# Quarterly rpt on consolidated results for the financial period ended 31 Dec 2017

GENTING PLANTATIONS BERHAD

| | |
|---|---|
| **Financial Year End** | 31 Dec 2017 |
| **Quarter** | 4 Qtr |
| **Quarterly report for the financial period ended** | 31 Dec 2017 |
| **The figures** | have not been audited |

**Attachments**

GENP 4Q 2017 Press Release.pdf
*249.7 kB*

GENP G-ANN 4Q17 FINAL.pdf
*726.0 kB*

*Remarks :*
*The figures for the cumulative period have been audited. A Press Release by the Company in connection with the 2017 Fourth Quarterly Report is attached above.*

**Default Currency** | Other Currency

Currency: **Malaysian Ringgit (MYR)**

**SUMMARY OF KEY FINANCIAL INFORMATION**
**31 Dec 2017**

| | | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|---|---|---|---|---|
| | | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | | 31 Dec 2017 | 31 Dec 2016 | 31 Dec 2017 | 31 Dec 2016 |
| | | $$'000 | $$'000 | $$'000 | $$'000 |
| 1 | Revenue | 528,417 | 513,414 | 1,804,250 | 1,480,079 |
| 2 | Profit/(loss) before tax | 142,147 | 258,562 | 461,127 | 448,771 |
| 3 | Profit/(loss) for the period | 111,913 | 191,732 | 344,788 | 327,491 |
| 4 | Profit/(loss) attributable to ordinary equity holders of the parent | 117,697 | 189,249 | 337,710 | 338,213 |
| 5 | Basic earnings/ (loss) per share (Subunit) | 14.83 | 24.14 | 42.13 | 42.84 |
| 6 | Proposed/Declared dividend per share (Subunit) | 20.50 | 19.00 | 26.00 | 21.00 |
| | | 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 ($$) | | 5.4000 | | 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** | 26 Feb 2018 |
| **Category** | Financial Results |
| **Reference Number** | FRA-26022018-00129 |

PRESS RELEASE | For Immediate Release

# GENTING PLANTATIONS REPORTS 2017 FINANCIAL YEAR RESULTS

KUALA LUMPUR, Feb 26 – Genting Plantations Berhad registered revenue of RM1.80 billion for the financial year ended 31 December 2017 ("FY 2017"), representing a 22% increase from the previous year.

Revenue growth was underpinned by the positive performance from all segments, with the exception of the Property segment. The Plantation segment recorded a 17% year-on-year increase in fresh fruit bunch ("FFB") production with improvements from both Malaysia and Indonesia buoyed by crop recovery from the impact of El Nino along with additional mature areas and an improved age profile of planted areas in Indonesia. The Downstream Manufacturing segment also recorded higher sales of refined palm products and biodiesel.

Collectively, these increases were partly offset by a lower year-on-year revenue from the Property segment due to a different sales mix as well as the impact of a higher inter-segment adjustment reflecting the sales of crude palm oil ("CPO") by the Plantation-Malaysia segment to the Downstream Manufacturing segment.

The Group achieved a higher CPO selling price of RM2,715 per metric tonne (mt) in FY 2017 on the back of sustained demand from major importing countries amid the generally slower-than-expected crop output recovery from El Nino. However, the Group's palm kernel ("PK") selling prices in FY 2017 were slightly lower year-on-year at RM2,443 per mt.

For FY 2017, Genting Plantations posted RM637.7 million in EBITDA, an increase of 3% compared to the previous financial year, contributed mainly by its mainstay Plantation segment.

EBITDA for the Group's Plantation segment was bolstered by its Indonesian operations which posted a 63% year-on-year increase in profit from higher FFB production. On the other hand, EBITDA for the Plantation-Malaysia segment was comparable year-on-year as the positive impact from its improved FFB production was offset by unrealised profit from inter-segment sales of CPO.

Although the Group's Property segment registered higher year-on-year sales for FY 2017, EBITDA for the segment was lower due to a different sales mix.

The Biotechnology segment continued to record lower year-on-year losses for FY 2017 reflecting its lower research and development expenditure.

The Downstream Manufacturing segment achieved profitability in 2017, contributing RM12.1 million in EBITDA from the higher sales of both biodiesel and refined palm products along with improving capacity utilisation of its operations.

The Group's EBITDA in 2017 should also be viewed in the light of a significant net gain of RM53.8 million in 2016 mainly derived from the disposal of a parcel of plantation land in Semenyih amounting to RM131.8 million and the write off of intangible assets amounting to RM80.1 million.

Genting Plantation's prospects in FY2018 will largely be contingent on the performance of its Plantation segment which in turn tracks the movements in palm oil prices and the Group's FFB production volume. Palm oil prices are influenced by several factors including global supply and demand of edible oils, weather patterns, currency exchange movements, global economic conditions, as well as relevant government policies such as import/export tax and duty regimes and biodiesel mandates.

The Group foresees an overall FFB production uptrend in 2018 with higher output from our Indonesian segment amid additional mature areas from new planting and the new acquisition made in 2017, as well as an overall better age profile.

For the Property segment, the Group will continue to focus on the provision of affordable residential housing that caters to a broader market segment given the prevailing soft market sentiments. Since its opening in June 2017, Genting Highlands Premium Outlets has performed well and the Group expects its good performance to continue into 2018, likely matching Johor Premium Outlets.

The Group's Biotechnology segment will continue its efforts for prospective value creation by leveraging on its ongoing research and genomic milestones for the development of commercial solutions and applications.

The Downstream Manufacturing segment will continue to leverage on its position as a major supplier of biodiesel in Sabah, and along with its refinery operations, focus on improving its capacity utilisation, market reach and market share.

The Board of Directors recommended a final single-tier dividend of 9.5 sen per ordinary share for the 2017 financial year. The Board also declared a special single-tier dividend of 11.0 sen per ordinary share. Should the final dividend be approved by shareholders, total dividend (including the interim dividend of 5.5 sen) for FY 2017 will amount to 26.0 sen per ordinary share. In comparison, for FY 2016, the total dividend amounted to 21.0 sen.

