

CORPORATE GOVERNANCE

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Set out below is a statement on how the Company has applied the principles and complied with the best practices as set out in the 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, four meetings of the Board were held and all Directors have complied with the requirements in respect of board meeting attendance as provided in the Articles of Association.

The details of Directors' attendances are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Lim Kok Thay	4 out of 4
Tun Mohammed Hanif bin Omar	4 out of 4
Tan Sri Mohd Amin bin Osman	4 out of 4
Dato' Dr R. Thillainathan	3 out of 4
Mr Quah Chek Tin	4 out of 4
Dato' Paduka Nik Hashim bin Nik Yusoff	2 out of 4
Tan Sri Gunn Chit Tuan (<i>Resigned on 11 September 2007</i>)	3 out of 3
Tan Sri Dr. Lin See Yan	4 out of 4
Mr Chin Kwai Yoong (<i>Appointed on 23 August 2007</i>)	1 out of 1

(ii) Board Balance

The Board has eight members, three executive Directors and five non-executive Directors. Three of the five non-executive Directors are independent non-executive Directors. The Directors have wide ranging experience and all have occupied or currently occupy senior positions in the public and/or private sectors. The independent non-executive Directors provide a strong independent element on the Board with Tan Sri Dr Lin See Yan as the senior independent non-executive Director to whom concerns may be conveyed. All the independent non-executive Directors participate in the Audit Committee. Two of the three independent non-executive Directors also participate in the Remuneration and Nomination Committees as members of these Committees.

The Board is mindful of the dual roles of Chairman and Chief Executive held by Tan Sri Lim Kok Thay but is of the view that there are sufficient experienced and independent - minded Directors on the Board to provide the assurance that there is sufficient check and balance. Also, the dual roles have 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 9 to 11 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 of 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.

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.

CORPORATE GOVERNANCE (cont'd)

The following are the courses and training programmes attended by the Directors in 2007:

COURSES	NAMES OF DIRECTORS							
	Tan Sri Lim Kok Thay	Tun Mohammed Hanif bin Omar	Tan Sri Mohd Amin bin Osman	Dato' Dr R. Thillainathan	Mr Quah Chek Tin	Dato' Paduka Nik Hashim bin Nik Yusoff	Tan Sri Dr Lin See Yan	Mr Chin Kwai Yoong
Corporate Governance in Malaysia and the Asian Financial Crisis				√				
ISEAS Conference on Malaysia Economy - Development and Challenges				√				
Making Corporate Boards More Effective								√
TED 2007 : "Icons. Geniuses. Mavericks."	√							
Corporate Governance Screen card & Dividend Survey by Minority Shareholder Watchdog Group						√		
Treasury 55 Years - Spearheading the Nation's Prosperity				√				
International Financial Reporting Standards (IFRS) Implementation Issues and Development			√	√	√		√	
Making Money from Risk Thinking - Best Practices Worldwide				√				
Bursa Malaysia - MAICSA Roadshow 2007 : Updates on Listing Requirements - Issues & Challenges				√				
Tax Highlights & Implications - MIFC by PricewaterhouseCoopers		√						
Key Performance Indicators, Balanced Scorecard and Goal Alignment				√			√	
Industrial Biotechnology - How Malaysia can be amongst the Front Runners in this Focus Area			√					
21st Century Governance, Legal and Regulatory Challenges to the Malaysian Board : With Special Reference & Update on the Companies (Amendment) Act 2007			√					
3D Public Relations			√					
A Discussion on Key Obligation Requirements for Companies Listed on Bursa Malaysia						√		
Amendment to Companies Act			√					
Tax Seminar - The 2008 Budget					√			
Compliance and Enforcement of the Listing Requirements				√				
G2E 2007 - NCRG Conference on Gambling and Addiction - G2E Leadership Academy	√							
Economic and Social History of Malaysia				√				
Reading, Interpreting & Analysing Annual Financial Statements			√		√	√		
Appraising Board Performance							√	
Great Eastern Life Workshop (Board Retreat)							√	

(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.

