

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2014. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2014 RM'000	Preceding Year Corresponding Quarter 30/06/2013 RM'000	Current Year To-Date 30/06/2014 RM'000	Preceding year Corresponding Period 30/06/2013 RM'000
Revenue	360,508	290,734	693,393	633,773
Cost of sales	(214,932)	(201,350)	(392,999)	(420,994)
Gross profit	145,576	89,384	300,394	212,779
Other income	14,612	10,881	48,797	21,921
Other expenses	(69,458)	(48,827)	(116,162)	(129,209)
Profit from operations	90,730	51,438	233,029	105,491
Finance cost	(2,422)	(1,178)	(4,758)	(1,359)
Share of results in joint ventures and associates	4,643	3,034	9,379	7,547
Profit before taxation	92,951	53,294	237,650	111,679
Taxation	(22,099)	(12,755)	(62,262)	(27,843)
Profit for the financial period	70,852	40,539	175,388	83,836
Profit attributable to:				
Equity holders of the Company	69,227	42,364	170,287	86,389
Non-controlling interests	1,625	(1,825)	5,101	(2,553)
	70,852	40,539	175,388	83,836
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	9.09	5.58	22.39	11.39
- Diluted	8.63	5.58	21.32	11.39

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013)

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GENTING
PLANTATIONS

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2014 RM'000	Preceding Year Corresponding Quarter 30/06/2013 RM'000	Current Year To-Date 30/06/2014 RM'000	Preceding year Corresponding Period 30/06/2013 RM'000
Profit for the financial period	70,852	40,539	175,388	83,836
Other comprehensive income/(loss), net of tax:				
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedge	226	(1,091)	2,800	(202)
Foreign currency translation differences	<u>(54,256)</u>	<u>(1,171)</u>	<u>(885)</u>	<u>4,636</u>
	<u>(54,030)</u>	<u>(2,262)</u>	<u>1,915</u>	<u>4,434</u>
Total comprehensive income for the financial period	<u>16,822</u>	<u>38,277</u>	<u>177,303</u>	<u>88,270</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	12,879	40,610	167,531	91,335
Non-controlling interests	<u>3,943</u>	<u>(2,333)</u>	<u>9,772</u>	<u>(3,065)</u>
	<u>16,822</u>	<u>38,277</u>	<u>177,303</u>	<u>88,270</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	AS AT 30/06/2014 RM'000	Audited AS AT 31/12/2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,193,472	1,110,238
Land held for property development	158,666	162,847
Investment properties	23,282	19,424
Plantation development	1,552,922	1,504,985
Leasehold land use rights	269,143	238,702
Intangible assets	156,674	163,139
Joint ventures	44,376	37,466
Associates	21,768	24,459
Available-for-sale financial assets	104,840	106,865
Derivative financial asset	-	456
Other non-current assets	10,307	10,307
Deferred tax assets	66,015	77,644
	-----	-----
	3,601,465	3,456,532
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Current assets		
Property development costs	82,813	56,138
Inventories	101,368	89,439
Tax recoverable	9,131	19,148
Trade and other receivables	221,316	233,709
Amounts due from joint ventures, associates and other related companies	4,863	4,473
Available-for-sale financial assets	100,005	100,005
Derivative financial asset	35	-
Cash and cash equivalents	987,187	830,995
	1,506,718	1,333,907
Assets classified as held for sale	67,424	64,004
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	1,574,142	1,397,911
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TOTAL ASSETS	5,175,607	4,854,443
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(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014 *(Continued)*

