Quarterly rpt on consolidated results for the financial period ended 30 Jun 2017

GENTING PLANTATIONS BERHAD

Financial Year End	31 Dec 2017
Quarter	2 Qtr
Quarterly report for the financial period ended	30 Jun 2017
The figures	have not been audited

Attachments

GENP 2Q 2017 Press Release.pdf
181.9 kB

GENP G-ANN 2Q17 FINAL.pdf
334.0 kB

Remarks :
A Press Release by the Company in connection with the 2017 Second Quarterly Report is attached above.

The comparatives have been restated following the change in accounting policy for bearer plants.

Default Currency | **Other Currency**

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION
30 Jun 2017

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
		$$'000	$$'000	$$'000	$$'000
1	Revenue	446,245	309,123	846,469	569,995
2	Profit/(loss) before tax	103,846	39,700	210,841	67,059
3	Profit/(loss) for the period	76,072	28,048	153,577	47,578
4	Profit/(loss) attributable to ordinary equity holders of the parent	70,978	33,933	143,508	54,807
5	Basic earnings/(loss) per share (Subunit)	8.93	4.32	17.94	6.97
6	Proposed/Declared dividend per share (Subunit)	5.50	2.00	5.50	2.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent ($$)	5.3700		5.3900	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name	GENTING PLANTATIONS BERHAD
Stock Name	GENP
Date Announced	23 Aug 2017
Category	Financial Results

PRESS RELEASE **For Immediate Release**

GENTING PLANTATIONS REPORTS FIRST HALF 2017 FINANCIAL RESULTS

KUALA LUMPUR, Aug 23 – Genting Plantations Berhad today reported its financial results for the first half ended 30 June 2017, with pre-tax profit at RM210.8 million, a more than threefold increase from the corresponding period of the previous year.

Revenue rose 49% from the same period a year earlier to RM846.5 million. Earnings per share more than doubled year-on-year to 17.94 sen.

The higher revenue was underpinned by stronger palm product selling prices, higher fresh fruit bunch ("FFB") production as well as higher sales of biodiesel and refined palm products. However, for the Plantation-Malaysia segment, these positive elements did not translate entirely into external sales as most of its crude palm oil ("CPO") from Sabah operations were sold to the Group's refinery operations since January 2017.

The Property segment revenue was affected by lower sales amid the soft market conditions.

Overall, the Group achieved higher palm product selling prices year-on-year in 1H 2017, with an average CPO and palm kernel price of RM2,861/mt and RM2,513/mt respectively.

In terms of FFB production, the continued recovery from the weather-induced decline experienced in the previous year along with the better age profile and newly-matured areas for Plantation – Indonesia segment, gave rise to a 34% year-on-year increase in 1H 2017.

EBITDA for the Plantation segment, covering both Malaysia and Indonesia operations, improved in 1H 2017 from the corresponding period of the previous year, underpinned by the higher palm products selling prices and higher FFB production.

Property segment's EBITDA continued to trail the previous year's level, weighed down by the lower property sales.

The Biotechnology segment incurred a lower loss in tandem with its lower research and development spending year-on-year.

The Downstream Manufacturing segment contributed positively to the Group's EBITDA as a result of higher sales and capacity utilisation from its operations.

Changes in the "Others" category mainly reflect the impact of changes in the foreign currency translation position arising from the foreign exchange movements.

In addition to the above, the Group has changed its accounting policy for bearer plants or oil palm trees in accordance with the requirements of FRS 116 "Property, Plant and Equipment".

For the rest of 2017, the Group's performance will largely be contingent on the performance of the Plantation segment, which in turn tracks the movements in palm product prices and crop production.

Based on the crop trend observed in 1H 2017 and barring any weather anomalies, the Group expects a continued year-on-year recovery in 2H 2017 particularly from our Indonesian estates as a result of additional newly-mature areas and the progression of existing mature areas into higher yielding brackets. However, the growth in output from our Malaysian estates is expected to be moderated by the escalation of replanting activities.

Overall, the property market is expected to remain soft in 2H 2017 and given this environment, the Group will align its new launches to meet market demand with particular focus on the affordable residential segment which is less affected by the challenging market conditions. The Group's second Premium Outlets, Genting Highlands Premium Outlets, which opened in mid-June 2017 has been attracting a high number of shoppers and is expected to do well in its maiden year of operations.

The Biotechnology segment will continue to leverage on its discoveries for the development of solutions and applications within specific targeted areas for prospective commercial value creation.

For the Downstream Manufacturing segment, continued efforts are being made to extend the market reach for its products and to improve the capacity utilisation of the Group's maiden palm oil refinery. Concurrently, the Group will continue with the production of biodiesel to cater to Malaysia's mandatory B7 biodiesel programme.

The Board of Directors declared an interim single-tier dividend of 5.5 sen per ordinary share. In comparison, the interim single-tier dividend declared for the corresponding period of 2016 amounted to 2.0 sen per ordinary share.

A summary of the quarterly results is shown in Table 1.

TABLE 1:

RM' Million	2Q 2017	2Q 2016 Restated	%	1H 2017	1H 2016 Restated	%
Revenue						
Plantation - Malaysia	225.3	202.1	*+11*	446.7	350.4	*+27*
Plantation – Indonesia	120.5	54.8	*>100*	259.8	108.8	*>100*
Property	28.7	29.3	*-2*	49.5	64.3	*-23*
Downstream Manufacturing	196.6	22.9	*>100*	322.5	46.5	*>100*
	571.1	309.1	*+85*	1,078.5	570.0	*+89*
Inter segment	(124.8)	-	-	(232.0)	-	
Revenue - external	446.3	309.1	*+44*	846.5	570.0	*+49*
Adjusted EBITDA						
Plantation						
-Malaysia	101.5	73.4	*+38*	188.2	128.5	*+46*
-Indonesia	41.1	(0.5)	-	100.1	11.8	*>100*
Property	5.7	6.6	*-14*	10.4	18.0	*-42*
Biotechnology	(2.4)	(6.1)	*+61*	(5.5)	(11.1)	*+50*
Downstream Manufacturing	2.7	0.3	*>100*	2.3	(0.1)	-
Others	(0.3)	9.9	-	1.8	5.1	*-65*
	148.3	83.6	*+77*	297.3	152.2	*+95*
Profit before tax	103.8	39.7	*>100*	210.8	67.1	*>100*
Profit for the financial period	76.1	28.0	*>100*	153.6	47.6	*>100*
Basic EPS (sen)	8.93	4.32	*>100*	17.94	6.97	*>100*

