



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 2001.
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>31.3.2001</u> <u>RM'000</u>	<u>Preceding year</u> <u>corresponding</u> <u>quarter</u> <u>31.3.2000</u> <u>RM'000</u>	<u>Current</u> <u>year-to-</u> <u>date</u> <u>31.3.2001</u> <u>RM'000</u>	<u>Preceding year</u> <u>corresponding</u> <u>period</u> <u>31.3.2000</u> <u>RM'000</u>
1.	(a)	Turnover	637,326	539,216	637,326	539,216
	(b)	Investment income	0	646	0	646
	(c)	Other income including interest income	978	4,946	978	4,946
2.	(a)	Operating profit before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	129,574	213,120	129,574	213,120
	(b)	Interest on borrowings	(25,981)	(3,107)	(25,981)	(3,107)
	(c)	Depreciation and amortisation	(41,824)	(38,417)	(41,824)	(38,417)
	(d)	Exceptional items	0	0	0	0
	(e)	Operating profit after interest on borrowings, depreciation and amortisation and exceptional items but before income tax minority interests and extraordinary items	61,769	171,596	61,769	171,596

		UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD		
		<u>Current</u> <u>year</u> <u>quarter</u> <u>31.3.2001</u> <u>RM'000</u>	<u>Preceding year</u> <u>corresponding</u> <u>quarter</u> <u>31.3.2000</u> <u>RM'000</u>	<u>Current</u> <u>year-to</u> <u>- date</u> <u>31.3.2001</u> <u>RM'000</u>	<u>Preceding year</u> <u>corresponding</u> <u>Period</u> <u>31.3.2000</u> <u>RM'000</u>	
2	(f)	Share in the results of an associated company	(3,820)	1,853	(3,820)	1,853
	(g)	Profit before taxation, minority interests and extraordinary items	57,949	173,449	57,949	173,449
	(h)	Taxation	(55,459)	(57,826)	(55,459)	(57,826)
	(i)	(i) Profit after taxation before deducting minority interests	2,490	115,623	2,490	115,623
		(ii) Minority interests	58	(1,420)	58	(1,420)
	(j)	Profit after taxation attributable to members of the Company	2,548	114,203	2,548	114,203
	(k)	(i) Extraordinary items	0	0	0	0
		(ii) Less minority interest	0	0	0	0
		(iii) Extraordinary items attributable to members of the Company	0	0	0	0
	(l)	Profit after taxation and extraordinary items attributable to members of the Company	2,548	114,203	2,548	114,203
3	(a)	Earnings per share based on 2(j) above:				
	(i)	Basic (based on 1,091,843,334 shares) (sen)	0.2	10.5	0.2	10.5
	(ii)	Fully diluted (based on 1,091,843,334 shares) (sen)	0.2	10.5	0.2	10.5

		UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD		
		<u>Current</u> <u>year</u> <u>quarter</u> <u>31.3.2001</u> <u>RM'000</u>	<u>Preceding year</u> <u>corresponding</u> <u>quarter</u> <u>31.3.2000</u> <u>RM'000</u>	<u>Current</u> <u>year-to</u> <u>- date</u> <u>31.3.2001</u> <u>RM'000</u>	<u>Preceding year</u> <u>corresponding</u> <u>Period</u> <u>31.3.2000</u> <u>RM'000</u>	
4	(a)	Dividend per share (sen)	NA	NA	NA	NA
	(b)	Dividend description	NA	NA	NA	NA

