

## INCOME STATEMENTS

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2008	2007	2008	2007
<b>Continuing operations:</b>					
Revenue	5 & 6	9,082.5	8,483.8	806.0	1,751.2
Cost of sales	7	(5,537.9)	(5,005.4)	(59.0)	(65.4)
Gross profit		3,544.6	3,478.4	747.0	1,685.8
Other income					
- net gain on disposal/deemed disposal/dilution of shareholdings		45.1	989.3	31.3	1,218.7
- gain on disposal of investment in associate		-	337.1	-	-
- others		373.3	561.5	269.0	151.8
Selling and distribution costs		(97.1)	(94.4)	-	-
Administration expenses		(370.3)	(290.2)	(16.2)	(12.4)
Other expenses	8				
- impairment losses		(1,178.0)	(1,016.1)	(107.6)	-
- others		(387.7)	(235.8)	(26.8)	(303.8)
		1,929.9	3,729.8	896.7	2,740.1
Finance cost		(269.4)	(395.4)	(60.3)	(61.5)
Share of results in jointly controlled entities		(1.6)	(11.2)	-	-
Share of results in associates		75.9	(9.7)	-	-
Gain on dilution of investment in associate		-	81.0	-	-
<b>Profit before taxation</b>	5, 9, 10 & 11	1,734.8	3,394.5	836.4	2,678.6
Taxation	12	(751.4)	(662.2)	(195.7)	(475.2)
Profit for the financial year from continuing operations		983.4	2,732.3	640.7	2,203.4
<b>Discontinued operations:</b>					
Loss for the financial year from discontinued operations	13	-	(170.0)	-	-
<b>Profit for the financial year</b>		983.4	2,562.3	640.7	2,203.4
Attributable to:					
Equity holders of the Company		569.3	1,988.9	640.7	2,203.4
Minority interests		414.1	573.4	-	-
		983.4	2,562.3	640.7	2,203.4
Earnings per share for profit attributable to the equity holders of the Company:					
Basic earnings per share (sen)	14				
- from continuing operations		15.38	58.30		
- from discontinued operations		-	(4.49)		
		15.38	53.81		
Diluted earnings per share (sen)					
- from continuing operations		15.32	58.09		
- from discontinued operations		-	(4.49)		
		15.32	53.60		
Gross dividends per share (sen)	15	7.0	37.0		

The notes set out on pages 63 to 113 form part of these financial statements.

## BALANCE SHEETS

as at 31 December 2008

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2008	2007	2008	2007
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	16	10,691.6	8,903.0	5.0	5.5
Land held for property development	17	579.9	495.3	-	-
Investment properties	18	26.0	26.1	-	-
Plantation development	19	518.3	469.5	-	-
Leasehold land use rights	20	1,850.9	1,767.9	-	-
Intangible assets	21	3,523.1	4,689.4	-	-
Exploration costs	22	420.0	312.5	-	-
Subsidiaries	23	-	-	6,527.9	6,042.9
Amounts due from subsidiaries	23	-	-	931.7	856.0
Jointly controlled entities	24	71.2	15.4	-	-
Associates	25	622.1	575.2	-	-
Available-for-sale financial asset	26	415.0	1,505.4	-	-
Other long term investments	27	435.2	267.8	-	-
Long term receivables	30	102.4	128.3	-	-
Deferred tax assets	28	61.7	23.9	7.4	7.8
		<b>19,317.4</b>	<b>19,179.7</b>	<b>7,472.0</b>	<b>6,912.2</b>
<b>Current Assets</b>					
Property development costs	17	54.0	111.1	-	-
Inventories	29	376.1	311.4	-	-
Trade and other receivables	30	951.8	710.8	0.7	0.7
Current tax assets		138.1	118.8	19.2	19.2
Amounts due from subsidiaries	23	-	-	527.9	529.2
Amounts due from jointly controlled entities	24	11.3	1.6	-	-
Amounts due from associates	25	-	0.2	-	-
Restricted cash	32	135.4	155.3	-	-
Short term investments	31	2,529.4	1,789.1	284.8	295.1
Bank balances and deposits	32	6,937.2	7,800.9	25.5	249.1
		<b>11,133.3</b>	<b>10,999.2</b>	<b>858.1</b>	<b>1,093.3</b>
<b>Total Assets</b>		<b>30,450.7</b>	<b>30,178.9</b>	<b>8,330.1</b>	<b>8,005.5</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable To Equity Holders Of The Company</b>					
<b>SHARE CAPITAL</b>	33	370.4	370.4	370.4	370.4
<b>TREASURY SHARES</b>	34	(42.3)	(7.2)	(42.3)	(7.2)
<b>RESERVES</b>	35	12,113.9	11,991.8	6,846.3	6,404.7
		<b>12,442.0</b>	<b>12,355.0</b>	<b>7,174.4</b>	<b>6,767.9</b>
<b>Minority Interests</b>		<b>8,971.4</b>	<b>9,182.3</b>	-	-
<b>Total Equity</b>		<b>21,413.4</b>	<b>21,537.3</b>	<b>7,174.4</b>	<b>6,767.9</b>
<b>Non-Current Liabilities</b>					
Long term borrowings	36	5,414.3	4,029.4	-	-
Amounts due to subsidiaries	23	-	-	1,041.1	1,005.8
Deferred tax liabilities	28	1,226.6	1,545.7	-	-
Provisions	37	103.1	103.7	49.0	165.6
Other liabilities	38	87.7	42.9	-	-
		<b>6,831.7</b>	<b>5,721.7</b>	<b>1,090.1</b>	<b>1,171.4</b>
<b>Current Liabilities</b>					
Trade and other payables	39	1,512.2	1,369.1	16.6	19.4
Amounts due to subsidiaries	23	-	-	16.8	11.1
Short term borrowings	36	442.3	1,292.7	-	-
Taxation		251.1	258.1	32.2	35.7
		<b>2,205.6</b>	<b>2,919.9</b>	<b>65.6</b>	<b>66.2</b>
<b>Total Liabilities</b>		<b>9,037.3</b>	<b>8,641.6</b>	<b>1,155.7</b>	<b>1,237.6</b>
<b>Total Equity And Liabilities</b>		<b>30,450.7</b>	<b>30,178.9</b>	<b>8,330.1</b>	<b>8,005.5</b>
<b>NET ASSETS PER SHARE</b>		<b>RM3.37</b>	<b>RM3.34</b>		

The notes set out on pages 63 to 113 form part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company									
	Non-Distributable									
	Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Reserve on Exchange Differences	Retained Earnings	Treasury Shares	Total	Minority Interests	Total Equity
<b>At 1 January 2008</b>	370.4	1,151.4	305.6	170.3	(143.0)	10,507.5	(7.2)	12,355.0	9,182.3	21,537.3
Foreign exchange differences recognised directly in equity	-	-	-	-	(230.4)	-	-	(230.4)	(261.8)	(492.2)
Effects arising from changes in composition of the Group recognised directly in equity	-	-	-	-	(23.6)	184.6	-	161.0	72.3	233.3
Available-for-sale financial asset										
- effects of shareholding movement	-	-	-	(1.0)	-	-	-	(1.0)	1.0	-
- fair value movement	-	-	-	(547.8)	-	-	-	(547.8)	(583.2)	(1,131.0)
Changes in share of associate's reserves	-	-	-	-	-	0.7	-	0.7	-	0.7
Others	-	-	(2.2)	-	-	(6.9)	-	(9.1)	(7.7)	(16.8)
Net (expenses)/income recognised directly in equity	-	-	(2.2)	(548.8)	(254.0)	178.4	-	(626.6)	(779.4)	(1,406.0)
Profit for the financial year	-	-	-	-	-	569.3	-	569.3	414.1	983.4
Impairment loss charged to income statement	-	-	-	378.5	-	-	-	378.5	403.0	781.5
Total recognised income and expense for the year	-	-	(2.2)	(170.3)	(254.0)	747.7	-	321.2	37.7	358.9
Effects arising from changes in composition of the Group recognised in the income statement	-	-	-	-	-	-	-	-	35.4	35.4
Effects of share-based payment	-	-	-	-	-	-	-	-	5.3	5.3
Effects of issue of shares by subsidiaries	-	-	-	-	-	-	-	-	155.0	155.0
Issue of shares	-	0.7	-	-	-	-	-	0.7	-	0.7
Buy-back of shares	-	-	-	-	-	-	(35.1)	(35.1)	(120.5)	(155.6)
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	(323.8)	(323.8)
Appropriation:										
Final dividend paid for financial year ended 31 December 2007 (4.3 sen less 26% income tax)	-	-	-	-	-	(117.7)	-	(117.7)	-	(117.7)
Interim dividend paid for financial year ended 31 December 2008 (3.0 sen less 26% income tax)	-	-	-	-	-	(82.1)	-	(82.1)	-	(82.1)
<b>Balance at 31 December 2008</b>	<b>370.4</b>	<b>1,152.1</b>	<b>303.4</b>	<b>-</b>	<b>(397.0)</b>	<b>11,055.4</b>	<b>(42.3)</b>	<b>12,442.0</b>	<b>8,971.4</b>	<b>21,413.4</b>

The notes set out on pages 63 to 113 form part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company																					
	Share Capital		Share Premium		Revaluation Reserve		Fair Value Reserve		Reserve on Exchange Differences		Other Reserves		Retained Earnings		Treasury Shares		Total		Minority Interests		Total Equity	
<b>At 1 January 2007</b>	369.4	1,125.5	307.0	-	(42.6)	11.2	9,524.2	-	11,294.7	5,372.2	16,666.9											
Foreign exchange differences recognised directly in equity	-	-	-	-	(102.5)	-	-	-	(102.5)	(104.3)	(206.8)											
Available-for-sale financial asset																						
- measurement at date of designation	-	-	-	730.4	-	-	-	-	730.4	743.5	1,473.9											
- effects of shareholding movement	-	-	-	(12.3)	-	-	-	-	(12.3)	12.3	-											
- fair value movement	-	-	-	(547.8)	-	-	-	-	(547.8)	(576.6)	(1,124.4)											
Changes in share of associates' reserves	-	-	-	-	2.1	(11.2)	13.4	-	4.3	(4.6)	(0.3)											
Others	-	-	(1.4)	-	-	-	1.4	-	-	-	-											
Net (expenses)/income recognised directly in equity	-	-	(1.4)	170.3	(100.4)	(11.2)	14.8	-	72.1	70.3	142.4											
Profit for the financial year	-	-	-	-	-	-	1,988.9	-	1,988.9	573.4	2,562.3											
Total recognised income and expense for the year	-	-	(1.4)	170.3	(100.4)	(11.2)	2,003.7	-	2,061.0	643.7	2,704.7											
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	-	54.1	54.1											
Effects of share-based payment	-	-	-	-	-	-	-	-	-	1.5	1.5											
Effects of issue of shares by subsidiaries	-	-	-	-	-	-	(28.8)	-	(28.8)	3,759.4	3,730.6											
Issue of shares	1.0	25.9	-	-	-	-	-	-	26.9	-	26.9											
Buy-back of shares	-	-	-	-	-	-	-	(7.2)	(7.2)	(324.5)	(331.7)											
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(324.1)	(324.1)											
Appropriation:																						
Final dividend paid for financial year ended 31 December 2006 (4.0 sen less 27% income tax)	-	-	-	-	-	-	(107.9)	-	(107.9)	-	(107.9)											
Interim dividend paid for financial year ended 31 December 2007 (2.7 sen less 27% income tax)	-	-	-	-	-	-	(72.8)	-	(72.8)	-	(72.8)											
Special dividend paid (30.0 sen less 27% income tax)	-	-	-	-	-	-	(810.9)	-	(810.9)	-	(810.9)											
<b>Balance at 31 December 2007</b>	<b>370.4</b>	<b>1,151.4</b>	<b>305.6</b>	<b>170.3</b>	<b>(143.0)</b>	<b>-</b>	<b>10,507.5</b>	<b>(7.2)</b>	<b>12,355.0</b>	<b>9,182.3</b>	<b>21,537.3</b>											

The notes set out on pages 63 to 113 form part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY (cont'd)

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

Company	← Non-Distributable →		← Distributable →		Total
	Share Capital	Share Premium	Retained Earnings	Treasury Shares	
<b>At 1 January 2008</b>	<b>370.4</b>	<b>1,151.4</b>	<b>5,253.3</b>	<b>(7.2)</b>	<b>6,767.9</b>
Issue of shares (see Note 33)	-	0.7	-	-	0.7
Buy-back of shares	-	-	-	(35.1)	(35.1)
Profit for the financial year	-	-	640.7	-	640.7
Appropriation:					
Final dividend paid for financial year ended 31 December 2007 (4.3 sen less 26% income tax)	-	-	(117.7)	-	(117.7)
Interim dividend paid for financial year ended 31 December 2008 (3.0 sen less 26% income tax)	-	-	(82.1)	-	(82.1)
<b>Balance at 31 December 2008</b>	<b>370.4</b>	<b>1,152.1</b>	<b>5,694.2</b>	<b>(42.3)</b>	<b>7,174.4</b>
<b>Company</b>					
<b>At 1 January 2007</b>	369.4	1,125.5	4,041.5	-	5,536.4
Issue of shares (see Note 33)	1.0	25.9	-	-	26.9
Buy-back of shares	-	-	-	(7.2)	(7.2)
Profit for the financial year	-	-	2,203.4	-	2,203.4
Appropriation:					
Final dividend paid for financial year ended 31 December 2006 (4.0 sen less 27% income tax)	-	-	(107.9)	-	(107.9)
Interim dividend paid for financial year ended 31 December 2007 (2.7 sen less 27% income tax)	-	-	(72.8)	-	(72.8)
Special dividend paid (30.0 sen less 27% income tax)	-	-	(810.9)	-	(810.9)
<b>Balance at 31 December 2007</b>	<b>370.4</b>	<b>1,151.4</b>	<b>5,253.3</b>	<b>(7.2)</b>	<b>6,767.9</b>

## CASH FLOW STATEMENTS

for the Financial Year Ended 31 December 2008

Amounts in RM million unless otherwise stated

	Group		Company	
	2008	2007	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	1,734.8	3,394.5	836.4	2,678.6
Adjustments for:				
Impairment losses	1,178.0	1,016.1	107.6	-
Depreciation and amortisation	641.2	602.9	1.0	0.9
Finance cost	269.4	395.4	60.3	61.5
Net allowance for diminution in value of investments	62.1	9.6	-	-
Net unrealised exchange loss/(gain)	52.7	(57.8)	3.5	(5.0)
Net bad debts written off/(recovered)	52.2	(0.2)	-	-
Property, plant and equipment ("PPE") written off	10.3	1.7	-	-
Net provision for retirement gratuities	6.4	22.0	2.7	7.7
Provision for share-based payment	4.0	1.5	-	-
Net loss/(gain) on disposal of PPE and plantation development	5.1	(1.1)	(0.1)	(0.2)
Net allowance for doubtful debts	3.0	2.4	-	-
Share of results in jointly controlled entities	1.6	11.2	-	-
Dividend income	(0.5)	(4.8)	(247.1)	(1,260.7)
Net gain on disposal of investment property	(0.6)	(2.0)	-	-
Net gain on disposal of leasehold land use rights	(1.3)	-	-	-
Additional compensation arising from acquisition of freehold land	(2.5)	-	-	-
Net gain on disposal of investments	(5.5)	(4.1)	-	-
Net (gain)/loss on disposal/dilution of shareholdings arising from				
- deemed disposal	(45.1)	(989.3)	-	-
- others	1.4	(3.5)	(31.3)	(1,218.7)
Share of results in associates	(75.9)	9.7	-	-
Interest income	(215.5)	(289.4)	(58.4)	(124.2)
Gain on dilution of investment in associate	-	(81.0)	-	-
Gain on disposal of equity investment in associate	-	(337.1)	-	-
Fair value gain on deemed distribution arising from investment in subsidiary	-	-	(207.6)	-
Waiver of amounts due by subsidiaries	-	-	19.4	217.4
(Reversal of)/provision for contingent losses	-	-	(2.6)	85.0
Other non-cash items	2.6	4.2	-	(21.6)
	<b>1,943.1</b>	<b>306.4</b>	<b>(352.6)</b>	<b>(2,257.9)</b>
<b>Operating profit before changes in working capital</b>	<b>3,677.9</b>	<b>3,700.9</b>	<b>483.8</b>	<b>420.7</b>
Working capital changes:				
Property development costs	(23.1)	4.2	-	-
Inventories	(55.5)	(3.9)	-	-
Receivables	(324.8)	(194.6)	(0.1)	-
Payables	126.1	23.0	1.7	(9.5)
Amounts due from associates	0.1	0.3	-	-
Amounts due from jointly controlled entities	(9.1)	(0.5)	-	-
Amounts due from subsidiaries	-	-	(4.7)	(1.5)
	<b>(286.3)</b>	<b>(171.5)</b>	<b>(3.1)</b>	<b>(11.0)</b>

The notes set out on pages 63 to 113 form part of these financial statements.

**CASH FLOW STATEMENTS (cont'd)**

for the Financial Year Ended 31 December 2008

**Amounts in RM million unless otherwise stated**

	Group		Company	
	2008	2007	2008	2007
<b>Cash generated from operations</b>	<b>3,391.6</b>	3,529.4	<b>480.7</b>	409.7
Taxation paid	<b>(885.8)</b>	(705.6)	<b>(134.5)</b>	(132.4)
Retirement gratuities paid	<b>(11.7)</b>	(5.9)	<b>(4.7)</b>	(0.4)
Advance membership fees	<b>1.0</b>	(0.6)	-	-
Taxation refund	<b>23.0</b>	26.8	-	-
	<b>(873.5)</b>	(685.3)	<b>(139.2)</b>	(132.8)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,518.1</b>	2,844.1	<b>341.5</b>	276.9
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of PPE	<b>(2,500.2)</b>	(1,320.5)	<b>(0.5)</b>	(1.7)
Purchase of investments	<b>(303.6)</b>	(267.0)	<b>(386.9)</b>	(2,796.1)
Exploration cost incurred	<b>(92.6)</b>	(104.2)	-	-
Purchase of intangible assets	<b>(77.8)</b>	(66.8)	-	-
Investment in jointly controlled entities	<b>(60.8)</b>	(1.9)	-	-
Purchase of plantation development	<b>(42.8)</b>	(23.3)	-	-
Acquisition of subsidiaries (see Note a)	<b>(17.0)</b>	-	-	-
Investment in associates	<b>(8.7)</b>	(72.0)	-	-
Purchase of leasehold land use rights	<b>(6.2)</b>	(1,366.3)	-	-
Costs incurred on land held for property development	<b>(2.8)</b>	(7.1)	-	-
Purchase of investment properties	<b>(0.1)</b>	(0.1)	-	-
Dividends received	<b>0.4</b>	4.0	<b>182.8</b>	926.7
Proceeds from disposal of investment property	<b>1.4</b>	5.0	-	-
Proceeds from disposal of leasehold land use rights	<b>2.5</b>	-	-	-
Dividends received from associates	<b>5.9</b>	7.1	-	-
Return of foreign subsidiary's shareholders' loan	<b>14.7</b>	-	-	-
Proceeds from disposal of investments	<b>18.1</b>	18.6	-	-
Proceeds from disposal of PPE	<b>44.9</b>	12.5	<b>0.1</b>	0.6
Net proceeds from subsidiary's disposal of long term investment	<b>179.1</b>	-	-	-
Interest received	<b>222.3</b>	283.6	<b>14.5</b>	79.2
Disposal of international betting operations	-	(15.3)	-	-
Disposal of subsidiaries	-	690.5	-	-
Advances to jointly controlled entities	-	(30.8)	-	-
Purchase of additional shares from minority shareholders	-	(587.8)	-	-
Proceeds from disposal of equity investment in associate	-	1,172.7	-	-
Net loans and advances to subsidiaries	-	-	<b>(141.9)</b>	(216.1)
Proceeds from redemption of preference shares by subsidiary	-	-	-	50.0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,623.3)</b>	(1,669.1)	<b>(331.9)</b>	(1,957.4)

**CASH FLOW STATEMENTS (cont'd)**

for the Financial Year Ended 31 December 2008

**Amounts in RM million unless otherwise stated**

	Group		Company	
	2008	2007	2008	2007
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	(1,587.5)	(2,154.5)	-	-
Finance cost paid	(406.6)	(308.5)	(0.1)	(0.9)
Dividends paid to minority shareholders	(323.8)	(324.1)	-	-
Dividends paid	(199.8)	(991.6)	(199.8)	(991.6)
Buy-back of shares	(185.5)	(484.4)	(35.1)	(7.2)
Settlement and buy-back of Exchangeable Notes	(134.1)	-	-	-
Redemption of Zero Coupon Convertible Notes	(4.7)	-	-	-
Settlement of Zero Coupon Convertible Notes	-	(77.6)	-	-
Proceeds from issue of shares	0.7	26.9	0.7	26.9
Proceeds from issue of shares to minority shareholders	11.0	2,477.4	-	-
Proceeds from bank borrowings	2,663.3	130.2	-	-
Net proceeds from issue of Convertible Bonds/Notes	-	1,986.6	-	-
Repayment of borrowing to subsidiary	-	-	(9.2)	(19.5)
Borrowings from subsidiaries	-	-	-	307.7
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(167.0)</b>	<b>280.4</b>	<b>(243.5)</b>	<b>(684.6)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(272.2)</b>	<b>1,455.4</b>	<b>(233.9)</b>	<b>(2,365.1)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>9,312.2</b>	<b>7,927.1</b>	<b>544.2</b>	<b>2,909.3</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>263.3</b>	<b>(70.3)</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>9,303.3</b>	<b>9,312.2</b>	<b>310.3</b>	<b>544.2</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Bank balances and deposits (see Note 32)	6,937.2	7,800.9	25.5	249.1
Money market instruments (see Note 31)	2,366.1	1,511.3	284.8	295.1
	<b>9,303.3</b>	<b>9,312.2</b>	<b>310.3</b>	<b>544.2</b>

**a) ANALYSIS OF THE ACQUISITION OF SUBSIDIARIES**

Fair values of net assets acquired and net cash outflow on acquisition of subsidiaries as disclosed in Note 43(f) are analysed as follows:

	2008
Property, plant and equipment	5.0
Plantation development	8.4
Leasehold land use rights	23.6
Trade and other receivables	4.2
Inventories	1.9
Bank balances and deposits	14.2
Trade and other payables	(2.5)
Borrowings	(1.6)
Minority interests	(22.0)
Total purchase consideration	31.2
Less: Bank balances and deposits acquired	(14.2)
Net cash outflow on acquisition of subsidiaries	17.0

The ADB Group has completed its purchase price allocation exercise on the acquisition of the above subsidiaries and has accounted for the fair value adjustments on 3 October 2008 accordingly.

