



## 1<sup>st</sup> QUARTERLY REPORT

Quarterly report on consolidated results for the 1<sup>st</sup> quarter ended 31 March 2010. The figures have not been audited.

### **CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2010 RM'000	Preceding Year Corresponding Quarter 31/03/2009 RM'000	Current Year To-Date 31/03/2010 RM'000	Preceding Year Corresponding Period 31/03/2009 RM'000
<b>Revenue</b>	<b>3,113,744</b>	2,069,238	<b>3,113,744</b>	2,069,238
Cost of sales	<b>(1,785,100)</b>	(1,304,598)	<b>(1,785,100)</b>	(1,304,598)
<b>Gross profit</b>	<b>1,328,644</b>	764,640	<b>1,328,644</b>	764,640
Other income				
- net gain on dilution of shareholdings	<b>436,250</b>	-	<b>436,250</b>	-
- fair value gain on derivative financial instruments	<b>67,132</b>	-	<b>67,132</b>	-
- others	<b>90,427</b>	89,469	<b>90,427</b>	89,469
Other expenses	<b>(336,371)</b>	(198,726)	<b>(336,371)</b>	(198,726)
Net impairment losses	<b>(1,303,766)</b>	(30,425)	<b>(1,303,766)</b>	(30,425)
Finance cost	<b>(109,006)</b>	(67,024)	<b>(109,006)</b>	(67,024)
Share of results in jointly controlled entities and associates	<b>26,716</b>	8,906	<b>26,716</b>	8,906
<b>Profit before taxation</b>	<b>200,026</b>	566,840	<b>200,026</b>	566,840
Taxation	<b>(234,582)</b>	(183,267)	<b>(234,582)</b>	(183,267)
<b>(Loss)/profit for the period</b>	<b>(34,556)</b>	383,573	<b>(34,556)</b>	383,573
(Loss)/profit attributable to:				
Equity holders of the Company	<b>232,434</b>	213,119	<b>232,434</b>	213,119
Minority interests	<b>(266,990)</b>	170,454	<b>(266,990)</b>	170,454
	<b>(34,556)</b>	383,573	<b>(34,556)</b>	383,573
Earnings per share (sen) for (loss)/profit attributable to equity holders of the Company:				
- Basic	<b>6.29</b>	5.77	<b>6.29</b>	5.77
- Diluted	<b>6.29</b>	5.74	<b>6.29</b>	5.74

*(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009).*

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2010 RM'000	Preceding Year Corresponding Quarter 31/03/2009 RM'000	Current Year To-Date 31/03/2010 RM'000	Preceding Year Corresponding Period 31/03/2009 RM'000
<b>(Loss)/profit for the period</b>	<b>(34,556)</b>	383,573	<b>(34,556)</b>	383,573
<b>Other comprehensive income/(loss):</b>				
Fair value gain on cash flow hedge	1,107	-	1,107	-
Fair value loss on interest rate swap	(15,980)	-	(15,980)	-
Net fair value loss on available-for-sale financial assets	(142,600)	-	(142,600)	-
Net foreign currency exchange differences	<u>(716,888)</u>	408,287	<u>(716,888)</u>	408,287
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b><u>(874,361)</u></b>	<u>408,287</u>	<b><u>(874,361)</u></b>	<u>408,287</u>
<b>Total comprehensive (loss)/income for the period</b>	<b><u>(908,917)</u></b>	<u>791,860</u>	<b><u>(908,917)</u></b>	<u>791,860</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(262,320)	470,450	(262,320)	470,450
Minority interests	<u>(646,597)</u>	321,410	<u>(646,597)</u>	321,410
	<b><u>(908,917)</u></b>	<u>791,860</u>	<b><u>(908,917)</u></b>	<u>791,860</u>

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009).*

**GENTING BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2010**

	As At 31 Mar 2010 RM'000	As At 31 Dec 2009 RM'000 Restated
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	18,502,449	18,190,710
Land held for property development	583,640	582,386
Investment properties	71,226	71,755
Plantation development	696,063	650,375
Leasehold land use rights	114,757	114,969
Intangible assets	2,453,278	3,914,148
Exploration costs	428,661	420,640
Jointly controlled entities	40,541	52,125
Associates	696,400	672,780
Financial assets at fair value through profit or loss	3,210	-
Available-for-sale financial assets	1,642,007	1,270,128
Deferred tax assets	110,964	94,017
Other non-current assets	287,678	-
Other long term assets	-	920,514
	<b>25,630,874</b>	<b>26,954,547</b>
<b>CURRENT ASSETS</b>		
Property development costs	45,654	44,996
Inventories	473,383	387,107
Trade and other receivables	1,229,572	1,096,636
Amounts due from jointly controlled entities and associates	8,123	13,542
Financial assets at fair value through profit or loss	28,540	-
Available-for-sale financial assets	649,645	-
Derivative financial instruments	301	-
Restricted cash	350,588	297,502
Short term investments	-	314,093
Cash and cash equivalents	15,465,380	14,392,625
	<b>18,251,186</b>	<b>16,546,501</b>
<b>TOTAL ASSETS</b>	<b>43,882,060</b>	<b>43,501,048</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	370,527	370,485
Reserves	13,092,083	13,559,682
Treasury shares	(43,099)	(43,036)
	<b>13,419,511</b>	<b>13,887,131</b>
<b>Minority Interests</b>	<b>11,800,567</b>	<b>11,825,274</b>
<b>TOTAL EQUITY</b>	<b>25,220,078</b>	<b>25,712,405</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	13,356,850	12,659,486
Deferred tax liabilities	1,261,776	1,307,923
Derivative financial instruments	68,074	-
Other non-current liabilities	392,117	385,061
	<b>15,078,817</b>	<b>14,352,470</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,433,372	2,381,959
Amount due to a jointly controlled entity	4,329	2,315
Short term borrowings	735,238	852,533
Derivative financial instruments	149,152	-
Taxation	261,074	199,366
	<b>3,583,165</b>	<b>3,436,173</b>
<b>TOTAL LIABILITIES</b>	<b>18,661,982</b>	<b>17,788,643</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43,882,060</b>	<b>43,501,048</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>3.63</b>	<b>3.76</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009).*

