



RESORTS WORLD BHD

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

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FOURTH QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 December 2001.
The figures for cumulative period have been audited.

CONSOLIDATED INCOME STATEMENT

| | UNAUDITED INDIVIDUAL QUARTER | | AUDITED CUMULATIVE PERIOD | |
|--|--|--|---|---|
| | <u>Current year quarter 31.12.2001</u> | <u>Preceding year corresponding quarter 31.12.2000</u> | <u>Current year-to- date 31.12.2001</u> | <u>Preceding year corresponding period 31.12.2000</u> |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| 1. (a) Revenue | 693,759 | 684,395 | 2,503,131 | 2,337,926 |
| (b) Investment income | 606 | 3,618 | 3,963 | 10,180 |
| (c) Other income | 2,367 | 24,385 | 10,389 | 71,125 |
| 2. (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | 333,833 | 258,962 | 1,030,089 | 886,602 |
| (b) Finance cost | (24,367) | (30,459) | (117,796) | (69,295) |
| (c) Depreciation and amortisation | (67,091) | (40,677) | (192,900) | (159,315) |
| (d) Exceptional items | (9,201) | (1,120,099) | (97,873) | (1,255,064) |
| (e) Profit/(loss) before income tax, minority interests and extraordinary items | 233,174 | (932,273) | 621,520 | (597,072) |
| (f) Share of profits and losses of associated company | (76,158) | (87,340) | (16,052) | (49,573) |

| | | UNAUDITED INDIVIDUAL QUARTER | | AUDITED CUMULATIVE PERIOD | |
|----|---|---|---|---|--|
| | | <u>Current</u> <u>year</u> <u>quarter</u> <u>31.12.2001</u> <u>RM'000</u> | <u>Preceding year</u> <u>corresponding</u> <u>quarter</u> <u>31.12.2000</u> <u>RM'000</u> | <u>Current</u> <u>year-to</u> <u>- date</u> <u>31.12.2001</u> <u>RM'000</u> | <u>Preceding year</u> <u>corresponding</u> <u>period</u> <u>31.12.2000</u> <u>RM'000</u> |
| 2. | (g) Profit/(loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated company | 157,016 | (1,019,613) | 605,468 | (646,645) |
| | (h) Income tax | (76,436) | (51,755) | (253,937) | (229,483) |
| | (i) (i) Profit/(loss) after income tax before deducting minority interests | 80,580 | (1,071,368) | 351,531 | (876,128) |
| | (ii) Minority interests | 56 | 258 | 395 | (444) |
| | (j) Pre-acquisition profit/(loss), if applicable | 0 | 0 | 0 | 0 |
| | (k) Net profit/(loss) from ordinary activities attributable to members of the company | 80,636 | (1,071,110) | 351,926 | (876,572) |
| | (l) (i) Extraordinary items | 0 | 0 | 0 | 0 |
| | (ii) Minority interests | 0 | 0 | 0 | 0 |
| | (iii) Extraordinary items attributable to members of the company | 0 | 0 | 0 | 0 |
| | (m) Net profit/(loss) attributable to members of the company | 80,636 | (1,071,110) | 351,926 | (876,572) |

| | | UNAUDITED INDIVIDUAL QUARTER | | AUDITED CUMULATIVE PERIOD | |
|---|--|---|---|--|---|
| | | <u>Current</u> <u>year</u> <u>quarter</u> | <u>Preceding</u> <u>year</u> <u>corresponding</u> <u>quarter</u> | <u>Current</u> <u>year-to</u> <u>- date</u> | <u>Preceding year</u> <u>corresponding</u> <u>period</u> |
| | | <u>31.12.2001</u> | <u>31.12.2000</u> | <u>31.12.2001</u> | <u>31.12.2000</u> |
| | | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| 3 | (a) Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any: | | | | |
| | (i) Basic (based on 1,091,843,334 ordinary shares) (sen) | 7.4 | (98.1) | 32.2 | (80.3) |
| | (ii) Fully diluted (based on 1,091,843,334 ordinary shares) (sen) | 7.4 | (98.1) | 32.2 | (80.3) |
| 4 | (a) Dividend per share (sen) | 8.0 | 8.0 | 16.0 | 16.0 |
| | (b) Dividend description | Final of 8.0 sen per ordinary share less 28% tax | Final of 8.0 sen per ordinary share less 28% tax | Interim of 8.0 sen and final of 8.0 sen per ordinary share less 28% tax | Interim of 8.0 sen and final of 8.0 sen per ordinary share less 28% tax |

