



FOURTH QUARTERLY REPORT

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

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

	UNAUDITED INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2017 RM'000	Preceding Year Corresponding Quarter 31/12/2016 RM'000 Restated	Current Year- To-Date 31/12/2017 RM'000	Preceding Year Corresponding Period 31/12/2016 RM'000 Restated
Revenue	5,258,638	4,753,054	20,019,594	18,365,805
Cost of sales	(3,407,767)	(3,099,063)	(12,741,778)	(12,543,142)
Gross profit	1,850,871	1,653,991	7,277,816	5,822,663
Other income	48,324	1,927,221	1,770,095	3,002,055
Net fair value gain/(loss) on derivative financial instruments	504	(9,623)	(42,320)	(93,536)
Reversal of previously recognised impairment losses	-	-	-	195,225
Impairment losses	(308,821)	(110,482)	(674,978)	(188,244)
Other expenses	(485,189)	(489,730)	(3,021,167)	(2,483,346)
Finance cost	(268,922)	(167,599)	(950,140)	(678,830)
Share of results in joint ventures and associates	(1,465)	(51,443)	(47,091)	(116,426)
Profit before taxation	835,302	2,752,335	4,312,215	5,459,561
Taxation	(245,024)	(359,404)	(1,069,360)	(981,731)
Profit for the period	590,278	2,392,931	3,242,855	4,477,830
Profit/(loss) attributable to:				
Equity holders of the Company	133,150	1,133,898	1,445,298	2,120,580
Holders of perpetual capital securities of a subsidiary	(2,953)	97,778	256,524	365,852
Non-controlling interests	460,081	1,161,255	1,541,033	1,991,398
	590,278	2,392,931	3,242,855	4,477,830
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	3.48	30.45	38.28	57.00
- Diluted	3.40	30.43	37.62	56.63

(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 YEAR ENDED 31 DECEMBER 2017**

	UNAUDITED INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2017 RM'000	Preceding Year Corresponding Quarter 31/12/2016 RM'000 Restated	Current Year- To-Date 31/12/2017 RM'000	Preceding Year Corresponding Period 31/12/2016 RM'000 Restated
Profit for the period	590,278	2,392,931	3,242,855	4,477,830
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss:				
Reversal of revaluation surplus on intangible assets	-	(13,258)	-	(13,258)
Actuarial gain/(loss) on retirement benefit liability	6,219	(10,624)	7,780	(10,624)
	6,219	(23,882)	7,780	(23,882)
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value gain/(loss)	36,521	25,371	26,303	(411,321)
- Reclassification to profit or loss	(2,705)	(767,781)	(168,631)	(727,962)
Cash flow hedges				
- Fair value gain	44,258	143,275	73,799	49,024
- Reclassifications	(192)	6,410	(12,535)	6,410
Share of other comprehensive (loss)/income of joint ventures and associates	(1,950)	48,187	(56,386)	22,785
Net foreign currency exchange differences	(1,453,926)	1,890,817	(2,405,763)	131,485
	(1,377,994)	1,346,279	(2,543,213)	(929,579)
Other comprehensive (loss)/income for the period, net of tax	(1,371,775)	1,322,397	(2,535,433)	(953,461)
Total comprehensive (loss)/income for the period	(781,497)	3,715,328	707,422	3,524,369
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(568,915)	2,221,376	(233,514)	1,789,714
Holders of perpetual capital securities of a subsidiary	(184,978)	249,463	114,676	439,206
Non-controlling interests	(27,604)	1,244,489	826,260	1,295,449
	(781,497)	3,715,328	707,422	3,524,369