GENTING BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

	← Attributable to equity holders of the Company →										
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Cash Flow Hedge Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
At 1 January 2010											
As previously reported	370,485	1,155,002	302,709	431,995	-	(223,065)	11,893,041	(43,036)	13,887,131	11,825,274	25,712,405
Effects of adopting FRS 139 (Note 1(a))	-	-	-	170	(116,061)	49	(90,562)	-	(206,404)	(179,665)	(386,069)
As restated balance	<u>370,485</u>	<u>1,155,002</u>	<u>302,709</u>	<u>432,165</u>	<u>(116,061)</u>	<u>(223,016)</u>	<u>11,802,479</u>	<u>(43,036)</u>	<u>13,680,727</u>	<u>11,645,609</u>	<u>25,326,336</u>
Total comprehensive income/ (loss) for the period	-	-	-	(64,112)	(7,763)	(422,879)	232,434	-	(262,320)	(646,597)	(908,917)
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	-	-	791,900	791,900
Effects of share-based payment	-	-	-	-	-	-	-	-	-	5,429	5,429
Effects of issue of shares by subsidiaries	-	-	-	-	-	-	(48)	-	(48)	4,274	4,226
Issue of shares	42	1,173	-	-	-	-	-	-	1,215	-	1,215
Buy-back of shares	-	-	-	-	-	-	-	(63)	(63)	(48)	(111)
<b>Balance at 31 March 2010</b>	<b><u>370,527</u></b>	<b><u>1,156,175</u></b>	<b><u>302,709</u></b>	<b><u>368,053</u></b>	<b><u>(123,824)</u></b>	<b><u>(645,895)</u></b>	<b><u>12,034,865</u></b>	<b><u>(43,099)</u></b>	<b><u>13,419,511</u></b>	<b><u>11,800,567</u></b>	<b><u>25,220,078</u></b>

*(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 2009).*

GENTING BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009

	← Attributable to equity holders of the Company →						Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000			
At 1 January 2009	370,382	1,152,159	303,398	(397,038)	11,055,414	(42,296)	12,442,019	8,971,360	21,413,379
Total comprehensive income/(loss) for the period	-	-	-	257,331	213,119	-	470,450	321,410	791,860
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	8,694	8,694
Effects of share-based payment	-	-	-	-	-	-	-	3,062	3,062
Effects of issue of shares by subsidiaries	-	-	-	-	-	-	-	115	115
Issue of shares	1	14	-	-	-	-	15	-	15
Buy-back of shares	-	-	-	-	-	(342)	(342)	(8,283)	(8,625)
Others	-	-	(15)	3,620	(3,605)	-	-	-	-
<b>Balance at 31 March 2009</b>	<b>370,383</b>	<b>1,152,173</b>	<b>303,383</b>	<b>(136,087)</b>	<b>11,264,928</b>	<b>(42,638)</b>	<b>12,912,142</b>	<b>9,296,358</b>	<b>22,208,500</b>

*(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 2009).*

GENTING BERHAD  
 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

	Current Year-To-Date RM'000	Preceding Year Corresponding Period RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	200,026	566,840
Adjustments for:		
Net impairment losses	1,303,766	30,425
Depreciation of property, plant and equipment ("PPE")	212,375	168,410
Finance cost	109,006	67,024
Net gain on dilution of shareholdings	(436,250)	-
Fair value gain on derivative financial instruments	(67,132)	-
Interest income	(32,807)	(32,946)
Share of results in jointly controlled entities and associates	(26,716)	(8,906)
Other non-cash items	3,918	21,277
	<u>1,066,160</u>	<u>245,284</u>
Operating profit before changes in working capital	1,266,186	812,124
Net change in current assets	(370,567)	21,172
Net change in current liabilities	530,134	(113,306)
	<u>159,567</u>	<u>(92,134)</u>
Cash generated from operations	1,425,753	719,990
Taxation paid	(171,829)	(186,624)
Retirement gratuities paid	(1,770)	(2,739)
Other net operating receipts	19,343	8,191
	<u>(154,256)</u>	<u>(181,172)</u>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>1,271,497</u>	<u>538,818</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of PPE	(1,379,813)	(955,617)
Increase in investments and other long term financial assets	(416,857)	(25,448)
Interest received	29,460	33,361
Other net receipts from investing activities	571	15,968
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(1,766,639)</u>	<u>(931,736)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(235,806)	(83,080)
Finance cost paid	(138,687)	(75,880)
Buy-back of shares	(111)	(8,625)
Proceeds from bank borrowings	2,237,923	1,317,777
Other net receipts from financing activities	5,126	348
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<u>1,868,445</u>	<u>1,150,540</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>1,373,303</u>	<u>757,622</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<u>14,392,625</u>	<u>9,303,275</u>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<u>(300,548)</u>	<u>150,373</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>15,465,380</u>	<u>10,211,270</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and deposits	12,512,344	7,571,130
Money market instruments	2,953,036	2,640,140
	<u>15,465,380</u>	<u>10,211,270</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009).

**GENTING BERHAD**

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2010**

**(I) Compliance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting**

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

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The financial information for the current quarter ended 31 March 2010 have been reviewed by the Company’s auditor in accordance with the International Standards on Review Engagements (“ISRE”) 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009. 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 2009 except for the adoption of new FRSs, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 January 2010. The adoption of these FRSs, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following FRSs as set out below:

Revised FRS 101 “Presentation of Financial Statements”

The revised standard prohibits the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in two statements. As a result, the Group has presented all owner changes in equity in the consolidated statement of changes in equity whilst all non-owner changes in equity have been presented in the consolidated statement of comprehensive income. Certain comparative figures have been reclassified to conform with the current period’s presentation. There is no impact on the results of the Group since these changes affect only the presentation of items of income and expenses.

FRS 8 “Operating Segments”

Prior to the adoption of FRS 8, the Group’s segment reporting was based on a primary reporting format of business segments. With the adoption of FRS 8, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker. Certain comparative figures have been reclassified to conform with the current period’s presentation.

#### Amendment to FRS 117 “Leases”

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as leasehold land use rights in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has reclassified certain leasehold lands to property, plant and equipment and investment properties. This change in classification has no effect on the results of the Group. The reclassification has been accounted for retrospectively in accordance with the transitional provision and certain comparative balances have been restated.

#### Amendment to FRS 116 “Property, Plant and Equipment” and Amendment to FRS 140 “Investment Property”

Prior to the adoption of the Amendment to FRS 116 and Amendment to FRS 140, properties that were being constructed or developed for future use as investment properties were treated as construction-in-progress and classified as property, plant and equipment. With the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, such properties are treated as investment property in accordance with FRS 140. The comparatives have been restated to conform with current quarter’s presentation.