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

**TABLE 1:**

| RM' Million | 4Q 2017 | 4Q 2016 Restated | % | FY 2017 | FY 2016 Restated | % |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Plantation - Malaysia | 273.4 | 294.9 | *-7* | 962.3 | 907.0 | *+6* |
| Plantation – Indonesia | 135.0 | 163.1 | *-17* | 526.9 | 353.0 | *+49* |
| Property | 36.4 | 28.7 | *+27* | 112.4 | 125.6 | *-11* |
| Downstream Manufacturing | 245.5 | 27.5 | *>100* | 723.4 | 96.1 | *>100* |
| | 690.3 | 514.2 | *+34* | 2,325.0 | 1,481.7 | *+57* |
| Inter segment | (161.8) | (0.8) | *>100* | (520.7) | (1.6) | *>100* |
| Revenue - external | 528.5 | 513.4 | *+3* | 1,804.3 | 1,480.1 | *+22* |
| **Adjusted EBITDA** | | | | | | |
| Plantation | | | | | | |
| -Malaysia | 123.7 | 153.5 | *-19* | 413.0 | 413.6 | - |
| -Indonesia | 27.6 | 69.2 | *-60* | 168.2 | 103.2 | *+63* |
| Property | 7.8 | 12.8 | *-39* | 23.5 | 42.2 | *-44* |
| Biotechnology | (2.7) | (3.4) | *+21* | (11.0) | (19.2) | *+43* |
| Downstream Manufacturing | 7.2 | (0.4) | - | 12.1 | (2.4) | - |
| Others* | 18.9 | 16.2 | *+17* | 22.8 | 29.2 | *-22* |
| | 182.5 | 247.9 | *-26* | 628.6 | 566.6 | *+11* |
| **Profit before tax** | 142.1 | 258.6 | *-45* | 461.1 | 448.8 | *+3* |
| **Profit for the financial period** | 111.9 | 191.7 | *-42* | 344.8 | 327.5 | *+5* |
| **Basic EPS (sen)** | 14.83 | 24.14 | *-39* | 42.13 | 42.84 | *-2* |

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

**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 183,000 hectares (including the *Plasma* scheme) in Indonesia held through joint ventures. It owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 550 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-based solutions to increase crop productivity and sustainability.

For more information, visit www.gentingplantations.com.

**~ END OF RELEASE ~**

**GENTING PLANTATIONS**

## FOURTH QUARTERLY REPORT

Quarterly report on consolidated results for the fourth quarter ended 31 December 2017. The figures for the cumulative period have been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|---|---|---|---|
| | Current Year Quarter 31/12/2017 RM'000 | Preceding Year Corresponding Quarter 31/12/2016 RM'000 Restated | Current Year To-Date 31/12/2017 RM'000 | Preceding year Corresponding Period 31/12/2016 RM'000 Restated |
| Revenue | **528,417** | 513,414 | **1,804,250** | 1,480,079 |
| Cost of sales | **(358,328)** | (274,302) | **(1,181,684)** | (923,156) |
| **Gross profit** | **170,089** | 239,112 | **622,566** | 556,923 |
| Other income | **31,489** | 165,676 | **83,025** | 220,202 |
| Other expenses | **(47,027)** | (140,372) | **(204,580)** | (293,769) |
| **Profit from operations** | **154,551** | 264,416 | **501,011** | 483,356 |
| Finance cost | **(24,172)** | (13,523) | **(74,579)** | (59,573) |
| Share of results in joint ventures and associates | **11,768** | 7,669 | **34,695** | 24,988 |
| **Profit before taxation** | **142,147** | 258,562 | **461,127** | 448,771 |
| Taxation | **(30,234)** | (66,830) | **(116,339)** | (121,280) |
| **Profit for the financial period** | **111,913** | 191,732 | **344,788** | 327,491 |
| Profit/(loss) attributable to: | | | | |
| Equity holders of the Company | **117,697** | 189,249 | **337,710** | 338,213 |
| Non-controlling interests | **(5,784)** | 2,483 | **7,078** | (10,722) |
| | **111,913** | 191,732 | **344,788** | 327,491 |
| Earnings per share (sen) for profit attributable to equity holders of the Company: | | | | |
| - Basic | **14.83** | 24.14 | **42.13** | 42.84 |
| - Diluted | **14.33** | 23.30 | **40.72** | 41.34 |

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

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GENTING PLANTATIONS

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|---|---|---|---|
| | Current Year Quarter 31/12/2017 RM'000 | Preceding Year Corresponding Quarter 31/12/2016 RM'000 Restated | Current Year To-Date 31/12/2017 RM'000 | Preceding year Corresponding Period 31/12/2016 RM'000 Restated |
| **Profit for the financial period** | **111,913** | 191,732 | **344,788** | 327,491 |
| **Other comprehensive income/(loss), net of tax:** | | | | |
| **Items that will not be reclassified subsequently to profit or loss:** | | | | |
| Reversal of revaluation surplus on intangible assets | **-** | (13,258) | **-** | (13,258) |
| Actuarial (loss)/)gain on retirement benefit liability | **(694)** | 1,011 | **867** | 1,011 |
| | **(694)** | (12,247) | **867** | (12,247) |
| **Items that will be reclassified subsequently to profit or loss:** | | | | |
| Fair value loss on available-for-sale financial assets | **-** | - | **(31,106)** | - |
| Cash flow hedge | **3,595** | 2,361 | **5,528** | (360) |
| Foreign currency translation differences | **(73,310)** | 48,417 | **(148,613)** | 46,822 |
| | **(69,715)** | 50,778 | **(174,191)** | 46,462 |
| **Other comprehensive income/(loss) for the period, net of tax** | **(70,409)** | 38,531 | **(173,324)** | 34,215 |
| **Total comprehensive income for the financial period** | **41,504** | 230,263 | **171,464** | 361,706 |
| Total comprehensive income/(loss) attributable to: | | | | |
| Equity holders of the Company | **55,428** | 234,553 | **176,921** | 372,004 |
| Non-controlling interests | **(13,924)** | (4,290) | **(5,457)** | (10,298) |
| | **41,504** | 230,263 | **171,464** | 361,706 |

