



## **FIRST QUARTERLY REPORT**

Quarterly report on consolidated results for the first quarter ended 31 March 2017. The figures have not been audited.

### **CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2017 RM'000	Preceding Year Corresponding Quarter 31/03/2016 RM'000	Current Year- To-Date 31/03/2017 RM'000	Preceding Year Corresponding Period 31/03/2016 RM'000
<b>Revenue</b>	<b>4,768,199</b>	4,703,666	<b>4,768,199</b>	4,703,666
Cost of sales	<b>(3,008,247)</b>	(3,367,763)	<b>(3,008,247)</b>	(3,367,763)
<b>Gross profit</b>	<b>1,759,952</b>	1,335,903	<b>1,759,952</b>	1,335,903
Other income	<b>891,092</b>	367,734	<b>891,092</b>	367,734
Net fair value loss on derivative financial instruments	<b>(16,805)</b>	(29,575)	<b>(16,805)</b>	(29,575)
Impairment losses	-	(61,680)	-	(61,680)
Other expenses	<b>(960,532)</b>	(882,746)	<b>(960,532)</b>	(882,746)
Finance cost	<b>(210,503)</b>	(173,089)	<b>(210,503)</b>	(173,089)
Share of results in joint ventures and associates	<b>(7,374)</b>	(13,819)	<b>(7,374)</b>	(13,819)
<b>Profit before taxation</b>	<b>1,455,830</b>	542,728	<b>1,455,830</b>	542,728
Taxation	<b>(280,631)</b>	(238,116)	<b>(280,631)</b>	(238,116)
<b>Profit for the period</b>	<b>1,175,199</b>	304,612	<b>1,175,199</b>	304,612
Profit attributable to:				
Equity holders of the Company	<b>603,062</b>	130,830	<b>603,062</b>	130,830
Holders of perpetual capital securities of a subsidiary	<b>91,864</b>	85,141	<b>91,864</b>	85,141
Non-controlling interests	<b>480,273</b>	88,641	<b>480,273</b>	88,641
	<b>1,175,199</b>	304,612	<b>1,175,199</b>	304,612
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	<b>16.20</b>	3.52	<b>16.20</b>	3.52
- Diluted	<b>15.85</b>	3.50	<b>15.85</b>	3.50

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

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2017 RM'000	Preceding Year Corresponding Quarter 31/03/2016 RM'000	Current Year- To-Date 31/03/2017 RM'000	Preceding Year Corresponding Period 31/03/2016 RM'000
<b>Profit for the period</b>	<b>1,175,199</b>	304,612	<b>1,175,199</b>	304,612
<b>Other comprehensive income/(loss)</b>				
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Available-for-sale financial assets				
- Fair value gain/(loss)	<b>80,407</b>	(90,908)	<b>80,407</b>	(90,908)
- Reclassification to profit or loss	<b>(85,086)</b>	60,320	<b>(85,086)</b>	60,320
Cash flow hedges				
- Fair value gain/(loss)	<b>22,416</b>	(72,786)	<b>22,416</b>	(72,786)
- Reclassifications	<b>(6,538)</b>	-	<b>(6,538)</b>	-
Share of other comprehensive loss of joint ventures and associates	<b>(26,712)</b>	(31,232)	<b>(26,712)</b>	(31,232)
Net foreign currency exchange differences	<b>461,051</b>	(3,951,590)	<b>461,051</b>	(3,951,590)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>445,538</b>	(4,086,196)	<b>445,538</b>	(4,086,196)
<b>Total comprehensive income/(loss) for the period</b>	<b>1,620,737</b>	(3,781,584)	<b>1,620,737</b>	(3,781,584)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	<b>714,408</b>	(2,299,662)	<b>714,408</b>	(2,299,662)
Holder of perpetual capital securities of a subsidiary	<b>242,768</b>	(298,822)	<b>242,768</b>	(298,822)
Non-controlling interests	<b>663,561</b>	(1,183,100)	<b>663,561</b>	(1,183,100)
	<b>1,620,737</b>	(3,781,584)	<b>1,620,737</b>	(3,781,584)

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

**GENTING BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	As At 31 Mar 2017 RM'000	Audited As At 31 Dec 2016 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	33,251,967	32,667,577
Land held for property development	379,550	378,931
Investment properties	2,085,885	2,099,651
Plantation development	2,548,488	2,513,605
Leasehold land use rights	455,498	495,758
Intangible assets	6,476,770	6,527,377
Rights of use of oil and gas assets	4,525,255	4,674,855
Joint ventures	1,298,764	1,284,790
Associates	1,006,456	1,023,322
Available-for-sale financial assets	2,138,102	2,116,993
Derivative financial instruments	100,555	114,097
Deferred tax assets	218,425	238,890
Other non-current assets	6,442,540	6,164,241
	<b>60,928,255</b>	<b>60,300,087</b>
<b>CURRENT ASSETS</b>		
Property development costs	58,311	50,006
Inventories	613,881	583,026
Trade and other receivables	2,457,137	2,479,176
Amounts due from joint ventures and associates	8,445	10,733
Financial assets at fair value through profit or loss	10,457	10,799
Available-for-sale financial assets	1,303,238	1,619,735
Derivative financial instruments	3,955	7,708
Restricted cash	737,304	565,106
Cash and cash equivalents	34,213,725	25,318,527
	<b>39,406,453</b>	<b>30,644,816</b>
Assets classified as held for sale	-	1,600,918
	<b>39,406,453</b>	<b>32,245,734</b>
<b>TOTAL ASSETS</b>	<b>100,334,708</b>	<b>92,545,821</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	377,233	375,002
Treasury shares	(221,206)	(221,206)
Reserves	35,132,684	34,650,267
	<b>35,288,711</b>	<b>34,804,063</b>
<b>Perpetual capital securities of a subsidiary</b>	<b>7,206,420</b>	<b>7,144,850</b>
<b>Non-controlling interests</b>	<b>24,270,314</b>	<b>23,804,436</b>
<b>TOTAL EQUITY</b>	<b>66,765,445</b>	<b>65,753,349</b>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	22,498,912	15,745,048
Deferred tax liabilities	2,059,552	2,024,950
Derivative financial instruments	210,379	232,186
Other non-current liabilities	534,482	822,424
	<b>25,303,325</b>	<b>18,824,608</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	5,154,152	5,193,984
Amounts due to joint ventures	84,062	127,976
Short term borrowings	2,452,879	2,219,637
Derivative financial instruments	66,783	73,384
Taxation	508,062	341,814
	<b>8,265,938</b>	<b>7,956,795</b>
Liabilities classified as held for sale	-	11,069
	<b>8,265,938</b>	<b>7,967,864</b>
<b>TOTAL LIABILITIES</b>	<b>33,569,263</b>	<b>26,792,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>100,334,708</b>	<b>92,545,821</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>9.48</b>	<b>9.35</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 2016)*