The effects of the reclassification to the comparatives following the adoption of the Amendments to FRS 117, FRS 116 and FRS 140 as mentioned above are as follows:

	As previously reported	Effects of Amendments to FRS 116 and FRS 140	Effects of Amendment to FRS 117	As restated
	RM’000	RM’000	RM’000	RM’000
Leasehold land use rights	1,902,364	-	(1,787,395)	114,969
Investment properties	25,063	2,480	44,212	71,755
Property, plant and equipment	16,450,007	(2,480)	1,743,183	18,190,710

#### IC Interpretation 13 “Customer Loyalty Programmes”

Award points accumulated by customers are treated as a separately identifiable component of the sales transactions in which they are awarded. Part of the revenue received or receivable is allocated to these points based on their fair value taking into account an estimated utilisation rate. The revenue attributed to the awarded points is deferred as a liability at the date of the initial sales transactions and only recognised when the points are redeemed.

Prior to the adoption of IC Interpretation 13, the revenue attributed to the awarded points is deferred as a liability at the date of the initial sales transactions based on cost per point. With the adoption of IC Interpretation 13, the fair value of the consideration received from the initial sales transactions is allocated between the award points and other components of the sale such that the award points are recognised at their fair value. Compared with the cost method applied as at 31 December 2009, the adoption of IC Interpretation 13 had no material impact on the prior year’s financial statements of the Group and therefore, the impact is reflected in the current financial quarter ended 31 March 2010.



## FRS 139 : Financial Instruments : Recognition and Measurement

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. Set out below are the major changes in classification of financial assets of the Group:

### i) Available-for-sale financial assets

Non-current investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Changes in the fair values of available-for-sale debt securities denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income. If there is any objective evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.

### ii) Loans and receivables

Non-current receivables, previously measured at invoiced amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

iii) Fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

iv) Derivative financial instruments

Prior to 1 January 2010, derivative financial instruments were not recognised in the financial statements. With the adoption of FRS 139, derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognised liabilities (fair value hedge);
- (b) hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or
- (c) hedges of a net investment in a foreign operation (net investment hedge)

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within fair value gains/(losses) on derivative financial instruments.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss within fair value gains/(losses) on derivative financial instruments.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges and accounted for under hedge accounting are recognised in the hedging reserve and transferred to 'Finance cost' in the profit or loss when the interest expense on the borrowings is recognised in the profit or loss. The fair value changes on the ineffective portion of the interest rate swaps accounted for under hedge accounting are recognised immediately in the profit or loss. The fair value changes for interest rate swaps not accounted for under hedge accounting methods are recognised directly in the profit or loss.

The carrying amount of the derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The fair value of the derivative financial instrument component embedded in the convertible bonds is determined at issuance of the convertible bonds with the residual amount being allocated to the value of the liability component of the bond. The derivative financial instrument component is remeasured at each accounting date. Resulting gains or losses arising from subsequent fair value remeasurements of derivative financial instruments are taken to the profit or loss. The fair values of derivative financial instruments are determined by using valuation techniques with assumptions mainly based upon market conditions at each reporting date.

In accordance with the transitional provisions for first time adoption of FRS 139, the above changes in accounting policy have been accounted for prospectively and the comparatives are not restated. The effects arising from the adoption of FRS 139, other than those disclosed in the statement of changes in equity, is set out below:

	As previously reported	Effects of adopting FRS 139	After effects of adopting FRS 139
	RM'000	RM'000	RM'000
<b>Balances as at 1 January 2010</b>			
<u>Non-current assets</u>			
Plantation development	650,375	(841)	649,534
Jointly controlled entities	52,125	(10,903)	41,222
Financial assets at fair value through profit or loss	-	4,336	4,336
Available-for-sale financial assets	1,270,128	715,832	1,985,960
Other non-current assets	-	228,411	228,411
Other long term assets	920,514	(920,514)	-
<u>Current assets</u>			
Trade and other receivables	1,096,636	(5,487)	1,091,149
Financial assets at fair value through profit or loss	-	28,493	28,493
Available-for-sale financial assets	-	287,720	287,720
Short term investments	314,093	(314,093)	-
<u>Non-current liabilities</u>			
Long term borrowings	12,659,486	(85,968)	12,573,518
Derivative financial instruments	-	68,283	68,283
Other non-current liabilities	385,061	(841)	384,220
Deferred tax liabilities	1,307,923	3,190	1,311,113
<u>Current liabilities</u>			
Trade and other payables	2,381,959	(1,342)	2,380,617
Derivative financial instruments	-	415,701	415,701
<u>Equity</u>			
Retained earnings	11,893,041	(90,562)	11,802,479
Fair value reserve	431,995	170	432,165
Cash flow hedge reserve	-	(116,061)	(116,061)
Other reserves	(223,065)	49	(223,016)
Minority interests	11,825,274	(179,665)	11,645,609

	Increase/ (Decrease) FRS 139 RM'000
<b>For the 3 months ended 31 March 2010</b>	
Fair value gain on derivative financial instruments	67,132
Net fair value gain on financial assets at fair value through profit or loss	1,789
Other comprehensive income	
- Fair value gain on cash flow hedge	1,107
- Fair value loss on interest rate swap	(15,980)
- Net fair value gain on available-for-sale financial assets	80,712
Basic earnings per share (sen)	0.97

### Comparative Figures

The following comparative amounts have been reclassified to be consistent with current quarter's presentation.

	<u>As previously reported</u>	<u>Reclassification</u>	<u>As reclassified</u>
Short term investments	3,231,118	(2,917,025)	314,093
Bank balances and deposits	11,475,600	(11,475,600)	-
Cash and cash equivalents	-	14,392,625	14,392,625

(b) **Seasonal or Cyclical Factors**

On an overall basis, the business operations of the Group's Leisure & Hospitality Division and Plantation Division are subject to seasonal fluctuations. The results of the Leisure & Hospitality Division are affected by major festive seasons and holidays. 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. More detailed commentary is set out in Notes 1 and 2 in Part II of this interim financial report.

(c) **Unusual items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

Other than as disclosed in Note (a) above, included in the Group's interim financial report for the current quarter ended 31 March 2010 are the following:

- i) The Genting Malaysia Berhad ("GENM") Group which is 48.6% owned by the Company, had accounted for its investment in Genting Hong Kong Limited ("Genting HK") as an "available-for-sale financial asset" ("AFS") in compliance with FRS 139, which is measured at its fair value based on Genting HK's quoted share prices. Any gain or loss arising from a change in the fair value of the AFS has been recognised and presented as a component in other comprehensive income in the statement of comprehensive income.

