



RESORTS WORLD BHD

(Incorporated in Malaysia under Company No. 58019-U)

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FIRST QUARTERLY REPORT

Quarterly report on consolidated results for the financial period ended 31 March 2000.
The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

| | | | UNAUDITED INDIVIDUAL QUARTER | | UNAUDITED CUMULATIVE PERIOD | |
|----|-----|--|--|--|--|---|
| | | | <u>Current</u> <u>year</u> <u>quarter</u> <u>31.3.2000</u> <u>RM'000</u> | <u>Preceding year</u> <u>corresponding</u> <u>quarter</u> <u>31.3.1999</u> <u>RM'000</u> | <u>Current</u> <u>year -to-</u> <u>date</u> <u>31.3.2000</u> <u>RM'000</u> | <u>Preceding year</u> <u>corresponding</u> <u>period</u> <u>31.3.1999</u> <u>RM'000</u> |
| 1. | (a) | Turnover | 539,216 | N/R | 539,216 | N/R |
| | (b) | Investment income | 646 | N/R | 646 | N/R |
| | (c) | Other income including interest income | 4,946 | N/R | 4,946 | N/R |
| 2. | (a) | Operating profit before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | 213,120 | N/R | 213,120 | N/R |
| | (b) | Interest on borrowings | (3,107) | N/R | (3,107) | N/R |
| | (c) | Depreciation and amortisation | (38,417) | N/R | (38,417) | N/R |
| | (d) | Exceptional items | 0 | N/R | 0 | N/R |
| | (e) | Operating profit after interest on borrowings, depreciation and amortisation and exceptional items but before income tax minority interests and extraordinary items | 171,596 | N/R | 171,596 | N/R |

| | | UNAUDITED INDIVIDUAL QUARTER | | UNAUDITED CUMULATIVE PERIOD | | |
|---|------|--|--|--|---|-----|
| | | <u>Current year quarter 31.3.2000 RM'000</u> | <u>Preceding year corresponding quarter 31.3.1999 RM'000</u> | <u>Current year-to - date 31.3.2000 RM'000</u> | <u>Preceding year corresponding period 31.3.1999 RM'000</u> | |
| 2 | (f) | Share in the results of an associated company | 1,853 | N/R | 1,853 | N/R |
| | (g) | Profit before taxation, minority interests and extraordinary items | 173,449 | N/R | 173,449 | N/R |
| | (h) | Taxation | (57,826) | N/R | (57,826) | N/R |
| | (i) | (i) Profit after taxation before deducting minority interests | 115,623 | N/R | 115,623 | N/R |
| | | (ii) Minority interests | (1,420) | N/R | (1,420) | N/R |
| | (j) | Profit after taxation attributable to members of the Company | 114,203 | N/R | 114,203 | N/R |
| | (k) | (i) Extraordinary items | 0 | N/R | 0 | N/R |
| | | (ii) Less minority interest | 0 | N/R | 0 | N/R |
| | | (iii) Extraordinary items attributable to members of the Company | 0 | N/R | 0 | N/R |
| | (l) | Profit after taxation and extraordinary items attributable to members of the Company | 114,203 | N/R | 114,203 | N/R |
| 3 | (a) | Earnings per share based on 2(j) above. | | | | |
| | (i) | Basic (based on 1,091.8 million ordinary shares) (sen) | 10.5 | N/R | 10.5 | N/R |
| | (ii) | Fully diluted (based on 1,091.8 million ordinary shares) (sen) | 10.5 | N/R | 10.5 | N/R |
| 4 | (a) | Dividend per share (sen) | NA | N/R | NA | N/R |
| | (b) | Dividend description | NA | N/R | NA | N/R |