GENTING BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

	← Attributable to equity holders of the Company →												
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve 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	Perpetual Capital Securities of a Subsidiary RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 January 2017	375,002	1,481,249	1,098,684	293,012	384,336	(85,317)	6,161,468	25,316,835	(221,206)	34,804,063	7,144,850	23,804,436	65,753,349
Profit for the period	-	-	-	-	-	-	-	603,062	-	603,062	91,864	480,273	1,175,199
Other comprehensive (loss)/income	-	-	-	-	(4,738)	8,772	107,336	(24)	-	111,346	150,904	183,288	445,538
Total comprehensive (loss)/income for the period	-	-	-	-	(4,738)	8,772	107,336	603,038	-	714,408	242,768	663,561	1,620,737
Transfer due to realisation of revaluation reserve	-	-	-	(33)	-	-	-	33	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	5,894	-	5,894	-	30,304	36,198
Transfer upon expiry of share option scheme of a subsidiary	-	-	-	-	-	-	-	134	-	134	-	(134)	-
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	-	20,197	20,197
Issue of shares upon exercise of warrants	2,231	-	(353)	-	-	-	-	-	-	1,878	-	-	1,878
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(251,953)	(251,953)
Perpetual capital securities distribution payable and paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	(181,198)	-	(181,198)
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	-	4,375	-	4,375	-	3,903	8,278
Appropriation:													
Special single-tier dividend for financial year ended 31 December 2016	-	-	-	-	-	-	-	(242,041)	-	(242,041)	-	-	(242,041)
<b>Balance at 31 March 2017</b>	<b>377,233</b>	<b>1,481,249</b>	<b>1,098,331</b>	<b>292,979</b>	<b>379,598</b>	<b>(76,545)</b>	<b>6,268,804</b>	<b>25,688,268</b>	<b>(221,206)</b>	<b>35,288,711</b>	<b>7,206,420</b>	<b>24,270,314</b>	<b>66,765,445</b>

Note

The new Companies Act 2016 ("the Act") came into effect from 31 January 2017 and abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of a company's share premium account shall become part of the company's share capital pursuant to Section 618(2) of the Act. Under the transitional provision in Section 618(3) of the Act, a company may within twenty-four months upon the commencement of the Act, use the amount standing to the credit of its share premium account for purposes as set out in that section. The balance of RM377.2 million in share capital represents 3,750.3 million ordinary shares.

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

GENTING BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	← Attributable to equity holders of the Company →												
	Share Capital RM'000	Share Premium RM'000	Warrants Reserve 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	Perpetual Capital Securities of a Subsidiary RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 January 2016	374,320	1,417,380	1,108,905	301,167	948,462	(203,303)	5,881,320	23,009,073	(219,597)	32,617,727	7,071,496	23,101,805	62,791,028
Profit for the period	-	-	-	-	-	-	-	130,830	-	130,830	85,141	88,641	304,612
Other comprehensive loss	-	-	-	-	(2,053)	(66,863)	(2,353,552)	(8,024)	-	(2,430,492)	(383,963)	(1,271,741)	(4,086,196)
Total comprehensive (loss)/income for the period	-	-	-	-	(2,053)	(66,863)	(2,353,552)	122,806	-	(2,299,662)	(298,822)	(1,183,100)	(3,781,584)
Transfer due to realisation of revaluation reserve	-	-	-	105	-	-	-	(105)	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	15,981	-	15,981	-	(50,279)	(34,298)
Transfer upon expiry of share option scheme of subsidiary	-	-	-	-	-	-	-	3,667	-	3,667	-	(3,667)	-
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	-	17,520	17,520
Buy-back of shares by the Company	-	-	-	-	-	-	-	-	(790)	(790)	-	-	(790)
Perpetual capital securities distribution payable and paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	(167,028)	-	(167,028)
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	-	5,933	-	5,933	-	5,280	11,213
<b>Balance at 31 March 2016</b>	<b>374,320</b>	<b>1,417,380</b>	<b>1,108,905</b>	<b>301,272</b>	<b>946,409</b>	<b>(270,166)</b>	<b>3,527,768</b>	<b>23,157,355</b>	<b>(220,387)</b>	<b>30,342,856</b>	<b>6,605,646</b>	<b>21,887,559</b>	<b>58,836,061</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 2016)

