GENTING PLANTATIONS

PRESS RELEASE **For Immediate Release**

GENTING PLANTATIONS REPORTS 2018 FINANCIAL YEAR RESULTS

KUALA LUMPUR, Feb 26 – Genting Plantations Berhad today reported its financial results for the year ended 31 December 2018 (“FY 2018”), with revenue of RM1.90 billion, representing a 5% increase from the previous year.

Revenue improved on account of the higher offtake of biodiesel and refinery products from the Downstream Manufacturing segment along with progressive completion of works by the Property segment. However, the Plantation segment posted lower year-on-year revenue as the effect of the softer palm products selling prices outstripped the higher fresh fruit bunch (“FFB”) output.

Group FFB production for FY 2018 improved by 11% year-on-year, underpinned by the growth from its Indonesia operations from an increase in mature areas and better age profile, while production from its Malaysia operations dropped due to the delayed effects of adverse weather conditions in the preceding two years along with a decline in mature areas from replanting activities.

The Group achieved notably lower year-on-year crude palm oil (“CPO”) and palm kernel (“PK”) prices of RM2,117/mt and RM1,681/mt in FY 2018 respectively.

Reflective of the weaker palm products selling prices, EBITDA for the Plantation segment were lower year-on-year in FY 2018.

EBITDA for the Property segment for FY 2018 were higher year-on-year, on the back of progressive completion of works and improved profit margins.

The Biotechnology segment’s losses widened, in line with its research and development activities.

The Downstream Manufacturing segment’s EBITDA was lower year-on-year for FY 2018 as the weaker selling prices compressed profit margins.

The Group’s prospects for 2019 will largely be contingent on the performance of its Plantation segment, which in turn reflects the movements in palm products selling prices and the Group’s FFB production. Palm prices are influenced by factors such as the underlying demand and supply dynamics of palm oil and other substitute oils and fats, weather patterns, currency exchange fluctuations, global economic conditions as well as relevant government policies and regulations such as biodiesel mandates and import/export tax and duty regimes.

The Group's FFB production for 2019 is expected to see further upward trajectory on prospects of higher crop output from its Indonesia operations, bolstered by additional areas coming into maturity and better age profile.

For the Property segment, the Group will continue to focus on residential offerings which cater to the broader market. The Premium Outlets is expected to continue performing well in 2019 with the full year contribution from the third phase of the Johor Premium Outlets®, which commenced operations in November 2018.

The Biotechnology segment will continue its efforts on developing commercial solutions and applications to enhance the yield and productivity of oil palm.

The implementation of the mandatory B10 biodiesel for the transportation sector and B7 biodiesel for the industrial sector is expected to shore up local demand for the Group's biodiesel operations in 2019 while offtake for discretionary biodiesel blending is underpinned by the viability of the palm oil gas oil spread.

The Group's refinery operations will continue to focus on improving its market reach and offtake.

The Board of Directors recommended a final single-tier dividend of 8.25 sen per ordinary share for FY 2018. Should the final dividend be approved by shareholders, total dividend (including the interim dividend of 4.75 sen) for FY 2018 will amount to 13.0 sen per ordinary share. In comparison, the total dividend amounted to 26.0 sen for FY 2017.

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

TABLE 1:

RM' Million	4Q 2018	4Q 2017 Restated	%	FY 2018	FY 2017 Restated	%
Revenue						
Plantation	313.1	408.4	*-23*	1,223.1	1,490.9	*-18*
Property	27.5	36.4	*-24*	130.1	115.2	*+13*
Downstream Manufacturing	247.5	245.5	*+1*	977.8	723.4	*+35*
	588.1	690.3	*-15*	2,331.0	2,329.5	-
Inter segment	(105.8)	(161.8)	*+35*	(428.1)	(520.7)	*+18*
Revenue - external	482.3	528.5	*-9*	1,902.9	1,808.8	*+5*
Adjusted EBITDA						
Plantation	73.8	147.8	*-50*	389.9	578.2	*-33*
Property	9.4	7.8	*+21*	36.2	23.5	*+54*
Biotechnology	(3.8)	(2.7)	*-41*	(13.0)	(11.0)	*-18*
Downstream Manufacturing	2.8	7.2	*-61*	11.2	12.1	*-7*
Others*	2.3	18.9	*-88*	12.5	22.8	*-45*
	84.5	179.0	*-53*	436.8	625.6	*-30*
EBITDA	82.2	188.8	*-56*	451.1	633.9	*-29*
Profit before tax	14.8	138.6	*-89*	207.7	457.3	*-55*
Profit for the financial period	10.3	109.2	*-91*	147.0	341.9	*-57*
Basic EPS (sen)	1.78	14.53	*-88*	20.50	41.80	*-51*

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

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 182,800 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 2018. The figures for the cumulative period have been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2018 RM'000	Preceding Year Corresponding Quarter 31/12/2017 RM'000	Current Year To-Date 31/12/2018 RM'000	Preceding Year Corresponding Period 31/12/2017 RM'000
Revenue	**482,338**	528,417	**1,902,899**	1,808,774
Cost of sales	**(400,632)**	(361,917)	**(1,494,608)**	(1,186,350)
Gross profit	**81,706**	166,500	**408,291**	622,424
Other income	**12,886**	31,489	**75,634**	79,333
Other expenses	**(63,245)**	(47,027)	**(209,648)**	(204,580)
Profit from operations	**31,347**	150,962	**274,277**	497,177
Finance cost	**(29,335)**	(24,172)	**(109,568)**	(74,579)
Share of results in joint ventures and associates	**12,827**	11,768	**43,027**	34,695
Profit before taxation	**14,839**	138,558	**207,736**	457,293
Taxation	**(4,577)**	(29,376)	**(60,783)**	(115,406)
Profit for the financial period/year	**10,262**	109,182	**146,953**	341,887
Profit/(loss) attributable to:				
Equity holders of the Company	**14,269**	115,348	**164,898**	335,089
Non-controlling interests	**(4,007)**	(6,166)	**(17,945)**	6,798
	10,262	109,182	**146,953**	341,887
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	**1.78**	14.53	**20.50**	41.80
- Diluted	**1.73**	14.04	**20.03**	40.41

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017)