A fair value loss of RM223.3 million in the investment in Genting HK is recognised directly in the statement of comprehensive income. This fair value loss of RM223.3 million represents the decline in Genting HK's share price to USD0.21 per share as at 31 March 2010 from the GENM Group's carrying value of USD0.26 per share as at 31 December 2009. The Group's share of this fair value loss is RM108.6 million.

- ii) The GENM Group has further reviewed its investment in Walker Digital Gaming, LLC ("WDG") for potential impairment, in view of WDG's shift in its business and operational strategies to penetrate the competitive gaming equipment market. This shift in strategy resulted in a re-assessment of the GENM Group's current carrying value of its investment in WDG. Consequently, an impairment loss of RM108.0 million, being the excess of the carrying value over the recoverable amount, has been charged by the GENM Group to the profit or loss.
- iii) The Genting Singapore PLC ("GENS") Group, which is 51.8% owned by the Company, recorded an impairment loss on intangible assets of RM1,149.3 million (SGD478.1 million) relating to the UK casino operations. The impairment loss was mainly due to the unfavourable economic climate in the UK which is expected to adversely impact the GENS Group's UK business.

- iv) The Group performed an impairment assessment on the Group's power generation plant in Meizhou Wan, China and consequently, an impairment charge of RM65.9 million was recognised in respect of property, plant and equipment and intangible assets. This arose from a deterioration in cashflow projections caused primarily by higher coal prices and lower-than-expected tariff rates.
- v) An accrual of RM22.3 million included in the impairment loss of one of the Group's oil and gas projects in a previous quarter has been written back as it is no longer required.
- vi) The SGD450.0 million convertible bonds ("Second Convertible Bonds") issued by GENS were fully converted into new GENS shares which resulted in the Company's shareholding in GENS to be reduced from 53.9% as at 31 December 2009 to 51.8% as at 31 March 2010 as well as a net gain on dilution of RM436.3 million in the current quarter.
- vii) Included in the statement of comprehensive income is a net foreign currency exchange loss of RM716.9 million for the current quarter arising from the translation of net investment in foreign operations.

Other than the above, there were no other unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter ended 31 March 2010.

**(d) Material Changes in Estimates**

There have been no significant changes made in estimates of amounts reported in prior financial years.

**(e) Changes in Debt and Equity Securities**

- i) The Company issued 424,000 new ordinary shares of 10 sen each, for cash, arising from the exercise of options granted under the Genting Executive Share Option Scheme ("ESOS") at an exercise price of RM2.868 per ordinary share for the current quarter ended 31 March 2010.
- ii) At the Annual General Meeting of the Company held on 17 June 2009, the shareholders of the Company had approved, amongst others,
  - (I) the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company; and
  - (II) the proposed exemption under Practice Note 2.9.10 of the Malaysian Code on Take-Overs and Mergers, 1998 to Kien Huat Realty Sdn Berhad ("KHR") and persons acting in concert with it from the obligation to undertake a mandatory take-over offer on the remaining voting shares in the Company not already owned by them, upon the purchase by the Company of its own shares pursuant to the renewal of the authority for the purchase of own shares ("Proposed Exemption").

On 24 June 2009, KHR informed the Company that Securities Commission ("SC") has, on 23 June 2009, approved the Proposed Exemption subject to the requirement that KHR and persons acting in concert with it must at all times disclose to the SC all acquisitions or purchases of the voting shares in the Company made by them in a 12-month period from 23 June 2009.

During the current quarter ended 31 March 2010, the Company had repurchased a total of 10,000 ordinary shares of 10 sen each of its issued share capital from the open market for a total consideration of RM0.1 million. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

- iii) At the Annual General Meeting of GENM held on 16 June 2009, the shareholders of GENM had approved, amongst others,
  - (I) the proposed renewal of the authority for GENM to purchase its own shares of up to 10% of the issued and paid-up share capital of GENM; and
  - (II) the proposed exemption under Practice Note 2.9.10 of the Malaysian Code on Take-Overs and Mergers, 1998 to the Company and persons acting in concert with it from the obligation to undertake a mandatory take-over offer on the remaining voting shares in GENM not already owned by them, upon the purchase by GENM of its own shares pursuant to the renewal of the authority for the purchase of own shares ("Proposed Exemption to the Company").

On 24 June 2009, the Company informed GENM that SC has, on 23 June 2009, approved the Proposed Exemption to the Company subject to the requirement that the Company and persons acting in concert with it must at all times disclose to the SC all acquisitions or purchases of the voting shares in GENM made by them in a 12-month period from 23 June 2009.

GENM did not repurchase any of its own shares during the current quarter ended 31 March 2010.

- iv) The Second Convertible Bonds issued by GENS were fully converted in February 2010.

Other than the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company for the current quarter ended 31 March 2010.

(f) **Dividends Paid**

No dividend has been paid during the current quarter ended 31 March 2010.

(g) **Segment Information**

As mentioned in Note (a) above, 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 a geographic and industry perspective. The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA). This measurement basis also excludes the effects of non-recurring items from the operating segments, such as fair value gains and losses and impairment losses.

(g) **Segment Information (Cont'd)**

Segment analysis for the current quarter ended 31 March 2010 is set out below:

RM'million	Leisure & Hospitality			Power	Plantation	Oil & Gas	Property	Investments & Others	Total	
	Malaysia	Singapore	United Kingdom & Others							
<b>Revenue</b>										
Total revenue	1,596.0	805.0	301.9	2,702.9	444.2	195.6	28.6	21.7	15.6	3,408.6
Inter segment	(267.4)	-	(23.3)	(290.7)	-	-	(2.6)	(1.6)	-	(294.9)
External	<u>1,328.6</u>	<u>805.0</u>	<u>278.6</u>	<u>2,412.2</u>	<u>444.2</u>	<u>195.6</u>	<u>26.0</u>	<u>20.1</u>	<u>15.6</u>	<u>3,113.7</u>
<b>Adjusted EBITDA</b>	<u>681.5</u>	<u>261.9</u>	<u>45.7</u>	<u>989.1</u>	<u>133.5</u>	<u>97.0</u>	<u>4.6</u>	<u>8.7</u>	<u>30.8</u>	<u>1,263.7</u>
Segment Assets	<u>3,705.6</u>	<u>14,329.8</u>	<u>3,355.3</u>	<u>21,390.7</u>	<u>3,139.1</u>	<u>1,637.8</u>	<u>722.1</u>	<u>1,072.9</u>	<u>1,831.5</u>	<u>29,794.1</u>

A reconciliation of adjusted EBITDA to profit before tax is as follows:

	RM'million
Adjusted EBITDA	1,263.7
Depreciation and amortisation	(215.6)
Net gain on dilution of shareholdings	436.3
Fair value gain on derivative financial instruments	67.1
Net fair value gain on financial assets at fair value through profit or loss	1.8
Net impairment losses	(1,303.8)
Interest income	32.8
Finance cost	(109.0)
Share of results in jointly controlled entities and associates	26.7
<b>Profit before taxation</b>	<b><u>200.0</u></b>

A reconciliation of segment assets to total assets is as follows:

	RM'million
Segment assets	29,794.1
Interest bearing instruments	13,126.3
Jointly controlled entities	40.5
Associates	696.4
Deferred tax assets	111.0
Current tax assets	113.8
<b>Total assets</b>	<b><u>43,882.1</u></b>

(h) **Valuation of Property, Plant and Equipment**

Property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendment from the previous annual financial statements.