**GENTING BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	Current Year-To-Date RM'000	Preceding Year Corresponding Period RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,455,830	542,728
Adjustments for:		
Depreciation and amortisation	525,670	483,000
Finance cost	210,503	173,089
Net exchange loss – unrealised	146,555	277,004
Assets written off	96,387	3,811
Impairment and write off of receivables	51,106	297,911
Net fair value loss on derivative financial instruments	16,805	29,575
Share of results in joint ventures and associates	7,374	13,819
Interest income	(313,558)	(225,980)
Gain on disposal of assets and liabilities classified as held for sale	(302,173)	-
Net gain on disposal of available-for-sale financial assets	(85,763)	-
Construction profit	(59,415)	(9,237)
Investment income	(10,182)	(14,850)
Impairment losses	-	61,680
Gain on deemed dilution of shareholding in associate	-	(22,382)
Other non-cash items	27,402	21,675
	<u>310,711</u>	<u>1,089,115</u>
<b>Operating profit before changes in working capital</b>	<b>1,766,541</b>	<b>1,631,843</b>
Net change in current assets	11,817	(36,588)
Net change in current liabilities	(234,918)	(328,202)
	<u>(223,101)</u>	<u>(364,790)</u>
<b>Cash generated from operations</b>	<b>1,543,440</b>	<b>1,267,053</b>
Tax paid (net of tax refund)	(56,084)	(125,549)
Onerous lease paid	(90,596)	(1,400)
Retirement gratuities paid	(1,695)	(768)
Other operating activities	-	(846)
	<u>(148,375)</u>	<u>(128,563)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,395,065</b>	<b>1,138,490</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(997,092)	(833,423)
Increase in investments, intangible assets and other long term financial assets	(126,765)	(605,960)
Proceeds from disposal of assets and liabilities classified as held for sale	1,871,289	-
Proceeds from disposal of investments	406,617	-
Interest received	104,666	103,055
Proceeds from disposal of property, plant and equipment	732	290,705
Proceeds from redemption of unquoted preference shares in a Malaysian corporation by a subsidiary	-	100,000
Other investing activities	28,074	28,870
	<u>1,287,521</u>	<u>(916,753)</u>
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>1,287,521</b>	<b>(916,753)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings and transaction costs	(533,466)	(361,833)
Dividends paid to non-controlling interests	(251,953)	-
Dividends paid	(242,041)	-
Finance cost paid	(172,597)	(162,101)
Restricted cash	(156,426)	29,008
Perpetual capital securities distribution paid by a subsidiary	(144,585)	(133,264)
Proceeds from issuance of Notes from a subsidiary	4,465,744	-
Proceeds from issuance of Medium Term Notes from a subsidiary	2,600,000	-
Proceeds from bank borrowings	479,957	740,385
Proceeds from issue of shares upon exercise of warrants	1,878	-
Buy-back of shares by the Company and subsidiaries	-	(899)
Other financing activities	61,727	30,188
	<u>6,108,238</u>	<u>141,484</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>6,108,238</b>	<b>141,484</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>8,790,824</b>	<b>363,221</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>25,318,527</b>	<b>23,612,902</b>
<b>EFFECTS OF CURRENCY TRANSLATION</b>	<b>104,374</b>	<b>(1,171,463)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>34,213,725</b>	<b>22,804,660</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and deposits	27,653,764	19,272,775
Money market instruments	6,559,961	3,531,885
	<u>34,213,725</u>	<u>22,804,660</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 2016)*

## **GENTING BERHAD**

### **NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017**

#### **(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 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 2017 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 2016. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2016 except for the adoption of new FRSs and amendments that are mandatory for the Group for the financial year beginning 1 January 2017:

- Amendments to FRS 107 “Statement of Cash Flows” – Disclosure Initiative.
- Amendments to FRS 112 “Income Taxes” – Recognition of Deferred Tax Assets for Unrealised Losses.

The adoption of these new FRSs and amendments did not have any material impact on the interim financial information of the Group.

##### **Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and IC Interpretation 15 “Agreements for Construction of Real Estate”, including its parent, significant investor and venturer (herein called “Transitioning Entities”).

On 8 September 2015, MASB announced that in light of the International Accounting Standards Board’s deferral of IFRS 15 “Revenue from Contracts with Customers”, the effective date for the Transitioning Entities to apply the MFRS Framework will also be deferred to 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework from the financial year beginning on 1 January 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Adjustments required on transition, if any, will be made retrospectively against opening retained earnings.

##### **(b) Seasonal or Cyclical Factors**

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**

On 3 January 2017, Genting Singapore PLC (“GENS”) Group, an indirect 52.8% subsidiary of the Company, completed the disposal of its interest in its associate, Landing Jeju Development Co., Ltd, at a cash consideration of RM1,871.3 million (SGD596.3 million). The Group has recognised a gain on disposal of RM302.2 million (SGD96.3 million).

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 2017.

(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) During the current quarter ended 31 March 2017, the Company issued 235,850 new ordinary shares for cash arising from the exercise of warrants at exercise price of RM7.96 per ordinary share.
- ii) On 24 January 2017, GOHL Capital Limited, an indirect wholly owned subsidiary of the Company, issued USD1 billion 4.25% guaranteed notes due 2027 (the “Notes”) with interest payable semi-annually. The Notes were listed on The Stock Exchange of Hong Kong Limited on 25 January 2017.
- iii) On 31 March 2017, GENM Capital Berhad, a wholly owned subsidiary of Genting Malaysia Berhad (“GENM”), which is 49.3% owned by the Company, issued RM2.6 billion in nominal value of Medium Term Notes (“MTN”), comprising RM1.25 billion 5-year MTN at coupon rate of 4.78% per annum, RM1.1 billion 10-year MTN at coupon rate of 4.98% per annum and RM0.25 billion 15-year MTN at coupon rate of 5.20% per annum under its MTN Programme which is guaranteed by GENM. The coupons are payable semi-annually.

Other than the above, there were no other issuance, cancellation, share buy-back, resale and repayment of debt securities or equity securities for the current quarter ended 31 March 2017.