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GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2018 RM'000	Preceding Year Corresponding Quarter 31/12/2017 RM'000	Current Year To-Date 31/12/2018 RM'000	Preceding Year Corresponding Period 31/12/2017 RM'000
Profit for the financial period/year	**10,262**	109,182	**146,953**	341,887
Other comprehensive income/(loss), net of tax:				
Items that will not be reclassified subsequently to profit or loss:				
Fair value loss on financial assets at fair value through other comprehensive income	**(94,159)**	-	**(94,159)**	-
Actuarial gain/(loss) in retirement benefit liability	**2,224**	(694)	**2,224**	867
	(91,935)	(694)	**(91,935)**	867
Items that will be reclassified subsequently to profit or loss:				
Fair value loss on available-for-sale financial assets	**-**	-	**-**	(31,106)
Cash flow hedge	**(1,765)**	3,595	**(4,693)**	5,528
Foreign currency translation differences	**72,018**	(73,299)	**(123,986)**	(148,565)
	70,253	(69,704)	**(128,679)**	(174,143)
Other comprehensive income/(loss) for the period/year, net of tax	**(21,682)**	(70,398)	**(220,614)**	(173,276)
Total comprehensive (loss)/income for the financial period/year	**(11,420)**	38,784	**(73,661)**	168,611
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	**(12,169)**	53,090	**(36,136)**	174,340
Non-controlling interests	**749**	(14,306)	**(37,525)**	(5,729)
	(11,420)	38,784	**(73,661)**	168,611

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	AS AT 31/12/2018 RM'000	AS AT 31/12/2017 RM'000	AS AT 01/01/2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	**4,419,409**	4,425,151	3,811,281
Land held for property development	**246,594**	254,655	250,112
Investment properties	**24,484**	25,115	25,517
Leasehold land use rights	**664,644**	641,053	495,758
Intangible assets	**32,832**	32,189	34,628
Joint ventures	**148,809**	108,096	77,894
Associates	**9,644**	12,871	12,501
Financial assets at fair value through profit or loss	**3,073**	-	-
Available-for-sale financial assets	**-**	94,548	143,170
Other non-current assets	**38,000**	12,897	14,361
Deferred tax assets	**110,850**	105,743	91,533
	5,698,339	5,712,318	4,956,755
Current assets			
Property development cost	**44,833**	31,218	50,006
Inventories	**291,026**	232,270	174,278
Produce growing on bearer plants	**3,828**	6,095	9,122
Tax recoverable	**14,876**	6,965	13,112
Trade and other receivables	**473,882**	397,474	504,758
Amounts due from joint ventures, associates and other related companies	**5,416**	4,569	4,139
Derivative financial assets	**2,217**	3,441	424
Financial assets at fair value through profit or loss	**350,016**	-	-
Available-for-sale financial assets	**-**	500,001	500,006
Restricted cash	**-**	357,300	-
Cash and cash equivalents	**949,885**	1,221,674	1,260,266
	2,135,979	2,761,007	2,516,111
Assets classified as held for sale	**-**	-	6,034
	2,135,979	2,761,007	2,522,145
TOTAL ASSETS	**7,834,318**	8,473,325	7,478,900

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 *(Continued)*

	AS AT 31/12/2018 RM'000	AS AT 31/12/2017 RM'000	AS AT 01/01/2017 RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	**863,267**	841,340	397,019
Reserves	**3,257,303**	3,500,335	3,894,006
	4,120,570	4,341,675	4,291,025
Non-controlling interests	**191,873**	231,334	255,983
Total equity	**4,312,443**	4,573,009	4,547,008
Non-current liabilities			
Borrowings	**2,279,367**	2,559,068	2,315,708
Provisions	**24,230**	24,079	17,085
Derivative financial liabilities	**3,605**	128	2,073
Deferred tax liabilities	**317,704**	318,163	145,014
Deferred income	**13,642**	8,493	8,493
	2,638,548	2,909,931	2,488,373
Current liabilities			
Trade and other payables	**370,402**	333,775	387,791
Amounts due to ultimate holding and other related companies	**1,062**	2,260	2,072
Borrowings	**507,011**	639,939	40,066
Derivative financial liabilities	**-**	9	574
Taxation	**4,852**	14,402	13,016
	883,327	990,385	443,519
Total liabilities	**3,521,875**	3,900,316	2,931,892
TOTAL EQUITY AND LIABILITIES	**7,834,318**	8,473,325	7,478,900
NET ASSETS PER SHARE (RM)	**5.12**	5.40	5.40

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share Capital 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 2018, as previously reported	**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**
Effects of transition from FRSs to MFRSs and reclassifications (see Note I(a))	**-**	**-**	**(18,063)**	**-**	**23**	**-**	**-**	**25,559**	**7,519**	**(3,981)**	**3,538**
At 1 January 2018, as restated	**841,340**	**155,624**	**-**	**9,573**	**(132,388)**	**3,733**	**(1,372)**	**3,465,165**	**4,341,675**	**231,334**	**4,573,009**
Total comprehensive (loss)/income for the financial year	**-**	**-**	**-**	**(94,159)**	**(104,567)**	**(4,175)**	**-**	**166,765**	**(36,136)**	**(37,525)**	**(73,661)**
Issue of shares upon exercise of warrants	**21,927**	**(3,839)**	**-**	**-**	**-**	**-**	**-**	**-**	**18,088**	**-**	**18,088**
Dividend paid to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,936)**	**(1,936)**
Appropriation:											
- Special single-tier dividend paid for the financial year ended 31 December 2017 (11 sen)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(88,367)**	**(88,367)**	**-**	**(88,367)**
- Final single-tier dividend paid for the financial year ended 31 December 2017 (9.5 sen)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(76,459)**	**(76,459)**	**-**	**(76,459)**
- Interim single-tier dividend paid for the financial year ended 31 December 2018 (4.75 sen)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(38,231)**	**(38,231)**	**-**	**(38,231)**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**(203,057)**	**(203,057)**	**-**	**(203,057)**
Balance at 31 December 2018	**863,267**	**151,785**	**-**	**(84,586)**	**(236,955)**	**(442)**	**(1,372)**	**3,428,873**	**4,120,570**	**191,873**	**4,312,443**

(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 2017)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 *(Continued)*

	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	2,944	(1,279)	(1,372)	3,297,472	4,280,925	255,380	4,536,305
Effects of transition from FRSs to MFRSs and reclassifications (see Note I(a))	-	-	-	(18,063)	-	(16)	-	-	28,179	10,100	603	10,703
At 1 January 2017, as restated	397,019	356,384	171,015	-	40,679	2,928	(1,279)	(1,372)	3,325,651	4,291,025	255,983	4,547,008
Total comprehensive (loss)/income for the financial year	-	-	-	-	(31,106)	(135,316)	5,012	-	335,750	174,340	(5,729)	168,611
Issue of shares upon exercise of warrants	73,929	14,008	(15,391)	-	-	-	-	-	-	72,546	-	72,546
Transfer from share premium	370,392	(370,392)	-	-	-	-	-	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	-	-	(16,161)	(16,161)
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	-	9,573	(132,388)	3,733	(1,372)	3,465,165	4,341,675	231,334	4,573,009