The revenue and net loss of the acquired subsidiaries included in the consolidated income statement of the ADB Group for the period from 3 October 2008 to 31 December 2008 amounted to Nil and RM1.8 million respectively. Had the acquisition taken effect on 1 January 2008, the revenue and net loss of the acquired subsidiaries included in the consolidated income statement of the ADB Group would have been Nil and RM3.6 million respectively. These amounts have been calculated using the Group's accounting policies.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

### Amounts in RM million unless otherwise stated

#### 1. 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.

Details of the principal activities of the subsidiaries and associates are set out in Note 45 to the financial statements.

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 of the Group and the Company have been prepared in accordance with and comply with Financial Reporting Standards ("FRS"), 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 bases of measurement applied to assets and liabilities include cost, amortised cost, lower of cost and net realisable value, revalued amount and fair value.

The preparation of financial statements in conformity with FRS 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 reported 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 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 estimates that can significantly affect the amount recognised in the financial statements. These judgements and estimates include:

##### i) Provision for taxation

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. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### ii) Exploration costs

Exploration cost is accounted for in accordance with the full cost method. Under this method, all costs relating to the exploration activities are capitalised when incurred.

Exploration cost is written off to the income statement when:

- it is determined that further exploration activities will not yield commercial quantities of reserves, no further exploration drilling is planned and there is no existing production in the block or field; or
- the petroleum contract has expired or is surrendered.

In making decisions about whether to continue to capitalise exploration drilling costs, it is necessary to make judgements about the satisfaction of the above conditions after all geological and geophysical and other relevant assessments have been performed. The Group is committed to continue exploring and developing these interests.

##### iii) Impairment of intangible assets and property, plant and equipment

The Group tests intangible assets for impairment annually in accordance with its accounting policy. The calculations require the use of estimates as set out in Note 21.

The Group recognised impairment loss on property, plant and equipment as set out in Note 16.

##### iv) Residual value of the power plant

In accordance with FRS 116 Property, plant and equipment, residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. The revision is accounted for as change in accounting estimate.

The management has reassessed the residual value of the Kuala Langat power plant in light of the government's announcement on 11 September 2008 to suspend all existing power purchase agreement renegotiations between Tenaga Nasional Berhad and the respective independent power producers.

Accordingly, the estimated residual value of the power plant has been revised from RM355.0 million to RM91.1 million, based on the estimated proceeds to be derived from disposal of the equipment less estimated dismantling cost. As a result, the depreciation charge increased by RM8.3 million for the current financial year and will increase by RM36.6 million per annum for the future financial years.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 2. BASIS OF PREPARATION (cont'd)

#### Judgements and estimations (cont'd)

##### v) Impairment of Available-for-sale financial asset

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

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

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

#### Adoption of new Financial Reporting Standards

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

- FRS 107<sub>2007</sub> Cash Flow Statements
- FRS 112<sub>2007</sub> Income Taxes
- FRS 118<sub>2007</sub> Revenue
- Amendment to FRS 121<sub>2007</sub> The Effects of Changes in Foreign Exchange Rates - Net Investment in Foreign Operation
- FRS 134<sub>2007</sub> Interim Financial Reporting
- FRS 137<sub>2007</sub> Provisions, Contingent Liabilities and Contingent Assets
- IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IC Interpretation 8 Scope of FRS 2

The adoption of the above FRS and IC interpretations did not result in substantial changes to the Group's accounting policies and have no significant financial impact on the Group's result and financial position for the financial year ended 31 December 2008. In respect of FRS 112, the Group will continue to recognise in the income statement, the tax impact arising from the investment tax allowances as and when it is utilised.

#### Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted

The new standards and IC Interpretations that are applicable to the Group and the Company, but which the Group and the Company have not early adopted, are as follows:

- FRS 8 Operating Segments (effective for annual period beginning on or after 1 July 2009). FRS 8 replaces FRS 114<sub>2004</sub> Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from financial periods beginning on 1 January 2010. This standard is not expected to have any material impact to the Group and Company.
- IC Interpretation 9 Reassessment of Embedded Derivatives (effective for annual period beginning on or after 1 January 2010). IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group will apply this standard from financial periods beginning on 1 January 2010. This standard is not expected to have any material impact to the Group and Company.
- IC Interpretation 10 Interim Financial Reporting and Impairment (effective for annual period beginning on or after 1 January 2010). IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply this standard from financial periods beginning on 1 January 2010. This standard is not expected to have any material impact to the Group and Company.

The following standards will be effective for annual period beginning on or after 1 January 2010. The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Group and Company.

- |           |  |
|-----------|--|
| - FRS 139 | Financial Instruments: Recognition and Measurement |
| - FRS 4   | Insurance Contracts                                |
| - FRS 7   | Financial Instruments: Disclosures                 |

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Consolidation

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

#### a) Subsidiaries

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

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

Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition and prior to 1 January 2006, the negative goodwill is credited to retained earnings in the year of acquisition. Negative goodwill arising from new acquisition on or after 1 January 2006, is recognised directly in the income statement.

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

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds or market value and the Group's share of its net assets together with any balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

Minority interests is measured at the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's net assets since that date. Separate disclosure is made of minority interests.

#### b) Jointly Controlled Entities

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

The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting. Equity accounting involves recognising the

Group's share of the post acquisition results of jointly controlled entities in the income statement and its share of post acquisition movements within reserves in reserves. The Group's interest in jointly controlled entities is stated at cost net of goodwill written off, for acquisitions prior to 1 January 2004, plus adjustments to reflect changes in the Group's share of the net assets of the jointly controlled entities. The cumulative post acquisition movements are adjusted against the cost of the investment and includes goodwill on acquisition less impairment losses, where applicable. See accounting policy note on impairment of assets.

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

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

#### c) Associates

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

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in the income statement the Group's share of the associates' results for the financial year. The Group's interest in associates is stated at cost net of goodwill written off, for acquisitions prior to 1 January 2004, plus adjustments to reflect changes in the Group's share of the net assets of the associates. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred 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.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Property, Plant and Equipment (cont'd)

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for certain properties which were revalued before 1998. In accordance with the transitional provision allowed by MASB upon first adoption of IAS 16, Property, Plant and Equipment, the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation, amortisation and impairment losses.

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

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

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 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 of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

The Group depreciates other assets based on their consumption pattern and is applied separately to each significant component.

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:

	Years
Buildings and improvements	2 - 50
Plant, equipment and vehicles	2 - 20

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

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

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

#### Investment Properties

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or for capital appreciation and are not occupied by the Group.

Investment in freehold land is stated at cost. Other investment properties are stated at cost less accumulated depreciation and

impairment losses. Depreciation for other investment properties is calculated using the straight-line method to allocate their cost over their estimated economic lives as follows:

	Years
Buildings and improvements	5 - 50

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

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

#### Leasehold Land Use Rights

Leasehold land that normally has a finite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as leasehold land use rights (referred to as prepaid lease payments in FRS 117, Leases) that are amortised over the lease term in accordance with the pattern of benefits provided.

The Group had previously classified the leasehold land use rights within its property, plant and equipment. On adoption of FRS 117, Leases, the Group treats such a lease as an operating lease, with the unamortised carrying amount classified as leasehold land use rights.

#### Plantation Development

Plantation development comprise cost of planting and development on oil palms and other plantation crops.

Cost of new planting and development of plantation crops are capitalised from the stage of land clearing up to the stage of maturity. The cost of new planting capitalised is not amortised. However, where the cost of new planting is incurred on leasehold land which has unexpired period shorter than the crop's economic life, the cost is amortised over the remaining period of the lease on a straight line basis.

Replanting expenditure is charged to the income statement in the financial year in which the expenditure is incurred.

#### Property Development Activities

##### a) Land Held for Property Development

Land held for property development consist 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 cost incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS201<sub>2004</sub> Property Development Activities. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Property Development Activities (cont'd)

##### a) Land Held for Property Development (cont'd)

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

##### b) Property Development Costs

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

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

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

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

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

#### Available-For-Sale Financial Asset

Pursuant to paragraphs 18 and 19 of FRS 128, Investments in Associates, in the event the Group ceased to have significant influence over its associates, the Group shall discontinue the use of equity method from the date that it ceases to have significant influence over the associate and shall account for the investment in accordance with FRS 139, Financial Instruments: Recognition and Measurement, from that date.

The carrying amount of the investment at the date of recognition shall be regarded as its cost on initial measurement as an AFS. After the initial measurement, the Group measure the AFS at its fair values based on quoted prices in an active market.

Any gain or loss arising from a change in the fair value of the AFS is recognised directly in equity as Fair Value Reserve, except for impairment losses and foreign exchange gains and losses, if any, until the AFS is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in income statement.

When a decline in the fair value of the AFS has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from Fair Value Reserve and recognised in income statement even though the AFS has not been derecognised. Impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The amount of cumulative loss is measured as the difference between the carrying amount and current fair value, less any impairment loss on that AFS previously recognised in income statement including any related foreign exchange component. Impairment losses recognised in the income statement on such amount are not subsequently reversed through income statement.

#### Investments

Investments in non-current investments other than investments in subsidiaries, jointly controlled entities, associates and available-for-sale financial assets are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Such a decline is recognised as an expense in the period in which it is identified.

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

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

#### Intangible Assets

##### a) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiaries at the date of acquisition. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

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.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

31 December 2008

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****Intangible Assets (cont'd)**

## b) Licences

## Casino licences

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 based on all relevant factors 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.

## Theme park licences

Theme park licences are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Such cost is amortised using the straight line method over the shorter of its estimated useful life and periods of contractual right. The amortisation period and amortisation method are reviewed at each balance sheet date. The effects of any revision are recognised in the income statements when changes arise. Amortisation expense incurred during the construction period is capitalised as part of construction-in-progress. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

## c) Royalty

Royalty expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method over the estimated useful lives, not exceeding a period of 20 years.

## d) Trademark

Trademark is stated at cost less any accumulated impairment losses. Trademark has an indefinite useful life as it is maintained through continuous marketing and upgrading. See accounting policy on impairment of non-financial assets.

## e) Rights

Acquired licenses of independent power plant are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method over the licensing agreement periods.

## f) Research and Development Expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) Management intends to complete the intangible asset and use or sell it;
- (iii) There is an ability to use or sell the intangible asset;
- (iv) It can be demonstrated that the intangible asset will generate probable future economic benefits;

- (v) Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) The expenditure attributable to the intangible asset during its development can be reliably measured.

Collaborations and alliances are maintained with third parties for provision of research and development expertise and capacity in genomics for the achievement of performance milestones. Milestones payments are capitalised to the extent that the capitalisation criteria in FRS 138 - Intangible Assets are met. Judgement is involved in determining whether amount paid meets the performance milestones so as to enable the amount to be capitalised as intangible assets.

Other development expenditure that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use or sale, on a straight-line basis over the estimated useful lives, not exceeding twenty years.

Intangible assets are tested for impairment annually, in accordance with FRS 136. See accounting policy note on impairment of non-financial assets.

**Exploration Cost**

Exploration cost is accounted for in accordance with the full cost method. Under this method, all costs relating to the exploration activities are capitalised when incurred. Exploration cost is written off to the income statement when:

- it is determined that further exploration activities will not yield commercial quantities of reserves, no further exploration drilling is planned and there is no existing production in the block or field; or
- the petroleum contract has expired or is surrendered.

Exploration cost is stated net of impairment loss.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs 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.

**Non-Current Assets 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.

**Receivables**

Receivables are carried at estimated realisable value. In estimating realisable value, an allowance is made for doubtful receivables based on a review of all outstanding amounts at the financial year end. Bad debts are written off to the income statement during the financial year in which they are identified.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Cash and Cash Equivalents

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

#### 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 periodic constant 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 income statement 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 leases 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 when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new shares, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

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

#### Treasury Shares

A purchase by the Company or its subsidiaries of its own equity shares is accounted for under the treasury stock method. Under this method, the shares repurchased and held as treasury shares is measured and carried at the cost of repurchase (including any directly attributable incremental external costs, net of tax) on initial recognition and subsequently. On presentation in the balance sheet, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or the distributable reserves, or both. Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as the movement in equity. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

#### Borrowings

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 income statement 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 income statement. All other borrowing costs are charged to the income statement.

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

#### Impairment of Non-Financial Assets

The carrying amounts of assets, with the exception of 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 for impairment annually by comparing its carrying amount with its recoverable amount.
- b) tests goodwill acquired in a business combination for impairment annually.

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

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

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

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

#### Contingent Liabilities and Contingent Assets

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Contingent Liabilities and Contingent Assets (cont'd)

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 their existence where inflows of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118.

#### Provisions

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

#### Income Taxes

##### a) Current Taxation

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

##### b) Deferred Taxation

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

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

#### Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area

of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

#### Government Grants

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included in non-current liabilities as deferred income and are credited to the income statement on the straight line basis over the expected lives of the related assets.

#### 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 plans

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.

##### c) Long-Term Employee Benefits

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Employee Benefits (cont'd)

##### d) Share-based compensation

The Company together with its listed subsidiaries, each operate an equity-settled, share-based compensation plan, where share options are issued by the respective companies to their respective eligible executives and directors.

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

#### Revenue Recognition

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

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

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

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

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

#### Dividends

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

#### Interest income

Interest income is recognised on an accrual basis, when it is determined that such income will accrue to the Group.

#### Foreign currency translation

##### a) Functional and presentation currency

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

##### b) Transactions and balances

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

##### c) Group companies

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

- i) assets and liabilities, including goodwill and fair value adjustments arising from business combinations completed on/after 1 January 2006, for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- iii) all resulting exchange differences are recognised as a separate component of equity.

#### Financial Instruments

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

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

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

##### a) Financial instruments recognised on the balance sheet

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

##### b) Financial instruments not recognised on the balance sheet

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial Instruments (cont'd)

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

As foreign currency forward contracts are entered into to cover the Group's commitments in foreign currencies, the closing rates are used to translate the underlying foreign currency transactions into Ringgit Malaysia.

The related interest differentials under the swap agreements for interest rate swaps are recognised over the terms of the agreements in interest expense.

The underlying foreign currency assets or liabilities, which are effectively hedged by currency swap agreements, and designated as a hedge, are translated in the respective hedged currencies, at their closing rates.

The Group has put and call option agreements as disclosed in Note 40(d) to the financial statements. This instrument is not recognised in the financial statements on inception.

#### c) Fair value estimation for disclosure purpose

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date. For non-traded financial instruments, the Group uses various methods and makes assumptions that are based on market conditions. Comparisons are made to similar instruments that are publicly traded and estimates based on discounted cash flow techniques are also used. For other long term financial assets and liabilities, fair value is estimated by discounting future contractual cash flows at appropriate interest rates.

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

#### Segmental Reporting

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

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

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

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in 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. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

#### Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk when 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.

#### Interest rate risk

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

#### Market risk

The Group, in the normal course of business, is exposed to market risks in respect of its equity investments and volatility in market prices of palm products. The Group manages its risk through established guidelines and policies.

#### Credit risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Credit terms offered by the Group range from 7 days to 120 days from date of transaction. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. Credit limits are set and credit history are reviewed to minimise potential losses.

The Group avoids, where possible, any significant exposure to a single customer. However, in the ordinary course of business, certain subsidiaries in the Group's Power Division has trade receivables that are solely from their off-takers, the provincial or national electricity utility companies. As such, the counter party risk is considered to be minimal.

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's cash and cash equivalents and short-term deposits are placed with creditworthy financial institutions and the risks arising therefrom are minimised in view of the financial strength of these financial institutions.

#### Liquidity risk

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 5. SEGMENT ANALYSIS

## a) Primary segment - by activity:

2008	Leisure & Hospitality							Eliminations	Total
	Hospitality	Plantation	Property	Oil & Gas	Power	Others			
<b>Revenue</b>									
External	6,251.0	936.5	117.6	182.7	1,564.0	30.7	-	9,082.5	
Inter segment	3.9	-	17.6	-	-	77.9	(99.4)	-	
	<b>6,254.9</b>	<b>936.5</b>	<b>135.2</b>	<b>182.7</b>	<b>1,564.0</b>	<b>108.6</b>	<b>(99.4)</b>	<b>9,082.5</b>	
<b>Results</b>									
Segment profit/(loss)	2,229.3	458.4	25.9	73.5	193.6	(57.4)	(76.0)	2,847.3	
Net gain on disposal/deemed disposal/dilution of shareholdings	-	-	-	-	-	45.1	-	45.1	
Impairment losses	(1,017.5)	-	-	-	(56.7)	(103.8)	-	(1,178.0)	
Interest income								215.5	
Finance cost								(269.4)	
Share of results in jointly controlled entities	(2.2)	-	-	-	-	0.6	-	(1.6)	
Share of results in associates	17.9	2.8	-	-	55.2	-	-	75.9	
Profit before taxation								1,734.8	
Taxation								(751.4)	
Profit for the financial year								<b>983.4</b>	

2007	Leisure & Hospitality							Continuing operations	Discontinued operations (Manufacturing)	Total
	Hospitality	Plantation	Property	Oil & Gas	Power	Others	Eliminations			
<b>Revenue</b>										
External	5,889.0	845.7	81.7	142.9	1,491.6	32.9	-	8,483.8	-	8,483.8
Inter segment	3.3	-	14.6	-	-	62.8	(80.7)	-	-	-
	<b>5,892.3</b>	<b>845.7</b>	<b>96.3</b>	<b>142.9</b>	<b>1,491.6</b>	<b>95.7</b>	<b>(80.7)</b>	<b>8,483.8</b>	<b>-</b>	<b>8,483.8</b>
<b>Results</b>										
Segment profit	2,019.1	431.0	23.0	49.0	505.9	54.0	48.1	3,130.1	40.1	3,170.2
Net gain on disposal/deemed disposal/dilution of shareholdings	-	-	-	-	-	989.3	-	989.3	-	989.3
Gain on disposal of investment in associate	337.1	-	-	-	-	-	-	337.1	-	337.1
Impairment losses	(938.4)	-	-	-	(40.5)	(37.2)	-	(1,016.1)	-	(1,016.1)
Interest income								289.4	1.0	290.4
Finance cost								(395.4)	(4.1)	(399.5)
Share of results in jointly controlled entities	(11.3)	-	-	-	-	0.1	-	(11.2)	-	(11.2)
Share of results in associates	(81.6)	3.5	0.2	-	68.2	-	-	(9.7)	-	(9.7)
Gain on dilution of investment in associate	81.0	-	-	-	-	-	-	81.0	-	81.0
Profit before taxation								3,394.5	37.0	3,431.5
Taxation								(662.2)	(10.0)	(672.2)
Profit for the financial year								2,732.3	27.0	2,759.3
Loss from disposal of paper & packaging businesses								-	(197.0)	(197.0)
Profit/(loss) for the financial year								2,732.3	(170.0)	2,562.3

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 5. SEGMENT ANALYSIS (cont'd)

## a) Primary segment - by activity: (cont'd)

2008	Leisure & Hospitality							Eliminations	Total
	Hospitality	Plantation	Property	Oil & Gas	Power	Others			
<b>Other Information:</b>									
<b>Assets</b>									
Segment assets	15,455.3	1,286.5	1,066.8	647.3	3,769.9	987.3	(679.0)	22,534.1	
Interest bearing instruments								7,023.6	
Jointly controlled entities	67.4	-	-	-	-	3.8	-	71.2	
Associates	348.7	10.0	2.6	-	252.1	8.7	-	622.1	
Unallocated corporate assets								199.7	
Total assets								<u>30,450.7</u>	
<b>Liabilities</b>									
Segment liabilities	1,277.9	82.6	127.0	91.2	617.4	180.9	(679.0)	1,698.0	
Interest bearing instruments								5,861.6	
Unallocated corporate liabilities								1,477.7	
Total liabilities								<u>9,037.3</u>	
<b>Other Disclosures</b>									
Capital expenditure *	2,374.7	116.3	2.3	78.5	38.7	0.6	-	2,611.1	
Depreciation & amortisation	357.3	20.1	6.1	23.3	232.3	2.1	-	641.2	
Impairment losses	1,017.5	-	-	-	56.7	103.8	-	1,178.0	
Other significant non-cash charges	57.9	2.1	1.3	-	0.4	62.0	-	123.7	
<b>2007</b>									
<b>Other Information:</b>									
<b>Assets</b>									
Segment assets	14,238.0	1,244.5	1,050.2	529.1	3,508.1	1,315.7	(1,293.4)	20,592.2	
Interest bearing instruments								8,856.2	
Jointly controlled entities	12.3	1.9	-	-	-	1.2	-	15.4	
Associates	334.4	8.7	2.7	-	229.4	-	-	575.2	
Unallocated corporate assets								139.9	
Total assets								<u>30,178.9</u>	
<b>Liabilities</b>									
Segment liabilities	1,424.1	67.0	133.6	98.4	586.7	482.2	(1,293.4)	1,498.6	
Interest bearing instruments								5,339.2	
Unallocated corporate liabilities								1,803.8	
Total liabilities								<u>8,641.6</u>	
<b>Other Disclosures</b>									
Capital expenditure *	2,740.4	66.0	3.2	41.0	14.6	1.0	-	2,866.2	
Depreciation & amortisation	332.8	22.6	6.2	19.5	219.6	2.3	-	603.0	
Impairment losses	938.4	-	-	-	40.5	37.2	-	1,016.1	
Other significant non-cash charges	22.2	3.2	1.8	0.1	2.6	0.7	-	30.6	

\* Includes capital expenditure in respect of property, plant and equipment, investment properties, plantation development and leasehold land use rights.