CORPORATE GOVERNANCE (cont'd)

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 76 of this Annual Report. In the interest of security, additional information have not been provided other than the details stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad.

C. SHAREHOLDERS

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

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

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

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

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

The Directors are also required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the MASB 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 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 114 of this Annual Report.

(ii) Internal Control

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

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

(iii) Relationship with Auditors

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

E. OTHER INFORMATION

(i) Material Contracts

Material Contracts of the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 45 to the financial statements under "Significant Related Party Transactions and Balances" on pages 104 of this Annual Report.

(ii) Share Buy-Back

During the financial year ended 31 December 2007, the Company implemented one Share Buy-Back exercise on 30 August 2007 and all the shares so purchased by the Company were retained as treasury shares. The details of the Share Buy-Back are as follows:

No. of Shares Purchased & Retained As Treasury Shares	Purchase Price Per Share		Average Cost	Total Cost (RM)
	Lowest (RM)	Highest (RM)	Per Share (RM)	
1,000,000	7.20	7.20	7.22	7,222,300.00

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 Dr. Lin See Yan#	Chairman/Independent Non-Executive Director
Dato' Paduka Nik Hashim bin Nik Yusoff	Member/Independent Non-Executive Director
Mr Chin Kwai Yoong (Appointed on 23 August 2007)	Member/Independent Non-Executive Director
Mr Quah Chek Tin	Member/Non-Independent Non-Executive Director

Appointed as Chairman on 11 September 2007 to replace Tan Sri Gunn Chit Tuan who resigned as Chairman on the same date.

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2007

The Committee held a total of five (5) meetings. Details of attendance of the Committee members are as follows:

Name of Member	Number of Meetings Attended
Tan Sri Gunn Chit Tuan (Resigned on 11 September 2007)	*4
Dato' Paduka Nik Hashim bin Nik Yusoff	*5
Tan Sri Dr. Lin See Yan	*5
Tan Sri Lim Kok Thay (Resigned on 19 November 2007)	3
Mr Quah Chek Tin	5
Mr Chin Kwai Yoong (Appointed on 23 August 2007)	1

* The total number of meetings is inclusive of the special meeting 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 2007

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

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

- considered and approved the internal audit plan for the Company and the Group and authorised resources to address risk areas that have been identified;
- reviewed the internal audit reports for the Company and the Group;
- reviewed the external audit plan for the Company and the Group with the external auditors;
- reviewed the external audit reports for the Company and the Group with the external auditors;

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

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT PROCESS

The Group has an adequately resourced internal audit department to assist the Board in maintaining a sound system of internal control. The internal audit department reports to the Committee and is independent of the activities 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.

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

TERMS OF REFERENCE

The terms of reference of the Committee were revised by the Board of Directors of the Company on 28 February 2008 in line with the amendments to the Malaysian Code on Corporate Governance and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Committee is governed by the following terms of reference, as revised:

1. Composition

- The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors; shall consist of not less than three members, all of whom are non-executive directors with a majority of them being independent Directors; and at least one member of the audit committee:
 - must be a member of the Malaysian Institute of Accountants; or
 - if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

AUDIT COMMITTEE REPORT (cont'd)

(aa) he must have passed the examinations specified in Part I of the 1st 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 1st Schedule of the Accountants Act 1967; or

(c) fulfils such other requirements as prescribed or approved by 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 their terms of reference.