*(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 31 DECEMBER 2017

| | AS AT 31/12/2017 RM'000 | AS AT 31/12/2016 RM'000 Restated |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | **4,392,549** | 3,811,281 |
| Land held for property development | **260,226** | 254,825 |
| Investment properties | **25,115** | 25,517 |
| Leasehold land use rights | **641,053** | 495,758 |
| Intangible assets | **32,189** | 34,628 |
| Joint ventures | **108,096** | 77,894 |
| Associates | **12,871** | 12,501 |
| Available-for-sale financial assets | **94,548** | 143,170 |
| Other non-current assets | **12,897** | 14,361 |
| Deferred tax assets | **134,316** | 92,556 |
| | **5,713,860** | 4,962,491 |
| **Current assets** | | |
| Property development costs | **31,218** | 50,006 |
| Inventories | **232,843** | 174,278 |
| Tax recoverable | **6,965** | 13,112 |
| Trade and other receivables | **397,318** | 504,758 |
| Amounts due from joint ventures, associates and other related companies | **4,569** | 4,139 |
| Derivative financial assets | **3,441** | 424 |
| Available-for-sale financial assets | **500,001** | 500,006 |
| Restricted cash | **357,300** | - |
| Cash and cash equivalents | **1,221,674** | 1,260,266 |
| | **2,755,329** | 2,506,989 |
| Assets classified as held for sale | **-** | 6,034 |
| | **2,755,329** | 2,513,023 |
| **TOTAL ASSETS** | **8,469,189** | 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 31 DECEMBER 2017** *(Continued)*

| | AS AT 31/12/2017 RM'000 | AS AT 31/12/2016 RM'000 Restated |
|---|---|---|
| **EQUITY AND LIABILITIES** | | |
| **Equity attributable to equity holders of the Company** | | |
| Share capital | **841,340** | 397,019 |
| Reserves | **3,492,816** | 3,883,906 |
| | **4,334,156** | 4,280,925 |
| **Non-controlling interests** | **235,315** | 255,380 |
| **Total equity** | **4,569,471** | 4,536,305 |
| **Non-current liabilities** | | |
| Borrowings | **2,559,068** | 2,315,708 |
| Provision for retirement gratuities | **14,292** | 12,469 |
| Derivative financial liability | **128** | 2,073 |
| Deferred tax liabilities | **308,709** | 143,357 |
| Deferred income | **8,493** | 8,493 |
| | **2,890,690** | 2,482,100 |
| **Current liabilities** | | |
| Trade and other payables | **367,045** | 412,350 |
| Amounts due to ultimate holding and other related companies | **2,260** | 2,072 |
| Borrowings | **625,312** | 29,097 |
| Derivative financial liabilities | **9** | 574 |
| Taxation | **14,402** | 13,016 |
| | **1,009,028** | 457,109 |
| **Total liabilities** | **3,899,718** | 2,939,209 |
| **TOTAL EQUITY AND LIABILITIES** | **8,469,189** | 7,475,514 |
| **NET ASSETS PER SHARE (RM)** | **5.40** | 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 YEAR ENDED 31 DECEMBER 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 | - | - | - | - | (31,106) | (135,355) | 5,012 | - | 338,370 | 176,921 | (5,457) | 171,464 |
| Issue of shares upon exercise of warrants | 73,929 | 14,008 | (15,391) | - | - | - | - | - | - | 72,546 | - | 72,546 |
| Transfer from share premium (see Note below) | 370,392 | (370,392) | - | - | - | - | - | - | - | - | - | - |
| Effects arising from changes in composition of the Group | - | - | - | - | - | - | - | - | - | - | (11,849) | (11,849) |
| Dividend paid to non-controlling interest | - | - | - | - | - | - | - | - | - | - | (2,759) | (2,759) |
| **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) |
| - Interim single-tier dividend paid for the financial year ended 31 December 2017 (5.5 sen) | - | - | - | - | - | - | - | - | (44,177) | (44,177) | - | (44,177) |
| | - | - | - | - | - | - | - | - | (196,236) | (196,236) | - | (196,236) |
| **Balance at 31 December 2017** | **841,340** | **-** | **155,624** | **18,063** | **9,573** | **(132,411)** | **3,733** | **(1,372)** | **3,439,606** | **4,334,156** | **235,315** | **4,569,471** |

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)*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 | - | - | - | (13,258) | - | 46,207 | (221) | - | 339,276 | 372,004 | (10,298) | 361,706 |
| Issue of shares upon exercise of warrants | 5,688 | 101,179 | (18,705) | - | - | - | - | - | - | 88,162 | - | 88,162 |
| Effects arising from changes in composition of the Group | - | - | - | - | - | - | - | - | (149) | (149) | 2,694 | 2,545 |
| Transfer due to realisation of revaluation reserve | - | - | - | (2,652) | - | - | - | - | 2,652 | - | - | - |
| Dividend paid to non-controlling interest | - | - | - | - | - | - | - | - | - | - | (2,736) | (2,736) |
| Buy-back of shares | - | - | - | - | - | - | - | (217) | - | (217) | - | (217) |
| **Appropriation:** | | | | | | | | | | | | |
| - Final single-tier dividend paid for the financial year ended 31 December 2015 (3 sen) | - | - | - | - | - | - | - | - | (23,742) | (23,742) | - | (23,742) |
| - Interim single-tier dividend paid for the financial year ended 31 December 2016 (2 sen) | - | - | - | - | - | - | - | - | (15,840) | (15,840) | - | (15,840) |
| | - | - | - | - | - | - | - | - | (39,582) | (39,582) | - | (39,582) |
| **Balance at 31 December 2016** | 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 |

*(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 CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

