled entities	**(5.5)**	(1.2)	**-**	-
Subsidiaries	**-**	-	**(51.7)**	(61.9)
Other long term assets	**0.5**	6.0	**-**	-
	350.2	(107.0)	**(26.5)**	(24.6)
Cash generated from operations	**2,581.7**	1,929.8	**1,871.6**	1,791.4
Retirement gratuities paid	**(4.3)**	(3.4)	**(3.1)**	(3.2)
Taxation paid	**(534.0)**	(450.7)	**(487.1)**	(425.1)
Taxation refund	**97.7**	0.1	**71.8**	-
Retirement benefit paid	**(5.9)**	(3.0)	**-**	-
Onerous lease paid	**(14.5)**	(2.5)	**-**	-
Advanced membership fees	**(4.7)**	(2.9)	**-**	-
	(465.7)	(462.4)	**(418.4)**	(428.3)
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,116.0**	1,467.4	**1,453.2**	1,363.1

Amounts in RM million unless otherwise stated

	Group		Company	
	2011	2010	**2011**	2010
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(516.8)**	(277.4)	**(168.0)**	(126.3)
Purchase of investment properties	**(889.1)**	-	**-**	-
Purchase of land held for property development	**(3.0)**	-	**-**	-
Proceeds from disposal of property, plant and equipment	**0.9**	0.8	**0.3**	0.2
Proceeds from disposal of investment properties	**32.3**	-	**-**	-
Investment in jointly controlled entity	**-**	(10.8)	**-**	-
Investment in associates	**(24.5)**	(1.8)	**-**	-
Purchase of/additions to intangible assets	**(1,003.8)**	(1,178.6)	**-**	-
Purchase of financial assets at fair value through profit or loss	**-**	(154.6)	**-**	-
Purchase of available-for-sale financial assets	**(585.8)**	(309.6)	**-**	(250.0)
Purchase of unquoted debt security	**(250.0)**	-	**-**	-
Proceeds from disposal of investments	**15.9**	144.7	**-**	-
Increase in investment in subsidiaries	**-**	-	**(1,363.9)**	-
Acquisitions of subsidiaries and businesses*	**(7.8)**	(1,522.0)	**(50.0)**	-
Subscription of shares in newly incorporated subsidiaries	**-**	-	**-**	(2,220.3)
Investment income received	**28.5**	29.7	**6.7**	5.1
Interest received	**67.4**	90.2	**65.4**	87.5
NET CASH FLOW FROM INVESTING ACTIVITIES	**(3,135.8)**	(3,189.4)	**(1,509.5)**	(2,503.8)
CASH FLOWS FROM FINANCING ACTIVITIES				
Buy-back of shares	**(56.9)**	(127.9)	**(56.9)**	(127.9)
Dividends paid	**(348.1)**	(336.8)	**(348.1)**	(336.8)
Finance costs paid	**(24.4)**	(3.7)	**-**	-
Proceeds received on exercise of share option	**18.6**	21.5	**18.6**	21.5
Proceeds from bank borrowings	**1,445.7**	629.0	**-**	-
Repayment of borrowings and transaction costs	**(752.6)**	(65.1)	**-**	-
Restricted cash (deposits pledged as security for short term bank borrowings)	**29.7**	(636.6)	**21.3**	(636.6)
Others	**(25.1)**	(52.7)	**-**	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**286.9**	(572.3)	**(365.1)**	(1,079.8)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**(732.9)**	(2,294.3)	**(421.4)**	(2,220.5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	**2,866.3**	5,251.1	**1,931.4**	4,151.9
EFFECT OF CURRENCY TRANSLATION	**9.4**	(90.5)	**-**	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	**2,142.8**	2,866.3	**1,510.0**	1,931.4
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Bank balances and deposits (Note 28)	**1,497.3**	2,002.1	**873.6**	1,067.2
Money market instruments (Note 28)	**645.5**	864.2	**636.4**	864.2
	2,142.8	2,866.3	**1,510.0**	1,931.4

Details of significant non-cash transactions during the year are set out in Note 39 to the financial statements.

Amounts in RM million unless otherwise stated

***ANALYSIS OF THE ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES**

Financial year ended 31 December 2011

Fair values of net assets acquired and net cash outflow on acquisitions of subsidiaries and businesses for the financial year ended 31 December 2011 are analysed as follows:

	Acquisitions of				
	E-Genting Holdings and Ascend International Note (a)	Fox Poker Club Limited Note (b)	Park Lane Mews Hotel Note (c)	Omni Center Note (d)	Total
Property, plant and equipment	7.5	1.8	97.1	167.8	274.2
Investment properties	-	-	-	334.6	334.6
Intangible asset	-	38.2	-	-	38.2
Deferred tax assets	0.6	-	-	-	0.6
Inventories	-	0.1	-	-	0.1
Trade and other receivables	7.2	0.8	-	19.9	27.9
Amounts due from other related companies	9.9	-	-	-	9.9
Cash and cash equivalents	190.1	1.0	-	-	191.1
Deferred tax liabilities	(0.6)	-	-	-	(0.6)
Provision for retirement gratuities	(3.8)	-	-	-	(3.8)
Trade and other payables	(177.7)	(1.0)	-	(14.1)	(192.8)
Taxation	(0.7)	-	-	-	(0.7)
Goodwill on acquisition	17.5	-	10.9	77.6	106.0
Total purchase consideration	50.0	40.9	108.0	585.8	784.7
Less: Cancellation of promissory notes	-	-	-	(585.8)	(585.8)
Less: Cash and cash equivalents acquired	(190.1)	(1.0)	-	-	(191.1)
Net cash (inflow)/outflow on acquisitions of subsidiaries and businesses	(140.1)	39.9	108.0	-	7.8

The fair value of the assets (including intangible assets) and liabilities ensuing from the acquisition had been determined based on provisional fair values assigned to identifiable assets and liabilities on acquisition date. Any adjustments to these provisional fair values upon finalisation of the detailed Purchase Price Allocation exercise will be recognised within 12 months of the acquisition date as permitted by FRS 3 (revised) "Business Combinations". The residual goodwill on acquisition represents the value of assets and earnings that do not form separable assets under FRS 3 (revised) "Business Combinations". However this goodwill is expected to contribute to the Group's results in the future.

(a) Acquisition of E-Genting Holdings Sdn Bhd ("E-Genting") and Ascend International Holdings Limited ("Ascend International")

On 31 October 2011, the Company acquired the entire issued and paid up share capital of E-Genting and Ascend International for a total cash consideration of RM50.0 million.

The revenue and net profit of E-Genting and Ascend International included in the consolidated income statement of the Group for the period from 31 October 2011 to 31 December 2011 amounted to RM1.9 million and RM0.4 million, respectively. Had the acquisitions taken effect on 1 January 2011, the estimated revenue and net profit of E-Genting and Ascend International included in the consolidated income statement of the Group would have been RM12.7 million and RM2.4 million, respectively. These amounts have been determined using the Group's accounting policies.

(b) Acquisition of Fox Poker Club Limited ("Fox Poker Club")

On 22 November 2011, Genting Casinos UK Limited, an indirect wholly-owned subsidiary of the Company completed the purchase of the entire share capital of Fox Poker Club, a casino in London for a total consideration of RM40.9 million (GBP8.3 million).

The revenue and net loss of Fox Poker Club included in the consolidated income statement of the Group for the period from 22 November 2011 to 31 December 2011 amounted to RM1.1 million and RM0.1 million, respectively. Had the acquisition taken effect on 1 January 2011, the revenue and net loss of Fox Poker Club included in the consolidated income statement of the Group would have been RM9.3 million and RM6.6 million, respectively. These amounts have been determined using the Group's accounting policies.

Amounts in RM million unless otherwise stated

***ANALYSIS OF THE ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES (cont'd)**

Financial year ended 31 December 2011 (cont'd)

(c) Acquisition of Park Lane Mews Hotel in London, United Kingdom

On 18 July 2011, Genting Properties (UK) Pte Ltd (formerly known as RWD Holding Pte Ltd), an indirect wholly-owned subsidiary of the Company, acquired Park Lane Mews Hotel in London, United Kingdom for a cash consideration of RM108.0 million (GBP21.8 million). The Group considers the acquisition of Park Lane Mews Hotel which includes acquiring certain trade and non property assets as an acquisition of business and accordingly had accounted the acquisition as a business combination in accordance with FRS 3 (revised) "Business Combinations".

The revenue and net profit of Park Lane Mews Hotel included in the consolidated income statement of the Group for the period from 18 July 2011 to 31 December 2011 amounted to RM5.8 million and RM2.7 million, respectively. Had the acquisition taken effect on 1 January 2011, the revenue and net profit of Park Lane Mews Hotel included in the consolidated income statement of the Group would have been RM13.5 million and RM4.2 million, respectively. These amounts have been determined using the Group's accounting policies.

(d) Acquisition of Omni Center in the City of Miami, Florida, United States of America

On 8 November 2011, Hill Brow LLC, an indirect wholly-owned subsidiary of the Company, acquired the Omni Center in the City of Miami, Florida, United States of America through a foreclosure bidding process. The consideration was satisfied through the cancellation of the promissory notes that the Group acquired for RM585.8 million (USD185.0 million) in August 2011 which was secured against the Omni Center properties. The Omni Center includes shopping mall, office, a hotel and parking garage. The Group considers the acquisition of the Omni Center as an acquisition of business and accordingly had accounted the acquisition as a business combination in accordance with FRS 3 (revised) "Business Combinations".

The revenue and net profit of the Omni Center included in the consolidated income statement of the Group for the period from 8 November 2011 to 31 December 2011 amounted to RM16.4 million and RM2.2 million, respectively. The Group is unable to estimate the revenue and net profit of the Omni Center from 1 January 2011 to 31 December 2011 as the Group do not have access to the financial information of the Omni Center prior to the acquisition.

Financial year ended 31 December 2010

Acquisition of casino businesses in the United Kingdom

On 1 July 2010, the Company announced that Genting Worldwide (UK) Limited, a wholly-owned subsidiary of Genting Worldwide Limited which in turn is a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Genting Singapore PLC ("GENS") to acquire from GENS its casino businesses in the United Kingdom through the acquisition of the entire issued and paid up share capital of Nedby Limited, Palomino Star Limited, Palomino World Limited and Genting International Enterprises (Singapore) Pte Ltd ("Acquisition") for a total cash consideration of GBP340 million ("Purchase Consideration"). The Purchase Consideration was subsequently revised to GBP351.5 million to reflect the reduction in the net debt of the acquiree group as at 20 June 2010 of GBP74.4 million from the net debt amount of GBP85.9 million as at 31 May 2010. The Acquisition was completed on 15 October 2010.

Amounts in RM million unless otherwise stated

***ANALYSIS OF THE ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES (cont'd)**

Financial year ended 31 December 2010 (cont'd)

Acquisition of casino businesses in the United Kingdom (cont'd)

Fair values of net assets acquired and net cash outflow on acquisition of subsidiaries for the financial year ended 31 December 2010 are analysed as follows:

Property, plant and equipment	821.2
Jointly controlled entity	13.0
Intangible assets	1,615.4
Inventories	7.7
Trade and other receivables	54.0
Restricted cash	9.2
Cash and cash equivalents	222.8
Borrowings	(487.0)
Deferred tax liabilities	(533.2)
Other long term liabilities	(29.4)
Retirement benefit liability	(25.0)
Trade and other payables	(227.0)
Amount due to jointly controlled entities	(26.8)
Taxation	(10.2)
Goodwill on acquisition	340.1
Total purchase consideration (including the transaction cost of RM7.1 million)	1,744.8
Less: Cash and cash equivalents acquired	(222.8)
Net cash outflow on acquisition of subsidiaries	1,522.0

The fair value of the assets (including intangible assets) and liabilities ensuing from the acquisition had been determined based on provisional fair values assigned to identifiable assets and liabilities on acquisition date. Any adjustments to these provisional fair values upon finalisation of the detailed Purchase Price Allocation exercise will be recognised in intangible assets and property, plant and equipment within 12 months of the acquisition date as permitted by FRS 3 (revised) "Business Combinations". The residual goodwill on acquisition represents the value of assets and earnings that do not form separable assets under FRS 3 (revised) but nevertheless are expected to contribute to the future results of the Group. The detailed Purchase Price Allocation exercise has been completed and no adjustments were required to the provisional fair values recognised on acquisition date.

The revenue and net loss of the acquired subsidiaries included in the consolidated income statement of the Group for the period from 15 October 2010 to 31 December 2010 amounted to RM189.5 million and RM13.4 million, respectively. Had the acquisition taken effect on 1 January 2010, the revenue and net loss (including the net impact of impairment loss of RM920.5 million) of the acquired subsidiaries included in the consolidated income statement of the Group would have been RM975.3 million and RM906.6 million, respectively. These amounts have been determined using the Group's accounting policies.

Amounts in RM million unless otherwise stated

1. CORPORATE INFORMATION

Genting Malaysia Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office of the Company is located at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

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

The principal activities of the subsidiaries include operation of casinos, property development and management, leisure and hospitality services, investments, timeshare ownership scheme, tours and travel related services, provision of sales and marketing services and information technology related services.

Details of the principal activities of the subsidiaries, jointly controlled entities and associates are set out in Note 41 to the financial statements.

Other than as mentioned above, 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 Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965. The financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss as disclosed in the significant accounting policies below.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965 requires the Directors to make judgements, 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. It also requires Directors to exercise their judgements in the process of applying the Company's accounting policies. Although these judgements and estimates are based on the Directors' best knowledge of current events and actions, actual results could differ from those judgements and estimates.

JUDGEMENTS AND ESTIMATIONS

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

i) Impairment of goodwill and other intangible assets with indefinite useful life

On an annual basis, the Group tests whether goodwill and other intangible assets with indefinite useful life have suffered any impairment, in accordance with the accounting policy stated in Note 3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations as appropriate. These calculations require the use of estimates. Refer to Note 17 for details of impairment testing of goodwill and other intangible assets with indefinite useful life.

ii) Impairment of investments in subsidiaries

The Company follows the guidance of FRS 136 "Impairment of Assets" to determine whether the Company's investments in subsidiaries are impaired. In making this judgement, the Company evaluates, among other factors, the fair value and value in use of its subsidiaries. The fair value is the amount obtainable from the proceeds on sale of an asset or cash generating unit of the subsidiary in an arm's length transaction less the cost of disposal. The determination of fair value is based on the best information available including but not limited to the quoted market prices when available and independent appraisals, as appropriate. The calculation of value in use takes into consideration the estimated future cash flows of the subsidiary, expectations about possible variations in the amount or timing of these future cash flows and time value of money.

The investments in subsidiaries will be impaired if the carrying amount exceeds its recoverable amount measured at the higher of its fair value less cost to sell and value in use. An impairment loss is charged to the profit or loss. Impaired investments are reviewed for possible reversal of impairment at the end of the reporting period.

During the financial year, the Company recorded an impairment loss of RM12.0 million (2010: net reversal of previously recognised impairment losses of RM1,357.3 million) in the profit or loss.

iii) Income taxes

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement 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. The Group also recognised certain tax recoverable for which the Group believes that there is a reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax, deferred tax provisions and tax recoverable balance in the period in which such determination is made.

iv) Construction contracts

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to be recognised in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense to the profit or loss.

2. BASIS OF PREPARATION (cont'd)

JUDGEMENTS AND ESTIMATIONS (cont'd)

iv) Construction contracts (cont'd)

Significant judgement is required in the estimation of total contract costs. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits/(losses) recognised.

v) Provisional fair values of assets and liabilities

The Group made several acquisitions during the year as disclosed in the statements of cash flows. The amounts of assets (including intangible assets) and liabilities arising from these acquisitions have been determined based on provisional fair values assigned to the identifiable assets and liabilities as at the respective acquisition dates and hence has yet to be allocated to the Group's cash generating units.

For all business combinations, the Group either undertook or is in the process of undertaking a detailed review to determine the fair value of assets and liabilities recognised at the date of acquisition. Such reviews may include engaging third party advisors to determine the fair values of the cash-generating units of the entities acquired.

Any adjustments to these provisional values upon finalisation of the detailed fair value exercise will be recognised within 12 months of the acquisition date. The adjustments will be calculated as if the fair values had been recognised on acquisition date. Goodwill will also be adjusted to the amount that would have been recognised if the adjusted fair values had been used at acquisition date. As a result, comparative information may be restated.

vi) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business. Significant contingent liabilities are disclosed in Note 38.

vii) Classification of investments

Management uses its judgement to determine the classification of the Group's 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 reporting period. All other investments are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

Standards, amendments to published standards and interpretations that are effective

Accounting policies adopted by the Group and the Company have been applied consistently in dealing with items that are considered material in relation to the financial statements except for the adoption of new Financial Reporting Standards ("FRSs"), amendments and improvements to FRSs and IC Interpretations that are mandatory for the Group for the financial year beginning 1 January 2011. The adoption of these FRSs, amendments and improvements to FRSs and IC Interpretations do not have a material impact on the financial statements of the Group and the Company except for the adoption of the followings FRSs as set out below:

FRS 3 (revised) "Business Combinations"

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with FRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. The Group has adopted this revised standard prospectively to all business combinations from 1 January 2011.