About Genting Plantations Berhad

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 64,600 hectares in Malaysia and some 163,000 hectares in Indonesia held through joint ventures. It owns seven oil mills in Malaysia and three in Indonesia, with a total milling capacity of 490 metric tonnes per hour. In addition, the Group has ventured into the manufacturing of downstream palm-based products.

Genting Plantations has also diversified into property development to unlock the value of its strategically-located landbank and has invested significantly in biotechnology in a major effort to apply genomics to increase crop productivity and sustainability.

For more information, visit www.gentingplantations.com

~ END OF RELEASE ~

GENTING PLANTATIONS

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2017. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2017 RM'000	Preceding Year Corresponding Quarter 30/06/2016 RM'000 Restated	Current Year To-Date 30/06/2017 RM'000	Preceding year Corresponding Period 30/06/2016 RM'000 Restated
Revenue	**446,245**	309,123	**846,469**	569,995
Cost of sales	**(305,473)**	(229,762)	**(561,707)**	(417,147)
Gross profit	**140,772**	79,361	**284,762**	152,848
Other income	**23,328**	17,714	**45,755**	39,540
Other expenses	**(51,143)**	(46,267)	**(101,323)**	(103,536)
Profit from operations	**112,957**	50,808	**229,194**	88,852
Finance cost	**(16,678)**	(16,465)	**(31,961)**	(33,334)
Share of results in joint ventures and associates	**7,567**	5,357	**13,608**	11,541
Profit before taxation	**103,846**	39,700	**210,841**	67,059
Taxation	**(27,774)**	(11,652)	**(57,264)**	(19,481)
Profit for the financial period	**76,072**	28,048	**153,577**	47,578
Profit/(loss) attributable to:				
Equity holders of the Company	**70,978**	33,933	**143,508**	54,807
Non-controlling interests	**5,094**	(5,885)	**10,069**	(7,229)
	76,072	28,048	**153,577**	47,578
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	**8.93**	4.32	**17.94**	6.97
- Diluted	**8.61**	4.17	**17.29**	6.71

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2017 RM'000	Preceding Year Corresponding Quarter 30/06/2016 RM'000 Restated	Current Year To-Date 30/06/2017 RM'000	Preceding year Corresponding Period 30/06/2016 RM'000 Restated
Profit for the financial period	**76,072**	28,048	**153,577**	47,578
Other comprehensive income/(loss), net of tax:				
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedge	**(1,276)**	(121)	**322**	(2,751)
Foreign currency translation differences	**(40,810)**	33,576	**(33,959)**	(34,498)
	(42,086)	33,455	**(33,637)**	(37,249)
Total comprehensive income/(loss) for the financial period	**33,986**	61,503	**119,940**	10,329
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	**31,407**	71,519	**112,431**	16,621
Non-controlling interests	**2,579**	(10,016)	**7,509**	(6,292)
	33,986	61,503	**119,940**	10,329

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	AS AT 30/06/2017 RM'000	AS AT 31/12/2016 RM'000 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	**3,812,213**	3,811,281
Land held for property development	**251,576**	254,825
Investment properties	**25,219**	25,517
Leasehold land use rights	**488,869**	495,758
Intangible assets	**33,468**	34,628
Joint ventures	**89,292**	77,894
Associates	**12,710**	12,501
Available-for-sale financial assets	**137,141**	143,170
Other non-current assets	**14,361**	14,361
Deferred tax assets	**91,752**	92,556
	4,956,601	4,962,491
Current assets		
Property development costs	**48,038**	50,006
Inventories	**187,538**	174,278
Tax recoverable	**10,781**	13,112
Trade and other receivables	**381,074**	504,758
Amounts due from joint ventures, associates and other related companies	**2,884**	4,139
Derivative financial assets	**930**	424
Available-for-sale financial assets	**500,001**	500,006
Cash and cash equivalents	**1,478,166**	1,260,266
	2,609,412	2,506,989
Assets classified as held for sale	**-**	6,034
	2,609,412	2,513,023
TOTAL ASSETS	**7,566,013**	7,475,514

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017 *(Continued)*

	AS AT 30/06/2017 RM'000	AS AT 31/12/2016 RM'000 Restated
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**840,764**	397,019
Reserves	**3,472,604**	3,883,906
	----------------	----------------
	4,313,368	4,280,925
Non-controlling interests	**259,746**	255,380
	----------------	----------------
Total equity	**4,573,114**	4,536,305
Non-current liabilities		
Borrowings	**2,326,107**	2,315,708
Provision for retirement gratuities	**14,201**	12,469
Derivative financial liability	**2,679**	2,073
Deferred tax liabilities	**149,155**	143,357
Deferred income	**8,493**	8,493
	----------------	----------------
	2,500,635	2,482,100
	----------------	----------------
Current liabilities		
Trade and other payables	**340,145**	412,350
Amounts due to ultimate holding and other related companies	**1,704**	2,072
Borrowings	**130,588**	29,097
Derivative financial liabilities	**151**	574
Taxation	**19,676**	13,016
	----------------	----------------
	492,264	457,109
	----------------	----------------
Total liabilities	**2,992,899**	2,939,209
	----------------	----------------
TOTAL EQUITY AND LIABILITIES	**7,566,013**	7,475,514
	==========	==========
NET ASSETS PER SHARE (RM)	**5.37**	5.39

