



RESORTS WORLD BHD

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

Wisma Genting, 28 Jalan Sultan Ismail, 50250 Kuala Lumpur. P.O. Box 10937
50930 Kuala Lumpur, Malaysia. Tel: 03-21612288, Fax: 03-21615304 Telex: MA 30022.

Website: <http://www.genting.com.my>

FIRST QUARTERLY REPORT

Quarterly report on consolidated results for the financial period ended 31 March 2003. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2003

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	<u>Current year</u>	<u>Preceding year</u>	<u>Current</u>	<u>Preceding year</u>
	<u>quarter</u>	<u>corresponding</u>	<u>year-to-date</u>	<u>corresponding</u>
	<u>31.3.2003</u>	<u>quarter</u> <u>31.3.2002</u>	<u>31.3.2003</u>	<u>period</u> <u>31.3.2002</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	690,780	735,305	690,780	735,305
Cost of sales	(413,069)	(452,059)	(413,069)	(452,059)
Gross profit	277,711	283,246	277,711	283,246
Other income	7,769	3,818	7,769	3,818
Other expenses	(71,749)	(56,595)	(71,749)	(56,595)
Profit from operations	213,731	230,469	213,731	230,469
Finance cost	(23,157)	(23,609)	(23,157)	(23,609)
Share of results of associated company	(2,380)	5,883	(2,380)	5,883
Profit from ordinary activities before taxation	188,194	212,743	188,194	212,743
Taxation	(65,600)	(72,297)	(65,600)	(72,297)
Profit from ordinary activities after taxation	122,594	140,446	122,594	140,446

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2003**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	<u>Current year quarter</u>	<u>Preceding year corresponding quarter</u>	<u>Current year-to-date</u>	<u>Preceding year corresponding period</u>
	<u>31.3.2003</u>	<u>31.3.2002</u>	<u>31.3.2003</u>	<u>31.3.2002</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Minority shareholders' interest	97	53	97	53
Net profit for the period	122,691	140,499	122,691	140,499
Basic earnings per share (sen)	11.24	12.87	11.24	12.87
Diluted earnings per share (sen)	11.24	N/A	11.24	N/A

N/A: Not Applicable

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2002.)

RESORTS WORLD BHD
CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As at end of current period	Audited As at preceding financial year end
	31.3.2003 RM'000	31.12.2002 RM'000
NON - CURRENT ASSETS		
Property, plant and equipment	3,239,244	3,226,098
Real property assets	201,197	201,197
Associated company	1,943,500	1,910,393
Other long term assets	14,896	17,055
CURRENT ASSETS		
Inventories	42,653	41,892
Trade and other receivables	91,722	90,069
Amount due from other related companies	3,095	5,614
Amount due from associated company	257	480
Short term investments	479,602	419,809
Bank balances and deposits	367,860	366,818
	<u>985,189</u>	<u>924,682</u>
LESS CURRENT LIABILITIES		
Trade and other payables	286,402	303,999
Amount due to holding company	8,880	12,842
Amount due to other related companies	32,957	32,694
Short term borrowings	473,699	473,699
Taxation	245,904	240,832
	<u>1,047,842</u>	<u>1,064,066</u>
NET CURRENT LIABILITIES	(62,653)	(139,384)
	<u>5,336,184</u>	<u>5,215,359</u>
SHARE CAPITAL	545,922	545,922
RESERVES	3,346,277	3,223,448
SHAREHOLDERS' EQUITY	3,892,199	3,769,370
MINORITY INTERESTS	9,580	9,677
LONG TERM LIABILITIES		
Long term borrowings	809,400	809,400
Loan from holding company	371,870	371,870
Other long term and deferred liabilities	253,135	255,042
TOTAL LONG TERM LIABILITIES	1,434,405	1,436,312
	<u>5,336,184</u>	<u>5,215,359</u>
NET TANGIBLE ASSETS PER SHARE (RM)	3.56	3.45

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2002.)