(f) **Dividend Paid**

Dividend paid during the current quarter ended 31 March 2017 is as follows:

**RM’000**

A special single-tier dividend paid on 30 March 2017 for the financial year ended 31 December 2016

- 6.5 sen per ordinary share	242,041
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(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 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 net fair value gain or loss on financial assets, gain or loss on disposal of financial assets, gain or loss on deemed dilution of shareholdings in associates, project costs written off, reversal of previously recognised impairment losses, impairment losses, pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses.



(g) Segment Information (Cont'd)

Segment analysis for the current quarter ended 31 March 2017 is set out below:

RM'million	Leisure & Hospitality				Plantation				Power*	Property	Oil & Gas	Investments & Others	Total	
	Malaysia	Singapore	United Kingdom	United States of America and Bahamas	Total	Malaysia	Indonesia	Downstream Manufacturing	Total					
<b>Revenue</b>														
Total revenue	1,599.8	1,839.5	467.3	381.0	4,287.6	221.4	146.1	125.9	493.4	205.4	41.3	85.9	25.1	5,138.7
Inter segment	(256.3)	(0.2)	-	-	(256.5)	(107.2)	-	-	(107.2)	-	(2.4)	(1.8)	(2.6)	(370.5)
External	1,343.5	1,839.3	467.3	381.0	4,031.1	114.2	146.1	125.9	386.2	205.4	38.9	84.1	22.5	4,768.2
<b>Adjusted EBITDA</b>	578.2	896.6	77.7	41.4	1,593.9	81.9	59.5	(0.4)	141.0	60.3	14.2	61.2	(208.6)	1,662.0

RM'million

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

Adjusted EBITDA	1,662.0
Net fair value loss on derivative financial instruments	(16.8)
Net gain on disposal of available-for-sale financial assets	85.8
Gain on disposal of assets and liabilities classified as held for sale	302.2
Depreciation and amortisation	(525.7)
Interest income	313.6
Finance cost	(210.5)
Share of results in joint ventures and associates	(7.4)
Others **	(147.4)
<b>Profit before taxation</b>	<b>1,455.8</b>

\* The Group had accounted for the construction and development of the 660MW coal-fired power plant in the Banten Province, West Java, Indonesia ("Banten Plant") in accordance with FRS 111 "Construction Contracts" as required under IC Interpretation 12 "Service Concession Arrangements" whereby the construction profit is recognised based on the percentage of completion method. Construction revenue and costs of approximately RM185.7 million and RM126.3 million respectively, have been disclosed under the "Power" segment in the consolidated income statement for the current quarter ended 31 March 2017 thereby generating a construction profit of RM59.4 million.

\*\* Others include pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses.

(g) Segment Information (Cont'd)

RM'million	Leisure & Hospitality				Total	Plantation			Total	Power	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	United Kingdom	United States of America and Bahamas		Malaysia	Indonesia	Downstream Manufacturing						
Segment Assets	9,622.9	17,701.7	5,001.1	7,556.4	39,882.1	1,505.6	3,531.5	470.4	5,507.5	5,041.9	2,920.0	5,297.9	5,230.7	63,880.1
Segment Liabilities	1,641.4	1,019.4	452.8	348.8	3,462.4	82.2	157.8	11.7	251.7	867.7	177.3	812.3	378.8	5,950.2

RM'million

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

Segment assets	63,880.1
Interest bearing instruments	33,823.5
Joint ventures	1,298.8
Associates	1,006.5
Unallocated corporate assets	325.8
<b>Total assets</b>	<b>100,334.7</b>

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

Segment liabilities	5,950.2
Interest bearing instruments	25,051.5
Unallocated corporate liabilities	2,567.6
<b>Total liabilities</b>	<b>33,569.3</b>

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

During the current quarter ended 31 March 2017, acquisitions and disposals of property, plant and equipment by the Group were RM695.1 million and RM1.9 million respectively.

(i) **Material Events Subsequent to the End of the Financial Period**

On 12 May 2017, GENS announced its intention to redeem its SGD1.8 billion 5.125% Perpetual Subordinated Capital Securities and its SGD500 million 5.125% Perpetual Subordinated Capital Securities on their next call dates of 12 September 2017 and 18 October 2017 respectively.

Other than the above, there were no other material events subsequent to the end of the current quarter ended 31 March 2017 that have not been reflected in this interim report.

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

Other than as disclosed in note (c) above and Note 7 in Part II of this interim financial report, there were no other material changes in the composition of the Group for the current quarter ended 31 March 2017.

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

There were no material changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2016.

(l) **Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 31 March 2017 are as follows:

	<b>RM'million</b>
Contracted	3,608.6
Not contracted	20,518.5
	<hr/>
	24,127.1
	<hr/>
Analysed as follows:	
- Property, plant and equipment	22,865.5
- Plantation development	505.0
- Investments	369.3
- Power concession assets (intangible assets and other non-current assets)	237.2
- Rights of use of oil and gas assets	83.9
- Intangible assets	45.7
- Leasehold land use rights	20.5
	<hr/>
	24,127.1
	<hr/>

(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 2017 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 2016 and the approved shareholders' mandates for recurrent related party transactions.