2. Authority

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

3. Responsibility

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

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

4. Functions

The functions of the Committee are to review:

- i) with the external auditors, their audit plan;
- ii) with the external auditors, their evaluation of the system of internal accounting controls;
- iii) with the external auditors, their audit report and management letter (if any);
- iv) the assistance given by the Company's officers to the external auditors;

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

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

STATEMENT ON INTERNAL CONTROL

The Board's Responsibilities

In relation to internal control, pursuant to the requirements under the Malaysian Code of Corporate Governance for companies listed on the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("the Board") acknowledges their responsibility under the Bursa Securities 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 and 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 Genting Group of companies' ("the 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 Group employs the Control Self-Assessment ("CSA") to formalise the risk management process at the business/operating unit level. With the CSA, departments/business areas of the Group are required to identify and evaluate controls within key functions/activities of their business processes. The risks to the Group's strategic objectives are assessed at the Group and company level.

The Risk and Business Continuity Management Committees ("RBCMCs") established at Genting Berhad ("GB") and its principal subsidiaries are responsible for ensuring the effectiveness of the risk management process and implementation of risk management policies in their respective companies. The RBCMC of GB comprises senior management of the Group and is chaired by the President and Chief Operating Officer of GB, whereas the RBCMCs of the principal subsidiaries comprise their respective senior management headed by their respective Chief Financial Officers/Heads of Finance.

The key aspects of the risk management process are:-

- Business/Operations Heads undertake to update their risk profiles on a six monthly basis from the previous update and issue a letter of assurance to confirm that they have reviewed the risk profiles, risk reports and related business processes and are also monitoring the implementation of action plans.
- The risk profiles, control procedures and status of the action plans are reviewed on a regular basis by the Head-Risk Management with the Business/ Operations Heads.
- Management of the respective companies is provided with reports to enable them to review, discuss and monitor the risk profiles and implementation of action plans.
- On a quarterly basis the RBCMC of the respective companies meet to review the progress of the implementation of action plans of their respective companies and a consolidated risk management report summarizing the significant risks and/or status of action plans of the respective companies are presented quarterly to the Audit Committee for review, deliberation and recommendation for endorsement by the Board of Directors.

The Internal Control Processes

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

- The Board and the Audit Committee meet every quarter to discuss matters raised by Management and Internal Audit 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 authorization 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 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 Group Executive Committee to review and monitor the financial performance and cash flow position.
- Business/operating units present their annual budget, which includes the financial and operating targets, capital expenditure proposals and performance indicators for approval by the Group Executive Committee and the Board.
- A half yearly review of the annual budget is undertaken by Management to identify and where appropriate, to address significant variances from the budget.

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

Business continuity management is regarded an integral part of the Group's risk management process. In this regard to minimize potential business disruptions either due to failure of critical IT systems and/or operational processes, some of the subsidiaries and key operating units have implemented business continuity plans while others are in the process of implementing them.

The Board in issuing this statement has taken into consideration the representations made by the Group's principal associated companies, Lanco Kondapalli Power Private Limited and Landmarks Berhad in respect of their state of internal control.

The Internal Audit Function

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

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

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

The Directors of GENTING 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 2007.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the subsidiaries include leisure and hospitality, gaming and entertainment businesses, plantation, the generation and supply of electric power, property development and management, tours and travel related services, genomics research and development, investments and oil and gas exploration, development and production activities.

The principal activities of the associates include the generation and supply of electric power, resort, property investment and property development.

During the financial year, the Group disposed off its entire equity interests in the paper and packaging businesses and ceased to have significant influence over an associate involved in the cruise and cruise related operations.

Details of the principal activities of the subsidiaries and associates are set out in Note 47 to the financial statements.

Apart from the above, there have been no other 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	3,394.5	2,678.6
Taxation	(662.2)	(475.2)
Profit for the financial year from continuing operations	2,732.3	2,203.4
Loss for the financial year from discontinued operations	(170.0)	-
Profit for the financial year	<u>2,562.3</u>	<u>2,203.4</u>

SHARE SPLIT

At an Extraordinary General Meeting held on 21 March 2007, the shareholders of the Company approved the subdivision of the issued and unissued ordinary shares of 50 sen par value each in the capital of the Company into ordinary shares of 10 sen par value each ("Share Split"). The Share Split was effected on 13 April 2007 and was completed with the listing and quotation of the new ordinary shares on the Main Board of Bursa Malaysia Securities Berhad on 16 April 2007.