RESORTS WORLD BHD

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2003**

	←Non-Distributable →			Distributable	
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Unappropriated Profit RM'000	Total RM'000
Balance at 1 January 2003					
As previously reported	545,922	33,333	3,030	3,241,828	3,824,113
Prior period adjustment – Effect of adopting MASB 25	-	-	-	(54,743)	(54,743)
As restated	545,922	33,333	3,030	3,187,085	3,769,370
Net profit for the financial period	-	-	-	122,691	122,691
Other movement during the period	-	-	138	-	138
Balance at 31 March 2003	545,922	33,333	3,168	3,309,776	3,892,199

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2002.)

RESORTS WORLD BHD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2003

Unaudited
Current
Year-To-Date
31.03.2003
RM'000

CASH FLOWS FROM OPERATING ACTIVITIES

Profit after minority interests but before taxation	188,291
Adjustments for:	
Depreciation of property, plant and equipment	48,470
Interest expense	23,062
Interest income	(5,902)
Share of results of associated company	2,380
Goodwill written off	2,169
Other non-cash items and adjustments	2,367
	<u>72,546</u>
Operating profit before working capital changes	260,837
Net change in current assets	1,866
Net change in current liabilities	(3,864)
	<u>(1,998)</u>
Cash generated from operations	258,839
Net tax paid	(61,331)
Other net operating receipts	879
	<u>(60,452)</u>
Net Cash From Operating Activities	198,387

CASH FLOWS FROM INVESTING ACTIVITIES

Property, plant and equipment	(78,574)
Investment in associated company	(37,856)
Other investments	3,849
	<u>(112,581)</u>
Net Cash Used In Investing Activities	(112,581)

CASH FLOWS FROM FINANCING ACTIVITIES

Interest paid	(23,787)
	<u>(23,787)</u>
Net Cash Used In Financing Activities	(23,787)

NET INCREASE IN CASH AND CASH EQUIVALENTS

	62,019
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	750,900
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	812,919

ANALYSIS OF CASH AND CASH EQUIVALENTS

Bank balances and deposits	367,860
Money market instruments	445,059
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	812,919

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2002.)

RESORTS WORLD BHD
NOTES TO THE INTERIM FINANCIAL REPORT - FIRST QUARTER ENDED 31 MARCH 2003

Part I : Compliance with Malaysia Accounting Standard Board 26 (“MASB 26”) “Interim Financial Reporting”

a) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with MASB 26 “Interim Financial reporting” and Paragraph 9.22 of the Kuala Lumpur Stock Exchange (“KLSE”) Listing Requirements. Comparative information on Condensed Consolidated Statements of Changes in Equity and Condensed Consolidated Cash Flow Statement which are required under MASB 26 are however not presented as the Group has applied the exemption provided by the KLSE.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2002. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2002 as well as new approved accounting standards which are effective and applicable for the current financial year.

Consequently, in compliance with MASB 25, Income Taxes, deferred tax liabilities and/or assets are recognised for all temporary differences and this has been applied retrospectively by the Group. However, deferred tax assets are recognised only when it is probable that 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.

The effect of the implementation of MASB 25, which has been applied retrospectively, are summarised below:

i) Impact on Balance Sheet:

Balances as at 31 December 2002:	As previously reported RM'000	Prior period adjustment RM'000	As restated RM'000
Reserves:			
- Unappropriated profit	3,241,828	(54,743)	3,187,085
Other long term and deferred liabilities:			
- Deferred taxation	55,384	54,743	110,127

The above restatement of the Group’s reserves at the beginning of the year has the effect of reducing the Net Tangible Assets per share from RM3.50 as previously reported to RM3.45.

ii) Impact on Income Statement:

Individual quarter and cumulative period to 31 March 2002:	As previously reported RM'000	Prior period adjustment RM'000	As restated RM'000
Taxation	72,476	(179)	72,297