Amendments to FRS 7 "Financial Instruments: Improving Disclosures about Financial Instruments"

The amendment promotes enhanced disclosures on fair value measurement of financial instrument via the introduction of the concept of the fair value hierarchy. There is no financial impact on the results of the Group and the Company as these changes only affect disclosures.

IC Interpretation 4 "Determining whether an Arrangement contains a Lease"

The interpretation requires the Group and the Company to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 "Leases" should be applied to the lease element of the arrangement. The adoption of this interpretation does not have any impact to the Group and the Company.

Improvements to FRS 101 "Presentation of Financial Statements"

The improvements to this Standard clarify that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. There is no financial impact on the results of the Group and the Company as these changes only affect disclosures.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

(i) Financial year beginning on or after 1 January 2012

In the next financial year, the Group and the Company will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Group and the Company will be applying MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards".

- Amendment to MFRS 1 "First-time Adoption on Fixed Dates and Hyperinflation" (effective from 1 January 2012) includes two changes to MFRS 1. The first replaces references to a fixed date of 1 January 2004 with 'the date of transition to MFRSs', thus eliminating the need for entities adopting MFRSs for the first time to restate de-recognition transactions that occurred before the date of transition to MFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with MFRSs after a period when the entity was unable to comply with MFRSs because its functional currency was subject to severe hyperinflation. It is not expected to have an impact on the financial statements of the Group.

- Amendment to MFRS 7 "Financial Instruments: Disclosures" (effective from 1 January 2012) promotes transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. There is no financial impact on the results of the Group and Company as these changes only affect disclosure.

- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective from 1 January 2012) provides clarification when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. A gain or loss, being the difference between the carrying value of the financial liability and the fair value of the equity instruments issued, shall be recognised in profit or loss. Entities are no longer permitted to reclassify the carrying value of the existing financial liability into equity with no gain or loss recognised in profit or loss. It is not expected to have an impact on the financial statements of the Group and the Company.

(ii) Financial year beginning on or after 1 January 2013

- MFRS 9 "Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities" (effective from 1 January 2013) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

  The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ("FVTPL"). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income ("OCI"). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

  The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply. The application of MFRS 9 is expected to affect the classification and measurement on financial assets and financial liabilities of the Group and the Company.

- MFRS 10 "Consolidated Financial Statements" (effective from 1 January 2013) changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements. It replaces all the guidance on control and consolidation in MFRS 127 "Consolidated and Separate Financial Statements" and IC Interpretation 112 "Consolidation – Special Purpose Entities". The Group is in the process of making an assessment on the potential impact of this standard on the financial statements.

- MFRS 11 "Joint Arrangements" (effective from 1 January 2013) requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The application of MFRS 11 will result in the classification of the jointly controlled entities currently held by the Group as joint ventures but is not expected to affect their measurement.

- MFRS 12 "Disclosures of Interests in Other Entities" (effective from 1 January 2013) sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128 "Investments in Associates". It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. There is no financial impact on the results of the Group and the Company as these changes only affect disclosures.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (cont'd)

(ii) Financial year beginning on or after 1 January 2013 (cont'd)

- MFRS 13 "Fair Value Measurement" (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial Instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial assets and financial liabilities. It is not expected to have a material impact on the financial statements of the Group and the Company.

- The revised MFRS 127 "Separate Financial Statements" (effective from 1 January 2013) includes the provisions on separate financial statements that are left after the control provisions of MFRS 127 have been included in the new MFRS 10. It is not expected to have an impact on the financial statements of the Company.

- The revised MFRS 128 "Investments in Associates and Joint Ventures" (effective from 1 January 2013) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11. It is not expected to have an impact on the financial statements of the Group.

- Amendment to MFRS 101 "Presentation of Items of Other Comprehensive Income" (effective from 1 July 2012) requires entities to separate items presented in OCI in the statement of comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendments do not address which items are presented in OCI. There is no financial impact on the results of the Group and Company as these changes only affect disclosures.

- Amendment to MFRS 119 "Employee Benefits" (effective from 1 January 2013) makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. MFRS 119 shall be withdrawn on application of this amendment. It is not expected to have a material impact on the financial statements of the Group and the Company.

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

Basis of Consolidation

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding giving rise to more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Investments in subsidiaries are recorded at costs less accumulated impairment losses, if any, in the Company's financial statements.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 139 either in the profit or loss or in other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits or losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group, where applicable.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

b) Jointly controlled entities

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

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 profit or loss and its share of post acquisition movements of the investee's reserves in other comprehensive income. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition less impairment losses, where applicable. See accounting policy note on impairment of non-financial assets.

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

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

c) Associates

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

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in the profit or loss the Group's share of the associates' results and its share of post acquisition movements in reserves in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Equity accounting is discontinued when the carrying amount of the investment in an associate (including any other unsecured receivables) reaches zero, unless the Group has incurred obligation or made payment on behalf of the associate.

The Group's investments 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, or for administrative purposes; and

ii) are expected to be used during more than one period.

Property, plant and equipment are stated at cost less accumulated depreciation 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 profit or loss 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 was 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. The Group depreciates other assets based on their consumption pattern and is applied separately to each significant component.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Leasehold land classified as finance lease	50 to 99 years
Buildings and improvements	5 to 50 years
Plant, equipment and vehicles	2 to 33 years

The assets residual values and useful life 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 non-financial assets.

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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. Investment in freehold land is stated at cost. Other investment properties are measured at depreciated cost less any accumulated impairment losses. Depreciation for other investment properties is calculated using a straight-line method to allocate their cost over their estimated useful lives as follows:

Buildings and improvements	2 to 50 years

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 non-financial assets.

Gains and losses on disposal are determined by comparing net disposal proceeds with the carrying amount and are included in the profit or loss.

Construction Contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at each reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the outcome cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers are shown as trade and other receivables (within current assets). The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

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.

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 201_{2004} (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 non-financial 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 end of the reporting period 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 profit or loss.

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 profit or loss exceeds 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 profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. Set out below are the major changes in classifications of financial assets of the Group:

a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months of the reporting date.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing more than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in "trade and other receivables" in the statement of financial position (see accounting policy note on receivables).

c) Fair value through profit or loss

There are two subcategories; financial assets held for trading and those designated as at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through profit or loss.

Intangible Assets

a) Goodwill

Goodwill represents the excess of the consideration transferred over the Group's share of the fair value of the identifiable net assets of the subsidiaries, jointly controlled entities and associates at the date of acquisition. Goodwill 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible Assets (cont'd)

b) Licences

Casino licences – indefinite life

The Group capitalises purchased casino licences. The amount capitalised is the difference between the price paid for a casino including the associated licence and the fair value of a similar property without a casino licence. Casino licences have indefinite useful lives as there is no foreseeable limit to the period over which the licences are expected to generate cash inflows. Each licence is reviewed annually for impairment and as such is stated at cost less any accumulated impairment losses.

Purchased licence – definite life

The Group capitalises purchased licence. The licence, which has definite useful life, is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised using the straight line method over its estimated useful life. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

c) Trademarks

Trademarks are stated at cost less any accumulated impairment losses. Trademarks have an indefinite useful life as it is maintained through continuous marketing and upgrading. Trademarks are tested annually for impairment. Where an indication of impairment exists, the carrying amount of trademarks are assessed and written down immediately to its recoverable amount.

d) Casino Concession Agreement

Casino concession agreement is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using straight line method over the term of concession agreement periods. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of concession agreement is assessed and written down immediately to its recoverable amount.

Impairment of Non-Financial 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 entities 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; and

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 profit or loss, 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 impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset unless the asset is carried at revalued amount, in which case the reversal shall be treated as a revaluation increase. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

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 cost of 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.

Assets Classified as Held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than a continuing use, and a sale is considered highly probable.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment loss. An impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the profit or loss. An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, deposits, money market instruments 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. Fixed deposits pledged with banks as securities for banking facilities granted to the Group are not cash and cash equivalents.

Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Finance Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. The Group adopts the following accounting policy in respect of accounting by a lessee.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge incurred on qualifying assets are capitalised until the assets are ready for their intended use after which such expense is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Share Capital

Ordinary shares are classified as equity in the statement of financial position. Costs directly attributable to the issuance of new equity shares are taken to equity as a deduction from the proceeds.

Treasury Shares

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from total shareholders' equity as treasury shares until they are cancelled, reissued or disposed of.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external costs and the related tax effects, is included in shareholders' equity.

Where the share retirement method is applied, the nominal value of the shares repurchased is cancelled by a debit to the share capital account. An amount equivalent to the nominal value of the shares repurchased is transferred to a capital redemption reserve.

The consideration, including any acquisition cost and premium or discount arising from the shares repurchased, is adjusted directly to the share premium account or any other suitable reserve. In the circumstance where there is no or insufficient share premium, the consideration, or its balance thereof, is adjusted to any other suitable reserve.

The shares cancelled and the adjustments made to share premium or reserves would be shown as a movement in the share capital account and the share premium or reserve account respectively.

Borrowings

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 reporting date.

Borrowings are recognised initially based on proceeds received. Subsequently, borrowings are stated at amortised cost using the effective interest method; any difference between the amount recorded as borrowings and the associated redemption value is recognised in the profit or loss over the period of the borrowings.

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 profit or loss. All other borrowing costs are charged to the profit or loss.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially at fair value plus transactions costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less, where appropriate, cumulative amortisations recognised.

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 and 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 is probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under it.

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 end of the reporting period.

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 substantively enacted by the end of the reporting period 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 entities 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

Defined contribution plan

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.

Defined benefit scheme

Membership to the Group's only defined benefit scheme, the Genting UK 1988 Retirement Benefit Scheme, has not been offered since 2 February 2001, and the scheme is, therefore effectively closed to new entrants. Membership to the scheme only comprises eligible employees of Genting UK Plc and its subsidiaries.

A defined benefit scheme is a pension plan that defines an amount of pension benefit that an employee will receive at retirement, usually dependent on one or more factors such as age at retirement, years of service and compensation.

The asset/liability recognised in the statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit asset/liability is calculated on a periodic basis by independent actuaries using the projected unit valuation method and is updated annually on an approximate basis.

The present value of the defined benefit asset/liability is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the statement of comprehensive income in the period which they arise.

Past service costs are recognised immediately in the profit or loss, unless the changes to the pension plans are conditional on the employees remaining service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits (cont'd)

c) Long term employee benefits

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

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the date of the statement of financial position 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 profit or loss.

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 profit or loss 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 the end of each reporting period, 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.

Revenue from construction contract is recognised on the percentage of completion method by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Dividend income is recognised when the right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Rental income is recognised on an accrual basis.

Investment income is recognised using the effective interest method.

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 or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currency Translation (cont'd)

b) Transactions and balances (cont'd)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve as other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

c) Group companies

On consolidation, the results and financial position of all the Group's entities which have a different functional currency 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 statement of financial position presented are translated at the closing rate at the end of each reporting period;

ii) income and expenses for each profit or loss 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.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, such exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the "Chairman and Chief Executive" and "President and Chief Operating Officer" of the Company.

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 foreign currency 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 as a business activity. 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 comprehensive 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 the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

The Group's principal net foreign currency exposure mainly relates to the United States Dollars ("USD"), Pound Sterling ("GBP"), Hong Kong Dollars ("HKD") and Singapore Dollars ("SGD") in the current financial year.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Foreign currency exchange risk (cont'd)

The Group's exposure to foreign currencies as at the reporting date is as follows:

	USD RM'm	GBP RM'm	HKD RM'm	SGD RM'm	Others RM'm	Total RM'm
At 31 December 2011						
Financial assets						
Cash and cash equivalents	**5.4**	**5.8**	**7.4**	**3.4**	**0.1**	**22.1**
At 31 December 2010						
Financial assets						
Cash and cash equivalents	6.5	0.0	30.5	25.8	0.2	63.0

The Company's exposure to foreign currencies as at the reporting date is as follows:

	USD RM'm	GBP RM'm	HKD RM'm	SGD RM'm	Others RM'm	Total RM'm
At 31 December 2011						
Financial assets						
Cash and cash equivalents	**5.4**	**0.2**	**7.4**	**3.2**	**0.1**	**16.3**
At 31 December 2010						
Financial assets						
Cash and cash equivalents	6.5	0.0	12.6	11.8	0.2	31.1

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax and equity to 10% (2010: 10%) strengthening of the respective foreign currency in the USD, GBP, HKD and SGD against the RM, with all other variables held constant:

	Group Increase		Company Increase	
2011	**Profit after tax**	**Equity**	**Profit after tax**	**Equity**
RM against USD	**0.5**	**-**	**0.5**	**-**
RM against GBP	**0.6**	**-**	**-**	**-**
RM against HKD	**0.7**	**-**	**0.7**	**-**
RM against SGD	**0.3**	**-**	**0.3**	**-**
2010				
RM against USD	0.7	-	0.7	-
RM against GBP	0.0	-	0.0	-
RM against HKD	3.1	-	1.3	-
RM against SGD	2.6	-	1.2	-

A 10% (2010: 10%) weakening of the above currencies against the RM would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate risks arise mainly from the Group's short-term deposits, money market instruments, debt securities classified as financial assets at fair value through profit or loss and available-for-sale financial assets and borrowings. The Group's short-term deposits and money market instruments are placed at prevailing interest rates.

The Group may manage this risk through the use of fixed and floating debt. The Group enters into interest rate swaps from time to time, where appropriate, to generate the desired interest rate profile. As at the end of the reporting period, the Group did not enter into any interest rate swap contracts.

The Group's outstanding borrowings as at year end at variable rates on which hedges have not been entered into, are denominated in GBP, SGD and USD. If the GBP, SGD and USD annual interest rates increase/decrease by 1% (2010: 1%) respectively with all other variables including tax and base lending rates being held constant, the profit after tax will be lower/higher by RM11.0 million (2010: RM3.1 million) as a result of higher/lower interest expense on these borrowings.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Interest rate risk (cont'd)

The Group's debt securities financial assets at fixed rates expose the Group to fair value interest rate risk. The profit after tax will be lower/higher by RM2.4 million (2010: RM2.1 million) as a result of a 1% (2010: 1%) change in the interest rate of debt securities classified as financial assets at fair value through profit or loss and the other components of equity will be lower/higher by RM9.8million (2010: RM10.8 million) as a result of a 1% (2010: 1%) change in the interest rate of debt securities classified as available-for-sale financial assets.

Price risk

The Group is exposed to equity securities price risk from its investment in quoted securities classified as financial assets at fair value through profit or loss and available-for-sale financial assets. These securities are mainly listed in Singapore and Hong Kong. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If the price for equity securities listed in the the Singapore and Hong Kong change by 1% (2010: 1%) with all other variables including tax rate being held constant, the result after tax and equity will be as follows:

2011	**Increase**	
Group	**Profit after tax**	**Equity**
Listed in Singapore		
- increase by 1%	**-**	**9.6**
Listed in Hong Kong		
- increase by 1%	**0.0**	**2.6**
2010		
Listed in Singapore		
- increase by 1%	-	16.2
Listed in Hong Kong		
- increase by 1%	0.1	4.1
Listed in UK		
- increase by 1%	0.1	-

A 1% (2010: 1%) decrease in the price of the equity securities would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

Profit after tax would increase/decrease as a result of gains/losses on equity securities classified as fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale.

Credit risk

Financial assets that potentially subject the Group's exposure to credit risk arises mainly from sales made on deferred credit terms, cash and cash equivalents, deposits with financial institutions, money market instruments, income fund and available-for-sale debt securities.

Receivables are presented net of allowance for impairment. Credit risk with respect to receivables is limited as the Group does not have any significant exposure to any individual customer or counterparty. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers whose accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses.

The Group's cash and cash equivalents, short-term deposits, money market instruments and income fund are placed with creditworthy financial institutions and the risks arising thereof are minimised in view of the financial strength of these financial institutions. To minimise the Group's counterparty risk, the Group enters into derivative transactions only with creditworthy financial institutions. 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 risk and limits are set to minimise any potential losses.

The Group is exposed to credit risk from third party counterparties where the Group holds debt securities issued by those entities. The Group only invests in debt securities with issuers with good credit rating.

i) Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 24. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Credit risk (cont'd)

ii) Financial assets that are past due and/or impaired

Information regarding financial assets that are past due or impaired is disclosed in Note 24.

Apart from those disclosed above, none of the other financial assets is either past due or impaired.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2011	2010
Corporate guarantee provided to banks on subsidiaries' facilities	**1,198.1**	410.7

Liquidity risk

The Group is prudent in its 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.

Cash flow forecasting is performed in the operating entities of the Group and aggregated for Group purposes. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal ratio targets.