Note : N/R – Not Required

Resorts World Bhd
Consolidated Balance Sheet

| | As at end of Current period 31.3.2000 (Unaudited) RM'000 | As at preceding financial year end 31.12.1999 (Audited) RM'000 |
|---|--|--|
| Fixed assets | 2,552,851 | 2,561,282 |
| Real property assets | 220,982 | 220,810 |
| Investment | 364,057 | 162,546 |
| Investment in associated company | 998,512 | 998,807 |
| <u>CURRENT ASSETS</u> | | |
| Property development | 35,484 | 35,087 |
| Stocks | 13,613 | 13,399 |
| Trade debtors | 34,201 | 31,978 |
| Amount due from associated company | 197,393 | 3,225 |
| Amount due from other related companies | 60,818 | 6,809 |
| Other debtors | 51,339 | 54,597 |
| Short term investments | 344,654 | 436,033 |
| Bank balances and deposits | 522,255 | 474,096 |
| | 1,259,757 | 1,055,224 |
| <u>CURRENT LIABILITIES</u> | | |
| Trade creditors | 12,685 | 14,501 |
| Other creditors and accruals | 214,279 | 262,181 |
| Amount due to holding company | 5,172 | 6,184 |
| Amount due to other related companies | 28,531 | 30,283 |
| Short-term borrowings | 496,819 | 0 |
| Provision for taxation | 278,070 | 268,530 |
| Proposed dividend | 78,613 | 78,613 |
| | 1,114,169 | 660,292 |
| NET CURRENT ASSETS | 145,588 | 394,932 |
| | 4,281,990 | 4,338,377 |
| Issued share capital | 545,922 | 545,922 |
| Share premium | 33,333 | 33,333 |
| Other reserves | 4,427 | 4,257 |
| Retained profit | 3,556,596 | 3,442,393 |
| Minority interests | 11,435 | 183,129 |
| Long term liabilities | 20,856 | 19,364 |
| Deferred taxation | 17,605 | 18,146 |
| Provision for retirement gratuities | 91,816 | 91,833 |
| | 4,281,990 | 4,338,377 |
| Net tangible assets per share | RM3.79 | RM3.69 |

NOTES TO THE QUARTERLY REPORT

1. The accounting policies and methods of computation adopted for the quarterly financial statements are consistent with those adopted for the financial statements for the year ended 31 December 1999.
2. There are no exceptional items for the current year to date.
3. There are no extraordinary items for the current year to date.
4. Taxation charges for the current year to date include deferred tax credit of RM541,000. There is no material adjustment for under or over-provision in respect of prior years.
5. The results for the current year to date do not include any pre-acquisition profits.
6. The results for the current year to date do not include any profit or loss on sale of investments and properties which are not in the ordinary course of business of the Group.
7. (a) The dealing in quoted securities for the current year to date is as follows:-

| | <u>RM'000</u> |
|-----------------|---------------|
| Total purchases | 70,622 |

There were no disposals of quoted securities for the current year to date.

- (b) The details of the investments in quoted securities as at 31 March 2000 are as set out below:-

| | <u>RM'000</u> |
|--|---------------|
| Total investments at cost | 1,913,019 |
| Total investments at book value | 1,481,717 |
| Total investments at market value as at 31 March 2000 | 6,300,003 |

8. There have been no material changes in the composition of the Company and of the Group for the current year to date.
9. (i) The Company has on 12 April 2000, through Commerce International Merchant Bankers Berhad, announced the following corporate proposals :
 - (a) proposed acquisition of a parcel of leasehold land and disposal of two parcels of freehold land in Genting Highlands ("Proposed land transactions") by subsidiaries of the Company.
 - (b) proposed purchase of own shares (" Proposed share buy-back") representing up to ten percent (10%) of the issued and paid-up share capital of the Company through the Kuala Lumpur Stock Exchange (KLSE).
 - (c) proposed amendment ("Proposed amendment") to the Articles of Association of the Company pursuant to (b) above and in line with the amended provision of Section 67A of the Companies Act, 1965.

As at 18 May 2000, being the latest practicable date, the status of the above proposals are as follow :-

- (a) The proposed land transactions are property transactions involving directors under Section 132E of the Companies Act, 1965 and are conditional upon approval of the shareholders of the Company at the EGM to be convened.
 - (b) The proposed share buy-back is conditional upon the approval of the shareholders of the Company at an EGM to be convened and the Articles of Association of the Company to be amended accordingly to facilitate the proposed share buy-back.
 - (c) The proposed amendment is conditional upon approval being obtained from the shareholders of the Company at an EGM to be convened.
- (ii) Further to the above, the Company has on 12 April 2000 announced that Resorts World Limited ("RWL"), an indirect wholly-owned subsidiary of the Company has advanced US\$52 million as advance subscription monies for convertible securities in Star Cruises PLC ("Star Cruises"), a 26.8% associated company of the Company.

As at 31 March 2000, the advance subscription monies have been classified as amount due from associated company. The terms of the convertible securities are still being negotiated between Star Cruises and RWL with the advice of their financial advisors.

The Company has on 19 May 2000, through Commerce International Merchant Bankers Berhad, further announced the proposed cash subscription ("Proposed Cash Subscription") by RWL of up to US\$480 million in new equity shares and / or new securities convertible into equity shares (collectively referred to as "New Securities") of Star Cruises.

This proposal is subject to the following conditions:-

- (a) the issue of the New Securities by Star Cruises is in conjunction with a placement or offering which is also available to other institutional and / or private investors ;
- (b) the subscription price of the New Securities to be paid by RWL shall be at the same price as that subscribed by the other institutional and / or private investors ;
- (c) the total number of the New Securities subscribed by RWL shall not exceed 60% of the total number of the New Securities to be issued by Star Cruises;
- (d) the total subscription price of the New Securities subscribed by RWL shall not exceed US\$480 million ; and
- (e) the approval by the shareholders of the Company shall be valid only for a period of one year from the date of the EGM convened for this purpose unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting.