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	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
At 1 January 2017, as previously reported	**397,019**	**356,384**	**171,015**	**18,063**	**40,679**	**13,135**	**(1,279)**	**(1,372)**	**3,681,890**	**4,675,534**	**289,688**	**4,965,222**
Effect of change in accounting policy (see Note I(a))	-	-	-	-	-	(10,191)	-	-	(384,418)	(394,609)	(34,308)	(428,917)
At 1 January 2017, as restated	**397,019**	**356,384**	**171,015**	**18,063**	**40,679**	**2,944**	**(1,279)**	**(1,372)**	**3,297,472**	**4,280,925**	**255,380**	**4,536,305**
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	(31,506)	429	-	143,508	112,431	7,509	119,940
Issue of shares upon exercise of warrants	73,353	14,008	(15,290)	-	-	-	-	-	-	72,071	-	72,071
Transfer from share premium (see Note below)	370,392	(370,392)	-	-	-	-	-	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	-	-	(1,345)	(1,345)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,798)	(1,798)
Appropriation:												
- Special single-tier dividend paid for the financial year ended 31 December 2016 (11 sen)	-	-	-	-	-	-	-	-	(87,805)	(87,805)	-	(87,805)
- Final single-tier dividend paid for the financial year ended 31 December 2016 (8 sen)	-	-	-	-	-	-	-	-	(64,254)	(64,254)	-	(64,254)
	-	-	-	-	-	-	-	-	(152,059)	(152,059)	-	(152,059)
Balance at 30 June 2017	**840,764**	**-**	**155,725**	**18,063**	**40,679**	**(28,562)**	**(850)**	**(1,372)**	**3,288,921**	**4,313,368**	**259,746**	**4,573,114**

Note : With the Companies Act 2016 ("the Act") that came into effect on 31 January 2017, the credit standing in the share premium account of RM370.4 million has been transferred to share capital account. Pursuant to subsection 618(3) of the Act, the Group may exercise its right to use the amount standing to the credit of its share premium within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon before 31 January 2019.

(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 2016)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017 *(Continued)*

	<------ 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
At 1 January 2016, as previously reported	391,331	255,205	189,720	33,973	40,679	(39,802)	(1,058)	(1,155)	3,350,418	4,219,311	285,280	4,504,591
Effect of change in accounting policy (see Note I(a))	-	-	-	-	-	(3,461)	-	-	(355,143)	(358,604)	(19,560)	(378,164)
At 1 January 2016, as restated	391,331	255,205	189,720	33,973	40,679	(43,263)	(1,058)	(1,155)	2,995,275	3,860,707	265,720	4,126,427
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	(36,984)	(1,202)	-	54,807	16,621	(6,292)	10,329
Issue of shares upon exercise of warrants	4,443	79,034	(14,611)	-	-	-	-	-	-	68,866	-	68,866
Transfer due to realisation of revaluation reserve	-	-	-	(1,326)	-	-	-	-	1,326	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,457)	(1,457)
Buy-back of shares	-	-	-	-	-	-	-	(109)	-	(109)	-	(109)
Appropriation:												
- Final single-tier dividend paid for the financial year ended 31 December 2015 (3 sen)	-	-	-	-	-	-	-	-	(23,742)	(23,742)	-	(23,742)
Balance at 30 June 2016	395,774	334,239	175,109	32,647	40,679	(80,247)	(2,260)	(1,264)	3,027,666	3,922,343	257,971	4,180,314

(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 2016)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

	2017 RM'000	2016 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**210,841**	67,059
Adjustments for:		
Depreciation and amortisation	**87,783**	85,236
Finance cost	**31,961**	33,334
Interest income	**(20,196)**	(22,673)
Investment income	**(8,731)**	(9,775)
Net unrealised exchange loss	**7,554**	5,647
Share of results in joint ventures and associates	**(13,608)**	(11,541)
Gain on disposal of subsidiaries	**(640)**	-
Write off of receivables	**2,711**	-
Other adjustments	**2,559**	1,231
	89,393	81,459
Operating profit before changes in working capital	**300,234**	148,518
Changes in working capital:		
Net change in current assets	**127,704**	16,043
Net change in current liabilities	**(39,262)**	26,850
	88,442	42,893
Cash generated from operations	**388,676**	191,411
Tax paid *(net of tax refund)*	**(40,497)**	(30,685)
Net cash generated from operating activities	**348,179**	160,726
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(153,848)**	(228,548)
Leasehold land use rights	**(44,955)**	(8,076)
Land held for property development	**(4,341)**	(9,537)
Interest received	**20,196**	22,673
Investment income	**8,731**	9,775
Proceeds received from disposal of subsidiaries	**14,507**	-
Proceeds from disposal of property, plant and equipment	**93**	431
Dividend received from associates	**2,000**	2,000
Net cash used in investing activities	**(157,617)**	(211,282)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017 *(Continued)*

	2017 RM'000	2016 RM'000 Restated
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	**177,044**	170,901
Proceeds from issue of shares upon exercise of warrants	**72,071**	68,866
Repayment of bank borrowings and transaction costs	**(11,010)**	(428,353)
Finance cost paid	**(46,577)**	(41,291)
Dividend paid	**(152,059)**	-
Dividend paid to non-controlling interests	**(1,798)**	(1,457)
Buy-back of shares	**-**	(109)
Net cash generated from financing activities	**37,671**	(231,443)
Net increase in cash and cash equivalents	**228,233**	(281,999)
Cash and cash equivalents at beginning of financial period	**1,260,266**	1,424,897
Effect of currency translation	**(10,333)**	(6,611)
Cash and cash equivalents at end of financial period	**1,478,166**	1,136,287

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016)

GENTING PLANTATIONS

GENTING PLANTATIONS BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
- SECOND QUARTER ENDED 30 JUNE 2017

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 FRS 134 "Interim Financial Reporting" and paragraph 9.22 of Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements. The financial information for the current quarter and six months ended 30 June 2017 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 2016. 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 2016 except for the adoption of new FRSs and amendments that are mandatory for the Group for the financial year beginning 1 January 2017 and the change in accounting policy as disclosed below:

- Amendments to FRS 107 "Statement of Cash Flows" – Disclosure Initiative.

