PRESS RELEASE **For Immediate Release**

GENTING PLANTATIONS REPORTS FIRST HALF 2017 FINANCIAL RESULTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TABLE 1:

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

About Genting Plantations Berhad

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

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

For more information, visit www.gentingplantations.com

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