The subscription price of the New Securities to be paid by RWL shall be determined by Star Cruises with the advice of its financial advisors.

The Proposed Cash Subscription is inclusive of the US\$52 million which RWL had previously advanced to Star Cruises for convertible securities in Star Cruises. In addition, the US\$62 million which Genting Overseas Holdings Ltd, a related company, had similarly advanced to Star Cruises for the same purpose is to be assigned to RWL at cost at an appropriate time as this is also deemed to be part of the Proposed Cash Subscription.

10. The business operations of the Group's leisure and hospitality division are subject to seasonal fluctuations. The results are affected by major festive seasons and holidays.
11. There have been no issuance and repayment of debt and equity securities, shares buy-back, shares cancellation, shares held as treasury shares and resale of treasury shares for the current year to date.
12. The details of the Group borrowings as at 31 March 2000 are as set out below:

| | | <u>31.3.2000</u> | |
|-----------------------|-----------|------------------|-------------------|
| | | <u>Foreign</u> | <u>RM</u> |
| | | <u>currency</u> | <u>Equivalent</u> |
| | | <u>'000</u> | <u>'000</u> |
| Short-term borrowings | Unsecured | USD 130,760 | 496,819 |
| Long-term borrowings | Unsecured | - | 14,284 |

The total amount of long-term borrowings of RM 14,284,000 is shown as part of long-term liabilities on the balance sheet. The balance of the long-term liabilities as at 31 March 2000 amounting to RM 6,572,000 comprises deferred membership fees.

13. There are no contingent liabilities as at 18 May 2000, being the latest practicable date.
14. There are no financial instruments with off balance sheet risk as at 18 May 2000, being the latest practicable date.
15. There is no pending material litigation as at 18 May 2000, being the latest practicable date.
16. Segment analysis for the current year to date.

| | <u>Operating</u> | <u>Profit /(Loss)</u> | <u>Assets</u> |
|---|------------------|------------------------|------------------|
| | <u>Revenue</u> | <u>Before Taxation</u> | <u>Employed</u> |
| | <u>31.3.2000</u> | <u>31.3.2000</u> | <u>31.3.2000</u> |
| | <u>RM' 000</u> | <u>RM' 000</u> | <u>RM' 000</u> |
| By Activity | | | |
| Leisure & hospitality | 536,482 | 174,953 | 2,483,114 |
| Properties | 2,022 | 642 | 479,452 |
| | <hr/> 538,504 | <hr/> 175,595 | <hr/> 2,962,566 |
| Investment in associated company | 196,766 | 1,853 | 998,512 |
| | <hr/> 735,270 | <hr/> 177,448 | <hr/> 3,961,078 |
| <u>Non Segment Items</u> | | | |
| Interest bearing investments | 0 | 457 | 838,473 |
| Equity investments and others | 712 | (4,456) | 596,608 |
| | <hr/> 735,982 | <hr/> 173,449 | <hr/> 5,396,159 |
| Adjustment relating to share of operating revenue of associated company | (196,766) | 0 | 0 |
| | <hr/> 539,216 | <hr/> 173,449 | <hr/> 5,396,159 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

17. The performance of the Group in the first quarter is better than the preceding quarter mainly due to higher operating revenues coupled with lower expenses incurred.

18. Overall, the business has improved slightly due mainly to higher average spending. However, the casino operations continue to be affected by stiff competition from overseas casinos.

There has not arisen in the interval between 31 March 2000 and 18 May 2000, being the latest practicable date, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company and of the Group.

19. Barring unforeseen circumstances, the Directors are of the opinion that the Group's performance is expected to be satisfactory for the remaining period of the year.
20. There are no explanatory comments on variances of actual profit from forecast profit and shortfall in the profit guarantee since it is not applicable.
21. There has been no dividends declared / recommended for the current year quarter ended 31 March 2000.
22. As at 31 March 2000, the Company has 1,607,000 unissued ordinary shares outstanding under The Resorts World Employees' Share Option Scheme (RWBESOS). In accordance with the provision laid down by the Malaysian Accounting Standard Board No.13 on earnings per share, share options are dilutive when they are issued for no consideration or where a portion of the outstanding share options are deemed dilutive in situations where the exercise price of the options is below its fair value.

Since the exercise price of the RWBESOS is above the fair value of the Company's shares for the current year quarter, the option is deemed non-dilutive.

BY ORDER OF THE BOARD

TAN SRI LIM GOH TONG
Chairman and Chief Executive
RESORTS WORLD BHD

25 May 2000