(i) **Material Events Subsequent to the end of the financial period**

- i) On 23 April 2010, GENM announced that Resorts World Limited (“RWL”), an indirect wholly owned subsidiary of GENM, had completed the subscription of USD48 million (approximately RM153.4 million) aggregate principal amount of 4.25% convertible senior notes due 2015 issued by MGM Mirage, Inc.
- ii) On 26 November 2008, GENM announced that RWL had entered into, amongst others, a call option agreement (“Option Agreement”) with KH Digital Limited (“KHD”) where KHD had granted a call option for a cash consideration of USD1 (“Call Option”) for RWL to acquire, within a period of eighteen months from the date of the Option Agreement, the entire issued and paid-up share capital of Karridale Limited (“Karridale”) at an exercise price of USD27.0 million. Karridale holds, via its wholly owned subsidiary, Faargy Limited, a 10% economic stake in Walker Digital Lottery LLC.

On 26 May 2010, GENM announced that the Call Option has lapsed and RWL did not exercise its option to acquire the entire issued and paid-up share capital of Karridale.

Other than the above, there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

(j) **Changes in the Composition of the Group**

During the current quarter, the Second Convertible Bonds issued by GENS were fully converted into new GENS shares. Consequently, the Company’s shareholding in GENS was reduced from 53.9% as at 31 December 2009 to 51.8% as at 31 March 2010.

Other than the above, there were no other material changes in the composition of the Group for the current quarter ended 31 March 2010.

(k) **Changes in Contingent Liabilities or Contingent Assets**

Other than the disclosure of the material litigation made in Note 12 in Part II of this interim financial report, there were no other significant changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2009.

(l) **Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 31 March 2010 are as follows:

	<u>RM'million</u>
Contracted	2,079.7
Not contracted	3,901.6
	<u>5,981.3</u>
Analysed as follows:	
- Development expenditure *	3,976.1
- Property, plant and equipment	910.9
- Plantation development	506.8
- Drilling and exploration costs	503.1
- Investments	59.1
- Leasehold land use rights	19.2
- Investment properties	6.1
	<u>5,981.3</u>

\* This relates mainly to the integrated resort project of GENS, *Resorts World Sentosa*.



(m) **Significant Related Party Transactions**

Significant related party transactions which were entered into on agreed terms and prices for the current quarter ended 31 March 2010 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 2009 and the approved shareholders' mandates for recurrent related party transactions.

<b><u>Group</u></b>	<b>Current quarter RM'000</b>
i) Provision of share registration services and secretarial services by a wholly owned subsidiary of the Company to Genting HK Group.	<u>8</u>
ii) Provision of management services to AsianIndo Holding Pte Ltd, a 60% owned subsidiary of Genting Plantations Berhad ("GENP"), which is 54.6% owned by the Company, by GaiaAgri Services Limited.	<u>507</u>
iii) Rental charges for premises by GENM to Oriregal Creations Sdn Bhd.	<u>355</u>
iv) Professional design consultancy and master-planning services rendered to Resorts World at Sentosa Pte Ltd by International Resort Management Services Pte Ltd.	<u>1,674</u>
v) Letting of office space by Ambadell Pty Ltd ("Ambadell") to a subsidiary of GENS.	<u>12</u>
vi) Provision of management services by GENS Group to Ambadell.	<u>84</u>
vii) Air ticketing services rendered by Genting HK Group to GENS Group.	<u>324</u>
viii) Provision of information technology, implementation, support and maintenance services by GENS Group to Genting HK Group.	<u>343</u>
ix) Provision of goods and services by DCP (Sentosa) Pte Ltd to GENS Group.	<u>10,631</u>
x) Provision of management services by GENS Group to Tileska Pty Ltd.	<u>9</u>
xi) Provision of management services by GENS Group to Borstream Pty Ltd.	<u>49</u>

**Current quarter  
RM'000**

**Company**

i)	Licensing fees from the subsidiaries to the Company for the use of name and accompanying logo of "Genting" and "Awana" owned by the Company.	<u>46,450</u>
ii)	Management fees from Genting Hotel & Resorts Management Sdn Bhd ("GHRM"), a wholly owned subsidiary of the Company, to the Company for the provision of the necessary resort management services to enable GHRM to perform its various obligations under the Resort Management Agreement with GENM.	<u>107,534</u>
iii)	Interest income earned by the Company from its subsidiaries on the interest bearing portion of the amount due from subsidiaries.	<u>10,897</u>
iv)	Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	<u>33,743</u>
v)	Provision of information technology consultancy, development, implementation, support and maintenance service, other management services and rental of information technology equipments by subsidiaries to the Company.	<u>763</u>
vi)	Rental charges for office space and related services by a subsidiary of GENM.	<u>547</u>
vii)	Provision of management and/or support services by the Company to its subsidiaries.	<u>1,731</u>

**ATTACHMENT TO BURSA MALAYSIA QUARTERLY REPORT  
FOR 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2010**

**GENTING BERHAD**

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA – 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2010**

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

**1. Review of Performance**

The comparison of the quarterly results are tabulated below:

	Current Quarter			Preceding Quarter	
	2010 RM'million	2009 RM'million	% +/-	4Q 2009 RM'million	% +/-
<b>Revenue</b>					
Leisure & Hospitality					
- Malaysia	1,328.6	1,169.6	+14	1,260.7	+5
- Singapore	805.0	-	>100	-	>100
- United Kingdom & Others	278.6	231.1	+21	277.0	+1
	2,412.2	1,400.7	+72	1,537.7	+57
Power	444.2	497.5	-11	478.9	-7
Plantation	195.6	115.9	+69	216.9	-10
Oil & Gas	26.0	28.5	-9	40.4	-36
Property	20.1	21.7	-7	27.7	-27
Investments & Others	15.6	4.9	>100	18.5	-16
	<u>3,113.7</u>	<u>2,069.2</u>	<u>+50</u>	<u>2,320.1</u>	<u>+34</u>
<b>Profit before tax</b>					
Leisure & Hospitality					
- Malaysia	681.5	572.0	+19	646.0	+5
- Singapore	261.9	(25.0)	>100	(183.1)	>100
- United Kingdom & Others	45.7	26.7	+71	7.7	>100
	989.1	573.7	+72	470.6	>100
Power	133.5	163.9	-19	168.6	-21
Plantation	97.0	49.4	+96	99.3	-2
Oil & Gas	4.6	14.9	-69	1.5	>100
Property	8.7	10.0	-13	4.7	+85
Investments & Others	30.8	(17.3)	>100	3.2	>100
<b>Adjusted EBITDA</b>	<u>1,263.7</u>	<u>794.6</u>	<u>+59</u>	<u>747.9</u>	<u>+69</u>
Depreciation and amortisation	(215.6)	(172.2)	+25	(179.7)	+20
Net gain on dilution of shareholdings	436.3	-	>100	26.7	>100
Fair value gain on derivative financial instruments	67.1	-	>100	-	>100
Net fair value gain on financial assets at fair value through profit or loss	1.8	-	>100	-	>100
Net impairment losses	(1,303.8)	(30.4)	>100	-	>100
Interest income	32.8	32.9	-	32.0	+3
Finance cost	(109.0)	(67.0)	+63	(73.8)	+48
Share of results in jointly controlled entities and associates	26.7	8.9	>100	32.6	-18
	<u>200.0</u>	<u>566.8</u>	<u>-65</u>	<u>585.7</u>	<u>-66</u>

### **Quarter ended 31 March 2010 compared with quarter ended 31 March 2009**

The Group registered a revenue of RM3,113.7 million in the current quarter compared with RM2,069.2 million in the previous year's corresponding quarter, an increase of 50%.

The increase came mainly from the Leisure & Hospitality Division with the commencement of operations of Resorts World Sentosa in Singapore. Revenue from Resorts World Genting increased by 14% due to the higher volume of business and better luck factor in the premium players business.

Increased revenue from the Plantation Division was due to higher palm products prices as well as increased FFB production.

Lower revenue from the Power Division was due to lower generation of electricity by both the Kuala Langat and Meizhou Wan power plants.

Despite the higher average oil prices, revenue from the Oil & Gas Division decreased due to the lower share of entitlement in China.

The Group's profit before tax for the current quarter decreased to RM200.0 million compared with RM566.8 million in the previous year's corresponding quarter.

This is due mainly to the net impairment losses of RM1,303.8 million in the current quarter compared with RM30.4 million in the previous year's corresponding quarter. Excluding the impact of these impairment losses, the Group generated a profit before tax of RM1.5 billion in the current quarter.

Increased profit from the Leisure & Hospitality Division is mainly attributable to the contribution from Resorts World Sentosa. Improved revenue from Resorts World Genting also contributed to increased profit.

Higher profit from the Plantation Division was due to increase in revenue.

The lower revenue from the Power Division resulted in the lower profit.

Higher expenses and lower revenue from the Oil & Gas Division contributed to the Division's lower profit.

The net gain on dilution of RM436.3 million arose from the dilution of the Company's shareholding in GENS when the remaining Second Convertible Bonds were fully converted into new ordinary shares of GENS during the current quarter.

The fair value gain on derivative financial instruments of RM67.1 million is mainly in respect of GENS's fair value gain on derivative financial instruments from the valuation of the conversion option embedded in the Second Convertible Bonds.

The share of results in jointly controlled entities and associates increased in the current quarter due mainly to share of profit from the new power plant in Andhra Pradesh, India and increased contribution from the existing power plants in India.

## 2. **Material Changes in Profit Before Taxation for the Current Quarter as compared with the immediate Preceding Quarter**

The Group registered a profit before tax of RM200.0 million in the current quarter compared with a profit before tax of RM585.7 million in the preceding quarter. The decrease in the profit is mainly due to the net impairment losses of RM1,303.8 million in the current quarter. Excluding the impact of these impairment losses, the Group generated a profit before tax of RM1.5 billion in the current quarter.

The increase in profit before tax excluding impairment losses came mainly from the Leisure & Hospitality Division with the commencement of operations of Resorts World Sentosa during the current quarter. Profit from Resorts World Genting also increased mainly due to better luck factor in the premium players business although the volume of business was lower in the current quarter.

The higher profit from the Oil & Gas Division was due to lower expenses incurred in the current quarter.

The Plantation Division recorded lower profit than the preceding quarter mainly due to lower FFB production despite higher palm products prices.

The lower generation of electricity in the current quarter resulted in the lower profit from the Power Division.

The current quarter profit also included a net gain on dilution of RM436.3 million and fair value gain on derivative financial instruments of RM67.1 million.

## 3. **Prospects**

The performance of the Group for the remaining period of the current financial year may be impacted as follows:

- (a) whilst the outlook for the leisure and hospitality industry remains positive, increasing regional competition is expected to have an impact on the performance of the GENM Group for the remaining period of the year. Nevertheless, the GENM Group management will closely monitor its business activities and implement innovative strategies to deal with the strong competition;
- (b) Resorts World at Sentosa Pte Ltd ("RWSPL") opened Singapore's first Integrated Resort in the current quarter. The resort hosted a series of high-profile entertainment events and promotions in the first quarter operations and will continue to fill the rest of its year-long calendar to encourage fresh and repeat visitations. RWSPL has also started the construction of the West Zone which is expected to commence operations progressively in year 2011;
- (c) the UK economy has been unfavourable for the last 18 months and the GENS management does not foresee a quick turnaround. There is a risk that the GENS Group's UK business will be adversely impacted and any steps that the new Government may take to address the budget deficit will likely affect revenue further;
- (d) the performance of the Power Division is expected to be affected by the Meizhou Wan power plant, which is experiencing lower than expected tariff increases and higher coal prices; and
- (e) the performance of the GENP Group is expected to be satisfactory.