Generally, surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company. The Company invests surplus cash in interest bearing accounts, money market deposits and marketable instruments, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned cash flows of the Group.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period in the statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Later than 5 years
Group				
As at 31 December 2011				
Trade and other payables	**1,568.6**	**-**	**-**	**-**
Borrowings	**839.9**	**415.0**	**637.5**	**-**
Amount due to holding company	**24.8**	**-**	**-**	**-**
Amounts due to other related companies	**43.4**	**-**	**-**	**-**
Amounts due to jointly controlled entity and associate	**32.0**	**-**	**-**	**-**
As at 31 December 2010				
Trade and other payables	900.3	-	-	-
Borrowings	712.1	71.4	282.9	-
Amount due to holding company	16.2	-	-	-
Amounts due to other related companies	53.4	-	-	-
Amount due to jointly controlled entity	25.6	-	-	-
Company				
As at 31 December 2011				
Trade and other payables	**621.9**	**-**	**-**	**-**
Amount due to holding company	**24.5**	**-**	**-**	**-**
Amounts due to subsidiaries	**275.2**	**-**	**-**	**-**
Amounts due to other related companies	**39.1**	**-**	**-**	**-**
Financial guarantee liabilities	**1,198.1**	**-**	**-**	**-**
As at 31 December 2010				
Trade and other payables	588.9	-	-	-
Amount due to holding company	16.2	-	-	-
Amounts due to subsidiaries	231.1	-	-	-
Amounts due to other related companies	49.0	-	-	-

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

Capital risk management

The Group's objectives when managing capital are to ensure that the Group continues as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or dispose assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statements of financial position).

The gearing ratios at 31 December 2011 and 31 December 2010 were as follows:

	Group	
	2011	2010
Total debt	**1,799.8**	1,048.1
Total equity	**11,926.8**	11,608.7
Total capital	**13,726.6**	12,656.8
Gearing ratio (%)	**13%**	8%

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels has been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived prices).
- Level 3: Inputs for the asset or liability that is not based on observable market date (that is, unobservable inputs).

	Level 1	Level 2	Level 3	Total
Group				
As at 31 December 2011				
Financial assets at fair value through profit or loss	**4.4**	**60.6**	**-**	**65.0**
Available-for-sale financial assets	**1,224.5**	**632.0**	**1.7**	**1,858.2**
Total Assets	**1,228.9**	**692.6**	**1.7**	**1,923.2**
Company				
As at 31 December 2011				
Available-for-sale financial assets	**-**	**250.0**	**1.7**	**251.7**
Total Assets	**-**	**250.0**	**1.7**	**251.7**

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are classified under level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value the instruments are observable, these instruments are classified under level 2.

If one or more of the significant inputs is not based on observable market data, these instruments are classified under level 3.

Information on the valuation techniques used to value financial instruments are disclosed in Notes 21 and 27.

5. SEGMENT ANALYSIS

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA"). This measurement basis excludes the effects of non-recurring items from the reporting segments, such as fair value gains and losses, impairment losses, pre-operating expenses, property related termination costs and gain or loss on disposal of assets. Interest income is not included in the result for each operating segment.

5. SEGMENT ANALYSIS (cont'd)

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables, available-for-sale financial assets, financial assets at fair value through profit or loss and cash and cash equivalents. Segment assets exclude interest bearing instruments, jointly controlled entities, associates, deferred tax assets and tax recoverable as these assets are managed on a group basis.

Segment liabilities comprise operating liabilities. Segment liabilities exclude interest bearing instruments, deferred tax liabilities and tax payables as these liabilities are managed on a group basis.

The Group is organised into the following main business segments:

Leisure & Hospitality - this segment includes the gaming, hotel, entertainment and amusement businesses, tours and travel related services and other support services. The contribution from non-gaming operations is not significant.

Properties - this segment is involved in property developments, property investment and management.

All other immaterial business segments including investments in equities, training services, reinsurance services, utilities services and information technology related services are aggregated and disclosed under "Investments and Others" as they are not of sufficient size to be reported separately.

The segment analysis of the Group is set out below:

2011 Group	Leisure & Hospitality Malaysia	Leisure & Hospitality United Kingdom	Leisure & Hospitality United States of America (Note 1)	Leisure & Hospitality Total	Properties	Investments & Others	Total
Revenue							
Total revenue	5,421.3	1,154.8	1,836.8	8,412.9	43.9	145.1	8,601.9
Inter segment	(3.5)	-	-	(3.5)	(9.8)	(94.9)	(108.2)
External	5,417.8	1,154.8	1,836.8	8,409.4	34.1	50.2	8,493.7
Results							
Adjusted EBITDA	2,105.7	154.1	37.0	2,296.8	15.4	18.0	2,330.2
Pre-operating expenses	-	-	(80.2)	(80.2)	-	-	(80.2)
Property related termination costs	-	-	-	-	(39.4)	-	(39.4)
Gain on disposal of assets	0.0	0.2	-	0.2	12.6	-	12.8
Impairment losses	(13.8)	(1.3)	-	(15.1)	-	-	(15.1)
Net fair value loss on financial assets at fair value through profit or loss	-	-	-	-	-	(9.5)	(9.5)
Investment income	-	-	-	-	-	31.1	31.1
EBITDA	2,091.9	153.0	(43.2)	2,201.7	(11.4)	39.6	2,229.9
Depreciation and amortisation	(240.5)	(58.7)	(12.6)	(311.8)	(41.7)	(12.7)	(366.2)
Interest income							73.9
Finance costs							(32.3)
Share of results in jointly controlled entities	-	(1.8)	-	(1.8)	-	(1.0)	(2.8)
Share of results in associates	-	-	-	-	-	(1.9)	(1.9)
Profit before taxation							1,900.6
Taxation							(472.7)
Profit for the financial year							1,427.9

Note 1: The Group had accounted for the construction and development of the facility at the Aqueduct Racetrack in the City of New York, United States of America ("Resorts World Casino New York City") in accordance with FRS 111 "Construction Contracts", whereby the construction profit is recognised based on the percentage of completion method. Construction revenue and costs of approximately RM1,741.5 million and RM1,728.1 million respectively have been disclosed under the United States of America segment in the consolidated income statement for the year ended 31 December 2011, thereby generating a construction profit of RM13.4 million. The remaining revenue and adjusted EBITDA of United States of America of RM95.3 million and RM23.6 million, respectively are mainly contributed by Resorts World Casino New York City which commenced operations on 28 October 2011.

5. SEGMENT ANALYSIS (cont'd)

2011	Leisure & Hospitality Malaysia	Leisure & Hospitality United Kingdom	Leisure & Hospitality United States of America	Leisure & Hospitality Total	Properties	Investments & Others	Total
Assets							
Segment assets	4,212.7	3,110.1	2,744.8	10,067.6	2,330.2	1,710.2	14,108.0
Jointly controlled entities	-	13.0	-	13.0	-	0.2	13.2
Associates	-	-	-	-	-	24.5	24.5
Interest bearing instruments							2,356.3
Unallocated corporate assets							4.6
Total assets							16,506.6
Liabilities							
Segment liabilities	(910.9)	(253.5)	(429.3)	(1,593.7)	(72.3)	(202.3)	(1,868.3)
Interest bearing instruments							(1,799.8)
Unallocated corporate liabilities							(911.7)
Total liabilities							(4,579.8)
Other disclosures							
Capital expenditure incurred*	366.1	9.4	0.6	376.1	1,062.1	11.8	1,450.0
Other significant non-cash items:							
- charges	33.8	6.1	-	39.9	0.1	0.7	40.7
- credits	-	(0.2)	-	(0.2)	(12.6)	-	(12.8)

* Includes capital expenditure in respect of property, plant and equipment, investment properties and land held for property development.

2010 Group	Leisure & Hospitality Malaysia	Leisure & Hospitality United Kingdom	Leisure & Hospitality United States of America	Leisure & Hospitality Total	Properties	Investments & Others	Total
Revenue							
Total revenue	5,072.0	188.4	-	5,260.4	33.0	125.3	5,418.7
Inter segment	(3.6)	-	-	(3.6)	(8.6)	(73.4)	(85.6)
External	5,068.4	188.4	-	5,256.8	24.4	51.9	5,333.1
Results							
Adjusted EBITDA	1,980.4	18.3	-	1,998.7	15.2	10.3	2,024.2
Pre-operating expenses	-	-	(23.9)	(23.9)	-	-	(23.9)
Impairment losses	(2.9)	-	-	(2.9)	-	(108.0)	(110.9)
Net fair value loss on financial assets at fair value through profit or loss	-	-	-	-	-	(1.9)	(1.9)
Gain on disposal of available-for-sale financial assets	-	-	-	-	-	7.3	7.3
Investment income	-	-	-	-	-	32.8	32.8
EBITDA	1,977.5	18.3	(23.9)	1,971.9	15.2	(59.5)	1,927.6
Depreciation	(251.4)	(9.9)	(0.0)	(261.3)	(7.3)	(4.5)	(273.1)
Interest income							90.0
Finance costs							(4.6)
Share of results in jointly controlled entities	-	(7.8)	-	(7.8)	-	(0.3)	(8.1)
Share of results in associates	-	-	-	-	-	(0.3)	(0.3)
Profit before taxation							1,731.5
Taxation							(455.1)
Profit for the financial year							1,276.4

5. SEGMENT ANALYSIS (cont'd)

2010	Leisure & Hospitality Malaysia	Leisure & Hospitality United Kingdom	Leisure & Hospitality United States of America	Total	Properties	Investments & Others	Total
Assets							
Segment assets	3,941.7	2,930.3	1,264.8	8,136.8	788.1	2,238.8	11,163.7
Interest bearing instruments							3,516.1
Jointly controlled entities	-	16.0	-	16.0	-	1.2	17.2
Associates	-	-	-	-	-	1.5	1.5
Unallocated corporate assets							85.9
Total assets							14,784.4
Liabilities							
Segment liabilities	(856.3)	(244.8)	(35.6)	(1,136.7)	(22.0)	(18.7)	(1,177.4)
Interest bearing instruments							(1,048.1)
Unallocated corporate liabilities							(950.2)
Total liabilities							(3,175.7)
Other disclosures							
Capital expenditure incurred*	181.5	15.8	47.4	244.7	-	33.0	277.7
Other significant non-cash items:							
- charges	59.5	37.3	-	96.8	-	-	96.8
- credits	(4.4)	(39.0)	-	(43.4)	-	-	(43.4)

* Includes capital expenditure in respect of property, plant and equipment, land held for property development and investment properties.

Geographical information

Revenue, non-current assets and capital expenditure information based on geographical location of customers and assets respectively are as follows:

	Revenue 2011	Revenue 2010	Non-Current Assets 2011	Non-Current Assets 2010	Capital Expenditure 2011	Capital Expenditure 2010
Malaysia	**5,467.8**	5,117.8	**4,145.4**	4,008.8	**381.7**	214.5
United Kingdom	**1,156.3**	188.4	**3,113.5**	2,767.7	**238.3**	15.9
United States of America	**1,869.6**	26.9	**3,631.3**	1,245.6	**830.0**	47.3
Asia Pacific (excludes Malaysia)	**-**	-	**24.5**	1.5	**-**	-
	8,493.7	5,333.1	**10,914.7**	8,023.6	**1,450.0**	277.7

Geographically, the main business segments of the Group are concentrated in Malaysia, the United Kingdom and the United States of America.

Non-current assets information presented above consist of non-current assets other than financial instruments and deferred tax assets as presented in the consolidated statements of financial position.

There are no revenues derived from transactions with a single external customer that amount to 10% or more of the Group's revenue.

6. REVENUE

	Group 2011	Group 2010	Company 2011	Company 2010
Rendering of services:				
Leisure & hospitality	**6,667.9**	5,256.8	**5,015.6**	4,682.2
Rental and properties management income	**34.1**	24.4	**-**	-
Other services	**28.0**	24.8	**-**	-
Construction revenue	**1,741.5**	-	**-**	-
Investment income	**22.2**	27.1	**-**	33.7
	8,493.7	5,333.1	**5,015.6**	4,715.9

7. COST OF SALES

	Group		Company	
	2011	2010	**2011**	2010
Cost of inventories recognised as an expense	**182.7**	150.6	**113.4**	95.7
Cost of services and other operating costs	**4,246.6**	3,174.7	**2,988.9**	2,800.7
Construction costs	**1,728.1**	-	**-**	-
	6,157.4	3,325.3	**3,102.3**	2,896.4

Included in the other operating costs are gaming expenses amounting to RM1,503.8 million (2010: RM1,297.7 million) for the Group and RM1,420.6 million (2010: RM1,261.6 million) for the Company.

8. PROFIT BEFORE TAXATION

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

	Group		Company	
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
Charges:				
Depreciation of property, plant and equipment	**314,342**	267,065	**168,247**	177,625
Depreciation of investment properties	**40,037**	5,999	**-**	-
Property, plant and equipment written off	**5,774**	1,572	**846**	234
Net loss on disposal of property, plant and equipment	**-**	71	**1,406**	30,063
Amortisation of intangible assets	**11,818**	-	**-**	-
Impairment loss (included in other expenses):				
- Property, plant and equipment	**13,764**	2,876	**-**	-
- Investment properties	**30**	-	**-**	-
- Investment in subsidiaries	**-**	-	**12,000**	7,700
- Investment in a jointly controlled entity	**1,286**	-	**-**	-
- Investment in available-for-sale financial asset	**-**	108,000	**-**	-
Net fair value loss on financial assets at fair value through profit or loss	**9,513**	1,891	**-**	-
Impairment loss on amount due from jointly controlled entity	**4,002**	-	**-**	-
Impairment loss on receivables	**1,043**	3,725	**-**	-
Hire of equipment	**18,881**	12,533	**5,073**	5,510
Rental of land and buildings	**41,074**	36,923	**215**	278
Employee benefits expense (Note 9)	**1,147,770**	711,669	**598,342**	560,058
Directors' remuneration excluding estimated money value of benefits-in-kind (Note 10)	**47,205**	47,266	**47,190**	47,251
Auditors' remuneration:				
- Payable to auditors	**1,265**	761	**507**	298
- Payable to member firms of an organisation which are separate and independent legal entities from the auditors	**1,807**	445	**-**	-
Finance costs:				
- Interest on borrowings	**25,014**	4,097	**-**	-
- Other finance costs	**7,240**	540	**-**	-
Provision for onerous lease	**11,721**	11,456	**-**	-
Net foreign currency exchange losses - realised	**10,290**	-	**-**	-
Net foreign currency exchange losses - unrealised	**-**	1,033	**17**	966
Charges by holding company:				
- Licensing fees	**184,978**	174,854	**180,635**	170,654
- Shared services fees	**5,539**	4,958	**3,837**	3,399
Charges by other related companies:				
- Management fees	**438,003**	417,055	**421,055**	400,285
- Rental of land and buildings	**3,746**	4,095	**115**	94
- Hire of equipment	**14,105**	16,359	**13,761**	16,021
- Licensing fees	**7,233**	-	**-**	-
- Shared services fees	**13,190**	11,804	**5,447**	6,351
- Commissions	**11,875**	53,932	**4,772**	38,825
Charges by subsidiaries:				
- Service fees	**-**	-	**1,116**	1,335
- Hire of equipment	**-**	-	**4,907**	1,801
- Rental of land and buildings	**-**	-	**35,398**	38,450
- Transportation services	**-**	-	**57,841**	32,651
- Commissions	**-**	-	**29,676**	-

8. PROFIT BEFORE TAXATION (cont'd)

Profit before taxation has been determined after inclusion of the following charges and credits (cont'd):

	Group		Company	
	2011 RM'000	2010 RM'000	**2011 RM'000**	2010 RM'000
Credits:				
Accretion of discount on long term receivables	**336**	357	**-**	-
Interest income	**73,887**	89,963	**67,909**	87,166
Rental income from land and buildings	**84,432**	66,359	**14,188**	14,023
Rental of equipment	**1,503**	1,153	**8**	21
Net gain on disposal of property, plant and equipment	**180**	-	**-**	-
Gain on disposal of investment properties	**12,642**	-	**-**	-
Reversal of previously recognised impairment losses on investment in subsidiaries	**-**	-	**-**	1,365,000
Gain on disposal of available-for-sale financial assets	**-**	7,366	**-**	-
Investment income	**31,074**	32,790	**7,457**	5,646
Reversal of previously recognised impairment loss on receivables	**-**	-	**-**	60
Net exchange gains - realised	**-**	15,547	**693**	15,224
Net exchange gains - unrealised	**6,157**	-	**-**	-
Income from other related companies:				
- Rental of land and building	**6,733**	1,160	**224**	269
- Sales of air tickets	**1,679**	300	**-**	-
- Shared services fees	**-**	134	**-**	134
Income from subsidiaries:				
- Rental of land and buildings	**-**	-	**7,116**	7,678
- Dividend income	**-**	-	**-**	33,729
- Shared services fees	**-**	-	**11,089**	12,749
Other information:				
Non statutory audit fees:				
- Payable to auditors	**401**	413	**305**	365
- Payable to member firms of an organisation which are separate and independent legal entities from the auditors	**1,811**	-	**-**	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	**2011 RM'000**	2010 RM'000
Wages, salaries and bonuses	**862,088**	508,332	**411,052**	387,190
Defined contribution plan	**67,615**	57,888	**52,923**	50,940
Pension cost	**6,623**	1,521	**-**	-
Other short term employee benefits	**192,657**	124,865	**118,003**	104,305
Share option expenses	**29**	21	**29**	21
Net provision for retirement gratuities	**18,758**	19,042	**16,335**	17,602
	1,147,770	711,669	**598,342**	560,058
Number of employees at financial year end ('000)	**19.5**	17.5	**10.3**	10.6

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

10. DIRECTORS' REMUNERATION

	Group		Company	
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
Non-executive Directors:				
- Fees	**584**	637	**569**	622
Executive Directors:				
- Fees	**238**	221	**238**	221
- Salaries and bonuses	**36,634**	33,485	**36,634**	33,485
- Defined contribution plan	**4,694**	4,717	**4,694**	4,717
- Other short term employee benefits	**488**	454	**488**	454
- Provision for retirement gratuities	**4,567**	7,752	**4,567**	7,752
Directors' remuneration excluding estimated money value of benefits-in-kind (Note 8)	**47,205**	47,266	**47,190**	47,251
Estimated money value of benefits-in-kind (not charged to the profit or loss) in respect of Executive Directors	**1,324**	788	**1,324**	788
	48,529	48,054	**48,514**	48,039

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	
Amounts in RM'000	**2011**	2010
Non-Executive Directors		
- 50 to 100	**2**	3
- 100 to 150	**3**	3
Executive Directors		
- 1,150 to 1,200	**-**	1
- 1,250 to 1,300	**1**	-
- > 46,250	**1**	1

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 29) as follows:

Financial year ended 31.12.2011:

		No. of Unissued Shares (ordinary shares of 10 sen each)			
Grant Date	**Subscription price pershare RM**	**At start of the year '000**	**Granted '000**	**Exercised '000**	**At end of the year '000**
2.9.2002	**2.064**	**4,670**	**-**	**(315)**	**4,355**

Financial year ended 31.12.2010:

		No. of Unissued Shares (ordinary shares of 10 sen each)			
Grant Date	Subscription price per share RM	At start of the year '000	Granted '000	Exercised '000	At end of the year '000
2.9.2002	2.064	6,080	-	(1,410)	4,670

The number of share options vested as at 31 December 2011 is 3,576,250 ordinary shares of 10 sen each (2010: 3,576,250 ordinary shares of 10 sen each).