## b) Secondary segment - by geographical location

	Revenue		Assets		Capital expenditure	
	2008	2007	2008	2007	2008	2007
Malaysia	6,861.0	6,034.6	12,359.9	11,790.5	327.8	448.1
Singapore	1.6	-	9,112.4	8,186.0	2,080.9	2,030.4
Asia Pacific (excluding Malaysia & Singapore)	831.9	882.3	3,736.7	3,543.1	147.1	71.2
United Kingdom/Europe *	1,388.0	1,566.9	4,232.5	6,034.7	55.3	316.5
Other countries	-	-	315.9	34.0	-	-
	<u>9,082.5</u>	<u>8,483.8</u>	<u>29,757.4</u>	<u>29,588.3</u>	<u>2,611.1</u>	<u>2,866.2</u>
Jointly controlled entities	-	-	71.2	15.4	-	-
Associates	-	-	622.1	575.2	-	-
	<u>9,082.5</u>	<u>8,483.8</u>	<u>30,450.7</u>	<u>30,178.9</u>	<u>2,611.1</u>	<u>2,866.2</u>

\* More than 90% is derived from United Kingdom.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 5. SEGMENT ANALYSIS (cont'd)

The Group is organised into five main business segments:

- Leisure & Hospitality - this division includes the hotel, gaming and entertainment businesses, tours & travel related services and other support services.
- Plantation - this division is involved mainly in oil palm plantations, palm oil milling and related activities.
- Property - this division is involved in property development activities.
- Oil & Gas - this division is involved in oil & gas exploration, development, production and sale of crude oil.
- Power - this division is involved in the generation and supply of electric power.

Following the disposal of the paper and packaging businesses in financial year 2007 as disclosed in Note 13, the Manufacturing segment is no longer deemed a material segment for separate disclosure.

All other immaterial business segments including investments in equities are aggregated and disclosed under "Others" as they are not of a sufficient size to be reported separately.

Geographically, the Group operates in Asia Pacific and United Kingdom/Europe. The main business segments of the Group are concentrated in Malaysia. Included in the United Kingdom/Europe region is the Group's casino operations and its investment in shares of quoted corporations. The assets in the Asia Pacific region (excluding Malaysia & Singapore) mainly comprise interest bearing investments and power businesses, whilst the assets in the United Kingdom/Europe region mainly comprise gaming and entertainment businesses.

### 6. REVENUE

	Group		Company	
	2008	2007	2008	2007
Rendering of services:				
Leisure & hospitality	6,251.0	5,889.0	-	-
Rental and property management income	19.4	24.2	-	-
Fees from management and licensing services	-	-	548.4	481.9
Other services	24.8	20.8	10.5	8.6
Sale of goods:				
Plantation produce	936.5	845.7	-	-
Properties and progressive sales on property development projects	98.2	59.5	-	-
Crude oil	182.7	142.9	-	-
Electricity	1,534.3	1,473.5	-	-
Others	29.7	19.4	-	-
Sale of investments	5.4	4.0	-	-
Investment income	0.5	4.8	247.1	1,260.7
	<b>9,082.5</b>	<b>8,483.8</b>	<b>806.0</b>	<b>1,751.2</b>

### 7. COST OF SALES

	Group		Company	
	2008	2007	2008	2007
Cost of inventories recognised as an expense	1,930.7	1,534.1	-	-
Cost of services and other operating costs	3,607.2	3,471.3	59.0	65.4
	<b>5,537.9</b>	<b>5,005.4</b>	<b>59.0</b>	<b>65.4</b>

Included in other operating costs are gaming related expenses amounting to RM1,366.5 million (2007: RM1,255.2 million) for the Group and Nil (2007: Nil) for the Company.

### 8. OTHER EXPENSES

The Group's other expenses for the current financial year included impairment losses of RM781.5 million (2007: Nil) on RWB Group's investment in Available-for-sale financial asset, RM236.0 million (2007: RM897.3 million) on goodwill arising on the acquisition of Genting Stanley and RM160.5 million (2007: RM118.8 million) on the Group's power plants in China and other investments.

The Company's other expenses for the current financial year included an impairment loss of RM107.6 million (2007: Nil) on investment in a wholly owned subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 9. PROFIT BEFORE TAXATION

Profit before taxation has been determined after inclusion of the following charges and credits. The expenses by nature of the Group are also disclosed in the charges below:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Charges:</b>				
Depreciation of property, plant and equipment	624,516	583,802	1,027	901
Depreciation of investment properties	875	1,108	-	-
Amortisation of plantation development	7	7	-	-
Amortisation of leasehold land use rights	6,183	6,318	-	-
Amortisation of intangible assets	9,669	11,729	-	-
Directors' remuneration excluding estimated money value of benefits-in-kind (see Note 11)	80,943	91,485	38,289	44,708
Impairment of property, plant and equipment included in:				
- Other expenses	53,177	63,487	-	-
Impairment of intangible assets included in:				
- Other expenses	238,015	952,646	-	-
Impairment of investments included in:				
- Other expenses	886,836	-	-	-
Impairment of investment in a subsidiary included in:				
- Other expenses	-	-	107,629	-
Net loss on disposal of property, plant and equipment	5,111	-	-	-
Property, plant and equipment written off	10,331	1,661	-	-
Net allowance for diminution in value of investments	62,073	9,647	-	-
Net allowance for doubtful debts	2,989	2,356	-	-
Net bad debts written off	52,234	-	-	-
Replanting expenditure	6,718	5,378	-	-
Hire of equipment	18,170	30,632	-	-
Rental of land and buildings	63,220	62,260	-	-
Finance cost	269,399	395,419	-	-
Net exchange losses - realised	-	-	1	-
Net exchange losses - unrealised	52,723	-	3,544	-
Auditors' remuneration				
- Payable to auditors	1,408	1,560	45	43
- Payable to member firms of an organisation to which the auditors is also a member	3,432	2,722	-	-
Expenditure paid to subsidiaries:				
- Finance cost	-	-	60,359	61,451
- Rental of land and buildings	-	-	2,225	2,037
- Rental of equipment	-	-	1,584	1,517
- Service fees	-	-	1,168	1,117
Employee benefits expense (see Note 10)	1,404,157	1,400,291	59,022	65,407
Waiver of net amount due from wholly owned subsidiaries	-	-	19,444	217,409
Repair and maintenance	152,578	131,052	608	894
Utilities	87,577	63,901	181	170
Legal and professional fees	59,076	61,293	7,932	2,784
Transportation costs	78,679	47,579	-	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 9. PROFIT BEFORE TAXATION (cont'd)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Credits:</b>				
Interest income	215,540	289,405	14,065	78,037
Net gain on disposal of property, plant and equipment and plantation development	-	1,079	101	156
Net gain on disposal of leasehold land use rights	1,270	-	-	-
Gain on disposal of investment property	644	2,019	-	-
Net gain on disposal of long term investments	5,457	-	-	-
Net gain on disposal of short term investments	-	4,064	-	-
Net bad debts recovered	-	124	-	-
Rental income from land and buildings	65,884	58,397	-	-
Additional compensation arising from acquisition of freehold land	2,505	27	-	-
Net exchange gains - realised	23,603	15,309	-	-
Net exchange gains - unrealised	-	57,809	-	4,999
Dividends (gross) from:				
- Quoted local companies	-	4,326	-	-
- Quoted foreign corporations	452	515	-	-
Income from subsidiaries:				
- Gain on disposal of long term investment	-	-	31,302	1,218,741
- Management and licensing fees	-	-	548,237	481,768
- Fair value gain on deemed distribution	-	-	207,606	-
- Gross dividends	-	-	247,086	1,260,637
- Interest income	-	-	44,318	46,215
- Shared services fees	-	-	10,498	8,596
- Royalty	-	-	152	152
Other information:				
Non statutory audit fees				
- payable to auditors	1,408	3,718	103	435
- payable to member firms of an organisation to which the auditors is also a member	920	1,015	372	4

## 10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages, salaries and bonuses	1,157,629	1,196,193	46,804	49,463
Defined contribution plan	78,865	69,092	6,139	6,315
Other short term employee benefits	157,274	111,503	3,402	1,916
Share-based payments	3,954	1,491	-	-
Provision for retirement gratuities	6,435	22,012	2,677	7,713
	<b>1,404,157</b>	<b>1,400,291</b>	<b>59,022</b>	<b>65,407</b>

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 11. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<u>Non-Executive Directors:</u>				
Fees	791	726	528	463
Ex-gratia	191	-	191	-
<u>Executive Directors:</u>				
Fees	719	770	299	349
Salaries & bonuses	65,382	68,851	30,372	32,969
Defined contribution plan	8,651	9,006	4,212	4,488
Other short term employee benefits	1,292	523	853	72
Provision for retirement gratuities	3,917	11,609	1,834	6,367
	<b>79,961</b>	<b>90,759</b>	<b>37,570</b>	<b>44,245</b>
Directors' remuneration excluding estimated money value of benefits-in-kind (see Note 9)	<b>80,943</b>	<b>91,485</b>	<b>38,289</b>	<b>44,708</b>
Estimated money value of benefits-in-kind (not charged to the income statements) in respect of Executive Directors	<b>1,038</b>	<b>966</b>	<b>32</b>	<b>39</b>
	<b>81,981</b>	<b>92,451</b>	<b>38,321</b>	<b>44,747</b>

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

Amounts in RM'000	2008	2007
	Number	
<u>Non-Executive Directors:</u>		
Below 50,000	-	1
50 - 100	1	1
100 - 150	2	1
150 - 200	1	-
200 - 250	1	1
250 - 300	1	1
<u>Executive Directors:</u>		
1,350 - 1,400	1	-
1,400 - 1,450	-	1
1,800 - 1,850	-	1
1,950 - 2,000	-	1
2,000 - 2,050	1	-
77,650 - 77,700	1	-
86,450 - 86,500	-	1

Executive directors of the Company have been granted options under the Employees Share Option Scheme ("Scheme") on the same terms and conditions as those offered to other employees. Details of the Scheme are set out in Note 33. The unissued shares under the Scheme in respect of Directors are as follows:

Grant Date	Subscription price per share RM	Number of shares				
		At 1 January '000	Offered and Accepted '000	Exercised '000	Lapsed '000	At 31 December '000
<b>Financial year ended 31.12.2008</b>						
2 September 2002	2.868	7,145	-	-	-	7,145
<b>Financial year ended 31.12.2007</b>						
2 September 2002	2.868	11,380	-	(4,235)	-	7,145
					<b>2008</b>	<b>2007</b>
					<b>'000</b>	<b>'000</b>
Number of share options vested at balance sheet date					<b>2,045</b>	<b>315</b>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 12. TAXATION

	Group		Company	
	2008	2007	2008	2007
Current taxation charge:				
Malaysian taxation	816.1	708.3	195.2	476.5
Foreign taxation	43.9	69.9	-	-
	<b>860.0</b>	<b>778.2</b>	<b>195.2</b>	<b>476.5</b>
Deferred tax (credit)/charge	(100.6)	(84.1)	0.4	(1.5)
	<b>759.4</b>	<b>694.1</b>	<b>195.6</b>	<b>475.0</b>
Prior years' taxation:				
Income tax (over)/under provided	(15.2)	(13.5)	0.1	0.2
Deferred tax under/(over) provided	7.2	(18.4)	-	-
	<b>751.4</b>	<b>662.2</b>	<b>195.7</b>	<b>475.2</b>

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

	Group		Company	
	2008	2007	2008	2007
	%	%	%	%
Malaysian tax rate	26.0	27.0	26.0	27.0
Tax effects of:				
- expenses not deductible for tax purposes	21.9	11.4	6.3	3.7
- over provision in prior years	(0.5)	(0.9)	-	-
- different tax regime	0.5	(1.2)	-	-
- tax incentive	(2.1)	(2.1)	-	-
- income not subject to tax	(1.2)	(11.7)	(8.9)	(13.0)
- effect of change in income tax rate on deferred tax	-	(2.5)	-	-
- others	(1.3)	(0.5)	-	-
Average effective tax rate	<b>43.3</b>	<b>19.5</b>	<b>23.4</b>	<b>17.7</b>

Subject to the agreement by the Inland Revenue Board, the Group has investment tax allowance of approximately RM1,300.5 million (2007: RM1,327.7 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 26% (2007: 27%) on the estimated chargeable profit for the year of assessment 2008. The Malaysian statutory tax rate will reduce to 25% for the year of assessment 2009. Accordingly, the deferred tax assets and deferred tax liabilities have been remeasured at the tax rate of 25%.

## 13. DISCONTINUED OPERATIONS

On 16 March 2007, the Company had announced the disposal of the Group's entire paper and packaging businesses which was subsequently completed on 24 July 2007. Consequently, the Group has recognised a loss arising from disposal of RM197.0 million for the previous financial year ended 31 December 2007.

## a) Profit attributable to the discontinued operations were as follows:

	Group
	2007
Revenue	315.4
Cost of sales	(257.4)
Gross profit	58.0
Other income	2.9
Selling and distribution costs	(6.8)
Administration expenses	(11.8)
Other expenses	(1.2)
Finance cost	(4.1)
Profit before taxation of discontinued operations	37.0
Taxation	(10.0)
Profit after taxation of discontinued operations	27.0
Loss arising from disposal	(197.0)
Loss for the year from discontinued operations	(170.0)
Attributable to:	
Equity holder of the Company	(166.1)
Minority interest	(3.9)
	(170.0)

## b) The following charges and credits have been included in arriving at profit before taxation of discontinued operations in the previous financial year ended 31 December 2007:

	Group
	2007
	RM'000
<b>Charges:</b>	
Property, plant and equipment	
- depreciation	22,622
- written off	58
Allowance for doubtful debts	730
Hire of plant and machinery	1,858
Rental of premises	72
Exchange loss	
- unrealised	532
Auditors' remuneration	75
Employee benefits expenses	27,547
<b>Credits:</b>	
Interest income from short term deposits	957
Rental income	107
Exchange gain	
- realised	208

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 14. 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 by the weighted average number of ordinary shares in issue during the financial year.

	2008			2007		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit/(loss) for the financial year attributable to equity holders of the Company (RM'million)	569.3	-	569.3	2,155.0	(166.1)	1,988.9
Weighted average number of ordinary shares in issue ('000)			3,700,385			3,696,235
Basic earnings/(loss) per share (sen)	15.38	-	15.38	58.30	(4.49)	53.81

## b) Diluted earnings per share:

For the diluted earnings per share calculation, the Group's profit for the financial year is reduced by the lower consolidated earnings from subsidiaries arising from the potential dilution of the Group's shareholdings in those subsidiaries that have issued potential ordinary shares that are dilutive. The weighted average number of ordinary shares in issue of the Company is also adjusted to assume conversion of all dilutive potential ordinary shares issued by the Company.

	2008			2007		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Earnings adjusted as follows:						
Profit/(loss) for the financial year attributable to equity holders of the Company (RM'million)	569.3	-	569.3	2,155.0	(166.1)	1,988.9
Net impact on earnings on potential exercise of Employees Share Options awarded to executives of the Company's subsidiaries (RM'million)	(1.3)	-	(1.3)	(3.3)	-	(3.3)
Adjusted earnings/(loss) for the financial year (RM'million)	568.0	-	568.0	2,151.7	(166.1)	1,985.6
Weighted average number of ordinary shares adjusted as follows:						
Weighted average number of ordinary shares in issue ('000)			3,700,385			3,696,235
Adjustment for share options granted to executives of the Company ('000)			7,729			8,108
Adjusted weighted average number of ordinary shares in issue ('000)			3,708,114			3,704,343
Diluted earnings/(loss) per share (sen)	15.32	-	15.32	58.09	(4.49)	53.60

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 15. DIVIDENDS

	2008		2007	
	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	3.0	82.1	2.7	72.8
Special dividend paid	-	-	30.0	810.9
Proposed final dividend	4.0	110.9	4.3	117.8
	<b>7.0</b>	<b>193.0</b>	<b>37.0</b>	<b>1,001.5</b>

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008 of 4.0 sen less 25% tax (2007: 4.3 sen less 26% tax) per ordinary share of 10 sen each amounting to RM110.9 million (2007: RM117.8 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.

## 16. PROPERTY, PLANT AND EQUIPMENT

2008 Group	Freehold land	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
<b>Net Book Value:</b>						
At 1 January 2008	323.9	3,305.2	854.5	3,775.1	644.3	8,903.0
Additions	11.5	15.4	10.6	266.4	2,258.1	2,562.0
Disposals	(0.5)	(34.3)	(5.7)	(7.0)	-	(47.5)
Written off	(0.2)	(0.4)	(0.1)	(0.8)	(8.8)	(10.3)
Depreciation charged for the year	(3.1)	(82.1)	(41.9)	(497.4)	-	(624.5)
Assets of companies acquired	1.1	0.3	-	3.4	0.2	5.0
Reclassification/transfers	105.4	39.6	(75.8)	69.0	(114.4)	23.8
Impairment losses	-	-	-	(53.2)	-	(53.2)
Currency fluctuations	(3.6)	(169.8)	23.7	57.8	22.2	(69.7)
Others	-	(0.3)	(6.6)	3.8	6.1	3.0
At 31 December 2008	<b>434.5</b>	<b>3,073.6</b>	<b>758.7</b>	<b>3,617.1</b>	<b>2,807.7</b>	<b>10,691.6</b>
<b>At 31 December 2008:</b>						
Cost or valuation	447.6	3,905.2	916.1	6,640.5	2,808.2	14,717.6
Accumulated depreciation	(13.1)	(830.0)	(143.8)	(2,907.4)	-	(3,894.3)
Accumulated impairment losses	-	(1.6)	(13.6)	(116.0)	(0.5)	(131.7)
Net book value	<b>434.5</b>	<b>3,073.6</b>	<b>758.7</b>	<b>3,617.1</b>	<b>2,807.7</b>	<b>10,691.6</b>
Comprising						
Cost	186.9	3,709.7	882.1	6,629.1	2,808.2	14,216.0
At valuation:						
- 1981	48.3	-	-	-	-	48.3
- 1982	8.8	76.7	-	2.9	-	88.4
- 1983	105.1	2.3	-	-	-	107.4
- 1986	-	-	-	8.5	-	8.5
- 1989	83.3	115.8	-	-	-	199.1
- 1991	-	0.7	34.0	-	-	34.7
- 1996	15.2	-	-	-	-	15.2
	<b>447.6</b>	<b>3,905.2</b>	<b>916.1</b>	<b>6,640.5</b>	<b>2,808.2</b>	<b>14,717.6</b>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 16. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2007 Group	Freehold land	Long leasehold land	Freehold buildings and improvements	Leasehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
<b>Net Book Value:</b>							
At 1 January 2007	370.3	383.1	3,356.6	884.2	4,182.4	195.8	9,372.4
Effects of adoption of - FRS 117	-	(383.1)	-	-	-	-	(383.1)
Restated at 1 January 2007	370.3	-	3,356.6	884.2	4,182.4	195.8	8,989.3
Additions	2.0	-	118.8	111.2	453.6	720.7	1,406.3
Disposals	-	-	(7.8)	-	(3.6)	-	(11.4)
Written off	-	-	(0.3)	-	(1.3)	-	(1.6)
Depreciation	-	-	(83.0)	(42.2)	(458.6)	-	(583.8)
Assets of companies disposed	(46.1)	-	(153.6)	(93.6)	(454.8)	(1.0)	(749.1)
Reclassification/transfers	(2.0)	-	95.9	(1.6)	126.6	(271.3)	(52.4)
Impairment losses	-	-	(1.6)	-	(61.4)	(0.5)	(63.5)
Currency fluctuations	(0.3)	-	(19.4)	(4.1)	(7.8)	(0.5)	(32.1)
Others	-	-	(0.4)	0.6	-	1.1	1.3
At 31 December 2007	323.9	-	3,305.2	854.5	3,775.1	644.3	8,903.0
<b>At 31 December 2007:</b>							
Cost or valuation	323.9	-	4,064.3	987.1	6,354.2	644.8	12,374.3
Accumulated depreciation	-	-	(757.5)	(118.9)	(2,512.4)	-	(3,388.8)
Accumulated impairment losses	-	-	(1.6)	(13.7)	(66.7)	(0.5)	(82.5)
Net book value	323.9	-	3,305.2	854.5	3,775.1	644.3	8,903.0
Comprising							
Cost	63.2	-	3,868.8	953.1	6,342.8	644.8	11,872.7
At valuation:							
- 1981	48.3	-	-	-	-	-	48.3
- 1982	8.8	-	76.7	-	2.9	-	88.4
- 1983	105.1	-	2.3	-	-	-	107.4
- 1986	-	-	-	-	8.5	-	8.5
- 1989	83.3	-	115.8	-	-	-	199.1
- 1991	-	-	0.7	34.0	-	-	34.7
- 1996	15.2	-	-	-	-	-	15.2
	323.9	-	4,064.3	987.1	6,354.2	644.8	12,374.3

Fixed assets have been revalued by the Directors based upon valuations carried out by independent firms of professional valuers using the fair market value basis except for assets revalued in 1991, which were based on the values determined by a regulatory authority in connection with a restructuring exercise. The net book value of the revalued assets of the Group would have amounted to RM239.7 million (2007: RM239.8 million) had such assets been stated in the financial statements at cost.

On 22 December 2005, a legal charge was created on the freehold land and buildings of a subsidiary of GIPLC with a carrying value of RM28.2 million (2007: RM39.1 million) equivalent for all monies due or that become due to a mortgagee. The facility for which the legal charge had been created was not utilised as at 31 December 2007.

Property, plant and equipment and leasehold land use rights that have been pledged as collateral as at 31 December 2008 amounted to RM1.8 billion (2007: RM1.7 billion) equivalent and RM5.6 million (2007: RM5.3 million) equivalent respectively, for certain borrowings in the Group's power plant business.

During the financial year ended 31 December 2007, the Group recognised an impairment loss of RM33.3 million in relation to certain under-performing and idle plant and machineries in the Group's manufacturing business.