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

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

5. **Taxation**

The breakdown of tax charges for the current quarter is set out below:

	<b>Current quarter RM'000</b>
Current taxation	
Malaysian income tax charge	216,585
Foreign income tax charge	4,508
	<hr/>
	221,093
Deferred tax charge	13,714
	<hr/>
	234,807
Prior period taxation	
Income tax under provided	181
Deferred tax over provided	(406)
	<hr/>
Taxation charge	<u>234,582</u>

The effective tax rate of the Group before adjustments in respect of prior period taxation for the current quarter is higher than the statutory income tax rate mainly due to impairment losses and non-deductible expenses mitigated by income subjected to different tax regime.

6. **Profit on Sale of Unquoted Investments and/or Properties**

The results for the current quarter do not include any profit or loss on sale of unquoted investments and properties which are not in the ordinary course of business of the Group.

7. **Quoted Securities other than Securities in Existing Subsidiaries and Associates**

(a) The dealings in quoted securities for the current quarter ended 31 March 2010 are as follows:

	<b>Financial assets at fair value through profit or loss</b>	<b>Available-for-sale financial assets</b>
	<b>RM'000</b>	<b>RM'000</b>
Total purchases at cost	1,229	-
Total disposal proceeds	3,121	-

(b) The details of the investments in quoted shares, excluding subsidiaries and associates, as at 31 March 2010 are as set out below:

	<b>Financial assets at fair value through profit or loss</b>	<b>Available-for-sale financial assets</b>
	<b>RM'000</b>	<b>RM'000</b>
Total investments at cost	41,812	1,506,371
Total investments at book value/market value	31,750	1,360,442

## 8. Status of Corporate Proposals Announced

- (a) The completion of the Share Sale Agreement entered into between Mastika Lagenda Sdn Bhd, an indirect 97.7% owned subsidiary of the Company, and Tenaga Nasional Berhad (“TNB”) for the acquisition of TNB’s 40% stake in Sepang Power Sdn Bhd is still outstanding as at 20 May 2010. TNB has in its results for the 4<sup>th</sup> quarter ended 31 August 2005 stated that the Share Sale Agreement has lapsed. However, the Company is not in agreement with TNB’s statement and the matter has been referred to the Ministry of Energy, Water and Communications, and the Economic Planning Unit of the Prime Minister’s Department.
- (b) On 5 June 2009, GENP announced that the Sepanjang Group, an established palm oil producer based in the Republic of Indonesia, undertook an internal re-organisation of its corporate structure and operations. The re-organisation within the Sepanjang Group necessitated the restructuring of the remaining 4 joint venture (“JV”) agreements in respect of the proposed joint venture for oil palm cultivation in Kabupaten Ketapang, Provinsi Kalimantan Barat, Republic of Indonesia.

Accordingly, both GENP and the Sepanjang Group have mutually agreed that the remaining 4 JV agreements dated 8 June 2005, which all lapsed on 8 June 2009 would not be extended. In their place, new agreements were entered into on 5 June 2009 to enable the proposed joint venture with the Sepanjang Group for oil palm cultivation to proceed.

The completion of the JV agreements is subject to, inter alia, the following conditions:

- i) the approval of Bank Negara Malaysia;
- ii) the approval of Badan Koordinasi Penanaman Modal or Investment Coordinating Board of the Republic of Indonesia;
- iii) the procurement and/or maintenance of Izin Lokasi and Izin Usaha Perkebunan; and
- iv) due diligence study being conducted on the corporate and legal standing of JV companies, the licenses and/or permits of JV companies, the status of the lands and any other aspects of the JV companies and the lands that GENP’s subsidiaries think fit, and the results of the due diligence being satisfactory to GENP’s subsidiaries.

Notwithstanding completion of the JV agreements, the approvals, licences and permits required for the implementation of the project contemplated in the JV agreements must be obtained no later than 31 December 2011.

The JV agreements are still conditional as at 19 May 2010.

- (c) On 30 September 2009, GENP announced that Azzon Limited (“Azzon”), a wholly owned subsidiary of GENP, had on 29 September 2009 signed a joint venture agreement (“JVA”) with Chelsea Malaysia, LLC, a division of Simon Property Group, Inc to establish Chelsea Premium Outlet Centres in Malaysia (“Johor Premium Outlets”) (collectively known as the “Proposed JV”). The Proposed JV will be undertaken by Chelsea Genting Limited, a wholly owned subsidiary of Azzon, which in turn invest in Genting Chelsea Sdn Bhd (“GCSB”) (collectively referred to as “JV Co”). The JVA is conditional upon the following being fulfilled within six (6) months from the date of the JVA (or within such other period as may be mutually agreed between the parties):
- i) the approval or exemption by the Foreign Investment Committee;
  - ii) the parties agreeing on the financing policy, development budget and administrative budget;
  - iii) the parties agreeing on a term sheet for third party financing required for the JV Co’s operations;

- iv) the prior permission of the Controller of Foreign Exchange for (or in connection with) the remittance of the capital contribution and/or investment shall have been obtained, if required;
- v) GCSB having secured certain level of firm commitments from prospective tenants of the Johor Premium Outlets;
- vi) the parties reaching agreement on the terms of a development agreement and a sale and purchase agreement for the purchase of a piece of land for the development of the Johor Premium Outlets; and
- vii) the parties finalising the terms of the relevant service and royalty agreements.

On 29 March 2010, GENP announced that Azzon and Chelsea Malaysia, LLC had entered into a First Amendment to the JVA to extend the completion period of the JVA from six (6) months to nine (9) months. All other terms and conditions stated in the JVA remain unchanged.

The JVA is still conditional as at 19 May 2010.

- (d) On 5 February 2010, GENP announced that Sanggau Holdings Pte Ltd (“SAH”), an indirect wholly owned subsidiary of GENP, had on 5 February 2010 entered into a joint venture agreement (“JVA”) with Palma Citra Investama Pte Ltd (“Palma”) and PT Sawit Mandira (“PTMandira”) to develop approximately 17,500 hectares of agricultural land (based on Izin Lokasi or Location Permit) into oil palm plantation in Kecamatan Toba, Kabupaten Sanggau, Provinsi Kalimantan Barat, Republic of Indonesia (“Proposed JV”) (the “Land”).

The Proposed JV will be undertaken by PT Surya Agro Palma (“PTSAP”). Subject to the relevant approvals being obtained, SAH will subscribe for 700 ordinary shares of Rp1,000,000 each representing 70% of the enlarged issued and paid-up share capital in PTSAP. Palma’s and PTMandira’s shareholding in the enlarged issued and paid-up share capital of PTSAP will be 25% and 5% respectively.

Palma and PTMandira are part of the Sepanjang Group who is GENP’s existing joint venture partner and an established palm oil producer based in the Republic of Indonesia.