11. TAXATION

	Group 2011	Group 2010	Company 2011	Company 2010
Current taxation:				
Malaysian taxation	**468.1**	433.5	**448.5**	417.3
Foreign taxation	**22.5**	(14.6)	**-**	-
	490.6	418.9	**448.5**	417.3
Deferred tax (credit)/charge (Note 33)	**(17.9)**	36.2	**3.8**	0.7
	472.7	455.1	**452.3**	418.0
Current taxation:				
Current year - Malaysian taxation	**469.6**	451.1	**449.5**	433.0
- Foreign taxation	**32.5**	(6.6)	**-**	-
Over provided in prior years	**(11.5)**	(25.6)	**(1.0)**	(15.7)
	490.6	418.9	**448.5**	417.3
Deferred taxation:				
Origination and reversal of temporary differences	**(16.9)**	19.3	**5.3**	(2.0)
(Over)/under provided in prior years	**(1.0)**	16.9	**(1.5)**	2.7
	(17.9)	36.2	**3.8**	0.7

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

	Group 2011 %	Group 2010 %	Company 2011 %	Company 2010 %
Malaysian tax rate:	**25.0**	25.0	**25.0**	25.0
Tax effects of:				
- expenses not deductible for tax purposes	**1.7**	2.9	**0.8**	0.6
- different tax regime	**(1.8)**	(0.2)	**-**	-
- income not subject to tax	**(0.8)**	(0.1)	**(0.2)**	(11.4)
- tax incentive	**(1.1)**	(1.1)	**0.0**	0.0
- over provided in prior years	**(0.7)**	(0.5)	**(0.1)**	(0.4)
- others	**2.6**	0.3	**0.0**	(0.2)
Average effective tax rate	**24.9**	26.3	**25.5**	13.6

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 (2010: RM72.6 million).

Subject to the agreement by the Inland Revenue Board, the Group has investment tax allowance of approximately RM1,163.4 million (2010: RM1,231.3 million) which is available to set off against future taxable profits of the respective companies of the Group.

Taxation is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) on the estimated chargeable profits for the year of assessment 2011.

The income tax effect of each of the other comprehensive income/(loss) items is RM2.2 million (2010: RM0.2 million) in the current financial year.

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. The weighted average number of ordinary shares in issue excludes the weighted average number of treasury shares held by the Company.

	Group 2011	Group 2010
Profit for the financial year attributable to equity holders of the Company (RM million)	**1,427.9**	1,276.6
Weighted average number of ordinary shares in issue	**5,660,957,871**	5,687,777,776
Diluted earnings per share (sen)	**25.22**	22.44

12. EARNINGS PER SHARE (cont'd)

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	
	2011	2010
Profit for the financial year attributable to equity holders of the Company (RM million)	**1,427.9**	1,276.6
Weighted average number of ordinary shares adjusted as follows:		
Weighted average number of ordinary shares in issue	**5,660,957,871**	5,687,777,776
Adjustment for share options granted to executives of the Company	**8,482,762**	9,389,919
Adjusted weighted average number of ordinary shares in issue	**5,669,440,633**	5,697,167,695
Diluted earnings per share (sen)	**25.19**	22.41

13. DIVIDENDS

	2011		2010	
	Gross dividend per share Sen	**Amount of dividend (net of tax) RM million**	Gross dividend per share Sen	Amount of dividend (net of tax) RM million
Interim dividend paid:				
- net of 25% tax	**3.80**	**161.2**	3.60	153.0
Proposed final dividend:				
- net of 25% tax	**4.80**	**203.7**	4.40	186.9
	8.60	**364.9**	8.00	339.9

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011 of 4.80 sen less 25% tax (2010: 4.40 sen less 25% tax) per ordinary share of 10 sen each amounting to RM203.7 million (2010: RM186.9 million) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability upon approval by shareholders.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
Group						
Net book value:						
At 1 January 2011	**230.9**	**69.3**	**3,153.9**	**840.9**	**79.8**	**4,374.8**
Additions	**0.6**	**12.7**	**15.0**	**267.8**	**225.8**	**521.9**
Disposals	**-**	**-**	**(0.0)**	**(0.7)**	**-**	**(0.7)**
Written off	**-**	**-**	**(2.0)**	**(3.8)**	**-**	**(5.8)**
Depreciation charge for the financial year	**-**	**(0.9)**	**(83.1)**	**(230.4)**	**-**	**(314.4)**
Impairment loss	**-**	**(1.2)**	**(12.6)**	**-**	**-**	**(13.8)**
Acquisition of subsidiaries and businesses	**58.6**	**-**	**194.8**	**20.2**	**0.6**	**274.2**
Reclassification/adjustment/transfer	**-**	**-**	**59.8**	**113.2**	**(221.9)**	**(48.9)**
Exchange differences	**0.1**	**-**	**8.4**	**1.4**	**0.7**	**10.6**
At 31 December 2011	**290.2**	**79.9**	**3,334.2**	**1,008.6**	**85.0**	**4,797.9**
At 31 December 2011:						
Cost	**290.2**	**95.9**	**4,477.2**	**3,634.0**	**85.0**	**8,582.3**
Accumulated depreciation	**-**	**(11.8)**	**(1,114.5)**	**(2,625.0)**	**-**	**(3,751.3)**
Accumulated impairment loss	**-**	**(4.2)**	**(28.5)**	**(0.4)**	**-**	**(33.1)**
Net book value	**290.2**	**79.9**	**3,334.2**	**1,008.6**	**85.0**	**4,797.9**

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

	Freehold land	Leasehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
Group						
Net book value:						
At 1 January 2010	222.0	70.8	2,535.3	728.3	5.1	3,561.5
Additions	0.5	0.1	12.4	161.6	103.1	277.7
Disposals	-	-	-	(0.7)	-	(0.7)
Written off	-	-	(0.1)	(1.5)	-	(1.6)
Depreciation charge for the financial year	-	(0.7)	(73.6)	(192.8)	-	(267.1)
Impairment loss	-	(0.6)	(2.3)	-	-	(2.9)
Acquisition of subsidiaries	8.4	-	677.3	126.3	9.2	821.2
Reclassification/adjustment/transfer	-	(0.3)	12.1	21.0	(37.5)	(4.7)
Exchange differences	(0.0)	-	(7.2)	(1.3)	(0.1)	(8.6)
At 31 December 2010	230.9	69.3	3,153.9	840.9	79.8	4,374.8
At 31 December 2010:						
Cost	230.9	83.2	4,203.5	3,239.2	79.8	7,836.6
Accumulated depreciation	-	(10.9)	(1,033.7)	(2,397.9)	-	(3,442.5)
Accumulated impairment loss	-	(3.0)	(15.9)	(0.4)	-	(19.3)
Net book value	230.9	69.3	3,153.9	840.9	79.8	4,374.8

	Freehold land	Leasehold land	Buildings & improvements	Plant, equipment & vehicles	Construction in progress	Total
Company						
Net book value:						
At 1 January 2011	**87.2**	**0.4**	**1,331.4**	**384.4**	**16.4**	**1,819.8**
Additions	**-**	**-**	**0.3**	**78.0**	**93.2**	**171.5**
Disposals	**-**	**-**	**-**	**(0.1)**	**-**	**(0.1)**
Written off	**-**	**-**	**(0.2)**	**(0.7)**	**-**	**(0.9)**
Depreciation charge for the financial year	**-**	**(0.0)**	**(42.0)**	**(126.3)**	**-**	**(168.3)**
Transfer to subsidiaries and related companies	**-**	**-**	**(1.1)**	**0.0**	**-**	**(1.1)**
Reclassification/adjustment	**-**	**-**	**24.6**	**35.9**	**(61.6)**	**(1.1)**
At 31 December 2011	**87.2**	**0.4**	**1,313.0**	**371.2**	**48.0**	**1,819.8**
At 31 December 2011:						
Cost	**87.2**	**0.5**	**1,964.0**	**1,922.7**	**48.0**	**4,022.4**
Accumulated depreciation	**-**	**(0.1)**	**(651.0)**	**(1,551.5)**	**-**	**(2,202.6)**
Net book value	**87.2**	**0.4**	**1,313.0**	**371.2**	**48.0**	**1,819.8**
Net book value:						
At 1 January 2010	87.2	0.4	1,396.7	431.2	6.0	1,921.5
Additions	-	-	0.9	92.1	31.7	124.7
Disposals	-	-	-	(0.2)	-	(0.2)
Written off	-	-	-	(0.2)	-	(0.2)
Depreciation charge for the financial year	-	(0.0)	(42.2)	(135.4)	-	(177.6)
Transfer to subsidiaries and related companies	-	-	(27.7)	(16.2)	(0.2)	(44.1)
Reclassification/adjustment	-	-	3.7	13.1	(21.1)	(4.3)
At 31 December 2010	87.2	0.4	1,331.4	384.4	16.4	1,819.8
At 31 December 2010:						
Cost	87.2	0.5	1,940.5	1,843.7	16.4	3,888.3
Accumulated depreciation	-	(0.1)	(609.1)	(1,459.3)	-	(2,068.5)
Net book value	87.2	0.4	1,331.4	384.4	16.4	1,819.8

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

On 22 December 2005, a legal charge was created on the freehold land and building of a subsidiary with a carrying value of RM49.3 million (2010: RM49.9 million) by National Westminster Bank PLC ("mortgagee") for all monies due or that become due to the mortgagee. Freehold land and building represents the property at 1A Palace Gate, Kensington (W8 5LS), United Kingdom which is held under titles number NGL474780 and LN3490. The property comprises a five-storey building with built-up area of about 1,445 sq metres. The property is owned by Coastbright Limited from which it operates the Maxims Casino Club. The facility for which the legal charge had been created was not utilised as at 31 December 2011.

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2011	2010
At 1 January		
Freehold land - at cost	**181.5**	181.5
Additions - freehold land	**3.4**	-
Disposals	**(0.4)**	-
At 31 December	**184.5**	181.5

16. INVESTMENT PROPERTIES

	Group	
	2011	2010
Net book value		
At 1 January	**304.0**	337.2
Additions	**924.7**	-
Acquisitions of subsidiaries and businesses	**334.6**	-
Distribution by a subsidiary	**-**	(7.5)
Depreciation charge for the financial year	**(40.0)**	(6.0)
Reclassification to assets classified as held for sale (Note 26)	**-**	(19.7)
Exchange differences	**39.0**	-
At 31 December	**1,562.3**	304.0
At 31 December		
Cost	**1,669.0**	369.5
Accumulated depreciation	**(106.7)**	(65.5)
Net book value	**1,562.3**	304.0
Fair value	**1,657.0**	332.2

The aggregate rental income and direct operating expenses incurred from investment properties which generate rental income during the financial year amounted to RM35.9 million and RM21.0 million respectively (2010: RM21.5 million and RM8.4 million).

The fair values of the properties were estimated based on the last transacted price of other units in the same properties and valuations carried out by independent firms of professional valuers using the fair market value basis.

17. INTANGIBLE ASSETS

	← Indefinite Life →			← Definite Life →		
	Goodwill	**Casino Licences**	**Trademarks**	**Licence**	**Casino Concession Agreement**	**Total**
Group						
Net book value:						
At 1 January 2011	**348.1**	**1,521.5**	**49.9**	**1,198.2**	**26.9**	**3,144.6**
Additions	**-**	**-**	**-**	**1,017.1**	**-**	**1,017.1**
Acquisitions of subsidiaries and businesses	**106.0**	**38.2**	**-**	**-**	**-**	**144.2**
Amortisation charge	**-**	**-**	**-**	**(11.8)**	**-**	**(11.8)**
Exchange differences	**4.3**	**19.4**	**0.6**	**13.5**	**0.4**	**38.2**
At 31 December 2011	**458.4**	**1,579.1**	**50.5**	**2,217.0**	**27.3**	**4,332.3**
At 31 December 2011						
Cost	**458.4**	**1,579.1**	**50.5**	**2,229.3**	**27.3**	**4,344.6**
Accumulated amortisation	**-**	**-**	**-**	**(12.3)**	**-**	**(12.3)**
Net book value	**458.4**	**1,579.1**	**50.5**	**2,217.0**	**27.3**	**4,332.3**
Cost						
At 1 January 2010	11.6	-	-	-	-	11.6
Additions	-	-	-	1,178.6	-	1,178.6
Acquisition of subsidiaries	340.1	1,537.8	50.4	-	27.2	1,955.5
Exchange differences	(3.6)	(16.3)	(0.5)	19.6	(0.3)	(1.1)
At 31 December 2010	348.1	1,521.5	49.9	1,198.2	26.9	3,144.6

17. INTANGIBLE ASSETS (cont'd)

Impairment tests for goodwill and other intangible assets with indefinite useful life

Goodwill and other intangible assets with indefinite useful life are allocated to the Group's cash-generating units ("CGU") identified according to geographical area and business segments.

A segment-level summary of the net book value of goodwill and other intangible assets with indefinite useful life allocation is as follows:

	Group	
	2011	2010
Goodwill:		
United Kingdom	**351.7**	336.5
United States of America	**77.6**	-
Malaysia	**29.1**	11.6
	458.4	348.1
Other intangible assets with indefinite useful life:		
United Kingdom		
- London	**820.6**	772.6
- Provincial	**809.0**	798.8
	1,629.6	1,571.4

Goodwill and other intangible assets with indefinite useful life - United Kingdom ("UK")

On 15 October 2010, the Group through its wholly-owned subsidiary, Genting Worldwide (UK) Limited completed the acquisition of casino businesses in the UK for a total cash consideration of GBP351.5 million from Genting Singapore PLC. The amount of intangible assets had initially been determined based on provisional fair values assigned to the identifiable assets and liabilities as at acquisition date pending finalisation of the Purchase Price Allocation ("PPA") exercise. The PPA exercise has been completed and no adjustments were required to the provisional fair values assigned to the identifiable assets and liabilities on acquisition date.

In the previous year, the goodwill attributable to UK was allocated to London and Provincial CGUs. During the year, the Group changed the previously indentified CGUs according to the way management reviews the cash flows and return on investment of the casino businesses in the UK. Consequently, the Group allocated the entire goodwill to the leisure and hospitality business segment in the UK and the comparatives have therefore been restated accordingly.

Goodwill and other intangible assets with indefinite useful life that have been allocated to UK were tested for impairment using the value in use ("VIU") method.

The recoverable amount of CGUs in UK was determined based on VIU calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a ten-year period which represents a more accurate projection of the casino businesses in the UK. Cash flows beyond the ten-year period were extrapolated using the estimated growth rates stated below.

The growth rate did not exceed the long-term average growth rate for the leisure and hospitality industry in which the CGUs operate.

Key assumptions used in the VIU calculations for goodwill:

	Leisure & Hospitality 2011
Growth rate	**2.25% to 2.50%**
Weighted average cost of capital ("WACC")	**9.50%**

Key assumptions used in the VIU calculations for other intangible assets with indefinite useful life:

	Leisure & Hospitality 2011	
	London	**Provincial**
Growth rate	**2.50%**	**2.25%**
WACC	**9.50%**	**9.50%**

Based on the impairment test, no impairment is required for the goodwill and other intangible assets attributable to UK.

There will be no impact to the Group's results if the growth rate is reduced to 2% or the WACC is 1% higher with all other variables including tax rate being held constant.

Goodwill – United States of America ("US")

The goodwill attributable to US CGU arose from the acquisition of Omni Center in the City of Miami, Florida, US which was completed on 8 November 2011. As the provisional fair values assigned to the identifiable assets and liabilities were carried out near the current financial year end and the identifiable assets and liabilities have been recorded at their respective fair values, the goodwill is not tested for impairment. Details of the net assets acquired and goodwill arising from the above acquisition are disclosed in the statements of cash flows.

