

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2015. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2015 RM'000	Preceding Year Corresponding Quarter 30/06/2014 RM'000	Current Year To-Date 30/06/2015 RM'000	Preceding year Corresponding Period 30/06/2014 RM'000
Revenue	305,730	360,508	630,128	693,393
Cost of sales	(199,062)	(214,932)	(408,330)	(392,999)
Gross profit	106,668	145,576	221,798	300,394
Other income	15,267	14,612	34,325	48,797
Other expenses	(61,783)	(69,458)	(130,243)	(116,162)
Profit from operations	60,152	90,730	125,880	233,029
Finance cost	(8,866)	(2,422)	(14,057)	(4,758)
Share of results in joint ventures and associates	4,278	4,643	10,293	9,379
Profit before taxation	55,564	92,951	122,116	237,650
Taxation	(17,471)	(22,099)	(36,074)	(62,262)
Profit for the financial period	38,093	70,852	86,042	175,388
Profit/(loss) attributable to:				
Equity holders of the Company	40,028	69,227	92,683	170,287
Non-controlling interests	(1,935)	1,625	(6,641)	5,101
	38,093	70,852	86,042	175,388
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	5.18	9.09	12.01	22.39
- Diluted	5.00	8.63	11.57	21.32

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014)

Genting Plantations Berhad (34993-X)

10th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. T: 03-21782255/23332255 F: 03-21641032 <http://www.gentingplantations.com>



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2015 RM'000	Preceding Year Corresponding Quarter 30/06/2014 RM'000	Current Year To-Date 30/06/2015 RM'000	Preceding year Corresponding Period 30/06/2014 RM'000
Profit for the financial period	38,093	70,852	86,042	175,388
Other comprehensive income/(loss), net of tax:				
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedge	260	226	74	2,800
Foreign currency translation differences	(86)	(54,256)	(4,650)	(885)
	174	(54,030)	(4,576)	1,915
Total comprehensive income for the financial period	38,267	16,822	81,466	177,303
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	42,544	12,879	106,841	167,531
Non-controlling interests	(4,277)	3,943	(25,375)	9,772
	38,267	16,822	81,466	177,303

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014)



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	AS AT 30/06/2015 RM'000	Audited AS AT 31/12/2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,390,241	1,338,762
Land held for property development	165,690	158,644
Investment properties	24,298	24,757
Plantation development	1,745,951	1,672,275
Leasehold land use rights	326,391	305,329
Intangible assets	151,542	159,233
Joint ventures	52,505	43,559
Associates	10,717	18,864
Available-for-sale financial assets	119,759	111,187
Derivative financial assets	186	-
Other non-current assets	17,062	17,062
Deferred tax assets	112,219	83,289
	-----	-----
	4,116,561	3,932,961
	-----	-----
Current assets		
Property development costs	94,857	60,049
Inventories	138,019	105,098
Tax recoverable	26,012	6,725
Trade and other receivables	291,115	265,304
Amounts due from joint ventures, associates and other related companies	5,792	5,826
Available-for-sale financial assets	100,005	100,005
Cash and cash equivalents	2,067,105	1,076,579
	2,722,905	1,619,586
Assets classified as held for sale	3,331	37,857
	-----	-----
	2,726,236	1,657,443
	-----	-----
TOTAL ASSETS	6,842,797	5,590,404
	=====	=====

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014)



GENTING
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015 *(Continued)*

	AS AT 30/06/2015 RM'000	Audited AS AT 31/12/2014 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	387,105	385,223
Reserves	3,592,418	3,512,489
	-----	-----
	3,979,523	3,897,712
Non-controlling interests	242,440	255,432
	-----	-----
Total equity	4,221,963	4,153,144
Non-current liabilities		
Borrowings	1,959,322	999,762
Provision for retirement gratuities	10,980	9,841
Derivative financial liability	453	476
Deferred tax liabilities	62,407	58,019
	-----	-----
	2,033,162	1,068,098
Current liabilities		
Trade and other payables	340,165	323,762
Amounts due to ultimate holding and other related companies	4,061	2,915
Borrowings	208,456	27,430
Derivative financial liabilities	1,564	1,429
Taxation	2,463	12,898
Dividend	30,963	-
	-----	-----
	587,672	368,434
Liabilities classified as held for sale	-	728
	-----	-----
	587,672	369,162
	-----	-----
Total liabilities	2,620,834	1,437,260
	-----	-----
TOTAL EQUITY AND LIABILITIES	6,842,797	5,590,404
	=====	=====
NET ASSETS PER SHARE (RM)	5.14	5.06