	AS AT 30/06/2014 RM'000	Audited AS AT 31/12/2013 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	382,706	379,423
Reserves	3,265,659	3,046,854
	<hr/>	<hr/>
	3,648,365	3,426,277
Non-controlling interests	194,250	177,658
	<hr/>	<hr/>
Total equity	3,842,615	3,603,935
Non-current liabilities		
Borrowings	885,280	861,454
Provision for retirement gratuities	8,064	5,584
Derivative financial liability	776	1,571
Deferred tax liabilities	56,805	51,697
	<hr/>	<hr/>
	950,925	920,306
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	344,507	311,003
Amounts due to ultimate holding and other related companies	1,004	3,224
Borrowings	12,894	6,571
Derivative financial liability	1,581	4,007
Taxation	21,388	4,667
	<hr/>	<hr/>
	381,374	329,472
Liabilities classified as held for sale	693	730
	<hr/>	<hr/>
	382,067	330,202
	<hr/>	<hr/>
Total liabilities	1,332,992	1,250,508
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	5,175,607	4,854,443
	<hr/>	<hr/>
NET ASSETS PER SHARE (RM)	4.77	4.52

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	←----- Attributable to equity holders of the Company ----->											
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve RM'000	Re- valuation Reserve RM'000	Fair Value Reserve RM'000	Reserve on Exchange Differences RM'000	Cash Flow Hedge Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1 January 2014	379,423	43,382	228,879	41,804	40,679	(151,589)	(4,390)	(749)	2,848,838	3,426,277	177,658	3,603,935
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	(5,353)	2,597	-	170,287	167,531	9,772	177,303
Issue of shares upon exercise of warrants	3,283	58,405	(10,797)	-	-	-	-	-	-	50,891	-	50,891
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	3,772	3,772	8,420	12,192
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,600)	(1,600)
Buy-back of shares (Note I(e))	-	-	-	-	-	-	-	(106)	-	(106)	-	(106)
Balance at 30 June 2014	382,706	101,787	218,082	41,804	40,679	(156,942)	(1,793)	(855)	3,022,897	3,648,365	194,250	3,842,615

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014 (Continued)**

	-----> Attributable to equity holders of the Company <----->										
	Share Capital RM'000	Share Premium RM'000	Re- valuation Reserve RM'000	Fair Value Reserve RM'000	Reserve on Exchange Differences RM'000	Cash Flow Hedge Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1 January 2013	379,423	43,382	41,804	40,679	(57,599)	(3,715)	(569)	2,980,312	3,423,717	229,355	3,653,072
Total comprehensive income/(loss) for the financial period	-	-	-	-	5,357	(411)	-	86,389	91,335	(3,065)	88,270
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,280)	(1,280)
Buy-back of shares	-	-	-	-	-	-	(85)	-	(85)	-	(85)
Appropriation:											
- Special dividend paid for the financial year ended 31 December 2012 (2.75 sen less 25% tax)	-	-	-	-	-	-	-	(15,650)	(15,650)	-	(15,650)
- Final dividend payable for the financial year ended 31 December 2012 (5.50 sen less 25% tax)	-	-	-	-	-	-	-	(31,299)	(31,299)	-	(31,299)
	-	-	-	-	-	-	-	(46,949)	(46,949)	-	(46,949)
Balance at 30 June 2013	379,423	43,382	41,804	40,679	(52,242)	(4,126)	(654)	3,019,752	3,468,018	225,010	3,693,028

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	2014	2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	237,650	111,679
Adjustments for:		
Depreciation and amortisation	37,675	31,914
Finance cost	4,758	1,359
Interest income	(14,388)	(13,935)
Net unrealised exchange (gain)/loss	(5,358)	5,289
Share of results in joint ventures and associates	(9,379)	(7,547)
Other adjustments	(53)	120
	13,255	17,200
Operating profit before changes in working capital	250,905	128,879
Changes in working capital:		
Net change in current assets	(20,611)	(9,624)
Net change in current liabilities	22,742	57,988
	2,131	48,364
Cash generated from operations	253,036	177,243
Tax paid (<i>net of tax refund</i>)	(24,873)	(39,783)
Net cash generated from operating activities	228,163	137,460
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(84,182)	(87,095)
Plantation development	(42,219)	(113,250)
Leasehold land use rights	(14,131)	(4,118)
Investment properties	(4,582)	(694)
Acquisition of a subsidiary*	(33,000)	-
Capital repayment from available-for-sale financial assets	-	883
Interest received	14,388	13,935
Other investing activities	5,425	(102)
Net cash used in investing activities	(158,301)	(190,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	46,716	57,477
Proceeds from issue of shares upon exercise of warrants	50,891	-
Repayment of bank borrowings and transaction costs	-	(735)
Finance cost paid	(10,077)	(8,737)
Dividend paid	-	(15,650)
Dividend paid to non-controlling interests	(1,600)	(1,280)
Buy-back of shares	(106)	(85)
Net cash generated from financing activities	85,824	30,990
Net increase/(decrease) in cash and cash equivalents	155,686	(21,991)
Cash and cash equivalents at beginning of financial period	830,995	951,330
Effect of currency translation	506	628
Cash and cash equivalents at end of financial period	987,187	929,967