**Resorts World Bhd
Consolidated Balance Sheet**

| | Audited As at current financial year end 31.12.2001 RM'000 | Audited As at preceding financial year end 31.12.2000 RM'000 |
|--|---|---|
| ASSETS | | |
| 1. PROPERTY, PLANT AND EQUIPMENT | 3,261,413 | 2,915,291 |
| 2. REAL PROPERTY ASSETS | 202,527 | 202,136 |
| 3. ASSOCIATED COMPANY | 1,591,935 | 1,564,946 |
| 4. INVESTMENTS | 3,631 | 110,390 |
| 5. OTHER LONG TERM ASSETS | | |
| Trade and other receivables | 12,094 | 10,082 |
| 6. CURRENT ASSETS | | |
| Property development | 24,070 | 26,575 |
| Inventories | 16,963 | 14,878 |
| Trade and other receivables | 75,228 | 82,375 |
| Amount due from associated company | 659 | 3,953 |
| Amount due from other related companies | 2,990 | 9,608 |
| Short term investments | 260,013 | 251,260 |
| Bank balances and deposits | 281,204 | 138,073 |
| | <u>661,127</u> | <u>526,722</u> |
| 7. LESS CURRENT LIABILITIES | | |
| Trade and other payables | 445,583 | 380,562 |
| Amount due to holding company | 117,281 | 698,592 |
| Amount due to other related companies | 50,273 | 50,487 |
| Short term borrowings | 0 | 382,888 |
| Taxation | 200,459 | 266,371 |
| Dividends | 62,890 | 62,890 |
| | <u>876,486</u> | <u>1,841,790</u> |
| 8. NET CURRENT LIABILITIES | (215,359) | (1,315,068) |
| | <u>4,856,241</u> | <u>3,487,777</u> |
| FINANCED BY: | | |
| 9. SHAREHOLDERS' EQUITY | | |
| SHARE CAPITAL | 545,922 | 545,922 |
| RESERVES | | |
| Share premium | 33,333 | 33,333 |
| Other reserves | 4,429 | 4,429 |
| Unappropriated profit | 2,666,015 | 2,439,869 |
| | <u>3,249,699</u> | <u>3,023,553</u> |
| 10. MINORITY INTERESTS | 10,063 | 10,458 |
| 11. LONG TERM LIABILITIES | | |
| Long term borrowings | 1,079,200 | 319,200 |
| Loan from holding company | 374,870 | 0 |
| Other long term liability | 19,735 | 13,011 |
| Deferred taxation | 26,271 | 21,529 |
| Provision for retirement gratuities | 96,403 | 100,026 |
| TOTAL LONG TERM LIABILITIES | 1,596,479 | 453,766 |
| | <u>4,856,241</u> | <u>3,487,777</u> |
| 12. NET TANGIBLE ASSETS PER SHARE | RM 2.98 | 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 audited financial statements for the year ended 31 December 2000.
2. The exceptional items for the current year quarter and financial year-to-date were due to the charges relating to investments.
3. There are no extraordinary items for the current year quarter and financial year-to-date .
4. Taxation charges for the current financial year-to-date is as follows:

| | <u>Current financial year-to-date RM'000</u> | <u>Preceding financial year-to-date RM'000</u> |
|--|---|---|
| Current Taxation | | |
| Malaysian taxation | 237,564 | 209,689 |
| Foreign taxation | 376 | 893 |
| | <u>237,940</u> | <u>210,582</u> |
| Under/(Over) provision in respect of prior years | 8,858 | (3,100) |
| | <u>246,798</u> | <u>207,482</u> |
| Deferred Taxation | 4,742 | 3,382 |
| Share of tax in associated company | 2,397 | 18,619 |
| | <u>253,937</u> | <u>229,483</u> |

The effective tax rates of the Group for the current year quarter and current financial year-to-date are higher than the statutory tax rate mainly due to unabsorbed tax losses of certain subsidiary companies, non-deductibility of charges relating to investments and certain expenses for tax purposes.

5. The results for the current quarter and current financial year-to-date do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business.
6. (a) The dealings in quoted securities for the current year quarter and financial year-to-date are as follows:

| | <u>Current year quarter RM'000</u> | <u>Current financial year-to-date RM'000</u> |
|-------------------------|---|---|
| Total purchases at cost | - | 7,462 |
| Total disposal proceeds | - | 86,030 |
| Total loss on disposals | - | 2,577 |

(b) The details of the investments in quoted shares excluding associated company, as at 31 December 2001 are as set out below:

| | <u>RM'000</u> |
|-----------------------------------|---------------|
| Total investments at cost | 199,670 |
| Total investments at book value | 106,425 |
| Total investments at market value | 106,425 |

7. There have been no material changes in the composition of the Company and of the Group for the current year quarter and financial year-to-date.
8. (a) On 28 August 2001, the Company, through Commerce International Merchant Bankers Berhad (“CIMB”) announced its proposal to implement a new executive share option scheme (“ESOS”) for eligible executives and Executive Directors of the Company and its subsidiaries.