	<b>Current quarter RM'000</b>
<b>Group</b>	
i) Provision of share registration services and secretarial services by a wholly owned subsidiary of the Company to Genting Hong Kong Limited ("GENHK") Group.	<hr/>
	7
ii) Licensing fee for the use of the name "Genting" charged by wholly owned subsidiaries of the Company to Genting Simon Sdn Bhd.	<hr/>
	134

(m) **Significant Related Party Transactions (Cont'd)**

	<b>Current quarter RM'000</b>
<b><u>Group</u></b>	
iii) Licensing fee for the use of a software charged by a wholly owned subsidiary of the Company to FreeStyle Gaming Limited, an indirect wholly owned subsidiary of Resorts World Inc Pte Ltd ("RWI").	<u>26</u>
iv) Provision of services in connection with the clinical study by TauRx Pharmaceuticals Ltd Group, an associate of the Group, to a subsidiary of the Company.	<u>6,017</u>
v) Interest income earned by indirect subsidiaries from their associates.	<u>2,831</u>
vi) Provision of management services by Genting Awanpura Sdn Bhd, a wholly owned subsidiary of Genting Plantations Berhad ("GENP"), which is 51.7% owned by the Company, to Genting Simon Sdn Bhd.	<u>127</u>
vii) Sale of RBD palm products by Genting MusimMas Refinery Sdn Bhd to Inter Continental Oils & Fats Pte Ltd.	<u>55,513</u>
viii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property in the United States of America and the Bahamas charged by RWI Group to GENM Group.	<u>19,460</u>
ix) Rental charges by Genting Development Sdn Bhd to GENM Group.	<u>297</u>
x) Provision of management and consultancy services on theme park and resort development and operations by International Resort Management Services Pte Ltd ("IRMS") to GENM.	<u>2,499</u>
xi) Rental charges for premises by GENM Group to Warisan Timah Holdings Sdn Bhd.	<u>554</u>
xii) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to GENM Group.	<u>544</u>
xiii) Provision of maintenance services by entities connected with shareholder of BBEL to GENM Group.	<u>2,410</u>
xiv) Rental charges for office space by GENM Group to GENHK Group.	<u>765</u>
xv) Purchase of rooms by GENM Group from an entity connected with shareholder of BBEL.	<u>309</u>
xvi) Licensing fee for the use of Internet Gaming System platform in the United Kingdom charged by RWI Group to GENM Group.	<u>265</u>
xvii) Provision of aviation related services by GENM Group to GENHK Group.	<u>346</u>

(m) **Significant Related Party Transactions (Cont'd)**

**Current quarter  
RM'000**

**Group**

xviii)	Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by GENM Group to GENHK Group.	426
xix)	Rental income for GENM Group for rooftop of a car park building from Genting Highlands Premium Outlets Sdn Bhd.	4,200
xx)	Air ticketing services and provision of reservation and booking services rendered by GENHK Group to GENS Group.	2,167
xxi)	Sale of goods and services by GENS Group to GENHK Group.	1,552
xxii)	Provision of goods and services by DCP (Sentosa) Pte Ltd to GENS Group.	13,916
xxiii)	Leasing of office space and related expenses by GENS Group to IRMS.	201
xxiv)	Provision of management and consultancy services by IRMS to GENS.	238

**Company**

i)	Licensing fees from the subsidiaries to the Company for the use of name and accompanying logo of "Genting", "Resorts World" and "Awana" owned by the Company.	46,977
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.	99,609
iii)	Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	44,602
iv)	Provision of information technology consultancy, development, implementation, support and maintenance service, other management services and rental of information technology equipment by subsidiaries to the Company.	812
v)	Rental charges for office space and related services by a subsidiary of GENM.	667
vi)	Provision of management and/or support services by the Company to its subsidiaries, associates and joint ventures.	4,393

(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 March 2017, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

<b>RM'million</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	10.4	-	-	10.4
Available-for-sale financial assets	835.1	970.0	1,636.2	3,441.3
Derivative financial instruments	-	104.5	-	104.5
	<u>845.5</u>	<u>1,074.5</u>	<u>1,636.2</u>	<u>3,556.2</u>
<b>Financial liability</b>				
Derivative financial instruments	-	277.2	-	277.2

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2016.

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

<b>Available-for-sale financial assets</b>	<b>RM'million</b>
As at 1 January 2017	1,614.0
Foreign exchange differences	(14.0)
Additions	33.8
Fair value changes – recognised in other comprehensive income	(4.3)
Investment income and interest income	6.7
<b>As at 31 March 2017</b>	<u><b>1,636.2</b></u>

There have been no transfers between the levels of the fair value hierarchy during the current quarter ended 31 March 2017.

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

1. Performance Analysis

The comparison of the results are tabulated below:

	Current Quarter			Preceding Quarter	
	2017 RM'million	2016 RM'million	% +/-	4Q 2016 RM'million	% +/-
<b>Revenue</b>					
Leisure & Hospitality					
- Malaysia	1,343.5	1,305.3	+3	1,507.4	-11
- Singapore	1,839.3	1,821.7	+1	1,709.7	+8
- UK	467.3	528.9	-12	403.1	+16
- US and Bahamas	381.0	350.4	+9	341.3	+12
	4,031.1	4,006.3	+1	3,961.5	+2
Plantation					
- Malaysia	114.2	148.3	-23	294.2	-61
- Indonesia	146.1	55.7	>100	168.7	-13
- Downstream Manufacturing	125.9	23.6	>100	27.5	>100
	386.2	227.6	+70	490.4	-21
Power	205.4	356.6	-42	162.4	+26
Property	38.9	51.1	-24	42.7	-9
Oil & Gas	84.1	41.7	>100	72.2	+16
Investments & Others	22.5	20.4	+10	23.8	-5
	<u>4,768.2</u>	<u>4,703.7</u>	<u>+1</u>	<u>4,753.0</u>	<u>-</u>
<b>Profit before tax</b>					
Leisure & Hospitality					
- Malaysia	578.2	581.3	-1	671.3	-14
- Singapore	896.6	590.6	+52	718.5	+25
- UK	77.7	98.7	-21	26.9	>100
- US and Bahamas	41.4	19.2	>100	87.7	-53
	1,593.9	1,289.8	+24	1,504.4	+6
Plantation					
- Malaysia	81.9	49.1	+67	147.2	-44
- Indonesia	59.5	4.6	>100	68.8	-14
- Downstream Manufacturing	(0.4)	(0.4)	-	(0.4)	-
	141.0	53.3	>100	215.6	-35
Power	60.3	14.0	>100	(2.3)	>100
Property	14.2	17.4	-18	18.0	-21
Oil & Gas	61.2	40.7	+50	53.7	+14
Investments & Others	(208.6)	(311.9)	+33	302.2	>-100
<b>Adjusted EBITDA</b>	<u>1,662.0</u>	<u>1,103.3</u>	<u>+51</u>	<u>2,091.6</u>	<u>-21</u>
Net fair value loss on derivative financial instruments	(16.8)	(29.6)	+43	(9.6)	-75
Net gain on disposal of available-for-sale financial assets	85.8	-	NM	1,302.2	-93
Gain on deemed dilution of shareholding in associate	-	22.4	-100	0.3	-100
Gain on disposal of assets and liabilities classified as held for sale	302.2	-	NM	3.0	>100
Impairment losses	-	(61.7)	+100	(110.4)	+100
Depreciation and amortisation	(525.7)	(483.0)	-9	(524.4)	-
Interest income	313.6	226.0	+39	274.3	+14
Finance cost	(210.5)	(173.1)	-22	(167.6)	-26
Share of results in joint ventures and associates	(7.4)	(13.8)	+46	(51.4)	+86
Others	(147.4)	(47.8)	>-100	(36.3)	>-100
	<u>1,455.8</u>	<u>542.7</u>	<u>&gt;100</u>	<u>2,771.7</u>	<u>-47</u>