- Amendments to FRS 112 "Income Taxes" – Recognition of Deferred Tax Assets for Unrealised Losses.

The adoption of these new FRSs and amendments did not have any material impact on the interim financial information of the Group.

Change in Accounting Policy

During the current quarter, the Group has changed its accounting policy for bearer plants to be in accordance with the accounting requirements of FRS 116 "Property, Plant and Equipment". A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Prior to the change in accounting policy, the Group adopted the capital maintenance model on its bearer plants (i.e. oil palm trees) where all new planting expenditure (also termed as plantation development expenditure) incurred from the stage of land clearing up to the stage of maturity was capitalised and not depreciated. Replanting expenditure was charged to profit or loss in the financial year in which the expenditure was incurred.

Under the revised accounting policy, bearer plants are classified as property, plant and equipment and are accounted for in the same way as self-constructed items of property, plant and equipment. Plantation development and replanting expenditures are capitalised at cost and depreciated on a straight-line basis over its useful life of 20 – 22 years from the date of maturity. The bearer plants are subsequently measured at cost less accumulated depreciation and accumulated impairment loss, if any. The new accounting policy is more aligned with the underlying principle in the revised standard, Agriculture: Bearer Plants (Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture) issued under the Malaysian Financial Reporting Standards ("MFRS") Framework.

The change in accounting policy has been applied retrospectively and comparatives were restated. The change has resulted in additional depreciation charges to profit or loss in the current and previous quarters. The replanting expenditure that was charged to profit or loss in the previous quarters as other expenses is reversed and capitalised under property, plant and equipment. The corresponding tax impacts have been accounted for.

<u>Change in Accounting Policy</u> *(Continued)*

Plantation development expenditure has been reclassified to property, plant and equipment on the condensed consolidated statement of financial position.

Cash flows from replanting expenditures which were previously classified as part of operating activities are classified as part of investing activities in the statement of cash flows under the new accounting policy.

The effects of the change in accounting policy on the comparatives are as follows:

	As previously reported RM'000	**Adjustments** RM'000	**Restated** RM'000
Condensed Consolidated Income Statement			
<u>Quarter ended 31 March 2017</u>			
Cost of Sales	(236,030)	(20,204)	(256,234)
Other expenses	(54,923)	4,743	(50,180)
Profit before taxation	122,456	(15,461)	106,995
Taxation	(33,805)	4,315	(29,490)
Profit for the financial period	88,651	(11,146)	77,505
Profit/(loss) attributable to:			
Equity holders of the Company	80,059	(7,529)	72,530
Non-controlling interests	8,592	(3,617)	4,975
Earnings per share (sen):			
- Basic	10.04	(0.94)	9.10
- Diluted	9.68	(0.91)	8.77
<u>Quarter ended 30 June 2016</u>			
Cost of Sales	(212,016)	(17,746)	(229,762)
Other expenses	(51,507)	5,240	(46,267)
Profit before taxation	52,206	(12,506)	39,700
Taxation	(14,664)	3,012	(11,652)
Profit for the financial period	37,542	(9,494)	28,048
Profit/(loss) attributable to:			
Equity holders of the Company	40,831	(6,898)	33,933
Non-controlling interests	(3,289)	(2,596)	(5,885)
Earnings per share (sen):			
- Basic	5.20	(0.88)	4.32
- Diluted	5.01	(0.84)	4.17
<u>Six months ended 30 June 2016</u>			
Cost of Sales	(382,222)	(34,925)	(417,147)
Other expenses	(114,822)	11,286	(103,536)
Profit before taxation	90,698	(23,639)	67,059
Taxation	(25,105)	5,624	(19,481)
Profit for the financial period	65,593	(18,015)	47,578
Profit/(loss) attributable to:			
Equity holders of the Company	67,819	(13,012)	54,807
Non-controlling interests	(2,226)	(5,003)	(7,229)
Earnings per share (sen):			
- Basic	8.62	(1.65)	6.97
- Diluted	8.31	(1.60)	6.71

Change in Accounting Policy *(Continued)*

	As previously reported RM'000	Adjustments RM'000	Restated RM'000
Condensed Consolidated Statement of Financial Position			
As at 31 March 2017			
Non-current assets			
Property, plant & equipment	1,720,979	2,102,883	3,823,862
Plantation development	2,500,909	(2,500,909)	-
Non-current liabilities			
Deferred tax liabilities	105,189	41,863	147,052
Equity			
Reserves	4,280,088	(402,004)	3,878,084
Non-controlling interests	296,850	(37,885)	258,965
Net assets per share (RM)	5.91	(0.50)	5.41
As at 31 December 2016			
Non-current assets			
Property, plant & equipment	1,728,093	2,083,188	3,811,281
Plantation development	2,465,927	(2,465,927)	-
Non-current liabilities			
Deferred tax liabilities	97,179	46,178	143,357
Equity			
Reserves	4,278,515	(394,609)	3,883,906
Non-controlling interests	289,688	(34,308)	255,380
Net assets per share (RM)	5.89	(0.50)	5.39
As at 1 January 2016			
Non-current assets			
Property, plant & equipment	1,561,740	1,787,403	3,349,143
Plantation development	2,109,655	(2,109,655)	-
Non-current liabilities			
Deferred tax liabilities	65,438	55,912	121,350
Equity			
Reserves	3,827,980	(358,604)	3,469,376
Non-controlling interests	285,280	(19,560)	265,720
Net assets per share (RM)	5.39	(0.46)	4.93

Change in Accounting Policy *(Continued)*

	As previously reported RM'000	Adjustments RM'000	Restated RM'000
Condensed Consolidated Statement of Cash Flows			
Quarter ended 31 March 2017			
Cash flows from operating activities			
Profit before taxation	122,456	(15,461)	106,995
Depreciation and amortisation	21,990	20,204	42,194
Cash flows from investing activities			
Purchase of property, plant and equipment	(6,151)	(48,610)	(54,761)
Plantation development	(43,867)	43,867	-
Six months ended 30 June 2016			
Cash flows from operating activities			
Profit before taxation	90,698	(23,639)	67,059
Depreciation and amortisation	50,311	34,925	85,236
Cash flows from investing activities			
Purchase of property, plant and equipment	(117,959)	(110,589)	(228,548)
Plantation development	(99,303)	99,303	-

Malaysian Financial Reporting Standards

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 Construction of Real Estate", including its parent, significant investor and venturer (herein called "Transitioning Entities").