| | 2017 RM'000 | 2016 RM'000 Restated |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit before taxation | **461,127** | 448,771 |
| Adjustments for: | | |
| Depreciation and amortisation | **177,470** | 176,384 |
| Finance cost | **74,579** | 59,573 |
| Interest income | **(40,755)** | (39,376) |
| Investment income | **(17,826)** | (18,661) |
| Net unrealised exchange gain | **(3,912)** | (8,830) |
| Share of results in joint ventures and associates | **(34,695)** | (24,988) |
| Intangible assets written off | **-** | 80,141 |
| (Loss)/gain on disposal of property, plant and equipment | **90** | (136,730) |
| Write off of receivables | **2,354** | 51 |
| Write off of property, plant and equipment | **2,053** | 2,862 |
| Net surplus arising from government acquisition | **(10,595)** | (59) |
| Other adjustments | **11,218** | 3,675 |
| | **159,981** | 94,042 |
| **Operating profit before changes in working capital** | **621,108** | 542,813 |
| Changes in working capital: | | |
| Net change in current assets | **126,097** | (66,491) |
| Net change in current liabilities | **(51,702)** | (31,183) |
| | **74,395** | (97,674) |
| **Cash generated from operations** | **695,503** | 445,139 |
| Tax paid *(net of tax refund)* | **(95,269)** | (69,834) |
| Retirement gratuities paid | **(4,220)** | - |
| **Net cash generated from operating activities** | **596,014** | 375,305 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property, plant and equipment | **(309,878)** | (412,371) |
| Purchase of leasehold land use rights | **(50,390)** | (13,019) |
| Purchase of investment properties | **(201)** | (77) |
| Purchase of available-for-sale financial assets | **(2,843)** | - |
| Land held for property development | **(8,410)** | (83,911) |
| Acquisition of subsidiaries* | **(531,090)** | (106,754) |
| Interest received | **40,755** | 39,376 |
| Investment income | **17,826** | 18,661 |
| Proceeds received from disposal of subsidiaries | **14,507** | - |
| Proceeds from disposal of property, plant and equipment | **737** | 23,839 |
| Proceeds received from Government in respect of acquisition of land | **11,008** | 116 |
| Dividend received from associates | **4,123** | 2,123 |
| Proceeds received from redemption of preference shares by a joint venture | **-** | 2,685 |
| **Net cash used in investing activities** | **(813,856)** | (529,332) |

*(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)*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017** *(Continued)*

| | 2017 RM'000 | 2016 RM'000 Restated |
|---|---|---|
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from bank borrowings | **836,052** | 443,025 |
| Proceeds from issue of shares upon exercise of warrants | **72,546** | 88,162 |
| Repayment of bank borrowings and transaction costs | **(43,047)** | (433,012) |
| Finance cost paid | **(101,748)** | (80,763) |
| Dividend paid | **(196,236)** | (39,582) |
| Dividend paid to non-controlling interests | **(2,759)** | (2,736) |
| Movement in restricted cash# | **(357,300)** | - |
| Buy-back of shares | **-** | (217) |
| **Net cash generated from/(used in) financing activities** | **207,508** | (25,123) |
| **Net decrease in cash and cash equivalents** | **(10,334)** | (179,150) |
| **Cash and cash equivalents at beginning of financial year** | **1,260,266** | 1,424,897 |
| **Effect of currency translation** | **(28,258)** | 14,519 |
| **Cash and cash equivalents at end of financial year** | **1,221,674** | 1,260,266 |

*** Analysis of the acquisition of subsidiaries**

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

| | RM'000 |
|---|---|
| Property, plant and equipment | **(626,693)** |
| Leasehold land use rights | **(163,361)** |
| Inventories | **(9,149)** |
| Trade and other receivables | **(46,279)** |
| Cash and bank balances | **(10,223)** |
| Trade and other payables | **153,422** |
| Borrowings | **188,764** |
| Deferred tax liabilities | **122,328** |
| Non-controlling interests | **(10,620)** |
| Total purchase consideration/Identifiable net assets acquired | **(401,811)** |
| Less : Cash and bank balances acquired | **10,223** |
| Add : Assumption of liabilities | **(139,502)** |
| Net cash outflow on acquisition of subsidiaries | **(531,090)** |

This acquisition relates to the acquisition of 100% equity interest in Knowledge One Investment Pte Ltd as disclosed in Part I (j) of this interim financial report. The purchase price allocation of the acquisition was provisional as at 31 December 2017 and the Group expects to complete the final purchase price allocation exercise within the twelve-month window period from the acquisition date.

#This relates to money market instruments pledged with a licenced bank to secure certain bank borrowings during the financial year.

*(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 BERHAD**
**NOTES TO THE INTERIM FINANCIAL REPORT**
**- FOURTH QUARTER ENDED 31 DECEMBER 2017**

## I) Compliance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting

### (a) Accounting Policies and Methods of Computation

The interim financial report 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 figures for the cumulative period have been audited.

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**

As reported in the previous quarter, the Group has changed its accounting policy for bearer plants to be 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. 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 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 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.

**Change in Accounting Policy** *(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** | | | |
| **Quarter ended 31 December 2016** | | | |
| Cost of Sales | (253,335) | (20,967) | (274,302) |
| Other expenses | (145,313) | 4,941 | (140,372) |
| Profit before taxation | 274,588 | (16,026) | 258,562 |
| Taxation | (66,742) | (88) | (66,830) |
| Profit for the financial period | 207,846 | (16,114) | 191,732 |
| Profit/(loss) attributable to: | | | |
| Equity holders of the Company | 201,891 | (12,642) | 189,249 |
| Non-controlling interests | 5,955 | (3,472) | 2,483 |
| Earnings per share (sen): | | | |
| - Basic | 25.76 | (1.62) | 24.14 |
| - Diluted | 24.86 | (1.56) | 23.30 |
| **Financial year ended 31 December 2016** | | | |
| Cost of Sales | (848,926) | (74,230) | (923,156) |
| Other expenses | (315,799) | 22,030 | (293,769) |
| Profit before taxation | 500,971 | (52,200) | 448,771 |
| Taxation | (131,014) | 9,734 | (121,280) |
| Profit for the financial period | 369,957 | (42,466) | 327,491 |
| Profit/(loss) attributable to: | | | |
| Equity holders of the Company | 367,488 | (29,275) | 338,213 |
| Non-controlling interests | 2,469 | (13,191) | (10,722) |
| Earnings per share (sen): | | | |
| - Basic | 46.54 | (3.70) | 42.84 |
| - Diluted | 44.92 | (3.58) | 41.34 |

**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 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 |
| **Condensed Consolidated Statement of Cash Flows** | | | |
| **Financial year ended 31 December 2016** | | | |
| **Cash flows from operating activities** | | | |
| Profit before taxation | 500,971 | (52,200) | 448,771 |
| Depreciation and amortisation | 102,154 | 74,230 | 176,384 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | (239,640) | (172,731) | (412,371) |
| Plantation development | (149,339) | 149,339 | - |

**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").

**Malaysian Financial Reporting Standards** *(Continued)*

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 financial year ended 31 December 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 year ended 31 December 2017, the paid-up share capital of the Company was increased by RM73.9 million by way of allotment and issuance of 9,360,660 new ordinary shares arising from the exercise 9,360,660 warrants.

Other than the above, there were no other issuance, cancellation, repurchase, resale or repayment of debts or equity securities for the financial year ended 31 December 2017.