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014 (Continued)**

*** Analysis of the acquisition of a subsidiary**

Fair values of net assets acquired and net cash outflow on acquisition of a subsidiary are analysed as follows:

	RM'000
Property, plant and equipment	(32,969)
Other receivables	(31)

Identifiable net assets acquired/Purchase consideration paid	(33,000)
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This acquisition relates to the acquisition of the entire equity interest of SPC Biodiesel Sdn Bhd by GP Overseas Limited, a wholly-owned subsidiary of the Company as announced on 21 February 2014. The purchase price allocation of the acquisition was provisional as at 30 June 2014 and the Group expects to complete the final purchase price allocation exercise within the twelve-month window period from acquisition date.



**GENTING PLANTATIONS BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
- SECOND QUARTER ENDED 30 JUNE 2014**

I) Compliance with Financial Reporting Standard (“FRS”) 134 : Interim Financial Reporting

a) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The financial information for the six months period (“financial period”) ended 30 June 2014 have been reviewed by the Company’s auditor in accordance with the International Standards on Review Engagements (“ISRE”) 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013. 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 financial year ended 31 December 2013 except for the adoption of new FRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2014:

- Amendments to FRS10, Investment Entities
FRS12 and FRS 127
- Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 136 Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139 Novation of Derivatives and Continuation of Hedged Accounting
- IC Interpretation 21 Levies

The adoption of these new FRSs, amendments and IC interpretations do not have a material impact on the interim financial information of the Group.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and IC Interpretation 15 “Agreements for the Construction of Real Estate”, including its parent, significant investor and venturer (herein called “Transitioning Entities”).

Transitioning Entities were originally allowed to defer adoption of the new MFRS Framework for an additional year. On 30 June 2012, MASB decided to allow Transitioning Entities to further defer the adoption of the MFRS Framework for another year, thereby making the adoption of the MFRS Framework by Transitioning Entities mandatory for annual periods beginning on or after 1 January 2014. However, on 7 August 2013, MASB decided to extend the transitional period for another year, i.e. the adoption of the MFRS Framework by the Transitioning Entities will now be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 December 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Adjustments required on transition, if any, will be made retrospectively against opening retained earnings.

b) Seasonal or Cyclical Factors

Fresh fruit bunches ("FFB") production is seasonal in nature. Production of FFB normally peaks in the second half of the year but this cropping pattern can be affected by changes in weather conditions.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 30 June 2014.

d) Material Changes in Estimates

There were no significant changes made in estimates of amounts reported in previous financial year.

e) Changes in Debt and Equity Securities

(i) During the financial period ended 30 June 2014, the Company had purchased 10,000 ordinary shares of 50 sen each of its issued share capital from the open market for a total consideration of RM106,255. The share buy-back transactions were financed by internally generated funds. The purchased shares are held as treasury shares in accordance with the requirements of Sections 67A of the Companies Act, 1965.

(ii) During the financial period ended 30 June 2014, the paid-up share capital of the Company was increased by RM3.3 million by way of allotment and issuance of 6,566,620 new ordinary shares of 50 sen each arising from the exercise of 6,566,620 warrants.