On 8 September 2015, MASB announced that in light of the International Accounting Standards Board's deferral of IFRS 15 "Revenue from Contracts with Customers", the effective date for the Transitioning Entities to apply the MFRS Framework will also be deferred to 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework from the financial year beginning on 1 January 2018. 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 six months ended 30 June 2017.

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

During the financial period ended 30 June 2017, the paid-up share capital of the Company was increased by RM73.4 million by way of allotment and issuance of 9,299,360 new ordinary shares arising from the exercise of 9,299,360 warrants.

Other than the above, there were no other issuance, cancellation, repurchase, resale or repayment of debts or equity securities for the six months ended 30 June 2017.

f) Dividend Paid

Dividend paid during the six months ended 30 June 2017 are as follows:

		RM'Mil
i)	Special single-tier dividend paid on 27 March 2017 for the financial year ended 31 December 2016 - 11 sen per ordinary share	87.8
ii)	Final single-tier dividend paid on 19 June 2017 for the financial year ended 31 December 2016 - 8 sen per ordinary share	64.3

		152.1
		=====

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, gain or loss on disposal of assets and assets written off. Interest income and finance costs are not included in the result for each operating segment.

g) Segment Information *(Continued)*

Segment analysis for the financial period ended 30 June 2017 is set out below:

	Plantation				Downstream			
	Malaysia RM'000	Indonesia RM'000	Property RM'000	Biotechnology RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue								
- External	**214,673**	**259,805**	**49,494**	**-**	**322,497**	**-**	**-**	**846,469**
- Inter segment	**232,073**	**-**	**-**	**-**	**-**	**-**	**(232,073)**	**-**
Total Revenue	**446,746**	**259,805**	**49,494**	**-**	**322,497**	**-**	**(232,073)**	**846,469**
Adjusted EBITDA	**188,233**	**100,066**	**10,390**	**(5,464)**	**2,293**	**1,798**	**-**	**297,316**
(Loss)/gain on disposal of assets	**(19)**	**4**	**-**	**-**	**-**	**-**	**-**	**(15)**
Gain on disposal of subsidiaries	**-**	**640**	**-**	**-**	**-**	**-**	**-**	**640**
Assets written off	**(868)**	**(4)**	**(19)**	**(158)**	**(111)**	**-**	**-**	**(1,160)**
	187,346	**100,706**	**10,371**	**(5,622)**	**2,182**	**1,798**	**-**	**296,781**
Depreciation and amortisation	**(39,467)**	**(41,464)**	**(467)**	**(1,241)**	**(5,144)**	**-**	**-**	**(87,783)**
Share of results in joint ventures and associates	**2,117**	**-**	**11,491**	**-**	**-**	**-**	**-**	**13,608**
	149,996	**59,242**	**21,395**	**(6,863)**	**(2,962)**	**1,798**	**-**	**222,606**
Interest income								**20,196**
Finance cost								**(31,961)**
Profit before taxation								**210,841**
Main foreign currency	RM	IDR	RM	RM	RM	RM		
Exchange ratio of 100 units of foreign currency to RM	-	0.0329	-	-	-	-		
Assets								
Segment assets	**1,250,056**	**3,308,776**	**470,851**	**166,466**	**459,331**	**501,970**	**-**	**6,157,450**
Joint ventures	**-**	**-**	**89,292**	**-**	**-**	**-**	**-**	**89,292**
Associates	**12,339**	**-**	**499**	**-**	**-**	**(128)**	**-**	**12,710**
	1,262,395	**3,308,776**	**560,642**	**166,466**	**459,331**	**501,842**	**-**	**6,259,452**
Interest bearing instruments								**1,204,028**
Deferred tax assets								**91,752**
Tax recoverable								**10,781**
Total assets								**7,566,013**
Liabilities								
Segment liabilities	**85,322**	**120,801**	**137,672**	**2,490**	**16,078**	**5,010**	**-**	**367,373**
Interest bearing instruments								**2,456,695**
Deferred tax liabilities								**149,155**
Taxation								**19,676**
Total liabilities								**2,992,899**
Main foreign currency	RM	IDR	RM	RM	RM	RM		
Exchange ratio of 100 units of foreign currency to RM	-	0.0322	-	-	-	-		

h) Property, Plant and Equipment

During the six months ended 30 June 2017, acquisitions and disposals of property, plant and equipment by the Group were RM158.1 million and RM0.4 million respectively.

i) Material Events Subsequent to the End of Financial Period

On 18 August 2017, the Company announced that its wholly owned subsidiary, AsianIndo Holdings Pte Ltd, had on 18 August 2017 entered into a conditional sale and purchase agreement with Lee Rubber Company (Pte) Ltd for the purpose of acquiring 20,000,000 ordinary shares representing 100% equity interest in Knowledge One Investment Pte Ltd for a cash consideration of USD94.97 million ("Proposed Acquisition"). The Proposed Acquisition is expected to be completed in 4Q 2017.