***f) Dividend Paid***

Dividend paid during the financial year ended 31 December 2017 are as follows:

| | | RM'Mil |
|---|---|---|
| i) | Special single-tier dividend paid on 27 March 2017 for the financial year ended 31 December 2016<br>- 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<br>- 8 sen per ordinary share | 64.3 |
| iii) | An interim single-tier dividend paid on 2 October 2017 for the financial year ended 31 December 2017<br>- 5.5 sen per ordinary share | 44.2 |
| | | --------- |
| | | 196.3 |
| | | ===== |

***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 year ended 31 December 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 | **441,640** | **526,826** | **112,428** | **-** | **723,356** | **-** | **-** | **1,804,250** |
| - Inter segment | **520,640** | **-** | **-** | **-** | **-** | **-** | **(520,640)** | **-** |
| **Total Revenue** | **962,280** | **526,826** | **112,428** | **-** | **723,356** | **-** | **(520,640)** | **1,804,250** |
| **Adjusted EBITDA** | **413,064** | **168,195** | **23,506** | **(11,013)** | **12,066** | **22,820** | **-** | **628,638** |
| (Loss)/gain on disposal of assets | **(107)** | **22** | **(2)** | **(3)** | **-** | **-** | **-** | **(90)** |
| Net surplus arising from Government acquisition | **9,293** | **-** | **1,302** | **-** | **-** | **-** | **-** | **10,595** |
| Gain on disposal of subsidiaries | **-** | **640** | **-** | **-** | **-** | **-** | **-** | **640** |
| Assets written off | **(1,599)** | **(53)** | **(88)** | **(170)** | **(147)** | **-** | **-** | **(2,057)** |
| | **420,651** | **168,804** | **24,718** | **(11,186)** | **11,919** | **22,820** | **-** | **637,726** |
| Depreciation and amortisation | **(71,229)** | **(90,871)** | **(915)** | **(2,306)** | **(12,149)** | **-** | **-** | **(177,470)** |
| Share of results in joint ventures and associates | **4,442** | **-** | **30,266** | **-** | **-** | **(13)** | **-** | **34,695** |
| | **353,864** | **77,933** | **54,069** | **(13,492)** | **(230)** | **22,807** | **-** | **494,951** |
| Interest income | | | | | | | | **40,755** |
| Finance cost | | | | | | | | **(74,579)** |
| **Profit before taxation** | | | | | | | | **461,127** |
| Main foreign currency | RM | IDR | RM | RM | RM | RM | | |
| Exchange ratio of 100 units of foreign currency to RM | - | 0.0321 | - | - | - | - | | |
| **Assets** | | | | | | | | |
| Segment assets | **1,262,082** | **4,074,255** | **444,738** | **122,519** | **489,294** | **500,568** | **-** | **6,893,456** |
| Joint ventures | **-** | **-** | **108,096** | **-** | **-** | **-** | **-** | **108,096** |
| Associates | **12,666** | **-** | **347** | **-** | **-** | **(142)** | **-** | **12,871** |
| | **1,274,748** | **4,074,255** | **553,181** | **122,519** | **489,294** | **500,426** | **-** | **7,014,423** |
| Interest bearing instruments | | | | | | | | **1,313,485** |
| Deferred tax assets | | | | | | | | **134,316** |
| Tax recoverable | | | | | | | | **6,965** |
| **Total assets** | | | | | | | | **8,469,189** |
| **Liabilities** | | | | | | | | |
| Segment liabilities | **94,460** | **134,706** | **136,846** | **2,164** | **18,336** | **5,715** | **-** | **392,227** |
| Interest bearing instruments | | | | | | | | **3,184,380** |
| Deferred tax liabilities | | | | | | | | **308,709** |
| Taxation | | | | | | | | **14,402** |
| **Total liabilities** | | | | | | | | **3,899,718** |
| Main foreign currency | RM | IDR | RM | RM | RM | RM | | |
| Exchange ratio of 100 units of foreign currency to RM | - | 0.0301 | - | - | - | - | | |

### h) Property, Plant and Equipment

During the current financial year ended 31 December 2017, acquisitions and disposals of property, plant and equipment by the Group were RM347.0 million and RM1.3 million respectively.

### i) Material Events Subsequent to the End of Financial Year

There were no material events subsequent to the end of the financial year ended 31 December 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 USD3.19 million.

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 was completed on 10 October 2017.

Other than the above, there were no material changes in the composition of the Group for the financial year ended 31 December 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 31 December 2017 are as follows:

| | **Contracted**<br>RM'000 | **Not Contracted**<br>RM'000 | **Total**<br>RM'000 |
|---|---|---|---|
| Property, plant and equipment | **84,115** | **1,447,340** | **1,531,455** |
| Leasehold land use rights | **812** | **28,163** | **28,975** |
| Intellectual property development | **13,487** | **-** | **13,487** |
| | **98,414** | **1,475,503** | **1,573,917** |

### m) Significant Related Party Transactions

Significant related party transactions which were entered into on agreed terms and prices for the current quarter and financial year ended 31 December 2017 are set out below:

| | | **Current Quarter 4Q 2017**<br>RM'000 | **Current Financial Year-to-Date**<br>RM'000 |
|---|---|---|---|
| i) | Provision of shared services in relation to secretarial, tax, treasury and other services by Genting Berhad. | 732 | 2,210 |
| ii) | Letting of office space and provision of related services by Oakwood Sdn Bhd. | 668 | 2,670 |
| iii) | Purchase of air-tickets, hotel accommodation and other related services from Genting Malaysia Berhad. | 81 | 836 |
| 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. | 1,555 | 4,245 |

***m) Significant Related Party Transactions*** *(Continued)*

| | | Current Quarter 4Q 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. | 146 | 529 |
| vi) | Letting of office space and provision of related services by PT Lestari Properti Investama. | 521 | 2,953 |
| vii) | Sale of RBD palm products by Genting MusimMas Refinery Sdn Bhd to Inter-Continental Oils & Fats Pte Ltd. | 191,335 | 481,795 |
| viii) | Sale of fresh fruit bunches by PT Agro Abadi Cemerlang to Sepanjang Group. | 5,211 | 10,278 |
| ix) | Provision of sequencing and bioinformatics services by Genting Laboratory Services Sdn Bhd to ACGT Sdn Bhd. | 454 | 517 |
| x) | Acquisition of office space from PT Lestari Properti Investama | 29,686 | 29,686 |
| xi) | Disposal of PT Permata Sawit Mandiri to PT Suryaborneo Mandiri | - | 14,117 |

***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 31 December 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 | 94,548 | 594,549 |
| Derivative financial instruments | - | 3,441 | - | 3,441 |
| | - | 503,442 | 94,548 | 597,990 |
| **Financial liabilities** | | | | |
| Derivative financial instruments | - | 137 | - | 137 |

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 |
| Additions | 2,843 |
| Fair value changes - recognised in other comprehensive income | (31,106) |
| Foreign exchange differences | (20,359) |
| As at 31 December 2017 | 94,548 |

There have been no transfers between the levels of the fair value hierarchy during the current financial year ended 31 December 2017.