(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 DECEMBER 2017

	As At 31 Dec 2017 RM'000	As At 31 Dec 2016 RM'000 Restated
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	36,228,776	34,783,543
Land held for property development	384,332	378,931
Investment properties	1,965,299	2,099,651
Leasehold land use rights	641,052	495,758
Intangible assets	5,903,823	6,527,377
Rights of use of oil and gas assets	3,608,135	4,069,663
Joint ventures	1,213,800	1,284,790
Associates	720,219	1,023,322
Available-for-sale financial assets	1,957,407	2,116,993
Derivative financial instruments	4,326	114,097
Deferred tax assets	201,258	238,890
Other non-current assets	6,019,731	6,164,241
	58,848,158	59,297,256
CURRENT ASSETS		
Property development costs	31,219	50,006
Inventories	580,372	583,026
Trade and other receivables	2,371,343	2,479,176
Amounts due from joint ventures and associates	5,284	10,733
Financial assets at fair value through profit or loss	7,443	10,799
Available-for-sale financial assets	868,130	1,619,735
Derivative financial instruments	3,891	7,708
Restricted cash	1,325,065	565,106
Cash and cash equivalents	29,491,877	25,318,527
	34,684,624	30,644,816
Assets classified as held for sale	75,662	1,600,918
	34,760,286	32,245,734
	93,608,444	91,542,990
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	2,818,659	375,002
Treasury shares	(221,206)	(221,206)
Reserves	31,192,225	33,855,294
	33,789,678	34,009,090
Perpetual capital securities of a subsidiary	-	7,144,850
Non-controlling interests	23,319,206	23,550,401
TOTAL EQUITY	57,108,884	64,704,341
NON-CURRENT LIABILITIES		
Long term borrowings	24,950,191	15,745,048
Deferred tax liabilities	2,205,357	2,071,127
Derivative financial instruments	148,436	232,186
Other non-current liabilities	864,927	822,424
	28,168,911	18,870,785
CURRENT LIABILITIES		
Trade and other payables	5,394,218	5,193,984
Amounts due to joint ventures	112,376	127,976
Short term borrowings	2,019,086	2,219,637
Derivative financial instruments	46,104	73,384
Taxation	699,683	341,814
	8,271,467	7,956,795
Liabilities classified as held for sale	59,182	11,069
	8,330,649	7,967,864
TOTAL LIABILITIES	36,499,560	26,838,649
TOTAL EQUITY AND LIABILITIES	93,608,444	91,542,990
NET ASSETS PER SHARE (RM)	8.83	9.13

(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 YEAR ENDED 31 DECEMBER 2017

	← Attributable to equity holders of the Company →										Perpetual Capital Securities of a Subsidiary RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	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			
At 1 January 2017, as previously reported	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
Effects of change in accounting policies (see Note (I) (a))	-	-	-	-	-	-	(150,595)	(644,378)	-	(794,973)	-	(254,035)	(1,049,008)
At 1 January 2017, as restated	375,002	1,481,249	1,098,684	293,012	384,336	(85,317)	6,010,873	24,672,457	(221,206)	34,009,090	7,144,850	23,550,401	64,704,341
Transfer from share premium (see Note below)	1,481,249	(1,481,249)	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	1,445,298	-	1,445,298	256,524	1,541,033	3,242,855
Other comprehensive (loss)/income	-	-	-	-	(107,439)	33,205	(1,605,085)	507	-	(1,678,812)	(141,848)	(714,773)	(2,535,433)
Total comprehensive (loss)/income for the year	-	-	-	-	(107,439)	33,205	(1,605,085)	1,445,805	-	(233,514)	114,676	826,260	707,422
Transfer due to realisation of revaluation reserve	-	-	-	(301)	-	-	-	301	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	16,944	-	16,944	-	19,831	36,775
Transfer upon expiry of share option scheme of a subsidiary	-	-	-	-	-	-	-	9,758	-	9,758	-	(9,758)	-
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	-	79,994	79,994
Issue of shares upon exercise of warrants	962,408	-	(152,390)	-	-	-	-	-	-	810,018	-	-	810,018
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,120,993)	(1,120,993)
Perpetual capital securities distribution paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	(357,609)	-	(357,609)
Redemption of perpetual capital securities, net of transaction costs by a subsidiary	-	-	-	-	-	-	-	(40,057)	-	(40,057)	(6,901,917)	(35,756)	(6,977,730)
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	-	10,340	-	10,340	-	9,227	19,567
Appropriation:													
Special single-tier dividend for financial year ended 31 December 2016	-	-	-	-	-	-	-	(242,041)	-	(242,041)	-	-	(242,041)
Final single-tier dividend for financial year ended 31 December 2016	-	-	-	-	-	-	-	(226,574)	-	(226,574)	-	-	(226,574)
Interim single-tier dividend for financial year ended 31 December 2017	-	-	-	-	-	-	-	(324,286)	-	(324,286)	-	-	(324,286)
Balance at 31 December 2017	2,818,659	-	946,294	292,711	276,897	(52,112)	4,405,788	25,322,647	(221,206)	33,789,678	-	23,319,206	57,108,884