Other than the above, there were no other material events subsequent to the end of the six months ended 30 June 2017 that have not been reflected in this interim financial report.

j) Changes in the Composition of the Group

On 16 March 2017, the Group completed the disposal of its 70% effective interest in PT Permata Sawit Mandiri to PT Suryaborneo Mandiri, a related party, for a cash consideration of USD3,190,000. The financial effects of the disposal have been included in the six month's Condensed Consolidated Statement of Changes in Equity.

Other than the above, there were no material changes in the composition of the Group for the six months ended 30 June 2017.

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 2016.

l) Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 June 2017 are as follows:

	Contracted RM'000	**Not Contracted** RM'000	**Total** RM'000
Property, plant and equipment	**83,871**	**1,393,359**	**1,477,230**
Leasehold land use rights	**1,016**	**21,337**	**22,353**
Intellectual property development	**13,487**	**-**	**13,487**
	98,374	**1,414,696**	**1,513,070**

m) Significant Related Party Transactions

Significant related party transactions which were entered into on agreed terms and prices for the current quarter and six months ended 30 June 2017 are set out below:

		Current Quarter 2Q 2017 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.	494	988
ii)	Letting of office space and provision of related services by Oakwood Sdn Bhd.	668	1,335
iii)	Purchase of air-tickets, hotel accommodation and other related services from Genting Malaysia Berhad.	361	378
iv)	Provision of information technology and system implementation services and rental of equipment by eGenting Sdn Bhd, Genting Information Knowledge Enterprise Sdn Bhd and Genting Malaysia Berhad.	1,015	1,841

m) Significant Related Party Transactions *(Continued)*

		Current Quarter 2Q 2017 RM'000	Current Financial Year-to-Date RM'000
v)	Provision of management services to Genting Simon Sdn Bhd by Genting Awanpura Sdn Bhd.	137	264
vi)	Letting of office space and provision of related services by PT Lestari Properti Investama.	819	1,627
vii)	Sale of RBD palm products by Genting MusimMas Refinery Sdn Bhd to Inter-Continental Oils & Fats Pte Ltd.	122,008	177,521
viii)	Sale of fresh fruit bunches by PT Agro Abadi Cemerlang to Sepanjang Group.	568	568
ix)	Provision of sequencing and bioinformatics services by Genting Laboratory Services Sdn Bhd to ACGT Sdn Bhd.	26	26

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 2017, 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	-	500,001	137,141	637,142
Derivative financial instruments	-	930	-	930
	-	500,931	137,141	638,072
Financial liabilities				
Derivative financial instruments	-	2,830	-	2,830

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the previous financial year ended 31 December 2016.

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

Available-for-sale financial assets	RM'000
As at 1 January 2017	143,170
Foreign exchange differences	(6,029)
As at 30 June 2017	137,141

There have been no transfers between the levels of the fair value hierarchy during the six months ended 30 June 2017.

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – SECOND QUARTER ENDED 30 JUNE 2017

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

1) Performance Analysis

The results of the Group are tabulated below:

	CURRENT QUARTER 2017 RM'Mil	CURRENT QUARTER 2016 RM'Mil Restated	+/- RM'Mil	+/- %	FINANCIAL YEAR-TO-DATE 1H 2017 RM'Mil	FINANCIAL YEAR-TO-DATE 1H 2016 RM'Mil Restated	+/- RM'Mil	+/- %
Revenue								
Plantation - Malaysia	**225.3**	202.1	*+23.2*	*+11*	**446.7**	350.4	*+96.3*	*+27*
- Indonesia	**120.5**	54.8	*+65.7*	*>100*	**259.8**	108.8	*+151.0*	*>100*
Property	**28.7**	29.3	*-0.6*	*-2*	**49.5**	64.3	*-14.8*	*-23*
Downstream manufacturing	**196.6**	22.9	*+173.7*	*>100*	**322.5**	46.5	*+276.0*	*>100*
	571.1	309.1	*+262.0*	*+85*	**1,078.5**	570.0	*+508.5*	*+89*
Inter segment	**(124.8)**	-	*-124.8*	-	**(232.0)**	-	*-232.0*	-
Revenue - external	**446.3**	309.1	*+137.2*	*+44*	**846.5**	570.0	*+276.5*	*+49*
Profit before tax								
Plantation								
- Malaysia	**101.5**	73.4	*+28.1*	*+38*	**188.2**	128.5	*+59.7*	*+46*
- Indonesia	**41.1**	(0.5)	*+41.6*	-	**100.1**	11.8	*+88.3*	*>100*
Property	**5.7**	6.6	*-0.9*	*-14*	**10.4**	18.0	*-7.6*	*-42*
Biotechnology	**(2.4)**	(6.1)	*+3.7*	*+61*	**(5.5)**	(11.1)	*+5.6*	*+50*
Downstream manufacturing	**2.7**	0.3	*+2.4*	*>100*	**2.3**	(0.1)	*+2.4*	-
Others	**(0.3)**	9.9	*-10.2*	-	**1.8**	5.1	*-3.3*	*-65*
Adjusted EBITDA	**148.3**	83.6	*+64.7*	*+77*	**297.3**	152.2	*+145.1*	*+95*
Gain on disposal of subsidiaries	**-**	-	-	-	**0.6**	-	*+0.6*	-
Assets written off and others	**(0.2)**	(0.4)	*+0.2*	*+50*	**(1.1)**	(0.8)	*-0.3*	*-38*
EBITDA	**148.1**	83.2	*+64.9*	*+78*	**296.8**	151.4	*+145.4*	*+96*
Depreciation and amortisation	**(45.6)**	(43.1)	*-2.5*	*-6*	**(87.8)**	(85.2)	*-2.6*	*-3*
Interest income	**10.4**	10.7	*-0.3*	*-3*	**20.2**	22.7	*-2.5*	*-11*
Finance cost	**(16.7)**	(16.4)	*-0.3*	*-2*	**(32.0)**	(33.3)	*+1.3*	*+4*
Share of results in joint ventures and associates	**7.6**	5.3	*+2.3*	*+43*	**13.6**	11.5	*+2.1*	*+18*
Profit before tax	**103.8**	39.7	*+64.1*	*>100*	**210.8**	67.1	*+143.7*	*>100*

The Group's revenue for the current quarter ("2Q 2017") and first half of 2017 ("1H 2017") were higher compared to the corresponding periods of the previous year due to the combination of stronger palm products selling prices, higher FFB production as well as higher sales of biodiesel and refined palm products. However, property sales was lower amid the soft market conditions. The inter segment adjustment represents sales of CPO by the Plantation-Malaysia segment to the Group's refinery operations.