Other than the above, there were no other issuance, cancellation, repurchase, resale or repayment of debts or equity securities for the financial period ended 30 June 2014.

f) Dividend Paid

No dividend was paid during the quarter ended 30 June 2014.

g) Segment Information

The segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker whereby the Group's business is considered from both geographical and industry perspective. The performance of the operating segments is based on a measure of adjusted earning before interest, tax, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring items from the reporting segments such as fair value gains and losses, impairment losses and assets written off. Interest income and finance costs are not included in the result for each operating segment.

Segment analysis for the financial period ended 30 June 2014 is set out below:

	Plantation		Property RM'000	Biotechnology RM'000	Others RM'000	Total RM'000
	Malaysia RM'000	Indonesia RM'000				
Revenue – external	511,501	87,558	93,436	-	898	693,393
Adjusted EBITDA	213,776	20,664	32,611	(16,370)	5,789	256,470
Assets written off and others	(140)	-	(4)	(10)	-	(154)
EBITDA	213,636	20,664	32,607	(16,380)	5,789	256,316
Depreciation and amortisation	(20,579)	(6,741)	(449)	(8,260)	(1,646)	(37,675)
Share of results in joint ventures & associates	2,448	-	6,919	-	12	9,379
	195,505	13,923	39,077	(24,640)	4,155	228,020
Interest income						14,388
Finance cost						(4,758)
Profit before taxation						237,650
Assets						
Segment Assets	1,380,801	1,769,223	373,610	278,544	222,523	4,024,701
Joint ventures	-	-	44,376	-	-	44,376
Associates	18,993	-	2,851	-	(76)	21,768
Assets classified as held for sale	-	-	67,424	-	-	67,424
	1,399,794	1,769,223	488,261	278,544	222,447	4,158,269
Interest bearing instruments						942,192
Deferred tax assets						66,015
Tax recoverable						9,131
Total assets						5,175,607
Liabilities						
Segment liabilities	108,644	92,961	138,885	5,058	10,384	355,932
Interest bearing instruments						898,174
Deferred tax liabilities						56,805
Taxation						21,388
Liabilities classified as held for sale						693
Total liabilities						1,332,992

h) Property, Plant and Equipment

During the current financial period ended 30 June 2014, acquisitions and disposals of property, plant and equipment by the Group were RM97.8 million and RM10.5 million respectively.

i) Material Events Subsequent to the End of Financial Year

There were no material events subsequent to the end of the financial period ended 30 June 2014 that have not been reflected in this interim financial report.

j) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the financial period ended 30 June 2014.

k) Changes in Contingent Liabilities or Contingent Assets

There were no significant changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2013.

l) Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 June 2014 are as follows:

	Contracted RM'000	Not Contracted RM'000	Total RM'000
(a) Group			
Property, plant and equipment	101,567	393,011	494,578
Leasehold land use rights	-	21,671	21,671
Investment properties	3,309	2,180	5,489
Plantation development	50,856	428,780	479,636
Investment in a joint venture	5,753	-	5,753
Intellectual property development	-	500	500
	161,485	846,142	1,007,627
(b) Share of capital commitment in joint ventures			
Property, plant and equipment	-	234	234
Investment properties	2,227	1,356	3,583
	2,227	1,590	3,817
Total	163,712	847,732	1,011,444

m) Significant Related Party Transactions

Significant related party transactions which were entered into on agreed terms and prices for the financial period ended 30 June 2014 are set out below:

	Current Quarter 2Q 2014 RM'000	Current Financial Year-To-Date RM'000
i) Provision of shared services in relation to secretarial, tax, treasury and other services by Genting Berhad.	387	764
ii) Letting of office space and provision of related services by Oakwood Sdn Bhd.	619	1,246
iii) Purchase of air-tickets, hotel accommodation and other related services from Genting Malaysia Berhad.	22	45
iv) Provision of information technology and system implementation services and rental of equipment by eGenting Sdn Bhd and Genting Information Knowledge Enterprise Sdn Bhd.	1,054	1,788
v) Provision of management services to Genting Simon Sdn Bhd by Genting Awanpura Sdn Bhd.	106	204

(n) Fair Value of Financial Instruments

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at 30 June 2014, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

RM'000	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale financial assets	-	100,005	104,840	204,845
Derivative financial instruments	-	35	-	35
	<u>-</u>	<u>100,040</u>	<u>104,840</u>	<u>204,880</u>
Financial liabilities				
Derivative financial instruments	-	2,357	-	2,357

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the previous financial year ended 31 December 2013.