Note

With the Companies Act 2016 ("the Act") that came into effect on 31 January 2017, the credit standing in the share premium account of RM1,481.2 million has been transferred to share capital account. Pursuant to subsection 618(3) of the Act, the Group may exercise its right to use the amount standing to the credit of its share premium within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon before 31 January 2019. The balance of RM2,818.7 million in share capital represents 3,851.8 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 YEAR ENDED 31 DECEMBER 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, as previously reported	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	
Effects of change in accounting policies (see Note (I) (a))	-	-	-	-	-	-	(124,742)	(621,298)	-	(746,040)	-	(217,622)	(963,662)	
At 1 January 2016, as restated	374,320	1,417,380	1,108,905	301,167	948,462	(203,303)	5,756,578	22,387,775	(219,597)	31,871,687	7,071,496	22,884,183	61,827,366	
Profit for the year	-	-	-	-	-	-	-	2,120,580	-	2,120,580	365,852	1,991,398	4,477,830	
Other comprehensive (loss)/income	-	-	-	(6,933)	(564,126)	972	254,295	(15,074)	-	(330,866)	73,354	(695,949)	(953,461)	
Total comprehensive (loss)/income for the year	-	-	-	(6,933)	(564,126)	972	254,295	2,105,506	-	1,789,714	439,206	1,295,449	3,524,369	
Transfer due to realisation of revaluation reserve	-	-	-	(1,222)	-	-	-	1,222	-	-	-	-	-	
Effects arising from changes in composition of the Group	-	-	-	-	-	117,014	-	305,171	-	422,185	-	56,787	478,972	
Transfer upon expiry of share option scheme of a subsidiary	-	-	-	-	-	-	-	5,171	-	5,171	-	(5,171)	-	
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	-	77,788	77,788	
Issue of shares upon exercise of warrants	682	63,869	(10,221)	-	-	-	-	-	-	54,330	-	-	54,330	
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(756,802)	(756,802)	
Buy-back of shares by the Company	-	-	-	-	-	-	-	-	(1,609)	(1,609)	-	-	(1,609)	
Perpetual capital securities distribution payable and paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	(365,852)	-	(365,852)	
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	-	(2,055)	-	(2,055)	-	(1,833)	(3,888)	
Appropriation:														
Final single-tier dividend for financial year ended 31 December 2015	-	-	-	-	-	-	-	(130,333)	-	(130,333)	-	-	(130,333)	
Balance at 31 December 2016	375,002	1,481,249	1,098,684	293,012	384,336	(85,317)	6,010,873	24,672,457	(221,206)	34,009,090	7,144,850	23,550,401	64,704,341	

(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 YEAR ENDED 31 DECEMBER 2017

	Current Year-To-Date RM'000	Preceding Year Corresponding Period RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,312,215	5,459,561
Adjustments for:		
Depreciation and amortisation	2,126,975	2,003,067
Finance cost	950,140	678,830
Impairment losses	674,978	188,244
Net exchange loss/(gain) – unrealised	304,839	(197,114)
Impairment and write off of receivables	168,262	804,485
Net loss/(gain) on derecognition/dilution of shareholding in associates	62,400	(26,413)
Assets written off	58,189	121,485
Share of results in joint ventures and associates	47,091	116,426
Net fair value loss on derivative financial instruments	42,320	93,536
Interest income	(886,778)	(1,024,490)
Gain on disposal of assets and liabilities classified as held for sale	(302,173)	(2,993)
Net gain on disposal of available-for-sale financial assets	(225,970)	(1,306,958)
Construction profit	(48,568)	(111,728)
Investment income	(37,881)	(57,367)
Reversal of previously recognised impairment losses	-	(195,225)
Other non-cash items	150,025	26,776
	<u>3,083,849</u>	<u>1,110,561</u>
Operating profit before changes in working capital	7,396,064	6,570,122
Net change in current assets	197,521	834,487
Net change in current liabilities	(1,627)	(429,591)
	<u>195,894</u>	<u>404,896</u>
Cash generated from operations	7,591,958	6,975,018
Tax paid (net of tax refund)	(652,276)	(671,042)
Onerous lease paid	(94,793)	(4,497)
Retirement gratuities paid	(9,425)	(3,395)
Other operating activities	(141)	(724)
	<u>(756,635)</u>	<u>(679,658)</u>
NET CASH FROM OPERATING ACTIVITIES	6,835,323	6,295,360
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,399,929)	(3,955,124)
Increase in investments, intangible assets and other long term financial assets	(629,854)	(1,819,417)
Acquisition of subsidiaries (see note below)	(531,090)	(106,754)
Proceeds from disposal of assets and liabilities classified as held for sale	1,871,289	90,438
Proceeds from disposal of investments	903,717	1,828,283
Interest received	526,420	419,995
Proceeds from disposal of property, plant and equipment	14,796	292,801
Proceeds from redemption of unquoted preference shares in a Malaysian corporation by a subsidiary	-	100,000
Other investing activities	122,882	152,417
	<u>(1,121,769)</u>	<u>(2,997,361)</u>
NET CASH USED IN INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of perpetual capital securities by a subsidiary	(6,977,730)	-
Repayment of borrowings and transaction costs	(4,357,817)	(3,992,603)
Dividends paid to non-controlling interests	(1,120,993)	(756,802)
Finance cost paid	(955,372)	(776,360)
Dividends paid	(792,901)	(130,333)
Restricted cash	(753,358)	70,852
Perpetual capital securities distribution paid by a subsidiary	(357,609)	(365,852)
Proceeds from bank borrowings and issuance of Medium Term Notes by subsidiaries	6,857,604	3,271,240
Proceeds from issuance of Notes by a subsidiary	6,584,799	-
Proceeds from issue of shares upon exercise of warrants	810,018	54,330
Net proceeds from issuance of bonds by a subsidiary	722,906	-
Buy-back of shares by the Company and subsidiaries	-	(6,378)
Proceeds from changes in ownership interest in a subsidiary	-	488,870
Other financing activities	164,651	88,165
	<u>(175,802)</u>	<u>(2,054,871)</u>
NET CASH USED IN FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,537,752	1,243,128
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	25,318,527	23,612,902
EFFECTS OF CURRENCY TRANSLATION	(1,364,402)	462,497
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	29,491,877	25,318,527
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	24,473,831	20,969,335
Money market instruments	5,018,046	4,349,192
	<u>29,491,877</u>	<u>25,318,527</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
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Cont'd)