The impairment loss in respect of property, plant and equipment in Meizhou Wan Power Plant is set out in Note 21.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 16. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold buildings and improvements	Plant, equipment and vehicles	Construction in progress	Total
<b>2008</b>				
<b>Company</b>				
<b>Net book value:</b>				
At 1 January 2008	1.2	4.2	0.1	5.5
Additions	-	0.6	-	0.6
Depreciation	(0.2)	(0.9)	-	(1.1)
At 31 December 2008	1.0	3.9	0.1	5.0
<b>At 31 December 2008:</b>				
Cost	8.8	14.4	0.1	23.3
Accumulated depreciation	(7.8)	(10.5)	-	(18.3)
Net book value	1.0	3.9	0.1	5.0
<b>2007</b>				
<b>Company</b>				
<b>Net book value:</b>				
At 1 January 2007	1.3	3.7	0.1	5.1
Additions	-	1.7	-	1.7
Depreciation	(0.1)	(0.8)	-	(0.9)
Reclassification/transfer	-	(0.4)	-	(0.4)
At 31 December 2007	1.2	4.2	0.1	5.5
<b>At 31 December 2007:</b>				
Cost	8.8	14.4	0.1	23.3
Accumulated depreciation	(7.6)	(10.2)	-	(17.8)
Net book value	1.2	4.2	0.1	5.5

## 17. PROPERTY DEVELOPMENT ACTIVITIES

	2008		Group	
	2008	2007	2008	2007
(a) Land held for property development:				
Freehold land	373.7	352.3		
Development cost	206.2	143.0		
	<u>579.9</u>	<u>495.3</u>		
Beginning of the financial year				
- freehold land	352.3	354.3		
- development costs	143.0	134.5	488.8	
Costs incurred during the financial year				
- freehold land	0.9	2.2		
- development costs	3.4	15.4	17.6	
Costs transferred to property development costs (see Note 17(b))				
- freehold land	20.5	(4.2)		
- development costs	59.8	(6.9)	(11.1)	
End of the financial year	<u>579.9</u>	<u>495.3</u>		

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 17. PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

	Group		2007	
	2008			
(b) Property development costs:				
Freehold land	4.5		31.0	
Development costs	103.5		116.8	
Accumulated costs charged to income statement	(54.0)		(36.7)	
	<u>54.0</u>		<u>111.1</u>	
Beginning of the financial year				
- freehold land	31.0	31.2		
- development costs	116.8	152.5		
- accumulated costs charged to income statement	(36.7)	(79.5)	104.2	
Costs incurred during the financial year				
- transfer from land held for property development (see Note 17(a))	(80.3)	11.1		
- freehold land at cost	-	0.1		
- development costs	90.9	33.7	44.9	
Costs charged to income statement	(67.3)		(28.6)	
Costs transferred to inventories				
- freehold land	(6.0)	(4.5)		
- development costs	(42.8)	(76.3)		
- accumulated costs charged to income statement	48.4	71.4	(9.4)	
End of the financial year	<u>54.0</u>	<u>111.1</u>		

## 18. INVESTMENT PROPERTIES

	Group	
	2008	2007
<b>Net Book Value:</b>		
At 1 January	26.1	30.1
Additions	0.1	0.1
Disposals	(0.8)	(3.0)
Depreciation	(0.9)	(1.1)
Reclassifications/transfers	1.5	-
At 31 December	<u>26.0</u>	<u>26.1</u>
<b>At 31 December:</b>		
Cost	39.6	39.4
Accumulated depreciation	(13.6)	(13.3)
Net book value	<u>26.0</u>	<u>26.1</u>
Fair value at end of the financial year	<u>47.9</u>	<u>55.9</u>

The aggregate rental income and direct operating expenses arising from investment properties that generated rental income which was recognised during the financial year amounted to RM4.6 million and RM1.3 million respectively (2007: RM4.7 million and RM1.3 million).

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

## 19. PLANTATION DEVELOPMENT

	Group	
	2008	2007
<b>Net Book Value:</b>		
At 1 January	469.5	445.3
Additions	42.7	24.1
Disposals	(0.8)	-
Written-off	-	(0.1)
Assets of companies acquired	8.4	-
Reclassifications/transfers	3.4	-
Currency fluctuations	(4.6)	-
Others	(0.3)	0.2
At 31 December	<u>518.3</u>	<u>469.5</u>
<b>At 31 December:</b>		
Cost	518.3	469.5
Accumulated amortisation	-	-
Net book value	<u>518.3</u>	<u>469.5</u>

## 20. LEASEHOLD LAND USE RIGHTS

	Group	
	2008	2007
<b>Net Book Value:</b>		
At 1 January	1,767.9	-
Effect of adoption of FRS 117	-	383.1
Restated at 1 January	<u>1,767.9</u>	<u>383.1</u>
Additions	6.2	1,435.7
Assets of companies acquired	23.6	-
Amortisation	(6.2)	(6.3)
Reclassifications/transfers	(2.5)	(44.6)
Currency fluctuations	61.9	-
At 31 December	<u>1,850.9</u>	<u>1,767.9</u>
<b>At 31 December:</b>		
Cost	1,944.9	1,828.7
Accumulated amortisation	(94.0)	(60.8)
Net book value	<u>1,850.9</u>	<u>1,767.9</u>
<b>Analysed by:</b>		
- unexpired period more than 50 years	1,788.7	1,741.5
- unexpired period less than 50 years	62.2	26.4
	<u>1,850.9</u>	<u>1,767.9</u>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 21. INTANGIBLE ASSETS

Group	Goodwill	Casino licence	Rights	Trademark	Intellectual property development	Royalty	Other intangibles	Total
<b>Net book value:</b>								
At 1 January 2008	1,246.2	3,254.6	68.7	93.6	17.0	-	9.3	4,689.4
Exchange differences	(153.4)	(849.4)	7.3	(23.9)	-	-	0.4	(1,019.0)
Additions	34.4	-	-	-	64.1	-	3.1	101.6
Amortisation charge	-	-	(9.6)	-	-	-	(0.1)	(9.7)
Reclassifications/transfers	-	(35.2)	-	-	-	-	34.0	(1.2)
Impairment charge	(236.0)	-	(2.0)	-	-	-	-	(238.0)
At 31 December 2008	891.2	2,370.0	64.4	69.7	81.1	-	46.7	3,523.1
<b>At 31 December 2008:</b>								
Cost	1,733.8	2,370.0	106.8	69.7	81.1	4.3	82.3	4,448.0
Accumulated amortisation	-	-	(35.4)	-	-	(0.4)	(5.9)	(41.7)
Accumulated impairment losses	(842.6)	-	(7.0)	-	-	(3.9)	(29.7)	(883.2)
Net book value	891.2	2,370.0	64.4	69.7	81.1	-	46.7	3,523.1
<b>Net book value:</b>								
At 1 January 2007	1,816.5	3,332.7	81.2	96.5	-	4.0	41.7	5,372.6
Exchange differences	(29.7)	(92.3)	0.2	(2.9)	-	-	(0.5)	(125.2)
Additions	372.1	17.4	-	-	17.0	-	9.2	415.7
Disposals	(6.2)	(2.2)	-	-	-	-	-	(8.4)
Amortisation charge	-	-	(11.6)	-	-	(0.1)	-	(11.7)
Reclassifications/transfer	-	(1.0)	-	-	-	-	-	(1.0)
Impairment charge	(906.5)	-	(1.1)	-	-	(3.9)	(41.1)	(952.6)
At 31 December 2007	1,246.2	3,254.6	68.7	93.6	17.0	-	9.3	4,689.4
<b>At 31 December 2007:</b>								
Cost	2,130.9	3,255.6	95.7	93.6	17.0	4.3	49.7	5,646.8
Accumulated amortisation	-	(1.0)	(22.6)	-	-	(0.4)	(0.1)	(24.1)
Accumulated impairment losses	(884.7)	-	(4.4)	-	-	(3.9)	(40.3)	(933.3)
Net book value	1,246.2	3,254.6	68.7	93.6	17.0	-	9.3	4,689.4

The intellectual property development comprises expenditure relating to the use of genomics-based techniques and other methods or tools thereof to increase the yields and profit streams principally from oil palm and other crops where it is reasonably anticipated that the costs will be recovered through commercialisation, sale and marketing of all the resulting products from the aforesaid development. Amortisation of these intellectual property development will commence when the asset is available for use or sale.

The remaining amortisation periods for rights at balance sheet date range from 1 to 17 years (2007: 1 to 18 years).

## a) Impairment tests for goodwill and other intangible assets with indefinite useful lives

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

A segment-level summary of the GIPLC Group's net book value of goodwill and other intangible assets with indefinite useful lives allocation is as follows:

Group	2008	2007
United Kingdom		
- London, United Kingdom	1,179.1	1,865.2
- Provincial, United Kingdom	1,654.4	2,251.0
Singapore	198.9	181.1
Others (includes Isle of Man and Malaysia)	2.6	2.5

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 21. INTANGIBLE ASSETS (cont'd)

- a) Impairment tests for goodwill and other intangible assets with indefinite useful lives (cont'd)

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

Goodwill and other intangible assets with indefinite useful lives that have been allocated to the UK Group were tested for impairment using the value-in-use method.

The recoverable amount of CGUs in UK were determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-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 & hospitality industry in which the CGUs operate.

Key assumptions used for value-in-use calculations include:

	Leisure and hospitality 2008		Leisure and hospitality 2007	
	London	Provincial	London	Provincial
Growth rate	3.00%	3.00%	3.00%	3.00%
Weighted average cost of capital ("WACC")	9.06%	9.85%	11.07%	9.63%
Cost of debt	6.50%	6.50%	6.60%	6.60%

The above assumptions were used in the review of both the London and Provincial CGUs within the leisure and hospitality business segment in UK. The growth rates used were consistent with the forecasts included in industry reports. The WACC used is pre-tax and is assumed to reflect specific risks relating to the relevant segments.

The review indicated that the Group suffered an impairment loss of RM236.0 million (2007: RM897.3 million) on goodwill arising on the acquisition of Genting Stanley in 2006. The impairment loss is included within "Other expenses" in the income statement. The impairment charge in 2008 is largely attributable to the adverse market conditions in UK and globally. The impairment charge in 2007 was mainly due to the increase in gaming duty rates by the UK government effective from April 2007. The increase in gaming duty rates took the UK gaming industry by surprise as it was made without any prior consultation and indication.

If the cost of debt used to compute WACC is 1% higher for both London and Provincial (2007: 1%) with all other variables including tax rate being held constant, the impairment loss for the Group will be higher by RM170.5 million (2007: RM298.3 million).

If the cost of debt used to compute WACC is 1% lower for both London and Provincial (2007: 1%) with all other variables including tax rate being held constant, the impairment loss for the Group will be lower by RM80.2 million (2007: RM335.5 million).

#### Goodwill - Singapore

The goodwill attributed to the Singapore CGU mainly arises from the acquisition of 25% equity interest in Resorts World at Sentosa Pte Ltd ("RWSPL") which is developing an integrated resort in Singapore. The impairment test for goodwill relating to the Singapore CGU was based on valuation determined by an independent valuer.

Based on the impairment test, no impairment is required for goodwill attributed to the Singapore CGU.

- b) Others

Included in other intangible assets in 2007 was an option owned by Stanley Genting Casinos (Leeds) Limited, which is a wholly owned subsidiary of Stanley Genting Casinos Limited ("SGCL"), which is an indirect wholly owned subsidiary of GIPLC, to purchase land at Elland Road, Leeds, UK. Other intangible assets also include a theme park licence.

The abovementioned option expired on 16 July 2007 and an impairment loss of RM41.1 million was recognised as "Other expenses" in the 2007 income statement.

- c) Impairment loss - Meizhou Wan Power Plant

The Group performed an impairment assessment on the Group's power generation plant located in Meizhou Wan in the Fujian Province in China.

In the current year, an amount of RM55.2 million (2007: RM40.5 million) was recognised as impairment loss, mainly due to an impairment charge of RM53.2 million (2007: RM30.2 million) in respect of property, plant and equipment and an impairment charge of RM2.0 million (2007: RM10.3 million) in respect of intangible assets, arising from a deterioration in cash flow projections caused primarily by lower-than-expected tariff rates. This impairment loss is included within "Other Expenses" in the consolidated income statement and relates to the following assets:

	Group	
	2008	2007
Property, plant and equipment (Note 16)	53.2	30.2
Rights (Note 21)	2.0	1.1
Goodwill (Note 21)	-	9.2
	<b>55.2</b>	<b>40.5</b>

For the purpose of this impairment assessment, Fujian Pacific Electric Company Ltd ("FPEC"), the company that owns Meizhou Wan Power Plant, has been identified as the cash-generating unit ("CGU"). The recoverable amount of the CGU is determined based on value-in-use, which is measured by reference to discounted future cash flows. These calculations use cash flow projections based on financial budget approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated with 0% growth rate till the expiry of the Power Purchase Agreement ("PPA") in June 2025. The discount rate used in the current year's estimate is 10.24% (2007: 11.85%).

If the tariff rate used in the computation of value-in-use is 1% lower than management's estimates, with all other variables including tax rate being held constant, the results after tax for the Group will be lower by RM27 million as a result of higher impairment loss. However, if the tariff rate used is 1% higher, the results after tax for the Group will be higher by RM65 million, resulting in no impairment loss in the current year and a partial reversal of impairment loss recognised in the previous year.

If the pre-tax discount rate applied to the discounted net cash flows is 1% higher than management's estimate, with all other variables including tax rate being held constant, the results after tax for the Group will be lower by RM87 million as a result of higher impairment loss. However, if the pre-tax discount rate is 1% lower, the results after tax for the Group will be higher by RM90 million, resulting in no impairment loss in the current year and a full reversal of impairment loss recognised in the previous year.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 21. INTANGIBLE ASSETS (cont'd)

- d) Amortisation charge included in the income statement is analysed as follows:

	Group	
	2008	2007
Cost of sales	9.6	11.6
Administration expenses	0.1	0.1
	<b>9.7</b>	<b>11.7</b>

### 22. EXPLORATION COSTS

	Group	
	2008	2007
<b>Net book value:</b>		
At 1 January	312.5	219.8
Exchange differences	14.9	(11.5)
Additions	92.6	104.2
At 31 December	<b>420.0</b>	<b>312.5</b>
<b>At 31 December:</b>		
Cost/net book value	<b>420.0</b>	<b>312.5</b>

Exploration costs comprise capitalised drilling, seismic and study costs. These costs remain capitalised as the Group is committed to continue exploring and developing these interests.

### 23. SUBSIDIARIES

	Company	
	2008	2007
Investment in subsidiaries:		
Quoted shares in Malaysia - at cost	740.1	742.0
Unquoted shares - at cost	5,787.8	5,300.9
	<b>6,527.9</b>	<b>6,042.9</b>
Market value of quoted shares	<b>7,650.9</b>	<b>14,364.3</b>
Amounts due from subsidiaries are unsecured and comprise:		
Current:		
Interest bearing	0.8	11.2
Interest free	527.1	518.0
	<b>527.9</b>	<b>529.2</b>
Non-current:		
Interest bearing	930.6	854.9
Interest free	1.1	1.1
	<b>931.7</b>	<b>856.0</b>
	<b>1,459.6</b>	<b>1,385.2</b>
Amounts due to subsidiaries are unsecured and comprise:		
Current:		
Interest bearing	-	9.3
Interest free	16.8	1.8
	<b>16.8</b>	<b>11.1</b>
Non-current:		
Interest bearing	1,041.1	1,005.8
	<b>1,057.9</b>	<b>1,016.9</b>

The subsidiaries are listed in Note 45.

- (a) The interest free portion of the amount due from/to subsidiaries has no fixed repayment terms. During the financial year, the Company waived certain amounts due from its wholly owned subsidiaries, amounting to RM19.4 million, after net of recognition of contingent loss of RM116.5 million (2007: RM217.4 million).

The interest bearing portion of the amount due from subsidiaries bears interest at rates ranging from 5.9% to 7.0% (2007: 5.9% to 7.0%) per annum.

Included in the interest bearing amount due to subsidiaries are US Dollar loans obtained by the Company from the following subsidiaries:

- (i) The loan from Genting Sanyen Power (Labuan) Limited, a wholly owned indirect subsidiary of the Company, was fully settled during the year (2007: USD2.8 million (RM9.3 million)). The loan bore interest at 3.6% (2007: 3.6%) per annum.
- (ii) USD300.0 million (RM1,041.1 million) (2007: USD300.0 million (RM1,005.8 million)) loan from Prime Holdings (Labuan) Limited ("PHLL"), a wholly owned subsidiary of the Company. The loan bears an effective interest rate of 5.9% (2007: 5.9%) per annum. Repayment terms for this loan are similar to the terms on the fixed rate notes facility obtained by PHLL.

The above loans are used to finance the Group's investments in overseas projects.

- (b) As at 31 December 2008, the Company's percentage shareholding in RWB has decreased to 48.4% compared to 48.7% as at 31 December 2007 due to the combined effects of RWB's purchase of its own shares, exchange of part of the Exchangeable Notes issued by PVLL for existing RWB ordinary shares and conversion of part of the Notes issued by RWB into new RWB ordinary shares.

RWB's financial results continue to be consolidated with those of the Company as its subsidiary notwithstanding the Company's shareholding of less than 50% in RWB as the Company has control over RWB by virtue of its ability to manage the financial and operating policies of RWB pursuant to a 30 year Resort Management Agreement ("RMA") entered into in 1989 between the Company's wholly owned subsidiary, Genting Hotel & Resorts Management Sdn Bhd ("GHRM") and RWB. 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 of RWB and which includes the supply of senior management and other personnel deemed necessary or appropriate by GHRM for the operation of RWB. A fee based on the gross revenue and the net operating income before fixed charges and taxation of RWB is payable by RWB to GHRM for services under the RMA.

In addition, the Company is the single largest shareholder of RWB and RWB also continues to regard the Company as its holding company by virtue of the Company being able to manage the financial and operating policies of RWB.

- (c) Following the Company's subscription to the non-renounceable offer for sale as set out in Note 43(a), on 29 September 2008, the Company transferred its entire 388,231,853 ordinary shares of USD0.10 each in GIPLC acquired via the non-renounceable offer for sale, to Genting Overseas Holdings Limited ("GOHL"), a wholly owned subsidiary of the Company, for a total consideration of RM549.2 million. In exchange for the consideration, the Company subscribed to 174,088 irredeemable preference shares at USD1,000 each issued by GOHL, for a total consideration of RM549.2 million.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 24. JOINTLY CONTROLLED ENTITIES

	Group	
	2008	2007
Unquoted - at cost:		
Shares in foreign corporations	81.8	28.2
Shares in a Malaysian company	1.0	1.0
Group's share of post-acquisition reserves	(11.6)	(13.8)
	<b>71.2</b>	15.4
Amounts due from jointly controlled entities	78.8	93.4
Less: Balance included in long term receivables (see Note 30)	(67.5)	(91.8)
Balance included in current assets	(11.3)	(1.6)
	-	-
	<b>71.2</b>	15.4

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

	Group	
	2008	2007
Income	22.6	15.1
Expenses	(24.2)	(26.3)
Net loss	(1.6)	(11.2)
Non-current assets	330.9	353.0
Current assets	39.6	38.7
Current liabilities	(81.4)	(102.3)
Non-current liabilities	(219.7)	(275.8)
Net assets	69.4	13.6
Share of capital commitments	47.6	13.6

There are no contingent liabilities relating to the Group's interest in jointly controlled entities at the financial year end (2007: Nil).

Details of jointly controlled entities are as follows:

Names of Jointly Controlled Entities	Effective percentage of ownership		Country of incorporation	Principal activities
	2008	2007		
DCP (Sentosa) Pte Ltd	43.5	-	Singapore	Developer and operator of district cooling plant
Gemstones Investments Pte Ltd	18.1	17.8	Singapore	Investment holding
Genting INTI Education Sdn Bhd	17.0	17.1	Malaysia	Managing a college for education, tourism, leisure and hospitality
Kensington Hotel Pte Ltd	18.1	17.8	Singapore	Investment holding
Kensington Residential Pte Ltd	18.1	17.8	Singapore	Investment holding
KHS Management Limited	18.1	17.8	United Kingdom	Property management services
Mark Burnett Productions Asia Pte Ltd	27.2	-	Singapore	Development, production and distribution of television programmes
SGSI-Asiatic Limited	27.4	27.4	British Virgin Islands	Genomics research and development
WCI Intellectual Limited	27.2	26.7	Isle of Man	Dormant
WCI Management Limited	27.2	26.7	Isle of Man	Investment holding
WorldCard International Limited	27.2	26.7	Isle of Man	Investment holding
WorldCard (Hong Kong) Limited	27.2	26.7	Hong Kong, SAR	Provision of loyalty programme management services
WorldCard (Singapore) Pte Ltd	27.2	26.7	Singapore	Provision of loyalty programme management services
808 Holdings Pte Ltd	18.1	17.8	Singapore	Investment holding
818 Pte Ltd	18.1	17.8	Singapore	Investment holding
828 Pte Ltd	18.1	17.8	Singapore	Investment holding
838 Pte Ltd	18.1	17.8	Singapore	Investment holding

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 25. ASSOCIATES

	Group	
	2008	2007
Quoted - at cost:		
Shares in Malaysian company	299.7	299.7
Negative goodwill arising from acquisition	13.8	13.8
Group's share of post acquisition reserves	35.2	20.9
	<b>348.7</b>	<b>334.4</b>
Unquoted - at cost:		
Shares in foreign corporations	124.9	133.8
Shares in Malaysian companies	2.1	2.1
Group's share of post acquisition reserves	146.4	104.9
	<b>273.4</b>	<b>240.8</b>
Amounts due from associates	-	0.2
Less: Balance included in current assets	-	(0.2)
	<b>622.1</b>	<b>575.2</b>
Market value of quoted shares	<b>126.8</b>	<b>434.2</b>

The Group's aggregate share of revenue, profit/(loss), assets and liabilities of associates are as follows:

	Group	
	2008	2007
Revenue	388.8	1,747.5
Net profit/(loss)	75.9	(9.7)
Total assets	1,034.8	949.0
Total liabilities	436.9	294.2

The associates are listed in Note 45.

There are no contingent liabilities relating to the Group's interest in associates at the financial year end (2007: Nil).

## 26. AVAILABLE-FOR-SALE FINANCIAL ASSET

	Group	
	2008	2007
At 1 January	1,505.4	-
Initial recognition, at cost	-	1,195.1
Fair value at date of designation - transfer to equity	-	1,473.9
	<b>1,505.4</b>	<b>2,669.0</b>
Foreign exchange differences	40.6	(39.2)
Decrease in fair value - recognised in equity	(1,131.0)	(1,124.4)
At 31 December	<b>415.0</b>	<b>1,505.4</b>
Investment in foreign corporation - Quoted	<b>415.0</b>	<b>1,505.4</b>

There were no disposal on AFS in the current financial year. The impairment loss in the current financial year is set out in Note 2(vi).