TREASURY SHARES

The shareholders of the Company had granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 21 June 2007.

On 30 August 2007, the Company repurchased 1,000,000 ordinary shares of 10 sen each of its issued share capital from the open market at an average price of RM7.22 per share. The repurchased transaction was financed by internally generated funds. The shares repurchased were held as treasury shares and treated in accordance with the requirement 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 4.0 sen less 27% tax per ordinary share of 10 sen each amounting to RM107,938,680.48 in respect of the financial year ended 31 December 2006 was paid on 24 July 2007;
- (ii) an interim dividend of 2.7 sen less 27% tax per ordinary share of 10 sen each amounting to RM72,844,327.49 in respect of the financial year ended 31 December 2007 was paid on 25 October 2007; and
- (iii) a special dividend of 30.0 sen less 27% tax per ordinary share of 10 sen each amounting to RM810,845,462.86 in memory of the late Founder and Honorary Life Chairman of the Company, Tan Sri (Dr.) Lim Goh Tong (who passed away on 23 October 2007) was paid on 21 December 2007.

The Directors recommend payment of a final dividend of 4.3 sen less 26% tax per ordinary share of 10 sen each in respect of the current financial year to be paid to shareholders registered in the Register of Members on a date to be determined later by the Directors. Based on the issued shares (less treasury shares) of the Company as at the date of this report, the final dividend would amount to RM117.8 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 and before the Share Split, 93,000 ordinary shares of 50 sen each fully paid at the subscription price of RM14.34 per share and 1,000 ordinary shares of 50 sen each fully paid at the subscription price of RM13.08 per share were issued by virtue of the exercise of options to take up unissued ordinary shares of the Company by executive employees pursuant to The Executive Share Option Scheme for Eligible Executives of Genting Berhad and its subsidiaries ("Scheme"). After the Share Split, 8,863,000 new ordinary shares of 10 sen each fully paid at the subscription price of RM2.868 per share and 49,000 new ordinary shares of 10 sen fully paid at the subscription price of RM2.616 per share were issued by virtue of the exercise of options to take up unissued ordinary shares of the Company by executive employees pursuant to the Scheme.

All the abovementioned ordinary shares rank pari passu with the then existing ordinary shares of the Company. These options were granted prior to the current financial year.

There were no issue of debentures during the financial year.

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

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

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 2007:

Option Number	Option Expiry Date	Subscription Price Per Share RM	No. of Unissued Shares
1/2002	11 August 2012	2.868	15,992,000
2/2002	11 August 2012	2.616	51,000
			16,043,000

- (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 Mohd Amin bin Osman
 Dato' Dr. R. Thillainathan
 Mr Quah Chek Tin
 Dato' Paduka Nik Hashim bin Nik Yusoff*
 Tan Sri Gunn Chit Tuan* (Resigned on 11 September 2007)
 Tan Sri Dr. Lin See Yan*
 Mr Chin Kwai Yoong (Appointed on 23 August 2007)

*Also members of the Remuneration Committee

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

DIRECTORATE (cont'd)

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company and Resorts World Bhd, a company which is 48.57% owned by the Company, Asiatic Development Berhad and Genting International P.L.C., both of which are subsidiaries of the Company as set out below:

Interest in the Company

Shareholdings in the names of Directors	1.1.2007	Acquired/ (Disposed)	12.4.2007	Adjusted for the Share Split on 13.4.2007	Acquired/ (Disposed)	31.12.2007
	(No. of ordinary shares of 50 sen each)			(No. of ordinary shares of 10 sen each)	(No. of ordinary shares of 10 sen each)	
Tan Sri Lim Kok Thay	1,933,800	-	1,933,800	9,669,000	2,500,000/ (1,800,000)	10,369,000
Tun Mohammed Hanif bin Omar	200	63,000/ (63,000)	200	1,000	630,000	631,000
Tan Sri Mohd Amin bin Osman	197,000	-	197,000	985,000	315,000/ (95,400)	1,204,600
Dato' Dr. R. Thillainathan	-	-	-	-	160,000/ (160,000)	-
Mr Quah Chek Tin	1,000	-	1,000	5,000	315,000/ (315,000)	5,000

Interest of Spouse/Child of the Directors *

	15.8.2007	Acquired/ (Disposed)	31.12.2007
	(No. of ordinary shares of 10 sen each)		
Tan Sri Mohd Amin bin Osman	60,000	-	60,000
Dato' Dr. R. Thillainathan	135,000	160,000	295,000
Mr Quah Chek Tin	315,000	315,000	630,000

Share Option in the names of Directors	1.1.2007	Offered/ (Exercised)	12.4.2007	Adjusted for the Share Split on 13.4.2007	Offered/ (Exercised)	31.12.2007
	(No. of unissued ordinary shares of 50 sen each)			(No. of unissued ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	1,000,000	-	1,000,000	5,000,000	(2,500,000)	2,500,000
Tun Mohammed Hanif bin Omar	500,000	(63,000)	437,000	2,185,000	(630,000)	1,555,000
Tan Sri Mohd Amin bin Osman	311,000	-	311,000	1,555,000	(315,000)	1,240,000
Dato' Dr. R. Thillainathan	154,000	-	154,000	770,000	(160,000)	610,000
Mr Quah Chek Tin	311,000	-	311,000	1,555,000	(315,000)	1,240,000

Interest in Resorts World Bhd

Shareholdings in the names of Directors	1.1.2007	Acquired/ (Disposed)	12.4.2007	Adjusted for the Share Split on 13.4.2007	Acquired/ (Disposed)	31.12.2007
	(No. of ordinary shares of 50 sen each)			(No. of ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	50,000	-	50,000	250,000	1,410,000	1,660,000
Tun Mohammed Hanif bin Omar	1,000	63,000/ (63,000)	1,000	5,000	-	5,000
Tan Sri Mohd Amin bin Osman	122,000	-	122,000	610,000	(70,000)	540,000
Tan Sri Dr. Lin See Yan	-	50,000	50,000	250,000	50,000	300,000
Mr Quah Chek Tin	1,000	-	1,000	5,000	-	5,000

Interest of Spouse/Child of the Directors *

	15.8.2007	Acquired/ (Disposed)	31.12.2007
	(No. of ordinary shares of 10 sen each)		
Tan Sri Mohd Amin bin Osman	180,000	-	180,000
Dato' Paduka Nik Hashim bin Nik Yusoff	29,000	(29,000)	-

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

DIRECTORATE (cont'd)

Share Option in the names of Directors	1.1.2007 (No. of unissued ordinary shares of 50 sen each)	Offered/ (Exercised)	12.4.2007	Adjusted for the Share Split on 13.4.2007 (No. of unissued ordinary shares of 10 sen each)	Offered/ (Exercised)	31.12.2007
Tun Mohammed Hanif bin Omar	500,000	(63,000)	437,000	2,185,000	-	2,185,000

Interest in Asiatic Development Berhad

Shareholdings in the names of Directors	1.1.2007 (No. of ordinary shares of 50 sen each)	Acquired/ (Disposed)	31.12.2007
Tan Sri Mohd Amin bin Osman	741,000	124,000	865,000

Interest of Spouse/Child of the Directors*

	15.8.2007 (No. of issued ordinary shares of 50 sen each)	Acquired/ (Disposed)	31.12.2007
Dato' Dr R. Thillainathan	10,000	-	10,000

Share Option in the names of Directors

	1.1.2007 (No. of unissued ordinary shares of 50 sen each)	Offered/ (Exercised)	31.12.2007
Tan Sri Mohd Amin bin Osman	248,000	(124,000)	124,000

Interest in Genting International P.L.C.