Goodwill – Malaysia

The goodwill attributed to Malaysia CGU mainly arose from the acquisition of 100% equity interests in E-Genting Holdings Sdn Bhd and Ascend International Holdings Limited which was completed on 31 October 2011. As the provisional fair values assigned to the identifiable assets and liabilities were carried out near the current financial year end and the identifiable assets and liabilities have been recorded at their respective fair values, the goodwill is not tested for impairment. Details of the net assets acquired and goodwill arising from the above acquisition are disclosed in the statements of cash flows.

The goodwill arose from the acquisition of 100% equity interest in Oakwood Sdn Bhd was tested for impairment using the VIU method. Key assumptions used in the VIU calculation include a growth rate and WACC of 3.3% (2010: 2.5%) and 13.53% (2010: 14.85%), respectively. Based on the impairment test, no impairment is required for goodwill attributed to Malaysia CGU.

18. SUBSIDIARIES

	Company 2011	Company 2010
Investment in subsidiaries		
Unquoted shares - at cost	**9,714.1**	8,158.4
Accumulated impairment losses	**(713.6)**	(701.6)
	9,000.5	7,456.8
Amounts due from subsidiaries (Current)	**204.9**	251.4
Impairment losses	**(50.3)**	(50.3)
Net amounts due from subsidiaries	**154.6**	201.1
Amounts due to subsidiaries (Current)	**(275.2)**	(231.1)

The subsidiaries are listed in Note 41.

The carrying amounts of the amounts due from/to subsidiaries approximate their fair values.

The amounts due from/to subsidiaries are unsecured, interest free and have no fixed terms of repayment. Details of the significant non-cash transactions with the subsidiaries are disclosed in Note 39.

The Company's exposure to bad debts is not significant since the subsidiaries do not have historical default risk. The Company also manages its credit risk by performing regular reviews of the ageing profile of amounts due from subsidiaries.

19. JOINTLY CONTROLLED ENTITIES

	Group 2011	Group 2010
Unquoted - at cost:		
Shares in foreign companies	**24.2**	23.8
Shares in a Malaysian company	**1.2**	1.2
Group's share of post acquisition reserves	**(10.9)**	(7.8)
Accumulated impairment losses	**(1.3)**	-
	13.2	17.2
Amounts due from jointly controlled entities	**5.9**	0.0
Amount due to a jointly controlled entity	**26.0**	25.6
Accumulated impairment losses	**(4.0)**	-
Balance included in current assets	**(1.9)**	(0.0)
Balance included in current liabilities	**(26.0)**	(25.6)
	-	-
	13.2	17.2

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

	Group 2011	Group 2010
Revenue	**0.1**	1.0
Expenses	**(2.9)**	(9.1)
Net loss	**(2.8)**	(8.1)
Total assets	**14.0**	21.4
Total liabilities	**(0.8)**	(4.2)
Net assets	**13.2**	17.2

The jointly controlled entities are listed in Note 41.

There are no contingent liabilities relating to the Group's interest in jointly controlled entities as at the financial year end (2010: Nil).

The amounts due from/to jointly controlled entities are unsecured, interest free and have no fixed terms of repayment and the carrying amounts approximate their fair values.

20. ASSOCIATES

	Group 2011	Group 2010
Unquoted - at cost:		
Shares in foreign companies	**26.7**	1.8
Group's share of post acquisition reserves	**(2.2)**	(0.3)
	24.5	1.5
Amount due to an associate	**6.0**	-
Balance included in current liabilities	**(6.0)**	-
	-	-
	24.5	1.5

The Group's aggregate share of the revenue, loss, assets and liabilities of the associates are as follows:

	Group 2011	Group 2010
Revenue	**1.7**	0.0
Net loss	**(1.9)**	(0.3)
Total assets	**30.6**	2.3
Total liabilities	**(6.1)**	(0.8)

The associates are listed in Note 41.

There are no contingent liabilities relating to the Group's interest in associates as at the financial year end (2010: Nil).

The amount due to an associate is unsecured, interest-free and has no fixed terms of repayment and the carrying amount approximates its fair value.

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2011	2010	**2011**	2010
Non-current				
At 1 January	**2,371.5**	1,701.5	**1.7**	1.7
Additions	**25.1**	112.3	**-**	-
Disposals	**-**	(65.6)	**-**	-
Accretion of discount	**2.0**	0.8	**-**	-
Fair value changes - recognised in other comprehensive income	**(819.1)**	871.7	**-**	-
Impairment loss charged to profit or loss	**-**	(108.0)	**-**	-
Exchange differences	**28.7**	(141.2)	**-**	-
At 31 December	**1,608.2**	2,371.5	**1.7**	1.7
Current				
At 1 January	**250.0**	-	**250.0**	-
Additions	**585.8**	250.0	**-**	250.0
Fair value changes - recognised in other comprehensive income	**-**	0.0	**-**	0.0
Cancellation of notes (see Note (i) below)	**(585.8)**	-	**-**	-
At 31 December	**250.0**	250.0	**250.0**	250.0

Included in the available-for-sale financial assets of the Group is a 50% equity investment of RM1 held in trust for a third party which the Group has no beneficial interest.

Note (i): On 8 November 2011, Hill Brow LLC, an indirect wholly-owned subsidiary of the Company, acquired the Omni Center in the City of Miami, Florida, United States of America through a foreclosure bidding process. The consideration was satisfied through the cancellation of the promissory notes that the Group acquired for RM585.8 million (USD185.0 million) in August 2011 which was secured against the Omni Center properties.

Available-for-sale financial assets include the following:

	Group		Company	
	2011	2010	**2011**	2010
Equity investment in foreign corporations				
- Unquoted	**71.7**	70.9	**-**	-
- Quoted	**1,224.5**	2,022.1	**-**	-
Equity investment in Malaysian corporations				
- Unquoted	**1.7**	1.7	**1.7**	1.7
Debt securities in foreign corporations				
- Unquoted	**229.1**	224.1	**-**	-
Income fund in Malaysian corporations				
- Unquoted	**250.0**	250.0	**250.0**	250.0
Long term receivable from foreign corporations				
- Unquoted	**81.2**	52.7	**-**	-
	1,858.2	2,621.5	**251.7**	251.7

The fair values of the quoted equity investments are determined based on the quoted market bid prices available on the relevant stock exchanges. The fair values of the unquoted debt securities are determined based on the price traded over the counter. The income fund is redeemable at the holder's discretion and its fair value is determined based on the fair value of the underlying net assets.

The fair values of certain unquoted equity investment and the long term receivable are determined based on valuation techniques supported by observable market data.

Other unquoted equity investments are measured at cost less impairment losses at each reporting date because the fair values cannot be obtained directly from quoted market price or indirectly using valuation techniques supported by observable market data.

The interest rates for unquoted debt securities range from 7.88% to 11.13% (2010: 4.25% to 11.13%) per annum and have remaining maturity period ranging between 3 years to 9 years as at 31 December 2011(2010: 4 years to 10 years).

22. LONG TERM RECEIVABLES

	Group		Company	
	2011	2010	**2011**	2010
Trade receivables	**5.8**	5.9	**-**	-
Other receivables	**251.5**	1.6	**1.5**	1.6
	257.3	7.5	**1.5**	1.6

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

	Group		Company	
	2011	2010	**2011**	2010
Between 1 and 2 years	**4.3**	4.1	**0.1**	0.1
Between 2 and 5 years	**1.7**	2.1	**0.1**	0.2
Later than 5 years	**251.3**	1.3	**1.3**	1.3
	257.3	7.5	**1.5**	1.6
Fair value of long term receivables	**257.3**	7.5	**1.5**	1.6

Included in other receivables of the Group is an investment of RM250.0 million in an unquoted preference shares in a Malaysian corporation. The preference shares carry a cumulative, non-compounding fixed dividend of 4% per annum and are subordinated to loan facilities undertaken by the issuer.

The other long term receivables bear an effective annual interest rate of 2.87% to 15% (2010 : 2.87% to 15%).

23. INVENTORIES

	Group		Company	
At cost:	**2011**	2010	**2011**	2010
Food, beverage, tobacco and other hotel supplies	**21.4**	17.4	**10.0**	11.2
Stores, spares and retail stocks	**30.5**	32.6	**25.0**	25.1
Completed properties	**23.9**	23.9	**-**	-
	75.8	73.9	**35.0**	36.3

24. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	2010	**2011**	2010
Trade receivables	**50.9**	62.9	**12.7**	12.3
Other receivables	**240.2**	56.5	**20.2**	19.9
Less: Impairment loss on receivables	**(4.1)**	(4.8)	**-**	-
	287.0	114.6	**32.9**	32.2
Deposits	**165.7**	24.4	**11.6**	11.6
Prepayment for property, plant and equipment	**-**	123.8	**-**	-
Other prepayments	**92.8**	66.4	**48.9**	36.3
Total trade and other receivables	**545.5**	329.2	**93.4**	80.1

Credit terms offered by the Group and Company in respect of current trade receivables ranges from payment in advance to 60 days from the date of invoice.

The carrying amounts of the Group's and the Company's trade and other receivables approximate their fair values.

As of 31 December 2011, the ageing analysis of trade receivables which were past due but not impaired is as follows:

	Group		Company	
	2011	2010	**2011**	2010
Current receivables past due:				
1 day to 90 days	**13.6**	12.1	**6.1**	5.2
91 days to 180 days	**1.1**	1.0	**0.0**	0.3
More than 180 days	**3.8**	3.3	**0.6**	0.7
	18.5	16.4	**6.7**	6.2

No impairment has been made on these past due amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

The Group's trade receivables that are individually determined to be impaired at the reporting date are past due for more than 180 days and relate to debtors that are in significant financial difficulties and have defaulted on payments. The amount of the provision was RM4.1 million as of 31 December 2011 (2010: RM4.8 million). These receivables are not secured by any collateral.

The movements on the provision for impairment loss on receivables:

	Group		Company	
	2011	2010	**2011**	2010
At 1 January	**4.8**	2.5	**-**	0.1
Charge for the year	**1.0**	3.7	**-**	(0.1)
Reversal of impairment loss	**(1.7)**	(1.4)	**-**	-
At 31 December	**4.1**	4.8	**-**	-

25. HOLDING COMPANY AND OTHER RELATED COMPANIES

The Directors of the Company regard Genting Berhad, a company incorporated in Malaysia, as its immediate and ultimate holding company notwithstanding Genting Berhad's shareholding of less than 50% in the Company as Genting Berhad has control over the Company by virtue of its ability to manage the financial and operating policies of the Company pursuant to a 30-year Resort Management Agreement ("RMA") entered into in 1989 between the Company and Genting Berhad's wholly-owned subsidiary, Genting Hotel & Resorts Management Sdn Bhd ("GHRM"). The RMA, which cannot be unilaterally terminated by either party (except in limited circumstances, generally relating to default by a party continuing after a cure period or insolvency related events affecting a party), is renewable under the original terms and conditions at the end of the original term for 3 consecutive terms of 20 years each. Under the RMA, GHRM is appointed as the operator and manager of the gaming, hotel and resort-related operations ("Resort") of the Company, which includes the supply of senior management and other personnel deemed necessary or appropriate by GHRM for the operation of the Resort. A fee based on the gross revenue and the net operating income before fixed charges and taxation of the Resort is payable by the Company to GHRM for services under the RMA. In addition, Genting Berhad is the single largest shareholder of the Company.

The amount due to holding company represents outstanding balances arising mainly from management fees payable and licensing services is unsecured, interest free and has no fixed terms of repayment.

The amounts due to/from other related companies are unsecured, interest free and have no fixed terms of repayment.

The carrying amounts of the amounts due to/from holding company and other related companies approximate their fair values.

26. ASSETS CLASSIFIED AS HELD FOR SALE

On 9 November 2010, the indirect wholly-owned subsidiaries of the Company entered into Sale and Purchase Agreements to sell the leasehold land in Pulau Indah, Klang with a net book value of RM19.7 million as at 31 December 2010 for a total cash consideration of RM32.3 million. The completion of this transaction is conditional upon the Group obtaining the consent from the relevant state authority.

In January 2011, the consent from the state authority was obtained and the sale transaction was completed on 12 April 2011, resulting in a gain on disposal of RM12.6 million.

27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2011	2010
Held for trading		
- Equity investments (Quoted foreign corporations)	**4.4**	22.0
- Debt securities (Unquoted foreign corporations)	**60.6**	68.8
	65.0	90.8

The fair values of quoted equity investments are determined by reference to the bid prices on the relevant stock exchanges. The fair value of the unquoted debt securities are determined based on the price traded over the counter.

28. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	**2011**	2010
Deposits with licensed banks	**1,075.6**	2,107.4	**845.5**	1,339.3
Cash and bank balances	**1,045.8**	540.5	**643.5**	364.6
	2,121.4	2,647.9	**1,489.0**	1,703.9
Less: Restricted cash	**(624.1)**	(645.8)	**(615.4)**	(636.7)
Bank balances and deposits	**1,497.3**	2,002.1	**873.6**	1,067.2
Money market instruments	**645.5**	864.2	**636.4**	864.2
Cash and cash equivalents	**2,142.8**	2,866.3	**1,510.0**	1,931.4

The carrying amount of these assets approximates their fair values.

The currency 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	
	2011	2010	**2011 %**	2010 %	**2011**	2010	**2011 %**	2010 %
Ringgit Malaysia	**1,714.8**	1,926.9	**3.11**	2.76	**1,493.7**	1,900.3	**3.11**	2.76
United States Dollars	**131.3**	769.4	**0.10**	0.21	**5.4**	6.5	**-**	-
Pound Sterling	**282.8**	113.5	**0.40**	0.60	**0.2**	0.0	**-**	-
Singapore Dollars	**4.2**	25.8	**-**	-	**3.2**	11.8	**-**	-
Hong Kong Dollars	**7.4**	30.5	**-**	-	**7.4**	12.6	**-**	-
Other foreign currencies	**2.3**	0.2	**-**	-	**0.1**	0.2	**-**	-
	2,142.8	2,866.3			**1,510.0**	1,931.4		

The deposits of the Group and Company have an average maturity period of 23 days (2010: 24 days). Bank balances of the Group and Company are deposits held at call.

Investment in money market instruments comprises negotiable certificates of deposit and bankers' acceptances. The money market instruments of the Group and the Company as at 31 December 2011, have maturity periods ranging between overnight and one month (2010: overnight and one month).

Restricted cash relates to the deposits pledged with licensed bank to secure certain bank facilities denominated in United States Dollars (Note 37). The deposits have a weighted average interest rate of 3.0% (2010: 2.6%) per annum.

29. SHARE CAPITAL

The authorised, issued and fully paid up capital of the Company as at year end are as follow:

	Company			
	No. of ordinary shares		Amount	
	2011	2010	**2011**	2010
Authorised:				
Ordinary shares of 10 sen each	**8,000.0**	8,000.0	**800.0**	800.0
Issued and fully paid:				
Ordinary shares of 10 sen each				
At 1 January	**5,915.3**	5,904.8	**591.5**	590.5
Issue of shares	**9.1**	10.5	**0.9**	1.0
At 31 December	**5,924.4**	5,915.3	**592.4**	591.5

The Executive Share Option Scheme for Eligible Executives of Genting Malaysia Berhad 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 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 was established by the Board of Directors. Following the dissolution of the RCB Committee with effect from 29 June 2009, the administration of the Scheme has been delegated by the Board of Directors to the Remuneration Committee ("RC") of the Company.

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 RC 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 RC

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

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 Securities 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.

29. SHARE CAPITAL (cont'd)

vii) No Options shall be granted for less than 1,000 shares and not more than 7,500,000 shares to any eligible employee.

viii) The Options granted can only be exercised by the Grantee in the third year from the Date of Offer and the number of new Shares comprised in the Options which a Grantee can subscribe for from the third year onwards shall at all times be subjected to the following maximum percentage of new shares comprised in the Options:

Year 1	Year 2	Year 3	Year 4	Year 5
-	-	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares	12.5% rounded up to the next 1,000 shares

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

ix) All new ordinary shares issued upon exercise of the Options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than their entitlements to dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares and will be subject to all provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

x) The Options shall not have any right to vote at general meeting of the Company and the Grantees shall not be entitled to any dividends, right or other entitlements in respect of their unexercised Options.

Set out below are details of Options over the ordinary shares of the Company granted under the ESOS:

Financial year ended 31.12.2011			**Number of Unissued Shares (Ordinary shares of 10 sen each)**				
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**
2.9.2002	**2.9.2004 to 11.8.2012**	**2.06**	**20,846**	**-**	**(7,740)**	**-**	**13,106**
29.11.2002	**29.11.2004 to 11.8.2012**	**1.70**	**130**	**-**	**(90)**	**-**	**40**
17.12.2004	**17.12.2006 to 11.8.2012**	**1.90**	**2,790**	**-**	**(1,089)**	**-**	**1,701**
19.7.2005	**19.7.2007 to 11.8.2012**	**1.98**	**110**	**-**	**(35)**	**-**	**75**
14.12.2005	**14.12.2007 to 11.8.2012**	**2.13**	**290**	**-**	**(145)**	**-**	**145**
			24,166	**-**	**(9,099)**	**-**	**15,067**

Financial year ended 31.12.2010			Number of Unissued Shares (Ordinary shares of 10 sen each)				
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
2.9.2002	2.9.2004 to 11.8.2012	2.06	30,450	105	(9,452)	(257)	20,846
29.11.2002	29.11.2004 to 11.8.2012	1.70	235	-	(105)	-	130
17.12.2004	17.12.2006 to 11.8.2012	1.90	3,695	5	(860)	(50)	2,790
19.7.2005	19.7.2007 to 11.8.2012	1.98	145	-	(35)	-	110
14.12.2005	14.12.2007 to 11.8.2012	2.13	365	-	(75)	-	290
			34,890	110	(10,527)	(307)	24,166

The number of share options vested as at 31 December 2011 is 13.0 million ordinary shares of 10 sen each (2010: 13.7 million ordinary shares of 10 sen each).