The above adjustments to the Income Statement has the effect of increasing the Basic Earnings per share from 12.85 sen as previously reported to 12.87 sen.

b) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group’s annual financial statements for the year ended 31 December 2002 was not qualified.

c) *Seasonal or Cyclical Factors*

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.

d) *Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow*

There has not arisen in the current financial year-to-date of any nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

e) *Material Changes in Estimates*

There were no major changes in estimates of amounts reported in prior interim periods of the current financial period or that of prior financial years.

f) *Changes in Debt and Equity Securities*

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

g) *Dividend Paid*

No dividend has been declared or recommended for the current quarter ended 31 March 2003.

h) *Segment Information*

Segment analysis for the financial period ended 31 March 2003 as set out below:

	<u>Leisure & Hospitality</u> <u>RM' 000</u>	<u>Properties</u> <u>RM' 000</u>	<u>Others</u> <u>RM' 000</u>	<u>Eliminations</u> <u>RM' 000</u>	<u>Total</u> <u>RM' 000</u>
<u>Revenue</u>					
External	687,093	1,649	2,038	-	690,780
Inter segment	205	1,621	8,714	(10,540)	-
	<u>687,298</u>	<u>3,270</u>	<u>10,752</u>	<u>(10,540)</u>	<u>690,780</u>
<u>Results</u>					
Segment profit/(loss)	209,447	843	(2,461)		207,829
Interest income					5,902
Finance cost					(23,157)
Share of results of associated company	(2,380)				<u>(2,380)</u>
Profit from ordinary activities before taxation					188,194
Taxation					<u>(65,600)</u>
Profit from ordinary activities after taxation					122,594
Minority interest					<u>97</u>
Net profit for the period					<u>122,691</u>

i) Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment since the last financial year ended 31 December 2002.

j) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the current financial period that have not been reflected in the financial statements for the financial year-to-date.

k) Changes in the Composition of the Group

There have been no material changes in the composition of the Group for the current financial year-to-date.

l) Changes in Contingent Liabilities or Contingent Assets

There were no changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2002.

m) Capital Commitments

Capital commitments not provided for in the financial statements as at 31 March 2003 is as follows:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements :	
- contracted	149,512
- not contracted	419,178
	<hr/>
	568,690
	<hr/> <hr/>

**ADDITIONAL INFORMATION REQUIRED BY THE KUALA LUMPUR STOCK EXCHANGE -
FIRST QUARTER ENDED 31 MARCH 2003**

Part II : Compliance with Appendix 9B of the KLSE Listing Requirements

1) Review of Performance

	INDIVIDUAL QUARTER			INDIVIDUAL QUARTER	
	<u>Current year-to-date</u>	<u>Preceding year corresponding quarter</u>	%	<u>Immediate preceding quarter</u>	%
	31.3.2003	31.3.2002		31.12.2002	
	RM'Million	RM'Million	+/-	RM'Million	+/-
Revenue					
Leisure & Hospitality	687.1	654.2	+5	705.8	-3
Properties	1.7	1.6	+6	3.6	-53
Others	2.0	79.5*	-97	2.0	0
	690.8	735.3	-6	711.4	-3
Profit Before Tax					
Leisure & Hospitality	209.4	232.3	-10	246.2	-15
Properties	0.8	1.1	-27	(0.2)	+500
Others	(2.4)	(4.9)	+51	(30.3)	+92
	207.8	228.5	-9	215.7	-4
Interest income	5.9	1.9	+211	5.8	+2
Finance cost	(23.1)	(23.6)	+2	(24.6)	+6
Share of results of associated company	(2.4)	5.9	-141	(25.1)	-90
Net profit for the period	188.2	212.7	-12	171.8	+10

* Included in the Other revenue of RM79.5 million in the corresponding quarter in 2002 was an amount of RM77.7 million relating to proceeds arising from sale of quoted securities.