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	←----- 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 2015	385,223	146,555	209,806	41,804	40,679	(151,034)	(1,506)	(957)	3,227,142	3,897,712	255,432	4,153,144
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	14,190	(32)	-	92,683	106,841	(25,375)	81,466
Issue of shares upon exercise of warrants	1,882	33,468	(6,187)	-	-	-	-	-	-	29,163	-	29,163
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	-	-	14,000	14,000
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,617)	(1,617)
Buy-back of shares (<i>Note 1(e)</i>)	-	-	-	-	-	-	-	(105)	-	(105)	-	(105)
Appropriation:												
- Special single-tier dividend paid for the financial year ended 31 December 2014 (3 sen)	-	-	-	-	-	-	-	-	(23,125)	(23,125)	-	(23,125)
- Final single-tier dividend payable for the financial year ended 31 December 2014 (4 sen)	-	-	-	-	-	-	-	-	(30,963)	(30,963)	-	(30,963)
	-	-	-	-	-	-	-	-	(54,088)	(54,088)	-	(54,088)
Balance at 30 June 2015	387,105	180,023	203,619	41,804	40,679	(136,844)	(1,538)	(1,062)	3,265,737	3,979,523	242,440	4,221,963

(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 2014)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015 (Continued)**

	-----> Attributable to equity holders of the Company <----->											
	Share Capital	Share Premium	Warrants Reserve	Re- valuation Reserve	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	-	-	(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 2014)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

	2015	2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	122,116	237,650
Adjustments for:		
Depreciation and amortisation	54,219	37,675
Finance cost	14,057	4,758
Interest income	(20,497)	(14,388)
Net unrealised exchange loss/(gain)	21,977	(5,358)
Share of results in joint ventures and associates	(10,293)	(9,379)
Gain on disposal of a subsidiary	(917)	-
Gain on sale of land	(4,053)	-
Other adjustments	310	(53)
	54,803	13,255
Operating profit before changes in working capital	176,919	250,905
Changes in working capital:		
Net change in current assets	(67,657)	(20,611)
Net change in current liabilities	7,955	22,742
	(59,702)	2,131
Cash generated from operations	117,217	253,036
Tax paid (<i>net of tax refund</i>)	(67,561)	(24,873)
Retirement gratuities paid	(140)	-
Net cash generated from operating activities	49,516	228,163
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(102,976)	(84,182)
Plantation development	(33,250)	(42,219)
Leasehold land use rights	(19,301)	(14,131)
Investment properties	(74)	(4,582)
Land held for property development	(15,336)	(3,040)
Acquisition of a subsidiary	-	(33,000)
Interest received	20,497	14,388
Proceeds received from disposal of a subsidiary and sale of land	17,900	-
Dividend received from associates	9,493	4,900
Other investing activities	2,306	3,565
Net cash used in investing activities	(120,741)	(158,301)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015 *(Continued)*

	2015 RM'000	2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	69,028	46,716
Proceeds from issue of Sukuk Murabahah	1,000,000	-
Proceeds from issue of shares upon exercise of warrants	29,163	50,891
Proceeds from issue of shares in a subsidiary to non-controlling interests	14,000	-
Repayment of bank borrowings and transaction costs	(10,370)	-
Finance cost paid	(15,492)	(10,077)
Dividend paid	(23,125)	-
Dividend paid to non-controlling interests	(1,617)	(1,600)
Buy-back of shares	(105)	(106)
Net cash generated from financing activities	1,061,482	85,824
Net increase in cash and cash equivalents	990,257	155,686
Cash and cash equivalents at beginning of financial period	1,076,579	830,995
Effect of currency translation	269	506
Cash and cash equivalents at end of financial period	2,067,105	987,187

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014)



**GENTING PLANTATIONS BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
- SECOND QUARTER ENDED 30 JUNE 2015**

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 2015 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 2014. 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 2014 except for the adoption of new FRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2015:

- Annual Improvements to FRSs 2010 – 2012 Cycle
- Annual Improvements to FRSs 2011 – 2013 Cycle
- Amendments to FRS 119 “Defined Benefit Plans : Employee Contributions”

The adoption of these new FRSs, amendments and IC interpretations does not have any 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”).