The completion of the JVA is subject to, inter-alia, the following conditions:

- i) the approval of Bank Negara Malaysia;
- ii) the approval of Badan Koordinasi Penanaman Modal (“BKPM”) (or Investment Coordinating Board of the Republic of Indonesia) for the change of shareholding of PTSAP in relation to the admittance of SAH as shareholder of PTSAP in the aforesaid proportion;
- iii) the procurement and/or maintenance of Izin Lokasi and Izin Usaha Perkebunan (or Plantation Business License);
- iv) the approval of the Ministry of Forestry Affairs, if required; and
- v) due diligence study being conducted by SAH and its appointed advisers and/or auditors on the corporate and legal standing of PTSAP, the licenses and/or permits of PTSAP, the status of PTSAP and the status of and restrictions on the Land and any other aspects of PTSAP and the Land, that SAH thinks fit, and the results of the due diligence being satisfactory to SAH.

Notwithstanding completion of the JVA, the approvals, licenses and permits required for the implementation of the project contemplated in the JVA must be obtained no later than 31 December 2012.

The JVA is still conditional as at 19 May 2010.

Other than the above, there were no other corporate proposals announced but not completed as at 20 May 2010.



## 9. Group Borrowings and Debt Securities

The details of the Group's borrowings and debt securities as at 31 March 2010 are as set out below:

	Secured/ Unsecured	Foreign Currency 'million		RM Equivalent 'million
Short term borrowings	Secured	USD	67.5	222.9
	Secured	RMB	198.9	96.2
	Secured	EUR	0.4	1.6
	Secured	SGD	0.5	1.2
	Secured	IDR	477.6	0.2
	Unsecured	USD	60.0	198.1
	Unsecured	GBP	38.3	191.4
	Unsecured	SGD	10.0	23.6
Long term borrowings	Secured	SGD	3,938.8	9,319.5
	Secured	RMB	1,941.5	939.0
	Secured	USD	30.4	100.6
	Secured	GBP	3.0	15.0
	Secured	EUR	0.6	2.7
	Unsecured	USD	293.7	969.5
	Unsecured	GBP	53.0	265.0
	Unsecured	SGD	63.6	150.5
	Unsecured	RMB	300.0	145.1
	Unsecured			1,450.0

## 10. Outstanding Derivatives

The Group has entered into Interest Rate Swap ("IRS") contracts to manage the exposure of its borrowings to interest rate risks. With the IRS agreements, the Group receives interest at floating rate based on either one or three months London Inter-Bank Offer Rates ("LIBOR") or Singapore Swap Offer Rates ("SOR") and pays interest at fixed rates on the agreed notional principal amounts.

The Group has also entered into Interest Rate Capped Libor-In-Arrears Swap ("IRCLIA") contract to limit its exposure to fluctuation in interest rate movements if the interest rate moves beyond the cap at LIBOR 2.35% per annum. The notional amount for each interest period will be USD15 million over 4 years beginning April 2011.

As at 31 March 2010, the values and maturity analysis of the outstanding IRS and IRCLIA contracts of the Group are as follows:

As at 31 March 2010:	Contract/ Notional Value RM'million	Net Fair Value Losses RM'million
<u>IRS</u>		
GBP	349.8	
- Less than 1 year		(1.6)
SGD	6,743.3	
- Less than 1 year		(147.6)
- 1 year to 3 years		(67.8)
<u>IRCLIA</u>		
USD	49.5	
- More than 3 years		(0.3)

The Group has also entered into forward foreign currency exchange contracts to manage the exposure to foreign exchange risk when subsidiaries enter into transactions that are not denominated in their functional currencies.

As at 31 March 2010, the values and maturity analysis of the outstanding forward foreign currency exchange contracts of the Group are as follows:

As at 31 March 2010:	Contract/ Notional Value RM'million	Net Fair Value Gain RM'million
USD	220.9	
- Less than 1 year		0.3

On 26 May 2010, GENM announced that the Call Option as disclosed in Note (i)(ii) in Part I of this interim financial report, has lapsed and RWL did not exercise its option to acquire the entire issued and paid-up share capital of Karridale Limited.

With the adoption of FRS 139, financial derivatives are recognised on their respective contract dates. The related accounting policies are disclosed in Note (a) in Part I of this interim financial report.

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2009:

- (a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
- (b) the cash requirements of the financial derivatives; and
- (c) the policy in place for mitigating or controlling the risks associated with these financial derivatives.

#### 11. Fair value changes of financial liabilities

The Group recognised total fair value gain on derivative financial instruments of RM67.1 million during the current quarter of which RM66.8 million arose from financial liabilities. The details are as follows:

Type of financial liability	Current quarter fair value gain RM'million	Basis of fair value measurement	Reasons for the gain
Conversion option embedded in GENS's Second Convertible Bonds	61.2	"Binomial Option Pricing" model based on the closing GENS's market price at the reporting date, the exercise price, expected volatility based on historical volatility, bonds maturity and a risk free interest rate based on the yield on 5-year Singapore Government Bonds	The GENS market price from the last measurement date of 31 December 2009 up to the respective dates when such options were converted into GENS shares have declined.
Interest rate swaps	5.6	Interest rates differential between the fixed and floating rates	The interest rates differential between the fixed and floating rates from the last measurement date of 31 December 2009 up to the respective maturity dates of the swaps have moved in favour of the Group.

12. **Changes in Material Litigation**

As at 19 May 2010, there were no changes in pending material litigation in respect of the legal suit with regards to the Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah.

There were also no other pending material litigations since the last financial year ended 31 December 2009 and up to 20 May 2010.

13. **Dividend Proposed or Declared**

No dividend has been proposed or declared for the current quarter ended 31 March 2010.

14. **Earnings Per Share ("EPS")**

- (a) The earnings used as the numerator in calculating basic earnings per share for the current quarter ended 31 March 2010 is as follows:

	<b>RM'000</b>
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of Basic EPS)	<u>232,434</u>

- (b) The weighted average number of ordinary shares used as denominator in calculating basic earnings per share for the current quarter ended 31 March 2010 is as follows:

	<b>No. of shares '000</b>
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	<u>3,696,367</u>

There is no dilution to the basic earnings per share for the current quarter ended 31 March 2010.

15. **Disclosure of Audit Report Qualification and Status of Matters Raised**

The audit report of the Group's annual financial statements for the financial year ended 31 December 2009 did not contain any qualification.

16. **Approval of Interim Financial Statements**

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 May 2010.