

YEAR 2000 (Y2K) DISCLOSURE BY PUBLIC LISTED COMPANIES – AUGUST 1999

Resorts World Bhd Group (IT & Non-IT)

1. Details of your company and subsidiaries' progress in relation to its activities to address the Y2K issue.

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Y2K ready

Non Y2K ready ✓

(To provide the information listed below)

Description of Non Y2K System	Criticality of System (Critical or not Critical)	Status of readiness (at which stage & percentage of completion)	Estimated date being Y2K Ready	Remarks
Telephone Call Accounting System (TCA)	Critical	Upgrading 80%	30-Sep-1999	Pending resolution of minor issues from vendor
Computerised Lodging System/TCA Interface	Critical	Upgrading 80%	30-Sep-1999	Pending TCA Upgrade
KENO System	Critical	Upgraded to new version 90%	30-Sep-1999	Waiting for further upgrades from vendor.
DRS 22/SLOT	Critical	Upgrading of System 90%	30-Sep-1999	
Automated Payment System	Critical	Upgrading of System 80%	30-Sep-1999	Waiting for upgrade from Maybank
Sequent SE30 & PTX 4.2.3 x 2	Critical	Testing in progress 95%	30-Sep-1999	Installed upgrade version
HP9000 & HPUX 10.20 X 2	Critical	Testing in progress 95%	31-Aug-1999	Have installed patches.
HP Netserver LH/LX	Critical	Upgrading 95%	31-Aug-1999	Purchased ISA Y2K card for Failed Real Time Clock (RTC). Awaiting delivery.
Digital Prioris	Critical	Upgrading 95%	31-Aug-1999	Purchased ISA Y2K card for Failed RTC. Awaiting delivery.

Network Equipment - (Routers, switches, hubs, FDDI)	Critical	Testing in progress 60%	30-Sep-1999	Replacement of equipment
Win 3.1/Win95	Critical	Installing patches 90%	31-Aug-1999	
Microsoft Office 97	Critical	Installing patches 90%	31-Aug-1999	
486 PCs	Critical	Upgrading 95%	31-Aug-1999	Purchased ISA Y2K card for Failed RTC. Awaiting delivery.

Non Y2K Ready

Computerized Lodging System (CLS)	Critical	Upgrading 80%	30-Sep-1999	
BBx4 Progression	Critical	Upgrading 80%	31-Aug-1999	
Maximize	Critical	Upgrading 80%	31-Aug-1999	
Payroll IBIX	Critical	Upgrading 80%	31-Aug-1999	
SCO Open Server Enterprise System Release 5.0.0	Critical	Upgrading 80%	31-Aug-1999	
Micros – Point of Sales	Critical	Upgrading 80%	31-Aug-1999	
PC Software & PCs	Critical	Upgrading 80%	31-Aug-1999	
Novell 3.12	Critical	Upgrading 80%	31-Aug-1999	

Non Y2K Ready

Non-IT system				
ADC Door Lock System	Critical	Upgrade & replacement in progress 83%	01-Sep-1999	System ordered, pending for delivery
Rainfall Monitoring system	Critical	Upgrade & replacement in progress 83%	01-Sep-1999	Rectifying phone line & data transmission problems
Bowling system	Critical	Upgrade & replacement in progress 83%	01-Sep-1999	Negotiating upgrade & replace cost

2. The impact of the Y2K issue if your company and/or subsidiaries fail to be Y2K Ready or are unable to achieve full readiness by the estimated date(s) mentioned above.

No
impact

(State the reason(s) below)

Yes √

(State the details of the impact below, particularly on the business, financial position and prospects)

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Telephone Call Accounting System (TCA)		Minor billing problems and hiccups, resulting from manual operations
Computerised Lodging System /TCA Interface		Minor billing problems and hiccups, resulting from manual operations
KENO System		Loss of revenue
DRS 22/Slot		Hardware still operable, only reporting software is down
Automated Payment System		Reverting to older procedures will cause some delays in processing.
Sequent SE30 & PTX 4.2.3 x 2		Ready with minor issues
HP9000 & HPUX 10.20 X 2		Ready with minor issues
HP Netserver LH/LX		No impact - purpose of purchasing Y2K ISA cards is for ensuring reliability of the servers to roll over to the year 2000.
Digital Prioris		No impact - purpose of purchasing Y2K ISA cards is for ensuring reliability of the servers to roll over to the year 2000.
Network Equipment - (Routers, switches, hubs, FDDI)		Existing models are still functional, upgrading exercise to ensure full compliance without depending on obsolete products.
Win 3.1/Win95		Compliant with minor issues - no significant impact
Microsoft Office 97		Compliant with minor issues – no significant impact
486 PCs		Higher models are available for use – no significant impact