The Group registered revenue and profit before taxation of RM690.8 million and RM188.2 million respectively for the current quarter compared to revenue and profit before taxation of RM735.3 million and RM212.7 million respectively for the corresponding quarter in 2002. The lower profit before taxation is mainly attributable to the lower profit from the leisure and hospitality segment and losses of RM2.4 million from Star Cruises Limited ("SCL"), an associated company, as compared to share of profit from SCL of RM5.9 million in the corresponding quarter in 2002. The lower profit from leisure and hospitality segment was mainly due to higher donations made in the current quarter amounting to RM22.5 million.

2) Material Changes in Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The first quarter ended 31 March 2003 reported a profit before taxation for the Group of RM188.2 million compared to RM171.8 million in the preceding quarter. The higher profit before taxation is mainly due to a lower losses from SCL of RM2.4 million compared to the losses from SCL of RM25.1 million in the preceding quarter and investment written down and fixed assets written off of RM38.7 million in the preceding quarter which were not incurred in the current quarter.

Excluding these charges and results of SCL, the underlying performance of the leisure and hospitality segment was weaker in the current quarter compared to the preceding quarter. This was mainly due to lower visitor arrivals as there were fewer festive seasons and school holidays in this quarter compared to the fourth quarter of 2002. The lower profit from the leisure and hospitality segment was also mainly attributable to higher donations made in the current quarter which amounted to RM22.5 million.

3) *Prospects*

The operating business conditions for the Group for the year are expected to be challenging in view of the outbreak of Severe Acute Respiratory Syndrome (“SARS”) in the Asian region which has adversely affected the tourism industry in the region. The Directors are of the opinion that the performance of the Group for the year is likely to be adversely affected by the SARS outbreak in the region and the uncertainties in the global economic environment.

4) *Variance of Actual Profit from Forecast Profit*

The Group did not issue any profit forecast or profit guarantee for the year.

5) *Taxation*

Taxation charges for the current quarter and current financial year-to-date are as follows:

	<u>Current quarter</u> <u>RM'000</u>	<u>Current financial year-to-date</u> <u>RM'000</u>
Current Taxation		
Malaysian taxation	66,199	66,199
Foreign taxation	8	8
Deferred Taxation	(946)	(946)
	<hr/> 65,261	<hr/> 65,261
Share of tax in associated company	339	339
	<hr/> <hr/> 65,600	<hr/> <hr/> 65,600

The effective tax rate of the Group for the current quarter and current financial year-to-date is higher than the statutory tax rate mainly due to the non-deductibility of certain expenses for tax purpose.

6) *Profit on Sale of Unquoted Investments and/or Properties*

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.

7) *Quoted Securities Other than Securities in Existing Subsidiary and Associated Companies*

(a) There were no dealings in quoted securities for the current quarter and financial year-to-date.

(b) The details of the investments in quoted shares excluding associated company, as at 31 March 2003 are as set out below:

	<u>RM'000</u>
Total investments at cost	79,457
Total investments at book value	34,543
Total investments at market value	34,543

8) *Status of Corporate Proposals Announced*

On 28 April 2003, the Company announced its Proposed Renewal of the Authority for the Purchase of Own Shares (“Proposed Share Buy-Back”). The present mandate granted by the shareholders of the Company on 25 June 2002 for the Proposed Share Buy-Back will expire at the conclusion of the forthcoming Twenty-Third Annual General Meeting (“AGM”) of the Company on 26 June 2003. In this regard, the Company proposes to seek from its shareholders at an Extraordinary General Meeting to be convened, a renewal of the authority to purchase up to ten percent (10%) of the issued and paid-up share capital of the Company comprising 1,091,843,334 ordinary shares of RM0.50 each.

9) **Group Borrowings and Debt Securities**

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

	As at 31 March 2002		
		Foreign currency '000	RM Equivalent '000
Short term borrowing	Unsecured	USD 66,000	252,091
Short term borrowing	Unsecured	SGD 100,000	221,608
Long-term borrowings	Unsecured	USD 213,000	809,400
Long-term borrowing denominated in Ringgit Malaysia	Unsecured	-	371,870
			1,654,969

Borrowings denominated in Ringgit Malaysia represent loan from holding company, Genting Berhad.