29. 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 2011**
January – June 2011	3.24 to 3.56	1.70	**90,000**
January – December 2011	3.22 to 3.91	1.90	**1,089,000**
December 2011	3.85	1.98	**35,000**
January – December 2011	3.22 to 3.91	2.06	**7,740,000**
January – December 2011	3.33 to 3.86	2.13	**145,000**
			9,099,000

Exercise date	Fair value of shares at share issue date (RM/share)	Subscription price (RM/share)	Number of shares issued 2010
January 2010	2.87 to 2.88	1.70	105,000
January – May 2010	2.72 to 2.93	1.90	860,000
May 2010	2.80	1.98	35,000
May – December 2010	2.62 to 3.56	2.06	9,452,000
December 2010	3.29 to 3.33	2.13	75,000
			10,527,000

	2011 RM'000	2010 RM'000
Ordinary share capital – at par	**910**	1,052
Share premium	**17,664**	20,497
Proceeds received on exercise of share options	**18,574**	21,549
Fair value at exercise date of shares issued	**33,340**	34,143

30. RESERVES

	Group		Company	
	2011	2010	**2011**	2010
Share premium	**1,144.2**	1,126.5	**1,144.2**	1,126.5
Available-for-sale financial assets reserve	**952.2**	1,771.3	**0.0**	0.0
Reserve on exchange differences	**(291.0)**	(393.8)	**-**	-
Other reserves:				
- Capital redemption reserve	**0.1**	0.1	**-**	-
- Option reserve	**0.2**	0.2	**0.2**	0.2
Retained earnings	**10,421.0**	9,348.3	**11,381.1**	10,406.9
	12,226.7	11,852.6	**12,525.5**	11,533.6

Refer to Statements of Changes in Equity for movements in the reserves.

Based on the prevailing tax rate applicable to dividends, the estimated tax credit position is sufficient to frank approximately RM6,047.3 million (2010: RM6,395.4 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 2011, 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 RM2,624.8 million (2010: RM2,624.8 million). The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. The single tier dividend is not taxable in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007. As at 31 December 2011, subject to agreement with the tax authorities, the Company has sufficient Section 108 tax credits and tax exempt income to pay franked and exempt dividends amounting to RM8,672.1 million out of its retained earnings (2010: RM9,020.2 million). If the balance of the retained earnings of RM2,709.0 million (2010: RM1,386.7 million) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

31. TREASURY SHARES

At the Annual General Meeting of the Company held on 8 June 2011, the shareholders of the Company approved the renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

During the current financial year, the Company had purchased a total of 16,396,600 (2010: 41,499,700) ordinary shares of 10 sen each of its issued share capital from the open market. The total consideration paid for the purchase, including transaction costs, was RM56.9 million (2010: RM127.9 million) and was financed by internally generated funds. The purchased shares are held as treasury shares in accordance with the provisions of Section 67A (as amended) of the Companies Act, 1965. There is no cancellation, resale or reissuance of treasury shares during the financial year.

As at 31 December 2011, of the total 5,924,413,648 (2010: 5,915,314,648) issued and fully paid ordinary shares, 265,097,400 (2010: 248,700,800) are held as treasury shares by the Company. As at 31 December 2011, the number of outstanding ordinary shares in issue after the setoff is therefore 5,659,316,248 (2010: 5,666,613,848) ordinary shares of 10 sen each.

Details of the shares purchased were as follows:

Company 2011	**Total shares purchased 'million**	**Total consideration paid RM 'million**	**Purchase price per share (excludes transaction cost) Highest RM**	**Lowest RM**	**Average RM**
At 1 January	**248.7**	**835.4**	**4.50**	**1.92**	**3.35**
Shares purchased during the financial year:					
January	**4.3**	**13.9**	**3.30**	**3.22**	**3.26**
March	**1.6**	**5.2**	**3.31**	**3.28**	**3.30**
May	**0.8**	**2.9**	**3.62**	**3.58**	**3.60**
June	**2.5**	**9.2**	**3.63**	**3.54**	**3.61**
July	**1.0**	**3.8**	**3.63**	**3.60**	**3.62**
August	**5.5**	**19.2**	**3.60**	**3.40**	**3.49**
November	**0.7**	**2.7**	**3.92**	**3.88**	**3.90**
	16.4	**56.9**			
At 31 December	**265.1**	**892.3**			**3.36**

Company 2010	**Total shares purchased 'million**	**Total consideration paid RM 'million**	**Purchase price per share (excludes transaction cost) Highest RM**	**Lowest RM**	**Average RM**
At 1 January	207.2	707.5	4.50	1.92	3.40
Shares purchased during the financial year:					
May	1.0	2.8	2.78	2.70	2.74
August	32.1	97.8	3.14	2.95	3.03
September	3.4	10.5	3.23	3.00	3.13
November	0.8	2.6	3.20	3.20	3.20
December	4.2	14.2	3.39	3.28	3.34
	41.5	127.9			
At 31 December	248.7	835.4			3.35

32. OTHER LONG TERM LIABILITIES

	Group 2011	2010
Advance membership fees (see Note (i) below)	**24.4**	29.1
Provision for onerous lease (see Note (ii) below)	**26.1**	38.0
	50.5	67.1

Note (i):

Advance membership fees relates 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. OTHER LONG TERM LIABILITIES (cont'd)

Note (ii):

The movements of the provision for onerous lease are as follows:

	Group 2011	Group 2010
As at 1 January	**38.0**	-
Charged to profit or loss	**11.7**	11.5
Acquisition of subsidiaries	**-**	29.4
Unwinding of discount	**2.9**	-
Paid during the financial year	**(14.5)**	(2.5)
Exchange differences	**0.6**	(0.4)
As at 31 December	**38.7**	38.0
Analysed as follows:		
Current (Note 36)	**12.6**	-
Non-current	**26.1**	38.0
	38.7	38.0

The Group is a party to a number of leasehold property contracts. Provision has been made against those leases where the property is now vacant and the unavoidable costs under the lease exceed the economic benefit expected to be derived from potential sub-letting arrangements. The estimated discounted cash flows derived from the property and its associated operations are insufficient to cover the unavoidable lease costs and the lease is therefore deemed onerous. Estimated future cash flows used in the onerous contract calculations represent management's best view of the likely future market conditions relating to each contract.

33. 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 statements of financial position:

	Group 2011	Group 2010	Company 2011	Company 2010
Deferred tax assets:				
- subject to income tax	**1.4**	2.6	**-**	-
Deferred tax liabilities:				
- subject to income tax	**(816.7)**	(829.1)	**(119.5)**	(115.7)
	(815.3)	(826.5)	**(119.5)**	(115.7)
At 1 January:	**(826.5)**	(262.3)	**(115.7)**	(115.0)
Credited/(Charged) to profit or loss (Note 11):				
- property, plant and equipment	**11.2**	(45.7)	**(7.9)**	(9.7)
- provisions	**2.3**	4.9	**3.4**	3.6
- others	**4.4**	4.6	**0.7**	5.4
	17.9	(36.2)	**(3.8)**	(0.7)
Acquisitions of subsidiaries and businesses	**-**	(533.2)	**-**	-
Exchange differences	**(7.0)**	6.0	**-**	-
Others	**0.3**	(0.8)	**-**	-
At 31 December	**(815.3)**	(826.5)	**(119.5)**	(115.7)

	Group 2011	Group 2010	Company 2011	Company 2010
Subject to income tax:				
(i) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**0.6**	2.4	**-**	-
- Provisions	**26.1**	23.8	**25.6**	22.2
- Acquisitions of subsidiaries and businesses	**0.6**	0.2	**-**	-
- Others	**10.6**	7.0	**8.1**	7.4
	37.9	33.4	**33.7**	29.6
- Offsetting	**(36.5)**	(30.8)	**(33.7)**	(29.6)
Deferred tax assets (after offsetting)	**1.4**	2.6	**-**	-
(ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(811.1)**	(283.8)	**(153.2)**	(145.3)
- Land held for property development	**(39.4)**	(39.4)	**-**	-
- Inventory – completed properties	**(2.1)**	(2.1)	**-**	-
- Acquisitions of subsidiaries and businesses	**(0.6)**	(533.4)	**-**	-
- Others	**-**	(1.2)	**-**	-
	(853.2)	(859.9)	**(153.2)**	(145.3)
- Offsetting	**36.5**	30.8	**33.7**	29.6
Deferred tax liabilities (after offsetting)	**(816.7)**	(829.1)	**(119.5)**	(115.7)

The amount of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group 2011	Group 2010	Company 2011	Company 2010
Unutilised tax losses	**74.4**	72.6	**-**	-
Property, plant and equipment	**76.8**	76.8	**-**	-
Provisions	**2.7**	2.1	**-**	-
	153.9	151.5	**-**	-

In respect of the Group's unutilised Investment Tax Allowance ("ITA") of RM1,163.4 million (2010: RM1,231.3 million) with regards to FRS 112 "Income Taxes", the Group will continue to recognise in the profit or loss, the tax impact arising from the ITA as and when it is utilised.

34. RETIREMENT BENEFIT LIABILITY

Defined Benefit Scheme

Genting UK Plc's ("Genting UK") defined benefit pension scheme became part of the Group's retirement benefit schemes pursuant to the Group's acquisition of Genting UK on 15 October 2010.

The Genting UK 1988 Retirement Benefit Scheme is a defined benefit scheme, which provides benefits to employees of Genting UK and its subsidiaries based on final pensionable earnings. Membership has not been offered since 2 February 2001, and the scheme is, therefore, effectively closed to new entrants. This has not affected the status or rights of existing members. The scheme was also closed to future accrual on 31 July 2011, giving rise to a gain of RM1.5 million, recognised in the profit or loss.

The last full actuarial valuation was carried out by a qualified independent actuary on 1 May 2009 and updated on an approximate basis to 31 December 2011.

From 31 July 2011, active members stopped building up further service within the pension scheme and their benefits became deferred. As a result, future service cost will be nil.

All actuarial gains and losses in the year are recognised immediately in the statements of comprehensive income.

The amount recognised in the statements of financial position is as follows:

	Group	
	2011	2010
Fair value of plan assets	**108.5**	105.4
Present value of funded obligations	**(132.9)**	(126.5)
Net retirement benefit liability	**(24.4)**	(21.1)

The amounts recognised in the profit or loss is as follows:

	Group	
	2011	2010
Current service cost	**(1.0)**	(1.4)
Gain on curtailment	**1.5**	-
Expected return on plan assets	**6.9**	6.6
Interest on pension scheme liabilities	**(6.9)**	(6.7)
Total credit/(charge) included within employee benefits expense	**0.5**	(1.5)

The actual return on plan assets was 1.4% (2010: 13.0%).

The changes in the present value of defined benefit obligation are as follows:

	Group	
	2011	2010
As at 1 January	**(126.5)**	-
Acquisition of subsidiaries	**-**	(120.3)
Current service cost	**(1.0)**	(1.4)
Interest on pension scheme liabilities	**(6.9)**	(6.7)
Contribution by plan participants	**(0.5)**	(0.4)
Benefits paid	**5.9**	5.2
Actuarial loss	**(3.4)**	(4.2)
Gain on curtailment	**1.5**	-
Exchange difference	**(2.0)**	1.3
As at 31 December	**(132.9)**	(126.5)

The changes in the fair value of plan assets are as follows:

	Group	
	2011	2010
As at 1 January	**105.4**	-
Acquisition of subsidiaries	**-**	95.3
Expected return on plan assets	**6.9**	6.6
Employer contribution	**5.9**	3.0
Contribution by plan participants	**0.5**	0.4
Benefits paid	**(5.9)**	(5.2)
Actuarial (loss)/gain	**(5.9)**	6.4
Exchange difference	**1.6**	(1.1)
As at 31 December	**108.5**	105.4

The contribution expected to be paid during the financial year ending 31 December 2012 amounts to RM5.0 million.

Analysis of the movement in the defined benefit liability is as follows:

	Group	
	2011	2010
As at 1 January	**(21.1)**	-
Acquisition of subsidiaries	**-**	(25.0)
Current service cost	**(1.0)**	(1.4)
Gain on curtailment	**1.5**	-
Net finance cost	**-**	(0.1)
Employer contributions	**5.9**	3.0
Actuarial (loss)/gain	**(9.3)**	2.2
Exchange difference	**(0.4)**	0.2
As at 31 December	**(24.4)**	(21.1)

The major categories of assets as a percentage of total plan assets are as follows:

	Group	
	2011	2010
	%	%
Equities	**60**	62
Bonds	**40**	37
Cash	**-**	1
Total	**100**	100

The principal assumptions made by the actuaries were:

	Group	
	2011	2010
	%	%
Inflation	**2.3**	3.0
Salary increases	**-**	3.5
Discount rate	**4.9**	5.5
Pensions in payment increase if UK Consumer Price Index is 5.0% less	**2.3**	2.9
Pensions in payment increase if UK Consumer Price Index is 2.5% less	**2.3**	2.5
Revaluation rate for deferred pensioners	**2.3**	3.0
Expected return on plan assets	**6.4**	6.6

The overall expected return on plan assets was derived as an average of the long term expected rates of return on each major asset category weighted by the allocations among the categories.

34. RETIREMENT BENEFIT LIABILITY (cont'd)

The mortality assumptions adopted imply the following life expectancies:

	Group	
	2011	2010
Male currently age 65	**20.2 to 24.1 years**	20.2 to 24.0 years
Female currently age 65	**22.8 to 26.5 years**	22.7 to 26.4 years
Male currently age 45	**22.2 to 26.1 years**	22.1 to 26.0 years
Female currently age 45	**24.7 to 28.4 years**	24.6 to 28.3 years

	Group	
	2011	2010
Expected long term rate of return	**%**	%
Equities	**7.5**	7.4
Bonds	**4.9**	5.5
Cash	**0.5**	0.5

The expected long term return on cash is equal to bank base rates at the reporting date. The expected return on bonds is determined by reference to the UK long dated gilt and bond yields at the reporting date. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions at the reporting date.

	Group	
	2011	2010
History of experience gains and losses		
Experience adjustments arising on scheme assets	**(5.4)**	6.8
Experience adjustments arising on scheme liabilities	**-**	2.0
Effect of changes in demographic and financial assumptions underlying the present value of the plan liabilities	**(3.9)**	(6.4)
	(9.3)	2.4
Present value of funded obligations	**(132.9)**	(126.5)
Fair value of plan assets	**108.5**	105.4
Deficit	**(24.4)**	(21.1)

35. PROVISION FOR RETIREMENT GRATUITIES

	Group		Company	
	2011	2010	**2011**	2010
At 1 January	**93.7**	78.0	**89.0**	74.6
Charged to profit or loss	**18.8**	19.1	**16.3**	17.6
Acquisitions of subsidiaries and businesses	**3.8**	-	**-**	-
Paid during the financial year	**(4.3)**	(3.4)	**(3.1)**	(3.2)
At 31 December	**112.0**	93.7	**102.2**	89.0

	Group		Company	
	2011	2010	**2011**	2010
Analysed as follows:				
Current (Note 36)	**10.4**	7.0	**8.6**	5.5
Non-current	**101.6**	86.7	**93.6**	83.5
	112.0	93.7	**102.2**	89.0

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

36. TRADE AND OTHER PAYABLES

	Group		Company	
	2011	2010	**2011**	2010
Trade payables	**290.8**	121.1	**37.2**	55.3
Accruals	**717.3**	637.0	**504.2**	467.3
Deposits	**44.5**	23.8	**24.6**	6.9
Other payables	**516.0**	118.4	**55.9**	59.4
Provision for onerous lease (Note 32)	**12.6**	-	**-**	-
Provision for retirement gratuities (Note 35)	**10.4**	7.0	**8.6**	5.5
	1,591.6	907.3	**630.5**	594.4

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 amounts of the Group's and the Company's trade and other payables approximates their fair values.

37. BORROWINGS

		Group	
	Note	**2011**	2010
Current			
Secured:			
Term loan – United States Dollars	(i)	**636.3**	629.0
Loan notes – Pound Sterling		**-**	8.4
Finance lease liabilities – Pound Sterling		**0.2**	-
Working capital loans – United States Dollars	(ii)	**127.2**	-
		763.7	637.4
Unsecured:			
Term loan – Pound Sterling	(iii)	**41.2**	40.6
Term loan – Singapore Dollars	(iii)	**24.3**	23.8
		829.2	701.8
Non-current			
Secured:			
Term loan – United States Dollars	(ii)	**683.2**	-
Finance lease liabilities – Pound Sterling		**0.8**	-
		684.0	-
Unsecured:			
Term loan – Pound Sterling	(iii)	**180.2**	218.6
Term loan – Singapore Dollars	(iii)	**106.4**	127.7
		970.6	346.3
		1,799.8	1,048.1

37. BORROWINGS (cont'd)

Note i: The short term loan denominated in United States Dollars are secured by deposits with licensed banks and will mature/ fully repayable in 2012.