NM = Not meaningful

## **Quarter ended 31 March 2017 compared with quarter ended 31 March 2016**

The Group generated total revenue of RM4,768.2 million in the current quarter compared with RM4,703.7 million in the previous year's corresponding quarter, representing a marginal increase of 1%.

Resorts World Sentosa ("RWS") recorded higher revenue in the current quarter due mainly to the stronger Singapore Dollar exchange rate to the Malaysian Ringgit in the current quarter. Revenue in Singapore Dollar terms showed a decline of 4% compared with the previous year's corresponding quarter, contributed by both the gaming and non-gaming segments. However, adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") increased due primarily to substantially lower impairment of trade receivables in the current quarter and improvement in operating margins due to cost efficiency initiatives.

The increase in revenue from Resorts World Genting ("RWG") was due mainly to better hold percentage from the mid to premium segment of the business even though business volumes were lower. However, adjusted EBITDA decreased due mainly to higher costs relating to the premium players business and costs incurred for the new facilities under Genting Integrated Tourism Plan ("GITP").

Lower revenue and adjusted EBITDA from the casino business in United Kingdom ("UK") were due mainly to the weaker Sterling Pound exchange rate to the Malaysian Ringgit in the current quarter. Revenue in Sterling Pound terms decreased due mainly to lower hold percentage partially offset by higher volume of business from its High End Markets.

Higher revenue and adjusted EBITDA from the leisure and hospitality business in United States of America ("US") and Bahamas were due mainly to higher revenue from Resorts World Casino New York City ("RWNYC operations") due to an improved commission structure with the New York state authority on RWNYC gaming operations as well as a stronger US Dollar exchange rate to the Malaysian Ringgit. There was also a lower adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") from the Resorts World Bimini operations in Bahamas following the cessation of Bimini Superfast cruise ferry operations in the previous year's corresponding quarter.

Revenue and adjusted EBITDA from Plantation-Indonesia increased in the current quarter due mainly to higher palm product selling prices and higher FFB production. Despite Plantation-Malaysia registering higher palm product selling prices and higher FFB production, revenue was lower as these did not translate entirely into external sales as most of its crude palm oil from Sabah operations were sold to Downstream Manufacturing for onward processing to refined palm products where a portion was held as stocks as at the end of the current quarter.

Revenue from the Power Division was impacted by lower construction revenue recognised in the current quarter arising from the lower percentage of completion of the 660MW coal-fired Banten Plant in Indonesia. The adjusted EBITDA improved significantly due mainly to lower construction costs incurred.

Increased revenue and adjusted EBITDA from the Oil & Gas Division were due mainly to higher average oil prices.

A lower adjusted LBITDA was recorded from "Investments & Others" in the current quarter due mainly to lower foreign exchange losses on net foreign currency denominated financial assets.

Profit before tax for the current quarter was RM1,455.8 million, a significant increase compared with the previous year's corresponding quarter's profit of RM542.7 million. The increase was due mainly to higher adjusted EBITDA and a gain of RM302.2 million recognised from the completion of the disposal of GENS Group's 50% interest in its associate Landing Jeju Development Co., Ltd.

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

The Group's profit before taxation for the current quarter was RM1,455.8 million compared with RM2,771.7 million in the preceding quarter. The lower profit before taxation was due mainly to the inclusion of a one-off gain of approximately RM1.3 billion arising from the disposal of the Group's investment in GENHK in the preceding quarter.



Adjusted EBITDA of RWS improved over the preceding quarter, underpinned by strong performance from the VIP and premium mass gaming business. Profit margin continued to improve driven by lower impairment of receivables as a result of a measured credit policy and a commission fee model that incentivises early repayment.

Lower adjusted EBITDA was recorded by RWG due mainly to lower volume of business from the mid to premium segment of the business.

Adjusted EBITDA from the casino business in UK improved significantly due mainly to higher volume of business, better hold percentage from its premium players business and higher bad debt recovery during the current quarter.

The adjusted EBITDA from the leisure and hospitality business in the US and Bahamas was lower in the current quarter despite higher revenue as the preceding quarter's adjusted EBITDA had included net reversal of expenses over accrued in previous periods.

Lower adjusted EBITDA from Plantation-Malaysia and Plantation-Indonesia was mainly attributable to seasonal decline in FFB production.