**GENTING PLANTATIONS**

## ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FOURTH QUARTER ENDED 31 DECEMBER 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 | | | | FINANCIAL YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|
| | 2017 RM'Mil | 2016 RM'Mil Restated | +/- RM'Mil | +/- % | 4Q 2017 RM'Mil | 4Q 2016 RM'Mil Restated | +/- RM'Mil | +/- % |
| **Revenue** | | | | | | | | |
| Plantation - Malaysia | **273.4** | 294.9 | *-21.5* | *-7* | **962.3** | 907.0 | *+55.3* | *+6* |
| - Indonesia | **135.0** | 163.1 | *-28.1* | *-17* | **526.9** | 353.0 | *+173.9* | *+49* |
| Property | **36.4** | 28.7 | *+7.7* | *+27* | **112.4** | 125.6 | *-13.2* | *-11* |
| Downstream manufacturing | **245.5** | 27.5 | *+218.0* | *>100* | **723.4** | 96.1 | *+627.3* | *>100* |
| | **690.3** | 514.2 | *+176.1* | *+34* | **2,325.0** | 1,481.7 | *+843.3* | *+57* |
| Inter segment | **(161.8)** | (0.8) | *-161.0* | *>100* | **(520.7)** | (1.6) | *-519.1* | *>100* |
| Revenue - external | **528.5** | 513.4 | *+15.1* | *+3* | **1,804.3** | 1,480.1 | *+324.2* | *+22* |
| **Profit before tax** | | | | | | | | |
| Plantation | | | | | | | | |
| - Malaysia | **123.7** | 153.5 | *-29.8* | *-19* | **413.0** | 413.6 | *-0.6* | *-* |
| - Indonesia | **27.6** | 69.2 | *-41.6* | *-60* | **168.2** | 103.2 | *+65.0* | *+63* |
| Property | **7.8** | 12.8 | *-5.0* | *-39* | **23.5** | 42.2 | *-18.7* | *-44* |
| Biotechnology | **(2.7)** | (3.4) | *+0.7* | *+21* | **(11.0)** | (19.2) | *+8.2* | *+43* |
| Downstream manufacturing | **7.2** | (0.4) | *+7.6* | *-* | **12.1** | (2.4) | *+14.5* | *-* |
| Others | **18.9** | 16.2 | *+2.7* | *+17* | **22.8** | 29.2 | *-6.4* | *-22* |
| **Adjusted EBITDA** | **182.5** | 247.9 | *-65.4* | *-26* | **628.6** | 566.6 | *+62.0* | *+11* |
| Gain on disposal of subsidiaries | **-** | - | *-* | *-* | **0.6** | - | *+0.6* | *-* |
| (Loss)/gain on disposal of assets | **(0.1)** | 137.8 | *-137.9* | *-* | **(0.1)** | 136.7 | *-136.8* | *-* |
| Net surplus arising from government acquisition | **10.6** | - | *+10.6* | *-* | **10.6** | - | *+10.6* | *-* |
| Assets written off and others | **(0.7)** | (82.7) | *+82.0* | *+99* | **(2.0)** | (82.9) | *+80.9* | *+98* |
| **EBITDA** | **192.3** | 303.0 | *-110.7* | *-37* | **637.7** | 620.4 | *+17.3* | *+3* |
| Depreciation and amortisation | **(47.9)** | (47.4) | *-0.5* | *-1* | **(177.5)** | (176.4) | *-1.1* | *-1* |
| Interest income | **10.1** | 8.9 | *+1.2* | *+13* | **40.8** | 39.4 | *+1.4* | *+4* |
| Finance cost | **(24.2)** | (13.6) | *-10.6* | *-78* | **(74.6)** | (59.6) | *-15.0* | *-25* |
| Share of results in joint ventures and associates | **11.8** | 7.7 | *+4.1* | *+53* | **34.7** | 25.0 | *+9.7* | *+39* |
| **Profit before tax** | **142.1** | 258.6 | *-116.5* | *-45* | **461.1** | 448.8 | *+12.3* | *+3* |

## 1) *Performance Analysis*

The Group's revenue for the fourth quarter of 2017 ("4Q 2017") was 3% higher year-on-year on account of the higher property sales and higher offtake of refined palm products and biodiesel which more than offset the impact of the softer palm product selling prices.

The Group registered a 22% year-on-year revenue growth for the financial year ended 31 December 2017 ("FY 2017"), underpinned by the positive performance from all segments with the exception of the Property segment. The Plantation segment recorded a 17% year-on-year increase in FFB production with improvements from both Malaysia and Indonesia buoyed by crop recovery from the impact of El Nino along with additional mature areas and an improved age profile of planted areas in Indonesia. The Downstream Manufacturing segment also recorded higher sales of refined palm products and biodiesel. Collectively, these increases were partly offset by a lower year-on-year revenue from the Property segment due to a different sales mix as well as the impact of a higher inter-segment adjustment reflecting the sales of crude palm oil ("CPO") by the Plantation-Malaysia segment to the Downstream Manufacturing segment.