The currency profile of the AFS as at the financial year end are as follows:

	Group	
	2008	2007
Denominated in:		
- Hong Kong Dollars	78.3	338.3
- United States Dollars	336.7	1,167.1
At 31 December	<b>415.0</b>	<b>1,505.4</b>

## 27. OTHER LONG TERM INVESTMENTS

	Group	
	2008	2007
Quoted shares in foreign corporations, at cost	218.4	202.0
Less: Amounts written down to-date	(101.9)	-
	<b>116.5</b>	<b>202.0</b>
Unquoted shares in Malaysian companies, at cost	4.2	4.1
Less: Amounts written down to-date	(1.0)	(1.0)
	<b>3.2</b>	<b>3.1</b>
Other unquoted investments outside Malaysia, at cost	317.3	62.7
Less: Amounts written down to-date	(1.8)	-
	<b>315.5</b>	<b>62.7</b>
	<b>435.2</b>	<b>267.8</b>

The market value of the Group's investments in foreign quoted shares amounted to RM45.7 million (2007: RM241.9 million). It was not practicable within the constraints of cost to estimate reliably the fair values of the balance of unquoted shares which are carried in the financial statements as there are no comparable securities that are traded.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 28. DEFERRED TAXATION

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

	Group		Company	
	2008	2007	2008	2007
Deferred tax assets				
- subject to income tax (see (i) below)	61.7	23.9	7.4	7.8
Deferred tax liabilities				
- subject to income tax (see (ii) below)	(1,226.6)	(1,545.7)	-	-
Net deferred tax (liability)/asset	(1,164.9)	(1,521.8)	7.4	7.8
At 1 January:				
As reported previously	(1,521.8)	(1,717.0)	7.8	6.3
Prior year adjustment	-	9.5	-	-
As restated	(1,521.8)	(1,707.5)	7.8	6.3
Credited/(charged) to income statement (see Note 12)				
- property, plant and equipment	24.8	23.9	0.1	-
- provisions	8.7	0.8	(0.5)	1.5
- change in tax rate	-	84.2	-	-
- others (including discontinued operations)	59.9	(6.4)	-	-
	93.4	102.5	(0.4)	1.5
Disposal of subsidiaries	-	53.5	-	-
Currency translation differences	263.5	29.7	-	-
At 31 December	(1,164.9)	(1,521.8)	7.4	7.8
<b>Subject to income tax:</b>				
i) Deferred tax assets (before offsetting)				
- property, plant and equipment	146.3	30.4	-	-
- land held for property development	3.7	2.8	-	-
- provisions	44.9	30.3	7.7	8.2
- tax losses	25.5	0.2	-	-
- others	7.4	13.1	-	-
	227.8	76.8	7.7	8.2
- offsetting	(166.1)	(52.9)	(0.3)	(0.4)
Deferred tax assets (after offsetting)	61.7	23.9	7.4	7.8

	Group		Company	
	2008	2007	2008	2007
ii) Deferred tax liabilities (before offsetting)				
- property, plant and equipment	(479.1)	(461.2)	(0.3)	(0.4)
- land held for property development	(40.1)	(39.7)	-	-
- intangible assets	(847.4)	(1,079.9)	-	-
- others	(26.1)	(17.8)	-	-
	(1,392.7)	(1,598.6)	(0.3)	(0.4)
- offsetting	166.1	52.9	0.3	0.4
Deferred tax liabilities (after offsetting)	(1,226.6)	(1,545.7)	-	-

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

	Group		Company	
	2008	2007	2008	2007
Unutilised tax losses	79.6	80.2	-	-
Property, plant and equipment	74.2	98.2	-	-
Provision	1.9	1.4	-	-
	155.7	179.8	-	-

In respect of the Group's unutilised Investment Tax Allowance ("ITA") with regards to FRS 112 "Income Taxes", the Group will continue to recognise in the Income Statement, the tax impact arising from the ITA as and when it is utilised.

## 29. INVENTORIES

	Group	
	2008	2007
Stores and spares	223.8	153.8
Completed properties	125.7	129.1
Food, beverages and other hotel supplies	18.2	18.9
Produce stocks and finished goods	8.4	9.6
	376.1	311.4

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 30. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
Current:				
Trade debtors	455.6	441.3	-	-
Other debtors	131.3	114.7	0.3	0.2
Less: Allowance for doubtful debts	(4.1)	(3.6)	(0.2)	(0.1)
	<b>582.8</b>	552.4	<b>0.1</b>	0.1
Accrued billings in respect of property development	9.0	7.6	-	-
Deposits	56.8	55.0	0.6	0.6
Prepayments	303.2	95.8	-	-
	<b>951.8</b>	710.8	<b>0.7</b>	0.7
Non-current:				
Trade debtors	11.4	9.2	-	-
Amount due from jointly controlled entities (see Note 24)	67.5	91.8	-	-
Other debtors	23.5	27.3	-	-
	<b>102.4</b>	128.3	-	-
	<b>1,054.2</b>	839.1	<b>0.7</b>	0.7

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

	Group	
	2008	2007
More than one year and less than two years	71.5	95.0
More than two years and less than five years	19.4	17.8
More than 5 years	11.5	15.5
	<b>102.4</b>	128.3

The currency profile of trade and other receivables (excluding prepayments) as at the financial year end is as follows:

	Group		Company	
	2008	2007	2008	2007
Ringgit Malaysia	411.1	364.3	0.7	0.7
US Dollars	52.0	45.0	-	-
Singapore Dollars	24.1	42.7	-	-
Sterling Pound	104.2	104.4	-	-
Renminbi	146.4	180.1	-	-
Other currencies	13.2	6.8	-	-
	<b>751.0</b>	743.3	<b>0.7</b>	0.7

Credit terms offered by the Group in respect of trade receivables range from 7 days to 120 days (2007: 7 days to 120 days) from date of invoice.

Included in the prepayments and other receivables of the Group are prepayments for construction-in-progress and other related costs of RM170.6 million (2007: RM5.1 million) for the integrated resort in Singapore.

The fair values of the Group's non-current trade and other receivables amounted to approximately RM95.3 million (2007: RM122.2 million).

## 31. SHORT TERM INVESTMENTS

	Group		Company	
	2008	2007	2008	2007
Quoted - at cost:				
Shares in Malaysian companies	-	12.4	-	-
Shares in foreign corporations	245.8	275.7	-	-
	<b>245.8</b>	288.1	-	-
Less: Allowance for diminution in value of investments	(82.5)	(10.3)	-	-
	<b>163.3</b>	277.8	-	-
Unquoted - at cost:				
Money market instruments (see Note 32)	2,366.1	1,511.3	284.8	295.1
	<b>2,529.4</b>	1,789.1	<b>284.8</b>	295.1
Market value of quoted shares:				
- Malaysian companies	-	16.9	-	-
- Foreign corporations	164.8	266.8	-	-
	<b>164.8</b>	283.7	-	-

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 2008, have maturity periods ranging between overnight and two months (2007: overnight and two months).

As at 31 December 2008, Palomino Limited, a wholly owned subsidiary of the GIPLC Group, has acquired approximately 11.0% (2007: 10.5%) of the total issued and paid-up share capital of Rank Group plc, a company listed on the London Stock Exchange. Rank Group plc is the second largest bingo and casino operator in the UK and it also operates online gaming operations.

## 32. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	2008	2007
Deposits with licensed banks	4,520.8	7,330.4	24.3	242.2
Cash and bank balances	2,551.8	625.8	1.2	6.9
	<b>7,072.6</b>	7,956.2	<b>25.5</b>	249.1
Less: Restricted cash	(135.4)	(155.3)	-	-
Bank balances and deposits	<b>6,937.2</b>	7,800.9	<b>25.5</b>	249.1
Add: Money market instruments (see Note 31)	2,366.1	1,511.3	284.8	295.1
Cash and cash equivalents	<b>9,303.3</b>	9,312.2	<b>310.3</b>	544.2

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 32. CASH AND CASH EQUIVALENTS (cont'd)

The currency profile and weighted average interest rates 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		
	2008	2007	2008	2007	2008	2007	2008	2007	
				%	%			%	%
Ringgit Malaysia	4,436.0	3,984.6	3.36	3.37	310.3	544.1	3.36	3.36	
US Dollars	2,149.9	1,269.6	0.37	4.55	-	-	-	-	
Singapore Dollars	2,196.5	3,683.2	0.34	1.71	-	-	-	-	
Renminbi	329.6	168.9	1.31	2.15	-	-	-	-	
Sterling Pound	125.7	136.1	1.50	3.81	-	0.1	-	-	
Other foreign currencies	65.6	69.8	-	-	-	-	-	-	
	<b>9,303.3</b>	<b>9,312.2</b>			<b>310.3</b>	<b>544.2</b>			

The deposits of the Group and Company as at 31 December 2008 have maturity periods ranging from overnight to 96 days (2007: overnight to sixteen months). Cash and bank balances of the Group and Company are held at call.

Included in deposits with licensed banks for the Group is an amount of RM8.2 million (2007: RM14.7 million) deposited by an indirect subsidiary into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act 1966. This amount is available for use by the said subsidiary for the payment of property development expenditure.

Restricted cash relates to the deposits pledged with licensed banks to secure certain bank facilities, mainly denominated in RMB and GBP. These deposits have weighted average interest rates ranging from 2.8% to 2.9% (2007: 2.8% to 5.5%) per annum.

## 33. SHARE CAPITAL

	2008	2007
Authorised:		
8,000.0 million ordinary shares of 10 sen each	<b>800.0</b>	800.0
Issued and fully paid:		
Ordinary shares of 10 sen each		
At beginning of the financial year		
- 3,703.6 million (2007: 3,694.2 million)	<b>370.4</b>	369.4
Issue of shares:		
- pursuant to the Scheme: 0.2 million (2007: 9.4 million)	-	1.0
At end of the financial year		
- 3,703.8 million (2007: 3,703.6 million)	<b>370.4</b>	370.4

## Executive Share Option Scheme

During the financial year, 263,000 new ordinary shares of 10 sen each fully paid at the subscription price of RM2.868 per share and 1,000 new ordinary shares of 10 sen each 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 Executive Share Option Scheme for Eligible Executives of Genting Berhad and its subsidiaries ("Scheme").

The Scheme had become effective on 12 August 2002 for a duration of 10 years terminating on 11 August 2012. These ordinary shares rank pari passu with the then existing ordinary shares of the Company.

At an Extraordinary General Meeting ("EGM") of the Company held on 21 February 2002, the shareholders of the Company had approved the Scheme.

At another EGM held on 25 June 2002, the Bye-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 those offered under the Scheme up to 5% of the issued and paid up share capital of the Company at the time of the offer.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 33. SHARE CAPITAL (cont'd)

#### Executive Share Option Scheme (cont'd)

The main features of the Scheme are as follows:

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

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

- iv) The total number of new shares to be offered under the 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.
- v) Not more than 50% of the shares available under the Scheme would be allocated, in aggregate, to the Executive Directors and Senior Management. In addition, not more than 10% of the shares available under the Scheme 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 Option Price per share shall in no event be less than the nominal value of the shares.
- vii) No options shall be granted for less than 1,000 shares and not more than 7,500,000 shares to any Eligible Executive.
- 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 option 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:

<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
-	-	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
<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
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 Scheme 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.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 33. SHARE CAPITAL (cont'd)

## Executive Share Option Scheme (cont'd)

Set out below are details of options over the ordinary shares of the Company granted under the Scheme:

Date granted	Exercisable period	Subscription price RM	At start of financial year '000	Offered and accepted '000	Exercised '000	Lapsed '000	At end of financial year '000
<b>Financial year ended 31.12.2008:</b>							
Scheme							
2.9.2002	2.9.2004 to 11.8.2012	2.868	15,992	-	(263)	(110)	15,619
29.11.2002	29.11.2004 to 11.8.2012	2.616	51	-	(1)	-	50
			<b>16,043</b>	<b>-</b>	<b>(264)</b>	<b>(110)</b>	<b>15,669</b>

Financial year ended 31.12.2007:

Scheme							
2.9.2002	2.9.2004 to 11.8.2012	2.868	25,590	-	(9,328)	(270)	15,992
29.11.2002	29.11.2004 to 11.8.2012	2.616	105	-	(54)	-	51
			<b>25,695</b>	<b>-</b>	<b>(9,382)</b>	<b>(270)</b>	<b>16,043</b>

	<b>2008</b>	<b>2007</b>
	<b>'000</b>	<b>'000</b>
Number of share options vested at balance sheet date	<b>4,924</b>	<b>1,113</b>

Details relating to options exercised during the current 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	
			2008	2007
January - March	6.45 - 8.19 / 4.22 - 4.92	2.868	50,000	460,000
January - March	6.45 - 8.19 / 4.22 - 4.92	2.616	-	-
April - June	7.85 - 9.37 / 4.34 - 5.15	2.868	47,000	1,890,000
April - June	7.85 - 9.37 / 4.34 - 5.15	2.616	-	5,000
July - September	6.75 - 8.68 / 4.62 - 5.12	2.868	124,000	272,000
July - September	6.75 - 8.68 / 4.62 - 5.12	2.616	1,000	5,000
October - December	7.53 - 8.44 / 4.75 - 6.63	2.868	42,000	6,706,000
October - December	7.53 - 8.44 / 4.75 - 6.63	2.616	-	44,000
			<b>264,000</b>	<b>9,382,000</b>

	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Ordinary share capital - at par	<b>26.4</b>	<b>938.2</b>
Share premium	<b>730.5</b>	<b>25,955.8</b>
Proceeds received on exercise of share options	<b>756.9</b>	<b>26,894.0</b>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 34. TREASURY SHARES

At the Annual General Meeting of the Company held on 23 June 2008, 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 repurchased a total of 7,592,900 (2007: 1,000,000) ordinary shares of RM0.10 each of its issued share capital from the open market at an average price of RM4.62 (2007: RM7.22). The total consideration paid for the repurchase, including transaction costs, was RM35.08 million (2007: RM7.22 million) and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. There is no cancellation, resale or reissuance of treasury shares during the financial year. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at 31 December 2008, of the total 3,703,820,770 (2007: 3,703,556,770) issued and fully paid ordinary shares, 8,592,900 (2007: 1,000,000) are held as treasury shares by the Company. As at 31 December 2008, the number of outstanding ordinary shares in issue after the offset is therefore 3,695,227,870 (2007: 3,702,556,770) ordinary shares of RM0.10 each.

Details relating to the repurchase during the current financial year are as follows:

2008	Total shares repurchased in units	Total consideration paid	Highest price	Lowest price	Average price *
	'000	RM'million	RM	RM	RM
At 1 January 2008	1,000.0	7.22	7.20	7.20	7.22
Shares repurchased during the financial year					
- March	1.0	0.01	6.70	6.70	6.75
- June	3,700.0	19.92	5.50	5.20	5.38
- September	50.0	0.28	5.55	5.55	5.57
- December	3,841.9	14.87	3.92	3.78	3.87
At 31 December 2008	<b>8,592.9</b>	<b>42.30</b>			<b>4.92</b>

\* Average price includes stamp duty, brokerage and clearing fees.

The directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan is being applied in the best interests of the Company and its shareholders.

### 35. RESERVES

	Group		Company	
	2008	2007	2008	2007
Share premium	1,152.1	1,151.4	1,152.1	1,151.4
Revaluation reserves	303.4	305.6	-	-
Fair value reserve	-	170.3	-	-
Exchange differences	(397.0)	(143.0)	-	-
Retained earnings	11,055.4	10,507.5	5,694.2	5,253.3
	<b>12,113.9</b>	<b>11,991.8</b>	<b>6,846.3</b>	<b>6,404.7</b>

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 2008 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 2008, subject to agreement with the tax authorities, the Company has sufficient Section 108 tax credits to pay RM3,978.9 million (2007: RM3,933.2 million) of the retained earnings of the Company as franked dividends.

In addition, the Company has tax exempt income as at 31 December 2008, available to frank as tax exempt dividends arising 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 RM525.2 million (2007: RM525.2 million). The estimated tax credit and tax exempt income are subject to agreement by the Inland Revenue Board.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 36. BORROWINGS

	Group		2008		2007	
	2008	2007	Before IRS	After IRS	Before IRS	After IRS
Current						
Secured:						
Commercial paper - RMB	152.1	-				
Term loan - RMB	100.9	110.7				
Finance lease liabilities	1.7	6.2				
Unsecured:						
Term loan - US Dollar	104.1	9.2				
Term loan - GBP	41.3	843.8				
Term loan - SGD	23.9	-				
Term loan - IDR	18.3	-				
Zero coupon convertible notes	-	175.1				
Redeemable exchangeable notes - US Dollar	-	147.7				
	<b>442.3</b>	<b>1,292.7</b>				

## Non-current

Secured:				
Term loan - SGD	1,260.6	-		
Term loans - RMB	1,069.8	986.7		
Working capital loan - RMB	67.4	60.4		
Loan notes - GBP	26.3	57.7		
Finance lease liabilities	2.0	0.9		
Unsecured:				
Convertible bonds - SGD	1,245.1	1,171.6		
Fixed rate notes - US Dollar	1,014.0	975.8		
Term loan - GBP	553.0	776.3		
Term loan - SGD	176.1	-		
	<b>5,414.3</b>	<b>4,029.4</b>		
	<b>5,856.6</b>	<b>5,322.1</b>		

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

	2008		2007	
	Before IRS	After IRS	Before IRS	After IRS
Effective during the year:				
US Dollar term loans	4.7	4.6	6.2	4.4
GBP term loans	6.5	6.2	6.5	6.5
SGD term loans	2.6	4.1	-	-
IDR term loan	14.5	14.5	-	-
RMB term loans	6.8	6.8	6.1	6.1
RMB working capital	6.6	6.6	5.6	5.6
RMB commercial paper	7.0	7.0	-	-
US Dollar redeemable exchangeable notes	3.6	3.6	3.6	3.6
US Dollar fixed rate notes	5.9	5.9	5.9	5.9
SGD convertible bonds	2.0	2.0	2.0	2.0
GBP loan notes	5.5	5.5	5.4	5.4
Finance lease liabilities	7.2	7.2	5.7	5.7

	2008		2007	
	Before IRS	After IRS	Before IRS	After IRS
As at 31 December:				
US Dollar term loans	2.8	2.8	5.8	3.6
GBP term loans	3.9	5.5	7.0	7.0
SGD term loans	3.0	4.3	-	-
IDR term loan	14.9	14.9	-	-
RMB term loans	7.1	7.1	6.5	6.5
RMB working capital	6.8	6.8	5.7	5.7
RMB commercial paper	7.0	7.0	-	-
US Dollar redeemable exchangeable notes	-	-	3.6	3.6
US Dollar fixed rate notes	5.9	5.9	5.9	5.9
SGD convertible bonds	2.0	2.0	2.0	2.0
GBP loan notes	5.7	5.7	5.6	5.6
Finance lease liabilities	7.2	7.2	5.7	5.7

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

	Borrowings	
	Floating interest rate	Fixed interest rate
As at 31 December 2008:		
Before interest rate swaps:		
Less than one year	440.6	1.7
More than one year and less than two years	479.0	0.9
More than two years and less than five years	1,108.2	1,246.2
More than five years	1,566.0	1,014.0
After interest rate swaps:		
Less than one year	398.8	43.5
More than one year and less than two years	188.6	291.3
More than two years and less than five years	868.1	1,486.3
More than five years	948.7	1,631.3
As at 31 December 2007:		
Before interest rate swaps:		
Less than one year	963.7	329.0
More than one year and less than two years	126.1	0.3
More than two years and less than five years	1,282.9	1,172.0
More than five years	472.1	976.0
After interest rate swaps:		
Less than one year	954.5	338.2
More than one year and less than two years	126.1	0.3
More than two years and less than five years	1,282.9	1,172.0
More than five years	472.1	976.0

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 36. BORROWINGS (cont'd)

c) The exposure of the borrowings of the Group to interest rate changes and the periods in which the borrowings reprice are as follows:

	Repricing periods					
	Total	1 to 3 months	More than 3 months & less than 1 year	More than 1 year & less than 2 years	More than 2 years & less than 5 years	More than 5 years
<b>As at 31 December 2008:</b>						
Total borrowings	5,856.6	2,159.0	1,436.5	0.9	1,246.2	1,014.0
Movements in repricing periods due to interest rate swaps	-	(1,455.4)	-	598.0	240.1	617.3
	<b>5,856.6</b>	<b>703.6</b>	<b>1,436.5</b>	<b>598.9</b>	<b>1,486.3</b>	<b>1,631.3</b>
<b>As at 31 December 2007:</b>						
Total borrowings	5,322.1	1,629.3	1,544.5	0.3	1,172.0	976.0
Movements in repricing periods due to interest rate swaps	-	(9.2)	9.2	-	-	-
	<b>5,322.1</b>	<b>1,620.1</b>	<b>1,553.7</b>	<b>0.3</b>	<b>1,172.0</b>	<b>976.0</b>

## d) Redeemable Exchangeable Notes

On 12 December 2003 ("Issue Date"), the Company through its wholly owned subsidiary, Prime Venture (Labuan) Limited ("PVLL"), issued USD300.0 million nominal value 5-year redeemable exchangeable notes ("Exchangeable Notes") which were guaranteed by the Company and were exchangeable into existing ordinary shares of RM0.10 each ("Resorts Shares") in RWB held by the Company. The purpose of the issue was to fund the Group's future overseas investments.

The main features of the Exchangeable Notes are as follows:

- the Exchangeable Notes bear coupon interest from the Issue Date at 1% per annum payable in arrear on 12 June and 12 December each year commencing 12 June 2004;
- unless previously redeemed, exchanged or purchased and cancelled, the Exchangeable Notes will be redeemed on 12 December 2008 at 113.82% of their principal amount. The Yield to Maturity of the Exchangeable Notes is 3.55% per annum calculated on a semi-annual basis;
- the Noteholder of each Exchangeable Note has the right to exchange such Exchangeable Note into Resorts Shares, at the election of the Noteholder at any time on or after 21 January 2004 to the close of business on 2 December 2008 (10 days to maturity). The initial exchange ratio is 2,849.644 Resorts Shares for each USD10,000 principal amount of the Exchangeable Notes, subject to adjustment in accordance with the terms of the issue; and
- the Exchangeable Notes may be redeemed at the option of the Issuer at the early redemption amount on the date fixed for redemption in whole or in part after 12 December 2005 and up to but excluding the maturity date being 12 December 2008.