ACQUISITION OF SUBSIDIARIES

Fair value of net assets acquired and net cash outflow on acquisition of subsidiaries by Genting Plantations Berhad ("GENP") Group, which is 51.6% owned by the Company, are analysed as follows:

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

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

(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 – FOURTH QUARTER ENDED 31 DECEMBER 2017

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

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

The interim financial report has been prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The figures for the cumulative period have been audited.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2016 except for:

- (i) the adoption of new FRSs and amendments that are mandatory for the Group for the financial year beginning 1 January 2017;
- (ii) the inclusion of an accounting policy statement in respect of revenue earned from capacity payment from power generation;
- (iii) the change in accounting policy for oil palm bearer plants; and
- (iv) the change in accounting policy for exploration costs.

Adoption of new FRSs and amendments

This is in respect of :

- 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.

Accounting policy on capacity payment

This is in respect of the recognition of capacity payment on the 660-MW coal-fired power plant in the Banten Province, West Java, Indonesia (“Banten Plant”). The capacity payment represents finance income recognised using the effective interest method on the amount receivable from the offtaker of the Banten Plant.

Change in accounting policy for oil palm bearer plants

As reported in the previous quarter, the Group has changed its accounting policy for bearer plants to be aligned with the underlying principle in the revised standard, Agriculture: Bearer Plants (Amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 141 “Agriculture”) issued under the Malaysian Financial Reporting Standards (“MFRS”) Framework. A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Prior to the change in accounting policy, the Group adopted the capital maintenance model on its bearer plants (i.e. oil palm trees) where all new planting expenditure (also termed as plantation development expenditure) incurred from the stage of land clearing up to the stage of maturity was capitalised and not depreciated. Replanting expenditure was charged to profit or loss in the financial year in which the expenditure was incurred.

Under the revised accounting policy, bearer plants are classified as property, plant and equipment and are accounted for in the same way as self-constructed items of property, plant and equipment. Plantation development and replanting expenditures are capitalised at cost and depreciated on a straight-line basis over its useful life of 22 years from the date of maturity. The bearer plants are subsequently measured at cost less accumulated depreciation and accumulated impairment loss, if any.

The change in accounting policy has been applied retrospectively and comparatives were restated. The change has resulted in additional depreciation charges to profit or loss in the current and previous quarters. The replanting expenditure that was charged to profit or loss in the previous quarters as other expenses is reversed and capitalised under property, plant and equipment. The corresponding tax impacts have been accounted for.

Plantation development expenditure has been reclassified to property, plant and equipment in the condensed consolidated statement of financial position.

Cash flows from replanting expenditures which were previously classified as part of operating activities are now classified as part of investing activities in the statement of cash flows under the new accounting policy.

Change in accounting policy for exploration costs

During the current quarter, the Group changed its accounting policy for oil and gas exploration costs from the full cost method to the successful efforts method of accounting. Paragraph 13 of FRS 106 "Exploration for and Evaluation of Mineral Resources" allows an entity to change its accounting policy for exploration and evaluation costs if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs. Although the full cost method of accounting for oil and gas exploration activities continues to be an accepted alternative, the successful efforts method of accounting is more widely used in the industry and as such, the change will improve comparability of the Group's financial statements with its peers. The Group also believes the successful efforts method provides a more representational depiction of assets and operating results.

Under the full cost method, all costs (except for office administration costs) relating to its oil and gas exploration and evaluation activities are capitalised whilst under the successful efforts method, all costs associated with exploration and evaluation activities except for geological and geophysical costs and office administration costs are capitalised. If no proved reserves are found, the associated costs are charged to expense at the time the determination is made.