The Group recorded a lower year-on-year CPO selling price for 4Q 2017 due to the weak sentiments arising from India's move to raise its import duty on palm oil and the high national inventory level which peaked at 2.73 million mt in December 2017, the highest level since November 2015. However, the Group achieved a higher year-on-year CPO selling price of RM2,715/mt in FY 2017 on the back of sustained demand from major importing countries amid the generally slower-than-expected crop output recovery. On the other hand, the Group's average palm kernel ("PK") selling prices for 4Q 2017 and FY 2017 were lower year-on-year.

| | **Current Quarter** | | | **Year-To-Date** | | |
|---|---|---|---|---|---|---|
| | **2017** | **2016** | **Change %** | **2017** | **2016** | **Change %** |
| **Average Selling Price/tonne (RM)** | | | | | | |
| o Crude Palm Oil | 2,577 | 2,858 | *-10* | 2,715 | 2,631 | *+3* |
| o Palm Kernel | 2,537 | 2,794 | *-9* | 2,443 | 2,477 | *-1* |
| **Production (MT'000)** | | | | | | |
| o Fresh Fruit Bunches | 535 | 531 | *+1* | 1,884 | 1,614 | *+17* |

The Plantation segment's EBITDA for 4Q 2017 was lower year-on-year against the backdrop of lower palm product selling prices and higher unrealised profit from inter-segment sales. For FY 2017, the Plantation-Indonesia segment posted a 63% increase in EBITDA bolstered mainly by the higher FFB production. However, EBITDA for the Plantation-Malaysia segment was comparable year-on-year as the positive impact of its higher FFB production was largely offset by the unrealised profit from inter-segment sales.

Despite registering higher year-on-year property sales for 4Q 2017 and FY 2017, the Property segment posted a lower year-on-year EBITDA against its corresponding periods due to a different sales mix.

The Biotechnology segment recorded a lower loss year-on-year for 4Q 2017 and FY 2017 in line with its lower research and development expenditure.

The Downstream Manufacturing segment was profitable for both 4Q 2017 and FY 2017, reflective of its higher sales and improving capacity utilisation of its operations.

Changes in the "Others" category mainly comprise the impact of changes in the foreign currency translation position of the Group's U.S. Dollar denominated cash reserves and borrowings arising from foreign exchange movements.

The Group's EBITDA in 2017 should also be viewed in the light of a significant net gain of RM53.8 million in 2016 mainly derived from the disposal of a parcel of plantation land in Semenyih amounting to RM131.8 million and the write off of intangible assets amounting to RM80.1 million.

Overall, the Group's EBITDA was 3% higher year-on-year after accounting for the above net gain.

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

| | 4Q 2017 RM'Mil | 3Q 2017 RM'Mil | +/- RM'Mil | +/- % |
|---|---|---|---|---|
| **Revenue** | | | | |
| Plantation - Malaysia | **273.4** | 242.2 | *+31.2* | *+13* |
| - Indonesia | **135.0** | 132.1 | *+2.9* | *+2* |
| Property | **36.4** | 26.5 | *+9.9* | *+37* |
| Downstream manufacturing | **245.5** | 155.4 | *+90.1* | *+58* |
| | **690.3** | 556.2 | *+134.1* | *+24* |
| Inter segment | **(161.8)** | (126.9) | *-34.9* | *-28* |
| | ----------- | ----------- | | |
| Revenue – external | **528.5** | 429.3 | *+99.2* | *+23* |
| | ====== | ====== | | |
| **Profit before tax** | | | | |
| Plantation | | | | |
| - Malaysia | **123.7** | 101.1 | *+22.6* | *+22* |
| - Indonesia | **27.6** | 40.5 | *-12.9* | *-32* |
| Property | **7.8** | 5.3 | *+2.5* | *+47* |
| Biotechnology | **(2.7)** | (2.8) | *+0.1* | *+4* |
| Downstream manufacturing | **7.2** | 2.6 | *+4.6* | *>100* |
| Others | **18.9** | 2.1 | *+16.8* | *>100* |
| **Adjusted EBITDA** | **182.5** | 148.8 | *+33.7* | *+23* |
| Loss on disposal of assets | **(0.1)** | - | *-0.1* | - |
| Net surplus arising from Government acquisition | **10.6** | - | *+10.6* | - |
| Assets written off and others | **(0.7)** | (0.2) | *-0.5* | *>100* |
| | --------- | --------- | | |
| **EBITDA** | **192.3** | 148.6 | *+43.7* | *+29* |
| Depreciation and amortisation | **(47.9)** | (41.8) | *-6.1* | *-15* |
| Interest income | **10.1** | 10.5 | *-0.4* | *-4* |
| Finance cost | **(24.2)** | (18.4) | *-5.8* | *-32* |
| Share of results in joint ventures and associates | **11.8** | 9.3 | *+2.5* | *+27* |
| | --------- | --------- | | |
| **Profit before tax** | **142.1** | 108.2 | *+33.9* | *+31* |
| | ====== | ====== | | |

The Group's pre-tax profit for 4Q 2017 was 31% higher quarter-on-quarter on the back of higher FFB production from the Plantation-Malaysia segment, higher PK selling price, higher recognition of profit from property projects, improved offtake for the refinery and biodiesel products, gains from foreign currency translation of the Group's U.S. denominated cash and borrowings and a net surplus arising from Government acquisition.

In contrast, pre-tax profit for the Plantation-Indonesia segment was lower quarter-on-quarter due to lower yield. Depreciation and amortisation and finance cost were higher quarter-on-quarter due to higher borrowings and an increase in matured areas in Indonesia arising from the new acquisition of plantation land completed in 4Q 2017.

| | 4Q 2017 | 3Q 2017 | Change % |
|---|---|---|---|
| **Average Selling Price/tonne (RM)** | | | |
| o Crude Palm Oil | 2,577 | 2,617 | *-2* |
| o Palm Kernel | 2,537 | 2,220 | *+14* |
| **Production (MT'000)** | | | |
| o Fresh Fruit Bunches | 535 | 487 | *+10* |

### 3) *Prospects*

The Group's prospects for 2018 will largely be driven by the performance of our mainstay Plantation segment, which in turn is contingent upon the direction of palm oil prices and the Group's FFB production volume. Palm oil prices are influenced by several factors including global supply and demand of edible oils, weather patterns, currency exchange movements, global economic conditions, as well as the relevant government policies such as import/export tax and duty regimes and biodiesel mandates.

On the Group's FFB production prospects, whilst replanting activities are expected to moderate production from our Plantation-Malaysia segment, an overall uptrend is expected in 2018 with higher output from our Indonesian segment amid additional mature areas from new planting and new acquisition made in 2017 and an overall better age profile.

For the Property segment, the Group will continue to focus on the provision of affordable residential housing which caters to a broader market segment given the prevailing soft market sentiments. Genting Highlands Premium Outlets has been doing well since its opening in June 2017 and the Group expects its good performance to continue into 2018, likely matching that of the Johor Premium Outlets.