The Power Division recorded an adjusted EBITDA in the current quarter compared with an adjusted LBITDA in the preceding quarter as the construction profit recognised in the preceding quarter was offset by higher operating expenses incurred on the Banten Plant.

Foreign exchange losses were recognised in "Investments & Others" in the current quarter compared with foreign exchange gains from net foreign currency denominated financial assets in the preceding quarter.

\* *The comments on performance in Notes 1 and 2 above are based on the results of the respective subsidiaries and associates of the Company. Some of the subsidiaries are separately listed on the Malaysian and Singapore stock exchanges. Please refer to the respective listed subsidiaries' announcements of their interim results for a detailed review of their respective performance.*

<u>Listed subsidiaries</u>	<u>Announcement date</u>
Genting Singapore PLC	12 May 2017
Genting Plantations Berhad	29 May 2017
Genting Malaysia Berhad	29 May 2017

### 3. Prospects

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

- (a) In Malaysia, GENM Group continues to focus on the development of its GITP as the remaining facilities and attractions open progressively from this year onwards, complementing the new and existing attractions. The significant expansion and redevelopment under the GITP, once completed, is expected to elevate RWG's position as the destination of choice in the region. Meanwhile, GENM Group remains committed on optimising overall operational efficiencies, yield management and database marketing efforts as well as enhancing service delivery at RWG;
- (b) Looking ahead, as RWS broadens its appeal as the premier lifestyle-based integrated resort, it remains focused in growing the premium mass market, leveraging on the unique combination of its world-class entertainment attractions and multitude of culinary offerings, to deliver truly differentiated destination experiences. All its efforts in the gaming and non-gaming segments have shown encouraging response from its targeted market segments and RWS is optimistic in delivering sustainable earnings growth.

GENS is continuing with its growth and diversification plan and is allocating resources in tandem with the progress of the Japan IR Execution Bill, which will pave the way for the formal bidding process of the Japan gaming licences;

- (c) In the UK, GENM Group is pleased with the strong performance from the non-premium players business where it continues to grow its market share. The strategy to reduce short term volatility in its premium players business continues to prove successful in developing a more sustainable business. GENM Group has seen an encouraging improvement in performance at Resorts World Birmingham and has recently announced plans to introduce new attractions such as virtual reality games which will be new to the UK;
- (d) In the US, RWNYC maintained steady business growth and continues to lead the Northeast US region in terms of gaming revenue amidst growing regional competition. GENM Group will continue to boost its direct marketing efforts to grow visitation levels and frequency of play at the resort. In the Bahamas, GENM Group has embarked on cost rationalisation initiatives and will revise its marketing strategy to reposition the business;
- (e) For the rest of 2017, movements in palm product prices and crop production trends will significantly influence the performance of GENP Group's Plantation segment. The palm oil market will continue to be determined by the overall supply and demand balance of the global edible oils market, changes in weather conditions and the resultant impact on crop productivity, currency movements, global economic conditions and the development in the implementation of biodiesel mandates, particularly in Malaysia and Indonesia.

On the production front, barring any weather anomalies, GENP Group expects its FFB production growth to continue to be driven by the addition of newly-mature areas and the progression of existing mature areas into higher yielding brackets at its Indonesian estates. However, the growth in output from its Malaysian estates is expected to be moderated by the escalation of replanting activities;

- (f) Revenue contribution from sales by the Indonesian Banten coal-fired power plant will commence from second quarter 2017 following the start of commercial operations on 28 March 2017. Contribution from the Jangi wind farm in Gujarat, India is expected to be higher as the region approaches its high wind season towards the end of second quarter 2017; and
- (g) The contribution from the Genting CDX Singapore Pte Ltd production oil field in the Chengdaoxi block in China is expected to be stable with improved oil prices despite lower than expected production. Genting Oil Kasuri Pte Ltd has submitted the Plan of Development ("POD") for the Kasuri block in Indonesia. The approval of the POD by the Indonesian government is targeted before the end of 2017.

#### 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 ended 31 March 2017 are set out below:

	<b>Current quarter RM'000</b>
Current taxation	
Malaysian income tax charge	85,466
Foreign income tax charge	163,925
	<hr/>
	249,391
Deferred tax charge	30,315
	<hr/>
	279,706
Prior period taxation	
Income tax under provided	925
	<hr/>
	<u>280,631</u>

The effective tax rate of the Group for the current quarter ended 31 March 2017 is lower than the Malaysian statutory income tax rate due mainly to income not subject to tax, income subject to lower tax rates in certain jurisdictions and tax incentives, partially offset by expenses not deductible for tax purposes.

## 6. Profit Before Taxation

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

	<b>Current quarter RM'000</b>
<b>Charges:</b>	
Finance cost	210,503
Depreciation and amortisation	525,670
Impairment and write off of receivables	51,106
Inventories written off	245
Exploration costs written off	83,941
Net fair value loss on derivative financial instruments	16,805
Net foreign exchange loss	172,998
	<hr/>
<b>Credits:</b>	
Interest income	313,558
Investment income	10,182
Net gain on disposal of property, plant and equipment	260
Gain on disposal of quoted available-for-sale financial assets	85,763
Gain on disposal of assets and liabilities classified as held for sale	302,173
	<hr/>

## 7. Status of Corporate Proposals Announced

### **Proposed disposal of 95% equity interest in PT Permata Sawit Mandiri ("PT PSM") to PT Suryaborneo Mandiri ("PT SBM") for a total cash consideration of USD3,190,000 ("Proposed Disposal")**

On 25 January 2017, GENP announced that Palma Citra Investama Pte Ltd, a 73.685% indirect subsidiary of GENP, had on 25 January 2017 entered into a conditional sale and purchase agreement with PT SBM, a related party, for the purpose of disposing 950 Series A shares and 34,100 Series B shares of IDR1,000,000 each in PT PSM for a cash consideration of USD3,190,000.