The following table presents the changes in financial instruments classified within Level 3:

<u>Available-for-sale financial assets</u>	RM'000
As at 1 January 2014	106,865
Foreign exchange differences	(2,025)
As at 30 June 2014	<u>104,840</u>

There have been no transfers between the levels of the fair value hierarchy during the current financial period ended 30 June 2014.



ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – SECOND QUARTER ENDED 30 JUNE 2014

II) Compliance with Appendix 9(B) of Bursa Securities Listing Requirements

1) Performance Analysis

The results of the Group are tabulated below:

RM' Million	CURRENT QUARTER		%	PRECEDING QUARTER		%	FINANCIAL YEAR-TO-DATE	
	2014	2013		1Q 2014	1H 2014		1H 2013	
Revenue								
Plantation - Malaysia	262.9	208.5	+26	248.6	+6	511.5	423.1	+21
- Indonesia	46.2	26.4	+75	41.4	+12	87.6	40.9	>100
Property	51.4	55.8	-8	42.0	+22	93.4	169.8	-45
Others	-	-	-	0.9	-	0.9	-	-
	360.5	290.7	+24	332.9	+8	693.4	633.8	+9
Profit before tax								
Plantation								
- Malaysia	101.5	53.1	+91	112.3	-10	213.8	98.5	>100
- Indonesia	7.1	2.6	>100	13.6	-48	20.7	2.6	>100
Property	16.7	16.4	+2	15.9	+5	32.6	41.4	-21
Biotechnology	(8.1)	(6.3)	+29	(8.3)	-2	(16.4)	(12.1)	+35
Others	(15.2)	(4.9)	>100	21.0	-	5.8	(6.8)	-
Adjusted EBITDA	102.0	60.9	+67	154.5	-34	256.5	123.6	>100
Assets written off and others	(0.2)	(0.1)	+100	-	-	(0.2)	(0.1)	+100
EBITDA	101.8	60.8	+67	154.5	-34	256.3	123.5	>100
Depreciation and amortisation	(19.0)	(16.4)	+16	(18.7)	+2	(37.7)	(31.9)	+18
Interest income	7.9	7.0	+13	6.5	+22	14.4	13.9	+4
Finance cost	(2.5)	(1.2)	>100	(2.3)	+9	(4.8)	(1.4)	>100
Share of results in joint ventures and associates	4.7	3.1	+52	4.7	-	9.4	7.6	+24
Profit before tax	92.9	53.3	+74	144.7	-36	237.6	111.7	>100

The Group's revenue increased in the second quarter ("2Q 2014") and first half of 2014 ("1H 2014") from the corresponding periods of the previous year, underpinned by stronger palm product selling prices and higher FFB production registered by the Malaysia and Indonesia plantation segments, although Property segment revenue was affected by lower land sales.

CPO prices were generally stronger in 1H 2014 as market sentiment was bolstered by a tightening of Malaysian palm oil inventory levels as well as concerns over potentially adverse weather-related effects on production. Accordingly, the Group achieved average CPO prices of RM2,583/mt and RM2,619/mt in 2Q 2014 and 1H 2014 respectively, representing year-on-year growth of 11% and 13%. PK prices were considerably higher year-on-year, averaging at RM1,967/mt and RM1,981/mt for 2Q and 1H 2014 periods respectively, up 62% and 67%.

1) **Performance Analysis (Continued)**

Group FFB production in 2Q 2014 and 1H 2014 surpassed the levels of the previous corresponding periods by 20% and 11% respectively, underpinned by a marked increase in output from Indonesia as more planted areas reached maturity and existing harvesting areas progressed into higher yielding brackets while Sabah region estates also posted a recovery in yield.