The maximum number of shares to be offered under the proposed ESOS shall not exceed 5% of the issued and paid-up share capital of the Company at the time of offer. The proposed ESOS shall be for a period of 10 years.

On 29 November 2001, the Securities Commission (“SC”) approved the proposed ESOS, subject to the following conditions being met:

- (i) A copy of the By-Laws of the ESOS to be furnished to SC; and
- (ii) A letter of confirmation from CIMB stating that all the SC’s conditions have been complied with, the By-Laws do not conflict with SC’s Guidelines on ESOS and the proposed ESOS has been approved by all other relevant parties and has complied with all their conditions.

An Extraordinary General Meeting was convened on 21 February 2002, whereat the shareholders of the Company approved the proposed ESOS.

As at 21 February 2002, the following are still outstanding:

- (i) Conditions imposed by the SC as stated in (i) and (ii) above; and
- (ii) The approval of the Kuala Lumpur Stock Exchange for the listing of and quotation for the new ordinary shares to be issued pursuant to the exercise of the options under the proposed ESOS.

- (b) On 28 November 2001, the Company through CIMB announced its proposal to seek its shareholders’ approval to amend Article 86 of the Articles of Association of the Company to increase the maximum number of Directors from eight to twelve.

The Circular setting out the details of the above proposal was circulated to shareholders of the Company on 29 January 2002.

An Extraordinary General Meeting was convened on 21 February 2002, whereat the shareholders of the Company approved the proposed amendment to Article 86 of the Articles of Association of the Company.

9. There were 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 financial year-to-date.

10. The details of the Group's borrowings are as set out below:

| | 31.12.2001 | | |
|--|------------|-----------------------------|--------------------------|
| | | Foreign currency '000 | RM Equivalent '000 |
| Short term borrowing denominated in Ringgit Malaysia | Unsecured | - | 105,000 |
| Long-term borrowings | Unsecured | SGD 100,000 | 220,400 |
| Long-term borrowings | Unsecured | USD 226,000 | 858,800 |
| Long-term borrowing denominated in Ringgit Malaysia | Unsecured | - | 374,870 |
| | | | 1,454,070 |

Borrowings denominated in Ringgit Malaysia represent loan from holding company, Genting Berhad. Short term borrowings denominated in Ringgit Malaysia forms part of the amount due to the holding company.

11. There are no changes in contingent liabilities since the last financial year ended 31 December 2000 and up to 20 February 2002.

12. As at 20 February 2002, 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 entire issue of 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")

(i) 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 the entire loan principal of USD26 million.

The swaps terminate on the maturity of the loan, i.e. 16 June 2003.

(ii) On 25 April 2001, the Group had drawn down a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR.

Subsequently, the Group entered into IRS agreements as follows:

| Currency | Contract Amounts '000 | Date of Transactions | Maturity Dates |
|------------|-----------------------|----------------------|--------------------------|
| US Dollars | 30,000 | 13/08/2001 | 25/04/2003 to 25/04/2006 |
| US Dollars | 30,000 | 16/08/2001 | 25/04/2003 to 25/04/2006 |
| US Dollars | 20,000 | 22/08/2001 | 25/04/2003 to 25/04/2006 |
| US Dollars | 20,000 | 30/08/2001 | 25/04/2003 to 25/04/2006 |

The effect of the above swaps is to effectively fix the interest rate payable on that tranche of the loan with effect from 25 October 2001 and up to their respective maturity dates as set out above. The Group intends to enter into further interest rate swaps to convert the remaining portion of the loan of USD100 million from a floating rate to a fixed rate of interest.

(c) Foreign Currency Contracts

| Currency | Contract Amounts '000 | Date of Transactions | Expiry Dates |
|------------|-----------------------|--------------------------|--------------------------|
| US Dollars | 12,024 | 28/08/2001 to 28/01/2002 | 26/02/2002 to 16/12/2002 |

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 creditworthy financial institutions and the Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

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

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.