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 December 2017. 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 current quarter ended 30 June 2015.

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 2015, 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 RM104,447. 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 2015, the paid-up share capital of the Company was increased by RM1.9 million by way of allotment and issuance of 3,762,783 new ordinary shares of 50 sen each arising from the exercise of 3,762,783 warrants.
- (iii) On 5 June 2015, Benih Restu Berhad, a wholly-owned subsidiary of the Company had issued RM1.0 billion Sukuk Murabahah under the Sukuk Murabahah Programme of up to RM1.5 billion in nominal value based on the Shariah principle of Murabahah. The Sukuk Murabahah has a tenure of 10 years, at a profit rate of 4.62% per annum payable semi-annually and guaranteed by the Company.

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 2015.

f) Dividend Paid

A special single-tier dividend of 3 sen per ordinary share of 50 sen each amounting to RM23.1 million was paid on 27 March 2015.

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 2015 is set out below:

	Plantation		Property RM'000	Biotechnology RM'000	Downstream Manufacturing RM'000	Others RM'000	Total RM'000
	Malaysia RM'000	Indonesia RM'000					
Revenue – external	388,779	95,426	101,176	-	44,747	-	630,128
Adjusted EBITDA	147,013	15,501	34,212	(15,755)	(216)	(20,436)	160,319
Assets written off and others	(504)	-	(61)	(152)	-	-	(717)
	146,509	15,501	34,151	(15,907)	(216)	(20,436)	159,602
Depreciation and amortisation	(24,323)	(15,270)	(522)	(13,713)	(391)	-	(54,219)
Share of results in joint ventures and associates	1,357	-	8,949	-	-	(13)	10,293
	123,543	231	42,578	(29,620)	(607)	(20,449)	115,676
Interest income							20,497
Finance cost							(14,057)
Profit before taxation							122,116
Assets							
Segment assets	1,442,438	2,148,570	407,815	280,862	237,578	101,794	4,619,057
Joint ventures	-	-	52,505	-	-	-	52,505
Associates	10,609	-	225	-	-	(117)	10,717
Assets classified as held for sale	-	-	3,331	-	-	-	3,331
	1,453,047	2,148,570	463,876	280,862	237,578	101,677	4,685,610
Interest bearing instruments							2,018,956
Deferred tax assets							112,219
Tax recoverable							26,012
Total assets							6,842,797
Liabilities							
Segment liabilities	86,889	110,810	131,030	7,121	13,653	38,683	388,186
Interest bearing instruments							2,167,778
Deferred tax liabilities							62,407
Taxation							2,463
Total liabilities							2,620,834

h) Property, Plant and Equipment

During the current financial period ended 30 June 2015, acquisitions and disposals of property, plant and equipment by the Group were RM112.6 million and RM12.7 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 2015 that have not been reflected in this interim financial report.

i) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter ended 30 June 2015.

j) 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 2014.

k) Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 June 2015 are as follows:

	Contracted RM'000	Not Contracted RM'000	Total RM'000
Group			
Property, plant and equipment	184,427	672,362	856,789
Leasehold land use rights	-	7,960	7,960
Plantation development	16,055	512,140	528,195
Intellectual property development	12,332	268	12,600
	212,814	1,192,730	1,405,544

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 2015 are set out below:

	Current Quarter 2Q 2015 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.	446	880
ii) Letting of office space and provision of related services by Oakwood Sdn Bhd.	687	1,374
iii) Purchase of air-tickets, hotel accommodation and other related services from Genting Malaysia Berhad.	19	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.	1,760	3,226
v) Provision of management services to Genting Simon Sdn Bhd by Genting Awanpura Sdn Bhd.	104	226
vi) Letting of office space by PT Lestari Properti Investama	610	1,206

(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 2015, 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	119,759	219,764
Derivative financial instruments	-	186	-	186
	<u>-</u>	<u>100,191</u>	<u>119,759</u>	<u>219,950</u>
Financial liabilities				
Derivative financial instruments	-	2,017	-	2,017
	<u>-</u>	<u>2,017</u>	<u>-</u>	<u>2,017</u>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the previous financial year ended 31 December 2014.

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 2015	111,187
Foreign exchange differences	8,572
	<u>119,759</u>
As at 30 June 2015	<u>119,759</u>

There have been no transfers between the levels of the fair value hierarchy during the current financial period ended 30 June 2015.



ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – SECOND QUARTER ENDED 30 JUNE 2015

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

1) Performance Analysis

The results of the Group are tabulated below:

RM' Million <u>Revenue</u>	CURRENT QUARTER		%	PRECEDING QUARTER		FINANCIAL YEAR-TO-DATE		%
	2015	2014		1Q 2015	% +/-	1H 2015	1H 2014	
Plantation - Malaysia	200.7	262.9	-24	188.1	+7	388.8	511.5	-24
- Indonesia	49.5	46.2	+7	45.9	+8	95.4	87.6	+9
Property	28.5	51.4	-45	72.7	-61	101.2	93.4	+8
Downstream manufacturing	27.0	-	-	17.7	+53	44.7	0.9	>100
	305.7	360.5	-15	324.4	-6	630.1	693.4	-9
<u>Profit before tax</u>								
Plantation								
- Malaysia	78.4	101.5	-23	68.6	+14	147.0	213.8	-31
- Indonesia	4.9	7.1	-31	10.6	-54	15.5	20.7	-25
Property	4.0	16.7	-76	30.2	-87	34.2	32.6	+5
Biotechnology	(8.2)	(8.1)	+1	(7.6)	+8	(15.8)	(16.4)	-4
Downstream manufacturing	0.9	(1.7)	-	(1.1)	-	(0.2)	(2.7)	-93
Others	(4.4)	(13.5)	-67	(16.0)	-73	(20.4)	8.5	-
Adjusted EBITDA	75.6	102.0	-26	84.7	-11	160.3	256.5	-38
Assets written off and others	(0.1)	(0.2)	-50	(0.6)	-83	(0.7)	(0.2)	>100
EBITDA	75.5	101.8	-26	84.1	-10	159.6	256.3	-38
Depreciation and amortisation	(26.7)	(19.0)	+41	(27.5)	-3	(54.2)	(37.7)	+44
Interest income	11.3	7.9	+43	9.2	+23	20.5	14.4	+42
Finance cost	(8.9)	(2.5)	>100	(5.2)	+71	(14.1)	(4.8)	>100
Share of results in joint ventures and associates	4.3	4.7	-9	6.0	-28	10.3	9.4	+10
Profit before tax	55.5	92.9	-40	66.6	-17	122.1	237.6	-49

The Group recorded lower revenue for the quarter ("2Q 2015") compared with the corresponding period of the previous year due to reduced contributions from the Plantation-Malaysia and Property segments, which were affected by lower palm products selling prices and softer property sales respectively. These declines more than offset the increased contributions from higher FFB production in Indonesia and higher biodiesel sales.

For the first half of 2015 ("1H 2015"), the Group's revenue declined 9% year-on-year, with the reduction in Plantation-Malaysia's contribution amid lower palm products selling prices outweighing the improvements seen in the other segments on the back of higher FFB production in Indonesia, higher land sales in relation to the divestment of Genting Permaipura operations and increased biodiesel sales.

Palm products selling prices were lower in 1H 2015 compared with the same period a year earlier amid softer demand for palm oil from some major importing countries and in line with the prevailing weakness in oilseeds and crude oil markets. Accordingly, the Group achieved average CPO prices of RM2,171/mt and RM2,206/mt in 2Q 2015 and 1H 2015 respectively, representing a year-on-year decline of 16%. PK prices were also lower year-on-year, averaging at RM1,538/mt and RM1,640/mt for 2Q 2015 and 1H 2015 respectively, down 22% and 17%.

1) **Performance Analysis (Continued)**

In terms of FFB production, the Group's output grew 8% year-on-year in 2Q 2015, underpinned by increases in both the Malaysian and Indonesian operations, following the onset of the seasonal upturn in the production cycle in Malaysia and owing to the sizeable addition of new harvesting areas along with the progress of existing areas into higher yielding brackets in Indonesia.

The recovery in production in 2Q 2015 more than compensated for the year-on-year contraction experienced in 1Q 2015, thus resulting in the Group achieving growth of 1% in FFB output for the cumulative six-month period.