During the current financial year ended 31 December 2008, a total of USD6.6 million (2007: USD260.3 million) of these Exchangeable Notes were exchanged for 9.5 million (2007: 370.9 million) existing Resorts Shares. In addition, USD12.6 million nominal value of Exchangeable Notes was bought back and settled via cash. In accordance with Condition 9(a) of the terms

and conditions of the Exchangeable Notes (as set out in the trust deed constituting the Exchangeable Notes dated 12 December 2003), the Exchangeable Notes outstanding on 12 December 2008 of USD20.5 million were redeemed in cash by PVLL at 113.82% of their principal amount. The exchange gave rise to a gain on dilution of RM16.5 million (2007: RM811.0 million) and finance cost of RM8.1 million (2007: RM300.7 million), thus resulting in a net gain of RM8.4 million (2007: RM510.3 million) for the current financial year.

The Exchangeable Notes are recognised in the balance sheet as follows:

	2008		2007	
	USD (Mil)	Equivalent RM (Mil)	USD (Mil)	Equivalent RM (Mil)
Face value	-	-	39.7	133.0
Premium amortised	-	-	4.4	14.7
	<b>-</b>	<b>-</b>	<b>44.1</b>	<b>147.7</b>

## e) Fixed Rate Notes

On 22 September 2004 ("Issue Date"), the Company through its wholly owned subsidiary, Prime Holdings (Labuan) Limited, issued USD300.0 million Guaranteed Notes ("Notes") of up to 10 years. The Notes which are guaranteed by the Company, were offered outside the United States in accordance with Regulation S. The Notes were only offered for subscription or sale outside Malaysia (except the Federal Territory of Labuan) to non-residents of Malaysia. The purpose of the issue is to fund the Group's future overseas investments.

The main features of the Notes are as follows:

- the Notes bear coupon interest from Issue Date at 5.375% per annum payable in arrears on 22 March and 22 September each year commencing on 22 March 2005; and
- unless previously purchased and cancelled, the Notes will be redeemed on 22 September 2014 at their principal amount.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 36. BORROWINGS (cont'd)

## e) Fixed Rate Notes (cont'd)

The Fixed Rate Notes are recognised in the balance sheet as follows:

	2008		2007	
	USD (Mil)	Equivalent RM (Mil)	USD (Mil)	Equivalent RM (Mil)
Face value including hedge loss	289.6	1,005.2	289.6	971.0
Discount	(1.8)	(6.3)	(1.8)	(6.1)
Amortisation of hedge loss and discount	4.4	15.1	3.2	10.9
	<b>292.2</b>	<b>1,014.0</b>	291.0	975.8

## f) Zero Coupon Convertible Notes

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

The main features of the Notes are as follows:

- The Notes were convertible at the option of the holders of the Notes ("Noteholders") into Resorts World Shares, at a conversion price of RM2.55 (adjusted following the share split of ordinary shares of RM0.50 each into 5 ordinary shares of RM0.10 each) per Resorts World share. The conversion price would be adjusted on the reset dates as stipulated in the Terms;
- RWB may at its option, satisfy its obligation following a conversion, in whole or in part, by paying the Noteholders in cash. Any Note which is not redeemed, converted or purchased and cancelled before the maturity date would be redeemed in cash at 99% of their principal amount on the maturity date; and
- The new Resorts World Shares would be issued upon conversion of the Notes would, upon issue and allotment, rank equal in all respects with the then existing Resorts World Shares except that they will not entitle their holders to any dividend, right, allotment and or other distributions, the entitlement date of which is before the date of allotment of the new Resorts World Shares. The Resorts World Shares will be listed and quoted on Bursa Malaysia Securities Berhad.

During the financial year, a total of RM172.0 million (2007: RM872.2 million) of the Notes were converted into 67.9 million (2007: 342.0 million) new Resorts World Shares and Nil (2007: RM51.1 million) was cash-settled. The conversion gave rise to a gain on dilution of RM35.1 million (2007: RM235.4 million) whilst a finance cost of Nil (2007: RM26.5 million) arose from the cash settlement. RWB redeemed the outstanding Notes of RM4.7 million on 19 September 2008 (being the business day immediately preceding the maturity date of the Notes on 21 September 2008) at 99.0% of the principal amount.

The Zero Coupon Convertible Notes were recognised in the balance sheet as follows:

	Group	
	2008	2007
<b>Current:</b>		
Nominal value	-	176.7
Unamortised issuance cost	-	(1.6)
	<b>-</b>	<b>175.1</b>

- g) GIPLC had on 12 January 2007 issued SGD425.0 million convertible bonds due 2012 ("First Convertible Bonds") which were initially convertible into approximately 673.7 million fully paid-up new ordinary shares of USD0.10 each of GIPLC at a conversion price of SGD0.6308 per share, and are convertible from 7 February 2007 to 31 December 2011. The new ordinary shares, upon issue, shall rank pari passu with the existing ordinary shares of GIPLC. The First Convertible Bonds were listed and quoted on the Singapore Exchange Securities Trading Limited ("SGX-ST") with effect from 15 January 2007.

As a result of GIPLC's rights issue on the basis of 3 rights shares for every 5 existing ordinary shares held by the GIPLC shareholders as at 17 August 2007, adjustments have been made to the conversion price, from SGD0.6308 per share to SGD0.55 per share with effect from 17 September 2007.

During the current financial year ended 31 December 2008, a total of SGD3.0 million (2007: SGD364.4 million) of these First Convertible Bonds were converted into 5.5 million (2007: 577.7 million) new GIPLC shares. The conversion gave rise to a gain on dilution of RM1.6 million (2007: RM243.6 million).

The balance of the First Convertible Bonds which remains outstanding as at 31 December 2008 is SGD57.6 million (2007: SGD60.6 million).

- h) GIPLC had on 26 April 2007 issued SGD450.0 million convertible bonds due 2012 ("Second Convertible Bonds") which were initially convertible into approximately 363.4 million fully paid-up new ordinary shares of USD0.10 each of GIPLC at a conversion price of SGD1.2383 per share, and are convertible from 22 May 2007 to 16 April 2012. The new ordinary shares, upon issue, shall rank pari passu with the existing ordinary shares of GIPLC. The Second Convertible Bonds were listed and quoted on the SGX-ST with effect from 27 April 2007.

As a result of GIPLC's rights issue as mentioned above, adjustments have been made to the conversion price, from SGD1.2383 per share to SGD1.08 per share with effect from 17 September 2007.

None of the Second Convertible Bonds have been converted into new GIPLC shares during the current financial year ended 31 December 2008.

- i) Fair values of the borrowings as at the financial year ended 31 December 2008 are as follows:

	Group	
	2008	2007
Current	<b>418.4</b>	1,453.3
Non-current	<b>4,746.4</b>	4,022.5

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 37. PROVISIONS

	Group		Company	
	2008	2007	2008	2007
Provision for Retirement Gratuities (see (a) below)	107.2	112.5	30.8	32.8
Provision for Contingent Losses (see (b) below)	-	-	18.2	137.3
Other provision	3.8	2.5	-	-
	<b>111.0</b>	<b>115.0</b>	<b>49.0</b>	<b>170.1</b>
Less:				
Provision for retirement gratuities shown as current liabilities (see (a) below)	(7.9)	(11.3)	-	(4.5)
	<b>103.1</b>	<b>103.7</b>	<b>49.0</b>	<b>165.6</b>

## (a) Provision for Retirement Gratuities

Beginning of the financial year	112.5	97.9	32.8	25.5
Charge for the financial year	7.7	22.9	2.9	7.9
Write-back of provision	(1.3)	(0.9)	(0.2)	(0.2)
Disposal of subsidiaries	-	(1.5)	-	-
Payments during the financial year	(11.7)	(5.9)	(4.7)	(0.4)
End of the financial year	<b>107.2</b>	<b>112.5</b>	<b>30.8</b>	<b>32.8</b>
Analysed as follows:				
Current (see Note 39)	7.9	11.3	-	4.5
Non-current	99.3	101.2	30.8	28.3
	<b>107.2</b>	<b>112.5</b>	<b>30.8</b>	<b>32.8</b>

The fair value of provision for retirement gratuities closely approximate its book value.

## (b) Provision for Contingent Losses

	Company	
	2008	2007
Beginning of the financial year	137.3	52.3
(Reversal)/charge for the financial year	(119.1)	85.0
End of the financial year	<b>18.2</b>	<b>137.3</b>

As at the end of the current financial year, the Company has established a provision for contingent losses of RM18.2 million (2007: RM137.3 million). The contingent losses arise from guarantees issued to financial institutions on borrowings extended to subsidiaries for the purpose of raising finance for the Group's investments.

## 38. OTHER LIABILITIES

	Group	
	2008	2007
Advance membership fees	31.3	30.4
Accruals and other payables	56.4	12.5
	<b>87.7</b>	<b>42.9</b>

The advance membership fees relate to fees received on sale of timeshare units by an indirect subsidiary offering a timeshare ownership scheme. These fees are recognised as income over the next twenty four years from commencement of membership.

## 39. TRADE AND OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
Trade creditors	337.3	415.6	-	-
Accruals	737.2	592.9	16.6	14.7
Retirement gratuities (see Note 37(a))	7.9	11.3	-	4.5
Interest payable	31.3	20.7	-	-
Deposits	23.0	32.1	-	-
Other creditors	375.5	296.5	-	0.2
	<b>1,512.2</b>	<b>1,369.1</b>	<b>16.6</b>	<b>19.4</b>

The currency profile of trade and other payables as at the financial year end is as follows:

	Group		Company	
	2008	2007	2008	2007
Ringgit Malaysia	931.9	786.9	16.6	19.4
US Dollars	99.5	70.6	-	-
Sterling Pound	191.8	242.2	-	-
Singapore Dollars	185.6	105.6	-	-
Renminbi	87.2	154.5	-	-
Other currencies	16.2	9.3	-	-
	<b>1,512.2</b>	<b>1,369.1</b>	<b>16.6</b>	<b>19.4</b>

Included in other creditors and accruals of the Group are progress billings payable and accruals for capital expenditure relating to construction of a hotel, upgrading of resorts infrastructure and balance of purchase consideration for land acquisition amounting to RM219.2 million (2007: RM54.0 million).

Credit terms available to the Group range from 7 days to 90 days (2007: 7 days to 90 days) from date of invoice.

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

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 40. FINANCIAL INSTRUMENTS

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

## a) Currency Hedge

The Group has the following foreign currency borrowings as mentioned below which have not been hedged into Ringgit Malaysia. These foreign currency borrowings form part of the total borrowings as disclosed in Note 36:

As at 31 December 2008:

Currency	Start date	Maturity dates	Foreign currency (Mil)			Equivalent RM (Mil)
			Hedged	Unhedged	Total	Total
US Dollar	22/09/2004	22/09/2014	-	292.2	292.2	1,014.0
US Dollar	12/09/2008	12/09/2009	-	30.0	30.0	104.1
Renminbi	28/06/2004	20/03/2009 to 20/03/2019	-	2,208.9	2,208.9	1,120.0
Renminbi	12/03/2007	18/01/2010	-	133.0	133.0	67.4
Renminbi	20/09/2008	26/09/2016	-	100.0	100.0	50.7
Renminbi	14/04/2008	13/04/2009	-	300.0	300.0	152.1
Sterling Pound	06/03/2008	31/12/2009 to 06/03/2013	-	69.6	69.6	345.9
Sterling Pound	31/12/2006	01/05/2010	-	50.0	50.0	248.4
Sterling Pound	09/10/2006 to 19/12/2006	31/12/2011	-	5.3	5.3	26.3
SGD	12/01/2007	12/01/2012	-	60.5	60.5	144.9
SGD	26/04/2007	24/04/2012	-	459.3	459.3	1,100.2
SGD	06/03/2008	06/03/2013	-	83.5	83.5	200.0
SGD	10/11/2008	31/12/2015	-	526.2	526.2	1,260.6
IDR	24/11/2008 to 23/12/2008	05/01/2009 to 02/02/2009	-	57.8	57.8	18.3
Total						5,852.9

As at 31 December 2007:

Currency	Start date	Maturity dates	Foreign currency (Mil)			Equivalent RM (Mil)
			Hedged	Unhedged	Total	Total
US Dollar	29/05/2003	29/05/2008	-	2.8	2.8	9.2
US Dollar	12/12/2003	12/12/2008	-	44.1	44.1	147.7
US Dollar	22/09/2004	22/09/2014	-	291.0	291.0	975.8
Renminbi	28/06/2004	20/03/2008 to 20/03/2019	-	2,415.6	2,415.6	1,097.4
Renminbi	12/03/2007	18/01/2010	-	133.0	133.0	60.4
Sterling Pound	19/10/2006	10/03/2008	-	125.0	125.0	843.8
Sterling Pound	31/12/2006	01/05/2010	-	115.0	115.0	776.3
Total						3,910.6

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 40. FINANCIAL INSTRUMENTS (cont'd)

## b) Interest Rate Swaps ("IRS")

The Group has entered into IRS contracts to manage the exposure of its borrowings to interest rate risks. With the IRS agreements, the Group receives interest at floating rate based on either one or three months London Inter-Bank Offer Rates ("LIBOR") or Singapore Swap Offer Rates ("SOR") and pays interest at fixed rates on the agreed notional principal amounts.

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

	Foreign currency (Mil)	Equivalent RM (Mil)
<b>As at 31 December 2008:</b>		
Within one year	-	-
More than one year and less than 5 years		
- GBP	82.8	430.6
- SGD	603.7	1,446.1
		<u>1,876.7</u>
<b>As at 31 December 2007:</b>		
Within one year		
- USD	2.8	9.2
More than one year and less than 5 years		
- USD	-	-
		<u>9.2</u>

The effect of the above interest rate swaps is to effectively hedge the interest rate payable on part of the foreign currencies borrowings mentioned in Note (a) above.

The fair value of the outstanding interest rate swap contracts of the Group which has not been recognised at the balance sheet date was a unfavourable net position of RM205.7 million (2007: a favourable net position of RM0.1 million).

## c) Forward Foreign Exchange Contracts

As at the end of the current financial year, the Group does not have any outstanding forward foreign exchange contracts (2007: Nil).

## d) Put and Call Option

i) On 3 October 2008, Mediglove Sdn Bhd, a wholly-owned subsidiary of ADB, had entered into a Put and Call Option Agreement with Kara Agri Pte Ltd ("KARA") whereby KARA grants an option to Mediglove to purchase ("Call Option") and Mediglove grants an option to KARA to sell ("Put Option"), as the case may be, all ordinary shares legally and beneficially owned by KARA in AsianIndo Holdings Pte Ltd ("Option Shares"), a 60% owned subsidiary of Mediglove Sdn Bhd, exercisable during the period after the expiry of five years from 3 October 2008 at an exercise price which shall be the fair value of the Option Shares as determined by a valuer to

be appointed by mutual agreement between Mediglove and KARA. In addition, Mediglove may at any time, exercise its Call Option in the event that the Kapuas JV fails to achieve any of the agreed development milestones within six months from the respective dates of completion specified for the agreed development milestones.

ii) As at the end of the financial year, RWB Group has a Call Option which is disclosed in Note 43(g). The carrying amount of the Call Option approximates its fair value.

## 41. CONTINGENCIES

## a) Contingent Liabilities

Group

Asiatic Development Berhad ("ADB"), a 54.7% owned subsidiary of the Company and Asiatic Tanjung Bahagia Sdn Bhd ("ATBSB") a wholly owned subsidiary of ADB, had vide previous announcements informed ADB's shareholders on the status of the legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 wherein ADB and ATBSB were named as the Second and Third Defendants respectively ("the Suit"), the High Court had on 20 June 2008 upheld the Defendants' preliminary objection with costs awarded to the Defendants. The Suit was instituted by certain natives ("the Plaintiffs") claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah ("the Tongod Land") which was acquired by ATBSB from Hap Seng Consolidated Berhad ("HSCB").

The Defendants had raised a preliminary objection that the High Court has no original jurisdiction to hear the Suit and that this Suit will lead to multiplicity of action as the Plaintiffs had already made application to the Assistant Collector of Land Revenue for similar claims.

The Plaintiffs have filed a Notice of Appeal to the Court of Appeal on 7 July 2008 against the decision of the High Court made on 20 June 2008.

ADB's solicitors maintained their opinion that the Plaintiffs' action is misconceived and unsustainable.

There have been no changes to the status of the aforesaid litigation as at the date of this report.

## b) Contingent Assets

Group

i) The disposal of the Group's 45% interest in the Muturi Production Sharing Contract ("PSC") via Laila Limited in July 2001 for USD106.8 million and a deferred share of future pre-tax income from this PSC (the "Deferred Consideration"), enables the Group to retain rights to long-term future cash flows from the Tangguh Project. As at the end of the financial year, the Deferred Consideration has not been recognised in the financial statements as the economic benefits arising from the long term future cash flows cannot be measured with reasonable accuracy.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 41. CONTINGENCIES (cont'd)

## b) Contingent Assets (cont'd)

Group (cont'd)

- ii) On 22 March 2007, Genting Stanley Plc ("Genting Stanley"), an indirect wholly owned subsidiary of GIPLC, completed the disposal of its 50% interest in its international betting operations for a cash consideration of GBP1.0 million. In addition to this basic consideration, Genting Stanley is entitled to a share of the after tax profits from this disposed unit over the next three years, subject to a maximum aggregate of GBP5.0 million. For 2007, the share of profits was one-third to be followed by 25% and 20% of the after tax profits respectively for 2008 and 2009.

The GIPLC Group's share of the 2007 profits has been finalised at GBP0.8 million and has been accounted for in the current financial year. The GIPLC Group has also estimated its share of the international betting operation profits for 2008 at GBP1.8 million and included it in the income statement for the current financial year. The actual amount to be received will be determined upon the finalisation of the disposed international betting operations' 2008 year-end after tax results.

## 42. CAPITAL COMMITMENTS

	Group	
	2008	2007
Authorised capital expenditure not provided for in the financial statements:		
- contracted	6,763.8	1,512.2
- not contracted	6,784.1	11,525.4
	<b>13,547.9</b>	<b>13,037.6</b>
Analysed as follows:		
- Development expenditure *	11,239.7	11,688.2
- Property, plant and equipment	920.1	1,045.2
- Plantation development	694.1	78.8
- Drilling and exploration costs	581.6	91.4
- Investments	59.2	59.1
- Intellectual property development	35.8	49.3
- Leasehold land use rights	14.0	-
- Investment properties	2.9	25.6
- Others	0.5	-
	<b>13,547.9</b>	<b>13,037.6</b>

\* This relates mainly to the integrated resort project of GIPLC, *Resorts World at Sentosa*. The total cost for the integrated resort project is expected to increase from SGD6.0 billion to SGD6.59 billion.

## 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- a) On 28 December 2007, RWB through CIMB Investment Bank Berhad ("CIMB") announced a proposal by Resorts World Limited ("RWL"), an indirect wholly owned subsidiary of RWB, to undertake a non-renounceable offer for sale ("OFS") of its entire equity interest in GIPLC ("Offer Shares") to the shareholders of RWB at an offer price which was subsequently determined to be RM0.88 per Offer Share. The OFS, which raised gross proceeds of RM522.5 million for RWB Group, was completed on 30 April 2008.

Pursuant to the OFS, the Company subscribed to 388,231,853 ordinary shares in GIPLC for a total consideration of RM341.6 million, resulting in a fair value gain on deemed distribution of RM207.6 million. Consequently, the Group's shareholding in GIPLC increased from 53.4% as at 31 December 2007 to 54.47% upon completion of the OFS.

- b) On 15 April 2008, Resorts World at Sentosa Pte Ltd ("RWSPL"), an indirect wholly owned subsidiary of GIPLC, entered into a joint venture with Sentosa Leisure Management Pte Ltd ("SLM") to form DCP (Sentosa) Pte Ltd, a jointly controlled entity. RWSPL subscribed for SGD25.36 million of shares representing 80.0% of the share capital of DCP (Sentosa) Pte Ltd. The purpose of the joint venture is to build and operate a district cooling plant on Sentosa Island, Singapore, to supply piped chilled water for air conditioning and other cooling requirements of the integrated resort on Sentosa Island.
- c) On 24 April 2008, RWSPL completed the syndication for up to SGD4,192,500,000 Syndicated Senior Secured Credit Facilities (comprising SGD4.0 billion in loan facilities and SGD192.5 million banker's guarantee facility) for its integrated resort development in Singapore. The credit facilities are expected to fund two thirds of the estimated project costs, with the remaining to be funded through equity raised by GIPLC from internal funds and proceeds received from its rights issue in 2007.
- d) On 27 May 2008, the Company announced that Genting Oil Kasuri Pte Ltd, a wholly owned subsidiary of Genting Oil & Gas Limited ("GOGL"), which in turn is an indirect 95% owned subsidiary of the Company, signed a new Production Sharing Contract with BPMIGAS for the Kasuri Block in Indonesia. This block was awarded to GOGL by MIGAS following a 'Direct Offer' license round for a signature bonus of USD19 million and a commitment to undertake 5 exploration wells and seismic works.
- e) On 13 August 2008, ADB announced that Ketapang Agri Holdings Pte Ltd, an indirect wholly-owned subsidiary of ADB, had on 12 August 2008 entered into a joint venture agreement with Palma Citra Investama Pte Ltd and PT Sawit Mandira to develop approximately 15,800 hectares of agricultural land into oil palm plantation in Kabupaten Ketapang, Provinsi Kalimantan Barat, the Republic of Indonesia ("the Land") ("the Proposed Joint Venture"). The Proposed Joint Venture is subject to certain conditions precedent being obtained no later than 31 December 2011.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

### 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

- f) On 3 October 2008, Mediglove Sdn Bhd's ("Mediglove"), a wholly owned subsidiary of ADB, proposed joint venture for the purpose of acquiring and developing approximately 45,000 hectares of oil palm plantation in Kabupaten Kapuas, Provinsi Kalimantan Tengah, the Republic of Indonesia ("Proposed JV") was completed. Mediglove is a wholly owned subsidiary of Asiatic Development Berhad ("ADB"), which in turn is a 54.7% owned subsidiary of the Group as at 31 December 2008. Mediglove has thus subscribed for 6,000,000 ordinary shares representing 60% equity interest in AsianIndo Holdings Pte Ltd ("AIH") for a cash consideration of USD9.0 million and 3,000 ordinary shares representing 30% equity interest in GaiaAgri Services Limited ("GAS") for a cash consideration of USD3,000. The remaining 40% equity interest in AIH and 70% equity interest in GAS are held by Kara Agri Pte Ltd ("KARA") and GaiaAgri Holdings Limited respectively. Arising therefrom, the wholly owned subsidiaries of AIH, namely, Asian Palm Oil Pte Ltd (formerly known as Gaiaagri Palm Oil Pte Ltd), AsianIndo Palm Oil Pte Ltd and Kara Palm Oil Pte Ltd (collectively known as "SPV Cos"), all incorporated in Singapore have become indirect subsidiaries of ADB.