Note ii: The long term loan and working capital loans denominated in United States Dollars are secured against the properties of Resorts World Casino New York City which the Group recognises as intangible assets and are guaranteed by the Company.

Note iii: The unsecured term loans acquired as a result of the acquisition of casino businesses in the UK are guaranteed by the Company.

The term loans bear an effective annual interest rate of 1.46% to 2.70% (2010: 0.60% to 2.01%) per annum.

The maturity profile and exposure of borrowings of the Group as at 31 December 2011 is as follows:

	Floating interest rates	Fixed interest rates	Total
At 31 December 2011:			
Less than one year	**829.0**	**0.2**	**829.2**
Between 1 and 2 years	**379.3**	**0.3**	**379.6**
Between 2 and 5 years	**590.5**	**0.5**	**591.0**
	1,798.8	**1.0**	**1,799.8**
At 31 December 2010:			
Less than one year	701.8	-	701.8
Between 1 and 2 years	64.4	-	64.4
Between 2 and 5 years	281.9	-	281.9
	1,048.1	-	1,048.1

Finance lease liabilities are effectively secured as the rights to the lease assets revert to the lessor in the event of default. The finance lease liabilities have an effective interest rate of 11.2% per annum.

The carrying value of the bank borrowings and loan notes at variable rates approximate the fair value at the reporting date.

38. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

	Group		Company	
	2011	2010	**2011**	2010
Authorised capital expenditure not provided for in the financial statements:				
- contracted	**139.8**	301.5	**72.3**	28.8
- not contracted	**681.1**	1,346.8	**364.5**	418.6
	820.9	1,648.3	**436.8**	447.4
Analysed as follows:				
- development expenditure*	**-**	1,008.3	**-**	-
- property, plant and equipment	**747.7**	640.0	**436.8**	447.4
- investment	**73.2**	-	**-**	-
	820.9	1,648.3	**436.8**	447.4

* This relates to the development and operation of a video lottery facility at Resorts World Casino New York City which was completed in 2011.

(b) Operating Lease Commitments

The future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group	
	2011	2010
Not later than 1 year	**54.0**	52.3
Later than 1 year but not later than 5 years	**193.7**	184.9
Later than 5 years	**390.3**	311.1
	638.0	548.3

38. COMMITMENTS AND CONTINGENCIES (cont'd)

(b) Operating Lease Commitments (cont'd)

The operating lease commitments mainly relates to future rentals payable on land and buildings of casinos and rental of gaming machines and general equipment within the casinos in the UK. Land and buildings of casinos have a remaining lease periods ranging between 1 to 27 years.

(c) Contingent Liabilities

During the financial year ended 31 December 2011, a subsidiary of the Group has received billings made by a contractor in respect of work performed for the subsidiary and an external consultant had been engaged by the subsidiary to review and verify these billings. Consequently, an appropriate amount of the billings has been recognised in the financial statements based on the consultant's independent review. The amount which is in dispute of RM83.0 million has not been recognised as a liability in the financial statements as at 31 December 2011 as the Group is of the view that the obligation to settle it is not probable. This has been disclosed as a contingent liability in accordance with FRS 137 "Provisions, Contingent Liabilities and Contingent Assets".

39. SIGNIFICANT NON-CASH TRANSACTIONS

(a) The Company redeemed 109,000 (2010: 129,000) Convertible Non-Cumulative Redeemable preference shares of RM1 each at a premium of RM999 per share in First World Hotels & Resorts Sdn Bhd, a direct wholly-owned subsidiary of the Company, amounting to RM109.0 million (2010: RM129.0 million).

(b) The Company subscribed for additional preference shares in certain subsidiaries in settlement of amounts owing to the Company. The details of the significant subscription of additional preference shares are as follows:

	Subscription of preference shares	Amount
2011		
Direct wholly-owned subsidiaries		
Genting CSR Sdn Bhd (formerly known as Phoenix Track Sdn Bhd)	250,101 Redeemable Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	**250.1**
Resorts Tavern Sdn Bhd	183 Redeemable Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	**0.2**
Sierra Springs Sdn Bhd	541 Redeemable Non-Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	**0.5**
2010		
Direct wholly-owned subsidiaries		
Awana Vacation Resorts Development Berhad	1,000 Redeemable Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	1.0
Genting Highlands Tours and Promotion Sdn Bhd	8,693 Redeemable Non-Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	8.7
Genting Utilities & Services Sdn Bhd	39,050 Redeemable Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	39.1
Seraya Mayang Sdn Bhd	3,201 6% Redeemable Non-Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	3.2
Sierra Springs Sdn Bhd	9,374 Redeemable Non-Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	9.4
Oakwood Sdn Bhd	35,000 Redeemable Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	35.0
Orient Star International Limited	38,562 Class A Preferred Shares of USD1 each at a premium of USD999 per share	121.3
Indirect wholly-owned subsidiary		
Genting World Sdn Bhd	10,400 Redeemable Convertible Non-Cumulative preference shares of RM1 each at a premium of RM999 per share	10.4

(c) During the current financial year, the Company transferred property, plant and equipment at net book values of RM1.5 million to Netyield Sdn Bhd, indirect wholly-owned subsidiary of the Company, at a loss of RM1.5 million.

In the previous financial year, the Company transferred property, plant and equipment at net book values of RM43.7 million to Netyield Sdn Bhd, Aliran Tunas Sdn Bhd and Resorts World Tours Sdn Bhd, indirect wholly-owned subsidiaries of the Company, at a loss of RM30.1 million.

39. SIGNIFICANT NON-CASH TRANSACTIONS (cont'd)

(d) Acquisition of Omni Center in the City of New York, Florida, United States of America

On 8 November 2011, Hill Brow LLC, an indirect wholly-owned subsidiary of the Company, acquired the Omni Center in the City of Miami, Florida, United States of America through a foreclosure bidding process. The consideration was satisfied through the cancellation of the promissory notes that the Group acquired for RM585.8 million (USD185.0 million) in August 2011 which was secured against the Omni Center properties.

(e) In the previous financial year, the direct wholly-owned subsidiaries of the Company declared and paid interim dividend to the Company by way of offsetting amounts owing by the Company. The details of the dividends declared by the subsidiaries were as follows:

- Genting Highlands Berhad, a direct wholly-owned subsidiary of the Company declared and paid single-tier interim dividend to the Company of RM1.50 per ordinary share of RM1 each, amounting to RM24.0 million;
- Genting Skyway Sdn Bhd, a direct wholly-owned subsidiary of the Company declared and paid single-tier interim dividend to the Company of RM2,350,000 per ordinary share of RM1 each, amounting to RM4.7 million; and
- Vestplus Sdn Bhd, a direct wholly-owned subsidiary of the Company declared and paid single-tier interim dividend to the Company of RM2.5 million per ordinary share of RM1 each, amounting to RM5.0 million.

40. SIGNIFICANT RELATED PARTY DISCLOSURES

In the normal course of business, the Group and Company undertake 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.

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

(b) The significant related party transactions of the Group during the financial year are as follows:

	Group		Company	
	2011	2010	**2011**	2010
(i) Management agreements				
• 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 GENT.	**435.8**	415.1	**421.1**	400.3
• 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 GENT.	**2.2**	2.0	**-**	-
(ii) Rendering of services				
• Air ticketing and transportation services rendered by Resorts World Tours Sdn Bhd, a wholly-owned subsidiary company of the Company to:				
• GENT and its subsidiaries.	**1.7**	1.4	**-**	-
• Company.	**-**	-	**57.8**	32.7
• Provision of shared services in relation to accounts payable, credit control, procurement, sales and marketing by the Company to its subsidiaries.	**-**	-	**11.1**	12.9
• Aviation services rendered by Orient Wonder International Limited, a wholly-owned subsidiary company of the Company to Genting Singapore PLC ("GENS") Group.	**0.9**	3.1	**-**	-
• Provision of professional and marketing services by the Genting UK Group, a wholly-owned subsidiary company to GENS Group.	**6.7**	-	**-**	-

40. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) The significant related party transactions of the Group during the financial year are as follows (cont'd):

	Group		Company	
	2011	2010	**2011**	2010
(iii) Purchase of goods and services				
• Provision of shared services in relation to tax, treasury, internal audit, corporate affairs, secretarial and human resource functions by GENT.	**5.5**	5.0	**3.8**	3.4
• Provision of consultancy, research and development services for themed entertainment lounges by E-Genting Holdings Sdn Bhd ("E-Genting"), a wholly owned subsidiary company of the Company.	**-**	0.1	**0.0**	0.1
• 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, a wholly owned subsidiary company of the Company.	**17.1**	20.0	**10.3**	12.6
• 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, a wholly owned subsidiary company of the Company.	**18.7**	20.2	**14.8**	15.8
• Provision of management and promotion of loyalty program by Genting WorldCard Services Sdn Bhd, a wholly owned subsidiary company of the Company.	**3.9**	4.4	**1.9**	2.4
• Purchase of holiday package from Star Cruise Administrative Services Sdn Bhd, a wholly-owned subsidiary of Genting Hong Kong Limited.	**1.2**	2.2	**-**	-
• Technical services fee rendered by Resorts World Inc Pte Ltd ("Resorts World Inc") an associated company of the Company to the Group.	**2.6**	-	**-**	-
(iv) Rental and related services				
• Rental of premises and provision of connected services to Oriregal Creations Sdn Bhd ("Oriregal"). Puan Sri Lim (Nee Lee), mother of Tan Sri Lim Kok Thay who is the Chairman and Chief Executive of the Company. Puan Sri Lim is a director and substantial shareholder of Oriregal.	**1.5**	1.4	**1.5**	1.4
• Letting of office space and provision of connected services by Oakwood Sdn Bhd, a wholly-owned subsidiary company to:				
• GENT and its subsidiaries.	**6.8**	6.4	**-**	-
• Company.	**-**	-	**4.0**	3.3
• Letting of premises by First World Hotels & Resorts Sdn Bhd, a wholly-owned subsidiary company.	**-**	-	**31.7**	35.1
(v) License agreement				
• Licensing fees paid to GENT Group for the use of name and accompanying logo of "Genting" and "Awana".	**186.1**	174.9	**180.6**	170.7
• License fee paid to Resorts World Inc for the use of "Resorts World" and "Genting" intellectual property in the US.	**6.1**	-	**-**	-

40. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) The significant related party transactions of the Group during the financial year are as follows (cont'd):

	Group		Company	
	2011	2010	**2011**	2010
(vi) Sales and Marketing arrangements				
• Provision of services as the exclusive international sales and marketing coordinator for Genting Highlands Resort by GENS and its subsidiary, a 51.99% owned indirect subsidiary company of GENT.	**4.1**	45.1	**1.7**	35.6
• Provision of services as the exclusive international sales and marketing coordinator for Genting Highlands Resort by Possible Wealth Sdn Bhd, a wholly-owned subsidiary company of the Company.	**-**	-	**29.7**	-
(vii) Investment				
• Subscription of 10,000,000 ordinary shares in Resorts World Inc for a total cash consideration of SGD 10.0 million.	**24.5**	-	**-**	-

(c) Directors and key management remuneration

The remuneration of Directors and other members of key management is as follows:

	Group		Company	
	2011	2010	**2011**	2010
	RM'000	RM'000	**RM'000**	RM'000
Wages, salaries and bonuses	**41,539**	37,494	**41,524**	37,479
Defined contribution plan	**5,144**	5,101	**5,144**	5,101
Other short term employee benefits	**606**	555	**606**	555
Provision for retirement gratuities	**5,169**	9,917	**5,169**	9,917
Estimated money value of benefits-in-kind (not charged to the profit or loss)	**1,439**	917	**1,439**	917
	53,897	53,984	**53,882**	53,969

(d) The significant outstanding balances with related parties as at 31 December 2011 were as follows:

	Group		Company	
	2011	2010	**2011**	2010
(i) Receivables from related parties:				
- Subsidiaries	**-**	-	**154.6**	201.1
- Related companies	**16.7**	20.2	**8.5**	13.2
- Jointly controlled entities	**1.9**	0.0	**-**	-
	18.6	20.2	**163.1**	214.3
(ii) Payables to related parties:				
- Holding company	**24.8**	16.2	**24.5**	16.2
- Subsidiaries	**-**	-	**275.2**	231.1
- Related companies	**43.4**	53.4	**39.1**	49.0
- Jointly controlled entity	**26.0**	25.6	**-**	-
- Associate	**6.0**	-	**-**	-
	100.2	95.2	**338.8**	296.3

(e) Acquisition of E-Genting and Ascend International

On 31 October 2011, the Company acquired the entire issued and paid up share capital in E-Genting and Ascend International for a total cash consideration of RM50.0 million.

40. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(f) Acquisition of Genting Singapore PLC's casino businesses in the United Kingdom

On 1 July 2010, the Company announced that Genting Worldwide (UK) Limited, a wholly-owned subsidiary of Genting Worldwide Limited which in turn is a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with Genting Singapore PLC ("GENS") to acquire from GENS its casino businesses in the United Kingdom ("Acquisition") for a total cash consideration of GBP340 million ("Purchase Consideration"). The Purchase Consideration was subsequently revised to GBP351.5 million to reflect the reduction in the net debt of the acquiree group as at 20 June 2010 of GBP74.4 million from the net debt amount of GBP85.9 million as at 31 May 2010. The consideration was arrived at after arm's length negotiations and on a willing-buyer and willing-seller basis.

At the Extraordinary General Meeting of the Company held on 24 August 2010, the shareholders of the Company had approved the Acquisition. The Acquisition was completed on 15 October 2010.

41. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2011	2010		
Direct Subsidiaries				
* Ascend International Holdings Limited	100	-	Hong Kong, SAR	Provision of IT related services, marketing and investment holding
Awana Vacation Resorts Development Berhad	100	100	Malaysia	Proprietary time share ownership scheme
E-Genting Holdings Sdn Bhd	100	-	Malaysia	Investment, management services and IT consultancy
Eastern Wonder Sdn Bhd	100	100	Malaysia	Support services
First World Hotels & Resorts Sdn Bhd	100	100	Malaysia	Hotel business
Genting Centre of Excellence Sdn Bhd	100	100	Malaysia	Provision of training services
Genting CSR Sdn Bhd (formerly known as Phoenix Track Sdn Bhd)	100	100	Malaysia	Investment holding
Genting Entertainment Sdn Bhd	100	100	Malaysia	Show agent
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 Highlands Tours and Promotion Sdn Bhd	100	100	Malaysia	Letting of land and premises
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 services
Genting Utilities & Services Sdn Bhd	100	100	Malaysia	Provision of electricity supply services at Genting Highlands and investment holding
Genting Worldwide (Labuan) Limited	100	100	Labuan, Malaysia	Offshore financing
Genting Worldwide Limited	100	100	Isle of Man	Investment holding
Gentinggi Sdn Bhd	100	100	Malaysia	Investment holding
GHR Risk Management (Labuan) Limited	100	100	Labuan, Malaysia	Offshore captive insurance
Kijal Facilities Services Sdn Bhd	100	100	Malaysia	Letting of its apartments units
Leisure & Cafe Concept Sdn Bhd	100	100	Malaysia	Karaoke business
Oakwood Sdn Bhd	100	100	Malaysia	Property investment and management
Orient Star International Limited	100	100	Bermuda	Ownership and operation of aircraft
Orient Wonder International Limited	100	100	Bermuda	Ownership and operation of aircraft
Possible Wealth Sdn Bhd	100	100	Malaysia	International sales and marketing services
Resorts Tavern Sdn Bhd	100	100	Malaysia	Land and property development
Resorts World Tours Sdn Bhd	100	100	Malaysia	Provision of tour and travel related services
Seraya Mayang Sdn Bhd	100	100	Malaysia	Investment holding
Setiaseri Sdn Bhd	100	100	Malaysia	Letting of its apartment units
Sierra Springs Sdn Bhd	100	100	Malaysia	Investment holding
Vestplus Sdn Bhd	100	100	Malaysia	Sale and letting of apartment units
Delquest Sdn Bhd	100	100	Malaysia	Dormant
Ikhlas Tiasa Sdn Bhd	100	100	Malaysia	Dormant
Genting Studio Sdn Bhd	100	100	Malaysia	Dormant
Setiabahagia Sdn Bhd	100	100	Malaysia	Dormant

41. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership 2011	2010	Country of Incorporation	Principal Activities
Direct Subsidiaries (Cont'd)				
Stake Excellent Sdn Bhd	**100**	100	Malaysia	Dormant
* Vestplus (Hong Kong) Limited	**100**	100	Hong Kong, SAR	Dormant
# Genting Theme Park Sdn Bhd	**100**	100	Malaysia	Pending striking-off
# Resorts World Spa Sdn Bhd	**100**	100	Malaysia	Pending striking-off
Indirect Subsidiaries				
Aberdeen Avenue Limited	**100**	-	Isle of Man	Investment holding
# ABC Biscayne LLC (formerly known as Omni Miami Properties, LLC & @ Latte (USA) LLC)	**100**	100	United States of America	Letting of property
Aliran Tunas Sdn Bhd	**100**	100	Malaysia	Provision of water services at Genting Highlands
Ascend Solutions Sdn Bhd	**100**	-	Malaysia	Provision of IT services and consultancy
# Bayfront 2011 Development, LLC	**100**	-	United States of America	Property development
Bromet Limited	**100**	100	Isle of Man	Investment holding
Chelsea Court Limited	**100**	-	Isle of Man	Investment holding
* Coastbright Limited	**100**	100	United Kingdom	Casino owner and operator
# Digital Tree (USA) Inc	**100**	100	United States of America	Investment holding
# Digital Tree LLC	**100**	100	United States of America	Collection of royalties
E-Genting Sdn Bhd	**100**	-	Malaysia	IT/Data centre and consultancy
* Fox Poker Club Limited	**100**	-	United Kingdom	Casino operator
Genasa Sdn Bhd	**100**	100	Malaysia	Property development, sale and letting of apartment units
Genmas Sdn Bhd	**100**	100	Malaysia	Sale and letting of land
Gensa Sdn Bhd	**100**	100	Malaysia	Sale and letting of land and property
Genting Administrative Services Sdn Bhd	**100**	100	Malaysia	Investment holding
# Genting Americas Inc (formerly known as Genting East Coast USA Inc)	**100**	100	United States of America	Investment holding
* Genting Casinos UK Limited	**100**	100	United Kingdom	Casino operator
Genting East Coast USA Limited	**100**	100	Isle of Man	Investment holding
# Genting Florida LLC	**100**	-	United States of America	Investment holding
Genting Ibico Holdings Limited	**100**	100	Isle of Man	Investment holding
Genting Information Knowledge Enterprise Sdn Bhd	**100**	-	Malaysia	Research and development of software and consultancy services
* Genting International Enterprises (Singapore) Pte Ltd	**100**	100	Singapore	Investment holding
* Genting International Investment Properties (UK) Limited	**100**	100	United Kingdom	Property investment and development
* Genting International Investment (UK) Limited	**100**	100	United Kingdom	Investment holding
* Genting International (UK) Limited	**100**	100	United Kingdom	Investment holding
# Genting Las Vegas LLC	**100**	100	United States of America	Investment holding
# Genting Nevada Inc	**100**	100	United States of America	Investment holding
* Genting New York LLC	**100**	100	United States of America	Developer and operator of a video lottery facility
* Genting (Park Lane Mews Hotel) Limited (formerly known as Genting2 Limited)	**100**	-	United Kingdom	Hotel operator

41. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership 2011	2010	Country of Incorporation	Principal Activities
Indirect Subsidiaries (Cont'd)				
* Genting Properties (UK) Pte Ltd (formerly known as RWD Holding Pte Ltd)	**100**	100	Singapore	Property investment
* Genting UK Plc	**100**	100	United Kingdom	Investment holding
Genting (USA) Limited	**100**	100	Isle of Man	Investment holding
Genting West Coast USA Limited	**100**	100	Isle of Man	Investment holding
Genting World Sdn Bhd	**100**	100	Malaysia	Leisure and entertainment business
Genting WorldCard Services Sdn Bhd	**100**	-	Malaysia	Management of loyalty programme services
Genting Worldwide (UK) Limited	**100**	100	Isle of Man	Investment holding
* Golden Site Limited	**100**	100	Hong Kong, SAR	International sales and marketing services
* Golden Site Pte Ltd	**100**	100	Singapore	International sales and marketing services
# Hill Brow LLC	**100**	-	United States of America	Hotel business
# Hill Crest LLC	**100**	-	United States of America	Investment holding
Kijal Resort Sdn Bhd	**100**	100	Malaysia	Property development and property management
Lafleur Limited	**100**	100	Isle of Man	Investment holding
Lingkaran Cergas Sdn Bhd	**100**	100	Malaysia	Provision of services at Genting Highlands
Nature Base Sdn Bhd	**100**	100	Malaysia	Provision of services at Genting Highlands
Nedby Limited	**100**	100	Isle of Man	Investment holding
Netyield Sdn Bhd	**100**	100	Malaysia	Provision of services at Genting Highlands
# Ocean Front Acquisition, LLC	**100**	-	United States of America	Investment holding
Palomino Star Limited	**100**	100	Isle of Man	Investment holding
Palomino World Limited	**100**	100	Isle of Man	Investment holding
Papago Sdn Bhd	**100**	100	Malaysia	Resort and hotel business
Resorts Facilities Services Sdn Bhd	**100**	100	Malaysia	Property upkeep services
Resorts World Capital Limited	**100**	100	Isle of Man	Investment holding
Resorts World Enterprise Limited	**100**	100	Isle of Man	Investment holding
* Resorts World Limited	**100**	100	Isle of Man	Investment holding and investment trading
# Resorts World Miami LLC (formerly known as Bayfront 2011 Property, LLC & Bayfront Properties, LLC)	**100**	-	United States of America	Property investment
Resorts World Properties Sdn Bhd	**100**	100	Malaysia	Investment holding
+ Resorts World Travel Services Private Limited	**100**	-	India	Travel agency
# RWD US Holding Inc	**100**	100	United States of America	Investment holding
# RWD US LLC	**100**	100	United States of America	Software development
R.W. Investments Limited	**100**	100	Isle of Man	Investment holding
# Stanley Casinos Holdings Limited	**100**	100	United Kingdom	Investment holding
# Stanley Overseas Holdings Limited	**100**	100	United Kingdom	Investment holding
* Suzhou Ascend Technology Co., Limited	**100**	-	China	Provision of IT related services

41. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership 2011	2010	Country of Incorporation	Principal Activities
Indirect Subsidiaries (Cont'd)				
# Tameview Properties Limited	**100**	100	United Kingdom	Property company
# Two Digital Trees LLC	**100**	100	United States of America	Investment holding
# VendWorld, LLC	**100**	100	United States of America	Investment holding
Widuri Pelangi Sdn Bhd	**100**	100	Malaysia	Golf resort and hotel business
WorldCard Services Sdn Bhd	**100**	-	Malaysia	Management of loyalty programme services
# Advanced Technologies Limited	**100**	100	Dominica	Dormant
# Annabel's Casino Limited	**100**	100	United Kingdom	Dormant
# Baychain Limited	**100**	100	United Kingdom	Dormant
# C C Derby Limited	**100**	100	United Kingdom	Dormant
# Capital Casinos Group Limited	**100**	100	United Kingdom	Dormant
# Capital Clubs Limited	**100**	100	United Kingdom	Dormant
# Capital Corporation (Holdings) Limited	**100**	100	United Kingdom	Dormant
# Capital Corporation Limited	**100**	100	United Kingdom	Dormant
# Cascades Casinos Limited	**100**	100	United Kingdom	Dormant
# Cascades Clubs Limited	**100**	100	United Kingdom	Dormant
# Castle Casino Limited	**100**	100	United Kingdom	Dormant
# Churchstirling Limited	**100**	100	United Kingdom	Dormant
# Cotedale Limited	**100**	100	United Kingdom	Dormant
# Crockfords Club Limited	**100**	100	United Kingdom	Dormant
# Crockfords Investments Limited	**100**	100	Guernsey	Dormant
# Cromwell Sporting Enterprises Limited	**100**	100	United Kingdom	Dormant
# Dealduo Limited	**100**	100	United Kingdom	Dormant
# Drawlink Limited	**100**	100	United Kingdom	Dormant
* Freeany Enterprises Limited	**100**	100	United Kingdom	Dormant
# Gameover Limited	**100**	100	United Kingdom	Dormant
Genas Sdn Bhd	**100**	100	Malaysia	Dormant
Genawan Sdn Bhd	**100**	100	Malaysia	Dormant
Gentas Sdn Bhd	**100**	100	Malaysia	Dormant
Gentasa Sdn Bhd	**100**	100	Malaysia	Dormant
# Genting Casinos Egypt Ltd	**100**	100	United Kingdom	Dormant
* Genting Solihull Limited	**100**	100	United Kingdom	Dormant
# Genting1 Limited	**100**	100	United Kingdom	Dormant
Gentinggi Quarry Sdn Bhd	**100**	100	Malaysia	Dormant
# Harbour House Casino Limited	**100**	100	United Kingdom	Dormant
# Hazelman Limited	**100**	100	United Kingdom	Dormant
Hitechwood Sdn Bhd	**100**	100	Malaysia	Dormant
# Incomeactual Limited	**100**	100	United Kingdom	Dormant
# International Sporting Club (London) Limited	**100**	100	United Kingdom	Dormant
Jomara Sdn Bhd	**100**	100	Malaysia	Dormant
# Langway Limited	**100**	100	United Kingdom	Dormant
Merriwa Sdn Bhd	**100**	100	Malaysia	Dormant
# Metro Leisure Group Limited	**100**	100	United Kingdom	Dormant
# MLG Investments Limited	**100**	100	United Kingdom	Dormant
Neutrino Space Sdn Bhd	**100**	100	Malaysia	Dormant
# Palm Beach Club Limited	**100**	100	United Kingdom	Dormant
# Palomino World (UK) Limited	**100**	100	United Kingdom	Dormant

41. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2011	2010		
Indirect Subsidiaries (Cont'd)				
# Pellanfayre Limited	**100**	100	United Kingdom	Dormant
Possible Affluent Sdn Bhd	**100**	100	Malaysia	Dormant
Rapallo Sdn Bhd	**100**	100	Malaysia	Dormant
* Resorts World Ventures Limited	**100**	100	Isle of Man	Dormant
Space Fair Sdn Bhd	**100**	100	Malaysia	Dormant
# Sportcrest Limited	**100**	100	United Kingdom	Dormant
# St Aubin Properties Limited	**100**	100	United Kingdom	Dormant
# Stanley Interactive Limited	**100**	100	United Kingdom	Dormant
# Stanley Leisure (Ireland)	**100**	100	Ireland	Dormant
# Stanley Leisure Group (Malta) Limited	**100**	100	Malta	Dormant
# Stanley Online Limited	**100**	100	United Kingdom	Dormant
# Stanley Snooker Clubs Limited	**100**	100	United Kingdom	Dormant
# Star City Casino Limited	**100**	100	United Kingdom	Dormant
Sweet Bonus Sdn Bhd	**100**	100	Malaysia	Dormant
# The Colony Club Limited	**100**	100	United Kingdom	Dormant
# The Kings Casino (Yarmouth) Limited	**100**	100	United Kingdom	Dormant
# The Midland Wheel Club Limited	**100**	100	United Kingdom	Dormant
# Tower Casino Group Limited	**100**	100	United Kingdom	Dormant
# Tower Clubs Management Limited	**100**	100	United Kingdom	Dormant
# Triangle Casino (Bristol) Limited	**100**	100	United Kingdom	Dormant
Tullamarine Sdn Bhd	**100**	100	Malaysia	Dormant
# TV-AM Enterprises Limited	**100**	100	United Kingdom	Dormant
# TV-AM Limited	**100**	100	United Kingdom	Dormant
# TV-AM (News) Limited	**100**	100	United Kingdom	Dormant
Twinkle Glow Sdn Bhd	**100**	100	Malaysia	Dormant
Twinmatics Sdn Bhd	**100**	100	Malaysia	Dormant
Vintage Action Sdn Bhd	**100**	100	Malaysia	Dormant
# Westcliff (CG) Limited	**100**	100	United Kingdom	Dormant
# Westcliff Casino Limited	**100**	100	United Kingdom	Dormant
# William Crockford Limited	**100**	100	United Kingdom	Dormant
# Worthchance Limited	**100**	100	United Kingdom	Dormant
Yarrawin Sdn Bhd	**100**	100	Malaysia	Dormant
Jointly Controlled Entities				
* Apollo Genting London Limited	**50**	50	United Kingdom	Property development
Genting INTI Education Sdn Bhd	**35**	35	Malaysia	Managing a college for education, tourism, leisure & hospitality
# Stanley Genting Casinos (Leeds) Limited	**50**	50	United Kingdom	Dormant
# Stanley Genting Casinos Limited	**50**	50	United Kingdom	Dormant
Associates				
+ Genting VinaCapital Investments Pte. Ltd.	**20**	20	Singapore	Investment holding
* Resorts World Inc Pte Ltd	**20**	20	Singapore	Investment holding
# RW Services Inc	**20**	20	United States of America	Provision of management and technical services and consulting services
* RW Services Pte Ltd	**20**	20	Singapore	Provision of management and technical services and consulting services
# RWI International Investments Limited	**20**	-	British Virgin Islands	Investment holding
Quantum Vertex Sdn Bhd	**20**	-	Malaysia	Investment holding and management services
* WCI Management Limited	**20**	-	Isle of Man	Investment holding
* WorldCard (Hong Kong) Limited	**20**	-	Hong Kong, SAR	Management of loyalty programme services

41. SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership 2011	2010	Country of Incorporation	Principal Activities
Associates (Cont'd)				
* WorldCard International Limited	**20**	-	Isle of Man	Investment holding
* WorldCard (Singapore) Pte Ltd	**20**	-	Singapore	Management of loyalty programme services
* WCI Intellectual Limited	**20**	-	Isle of Man	Dormant

* 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.

\+ The financial statements of these companies are audited by firms other than the auditors of the Company.

\# These entities are either exempted or have no statutory audit requirement.

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a) Acquisition of Miami Herald Properties in the City of Miami, Florida, United States of America

On 26 May 2011, Resorts World Miami LLC (formerly known as Bayfront 2011 Property, LLC), an indirect wholly-owned subsidiary of the Company entered into sale and purchase agreement with The McClatchy Company and Richwood, Inc to acquire certain real estate properties in the City of Miami, Florida, United States of America for a total consideration of RM722.0 million (USD236.0 million). The real estate properties acquired comprises approximately 13.9 acres of land which includes the building currently housing The Miami Herald Media Company and an adjacent parking lot.

b) Acquisitions of E-Genting and Ascend International

On 31 October 2011, the Company acquired the entire issued and paid up share capital in E-Genting and Ascend International for a total cash consideration of RM50.0 million.

c) Acquisition of Fox Poker Club Limited

On 22 November 2011, Genting Casinos UK Limited, an indirect wholly-owned subsidiary of the Company completed the purchase of the entire share capital of Fox Poker Club Limited, a casino in London for a total consideration of RM40.9 million (GBP8.3 million).

43. SIGNIFICANT SUBSEQUENT EVENT

Proposed development of an integrated mixed-use complex on real property located adjacent to Aqueduct Racetrack in the City of New York, United States of America

On 3 January 2012, Genting New York LLC ("Genting New York"), an indirect wholly-owned subsidiary of the Company, has entered into a non-binding letter of intent with the New York State Urban Development Corporation (doing business as Empire State Development Corporation), to consider the development of an integrated mixed-used complex on real property located adjacent to the Aqueduct Racetrack in the City of New York, United States of America ("Project").

The proposed Project is anticipated to cost at least RM12.7 billion (USD4 billion), which will include an integrated 3.8 million square feet of convention and exhibition centre with up to 3,000 hotel rooms and an expansion of Resorts World Casino New York City.

Genting New York will work closely with Empire State Development Corporation and the relevant parties, to negotiate terms in good faith, with a view of entering into a binding Memorandum of Understanding on or before 30 November 2012.

44. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 28 February 2012.

45. REALISED AND UNREALISED PROFIT/LOSS

The breakdown of the retained profits of the Group and the Company as at 31 December 2011, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	Group		Company	
	2011	2010	**2011**	2010
Total retained profits of the Company and its subsidiaries:				
- Realised	**10,578.6**	9,470.9	**11,500.6**	10,524.4
- Unrealised	**(818.4)**	(802.9)	**(119.5)**	(117.5)
	9,760.2	8,668.0	**11,381.1**	10,406.9
Total share of accumulated losses from associated companies:				
- Realised	**(2.2)**	(0.3)	**-**	-
- Unrealised	**-**	-	**-**	-
Total share of accumulated losses from jointly controlled entities:				
- Realised	**(10.5)**	(7.7)	**-**	-
- Unrealised	**-**	-	**-**	-
	9,747.5	8,660.0	**11,381.1**	10,406.9
Add: Consolidation adjustments	**673.5**	688.3	**-**	-
Total retained profits as per accounts	**10,421.0**	9,348.3	**11,381.1**	10,406.9

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

STATEMENT ON DIRECTORS' RESPONSIBILITY PURSUANT TO PARAGRAPH 15.26(a) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

As required under the Companies Act, 1965 ("Act"), the Directors of Genting Malaysia Berhad 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 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 2011 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 MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

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 financial year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the internal control systems 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 2012.

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 **GENTING MALAYSIA BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 50 to 109 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**
KOH POY YONG at KUALA LUMPUR on	)	
28 February 2012		

Before me,

TAN SEOK KETT
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the Members of Genting Malaysia Berhad
(Incorporated in Malaysia)
(Company No.58019-U)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Genting Malaysia Berhad on pages 50 to 108 which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of income, comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 44.

<u>Directors' Responsibility for the Financial Statements</u>

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

<u>Auditors' Responsibility</u>

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

<u>Opinion</u>

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 41 to the financial statements.

(c) 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 on page 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

ERIC OOI LIP AUN
(No. 1517/06/12(J))
Chartered Accountant

Kuala Lumpur
28 February 2012

PricewaterhouseCoopers (AF1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P. O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my