The effects of the change in the above accounting policies on the comparatives are as follows:

Condensed Consolidated Income Statement

	As previously reported	Adjustments		Restated
	RM'000	Bearer plants	Exploration cost	RM'000
		RM'000	RM'000	RM'000
<u>Nine months ended 30 September 2017</u>				
Other expenses	(2,606,472)	-	70,494	(2,535,978)
Profit before taxation	3,406,419	-	70,494	3,476,913
Profit for the period	2,582,083	-	70,494	2,652,577
Profit attributable to:				
Equity holders of the Company	1,245,175	-	66,973	1,312,148
Non-controlling interests	1,077,431	-	3,521	1,080,952
Earnings per share (sen):				
- Basic	33.13	-	1.78	34.91
- Diluted	32.49	-	1.74	34.23

Condensed Consolidated Income Statement

	As previously reported	Adjustments		Restated
		Bearer plants	Exploration cost	
	RM'000	RM'000	RM'000	RM'000
Quarter ended 31 December 2016				
Cost of sales	(3,076,636)	(22,427)	-	(3,099,063)
Other expenses	(492,765)	4,940	(1,905)	(489,730)
Profit/(loss) before taxation	2,771,727	(17,487)	(1,905)	2,752,335
Taxation	(359,317)	(87)	-	(359,404)
Profit/(loss) for the period	2,412,410	(17,574)	(1,905)	2,392,931
Profit/(loss) attributable to:				
Equity holders of the Company	1,143,706	(7,998)	(1,810)	1,133,898
Non-controlling interests	1,170,926	(9,576)	(95)	1,161,255
Earnings per share (sen):				
- Basic	30.71	(0.21)	(0.05)	30.45
- Diluted	30.70	(0.22)	(0.05)	30.43
Financial year ended 31 December 2016				
Cost of sales	(12,463,329)	(79,813)	-	(12,543,142)
Other expenses	(2,499,877)	22,029	(5,498)	(2,483,346)
Profit/(loss) before taxation	5,522,843	(57,784)	(5,498)	5,459,561
Taxation	(991,466)	9,735	-	(981,731)
Profit/(loss) for the year	4,531,377	(48,049)	(5,498)	4,477,830
Profit/(loss) attributable to:				
Equity holders of the Company	2,146,482	(20,678)	(5,224)	2,120,580
Non-controlling interests	2,019,043	(27,371)	(274)	1,991,398
Earnings per share (sen):				
- Basic	57.69	(0.55)	(0.14)	57.00
- Diluted	57.33	(0.56)	(0.14)	56.63

Condensed Consolidated Statement of Financial Position

As at 30 September 2017

Non-current assets

Rights of use of oil and gas assets	4,230,979	-	(499,529)	3,731,450
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Equity

Reserves	32,232,139	-	(474,578)	31,757,561
Non-controlling interests	23,380,509	-	(24,951)	23,355,558

Net assets per share (RM)	9.10	-	(0.12)	8.98
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As at 31 December 2016

Non-current assets

Property, plant and equipment	32,667,577	2,115,966	-	34,783,543
Plantation development	2,513,605	(2,513,605)	-	-
Rights of use of oil and gas assets	4,674,855	-	(605,192)	4,069,663

Non-current liabilities

Deferred tax liabilities	2,024,950	46,177	-	2,071,127
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Equity

Reserves	34,650,267	(220,010)	(574,963)	33,855,294
Non-controlling interests	23,804,436	(223,806)	(30,229)	23,550,401

Net assets per share (RM)	9.35	(0.06)	(0.16)	9.13
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Condensed Consolidated Statement of Financial Position

	As previously reported	Adjustments		Restated
		Bearer plants	Exploration cost	
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2016				
Non-current assets				
Property, plant and equipment	31,139,374	1,824,182	-	32,963,556
Plantation development	2,154,922	(2,154,922)	-	-
Rights of use of oil and gas assets	4,458,182	-	(577,010)	3,881,172
Non-current liabilities				
Deferred tax liabilities	1,891,794	55,912	-	1,947,706
Equity				
Reserves	32,463,004	(197,852)	(548,188)	31,716,964
Non-controlling interests	23,101,805	(188,800)	(28,822)	22,884,183
Net assets per share (RM)	8.78	(0.06)	(0.15)	8.57

Condensed Consolidated Statement of Cash Flows

Nine months ended 30 September 2017

Cash flows from operating activities

Profit before taxation	3,406,419	-	70,494	3,476,913
Assets written off	106,376	-	(75,042)	31,334

Cash flows from investing activities

Increase in investments, intangible assets and other long term financial assets	(274,983)	-	2,744	(272,239)
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Effect of currency translation	(676,271)	-	1,804	(674,467)
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Financial year ended 31 December 2016

Cash flows from operating activities

Profit/(loss) before taxation	5,522,843	(57,784)	(5,498)	5,459,561
Depreciation and amortisation	1,923,254	79,813	-	2,003,067
Assets written off	120,123	1,362	-	121,485

Cash flows from investing activities

Purchase of property, plant and equipment	(3,782,394)	(172,730)	-	(3,955,124)
Increase in investments, intangible assets and other long term financial assets	(1,974,689)	149,339	5,933	(1,819,417)

Effect of currency translation	462,932	-	(435)	462,497
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Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the 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 former 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) for the current financial year ended 31 December 2017.