	Current Quarter			Year-To-Date		
	2015	2014	Change %	2015	2014	Change %
Average Selling Price/tonne (RM)						
o Crude Palm Oil	2,171	2,583	-16	2,206	2,619	-16
o Palm Kernel	1,538	1,967	-22	1,640	1,981	-17
Production (MT'000)						
o Fresh Fruit Bunches	405	374	+8	758	751	+1

EBITDA for the Plantation segment, covering both Malaysia and Indonesia operations, declined in 2Q 2015 and 1H 2015 from the corresponding periods of the previous year, mainly due to the softer palm products selling prices and the effects of yield dilution arising from the addition of new harvesting areas in Indonesia.

As for the Property segment, the year-on-year decline in EBITDA during the quarter was in line with the drop in revenue on account of lower sales. For 1H 2015, EBITDA was 5% higher, largely boosted by the profit recognised from the divestment of Genting Permaipura operations, which masked the underlying softer property market conditions.

The Biotechnology segment's loss was comparable year-on-year, stemming mainly from its ongoing research and development ("R&D") activities.

In 2Q 2015, the Downstream Manufacturing segment reversed from losses in the same period a year earlier to post a profit of RM0.9 million, buoyed by the higher biodiesel sales. The turnaround trimmed the segment's loss in 1H 2015 to RM0.2 million from a RM2.7 million loss in the previous year's corresponding period.

The "Others" category largely reflected the foreign currency translation effects of the Group's U.S. dollar denominated debt. Foreign currency translation losses of RM5.7 million and RM23.3 million were registered for the 2Q and 1H periods respectively, compared with a corresponding loss of RM14.8 million and a gain of RM5.9 million in the same periods last year.

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

Pre-tax profit was 17% lower quarter-on-quarter primarily due to weaker contributions from the Plantation-Indonesia and Property segments owing, respectively, to lower palm products selling prices and gains from the divestment of Genting Permaipura operations which had boosted 1Q 2015 performance.

Nevertheless, the impact of the declines in the aforementioned segments was partly cushioned by increased profits from the Plantation-Malaysia segment, where higher FFB production outstripped the effects of lower palm product selling prices, higher biodiesel sales and by the narrowing of foreign currency translation losses from that recorded in the previous quarter.

	2Q 2015	1Q 2015	Change %
Average Selling Price/tonne (RM)			
o Crude Palm Oil	2,171	2,246	-3
o Palm Kernel	1,538	1,751	-12
Production (MT'000)			
o Fresh Fruit Bunches	405	353	+15

3) **Prospects**

The direction of the palm product prices, crop production trends from both Malaysia and Indonesia along with property market conditions and the cost of inputs and materials are among factors that will have a bearing on the Group's performance for the second half of the year.

Palm oil price direction is expected to largely reflect changes in the supply and demand dynamics. In this connection, movements in the Malaysian Ringgit and Indonesian Rupiah, developments related to the onset of El Nino and the progress of an expected bumper global soybean production in the upcoming season may potentially influence palm oil prices in the near to medium term.

On the FFB production front, the Group's growth prospects for the rest of the year will be mainly contingent on the Plantation-Indonesia segment in view of its younger age profile with greater upside potential, compared with the Malaysian estates, which having mostly already reached prime production age, may experience the lagged effects of the dry weather that prevailed during the February to April period.

Meanwhile, for the Property segment, the Group will stay focussed on offering products that are aligned to the requirements of the market, taking into consideration the slowdown in property demand amid an uncertain economic outlook that may persist in the near-term.

The Biotechnology segment will continue to carry out marker-assisted plant screening services in support of the Group's plantation operations while enhancing its R&D capabilities for the application of its crop improvement and ganoderma solutions.

The Downstream Manufacturing segment will forge ahead with the ongoing establishment of the Genting Integrated Biorefinery Complex project, which includes a palm oil refinery and a metathesis plant scheduled for commissioning in 2016 and 2017 respectively. At the same time, it will continue to leverage its biodiesel capacities to tap opportunities arising from the country's mandatory 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 financial year-to-date are set out below:

	Current Quarter 2Q 2015 RM'000	Current Financial Year-To-Date RM'000
Current taxation:		
- Malaysian income tax charge	18,722	38,291
- Deferred tax reversal	(1,262)	(1,759)
	17,460	36,532
Prior year's taxation:		
- Income tax under/(over) provided	11	(458)
	17,471	36,074
	=====	=====

The effective tax rate for the current quarter and financial year-to-date 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 2015 RM'000	Current Financial Year-To-Date RM'000
Charges:		
Finance cost	8,866	14,057
Depreciation and amortisation	26,680	54,219
(Gain)/loss on disposal of property, plant and equipment	(12)	141
Net foreign exchange loss	5,313	21,126
	=====	=====
Credits:		
Interest income	11,317	20,497
Investment income	925	1,876
Gain on disposal of a subsidiary	-	917
Gain on sale of land	-	4,053
	=====	=====

Other than the above, there were no provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and gain or loss on derivatives for the current quarter and financial period ended 30 June 2015.