10) **Off Balance Sheet Financial Instruments**

As at 21 May 2003, the Group has the following off balance sheet financial instruments:

(a) **Foreign Currency Contracts**

Currency	Contract Amounts '000	Transaction Dates	Expiry Dates
US Dollars	92,423	11/06/2002 to 21/05/2003	23/05/2003 to 26/04/2004

As the above foreign currency contracts are entered into to cover 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.

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

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

The Group entered into two CCS agreements, the first on the issue date of the Notes and the second on 3 August 2000. The effect of the two CCS agreements is to convert the SGD Notes into a fixed rate USD liability. The swaps terminate on the maturity of the Notes which is 26 May 2003.

The above USD liability, together with other USD borrowings, was subsequently hedged into Ringgit Malaysia using forward foreign currency contracts, which have been included in the outstanding foreign exchange contracts in note (a) above. The foreign currency exposure has been hedged to the extent permitted by the Central Bank's Exchange Control Regulations.

(c) **USD Interest Rate Swap (“IRS”)**

- (i) The Group also issued Notes for USD26 million on 16 June 2000. 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.

The swap terminates on the maturity of the loan, i.e. 16 June 2003.

- (ii) On 25 April 2001, the Group had drawdown 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:

Transaction Date	Effective Date of Commencement	Maturity Dates	Initial Contract Amounts USD '000	Outstanding Amounts USD '000
13 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
16 August 2001	25 October 2001	25/04/2005 to 25/04/2006	30,000	24,000
22 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
30 August 2001	25 October 2001	25/04/2005 to 25/04/2006	20,000	16,000
08 May 2002	25 July 2002	25/04/2005	10,000	10,000
08 May 2002	25 July 2002	25/04/2006	10,000	10,000

The above swaps effectively fix the interest rate payable on that tranche of the loan from the respective effective dates of commencement of contracts and up to their respective maturity dates as set out above.

- (iii) On 27 November 2002, the Group had drawdown a loan amounting to USD53 million which was subjected to a floating interest rate based on LIBOR.

The Group intends to enter into further interest rate swaps to manage the group’s exposure to interest rate fluctuations for the remaining portion of the loans amounting to USD113 million.

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.

The Group uses derivative financial instruments including 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. 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 contracted rates.

11) Changes in Material Litigation

There are no pending material litigations as at 21 May 2003.

12) Dividend Proposed or Declared

No dividend has been proposed or declared for the current quarter ended 31 March 2003.

13) Earnings per share (“EPS”)

- (a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are:

	<u>Current quarter RM'000</u>	<u>Current financial year-to-date RM'000</u>
Net profit for the period (used as numerator for the computation of Basic and Diluted EPS)	122,691	122,691

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and financial year-to-date are:

	<u>Current quarter Number of shares</u>	<u>Current financial year-to-date Number of shares</u>
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	1,091,843,334	1,091,843,334
Adjustment for share options granted under Tranche 2 of the New ESOS to executives	29,617	29,617
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	1,091,872,951	1,091,872,951

As at 31 March 2003, the Company has 100,000 and 14,224,000 unissued ordinary shares outstanding under the previous executive share option scheme (“previous ESOS”) and the new executive share option scheme (“new ESOS”) respectively. The previous ESOS was implemented on 26 September 1989 which expired on 25 September 1994, with options expiring on 22 September 2004 (“outstanding options”). The new ESOS became effective on 12 August 2002 for a duration of ten years expiring on 11 August 2012. The eligible executives of the Group who hold the outstanding options of the previous ESOS are allowed to participate in the new ESOS provided they surrender their outstanding options before the participation.

BY ORDER OF THE BOARD

TAN SRI LIM GOH TONG
Chairman
RESORTS WORLD BHD

28 May 2003