GENP had on 16 March 2017 further announced that the Proposed Disposal has been completed on the same day. Following the completion of the Proposed Disposal, PT PSM has ceased to be an effective 70% owned indirect subsidiary of GENP.

Other than the above, there were no other corporate proposals announced but not completed as at 22 May 2017.

## 8. Group Borrowings and Debt Securities

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

	Secured/ Unsecured	Foreign Currency 'million		RM Equivalent 'million
Short term borrowings	Secured	USD	164.6	728.3
	Secured	SGD	203.2	642.1
	Secured			79.7
	Unsecured	GBP	179.8	994.0
	Unsecured	USD	2.0	8.8
Long term borrowings	Secured	USD	1,122.3	4,966.5
	Secured	SGD	938.0	2,964.6
	Secured			87.8
	Unsecured	USD	1,106.4	4,896.2
	Unsecured			9,583.8

## 9. Outstanding Derivatives

As at 31 March 2017, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

Types of Derivative	Contract/ Notional Value RM'million	Fair Value Assets/ (Liabilities) RM'million
<u>Cross Currency Swaps</u>		
USD	309.9	
- Less than 1 year		1.5
- 1 year to 3 years		12.6
- More than 3 years		87.1
SGD	189.6	
- Less than 1 year		(8.9)
- 1 year to 3 years		(14.6)
- More than 3 years		(26.3)
<u>Interest Rate Swaps</u>		
USD	3,014.0	
- Less than 1 year		(54.2)
- 1 year to 3 years		(74.9)
- More than 3 years		(93.7)
GBP	364.8	
- Less than 1 year		(3.1)
<u>Forward Foreign Currency Exchange</u>		
SGD	10.2	
- Less than 1 year		1.2
USD	128.5	
- Less than 1 year		0.7

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2016:

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

10. **Fair Value Changes of Financial Liabilities**

The details of fair value changes of financial liabilities for the current quarter ended 31 March 2017 are as follows:

Type of financial liabilities	Current quarter fair value gain RM'million	Basis of fair value measurement	Reasons for the gain
Interest Rate Swaps	0.4	Interest rate differential between the fixed contracted rate and the current market fixing rate.	The interest rates differential between the contracted rate and the market rate up to the respective maturity dates of the contracts have moved favourably for the Group.

11. **Changes in Material Litigation**

There were no pending material litigations since the last financial year ended 31 December 2016 and up to 22 May 2017.

12. **Dividend Proposed or Declared**

No dividend has been proposed or declared for the current quarter ended 31 March 2017.

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

- (a) The earnings used as the numerator in calculating basic and diluted EPS for the current quarter ended 31 March 2017 is as follows:

	<b>Current quarter RM'000</b>
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of Basic EPS)	603,062
Net impact on earnings on potential exercise of Performance Share Scheme awarded to executives of the Company's subsidiary and warrants issued to shareholders of the Company's subsidiary	<u>(650)</u>
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of Diluted EPS)	<u>602,412</u>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted EPS for the current quarter ended 31 March 2017 is as follows:

	<b>Current quarter No. of shares '000</b>
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	3,723,706
Adjustment for potential conversion of warrants	<u>76,067</u>
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	<u>3,799,773</u>

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

The breakdown of the retained profits of the Group as at 31 March 2017, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	<b>As at the end of current quarter RM'million</b>	<b>As at the end of last financial year RM'million</b>
Total retained profits/(accumulated losses):		
- Realised	38,628.2	37,886.1
- Unrealised	(1,917.9)	(1,619.9)
	<u>36,710.3</u>	<u>36,266.2</u>
Total share of retained profits/(accumulated losses) from associates:		
- Realised	298.5	322.1
- Unrealised	4.6	5.0
Total share of retained profits from joint ventures:		
- Realised	222.2	220.7
- Unrealised	29.2	16.0
	<u>37,264.8</u>	<u>36,830.0</u>
Less: Consolidation adjustments	<u>(11,576.5)</u>	<u>(11,513.2)</u>
Total Group retained profits	<u>25,688.3</u>	<u>25,316.8</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

**15. Exemption for Kien Huat Realty Sdn Berhad (“KHR”) and persons acting in concert with it (“PACs”) from the obligation to undertake a mandatory take-over**

On 6 November 2013, KHR and PACs obtained approval from the Securities Commission Malaysia to exempt KHR and PACs from the obligation to undertake a mandatory take-over offer on the remaining voting shares in the Company not already held by them upon the exercise of the warrants by KHR and/or PACs (“Exemption”). The Exemption is effective until:

- (i) the full exercise of the 424,632,772 warrants subscribed by KHR and the PACs; or
- (ii) the expiry of the warrants on 18 December 2018; or
- (iii) the Exemption is no longer relevant when the collective shareholding of KHR and PACs is more than 50% of the voting shares or voting rights of the Company.

whichever occurs first.

As at 22 May 2017, KHR and PACs collectively hold 1,698,531,090 voting shares and 424,632,772 warrants in the Company representing approximately 45.27% and 60.19% of the total outstanding voting shares and warrants in the Company, and have not acquired any voting shares, voting rights or warrants since the Exemption came into effect on 6 November 2013, other than the 424,632,772 warrants subscribed by them under the non-renounceable restricted issue of new warrants in December 2013.

Assuming only KHR and PACs exercise their warrants in full (but not other warrant holders), then the total voting shares held by KHR and PACs will increase to 2,123,163,862 representing approximately 50.84% in the Company, and a mandatory take-over offer obligation for the remaining voting shares in the Company will not arise from the exercise of the warrants provided that the Exemption remains in effect.

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

The audit report of the Group’s annual financial statements for the financial year ended 31 December 2016 did not contain any qualification.

**17. 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 29 May 2017.