1) *Performance Analysis* *(Continued)*

The Group's FFB production continued its recovery in 2Q 2017 from the weather-induced decline experienced in the previous year and along with the better age profile and newly-matured areas for Plantation – Indonesia segment, gave rise to a 39% and 34% year-on-year increase in 2Q 2017 and 1H 2017 respectively.

Despite the softer CPO price experienced in 2Q 2017, the Group's achieved CPO price was higher year-on-year in 2Q 2017 and 1H 2017. Notwithstanding the recovery in production, the national inventory was kept low and lagged the previous year's level due to sustained demand.

	Current Quarter			Year-To-Date		
	2017	**2016**	**Change %**	**2017**	**2016**	**Change %**
Average Selling Price/tonne (RM)						
o Crude Palm Oil	2,694	2,588	*+4*	2,861	2,444	*+17*
o Palm Kernel	2,003	2,344	*-15*	2,513	2,108	*+19*
Production (MT'000)						
o Fresh Fruit Bunches	457	329	*+39*	862	644	*+34*

EBITDA for the Plantation segment, covering both Malaysia and Indonesia, improved in 2Q 2017 and 1H 2017 from the corresponding periods of the previous year, underpinned by the higher palm products selling prices and higher FFB production.

Property segment's EBITDA continued to trail the previous year's level, weighed down by the lower property sales.

The Biotechnology segment incurred a lower loss in tandem with its lower research and development spending year-on-year.

The Downstream Manufacturing segment contributed positively to the Group's EBITDA in the current quarter and first half of 2017 as a result of higher sales and capacity utilisation from its operations.

Changes in the "Others" category mainly reflect the impact of changes in the foreign currency translation position arising from the foreign exchange movements.

In addition to the above, the Group has changed its accounting policy for bearer plants or oil palm trees as disclosed in the Notes to the Interim Financial Statement and the impact is reflected in the depreciation and amortisation for the periods under review.

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

	2Q 2017 RM'Mil	1Q 2017 RM'Mil Restated	+/- RM'Mil	+/- %
Revenue				
Plantation - Malaysia	**225.3**	221.4	*+3.9*	*+2*
- Indonesia	**120.5**	139.3	*-18.8*	*-13*
Property	**28.7**	20.8	*+7.9*	*+38*
Downstream manufacturing	**196.6**	125.9	*+70.7*	*+56*
	571.1	507.4	*+63.7*	*+13*
Inter segment	**(124.8)**	(107.2)	*-17.6*	*-16*
Revenue – external	**446.3**	400.2	*+46.1*	*+12*
Profit before tax				
Plantation				
- Malaysia	**101.5**	86.7	*+14.8*	*+17*
- Indonesia	**41.1**	59.0	*-17.9*	*-30*
Property	**5.7**	4.7	*+1.0*	*+21*
Biotechnology	**(2.4)**	(3.1)	*+0.7*	*+23*
Downstream manufacturing	**2.7**	(0.4)	*+3.1*	-
Others	**(0.3)**	2.1	*-2.4*	-
Adjusted EBITDA	**148.3**	149.0	*-0.7*	-
Gain on disposal of subsidiaries	**-**	0.6	*-0.6*	-
Assets written off and others	**(0.2)**	(0.9)	*+0.7*	*+78*
EBITDA	**148.1**	148.7	*-0.6*	-
Depreciation and amortisation	**(45.6)**	(42.2)	*-3.4*	*-8*
Interest income	**10.4**	9.8	*+0.6*	*+6*
Finance cost	**(16.7)**	(15.3)	*-1.4*	*-9*
Share of results in joint ventures and associates	**7.6**	6.0	*+1.6*	*+27*
Profit before tax	**103.8**	107.0	*-3.2*	*-3*

Despite lower palm products selling prices in 2Q 2017, overall pre-tax profit was comparable with the immediate preceding quarter mainly due to the higher FFB production as well as the element of unrealised profit featured in 1Q 2017 pertaining to the inter segment sales of CPO to the Downstream Manufacturing segment, which were held as stocks at the end of 1Q 2017. The stock level remained comparable as at end of 2Q 2017.

	2Q 2017	1Q 2017	Change %
Average Selling Price/tonne (RM)			
o Crude Palm Oil	2,694	3,053	*-12*
o Palm Kernel	2,003	3,097	*-35*
Production (MT'000)			
o Fresh Fruit Bunches	457	405	*+13*

3) Prospects

The Group's performance in the second half of 2017 ("2H 2017") will largely be contingent on the performance of the Plantation segment, which in turn tracks the movements in palm product prices and crop production. In addition to the overall supply and demand balance of the global edible oil markets, the palm oil market is also influenced by weather conditions, currency movements, global economic conditions and the development in the implementation of biodiesel mandates, particularly in Malaysia and Indonesia.

Based on the crop trend observed in 1H 2017 and barring any weather anomalies, the Group expects a continued year-on-year recovery in 2H 2017 particularly from our Indonesian estates as a result of additional newly-mature areas and the progression of existing mature areas into higher yielding brackets. However, the growth in output from our Malaysian estates is expected to be moderated by the escalation of replanting activities.

Overall, the property market is expected to remain soft in 2H 2017 and given this environment, the Group will align its new launches to meet market demand with particular focus on the affordable residential segment which is less affected by the challenging market conditions. The Group's second Premium Outlets, Genting Highlands Premium Outlets, which opened in mid-June 2017 has been attracting a high number of shoppers and is expected to do well in its maiden year of operations.