Other than the above and the disclosures in Notes (e) ii), iii), iv) and v) below and in Part II of this interim financial report, there were no other unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current financial year ended 31 December 2017.

(d) Material Changes in Estimates

Genting Malaysia Berhad (“GENM”) Group, which is 49.3% owned by the Company, has conducted a review of the estimated useful lives of its assets in line with its business operations and consequently, the depreciation and amortisation expense of property, plant and equipment in GENM Group has reduced by RM91.2 million in the current financial year ended 31 December 2017.

Other than the above, there were no other significant changes made in estimates of amounts reported in prior financial years.

(e) Changes in Debt and Equity Securities

- i) During the current financial year ended 31 December 2017, the Company issued 101,761,099 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 (“GOHL Capital”), 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. Subsequent to issuance of the Notes, GOHL Capital had on 10 October 2017 further issued USD500 million 4.25% guaranteed notes due 2027 (“Further Notes”), which constitute a further issuance of, and be consolidated and form a single series with the existing USD1 billion principal amount of notes that were originally issued by GOHL Capital on 24 January 2017. The Further Notes were listed on the Stock Exchange of Hong Kong Limited on 18 October 2017.
- iii) On 31 March 2017, GENM Capital Berhad, a wholly owned subsidiary of GENM, issued RM2.6 billion in nominal value of Medium Term Notes (“MTN”) for working capital and funding of the development of Genting Integrated Tourism Plan (“GITP”). The issuance comprises 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.
- iv) On 12 September 2017 and 19 October 2017, GENS redeemed its SGD1.8 billion 5.125% Perpetual Subordinated Capital Securities and its SGD500 million 5.125% Perpetual Subordinated Capital Securities, respectively.
- v) On 24 October 2017, GENS completed the issuance of the publicly offered unsecured and unsubordinated Japanese Yen-denominated bonds of 20 billion Yen in Japan (approximately RM722.9 million).

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

(f) **Dividends Paid**

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

	RM'000
i) 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
ii) Final single-tier dividend paid on 23 June 2017 for the financial year ended 31 December 2016	
- 6.0 sen per ordinary share	226,574
iii) Interim single-tier dividend paid on 6 October 2017 for the financial year ended 31 December 2017	
- 8.5 sen per ordinary share	324,286
	<u>792,901</u>

(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 derecognition/dilution of shareholding 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 financial year ended 31 December 2017 is set out below:

RM'million	Leisure & Hospitality					Plantation				Power*	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	United Kingdom and Egypt	United States of America and Bahamas	Total	Malaysia	Indonesia	Downstream Manufacturing	Total					
Revenue														
Total revenue	6,905.8	7,445.0	1,893.4	1,435.2	17,679.4	962.3	547.1	723.4	2,232.8	1,065.8	219.9	319.4	121.7	21,639.0
Inter/intra segment	(1,075.9)	(1.0)	-	-	(1,076.9)	(520.7)	-	-	(520.7)	-	(9.6)	(6.4)	(5.8)	(1,619.4)
External	<u>5,829.9</u>	<u>7,444.0</u>	<u>1,893.4</u>	<u>1,435.2</u>	<u>16,602.5</u>	<u>441.6</u>	<u>547.1</u>	<u>723.4</u>	<u>1,712.1</u>	<u>1,065.8</u>	<u>210.3</u>	<u>313.0</u>	<u>115.9</u>	<u>20,019.6</u>
Adjusted EBITDA	<u>2,376.6</u>	<u>3,629.9</u>	<u>231.0</u>	<u>232.0</u>	<u>6,469.5</u>	<u>413.0</u>	<u>166.6</u>	<u>12.1</u>	<u>591.7</u>	<u>415.8</u>	<u>77.5</u>	<u>207.2</u>	<u>(699.1)</u>	<u>7,062.6</u>
Main foreign currency	RM	SGD	GBP	USD		RM	^IDR	RM		^IDR	RM/USD	^RMB		
Exchange ratio of 1 unit/ 100 units^ of foreign currency to RM		3.1139	5.5369	4.3007			0.0321			0.0321	4.3007	63.6082		