The Group's Biotechnology segment will continue its efforts for prospective value creation by leveraging on its ongoing research and genomic milestones for the development of commercial solutions and applications.

Having achieved profitability in 2017, the Downstream Manufacturing segment will continue to leverage on its position as a major supplier of biodiesel in Sabah and along with its refinery operations focus on improving its capacity utilisation, market reach and market share.

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

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

### 5) *Taxation*

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

| | **Current Quarter 4Q 2017** RM'000 | **Current Financial Year-To-Date** RM'000 |
|---|---|---|
| Current taxation: | | |
| - Malaysian income tax charge | **26,499** | **101,848** |
| - Foreign income tax (credits)/charge | **(41)** | **480** |
| - Deferred tax charge | **1,931** | **13,534** |
| | ----------- | ----------- |
| | **28,389** | **115,862** |
| Prior year's taxation: | | |
| - Income tax under provided | **1,845** | **477** |
| | ----------- | ----------- |
| | **30,234** | **116,339** |
| | **======** | **======** |

The effective tax rate for the current quarter was lower than the statutory tax rate mainly due to income not subject to tax and utilisation of tax incentives.

The effective tax rate for the financial year-to-date was 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, mitigated by the utilisation of tax incentives.

### *6) Profit before taxation*

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

| | **Current Quarter 4Q 2017** RM'000 | **Current Financial Year-To-Date** RM'000 |
|---|---|---|
| **Charges:** | | |
| Finance cost | **24,172** | **74,579** |
| Depreciation and amortisation | **47,883** | **177,470** |
| (Write-back)/Write off of receivables | **(357)** | **2,354** |
| Loss on disposal of property, plant and equipment | **13** | **90** |
| | ======= | ======= |
| **Credits:** | | |
| Interest income | **10,085** | **40,755** |
| Investment income | **4,566** | **17,826** |
| Gain on disposal of subsidiaries | **-** | **640** |
| Net foreign exchange gain | **13,813** | **3,338** |
| | ======= | ======= |

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 financial year ended 31 December 2017.

### *7) Status of Corporate Proposals Announced*

There was no corporate proposals announced but not completed as at 19 February 2018.

### *8) Group Borrowings and Debt Securities*

The details of the Group's borrowings and debts securities as at 31 December 2017 are set out below:

| | **As at 31/12/2017** | | | | **As at 31/12/2016** |
|---|---|---|---|---|---|
| | **Secured/ Unsecured** | **Foreign Currency 'million** | | **RM Equivalent '000** | **RM Equivalent '000** |
| Short term borrowings | Secured | IDR | 14,167.9 | 4,263 | - |
| | Secured | USD | 125.5 | 511,740 | 29,097 |
| | Unsecured | RM | | 109,309 | - |
| | | | | 625,312 | 29,097 |
| Long term borrowings | Secured | IDR | 113,343.4 | 34,100 | - |
| | Secured | USD | 352.7 | 1,439,291 | 1,254,473 |
| | Secured | RM | | 87,978 | 63,845 |
| | Unsecured | RM | | 997,699 | 997,390 |
| | | | | 2,559,068 | 2,315,708 |
| Total borrowings | Secured | IDR | 127,511.3 | 38,363 | - |
| | Secured | USD | 478.2 | 1,951,031 | 1,283,570 |
| | Secured | RM | | 87,978 | 63,845 |
| | Unsecured | RM | | 1,107,008 | 997,390 |
| | | | | 3,184,380 | 2,344,805 |

### *9) Outstanding Derivatives*

As at 31 December 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 | 244,800 | |
| - Less than 1 year | | (9) |
| - 1 year to 3 years | | (128) |
| Forward Foreign Currency Exchange | | |
| USD | 92,122 | |
| - Less than 1 year | | 1,403 |
| Commodity Futures Contracts | | |
| USD | 31,006 | |
| - Less than 1 year | | 2,038 |

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 31 December 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 19 February 2018.

### *12) Dividend Proposed or Declared*

a) (i) The Board has declared a special single-tier dividend of 11.0 sen per ordinary share;

(ii) The special single-tier dividend shall be payable on 29 March 2018;

(iii) Entitlement to the special single-tier dividend:-

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

- Shares transferred into Depositor's Securities Account before 4.00 p.m on 13 March 2018 in respect of ordinary transfer; and
- Shares bought on Bursa Securities on a cum entitlement basis according to the Main Market Listing Requirement of Bursa Securities.

***12) Dividend Proposed or Declared*** *(Continued)*

b) (i) A final single-tier dividend for the financial year ended 31 December 2017 has been recommended by the Directors for approval by shareholders;

(ii) The recommended final single-tier dividend, if approved, would amount to 9.5 sen per ordinary share;

(iii) A final single-tier dividend of 8.0 sen per ordinary share has been declared for the previous financial year ended 31 December 2016; and

(iv) The date of payment of the recommended final single-tier dividend shall be determined by the Directors and announced at a later date.

c) Should the final single-tier dividend be approved at the forthcoming Annual General Meeting, the total dividend paid/payable for the current financial year ended 31 December 2017 would amount to 26.0 sen per ordinary share, comprising an interim single-tier dividend of 5.5 sen per ordinary share, a special single-tier dividend of 11.0 sen per ordinary share and a proposed final single-tier dividend of 9.5 sen per ordinary share.

***13) Earnings per Share***

| | **Current Quarter 4Q 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)* | **117,697** | **337,710** |
| | ========== | ========== |
| Weighted average number of ordinary shares in issue *('000)* | **793,892** | **801,600** |
| | ========== | ========== |
| Basic earnings per share *(sen)* | **14.83** | **42.13** |
| | ========== | ========== |
| **b) Diluted earnings per share** | | |
| Profit for the financial period attributable to equity holders of the Company *(RM'000)* | **117,697** | **337,710** |
| | ========== | ========== |
| **Adjusted weighted average number of ordinary shares in issue** | | |
| Weighted average number of ordinary shares in issue *('000)* | **793,892** | **801,600** |
| Adjustment for potential conversion of warrants *('000)* | **27,660** | **27,660** |
| | **821,552** | **829,260** |
| | ========== | ========== |
| Diluted earnings per share *(sen)* | **14.33** | **40.72** |
| | ========== | ========== |

***14) 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.

***15) 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 26 February 2018.