(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 2017)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Current Year To-Date 31/12/2018 RM'000	Preceding Year Corresponding Period 31/12/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**207,736**	457,293
Adjustments for:		
Depreciation and amortisation	**210,439**	177,470
Finance cost	**109,568**	74,579
Interest income	**(33,646)**	(40,755)
Investment income	**(16,305)**	(17,826)
Net unrealised exchange gain	**(5,015)**	(3,912)
Share of results in joint ventures and associates	**(43,027)**	(34,695)
Gain on disposal of subsidiaries	**-**	(640)
Fair value loss arising from produce growing on bearer plants	**2,248**	3,090
Impairment loss on/(write back of) receivables	**296**	(323)
Write off of receivables	**70**	2,354
Write down of land held for property development	**-**	858
Net surplus arising from Government acquisition	**(17,500)**	(10,595)
Other adjustments	**3,459**	14,324
	210,587	163,929
Operating profit before changes in working capital	**418,323**	621,222
Changes in working capital:		
Net change in current assets	**(192,038)**	126,097
Net change in current liabilities	**111,803**	(51,225)
	(80,235)	74,872
Cash generated from operations	**338,088**	696,094
Tax paid *(net of tax refund)*	**(81,060)**	(95,272)
Retirement gratuities/benefits paid	**(1,070)**	(4,808)
Net cash flows generated from operating activities	**255,958**	596,014
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(296,838)**	(309,878)
Purchase of leasehold land use rights	**(37,515)**	(50,390)
Purchase of investment properties	**-**	(201)
Purchase of available-for-sale financial assets	**-**	(2,843)
Land held for property development	**(5,699)**	(8,410)
Acquisition of subsidiaries	**-**	(531,090)
Interest received	**33,646**	40,755
Investment income	**16,305**	17,826
Proceeds received from disposal of subsidiaries	**-**	14,507
Proceeds from disposal of investment in associate	**1,250**	-
Proceeds from disposal of property, plant and equipment	**135**	737
Proceeds received from Government in respect of acquisition of land	**17,960**	11,008
Dividend received from associates	**3,914**	4,123
Financial assets at FVTPL	**149,985**	-
Net cash flows used in investing activities	**(116,857)**	(813,856)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017)

GENTING PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 *(Continued)*

	Current Year To-Date 31/12/2018 RM'000	Preceding Year Corresponding Period 31/12/2017 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	**373,116**	836,052
Proceeds from issue of shares upon exercise of warrants	**18,088**	72,546
Repayment of bank borrowings and transaction costs	**(817,687)**	(43,047)
Finance cost paid	**(128,098)**	(101,748)
Dividend paid	**(203,057)**	(196,236)
Movement in restricted cash	**357,300**	(357,300)
Dividend paid to non-controlling interests	**(1,936)**	(2,759)
Net cash flows (used in)/generated from financing activities	**(402,274)**	207,508
Net decrease in cash and cash equivalents	**(263,173)**	(10,334)
Cash and cash equivalents at beginning of financial year	**1,221,674**	1,260,266
Effect of currency translation	**(8,616)**	(28,258)
Cash and cash equivalents at end of financial year	**949,885**	1,221,674

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year 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 MFRS 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 2017. For the periods up to and including the financial year ended 31 December 2017, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”). The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2017. The effect of the transition from FRSs to MFRSs and the adoption of new MFRSs, amendments to standards and IC Interpretations are disclosed below.

The interim financial report of the Group for the current quarter and twelve months ended 31 December 2018 is prepared in accordance with the MFRS Framework, including MFRS 1 “First-time Adoption of Malaysian Financial Reporting Standards”. Subject to certain transition elections and effects of adoption of MFRS 141 “Agriculture” as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

(A) <u>Transition from FRSs to MFRSs</u>

(i) MFRS 1 exemption options

As provided in MFRS 1, first time adopters of MFRSs can elect optional exemptions from full retrospective application of MFRSs. The Group has elected the following exemptions:

(a) Exemption for business combinations

The Group has elected to apply MFRS 3 “Business Combinations” prospectively from the date FRS 3 “Business Combinations” was adopted, i.e. 1 January 2011. Business combinations that occurred prior to that date have not been restated. In addition, the Group has also applied MFRS 10 “Consolidated Financial Statements” on the same date as FRS 3. This election does not have any impact to the Group.

(b) Property, plant and equipment – previous revaluation as deemed cost exemption

Under FRS, valuation adjustments on certain property, plant and equipment were incorporated into the financial statements. The Group has elected to use the previous revaluation as deemed cost under MFRS. Accordingly, the carrying amounts of these property, plant and equipment of RM46.6 million as at 1 January 2017 have not been restated. The revaluation reserve of RM18.1 million as at 1 January 2017 was reclassified to retained earnings.

(a) Accounting Policies and Methods of Computation *(Continued)*

(A) <u>Transition from FRSs to MFRSs</u> *(Continued)*

(i) MFRS 1 exemption options *(Continued)*

(c) MFRS 9 “Financial Instruments”

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application. The Group continues to apply FRS 139 “Financial Instruments: Recognition and Measurement” and FRS 7 “Financial Instruments: Disclosures” for the comparative information. Any adjustments to align the carrying amounts of financial assets and financial liabilities under the previous FRS 139 with MFRS 9 are recognised in retained earnings and other reserves as at 1 January 2018.

(d) MFRS 15 “Revenue from Contracts with Customers”

The Group has elected the exemption in MFRS 1 which allows the Group not to restate any contracts that are completed as at the date of transition of 1 January 2017.

(e) Assets and liabilities of subsidiaries, joint ventures and associates

The assets and liabilities of subsidiaries, joint ventures and associates which have adopted the MFRS Framework or International Financial Reporting Standards (“IFRS”) earlier than the Group shall remain at the same carrying amounts as in the financial statements of these subsidiaries, joint ventures and associates, after adjusting for consolidation adjustments.

The optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRS statement of financial position as at 1 January 2017 and throughout all periods presented in the interim financial report.

(ii) Effects of adoption of MFRS 141 “Agriculture”

Prior to the adoption of MFRS 141 “Agriculture”, produce growing on bearer plants was not recognised. Following the adoption of these MFRSs, produce growing on bearer plants are measured at fair value less costs to sell with fair value changes recognised in profit or loss as the produce grows. The produce growing on bearer plants of the Group comprises fresh fruit bunches (“FFB”) prior to harvest. Management has deliberated on the oil content of such unharvested FFB, which is unripe and concluded that since the oil content of unharvested FFB accrues exponentially up to 15 days prior to harvest, such unharvested FFB more than 15 days are excluded from the valuation as their fair values are considered negligible. The fair value of unharvested FFB is computed based on market approach which takes into consideration the market prices of FFB, adjusted for estimated oil content of unharvested FFB less harvesting, transport and other costs to sell.