**Resorts World Bhd
Consolidated Balance Sheet**

	Unaudited As at end of Current period 31.03.2001 RM'000	Audited As at preceding financial year end 31.12.2000 RM'000
ASSETS		
1. PROPERTY, PLANT AND EQUIPMENT	2,928,435	2,915,291
2. REAL PROPERTY ASSETS	202,136	202,136
3. ASSOCIATED COMPANY	1,609,862	1,564,946
4. INVESTMENTS	110,390	110,390
5. OTHER LONG-TERM ASSET		
Trade receivables	13,552	10,082
6. CURRENT ASSETS		
Property development	27,408	26,575
Inventories	15,168	14,878
Trade receivables	23,033	29,431
Amount due from associated company	2,951	3,953
Amount due from other related companies	5,270	9,608
Other receivables, deposits and prepayments	48,493	52,944
Short-term investments	53,102	251,260
Bank balances and deposits	175,412	138,073
	350,837	526,722
7. LESS CURRENT LIABILITIES		
Trade payables	14,849	19,087
Other payables and accruals	266,059	361,475
Amount due to holding company	693,121	698,592
Amount due to other related companies	59,178	50,487
Short-term borrowings	382,888	382,888
Taxation	241,883	266,371
Proposed dividend	62,890	62,890
	1,720,868	1,841,790
8. NET CURRENT LIABILITIES	(1,370,031)	(1,315,068)
	3,494,344	3,487,777
FINANCED BY:		
9. SHAREHOLDERS' EQUITY		
SHARE CAPITAL	545,922	545,922
RESERVES		
Share premium	33,333	33,333
Unappropriated profit	2,442,417	2,439,869
Other reserves	4,429	4,429
	3,026,101	3,023,553
10. MINORITY INTERESTS	10,400	10,458
11. LONG-TERM LIABILITIES		
Long-term borrowings	319,200	319,200
Other long-term liability	15,153	13,011
Deferred taxation	22,790	21,529
Provision for retirement gratuities	100,700	100,026
	457,843	453,766
TOTAL LONG-TERM LIABILITIES	457,843	453,766
	3,494,344	3,487,777
12. NET TANGIBLE ASSETS PER SHARE	RM 2.77	RM 2.77

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 2000.
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 RM2,343,000 (2000: 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.
7. (a) The dealings in quoted securities for the current year to date are as follows:

	<u>RM'000</u>
Total purchases at cost	0
Total disposal proceeds	71,314
Total loss on disposals	5,532

- (b) The details of the investments in quoted shares as at 31 March 2001 are as set out below:

	<u>RM'000</u>
Total investments at cost	3,210,610
Total investments at book value	1,702,035
Total investments at market value	2,736,955

8. There have been no material changes in the composition of the Company and of the Group for the current year to date.
9. The Company has on 20 April 2001, through Commerce International Merchant Bankers Berhad announced the following proposals:
 - (a) Proposed amendments to the Articles of Association of the Company (“the Proposed Amendments”) to incorporate and to reflect the new listing requirements as required by The Kuala Lumpur Stock Exchange (“KLSE”) as well as other relevant regulatory and statutory requirements; and
 - (b) Proposed fresh mandate from shareholders to purchase up to a maximum of ten percent (10%) of the issued and paid-up share capital of the Company (“the Proposed Share Buy-Back”) through the KLSE.

As at 22 May 2001, the Proposed Amendments and the Proposed Share Buy-Back are subject to the approval of the shareholders of the Company at an Extraordinary General Meeting to be convened.

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 are as set out below:

	31.03.2001		
		Foreign currency '000	RM Equivalent '000
Short-term borrowings	Unsecured	USD 100,760	382,888
Short-term borrowing denominated in Ringgit Malaysia	Unsecured	-	682,363
Long-term borrowings	Unsecured	SGD 100,000	220,400
		USD 26,000	98,800
			319,200

Short-term borrowing denominated in Ringgit Malaysia forms part of the amount due to the holding company.

On 20 March 2001, RWB (Labuan) Limited, a direct wholly-owned subsidiary of the Company, entered into a loan agreement with financial institutions to secure an aggregate loan amounting to USD200 million. The loan is guaranteed by the Company and is subject to a floating interest rate based on LIBOR. The loan is to enable the Group to refinance its additional equity investments in Star Cruises Limited ("SCL"), an associated company, which was made on 29 November 2000. The loan was drawn down on 25 April 2001.

13. There are no contingent liabilities as at 22 May 2001.

14. As at 22 May 2001, the Group has the following financial instruments with off balance sheet risks :

(a) Singapore Dollar ("SGD")/US Dollar ("USD") Cross-Currency Swap ("CCS")

On 26 May 2000, the Group issued Euro Medium Term Notes ("Notes") of SGD100 million at fixed interest rate. These Notes are due to mature on 26 May 2003.

The Group then entered into 2 CCS agreements, first on the issue date of the Notes and the second on 3 August 2000. The effects of the 2 CCS agreements are to convert the SGD Notes into a fixed rate USD liability.

The swaps terminate on the maturity of the loan, i.e. 26 May 2003.

(b) USD Interest Rate Swap ("IRS")

On 16 June 2000, the Group also issued Notes for USD26 million at floating interest rate based on SIBOR. These Notes are due to mature on 16 June 2003.