Each of the SPV Cos holds 95% equity interest in each of the following Indonesian subsidiaries.

SPV Cos		Indonesian subsidiaries
1.	Asian Palm Oil Pte Ltd (formerly known as GaiaAgri Palm Oil Pte Ltd)	PT Dwie Warna Karya
2.	AsianIndo Palm Oil Pte Ltd	PT Susantri Permai
3.	KARA Palm Oil Pte Ltd	PT Kapuas Maju Jaya

- g) On 26 November 2008, RWB through CIMB announced that RWL had entered into a sale and purchase agreement with KH Digital Ltd ("KHD") ("SPA") in relation to the proposed acquisitions by RWL from KHD of the entire issued and paid-up share capital of Bromet Limited and Digital Tree (USA) Inc. for a total cash consideration of USD69.0 million or approximately RM248.9 million ("Proposed Acquisitions").

As part of the Proposed Acquisitions, RWL and KHD had, on 26 November 2008, entered into a call option agreement in relation to the proposed grant of a call option by KHD to RWL pursuant to a cash consideration of USD1 ("Call Option"), for RWL to acquire, within a period of 18 months from the date of the Call Option, the entire issued and paid-up share capital of Karridale Limited at an exercise price of USD27.0 million or approximately RM97.4 million. The granting of Call Option was conditional upon the completion of the Proposed Acquisitions.

The Proposed Acquisitions were completed on 17 December 2008.

### 44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions listed below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

	Group		Company	
	2008	2007	2008	2007
<b>a) Transactions with subsidiaries</b>				
i) Licensing fees from the subsidiaries to the Company for the use of name and accompanying logo of "Genting" and "Awana" owned by the Company.	-	-	161.4	143.4
ii) Management fees from Genting Hotel & Resorts Management Sdn Bhd ("GHRM"), a wholly owned subsidiary of the Company, to the Company for the provision of the necessary resort management services to enable GHRM to perform its various obligations under the Resort Management Agreement with RWB.	-	-	386.9	337.9
iii) Interest income earned by the Company from its subsidiaries on the interest bearing portion of the amount due from subsidiaries.	-	-	44.3	46.2
iv) Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	-	-	60.4	61.5
<b>b) Transactions with associates</b>				
i) Provision of genomics research services by SGSI-Asiatic Limited to Asiatic Centre for Genome Technology Sdn Bhd ("ACGT"), a wholly owned subsidiary of ADB, where Tan Sri Lim Kok Thay is a director and shareholder as well as a director, shareholder and option holder of the Company. SGSI-Asiatic Limited is a jointly controlled entity in which Tan Sri Lim Kok Thay is a beneficiary of a trust which has 13.4% equity interest in Synthetic Genomics Inc, which in turn has 50% interest in SGSI-Asiatic Limited.	66.7	41.1	-	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

	Group		Company	
	2008	2007	2008	2007
<b>c) Transactions with other related parties</b>				
i) Rental of premises and provisions of connected services by RWB to Oriregal Creations Sdn Bhd ("Oriregal"). Puan Sri Lim (Nee Lee) Kim Hua, mother of Tan Sri Lim Kok Thay, is a director and substantial shareholder of Oriregal.	1.3	1.3	-	-
ii) Progress payments made by Asiatic Land Development Sdn Bhd, a wholly owned subsidiary of ADB to the contractor, Kien Huat Development Sdn Bhd, a company in which Datuk Lim Chee Wah, a brother of Tan Sri Lim Kok Thay, is a director and has deemed substantial financial interest, for the development of properties in Kulai, Johor.	-	0.1	-	-
iii) Professional design consultancy and master-planning services rendered to Resorts World at Sentosa Pte Ltd, an indirect wholly owned subsidiary of GIPLC, by International Resort Management Services Pte Ltd, a company in which Tan Sri Lim Kok Thay has substantial financial interest in relation to the Resorts World at Sentosa integrated resort in Singapore.	48.8	13.8	-	-
iv) Air ticketing and transportation services rendered by Resorts World Tours Sdn Bhd, a wholly owned subsidiary of RWB, to SCL and its subsidiaries, an associate of the Group until 31 July 2007. With effect from 31 July 2007, the Group ceased to have significant interest over SCL, and SCL has been derecognised as an associate.	3.3	1.6	-	-
v) Rental of premises and provision of connected services by Oakwood Sdn Bhd ("Oakwood"), a wholly owned subsidiary of GB, to SCL and its subsidiaries, where Tan Sri Lim Kok Thay is the Chairman, Chief Executive Officer, shareholder and share option holder of SCL.	1.7	-	-	-
vi) On 26 November 2008, RWL, an indirect wholly owned subsidiary of RWB, had entered into a sale and purchase agreement with KH Digital Limited ("KHD") to acquire from KHD the entire issued and paid-up share capitals of Bromet Limited and Digital Tree (USA) Inc. for a total cash consideration of USD69.0 million or approximately RM243.7 million, as set out in Note 43(g). Tan Sri Lim Kok Thay is a director, shareholder and option holder of RWB. Tan Sri Lim Kok Thay is also a director of KHD, a wholly owned subsidiary of Golden Hope Limited ("GHL"). He is also a director of GHL, which acts as trustee of Golden Hope Unit Trust, a private unit trust the voting units of which are ultimately owned by a discretionary trust in which Tan Sri Lim Kok Thay is a beneficiary.	243.7	-	-	-
vii) On 17 October 2008, Dragasac Limited, an indirect wholly owned subsidiary of the Company, had entered into a stock purchase agreement to purchase a total of 1,000,000 shares of Class A common stock with par value of USD0.002 each in Synthetic Genomics, Inc ("SGI Shares") from Dr J. Craig Venter, for a total cash consideration of USD8 million. The SGI Shares represent economic and voting interests of approximately 2% and 3% respectively in SGI as at 12 September 2008. Tan Sri Lim Kok Thay is a director, shareholder and option holder of the Company. Tan Sri Lim Kok Thay is also a director of Golden Hope Limited ("GHL"), which acts as trustee of Golden Hope Unit Trust ("GHUT"), a private unit trust the voting units of which are ultimately owned by a discretionary trust in which Tan Sri Lim Kok Thay is a beneficiary. GHL, as trustee of GHUT, indirectly holds economic and voting interests of approximately 13% and 10% respectively in SGI as at 12 September 2008.	28.2	-	-	-
<b>d) Directors and key management personnel</b>				
The remuneration of Directors and other key management personnel is as follows:				
Fees, salaries, ex-gratia and bonuses	70.5	72.2	34.8	35.7
Defined contribution plan	9.0	9.2	4.5	4.7
Other short term employee benefits	0.5	0.5	-	-
Provision for retirement gratuities	4.4	11.9	2.3	6.7
Estimated money value of benefits-in-kind (not charged to the income statements)	1.1	1.0	0.1	0.1
<b>e) The significant outstanding balances with other related parties as at 31 December 2008 were as follows:</b>				
i) Amount receivable from related parties:				
Other related parties	15.4	28.1	-	-
ii) Amount payable to related parties:				
Other related parties	51.1	46.9	-	-

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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## 45. SUBSIDIARIES AND ASSOCIATES

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Direct Subsidiaries</b>				
Asiatic Development Berhad	54.7	54.8	Malaysia	Plantation, investment holding and management services
GB Credit & Leasing Sdn Bhd	69.5	69.5	Malaysia	Leasing and money lending
+ Genting Equities (Hong Kong) Limited	100.0	100.0	Hong Kong, SAR	Investments
^ Genting Genomics Limited	100.0	-	Isle of Man	Investment holding
Genting Highlands Tours and Promotion Sdn Bhd	100.0	100.0	Malaysia	Letting of land and premises
Genting Hotel & Resorts Management Sdn Bhd	100.0	100.0	Malaysia	Provision of resort management services
+ Genting Investment Holdings Limited	100.0	100.0	Isle of Man	Investment holding
Genting (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Rent-A-Captive Offshore insurance business
Genting Management and Consultancy Services Sdn Bhd	100.0	100.0	Malaysia	Management services
Genting Management (Singapore) Pte Ltd	100.0	-	Singapore	Investments
Genting Oil & Gas Sdn Bhd	100.0	100.0	Malaysia	Provision of advisory, technical and administrative services to oil and gas companies
+ Genting Overseas Holdings Limited	100.0	100.0	Isle of Man	Investment holding
Genting Risk Solutions Sdn Bhd	100.0	100.0	Malaysia	Provision of risk and insurance management consultancy
+ Logan Rock Limited	100.0	100.0	Isle of Man	Investments
Maxitage Sdn Bhd	100.0	100.0	Malaysia	Investments
Oakwood Sdn Bhd	100.0	100.0	Malaysia	Property investment and management
Phoenix Spectrum Sdn Bhd	100.0	100.0	Malaysia	Investments
Prime Holdings (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Offshore financing
Prime Venture (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Offshore financing
Resorts World Bhd (see Note 23)	48.4	48.7	Malaysia	Resort, hotel and gaming operations
Genting Sanyen Newsprint Sdn Bhd	100.0	100.0	Malaysia	Dormant
+ Resorts World Bhd (Hong Kong) Limited	100.0	100.0	Hong Kong, SAR	Dormant
+ Resorts World (Singapore) Pte Ltd	100.0	100.0	Singapore	Dormant
GB Services Sdn Bhd	100.0	-	Malaysia	Pre-operating
+ Genting Bhd (Hong Kong) Limited	100.0	100.0	Hong Kong, SAR	Pre-operating
Genting Digital Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
Genting Games Pte Ltd	100.0	-	Singapore	Pre-operating
Genting Gaming Solutions Pte Ltd	100.0	-	Singapore	Pre-operating
Genting Innovation Pte Ltd	100.0	-	Singapore	Pre-operating
Genting Intellectual Property Pte Ltd	100.0	-	Singapore	Pre-operating
^ Genting Intellectual Ventures Limited	100.0	-	Isle of Man	Pre-operating
Genting Permata Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
+ Genting (Singapore) Pte Ltd	100.0	100.0	Singapore	Pre-operating
Genting Strategic Holdings Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
Genting Strategic Investments (Singapore) Pte Ltd	100.0	-	Singapore	Pre-operating
Genting Strategic Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
Genting Strategic (Singapore) Pte Ltd	100.0	-	Singapore	Pre-operating
Lacustrine Limited	100.0	-	Isle of Man	Pre-operating
Prime Offshore (Labuan) Limited	100.0	-	Labuan, Malaysia	Pre-operating
+ Resorts World Limited	100.0	100.0	Hong Kong, SAR	Pre-operating
Sri Highlands Express Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
Vista Knowledge Pte Ltd	100.0	-	Singapore	Pre-operating

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 45. SUBSIDIARIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Indirect Subsidiaries</b>				
+ Adriana Limited	54.4	53.4	Isle of Man	Sales co-ordinator
ALD Construction Sdn Bhd	54.7	54.8	Malaysia	Provision of project management services
Aliran Tunas Sdn Bhd	48.4	48.7	Malaysia	Provision of water services at Genting Highlands
+ Ascend International Holdings Limited	54.4	53.4	Hong Kong, SAR	Provision of IT related services, marketing and investment holding
AsianIndo Holdings Pte Ltd	32.8	-	Singapore	Investment holding
AsianIndo Palm Oil Pte Ltd	32.8	-	Singapore	Investment holding
Asian Palm Oil Pte Ltd (formerly known as GaiaAgri Pte Ltd)	32.8	-	Singapore	Investment holding
Asiatic Centre for Genome Technology Sdn Bhd	54.7	54.8	Malaysia	Genomics research and development
Asiatic Golf Course (Sg. Petani) Berhad	54.7	54.8	Malaysia	Golf course operation
Asiatic Indahpura Development Sdn Bhd	54.7	54.8	Malaysia	Property development
Asiatic Land Development Sdn Bhd	54.7	54.8	Malaysia	Property development
Asiatic Oil Mills (WM) Sdn Bhd	54.7	54.8	Malaysia	Fresh fruit bunches processing
Asiatic Plantations (WM) Sdn Bhd	54.7	54.8	Malaysia	Plantation
Asiatic Properties Sdn Bhd	54.7	54.8	Malaysia	Property Investment
Asiatic SDC Sdn Bhd	54.7	54.8	Malaysia	Plantation
Asiatic Tanjung Bahagia Sdn Bhd	54.7	54.8	Malaysia	Plantation
Asiaticom Sdn Bhd	54.7	54.8	Malaysia	Plantation
Awan Ria (M) Sdn Bhd	97.7	97.7	Malaysia	Investment holding
Awana Hotels & Resorts Management Sdn Bhd	100.0	100.0	Malaysia	Provision of hotels and resorts management services
+ Awana International Limited	100.0	100.0	Isle of Man	Investments
Awana Vacation Resorts Development Berhad	48.4	48.7	Malaysia	Proprietary timeshare ownership scheme
^ Azzon Limited	54.7	54.8	Isle of Man	Investment holding
Bandar Pelabuhan Sdn Bhd	29.1	29.2	Malaysia	Investment holding
Bromet Limited	48.4	-	Isle of Man	Investment holding
^ Calidone Limited	54.4	53.4	Isle of Man	Investment holding
^ Chelsea Genting Limited	54.7	-	Isle of Man	Investment holding
^ Coastal Gusu Heat & Power Ltd	100.0	100.0	Cayman Islands	Investment holding
^ Coastal Nanjing Power Ltd	100.0	100.0	Cayman Islands	Investment holding
^ Coastal Suzhou Power Ltd	100.0	100.0	Cayman Islands	Investment holding
^ Coastal Wuxi Power Ltd	100.0	100.0	Cayman Islands	Investment holding
+ Coastbright Limited	54.4	53.4	United Kingdom	Casino owner and operator
^ Degan Limited	54.7	54.8	Isle of Man	Investment holding
Delquest Sdn Bhd	48.4	48.7	Malaysia	Investments
^ Digital Tree (USA) Inc	48.4	-	United States of America	Investment holding
^ Digital Tree LLC	48.4	-	United States of America	Collection of royalties
^ Dragasac Limited	100.0	-	Isle of Man	Investments
Eastern Wonder Sdn Bhd	48.4	48.7	Malaysia	Support services
^ Edith Grove Limited	100.0	-	Isle of Man	Investment holding
E-Genting Holdings Sdn Bhd	54.4	53.4	Malaysia	Investment, management services and IT consultancy
E-Genting Sdn Bhd	54.4	53.4	Malaysia	IT/Data centre and consultancy
E-Genting Services Sdn Bhd	54.4	53.4	Malaysia	Management services and IT consultancy services
First World Hotels & Resorts Sdn Bhd	48.4	48.7	Malaysia	Hotel business

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 45. SUBSIDIARIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Indirect Subsidiaries (cont'd)</b>				
+ Freeany Enterprises Limited	54.4	53.4	United Kingdom	Trading
^ Fujian Electric (Hong Kong) LDC	100.0	100.0	Cayman Islands	Investment holding
+ Fujian Pacific Electric Company Limited	100.0	100.0	China	Generation and supply of electric power
Gecoun Limited	100.0	100.0	Isle of Man	Investment holding
Genasa Sdn Bhd	48.4	48.7	Malaysia	Sale and letting of apartment units
Genmas Sdn Bhd	48.4	48.7	Malaysia	Sale and letting of land and property
Gensa Sdn Bhd	48.4	48.7	Malaysia	Sale and letting of land and property
+ Genting (NSW) Pty Ltd	54.4	53.4	Australia	Investment and management services
Genting Administrative Services Sdn Bhd	48.4	48.7	Malaysia	Investment holding
Genting Bio-Fuels Asia Pte Ltd	100.0	100.0	Singapore	Investment holding
Genting Bio-Oil Sdn Bhd	97.7	97.7	Malaysia	Manufacturing and trading of bio-oil
Genting Centre of Excellence Sdn Bhd	48.4	48.7	Malaysia	Provision of training services
Genting Entertainment Sdn Bhd	48.4	48.7	Malaysia	Show agent
Genting Golf Course Bhd	48.4	48.7	Malaysia	Condotel and hotel business, golf resort and property development
Genting Highlands Berhad	48.4	48.7	Malaysia	Land and property development
+ Genting India Travel Services Private Limited	54.4	53.4	India	Tour promotion
+ Genting Industrial Holdings Limited	97.7	97.7	Isle of Man	Investment holding
Genting Information Knowledge Enterprise Sdn Bhd	54.4	53.4	Malaysia	Research and development of software and consultancy services
+ Genting Integrated Resorts Operations Management Pte Ltd	54.4	-	Singapore	International resort management
+ Genting International (Singapore) Pte Ltd	54.4	53.4	Singapore	Tour promotion
+ Genting International (Thailand) Limited	49.5	48.6	Thailand	Tour promotion
+ Genting International (UK) Limited	54.4	53.4	United Kingdom	Investment holding
+ Genting International Enterprises (Singapore) Pte Ltd	54.4	-	Singapore	Investment holding
+ Genting International Gaming & Resort Technologies Pte Ltd (formerly known as EGenting Singapore Pte Ltd)	54.4	53.4	Singapore	Research and development of software and IT consultancy services
+ Genting International Industries (Singapore) Pte Ltd	97.7	97.7	Singapore	Investment holding
+ Genting International Investment (UK) Limited	54.4	53.4	United Kingdom	Investment holding
+ Genting International Investment Properties (UK) Limited	54.4	-	United Kingdom	Property investment and management
# Genting International Japan Co. Ltd	54.4	-	Japan	Tour promotion
+ Genting International Management Limited	54.4	53.4	Isle of Man	Investment holding and sales coordinator
+ Genting International Management Services Pte Ltd	54.4	53.4	Singapore	Investment holding
+ Genting International P.L.C.	54.4	53.4	Isle of Man	Investment holding
^ Genting International Paper Limited	100.0	100.0	Isle of Man	Investment holding
^ Genting International Properties Limited	54.4	53.4	Isle of Man	Investment holding
^ Genting International Resorts Management Limited	54.4	-	Isle of Man	Investment holding
Genting International Services Sdn Bhd	54.4	53.4	Malaysia	Provision of services
+ Genting International Services Singapore Pte Ltd	54.4	53.4	Singapore	Provision of services
Genting Irama Sdn Bhd	48.4	48.7	Malaysia	Investment holding
+ Genting Lanco Power (India) Pvt Ltd	74.0	74.0	India	Provision of operation and maintenance services for power plant
Genting Leisure Sdn Bhd	48.4	48.7	Malaysia	Investment holding
+ Genting Oil & Gas (China) Limited	95.0	95.0	Isle of Man	Oil & gas development and production
+ Genting Oil & Gas Limited	95.0	95.0	Isle of Man	Investment holding
+ Genting Oil Kasuri Pte Ltd	95.0	95.0	Singapore	Oil & gas exploration
+ Genting Oil Morocco Limited	95.0	95.0	Isle of Man	Oil & gas exploration

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 45. SUBSIDIARIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Indirect Subsidiaries (cont'd)</b>				
+ Genting Oil Natuna Pte Ltd	95.0	95.0	Singapore	Oil & gas exploration
+ Genting Oil Salawati Pte Ltd	95.0	95.0	Singapore	Oil & gas exploration
^ Genting Overseas Management Limited	100.0	100.0	Isle of Man	Investment holding
^ Genting Power China Limited	100.0	100.0	Bermuda	Investment holding
+ Genting Power Holdings Limited	100.0	100.0	Isle of Man	Investment holding
+ Genting Power (India) Limited	100.0	100.0	Mauritius	Investment holding
+ Genting Power (M) Limited	100.0	100.0	Isle of Man	Investment holding
Genting Sanyen (Malaysia) Sdn Bhd	97.7	97.7	Malaysia	Property management services and investment holding
Genting Sanyen Power (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Investment holding
Genting Sanyen Power Sdn Bhd	58.6	58.6	Malaysia	Generation and supply of electric power
Genting Skyway Sdn Bhd	48.4	48.7	Malaysia	Provision of cable car services
+ Genting Stanley Alderney Limited	54.4	53.4	Alderney Channel Islands	Online gaming
+ Genting Stanley Plc	54.4	53.4	United Kingdom	Investment holding
Genting Utilities & Services Sdn Bhd	48.4	48.7	Malaysia	Provision of electricity supply services at Genting Highlands and investment holding
Genting World Sdn Bhd	48.4	48.7	Malaysia	Leisure and entertainment business
Genting Worldcard Services Sdn Bhd	54.4	53.4	Malaysia	Management of loyalty programme services
Gentinggi Sdn Bhd	48.4	48.7	Malaysia	Investment holding
^ Geremi Limited	54.4	53.4	Isle of Man	Investment holding
GHR Risk Management (Labuan) Limited	48.4	48.7	Labuan, Malaysia	Offshore captive insurance
+ Harbour House Casino Limited	54.4	53.4	United Kingdom	Casino operator
Kara Palm Oil Pte Ltd	32.8	-	Singapore	Investment holding
Kijal Facilities Services Sdn Bhd	48.4	48.7	Malaysia	Letting of its apartment units
Kijal Resort Sdn Bhd	48.4	48.7	Malaysia	Property development and property management
Kinavest Sdn Bhd	54.7	54.8	Malaysia	Plantation
Lafleur Limited	48.4	48.7	Isle of Man	Investment holding
Landworthy Sdn Bhd	45.9	46.0	Malaysia	Plantation
Leisure & Cafe Concept Sdn Bhd	48.4	48.7	Malaysia	Karaoke business
Lingkaran Cergas Sdn Bhd	48.4	48.7	Malaysia	Provision of services at Genting Highlands
Mastika Lagenda Sdn Bhd	97.7	97.7	Malaysia	Investment holding
Mastika Utilities & Services Sdn Bhd	97.7	97.7	Malaysia	Provision and sale of utilities consisting of treatment and supply of water
Mediglove Sdn Bhd	54.7	54.8	Malaysia	Investment holding
+ Medo Investment Pte Ltd	54.4	53.4	Singapore	Investment holding
+ Medo Limited	54.4	53.4	Isle of Man	Investment holding
^ Meizhou Wan Power Production Holding Company, Ltd	100.0	100.0	Cayman Islands	Investment holding
+ MLG Investments Limited	54.4	53.4	United Kingdom	Investment holding
^* Nanjing Coastal Xingang Cogeneration Power Plant Nature Base Sdn Bhd	80.0	80.0	China	Generation and supply of electric power
	48.4	48.7	Malaysia	Provision of services at Genting Highlands
+ Nedby Limited	54.4	53.4	Isle of Man	Investment holding
Orbit Crescent Sdn Bhd	54.7	54.8	Malaysia	Investment holding
Orient Wonder International Limited	48.4	48.7	Bermuda	Ownership and operation of aircraft
^ Oxalis Limited	100.0	97.7	Isle of Man	Trading of coal
+ Palomino Holdings Limited	54.4	53.4	Isle of Man	Investment holding
^ Palomino Limited	54.4	53.4	Isle of Man	Investments