(a) Accounting Policies and Methods of Computation *(Continued)*

(iii) MFRS 9 "Financial Instruments"

MFRS 9 replaces MFRS 139 and amends the previous requirements in three main areas: (a) classification and measurement of financial assets; (b) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model; and (c) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. The impact of MFRS 9 adoption is described below:

a) Classification and measurement

Under MFRS 9, financial assets are classified according to their cash flow characteristics and the business model which they are managed. The Group has categorised its financial assets as financial assets measured at amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

The Group has made an irrevocable election to classify RM91.8 million of the Group's equity investments previously classified as available-for-sale as FVOCI. Fair value changes on equity investments at FVOCI are presented in other comprehensive income ("OCI") and are not subsequently transferred to profit or loss. Upon sale of equity investments at FVOCI, the cumulative gain or loss in OCI is reclassified to retained earnings.

Certain available-for-sale investments in debt instruments of RM2.7 million and income funds of RM500.0 million that do not meet the criteria for classification either as FVOCI or at amortised cost have been classified as FVTPL. Accordingly, RM502.7 million has been reclassified as financial assets at FVTPL.

The other financial assets held by the Group include trade and other receivables, other non-current assets, amounts due from joint ventures, associates and other related companies currently accounted for at amortised cost will continue to meet the conditions for classification as amortised cost under MFRS 9.

There is no impact on the Group for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and the Group does not have such liabilities.

b) Impairment

MFRS 9 changes the recognition of impairment provision for financial assets by introducing an expected credit loss model. Upon the adoption of MFRS 9, the Group has revised its impairment methodology which depends on whether there has been a significant increase in credit risk. The Group assesses possible increase in credit risk for financial assets measured at amortised cost at the end of each reporting period. The impairment provision is estimated at an amount equal to a 12 months expected credit loss at the current reporting date if there has not been a significant increase in credit risk. Based on the assessment undertaken, the Group does not expect any significant impact arising from adopting this model under MFRS 9.

c) Hedge accounting

The new hedge accounting guidance in MFRS 9 aligns the hedge accounting treatment more closely with the Group's risk management practices. The Group has applied the new hedge accounting requirements prospectively. The adoption of the new accounting requirements did not have any material impact on the reporting period.

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application of MFRS 9.

(a) **Accounting Policies and Methods of Computation** *(Continued)*

(iv) MFRS 15 "Revenue from Contracts with Customers"

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contracts with customer. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group has applied this standard retrospectively and has elected the exemption in MFRS 1 not to restate contracts that were completed before 1 January 2017.

The Group has also elected the following practical expedients upon the adoption of MFRS 15:

(a) completed contracts that began and ended in the same comparative reporting period as well as completed contracts as at transition date, are not restated; and

(b) for all reporting periods presented before the first MFRS reporting period, the amount of transaction price allocated to the remaining performance obligation and an explanation of when the Group expects to recognise the amount as revenue are not disclosed.

The effects from adoption of MFRS 15 are:

(i) Property development costs and land held for property development will be measured at the lower of costs and net realisable value in accordance with MFRS 102 "Inventories". Arising therefrom, a write down of RM5.6 million had been provided for land held for property development.

(ii) The provision for foreseeable losses on the development of affordable housing previously recognised under FRSIC 17 "Development of Affordable Housing" amounting to RM9.1 million as at 31 December 2017 had been reversed and the comparatives are restated.

(B) Changes to comparatives – Reclassifications and adjustments

(i) Purchase Price Allocation ("PPA") on the acquisition of Knowledge One Investment Pte Ltd

As reported in the previous financial year ended 31 December 2017, AsianIndo Holdings Pte Ltd ("AsianIndo"), a 100% indirect subsidiary of the Company, had on 10 October 2017 completed the acquisition of 100% equity interest in Knowledge One Investment Pte Ltd which in turn holds 85% equity interest in PT Kharisma Inti Usaha ("PKIU"). As allowed under MFRS 3 Business Combination, the Group had twelve months from the date of acquisition to complete the PPA.

During the financial year, the Group has concluded the PPA exercise within the stipulated time period and had adjusted the fair values of certain identifiable assets and liabilities of PKIU. This revision has been accounted for retrospectively.

The following summarises the adjustments made:

	Preliminary Assessment	Adjustment	Final Assessment
	RM'000	RM'000	RM'000
Property, plant and equipment	(626,693)	(32,602)	(659,295)
Leasehold land use rights	(163,361)	-	(163,361)
Inventories	(9,149)	573	(8,576)
Trade and other receivables	(46,279)	(156)	(46,435)
Cash and bank balances	(10,223)	-	(10,223)
Trade and other payables	153,422	232	153,654
Borrowings	188,764	-	188,764
Deferred tax liabilities	122,328	36,265	158,593
Non-controlling interests	(10,620)	(4,312)	(14,932)
Total purchase consideration/Fair value of identifiable net assets acquired	(401,811)	-	(401,811)
Less : Cash and bank balances acquired	10,223	-	10,223
Add : Assumption of liabilities	(139,502)	-	(139,502)
Net cash outflow on acquisition of subsidiaries	(531,090)	-	(531,090)

(a) Accounting Policies and Methods of Computation *(Continued)*

(B) <u>Changes to comparatives – Reclassifications and adjustments</u> *(Continued)*

(ii) The Group had reclassified provision for retirement benefits and interest payable from Trade and other payables to Provisions and Borrowings (current) respectively to conform with the current year's presentation.

(iii) The Group had reclassified rental income deriving from investment properties and fees from management services provided to plasma cooperatives from other income to revenue to better reflect the nature and substance of the transactions.

The effects of transitioning from FRSs to MFRSs, adoption of MFRS 15 and MFRS 9 and reclassification are as follows:

Condensed Consolidated Statement of Profit or Loss

	As previously stated under FRSs	Effect of transition from FRSs to MFRSs	Effects of adoption of MFRS 15	Reclassification	31 December 2017, as restated
	RM'000	RM'000	RM'000	RM'000	RM'000
Quarter ended 31 December 2017					
Cost of sales	(358,328)	(3,589)	-	-	(361,917)
Profit before taxation	142,147	(3,589)	-	-	138,558
Taxation	(30,234)	858	-	-	(29,376)
Profit for the financial period	111,913	(2,731)	-	-	109,182
Profit/(loss) attributable to:					
Equity holders of the Company	117,697	(2,349)	-	-	115,348
Non-controlling interests	(5,784)	(382)	-		(6,166)
Earnings per share (sen):					
- Basic	14.83	(0.30)	-	-	14.53
- Diluted	14.33	(0.29)	-	-	14.04
Financial year ended 31 December 2017					
Revenue	1,804,250	-	-	4,524	1,808,774
Cost of sales	(1,181,684)	(3,090)	(744)	(832)	(1,186,350)
Other income	83,025	-	-	(3,692)	79,333
Profit before taxation	461,127	(3,090)	(744)	-	457,293
Taxation	(116,339)	754	179	-	(115,406)
Profit for the financial year	344,788	(2,336)	(565)	-	341,887
Profit attributable to:					
Equity holders of the Company	337,710	(2,056)	(565)	-	335,089
Non-controlling interests	7,078	(280)	-	-	6,798
Earnings per share (sen):					
- Basic	42.13	(0.27)	(0.06)	-	41.80
- Diluted	40.72	(0.25)	(0.06)	-	40.41