	Current Quarter			Year-To-Date		
	2014	2013	Change %	2014	2013	Change %
Average Selling Price/tonne (RM)						
o Crude Palm Oil	2,583	2,325	+11	2,619	2,309	+13
o Palm Kernel	1,967	1,216	+62	1,981	1,188	+67
Production (MT'000)						
o Fresh Fruit Bunches	374	312	+20	751	676	+11

EBITDA for the Plantation segment, covering both Malaysia and Indonesia, rose significantly year-on-year in 2Q and 1H 2014 on account of the improved yield and better palm product selling prices. In addition, EBITDA margin also widened on the back of reduced overall input costs owing to substantially lower fertiliser prices while other input costs remained generally steady.

Despite lower revenue, the Property segment's EBITDA was higher in 2Q 2014 compared with the same period last year mainly due to differences in the sales mix. For 1H 2014, the year-on-year decline in EBITDA was in line with the drop in revenue which reflects the absence of sizable land sales.

The Biotechnology segment's LBITDA increased in the 2Q and 1H 2014 periods, in line with increased research and development activities.

The Group's EBITDA in 2Q 2014 was moderated by unrealised exchange losses of RM14.8 million arising from the weakening of the Indonesia Rupiah ("IDR") on U.S. Dollar ("USD") denominated borrowings, which have been included in the "Others" category. Notwithstanding the depreciation in 2Q, the IDR trended generally higher during the year-to-date period, resulting in unrealised exchange gains of RM5.9 million for the Group in 1H 2014.

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

Pre-tax profit was lower in 2Q 2014 against the previous quarter as palm product selling prices retreated and FFB production eased moderately while fertiliser expenditure incurred was higher as manuring was stepped up in view of more favourable weather conditions.

In addition, pre-tax profit was also affected by the aforementioned unrealised exchange losses.

	2Q 2014	1Q 2014	Change %
Average Selling Price/tonne (RM)			
o Crude Palm Oil	2,583	2,659	-3
o Palm Kernel	1,967	1,994	-1
Production (MT'000)			
o Fresh Fruit Bunches	374	377	-1

3) **Prospects**

For the second half of the year, the Group's performance will continue to be influenced by external developments, including world palm oil price movements, the impact of changes in weather conditions on crop production trends, property market conditions, input cost factors as well as currency exchange rates.

The Group's FFB production growth, having increased year-to-date by a double-digit percentage, will continue to be primarily determined by the performance of the estates in Indonesia as young areas progress into higher yielding brackets and additional plantings mature over the course of the remainder of the year. Nevertheless, the Group's Peninsular Malaysia estates may be affected in the latter part of the year by the lagged impact on production arising from the dry weather experienced earlier in 2014.

Meanwhile, for the Property segment, the Group will remain focused on development in Johor, where new residential property offerings are expected to be launched in the coming months to cater to market demand.

The Biotechnology segment will continue to enhance and leverage its R&D capabilities for the application of its crop improvement solutions.

4) **Variance of Actual Profit from Forecast Profit**

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

5) **Taxation**

Tax charge for the current quarter and financial year-to-date are set out below:

	Current Quarter 2Q 2014 RM'000	Current Financial Year-To-Date RM'000
Current taxation:		
- Malaysian income tax charge	22,920	51,638
- Deferred tax (reversal)/charge	(820)	10,653
	-----	-----
	22,100	62,291
Prior year's taxation:		
- Income tax over provided	(1)	(29)
	-----	-----
	22,099	62,262
	=====	=====

The effective tax rate for the current quarter was lower than the statutory tax rate mainly caused by utilisation of tax incentives. The effective tax rate for the financial year-to-date was higher than the statutory tax rate mainly due to tax losses of certain subsidiaries where deferred tax assets have not been recognised.