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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## 45. SUBSIDIARIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Indirect Subsidiaries (cont'd)</b>				
+ Palomino Star Limited	54.4	53.4	Isle of Man	Investment holding
^ Palomino Sun Limited	54.4	53.4	Isle of Man	Investment holding
# Palomino Sun (UK) Limited	54.4	53.4	United Kingdom	Investment holding
^ Palomino World Limited	54.4	53.4	Isle of Man	Investment holding
Papago Sdn Bhd	48.4	48.7	Malaysia	Resort & hotel business
PT Asiatic Nusantara	54.7	-	Indonesia	Provision of management services
PT Dwie Warna Karya	31.2	-	Indonesia	Plantation
PT Kapuas Maju Jaya	31.2	-	Indonesia	Plantation
PT Sepanjang Intisurya Mulia	38.3	38.4	Indonesia	Plantation
PT Susantri Permai	31.2	-	Indonesia	Plantation
Resorts Facilities Services Sdn Bhd	48.4	48.7	Malaysia	Property upkeep services
Resorts Tavern Sdn Bhd	48.4	48.7	Malaysia	Land and property development
+ Resorts World at Sentosa Pte Ltd	54.4	53.4	Singapore	Developer and operator of an integrated resort
+ Resorts World Limited	48.4	48.7	Isle of Man	Investment holding and investment trading
Resorts World Properties Sdn Bhd	48.4	48.7	Malaysia	Investment holding
Resorts World Tours Sdn Bhd	48.4	48.7	Malaysia	Provision of tour and travel related services
^ Roundhay Limited	95.0	95.0	Isle of Man	Investment holding
R.W. Investments Limited	48.4	48.7	Isle of Man	Investment holding
+ Sanyen Oil & Gas Pte Ltd	95.0	95.0	Singapore	Oil & gas exploration
Sawit Sukau Usahasama Sdn Bhd	30.6	30.6	Malaysia	Plantation
^ Sedby Limited	54.4	53.4	Isle of Man	Investment holding
Seraya Mayang Sdn Bhd	48.4	48.7	Malaysia	Investment holding
Setiabahagia Sdn Bhd	48.4	48.7	Malaysia	Property development
Setiacahaya Sdn Bhd	77.4	77.4	Malaysia	Property investment
Setiomas Sdn Bhd	54.7	54.8	Malaysia	Plantation and property development
Setiaseri Sdn Bhd	48.4	48.7	Malaysia	Letting of its apartment units
Sierra Springs Sdn Bhd	48.4	48.7	Malaysia	Investment holding
+ Spielers Casino (Southend) Limited	54.4	53.4	United Kingdom	Casino operator
Sri Nangatayap Pte Ltd	54.7	54.8	Singapore	Investment holding
+ Stanley Casinos Holdings Limited	54.4	53.4	United Kingdom	Investment holding
+ Stanley Casinos Limited	54.4	53.4	United Kingdom	Casino operator
+ Stanley Genting Casinos Limited	54.4	53.4	United Kingdom	Investment holding
+ Stanley Interactive Limited	54.4	53.4	United Kingdom	Internet sports betting
+ Stanley Leisure Quest Trustees Limited	54.4	53.4	United Kingdom	Trustee company
+ Stanley Overseas Holdings Limited	54.4	53.4	United Kingdom	Investment holding
# Star Eagle Holdings Limited	54.4	53.4	British Virgin Islands	Investment holding
+ Suzhou Ascend Technology Co. Limited	54.4	-	China	Provision of IT related services
^* Suzhou Coastal Cogeneration Power Company Ltd	60.0	60.0	China	Generation and supply of electric power
+ Swallow Creek Limited	95.0	95.0	Isle of Man	Investment holding
Sweet Bonus Sdn Bhd	29.1	29.2	Malaysia	Renting part of its leasehold land
+ Tameview Properties Limited	54.4	53.4	United Kingdom	Property company
Technimode Enterprises Sdn Bhd	54.7	54.8	Malaysia	Property investment
^ Torrens Limited	97.7	97.7	Isle of Man	Investment holding
+ Triangle Casino (Bristol) Limited	54.4	53.4	United Kingdom	Casino operator
Trushidup Plantations Sdn Bhd	54.7	54.8	Malaysia	Investment holding
+ Two Digital Trees LLC	48.4	-	United States of America	Investment holding

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 45. SUBSIDIARIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Indirect Subsidiaries (cont'd)</b>				
Vestplus Sdn Bhd	48.4	48.7	Malaysia	Sale and letting of apartment units
Wawasan Land Progress Sdn Bhd	54.7	54.8	Malaysia	Plantation
+ WEB Energy Ltd	100.0	100.0	Mauritius	Investment holding
+ Westcliff Casinos Limited	54.4	53.4	United Kingdom	Casino operator
+ Westcliff (CG) Limited	54.4	53.4	United Kingdom	Trading
+ Widuri Pelangi Sdn Bhd	48.4	48.7	Malaysia	Golf resort and hotel business
+ WorldCard Overseas Holdings Limited	54.4	53.4	Isle of Man	Service provider of loyalty programmes
WorldCard Services Sdn Bhd	54.4	53.4	Malaysia	Management of loyalty programme services
^*Wuxi Huada Gas Turbine Electric Power Company	60.0	60.0	China	Generation and sale of electric power
ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	54.7	54.8	Malaysia	Dormant
+ Advanced Technologies Limited	54.4	53.4	Dominica	Dormant
Amalgamated Rubber (Penang) Sdn Bhd	54.7	54.8	Malaysia	Dormant
+ Annabel's Casino Limited	54.4	53.4	United Kingdom	Dormant
AR Property Development Sdn Bhd	54.7	54.8	Malaysia	Dormant
Asiatic Green Tech Sdn Bhd	54.7	54.8	Malaysia	Dormant
^ Asiatic Overseas Limited	54.7	54.8	Isle of Man	Dormant
+ Baychain Limited	54.4	53.4	United Kingdom	Dormant
+ C C Derby Limited	54.4	53.4	United Kingdom	Dormant
+ Capital Casinos Group Limited	54.4	53.4	United Kingdom	Dormant
+ Capital Clubs Limited	54.4	53.4	United Kingdom	Dormant
+ Capital Corporation (Holdings) Limited	54.4	53.4	United Kingdom	Dormant
+ Capital Corporation Limited	54.4	53.4	United Kingdom	Dormant
+ Cascades Casinos Limited	54.4	53.4	United Kingdom	Dormant
+ Cascades Clubs Limited	54.4	53.4	United Kingdom	Dormant
+ Castle Casino Limited	54.4	53.4	United Kingdom	Dormant
Cengkeh Emas Sdn Bhd	54.7	54.8	Malaysia	Dormant
+ Churchstirling Limited	54.4	53.4	United Kingdom	Dormant
+ Cotedale Limited	54.4	53.4	United Kingdom	Dormant
+ Crockfords Club Limited	54.4	53.4	United Kingdom	Dormant
+ Crockfords Investments Limited	54.4	53.4	Guernsey	Dormant
+ Cromwell Sporting Enterprises Limited	54.4	53.4	United Kingdom	Dormant
Dasar Pinggir (M) Sdn Bhd	97.7	97.7	Malaysia	Dormant
+ Dealduo Limited	54.4	53.4	United Kingdom	Dormant
Dianti Plantations Sdn Bhd	54.7	54.8	Malaysia	Dormant
Drawlink Limited	54.4	53.4	United Kingdom	Dormant
+ Equarius Pte Ltd	54.4	53.4	Singapore	Dormant
Equarius Resort Sdn Bhd	54.4	53.4	Malaysia	Dormant
+ Gameover Limited	54.4	53.4	United Kingdom	Dormant
Genas Sdn Bhd	48.4	48.7	Malaysia	Dormant
Genawan Sdn Bhd	48.4	48.7	Malaysia	Dormant
Gentas Sdn Bhd	48.4	48.7	Malaysia	Dormant
Gentasa Sdn Bhd	48.4	48.7	Malaysia	Dormant
# Genting International Paper (Netherlands) B.V.	100.0	100.0	Netherlands	Dormant
Genting Newsprint Sdn Bhd	100.0	100.0	Malaysia	Dormant
+ Genting Property Limited	100.0	100.0	Isle of Man	Dormant
+ Genting Sanyen Paper Pte Ltd	97.7	97.7	Singapore	Dormant
Genting Studio Sdn Bhd	48.4	48.7	Malaysia	Dormant
Genting Theme Park Sdn Bhd	48.4	48.7	Malaysia	Dormant

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 45. SUBSIDIARIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Indirect Subsidiaries (cont'd)</b>				
Gentinggi Quarry Sdn Bhd	48.4	48.7	Malaysia	Dormant
Glugor Development Sdn Bhd	54.7	54.8	Malaysia	Dormant
+ Hazelman Limited	54.4	53.4	United Kingdom	Dormant
Hitechwood Sdn Bhd	29.1	29.2	Malaysia	Dormant
Ikhlas Tiasa Sdn Bhd	48.4	48.7	Malaysia	Dormant
+ Incomeactual Limited	54.4	53.4	United Kingdom	Dormant
Infomart Sdn Bhd	100.0	100.0	Malaysia	Dormant
+ International Sporting Club (London) Limited	54.4	53.4	United Kingdom	Dormant
^ Jamberoo Limited	95.0	95.0	Isle of Man	Dormant
Jomara Sdn Bhd	29.1	29.2	Malaysia	Dormant
Kenyalang Borneo Sdn Bhd	54.7	54.8	Malaysia	Dormant
Kituva Plantations Sdn Bhd	54.7	54.8	Malaysia	Dormant
+ L Stanley (Bermuda) Ltd	19.0	18.7	Bermuda	Dormant
+ Laila Limited	95.0	95.0	Isle of Man	Dormant
Laserwood Sdn Bhd	29.1	29.2	Malaysia	Dormant
+ Langway Limited	54.4	53.4	United Kingdom	Dormant
Merriwa Sdn Bhd	48.4	48.7	Malaysia	Dormant
+ Metro Leisure Group Limited	54.4	53.4	United Kingdom	Dormant
Netyield Sdn Bhd	48.4	-	Malaysia	Dormant
Neutrino Space Sdn Bhd	29.1	29.2	Malaysia	Dormant
^ New Quest, LLC	48.4	-	United States of America	Dormant
Orient Star International Limited	48.4	-	Bermuda	Dormant
+ Palm Beach Club Limited	54.4	53.4	United Kingdom	Dormant
+ Pellanfayre Limited	54.4	53.4	United Kingdom	Dormant
Plantation Latex (Malaya) Sdn Bhd	54.7	54.8	Malaysia	Dormant
Phoenix Track Sdn Bhd	48.4	48.7	Malaysia	Dormant
Possible Affluent Sdn Bhd	29.1	29.2	Malaysia	Dormant
Rapallo Sdn Bhd	29.1	29.2	Malaysia	Dormant
Resorts International (Labuan) Limited	48.4	48.7	Labuan, Malaysia	Dormant
^ Resorts World Concepts Limited (formerly known as Resorts World Retail Concepts Limited which was formerly known as Genting Retail Concepts Limited which was formerly known as Ambani Limited)	48.4	-	Isle of Man	Dormant
Resorts World Spa Sdn Bhd	48.4	48.7	Malaysia	Dormant
Resorts Overseas Investments Limited	48.4	48.7	Isle of Man	Dormant
^ Resorts World Digital, LLC (formerly known as VendWorld LLC)	48.4	-	United States of America	Dormant
Resorts World (Labuan) Limited	48.4	48.7	Labuan, Malaysia	Dormant
RWB (Labuan) Limited	48.4	48.7	Labuan, Malaysia	Dormant
R.W. Overseas Investments Limited	48.4	48.7	Isle of Man	Dormant
Sahabat Alam Sdn Bhd	97.7	97.7	Malaysia	Dormant
^ Sorona Limited	100.0	100.0	Isle of Man	Dormant
Space Fair Sdn Bhd	29.1	29.2	Malaysia	Dormant
+ Sportcrest Limited	54.4	53.4	United Kingdom	Dormant
+ St Aubin Properties Limited	54.4	53.4	United Kingdom	Dormant
Stake Excellent Sdn Bhd	48.4	48.7	Malaysia	Dormant
+ Stanley Leisure Group (Malta) Limited	54.4	53.4	Malta	Dormant
+ Stanley Leisure (Ireland)	54.4	53.4	Ireland	Dormant

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 45. SUBSIDIARIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Indirect Subsidiaries (cont'd)</b>				
+ Stanley Online Limited	54.4	53.4	United Kingdom	Dormant
+ Stanleybet Limited	54.4	53.4	United Kingdom	Dormant
+ Stanley Snooker Clubs Limited	54.4	53.4	United Kingdom	Dormant
+ Star City Casino Limited	54.4	53.4	United Kingdom	Dormant
+ The Colony Club Limited	54.4	53.4	United Kingdom	Dormant
+ The Kings Casino (Yarmouth) Limited	54.4	53.4	United Kingdom	Dormant
+ The Midland Wheel Club Limited	54.4	53.4	United Kingdom	Dormant
+ Tower Casino Group Limited	54.4	53.4	United Kingdom	Dormant
+ Tower Clubs Management Limited	54.4	53.4	United Kingdom	Dormant
+ TV-AM Limited	54.4	53.4	United Kingdom	Dormant
+ TV-AM (News) Limited	54.4	53.4	United Kingdom	Dormant
+ TV-AM Enterprises Limited	54.4	53.4	United Kingdom	Dormant
Tullamarine Sdn Bhd	29.1	29.2	Malaysia	Dormant
Twinkle Glow Sdn Bhd	29.1	29.2	Malaysia	Dormant
Twinmatics Sdn Bhd	48.4	48.7	Malaysia	Dormant
^ VendWorld, LLC	48.4	-	United States of America	Dormant
+ Vestplus (Hong Kong) Limited	48.4	48.7	Hong Kong, SAR	Dormant
Vintage Action Sdn Bhd	29.1	29.2	Malaysia	Dormant
Yarrowin Sdn Bhd	29.1	29.2	Malaysia	Dormant
Waxwood Sdn Bhd	29.1	29.2	Malaysia	Dormant
+ William Crockford Limited	54.4	53.4	United Kingdom	Dormant
+ Worthchance Limited	54.4	53.4	United Kingdom	Dormant
^ @Latte (USA) LLC	48.4	-	United States of America	Dormant
Asiatic Awanpura Sdn Bhd	54.7	54.8	Malaysia	Pre-operating
Asiatic Commodities Trading Sdn Bhd	54.7	54.8	Malaysia	Pre-operating
^ Asiatic Equities (S'pore) Pte Ltd	54.7	54.8	Singapore	Pre-operating
Asiatic Vegetable Oils Refinery Sdn Bhd	54.7	54.8	Malaysia	Pre-operating
Awana Hotels & Resorts Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
Awana Vacation Resorts Management Sdn Bhd	100.0	100.0	Malaysia	Pre-operating
# Bio Tech Intensive Pte Ltd	100.0	-	Singapore	Pre-operating
Cosmo-Jupiter Berhad	54.7	54.8	Malaysia	Pre-operating
Full East Enterprise Limited	54.7	-	Hong Kong, SAR	Pre-operating
Genting Biofuels Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
Genting Chelsea Sdn Bhd	54.7	-	Malaysia	Pre-operating
# Genting International Corp	54.4	53.4	United States of America	Pre-operating
# Genting Investments Corp	100.0	100.0	United States of America	Pre-operating
^ Genting Petroleum Ventures Limited	95.0	95.0	Isle of Man	Pre-operating
^ Genting Power Indonesia Limited	100.0	100.0	Isle of Man	Pre-operating
^ Genting Power International Limited	100.0	100.0	Isle of Man	Pre-operating
^ Genting Power Philippines Limited	100.0	100.0	Isle of Man	Pre-operating
# Genting Risk Management (Labuan) Limited	100.0	100.0	Labuan, Malaysia	Pre-operating
Genting Sanyen Incineration Sdn Bhd	97.7	97.7	Malaysia	Pre-operating
^ Genting Sanyen Indonesia Limited	95.0	95.0	Isle of Man	Pre-operating
+ Genting Stanley (Solihull) Limited	54.4	-	United Kingdom	Pre-operating
# Genting Star (Macau) Limited	54.4	53.4	Macau	Pre-operating

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 December 2008

## 45. SUBSIDIARIES AND ASSOCIATES (cont'd)

	Effective Percentage of Ownership		Country of incorporation	Principal activities
	2008	2007		
<b>Indirect Subsidiaries (cont'd)</b>				
# Genting Star Limited	54.4	53.4	British Virgin Islands	Pre-operating
Green Synergy Limited	97.7	97.7	Hong Kong, SAR	Pre-operating
^ GP China Limited	100.0	100.0	Isle of Man	Pre-operating
^ Highlands Exploration Limited	95.0	95.0	Isle of Man	Pre-operating
^ Highlands Power Development Limited	100.0	100.0	Isle of Man	Pre-operating
Resorts World at Sentosa Sdn Bhd (formerly known as Infinity At TheBay Sdn Bhd)	54.4	53.4	Malaysia	Pre-operating
# Integrated BioGreenery Pte Ltd	100.0	-	Singapore	Pre-operating
^ Ketapang Agri Holdings Pte Ltd	54.7	-	Singapore	Pre-operating
^ Ketapang Holdings Pte Ltd	54.7	54.8	Singapore	Pre-operating
+ Lestari Listrik Pte Ltd	100.0	100.0	Singapore	Pre-operating
Mastika Water Management Sdn Bhd (formerly known as Duta Rancak Sdn Bhd)	97.7	97.7	Malaysia	Pre-operating
# Maxims Casinos Limited	54.4	53.4	United Kingdom	Pre-operating
+ Maxims Clubs Pte Ltd	54.4	53.4	Singapore	Pre-operating
Maxims Clubs Sdn Bhd	54.4	53.4	Malaysia	Pre-operating
# Palomino World (UK) Limited	54.4	53.4	United Kingdom	Pre-operating
^ Sandai Maju Pte Ltd	54.7	54.8	Singapore	Pre-operating
^ Sri Kenyalang Pte Ltd	54.7	54.8	Singapore	Pre-operating
+ Stanley Genting Casinos (Leeds) Limited	54.4	53.4	United Kingdom	Pre-operating
^ Tamanaco Limited	100.0	100.0	Isle of Man	Pre-operating
^ Tetha Limited	95.0	95.0	Isle of Man	Pre-operating
+ Genting Power (Swiss) GmbH (In Liquidation)	100.0	100.0	Switzerland	Pending liquidation
* Myanmar Genting Sanyen Limited (Under Voluntary Liquidation)	100.0	100.0	Myanmar	Pending liquidation
^ Genting Power Meizhou Wan Holding Company	100.0	100.0	Cayman Islands	Pending striking off
^ Meizhou Wan Generating Company, Ltd	100.0	100.0	Cayman Islands	Pending striking off
^ MZW Holdings, Ltd	100.0	100.0	Cayman Islands	Pending striking off
+ Stanley Leisure Holdings (Malta) Limited	-	53.4	Malta	Disposed off
+ Stanley Leisure Trading (Malta) Limited	-	53.4	Malta	Disposed off
+ Best Track International Limited	-	48.7	Mauritius	Removed from Register of Companies
Genting Power (Putian) Management Company Ltd	-	100.0	China	Liquidated
+ Stanley Leisure (Canada) Limited	-	53.4	Canada	Dissolved
<b>Associates</b>				
Aban Power Company Limited	36.3	36.3	India	Generation and supply of electric power
Asiatic Ceramics Sdn Bhd (In Liquidation)	26.8	26.9	Malaysia	In Liquidation/Receiver Appointed
DNA Electronics Limited	23.8	-	United Kingdom	Research & development on natural sciences & engineering
GaiaAgri Services Ltd	16.4	-	Mauritius	Provision of management services
Lanco Kondapalli Power Pvt Ltd	30.0	30.0	India	Generation and supply of electric power
Landmarks Berhad	30.3	30.3	Malaysia	Resort, property investment and property development
Serian Palm Oil Mill Sdn Bhd	21.9	21.9	Malaysia	Fresh fruit bunches processing
Sri Gading Land Sdn Bhd	26.8	26.9	Malaysia	Property development

\* The financial statements of these companies are audited by firms other than the auditors of the Company.

+ 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.

^ These entities are subjected to limited review carried out by PricewaterhouseCoopers, Malaysia, although they are not subjected to statutory audit.

# These entities are either exempted or no statutory audit requirement.

## STATEMENT ON DIRECTORS' RESPONSIBILITY

Pursuant to Paragraph 15.27(a) of the Listing Requirements of Bursa Malaysia Securities Berhad

As required under the Companies Act, 1965 ("Act"), the Directors of Genting 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 in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the financial position of the Company and the Group for the financial year ended 31 December 2008.

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 26 February 2009.

## STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, **CHONG KIN LEONG**, the Officer primarily responsible for the financial management of **GENTING BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 55 to 113 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 )  
**CHONG KIN LEONG** at KUALA LUMPUR on )  
26 February 2009

**CHONG KIN LEONG**

Before me,

**DATO' NG MANN CHEONG**  
Commissioner for Oaths  
Kuala Lumpur

## INDEPENDENT AUDITORS' REPORT

to the Members of Genting Berhad

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Genting Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements 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 pages 55 to 113.

#### Management's Responsibility for the Financial Statements

The management of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

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 and fair presentation of the financial statements 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 management, 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.

#### Opinion

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 2008 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 45 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 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

**LOH LAY CHOON**  
(No. 2497/03/10(J))  
Chartered Accountant

Kuala Lumpur  
26 February 2009