The Group entered into an IRS agreement on 8 August 2000 and the effect of this transaction is to effectively fix the interest rate payable on that tranche of the loan.

(c) Foreign Currency Contracts

Currency	Contract Amounts '000	Transaction Dates	Expiry Dates
US Dollars	89,080	29/01/2001 to 30/01/2001	29/05/2001 to 17/12/2001

As foreign currency contracts are entered into to hedge the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licensed banks.

These instruments are executed with a creditworthy financial institution and the Directors are of the view that the possibility of non-performance by the financial institution is remote on the basis of its financial strength.

Derivative financial instruments, which include interest rate swap agreements and interest rate and currency swap agreements, are used in the Group's risk management of foreign currency and interest rate risk exposures of its financial liabilities.

The Group uses interest rate swap agreements and interest rate and currency swap agreements in order to lower funding costs, to diversify sources of funding and to limit the Group's exposure in relation to underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates.

Hedge accounting principles are applied for the accounting of the underlying exposures and their respective hedge derivative instruments. The related interest differentials paid or received under the swap agreements are recognised over the terms of the agreements in interest expense. The underlying foreign currency liabilities, which have been effectively hedged by currency swap agreements, and designated as a hedge, are translated in the respective hedged currencies, at their prevailing rates as at the reporting date.

15. There are no pending material litigations as at 22 May 2001.

16. Segment analysis for the current year to date.

	<u>Turnover</u>		<u>Profit/(Loss) Before Taxation</u>		<u>Assets Employed</u>	
	<u>Current year-to-date</u>	<u>Preceding year corresponding period</u>	<u>Current year-to-date</u>	<u>Preceding year corresponding period</u>	<u>Current year-to-date</u>	<u>Preceding year corresponding period</u>
	<u>31.3.2001</u> <u>RM' 000</u>	<u>31.3.2000</u> <u>RM' 000</u>	<u>31.3.2001</u> <u>RM' 000</u>	<u>31.3.2000</u> <u>RM' 000</u>	<u>31.3.2001</u> <u>RM' 000</u>	<u>31.3.2000</u> <u>RM' 000</u>
<u>By Activity</u>						
Leisure & hospitality Properties	565,725 15	536,482 2,022	185,441 (1,951)	174,953 642	2,887,832 432,641	2,483,114 479,452
	565,740	538,504	183,490	175,595	3,320,473	2,962,566
Investment in an associated company	457,273	196,766	(3,820)	1,853	1,609,862	998,512
	1,023,013	735,270	179,670	177,448	4,930,335	3,961,078
<u>Non Segment Items</u>						
Interest bearing investments	0	0	(25,003)	457	150,335	838,473
Equity investments & others	71,586	712	(96,718)	(4,456)	134,542	596,608
	1,094,599	735,982	57,949	173,449	5,215,212	5,396,159
Adjustment relating to share of operating revenue of associated co.	(457,273)	(196,766)	0	0	0	0
	637,326	539,216	57,949	173,449	5,215,212	5,396,159

17. The first quarter ended 31 March 2001 reported a profit before taxation, minority interests and extraordinary items for the Group of RM57,949,000 compared to a loss of RM1,019,613,000 in the preceding quarter. The loss in the preceding quarter was mainly due to exceptional charges amounting to RM1,120,099,000 in that quarter and share of losses of RM87,340,000 from SCL. The exceptional charges comprised mainly goodwill written off arising from the subscription of new equity shares in SCL and loss on disposal of NCL Holding ASA (“NCL”) shares.
18. The profit before taxation of the Group for the three months to 31 March 2001 is RM57,949,000 compared to RM173,449,000 in the corresponding period last year. The decline is mainly attributable to higher financing costs, charges relating to investments and share of losses from SCL totalling RM123,770,000. However, excluding the above charges and share of losses from SCL, the underlying performance of the leisure and hospitality segment for the current year to date has improved compared to the corresponding period last year. This increase is mainly due to an increase in visitor arrivals.

There has not arisen in the interval between 31 March 2001 and 22 May 2001, 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. No dividend has been declared or recommended for the current quarter ended 31 March 2001.
22. As at 31 March 2001, 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 (“MASB”) 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 quarter and the current year to date, the option is deemed non dilutive.

BY ORDER OF THE BOARD

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

29 May 2001