6) **Profit before taxation**

Profit before taxation has been determined after inclusion of the following charges and credits:

	Current Quarter 2Q 2014 RM'000	Current Financial Year-To-Date RM'000
Charges:		
Finance cost	2,422	4,758
Depreciation and amortisation	18,940	37,675
Write-off of receivables	53	53
	=====	=====
Credits:		
Interest income	7,833	14,388
Investment income	820	1,617
Gain on disposal of property, plant and equipment	153	153
Net foreign exchange (loss)/gain	(16,517)	3,246
	=====	=====

Other than the above, there were no provision for and write off of inventories, no gain or loss on disposal of quoted or unquoted investments, impairment of assets and gain or loss on derivatives for the current quarter and financial period ended 30 June 2014.

7) **Status of Corporate Proposals Announced**

Joint venture for the development and cultivation of oil palm plantation of approximately 69,000 hectares located at Kabupaten Kapuas and Barito Selatan, Kalimantan Tengah, Republic of Indonesia ("Joint Venture")

With reference to the Company's announcement dated 13 April 2012, 5 July 2012, 3 October 2012, 9 October 2012, 29 March 2013 and 27 September 2013 in respect of the Joint Venture, the Company had on 27 March 2014 announced that both parties under the Joint Venture have mutually agreed to extend the undertaking by Global Agrindo Investment Company Limited ("Vendor") to deliver the Additional Planted Area of 2,982 ha and to procure all necessary permits for another six months to not later than 27 September 2014.

The parties in the Conditional Sale and Purchase Agreement ("PT UAI CSPA") in relation to the proposed acquisition of 95% equity interest in PT United Agro Indonesia by Universal Agri Investment Pte Ltd from affiliates of the Vendor had on 27 March 2014, at the request of the affiliates of the Vendor, mutually agreed to extend the period for fulfillment of the obligations to obtain all requisite licenses, permits or approvals for a further period of six months to not later than 18 September 2014.

The PT UAI CSPA is still conditional as at 20 August 2014.

8) Group Borrowings and Debt Securities

The details of the Group's borrowings as at 30 June 2014 are set out below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Borrowings			
<u>Non-current</u>			
Term loans denominated in:			
United States Dollars (USD274,630,306)	885,280	-	885,280
<u>Current</u>			
Term loans denominated in:			
United States Dollars (USD4,000,000)	12,894	-	12,894
	898,174	-	898,174
	=====	=====	=====

The Group does not have any debt securities as at 30 June 2014.

9) Outstanding Derivatives

As at 30 June 2014, the maturity analysis of the outstanding derivatives of the Group are summarised as follows:

Types of Derivative	Contract/Notional Value RM'000	Fair Value Assets/(Liabilities) RM'000
<u>Interest Rate Swaps</u>		
USD	64,470	
- 1 year to 3 years		(443)
- More than 3 years		407
<u>Interest Rate Capped Libor-In-Arrears Swap</u>		
USD	193,410	
- Less than 1 year		(1,581)
- 1 year to 3 years		(740)
<u>Forward Foreign Currency Exchange</u>		
USD	25,687	
- Less than 1 year		35

There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 December 2013:

- the credit risk, market risk and liquidity risk associated with those financial derivatives;
- the cash requirements of the financial derivatives; and
- the policy in place for mitigating or controlling the risks associated with those financial derivatives.

10) Fair Value Changes of Financial Liabilities

As at 30 June 2014, the Group does not have any financial liabilities measured at fair value through profit or loss.

11) Changes in Material Litigation

On the status of the legal suit No. K22-245 of 2002 with regards to the claim for Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah, the Court of Appeal had on 9 June 2011, upheld the decision of the High Court and dismissed the Plaintiffs' appeal against the preliminary objection raised by the Defendants (the "Court of Appeal's Ruling").

Subsequently, the Plaintiffs had filed a motion for leave to appeal before the Federal Court against the Court of Appeal's Ruling ("Federal Court Appeal") and the Federal Court granted the Plaintiffs leave for appeal on 25 July 2011.

The Federal Court had on 24 November 2011 heard and allowed the Federal Court Appeal. The Federal Court further ordered that the matter be remitted to the High Court to hear the Appeal for the Application to Strike Out.