(a) Accounting Policies and Methods of Computation *(Continued)*

Condensed Consolidated Statement of Comprehensive Income

	As previously stated under FRSs	Effect of transition from FRSs to MFRSs	Effects of adoption of MFRS 15	31 December 2017, as restated
	RM'000	RM'000	RM'000	RM'000
Quarter ended 31 December 2017				
Profit for the financial period	111,913	(2,731)	-	109,182
Foreign currency translation differences	(73,310)	11	-	(73,299)
Other comprehensive loss for the financial period, net of tax	(70,409)	11	-	(70,398)
Total comprehensive income for the financial period	41,504	(2,720)	-	38,784
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	55,428	(2,338)	-	53,090
Non-controlling interests	(13,924)	(382)	-	(14,306)
Financial year ended 31 December 2017				
Profit for the financial year	344,788	(2,336)	(565)	341,887
Foreign currency translation differences	(148,613)	48	-	(148,565)
Other comprehensive loss for the financial period, net of tax	(173,324)	48	-	(173,276)
Total comprehensive income for the financial year	171,464	(2,288)	(565)	168,611
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	176,921	(2,016)	(565)	174,340
Non-controlling interests	(5,457)	(272)	-	(5,729)

(a) Accounting Policies and Methods of Computation *(Continued)*

Condensed Consolidated Statement of Financial Position

	As previously stated under FRSs	Effects of transition from FRSs to MFRSs	Effects of adoption of MFRS 15	Re-classification	31 Dec 2017, as restated	Effects of adoption of MFRS 9	1 Jan 2018, as restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2017/1 January 2018							
Non-current assets							
Property, plant and equipment	4,392,549	-	-	32,602	4,425,151	-	4,425,151
Land held for property development	260,226	-	(5,571)	-	254,655	-	254,655
Available-for-sale financial assets	94,548	-	-	-	94,548	(94,548)	-
Financial assets at fair value through profit or loss	-	-	-	-	-	2,740	2,740
Financial assets at fair value through other comprehensive income	-	-	-	-	-	91,808	91,808
Deferred tax assets	134,316	-	(844)	(27,729)	105,743	-	105,743
Current assets							
Inventories	232,843	-	-	(573)	232,270	-	232,270
Produce growing on bearer plants	-	6,095	-	-	6,095	-	6,095
Trade and other receivables	397,318	-	-	156	397,474	-	397,474
Available-for-sale financial assets	500,001	-	-	-	500,001	(500,001)	-
Financial assets at fair value through profit or loss	-	-	-	-	-	500,001	500,001
Non-current liabilities							
Deferred tax liabilities	308,709	918	-	8,536	318,163	-	318,163
Provisions	14,292	-	-	9,787	24,079	-	24,079
Current liabilities							
Trade and other payables	367,045	-	(9,088)	(24,182)	333,775	-	333,775
Borrowings	625,312	-	-	14,627	639,939	-	639,939
Equity							
Reserves	3,492,816	4,846	2,673	-	3,500,335	-	3,500,335
Non-controlling interests	235,315	331	-	(4,312)	231,334	-	231,334

(a) **Accounting Policies and Methods of Computation** *(Continued)*

Condensed Consolidated Statement of Financial Position

	As previously stated under FRSs	Effects of transition from FRSs to MFRSs	Effects of adoption of MFRS 15	Re-classification	1 Jan 2017, as restated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2017					
Non-current assets					
Land held for property development	254,825	-	(4,713)	-	250,112
Deferred tax assets	92,556	-	(1,023)	-	91,533
Current asset					
Produce growing on bearer plants	-	9,122	-	-	9,122
Non-current liabilities					
Deferred tax liabilities	143,357	1,657	-	-	145,014
Provisions	12,469	-	-	4,616	17,085
Current liabilities					
Trade and other payables	412,350	-	(8,974)	(15,585)	387,791
Borrowings	29,097	-	-	10,969	40,066
Equity					
Reserves	3,883,906	6,862	3,238	-	3,894,006
Non-controlling interests	255,380	603	-	-	255,983
Net assets per share (RM)	5.39	0.01	-	-	5.40

Condensed Consolidated Statement of Cash Flows

	As previously stated under FRSs	Effect of transition from FRSs to MFRSs	Effects of adoption of MFRS 15	Re-classification	Restated under MFRS
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Financial year ended 31 December 2017</u>					
Cash flows from operating activities					
Profit before taxation	461,127	(3,090)	(744)	-	457,293
Fair value gain arising from produce growing on bearer plants	-	3,090	-	-	3,090
Write down of land held for property development	-	-	858	-	858
Changes in working capital:					
- Net change in current liabilities	(51,699)	-	(114)	588	(51,225)
Retirement gratuities/benefits paid	(4,220)	-	-	(588)	(4,808)

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 2018.

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 2018, the paid-up share capital of the Company was increased by RM21.9 million by way of allotment and issuance of 2,334,060 new ordinary shares arising from the exercise of 2,334,060 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 2018.

f) Dividend Paid

Dividend paid during the financial year ended 31 December 2018 are as follows:

		RM'Mil
i)	Special single-tier dividend paid on 29 March 2018 for the financial year ended 31 December 2017 - 11 sen per ordinary share	88.4
ii)	Final single-tier dividend paid on 26 June 2018 for the financial year ended 31 December 2017 - 9.5 sen per ordinary share	76.4
iii)	Interim single-tier dividend paid on 8 October 2018 for the financial year ended 31 December 2018 - 4.75 sen per ordinary share	38.2

		203.0
		=====

g) Segment Information

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker whereby the Group's business is considered based on the nature of the products and services, specific expertise and technology requirements of individual reportable segments. The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA"). Items not forming part of the adjusted EBITDA include net fair value gain or loss on financial assets, gain or loss on disposal of assets, assets written off, gain or loss on derecognition/dilution of shareholding in associates and impairment losses.

g) ***Segment Information*** *(Continued)*

Segment analysis for the financial year ended 31 December 2018 is set out below:

	Plantation RM'000	Property RM'000	Biotechnology RM'000	Downstream Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
- External	**808,740**	**130,133**	**-**	**964,026**	**-**	**-**	**1,902,899**
- Inter segment	**414,351**	**-**	**-**	**13,723**	**-**	**(428,074)**	**-**
Total Revenue	**1,223,091**	**130,133**	**-**	**977,749**	**-**	**(428,074)**	**1,902,899**
Adjusted EBITDA	**389,927**	**36,188**	**(13,039)**	**11,204**	**12,478**	**-**	**436,758**
Gain on disposal of assets	**15**	**4**	**-**	**-**	**-**	**-**	**19**
Net surplus arising from Government acquisition	**12,882**	**4,618**	**-**	**-**	**-**	**-**	**17,500**
Loss on disposal of investment in associate	**(377)**	**-**	**-**	**-**	**-**	**-**	**(377)**
Assets written off & others	**(1,033)**	**(484)**	**(1,257)**	**(56)**	**-**	**-**	**(2,830)**
	401,414	**40,326**	**(14,296)**	**11,148**	**12,478**	**-**	**451,070**
Depreciation and amortisation	**(196,485)**	**(887)**	**(2,093)**	**(10,974)**	**-**	**-**	**(210,439)**
Share of results in joint ventures and associates	**2,362**	**40,679**	**-**	**-**	**(14)**	**-**	**43,027**
	207,291	**80,118**	**(16,389)**	**174**	**12,464**	**-**	**283,658**
Interest income							**33,646**
Finance cost							**(109,568)**
Profit before taxation							**207,736**
Main foreign currency	RM/IDR	RM	RM	RM	RM		
exchange ratio of 100 units of foreign currency to RM	0.0283	-	-	-	-		
Assets							
Segment assets	**5,441,086**	**457,783**	**28,521**	**514,009**	**350,631**	**-**	**6,792,030**
Joint ventures	**-**	**148,809**	**-**	**-**	**-**	**-**	**148,809**
Associates	**9,609**	**190**	**-**	**-**	**(155)**	**-**	**9,644**
	5,450,695	**606,782**	**28,521**	**514,009**	**350,476**	**-**	**6,950,483**
Interest bearing instruments							**758,109**
Deferred tax assets							**110,850**
Tax recoverable							**14,876**
Total assets							**7,834,318**
Liabilities							
Segment liabilities	**228,078**	**146,798**	**3,053**	**33,908**	**1,104**	**-**	**412,941**
Interest bearing instruments							**2,786,378**
Deferred tax liabilities							**317,704**
Taxation							**4,852**
Total liabilities							**3,521,875**
Main foreign currency	RM/IDR	RM	RM	RM	RM		
exchange ratio of 100 units of foreign currency to RM	0.0288	-	-	-	-		

g) Segment Information *(Continued)*

Revenue from sales of palm produce and its derivatives is recognised upon the delivery of goods at the point when control of the goods has been passed to the customers.

Revenue from property development projects is recognised upon the finalisation of sale and purchase agreements and is measured as the projects' activities progress over time by reference to the property development costs incurred to date as a percentage of the total estimated development costs of the respective projects.

Revenue from sales of completed properties is recognised upon delivery of properties at the point when control of the properties has been passed to the buyers.

h) Property, Plant and Equipment

During the current financial year ended 31 December 2018, acquisitions and disposals of property, plant and equipment by the Group were RM292.7 million and RM0.4 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 2018 that have not been reflected in this interim financial report.

j) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the financial year ended 31 December 2018.

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 2017.

l) Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 31 December 2018 are as follows:

	Contracted RM'000	**Not Contracted** RM'000	**Total** RM'000
Property, plant and equipment	**69,919**	**1,275,014**	**1,344,933**
Leasehold land use rights	**15,322**	**-**	**15,322**
Intellectual property development	**-**	**13,487**	**13,487**
	85,241	**1,288,501**	**1,373,742**

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 2018 are set out below. The relationship of the related parties are as disclosed in the annual audited financial statements for the financial year ended 31 December 2017 and the approved shareholders' mandates for recurrent related party transactions.

		Current Quarter 4Q 2018 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.	452	2,180
ii)	Letting of office space and provision of related services by Oakwood Sdn Bhd.	654	2,657
iii)	Purchase of air-tickets, hotel accommodation and other related services from Genting Malaysia Berhad.	20	865
iv)	Provision of information technology and system implementation services and rental of equipment by Genting Information Knowledge Enterprise Sdn Bhd and Genting Malaysia Berhad.	638	3,799
v)	Provision of management services to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd by Genting Awanpura Sdn Bhd.	329	1,110
vi)	Sale of refined palm oil products by Genting MusimMas Refinery Sdn Bhd to Inter-Continental Oils & Fats Pte Ltd.	164,838	704,867
vii)	Sale of fresh fruit bunches by PT Agro Abadi Cemerlang to Sepanjang Group.	-	5,779
viii)	Provision of sequencing and bioinformatics services by Genting Laboratory Services Sdn Bhd to ACGT Sdn Bhd.	157	484

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 2018, 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				
Financial assets at fair value through profit or loss	-	350,016	3,073	353,089
Derivative financial instruments	-	2,217	-	2,217
	-	352,233	3,073	355,306
Financial liabilities				
Derivative financial instruments	-	3,605	-	3,605

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the previous financial year ended 31 December 2017.

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

	RM'000
As at 1 January 2018, as restated	94,548
Fair value changes – recognised in OCI	(94,159)
Interest income	262
Foreign exchange differences	2,422
As at 31 December 2018	3,073

There have been no transfers between the levels of the fair value hierarchy during the current financial year ended 31 December 2018.

GENTING PLANTATIONS

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FOURTH QUARTER ENDED 31 DECEMBER 2018

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

1) Performance Analysis

The results of the Group are tabulated below:

	CURRENT QUARTER 2018 RM'Mil	CURRENT QUARTER 2017 RM'Mil	+/- RM'Mil	+/- %	FINANCIAL YEAR-TO-DATE 4Q 2018 RM'Mil	FINANCIAL YEAR-TO-DATE 4Q 2017 RM'Mil	+/- RM'Mil	+/- %
Revenue								
Plantation	**313.1**	408.4	*-95.3*	*-23*	**1,223.1**	1,490.9	*-267.8*	*-18*
Property	**27.5**	36.4	*-8.9*	*-24*	**130.1**	115.2	*+14.9*	*+13*
Downstream manufacturing	**247.5**	245.5	*+2.0*	*+1*	**977.8**	723.4	*+254.4*	*+35*
	588.1	690.3	*-102.2*	*-15*	**2,331.0**	2,329.5	*+1.5*	*-*
Inter segment	**(105.8)**	(161.8)	*+56.0*	*+35*	**(428.1)**	(520.7)	*+92.6*	*+18*
Revenue - external	**482.3**	528.5	*-46.2*	*-9*	**1,902.9**	1,808.8	*+94.1*	*+5*
Profit before tax								
Plantation	**73.8**	147.8	*-74.0*	*-50*	**389.9**	578.2	*-188.3*	*-33*
Property	**9.4**	7.8	*+1.6*	*+21*	**36.2**	23.5	*+12.7*	*+54*
Biotechnology	**(3.8)**	(2.7)	*-1.1*	*-41*	**(13.0)**	(11.0)	*-2.0*	*-18*
Downstream manufacturing	**2.8**	7.2	*-4.4*	*-61*	**11.2**	12.1	*-0.9*	*-7*
Others	**2.3**	18.9	*-16.6*	*-88*	**12.5**	22.8	*-10.3*	*-45*
Adjusted EBITDA	**84.5**	179.0	*-94.5*	*-53*	**436.8**	625.6	*-188.8*	*-30*
Gain on disposal of subsidiaries	**-**	-	-	-	**-**	0.6	*-0.6*	-
Loss on disposal of investment in associate	**-**	-	-	-	**(0.4)**	-	*-0.4*	-
Loss on disposal of assets	**-**	(0.1)	*+0.1*	-	**-**	(0.1)	*+0.1*	-
Net surplus arising from government acquisition	**-**	10.6	*-10.6*	-	**17.5**	10.6	*+6.9*	*+65*
Write down of land held for property development	**-**	-	-	-	**-**	(0.8)	*+0.8*	-
Assets written off and others	**(2.3)**	(0.7)	*-1.6*	*>100*	**(2.8)**	(2.0)	*-0.8*	*-40*
EBITDA	**82.2**	188.8	*-106.6*	*-56*	**451.1**	633.9	*-182.8*	*-29*
Depreciation and amortisation	**(58.0)**	(47.9)	*-10.1*	*-21*	**(210.4)**	(177.5)	*-32.9*	*-19*
Interest income	**7.2**	10.1	*-2.9*	*-29*	**33.6**	40.8	*-7.2*	*-18*
Finance cost	**(29.4)**	(24.2)	*-5.2*	*-21*	**(109.6)**	(74.6)	*-35.0*	*-47*
Share of results in joint ventures and associates	**12.8**	11.8	*+1.0*	*+8*	**43.0**	34.7	*+8.3*	*+24*
Profit before tax	**14.8**	138.6	*-123.8*	*-89*	**207.7**	457.3	*-249.6*	*-55*

1) *Performance Analysis*

The Group recorded lower year-on-year revenue for the quarter ended 31 December 2018 (“4Q 2018”) with the impact of the weaker palm products selling prices outweighing the increase in FFB production. The Property segment also registered a decline in revenue from lower sales. On the other hand, the Downstream Manufacturing segment registered a marginal improvement in revenue on the back of higher offtake from both its biodiesel and refinery operations, which more than offset the softer selling prices.

The Group’s revenue for the full year of 2018 (“FY 2018”) improved year-on-year, on account of the higher offtake of biodiesel and refinery products from the Downstream Manufacturing segment along with progressive completion of works by the Property segment. However, the Plantation segment posted lower year-on-year revenue as the effect of the softer palm products selling prices outstripped the higher FFB output.

Group FFB production in 4Q 2018 and FY 2018 improved by 15% and 11% year-on-year respectively, underpinned by the growth from its Indonesia operations from an increase in mature areas and better age profile, while production from its Malaysia operations dropped due to the delayed effects of adverse weather conditions in the preceding two years along with a decline in mature areas from replanting activities.

Palm products prices continued to soften in 4Q 2018, burdened by a convergence of adverse factors including weak demand, record high inventory levels and weaker soybean prices. As a result, the Group achieved notably lower year-on-year CPO prices of RM1,848/mt and RM2,117/mt in 4Q 2018 and FY 2018 respectively. Likewise, PK prices also declined from a year ago, averaging at RM1,357/mt and RM1,681/mt for 4Q 2018 and FY 2018 respectively.

	Current Quarter			**Full Year**		
	2018	**2017**	**Change %**	**2018**	**2017**	**Change %**
Average Selling Price/tonne (RM)						
o Crude Palm Oil	1,848	2,577	*-28*	2,117	2,715	*-22*
o Palm Kernel	1,357	2,537	*-47*	1,681	2,443	*-31*
Production (MT’000)						
o Fresh Fruit Bunches	613	535	*+15*	2,083	1,884	*+11*

Reflective of the weaker palm products selling prices, EBITDA for the Plantation segment for 4Q 2018 and FY 2018 were lower year-on-year.

EBITDA for the Property segment for 4Q 2018 and FY 2018 were higher year-on-year, on the back of progressive completion of works and improved profit margins.

The Biotechnology segment’s losses widened, in line with its research and development activities.

The Downstream Manufacturing segment’s EBITDA was lower year-on-year for both 4Q 2018 and FY 2018 as the weaker selling prices compressed profit margins.

Changes in the “Others” category reflects the changes in foreign currency translation position of the Group’s US Dollar denominated cash reserves and borrowings arising from foreign exchange fluctuations.

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

	4Q 2018 RM'Mil	3Q 2018 RM'Mil	+/- RM'Mil	+/- %
Revenue				
Plantation	**313.1**	**290.4**	*+22.7*	*+8*
Property	**27.5**	**50.7**	*-23.2*	*-46*
Downstream manufacturing	**247.5**	**253.8**	*-6.3*	*-2*
	588.1	**594.9**	*-6.8*	*-1*
Inter segment	**(105.8)**	**(106.0)**	*+0.2*	*-*
Revenue – external	**482.3**	**488.9**	*-6.6*	*-1*
Profit before tax				
Plantation	**73.8**	**66.3**	*+7.5*	*+11*
Property	**9.4**	**17.9**	*-8.5*	*-47*
Biotechnology	**(3.8)**	**(3.0)**	*-0.8*	*-27*
Downstream manufacturing	**2.8**	**3.4**	*-0.6*	*-18*
Others	**2.3**	**(1.4)**	*-*	*-*
Adjusted EBITDA	**84.5**	**83.2**	*+1.3*	*+2*
Net surplus arising from government acquisition	**-**	**3.1**	*-3.1*	*-*
Assets written off and others	**(2.3)**	**(0.1)**	*-2.2*	*>100*
EBITDA	**82.2**	**86.2**	*-4.0*	*-5*
Depreciation and amortisation	**(58.0)**	**(50.9)**	*-7.1*	*-14*
Interest income	**7.2**	**5.8**	*+1.4*	*+24*
Finance cost	**(29.4)**	**(25.9)**	*-3.5*	*-14*
Share of results in joint ventures and associates	**12.8**	**9.9**	*+2.9*	*+29*
Profit before tax	**14.8**	**25.1**	*-10.3*	*-41*

Pre-tax profit for 4Q 2018 was lower than the immediate preceding quarter mainly due to lower contribution from the Property segment from lower sales along with higher depreciation and amortisation and finance cost mainly arising from an increase in matured areas in the Group's plantation operations.