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 previous announcements in respect of the Joint Venture, the Company had on 26 March 2015 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 2015.

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 26 March 2015, at the request of the affiliates of the Vendor, mutually agreed to extend the period for fulfilment of the obligations to obtain all requisite licenses, permits or approvals for a further period of six months to not later than 18 September 2015.

The PT UAI CSPA is still conditional as at 18 August 2015.

8) Group Borrowings and Debt Securities

The details of the Group's borrowings and debts securities as at 30 June 2015 are set out below:

	Secured RM'000	Unsecured RM'000	Total RM'000
Borrowings			
<u>Non-current</u>			
Sukuk Murabahah denominated in Ringgit Malaysia	-	996,923	996,923
Term loans denominated in United States Dollars (USD256,968,629)	962,399	-	962,399
	<u>962,399</u>	<u>996,923</u>	<u>1,959,322</u>
<u>Current</u>			
Term loans denominated in United States Dollars (USD55,670,000)	208,456	-	208,456
	<u>1,170,855</u>	<u>996,923</u>	<u>2,167,778</u>

9) Outstanding Derivatives

As at 30 June 2015, 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	262,115	
- Less than 1 year		(530)
- 1 year to 3 years		186
<u>Interest Rate Capped Libor-In-Arrears Swap</u>		
USD	131,058	
- Less than 1 year		(350)
- 1 year to 3 years		(453)
<u>Forward Foreign Currency Exchange</u>		
USD	22,989	
- Less than 1 year		(684)

There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 December 2014:

- 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 2015, 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 against the Company and Genting Tanjung Bahagia Sdn Bhd being the Second and Third Defendants and 6 other Defendants instituted by certain natives claiming 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 High Court had proceeded with the trial since 26 November 2012 and it is still ongoing.

Other than above, there have been no changes to the status of the aforesaid litigation as at 18 August 2015.

12) **Dividend Proposed or Declared**

- a) i) An interim single-tier dividend of 2.5 sen per ordinary share of 50 sen each in respect of the financial year ending 31 December 2015 has been declared by the Directors.
- ii) The interim single-tier dividend declared and paid for the previous year's corresponding period was 3 sen per ordinary share of 50 sen each.
- iii) The interim single-tier dividend shall be payable on 19 October 2015.
- 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 2015 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 2015 is 2.5 sen per ordinary share of 50 sen each.

13) **Earnings per Share**

	Current Quarter 2Q 2015	Current Financial Year-To-Date
a) Basic earnings per share		
Profit for the financial period attributable to equity holders of the Company (RM'000)	40,028	92,683
Weighted average number of ordinary shares in issue ('000)	772,753	771,936
Basic earnings per share (sen)	5.18	12.01
b) Diluted earnings per share		
Profit for the financial period attributable to equity holders of the Company (RM'000)	40,028	92,683
Adjusted weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue ('000)	772,753	771,936
Adjustment for potential conversion of warrants ('000)	27,754	28,908
	800,507	800,844
Diluted earnings per share (sen)	5.00	11.57

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

The breakdown of the retained profits of the Group as at 30 June 2015 and 31 December 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 30/06/2015 RM'000	As at 31/12/2014 RM'000
Total retained profits of Genting Plantations Berhad and its subsidiaries:		
- Realised	4,734,736	4,750,054
- Unrealised	(55,820)	(54,062)
	<u>4,678,916</u>	<u>4,695,992</u>
Total share of retained profits/(accumulated losses) from associates:		
- Realised	9,244	17,404
- Unrealised	(650)	(663)
Total share of retained profits/(accumulated losses) from joint ventures:		
- Realised	39,720	30,773
- Unrealised	-	-
	<u>4,727,230</u>	<u>4,743,506</u>
Less: Consolidation adjustments	<u>(1,461,493)</u>	<u>(1,516,364)</u>
Total Group retained profits as per consolidated accounts	<u>3,265,737</u>	<u>3,227,142</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 2014 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 25 August 2015.