The High Court had on 13 March 2012 dismissed the Appeal for Application to Strike Out with cost ("High Court Decision") and ordered the parties to proceed with trial. Subsequently, the Company and Genting Tanjung Bahagia Sdn Bhd being the Second and Third Defendants respectively had on 17 April 2012 filed a Notice of Appeal against the High Court Decision. The Court of Appeal heard the appeal on 8 May 2013. On 9 May 2013, the Court of Appeal dismissed the appeal. The Defendants' motion for leave to appeal to the Federal Court was dismissed with costs on 25 February 2014 and the Federal Court directed that trial at the High Court should continue.

On an application by the Plaintiffs, the High Court has allowed the Plaintiffs' application to amend the Statement of Claim and for joinder of 3 additional parties as the Sixth, Seventh and Eighth Defendants, namely the Assistant Collector of Land Revenue, Tongod, the Registrar of Titles and Assistant Collector of Land Revenues, Kota Kinabatangan.

The High Court had proceeded with trial since 26 November 2012 and the trial is still ongoing.

Other than above, there have been no changes to the status of the aforesaid litigation as at 20 August 2014.

12) Dividend Proposed or Declared

- a) i) An interim single-tier dividend of 3 sen per ordinary share of 50 sen each in respect of the financial year ending 31 December 2014 has been declared by the Directors.
- ii) The interim dividend declared and paid for the previous year's corresponding period was 3.75 sen per ordinary share of 50 sen each, less 25% tax.
- iii) The interim single-tier dividend shall be payable on 17 October 2014.
- iv) Entitlement to the interim single-tier dividend :-

A Depositor shall qualify for entitlement to the interim single-tier dividend only in respect of:

- o Shares transferred into the Depositor's Securities Account before 4.00 p.m on 30 September 2014 in respect of ordinary transfer; and
 - o Shares bought on the Bursa Securities on a cum entitlement basis according to the Main Market Listing Requirements of Bursa Securities.
- b) The total single-tier dividend payable for the financial year ending 31 December 2014 is 3 sen per ordinary share of 50 sen each.

13) **Earnings per Share**

	Current Quarter 2Q 2014	Current Financial Year-To-Date
a) Basic earnings per share		
Profit for the financial period attributable to equity holders of the Company (RM'000)	69,227	170,287
	=====	=====
Weighted average number of ordinary shares in issue ('000)	761,852	760,531
	=====	=====
Basic earnings per share (sen)	9.09	22.39
	=====	=====
b) Diluted earnings per share		
Profit for the financial period attributable to equity holders of the Company (RM'000)	69,227	170,287
	=====	=====
Adjusted weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue ('000)	761,852	760,531
Adjustment for potential conversion of warrants ('000)	39,969	38,040
	801,821	798,571
	=====	=====
Diluted earnings per share (sen)	8.63	21.32
	=====	=====

14) **Realised and Unrealised Profits/Losses**

The breakdown of the retained profits of the Group as at 30 June 2014, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at the end of current quarter RM'000	As at the end of last financial year RM'000
Total retained profits of Genting Plantations Berhad and its subsidiaries:		
- Realised	4,527,558	4,345,849
- Unrealised	(61,044)	(48,570)
	<u>4,466,514</u>	<u>4,297,279</u>
Total share of retained profits/(accumulated losses) from associates:		
- Realised	20,300	22,981
- Unrealised	(655)	(655)
Total share of retained profits/(accumulated losses) from joint ventures:		
- Realised	23,536	16,625
- Unrealised	-	-
	<u>4,509,695</u>	<u>4,336,230</u>
Less: Consolidation adjustments	<u>(1,486,798)</u>	<u>(1,487,392)</u>
Total Group retained profits as per consolidated accounts	<u>3,022,897</u>	<u>2,848,838</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

15) *Disclosure of Audit Report Qualification and Status of Matters Raised*

The audit report of the Group's annual financial statements for the financial year ended 31 December 2013 did not contain any qualification.

16) *Authorisation of Interim Financial Statements*

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 August 2014.