RM'million

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

Adjusted EBITDA	7,062.6
Net fair value loss on derivative financial instruments	(42.3)
Net loss on derecognition/dilution of shareholding in associates	(62.4)
Net gain on disposal of available-for-sale financial assets	226.0
Gain on disposal of assets and liabilities classified as held for sale	302.2
Impairment losses	(675.0)
Depreciation and amortisation	(2,127.0)
Interest income	886.8
Finance cost	(950.1)
Share of results in joint ventures and associates	(47.1)
Others **	(261.5)
Profit before taxation	<u>4,312.2</u>

* Revenue and adjusted EBITDA for the current quarter and current financial year ended 31 December 2017 comprised revenue and adjusted EBITDA from:

- (i) the construction and development of the 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 RM183.3 million and RM134.7 million respectively, have been disclosed under the "Power" segment in the consolidated income statement for the current financial year 31 December 2017 thereby generating a construction profit of RM48.6 million; and
- (ii) sale of electricity by the Indonesian coal-fired power plant following the start of commercial operations on 28 March 2017.

** 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 and Egypt	United States of America and Bahamas		Malaysia	Indonesia	Downstream Manufacturing						
Segment Assets	11,211.9	16,418.3	4,751.2	7,548.0	39,929.4	1,262.1	4,137.2	489.3	5,888.6	4,706.8	2,709.2	4,159.7	5,368.9	62,762.6
Segment Liabilities	2,134.1	1,383.2	473.1	503.8	4,494.2	94.5	137.6	18.3	250.4	670.4	178.7	630.0	342.3	6,566.0
Main foreign currency	RM	SGD	GBP	USD		RM	^IDR	RM		^IDR	RM/USD	^RMB/^IDR		
Exchange ratio of 1 unit/ 100 units^ of foreign currency to RM		3.0338	5.4568	4.0800			0.0301			0.0301	4.0800	62.0698 / 0.0301		

RM'million

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

Segment assets	62,762.6
Interest bearing instruments	28,387.2
Joint ventures	1,213.8
Associates	720.2
Unallocated corporate assets	449.0
Assets classified as held for sale	75.7
Total assets	93,608.5

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

Segment liabilities	6,566.0
Interest bearing instruments	26,969.3
Unallocated corporate liabilities	2,905.1
Liabilities classified as held for sale	59.2
Total liabilities	36,499.6

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

During the current financial year ended 31 December 2017, acquisitions and disposals of property, plant and equipment by the Group were RM3,815.5 million and RM31.4 million respectively.

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

There were no material events subsequent to the end of the current financial year ended 31 December 2017 that have not been reflected in this interim report.

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

- i) As disclosed in Note (c) above, on 3 January 2017, GENS Group completed the disposal of its interest in its former associate, Landing Jeju Development Co., Ltd.
- ii) On 16 March 2017, GENP Group completed the disposal of its 70% effective interest in PT Permata Sawit Mandiri to PT Suryaborneo Mandiri, a related party, for a cash consideration of USD3.19 million.
- iii) On 18 August 2017, GENP announced that its wholly owned subsidiary, AsianIndo Holdings Pte Ltd, had on 18 August 2017 entered into a conditional sale and purchase agreement with Lee Rubber Company (Pte) Ltd for the purpose of acquiring 20,000,000 ordinary shares representing 100% equity interest in Knowledge One Investment Pte Ltd for a cash consideration of USD94.97 million ("Proposed Acquisition"). The Proposed Acquisition was completed on 10 October 2017.

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

	RM'million
Contracted	4,476.7
Not contracted	17,320.2
	<u>21,796.9</u>
Analysed as follows:	
- Property, plant and equipment	21,538.2
- Rights of use of oil and gas assets	151.1
- Investments	49.4
- Intangible assets	29.2
- Leasehold land use rights	29.0
	<u>21,796.9</u>

(m) **Significant Related Party Transactions**

Significant related party transactions which were entered into on agreed terms and prices for the current quarter and current financial year ended 31 December 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.