Shareholdings in the names of Directors	1.1.2007 (No. of ordinary shares of US\$0.10 each)	Acquired/ (Disposed)	31.12.2007
Dato' Paduka Nik Hashim bin Nik Yusoff	-	142,000/ (142,000)	-

Interest of Spouse/Child of the Director*

	15.8.2007 (No. of ordinary shares of US\$0.10 each)	Acquired/ (Disposed)	31.12.2007

Share Option in the names of Directors	1.1.2007	Offered/ (Exercised)	16.9.2007	Adjusted pursuant to the Rights Issue on 17.9.2007	Offered/ (Exercised)	31.12.2007
Tun Mohammed Hanif bin Omar	1,000,000	-	1,000,000	1,131,707	-	1,131,707
Tan Sri Mohd Amin bin Osman	1,000,000	-	1,000,000	1,131,707	-	1,131,707
Dato' Dr. R. Thillainathan	1,500,000	-	1,500,000	1,697,560	-	1,697,560
Mr Quah Chek Tin	1,500,000	-	1,500,000	1,697,560	-	1,697,560
Dato' Paduka Nik Hashim bin Nik Yusoff	1,000,000	-	1,000,000	1,131,707	(142,000)	989,707
Tan Sri Dr. Lin See Yan	1,000,000	-	1,000,000	1,131,707	-	1,131,707

* Disclosure pursuant to Section 134 (12) (c) of the Companies Act, 1965 as amended by the Companies (Amendment) Act 2007 which took effect on 15 August 2007.

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

DIRECTORATE (cont'd)

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) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) A company in which Tan Sri Lim Kok Thay is a director and a substantial shareholder has appointed Asiatic Plantations (WM) Sdn Bhd, a wholly owned subsidiary of Asiatic Development Berhad, which in turn is a 54.79% owned subsidiary of the Company to provide plantation advisory services.
- (ii) A corporation in which Tan Sri Lim Kok Thay and his spouse are directors and which is wholly owned indirectly by them has rented its property to Genting International P.L.C. ("GIPLC"), a 50.44% owned subsidiary of the Company.
- (iii) A corporation which is owned by the family of Tan Sri Lim Kok Thay has been appointed by Resorts World at Sentosa Pte Ltd, an indirect wholly owned subsidiary of GIPLC to provide professional design consultancy and master-planning services for the Resorts World at Sentosa integrated resort in Singapore.
- (iv) Tan Sri Mohd Amin bin Osman has been retained by Resorts World Bhd ("RWB"), a company which is 48.57% owned by the Company to provide advisory services.
- (v) Oakwood Sdn Bhd, a wholly owned subsidiary of the Company has previously extended a housing loan to Dato' Dr. R. Thillainathan to enable him to acquire a home. The housing loan has been fully settled on 31 July 2007.

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

Mr Chin Kwai Yoong, who was appointed during the financial year, retires in accordance with Article 104 of the Articles of Association of the Company and he, being eligible, has offered himself for re-election.

Tan Sri Mohd Amin bin Osman and Dato' Paduka Nik Hashim bin Nik Yusoff will retire pursuant to Section 129 of the Companies Act, 1965 at the forthcoming AGM and that separate resolutions will be proposed for their re-appointment as Directors at the AGM under the provision of Section 129 (6) of the said Act to hold office until the next AGM of the Company.

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowances for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance been made for doubtful debts; and
- (ii) to ensure that any current assets 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 Group and in 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 or 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.

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.

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

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 53 to 113 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 2007 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 and comply with the provisions of the Companies Act, 1965.

AUDITORS

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

On behalf of the Board,

TAN SRI LIM KOK THAY
Chairman & Chief Executive

TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman

Kuala Lumpur
28 February 2008