The Biotechnology segment will continue to leverage on its discoveries for the development of solutions and applications within specific targeted areas for prospective commercial value creation.

For the Downstream Manufacturing segment, continued efforts are being made to extend the market reach for its products and to improve the capacity utilisation of the Group's maiden palm oil refinery. Concurrently, the Group will continue with the production of biodiesel to cater to Malaysia's mandatory B7 biodiesel programme.

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 six months ended 30 June 2017 are set out below:

	Current Quarter 2Q 2017 RM'000	**Current Financial Year-To-Date** RM'000
Current taxation:		
- Malaysian income tax charge	**23,895**	**49,688**
- Foreign income tax charge	**47**	**549**
- Deferred tax charge	**4,582**	**7,777**
	-----------	-----------
	28,524	**58,014**
Prior year's taxation:		
- Income tax over provided	**(750)**	**(750)**
	-----------	-----------
	27,774	**57,264**
	======	======

The effective tax rate for the current quarter and six months ended 30 June 2017 were higher than the statutory tax rate mainly due to expenses not deductible for tax purposes and 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 2017 RM'000	**Current Financial Year-To-Date** RM'000
Charges:		
Finance cost	**16,678**	**31,961**
Depreciation and amortisation	**45,589**	**87,783**
Write off of receivables	**1,077**	**2,711**
Net foreign exchange loss	**5,247**	**7,975**
(Gain)/Loss on disposal of property, plant and equipment	**(4)**	**15**
	=======	=======
Credits:		
Interest income	**10,418**	**20,196**
Investment income	**4,803**	**8,731**
Gain on disposal of subsidiaries	**-**	**640**
	=======	=======

Other than the above, there were no provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments, impairment of assets and gain or loss on derivatives for the current quarter and six months ended 30 June 2017.

7) Status of Corporate Proposals Announced

There was no corporate proposals announced but not completed as at 16 August 2017.

8) Group Borrowings and Debt Securities

The details of the Group's borrowings and debts securities as at 30 June 2017 are set out below:

	As at 30/6/2017				**As at 31/12/2016**
	Secured/ Unsecured	**Foreign Currency 'million**		**RM Equivalent '000**	**RM Equivalent '000**
Short term borrowings	Secured	USD	8.0	34,304	29,097
	Secured	RM		96,284	-
				130,588	29,097
Long term borrowings	Secured	USD	297.3	1,240,668	1,254,473
	Secured	RM		87,896	63,845
	Unsecured	RM		997,543	997,390
				2,326,107	2,315,708
Total borrowings	Secured	USD	305.3	1,274,972	1,283,570
	Secured	RM		184,180	63,845
	Unsecured	RM		997,543	997,390
				2,456,695	2,344,805

9) Outstanding Derivatives

As at 30 June 2017, 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
Interest Rate Swaps		
USD	300,160	
- Less than 1 year		821
- 1 year to 3 years		(2,679)
Forward Foreign Currency Exchange		
USD	45,654	
- Less than 1 year		(151)
Commodity Futures Contracts		
USD	N/A	
- Less than 1 year		109

There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 December 2016:

(a) the credit risk, market risk and liquidity risk associated with those financial derivatives;

(b) the cash requirements of the financial derivatives; and

(c) 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 2017, the Group does not have any financial liabilities measured at fair value through profit or loss.

11) Changes in Material Litigation

There are no pending material litigations as at 16 August 2017.

12) Dividend Proposed or Declared

a) i) An interim single-tier dividend of 5.5 sen per ordinary share in respect of the financial year ending 31 December 2017 has been declared by the Directors.

ii) The interim single-tier dividend declared and paid for the previous year's corresponding period was 2.0 sen per ordinary share.

iii) The interim single-tier dividend shall be payable on 2 October 2017.

iv) Entitlement to the interim single-tier dividend:-

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

- Shares transferred into the Depositor's Securities Account before 4.00 p.m on 13 September 2017 in respect of ordinary transfer; and

- 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 2017 is 5.5 sen per ordinary share.

13) Earnings per Share

	Current Quarter 2Q 2017	Current Financial Year-To-Date
a) Basic earnings per share		
Profit for the financial period attributable to equity holders of the Company *(RM'000)*	**70,978**	**143,508**
Weighted average number of ordinary shares in issue *('000)*	**794,934**	**799,962**
Basic earnings per share *(sen)*	**8.93**	**17.94**
b) Diluted earnings per share		
Profit for the financial period attributable to equity holders of the Company *(RM'000)*	**70,978**	**143,508**
Adjusted weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue *('000)*	**794,934**	**799,962**
Adjustment for potential conversion of warrants *('000)*	**29,902**	**29,902**
	824,836	**829,864**
Diluted earnings per share *(sen)*	**8.61**	**17.29**

14) Realised and Unrealised Profits/Losses

The breakdown of the retained profits of the Group as at 30 June 2017 and 31 December 2016, 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 30/06/2017 RM'000	As at 31/12/2016 RM'000 Restated
Total retained profits of Genting Plantations Berhad and its subsidiaries:		
- Realised	4,453,753	4,443,256
- Unrealised	(79,923)	(41,971)
	4,373,830	4,401,285
Total share of retained profits/(accumulated losses) from associates:		
- Realised	11,333	11,124
- Unrealised	(746)	(746)
Total share of retained profits/(accumulated losses) from joint ventures:		
- Realised	81,876	70,478
	4,466,293	4,482,141
Less: Consolidation adjustments	(1,177,372)	(1,184,669)
Total Group retained profits as per consolidated accounts	3,288,921	3,297,472

The determination of realised and unrealised profits is compiled based on Guidance on 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 2016 did not contain any qualification.

16) Authorisation of Financial Statements

The condensed consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 August 2017.