Computerized Lodging System (CLS)	Minor impact due to operating manually.
BBx4 Progression	Minor impact, can be ported to higher version
Maximize	Minor impact can be ported to other hardware with similar operating systems
Payroll IBIX	Minor impact can be ported to other hardware with similar operating systems
SCO Open Server Enterprise System Release 5.0.0	Minor impact can be ported to other hardware with similar operating systems
Micros - Point of Sales	Minor impact, can operate manually
PC Software & PCs	Compliant with minor issues – no significant impact
Novell 3.12	Compliant with minor issues – no significant impact

Non-IT system	
ADC Door Lock System	Loss of property
Rainfall Monitoring System	False alarm may triggered
Bowling System	Loss of revenue

The impact on the business is slower service to customers due to reversion to manual operating procedures. This may result in some loss of revenue from the inability to service customers more efficiently. Prolong exposure to such inefficiency might lead to lower earnings being reported in respect of the financial position of the company. Increase in operating cost would be incurred from higher overheads needed for day-to-day operations.

3. The exposure of your company and/or subsidiaries to third parties who have material business relationships with your company or subsidiaries in relations to the third parties' Y2K readiness.

No exposure

(State the reason(s) below)

Yes

√

(State the details of the exposure, how material the exposure is to your company and/or subsidiaries and the measures taken to address the impact of the exposure)

Necessary measures taken to minimise the risk exposure comprise the following:

- a. Identification of vendors and their products used by the Resorts World Bhd. Group which are beyond the control of the Group. These products are owned by the vendors and are on loan/leased to the Group. Some of the vendors identified are telecommunication service providers, power supply companies, electronic and computer service providers, and electronic banking.
- b. Notification by mail to confirm the vendors' compliance status of its organization, the measures being taken towards compliance status, and compliance of their products. Failure to response to letters would result in a second letter notifying the possible legal action.
- c. Invite vendors to conduct joint testing for the Resorts World Bhd. Group
- d. Affirmation letters from the Resorts World Bhd. Group on actions in becoming compliant, in response to letters from vendors.
- e. Evaluate replacement/alternative solutions for non-compliant products and vendor's.
- f. Plans have also been taken to store up materials that may face shortage at the turn of the year.
- g. Should our business operations being disrupted by Y2K bugs, the Business Continuity Plans (BCP) of all concerned business units will be activated. As such, the following actions will be taken:

Prompt and mobilize the technical teams to identify the causes of the disruption. Liaise with the concerned third parties on the problems which have occurred. The concerned business units will continue to operate on manual procedures. Both in-house technical team and third parties will revive the system/critical equipment to enable business continuity. Legal actions will be taken against the concerned suppliers if the damages deemed to be Y2K related and detrimental to profit contribution.

4. The total cost of your company and subsidiaries have incurred or is expected to incur to address the Y2K issue.

Resorts World Bhd.

- | | |
|-------------|--------------|
| 1. Budgeted | RM 3,800,000 |
| 2. Incurred | RM 810,437 |

Resorts World Bhd Group

- | | |
|-------------|--------------|
| 1. Budgeted | RM 4,200,000 |
| 2. Incurred | RM 917,437 |

5. Describe your company and subsidiaries' contingency plans in relation to the Y2K issue to ensure continued operations.

No contingency plans *(State the reason(s) why contingency plans are not needed)*

Yes √ *(State the details of the contingency plans)*

Business Continuity Plan

Identification of business units belonging to each revenue generating entity is first identified based on the following four main groups:

Casino, Hotel, Theme Park and Supporting

Business functions belonging to each business unit are then identified. Each business processes for the business function is further identified. These business processes are ranked based on its impact to the business (failure of these processes will disrupt the business operations with significant degradation to revenue and service levels) as high, medium or low. All business processes are then rated high or low based on their dependency on dates, automation or other systems. Any business process which are ranked high on impact and rated high on their dependency, are considered as critical business processes to the company. All critical business processes are then ranked according to their importance to the business function and unit so that the priority of the Business Continuity Plan (BCP) will be created based on the highest importance. All critical business processes workflow and procedures which depend upon systems or critical equipment are then documented. From this workflow, the critical business processes are subject to further division into minimal required reports for the processes to continue its operations (required mainly by I.T. to provide pre-printed reports before hand). Each critical business process is then segregated by their critical survival time.

Each business unit is also required to cater for alternative sites and to identify critical team members for each critical business process along with the members' contact numbers, and their specific roles and responsibilities. A detailed activation and deactivation plan is then documented to ensure all members are fully aware of their functions during the contingency. Having documented all of the above, a detailed manual procedure is compiled showing responsibility areas by job title and by workflow. The manual procedure will also cover the precautionary steps to be taken before, during and after Year 2000 failure.

Based on the manual procedures, training procedures are documented along with tests plans. The completed BCP is tested and re-tested to ensure all members of the BCP are familiar with it and to clarify grey areas. The final BCP is then submitted for review to ensure its completeness.