13. There are no pending material litigations as at 20 February 2002.

14. Segment analysis for the current financial year-to-date.

| | <u>Revenue</u> | | <u>Profit/(Loss) Before Income Tax</u> | | <u>Assets Employed</u> | |
|---|--|--|--|--|--------------------------------------|--|
| | <u>Current year-to- date</u> | <u>Preceding year correspon- ding period</u> | <u>Current year-to- date</u> | <u>Preceding year correspon- ding period</u> | <u>Current year-to- date</u> | <u>Preceding year correspon- ding period</u> |
| | <u>31.12.2001 RM' 000</u> | <u>31.12.2000 RM' 000</u> | <u>31.12.2001 RM' 000</u> | <u>31.12.2000 RM' 000</u> | <u>31.12.2001 RM' 000</u> | <u>31.12.2000 RM' 000</u> |
| <u>By Activity</u> | | | | | | |
| Leisure & hospitality Properties | 2,400,526 6,345 | 2,172,228 42,166 | 823,482 2,050 | 691,395 (4,264) | 3,317,784 424,991 | 2,911,251 442,721 |
| | 2,406,871 | 2,214,394 | 825,532 | 687,131 | 3,742,775 | 3,353,972 |
| Investment in an associated company | 1,883,682 4,290,553 | 1,384,238 3,598,632 | (16,052) 809,480 | (49,573) 637,558 | 1,591,935 5,334,710 | 1,564,946 4,918,918 |
| <u>Non Segment Items</u> | | | | | | |
| Interest bearing investments/borrowings | 0 | 0 | (107,407) | 1,830 | 272,000 | 67,667 |
| Equity investments & others | 96,260 4,386,813 | 123,532 3,722,164 | (96,605) 605,468 | (1,286,033) (646,645) | 126,017 5,732,727 | 342,982 5,329,567 |
| Adjustment relating to share of operating revenue of associated co. | (1,883,682) 2,503,131 | (1,384,238) 2,337,926 | 0 605,468 | 0 (646,645) | 0 5,732,727 | 0 5,329,567 |

15. The fourth quarter ended 31 December 2001 reported a profit before taxation, minority interests and extraordinary items for the Group of RM157.0 million compared to RM196.6 million in the preceding quarter. The decrease was mainly due to losses from Star Cruises Limited (“SCL”), an associated company, of RM76.2 million compared to a share of profit from SCL in the preceding quarter of RM54.9 million. Excluding the results of SCL, the Group’s profit before income tax, minority interests and extraordinary items was RM233.2 million compared to RM141.7 million in the preceding quarter. The higher profit was mainly due to higher visitor arrivals during the current quarter compared to the preceding quarter.

16. The Group registered revenue and profit before income tax of RM693.8 million and RM157.0 million respectively for the current fourth quarter compared to revenue and loss before income tax of RM684.4 million and RM1,019.6 million respectively for the corresponding quarter in 2000. The higher revenue and profit registered in the current quarter as compared to the corresponding quarter in 2000 was mainly attributable to higher visitor arrivals. The loss before income tax of the corresponding quarter in 2000 was mainly due to the exceptional charges which mainly comprised goodwill written off of RM1,047.2 million arising from the subscription of new equity shares in SCL and loss on disposal of NCL Holding ACA (“NCL”) shares amounted to RM109.9 million.

The Group registered revenue and profit before income tax of RM2,503.1 million and RM605.5 million respectively for the current financial year ended 31 December 2001 compared to revenue and loss before income tax of RM2,337.9 million and RM646.6 million respectively for the corresponding financial year ended 31 December 2000. The improved revenue and profit for the current financial year was mainly due to the better performance of leisure and hospitality segment and lower charges relating to investment of RM97.9 million. The improved performance of the leisure and hospitality segment was mainly due to the increase in visitor arrivals. The increase in visitor arrivals was mainly due to the opening of additional hotel rooms in the new First World Hotel since December 2000 and better accessibility due to the completion of the upgrading of the highway from the foothills at Genting Sempah to the peak of the resort. The loss before income tax of the corresponding financial year ended 31 December 2000 was mainly due to the exceptional charges during the year which comprised goodwill written off of RM1,047.2 million arising from the subscription of new equity shares in SCL, allowance for diminution in value of short-term quoted shares amounted RM98.0 million and loss on disposal of NCL shares amounted RM109.9 million.

17. There has not arisen in the interval between 31 December 2001 and 20 February 2002, 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.
18. 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.
19. Barring unforeseen circumstances, the Directors are of the opinion that the Group's performance is expected to be satisfactory for the year 2002.
20. The Group did not issue any profit forecast or profit guarantee for the year.
21. (a)
 - i) A final ordinary dividend for the financial year ended 31 December 2001 has been recommended by the Directors for approval by shareholders.
 - ii) The recommended final dividend, if approved, for the financial year ended 31 December 2001 will amount to 8.0 sen per ordinary share of 50 sen each, less 28% tax.
 - iii) The final dividend declared and paid for the previous year's corresponding period amounted to 8.0 sen per ordinary share of 50 sen each, less 28% tax.
 - iv) The date of payment of the recommended final dividend shall be determined by the Directors and announced at a later date.
- (b) Total dividend payable for the current financial year ended 31 December 2001, including the recommended final dividend, if approved, will amount to 16.0 sen per ordinary share of 50 sen each, less 28% tax.

22. As at 31 December 2001, the Company has 1,502,000 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 financial year-to-date, the options are deemed non dilutive.

BY ORDER OF THE BOARD

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

27 February 2002