	4Q 2018	3Q 2018	Change %
Average Selling Price/tonne (RM)			
○ Crude Palm Oil	1,848	2,043	*-10*
○ Palm Kernel	1,357	1,620	*-16*
Production (MT'000)			
○ Fresh Fruit Bunches	613	505	*+21*

3) Prospects

The Group's prospects for 2019 will largely be contingent on the performance of its Plantation segment, which in turn reflects the movements in palm products selling prices and the Group's FFB production. Palm prices are influenced by factors such as the underlying demand and supply dynamics of palm oil and other substitute oils and fats, weather patterns, currency exchange fluctuations, global economic conditions as well as relevant government policies and regulations such as biodiesel mandates and import/export tax and duty regimes.

The Group's FFB production for 2019 is expected to see further upward trajectory on prospects of higher crop output from its Indonesia operations, bolstered by additional areas coming into maturity and better age profile.

For the Property segment, the Group will continue to focus on residential offerings which cater to the broader market. The Premium Outlets is expected to continue performing well in 2019 with the full year contribution from the third phase of the Johor Premium Outlets®, which commenced operations in November 2018.

The Biotechnology segment will continue its efforts on developing commercial solutions and applications to enhance the yield and productivity of oil palm.

The implementation of the mandatory B10 biodiesel for the transportation sector and B7 biodiesel for the industrial sector is expected to shore up local demand for the Group's biodiesel operations in 2019 while offtake for discretionary biodiesel blending is underpinned by the viability of the palm oil gas oil spread.

The Group's refinery operations will continue to focus on improving its market reach and offtake.

4) Variance of Actual Profit from Forecast Profit

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

5) Taxation

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

	Current Quarter 4Q 2018 RM'000	**Current Financial Year-To-Date** RM'000
Current taxation:		
- Malaysian income tax charge	**15,709**	**64,108**
- Foreign income tax charge	**304**	**305**
- Deferred tax credit	**(10,715)**	**(2,909)**
	-----------	-----------
	5,298	**61,504**
Prior year's taxation:		
- Income tax over provided	**(721)**	**(721)**
	-----------	-----------
	4,577	**60,783**
	======	======

The effective tax rate for the current quarter and for the 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, partly moderated by income which is not subjected to tax.

6) *Profit before taxation*

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

	Current Quarter 4Q 2018 RM'000	Current Financial Year-To-Date RM'000
Charges:		
Finance cost	**29,335**	**109,568**
Depreciation and amortisation	**58,054**	**210,439**
Loss on disposal of investment in associate	**-**	**377**
Write down of inventories	**1,283**	**1,283**
Net foreign exchange loss	**3,408**	**4,137**
	=======	=======
Credits:		
Interest income	**7,197**	**33,646**
Investment income	**3,000**	**16,305**
Net surplus arising from Government acquisition	**(2)**	**17,500**
(Loss)/gain on disposal of property, plant and equipment	**(8)**	**19**
	=======	=======

Other than the above, there were no gain or loss on disposal of quoted investments, impairment of assets and gain or loss on derivatives for the current quarter and financial year ended 31 December 2018.

7) *Status of Corporate Proposals Announced*

There was no corporate proposals announced but not completed as at 19 February 2019.

8) *Group Borrowings and Debt Securities*

The details of the Group's borrowings and debts securities as at 31 December 2018 are set out below:

	As at 31/12/2018				**As at 31/12/2017**
	Secured/ Unsecured	**Foreign Currency 'million**		**RM Equivalent '000**	**RM Equivalent '000**
Short term borrowings	Secured	IDR	-	-	4,290
	Secured	USD	43.3	181,178	521,998
	Secured	RM		995	502
	Unsecured	USD	45.6	192,360	-
	Unsecured	RM		132,478	113,149
				507,011	639,939
Long term borrowings	Secured	IDR	-	-	34,100
	Secured	USD	285.3	1,193,706	1,439,291
	Secured	RM		87,652	87,978
	Unsecured	RM		998,009	997,699
				2,279,367	2,559,068
Total borrowings	Secured	IDR	-	-	38,390
	Secured	USD	328.6	1,374,884	1,961,289
	Secured	RM		88,647	88,480
	Unsecured	USD	45.6	192,360	-
	Unsecured	RM		1,130,487	1,110,848
				2,786,378	3,199,007

9) *Outstanding Derivatives*

As at 31 December 2018, 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	460,295	
- Less than 1 year		782
- 1 year to 2 years		(1,658)
- 2 years to 5 years		(1,947)
Forward Foreign Currency Exchange		
USD	208,454	
- Less than 1 year		1,068
Commodity Futures Contracts		
RM	32,797	
- Less than 1 year		367

There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 December 2017:

(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 2018, 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 2019.

12) *Dividend Proposed or Declared*

a) (i) A final single-tier dividend for the financial year ended 31 December 2018 has been recommended by the Directors for approval by shareholders;

(ii) The recommended final single-tier dividend, if approved, would amount to 8.25 sen per ordinary share;

(iii) A final single-tier dividend of 9.5 sen per ordinary share has been declared for the previous financial year ended 31 December 2017; 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.

b) 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 2018 would amount to 13.0 sen per ordinary share, comprising an interim single-tier dividend of 4.75 sen per ordinary share and a proposed final single-tier dividend of 8.25 sen per ordinary share.

13) Earnings per Share

	Current Quarter 4Q 2018	Current Financial Year-To-Date
a) Basic earnings per share		
Profit for the financial period attributable to equity holders of the Company *(RM'000)*	**14,269**	**164,898**
	==========	==========
Weighted average number of ordinary shares in issue *('000)*	**803,690**	**804,425**
	==========	==========
Basic earnings per share *(sen)*	**1.78**	**20.50**
	==========	==========
b) Diluted earnings per share		
Profit for the financial period attributable to equity holders of the Company *(RM'000)*	**14,269**	**164,898**
	==========	==========
Adjusted weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue *('000)*	**803,690**	**804,425**
Adjustment for potential conversion of warrants *('000)*	**18,846**	**18,846**
	822,536	**823,271**
	==========	==========
Diluted earnings per share *(sen)*	**1.73**	**20.03**
	==========	==========

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 2017 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 2019.