<u>Group</u>	Current quarter RM'000	Current financial Year-to-date RM'000
i) Provision of share registration services and secretarial services by a wholly owned subsidiary of the Company to Genting Hong Kong Limited ("GENHK") Group.	<u>7</u>	<u>27</u>
ii) Licensing fee for the use of the name "Genting" charged by wholly owned subsidiaries of the Company to Genting Simon Sdn Bhd.	<u>156</u>	<u>596</u>
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>17</u>	<u>84</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>3,171</u>	<u>16,685</u>
v) Interest income earned by indirect subsidiaries from their associates.	<u>4,277</u>	<u>13,729</u>
vi) Provision of management services by Genting Awanpura Sdn Bhd, a wholly owned subsidiary of GENP, to Genting Simon Sdn Bhd.	<u>146</u>	<u>529</u>
vii) Sale of RBD palm products by Genting MusimMas Refinery Sdn Bhd to Inter-Continental Oils & Fats Pte Ltd.	<u>191,335</u>	<u>481,795</u>
viii) Sale of fresh fruit bunches by PT Agro Abadi Cemerlang to Sepanjang Group.	<u>5,211</u>	<u>10,278</u>
ix) Disposal of PT Permata Sawit Mandiri to PT Suryaborneo Mandiri.	<u>-</u>	<u>14,117</u>
x) 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>17,351</u>	<u>75,414</u>
xi) Provision of management and consultancy services on theme park and resort development operations by International Resort Management Services Pte Ltd ("IRMS") to GENM and an indirect wholly owned subsidiary of the Company.	<u>1,583</u>	<u>11,244</u>

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

<u>Group</u>	Current quarter RM'000	Current financial Year-to-date RM'000
xii) Rental charges for premises by GENM Group to Warisan Timah Holdings Sdn Bhd.	549	2,209
xiii) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to GENM Group.	594	3,232
xiv) Rental charges for office space by GENM Group to GENHK Group.	1,752	5,412
xv) Provision of maintenance and construction services by an entity connected with shareholder of BBEL to GENM Group.	4,833	26,302
xvi) Licensing fee for the use of gaming software and system charged by RWI Group to GENM Group.	1,050	3,260
xvii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by GENM Group to GENHK Group.	267	1,121
xviii) Rental income for GENM Group for rooftop of a car park building from Genting Highlands Premium Outlets Sdn Bhd ("GHPO").	-	4,200
xix) Purchase of electronic table games by GENM Group from RWI Group.	-	6,753
xx) Provision of utilities, maintenance, security and construction management services by GENM Group to GHPO.	2,905	4,453
xxi) Sale of goods and services by GENS Group to GENHK Group.	1,526	5,849
xxii) Purchase of goods and services by GENS Group from GENHK Group.	2,147	8,651
xxiii) Sale of goods and services by GENS Group to DCP (Sentosa) Pte Ltd.	946	3,645
xxiv) Purchase of goods and services by GENS Group from DCP (Sentosa) Pte Ltd.	13,920	57,369
xxv) Sale of goods and services by GENS Group to IRMS.	197	799
xxvi) Purchase of goods and services by GENS Group from IRMS.	-	1,163

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

	Current quarter RM'000	Current financial Year-to-date RM'000
<u>Company</u>		
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.	<u>58,559</u>	<u>206,815</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>122,641</u>	<u>411,178</u>
iii) Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	<u>45,357</u>	<u>180,178</u>
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.	<u>539</u>	<u>2,721</u>
v) Rental charges for office space and related services by a subsidiary of GENM.	<u>684</u>	<u>2,718</u>
vi) Provision of management and/or support services by the Company to its subsidiaries, associates and joint ventures.	<u>6,327</u>	<u>19,594</u>

(n) **Fair Value of Financial Instruments**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at 31 December 2017, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

RM'million	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	7.4	-	-	7.4
Available-for-sale financial assets	935.1	620.0	1,270.4	2,825.5
Derivative financial instruments	-	4.5	3.7	8.2
	<u>942.5</u>	<u>624.5</u>	<u>1,274.1</u>	<u>2,841.1</u>
Financial liability				
Derivative financial instruments	-	194.5	-	194.5

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:

	RM'million
As at 1 January 2017	1,614.0
Foreign exchange differences	(138.8)
Additions	94.2
Disposal	(1.7)
Fair value changes – recognised in other comprehensive income	(130.9)
Fair value changes – recognised in income statement	(0.4)
Impairment loss	(191.2)
Repayment	(0.1)
Investment income and interest income	29.0
As at 31 December 2017	<u>1,274.1</u>

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

GENTING BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

1. Performance Analysis

Financial review for the current quarter and financial year to date compared with the corresponding periods last year.

	Individual Period (4 th quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 31/12/2017 RM'million	Preceding Year Corresponding Quarter 31/12/2016 RM'million Restated	+/- RM'million	+/- %	Current Year to date 31/12/2017 RM'million	Preceding Year Corresponding Period 31/12/2016 RM'million Restated	+/- RM'million	+/- %
Revenue								
Leisure & Hospitality								
- Malaysia	1,691.6	1,507.4	184.2	+12	5,829.9	5,622.5	207.4	+4
- Singapore	1,780.6	1,709.7	70.9	+4	7,444.0	6,686.2	757.8	+11
- UK and Egypt	498.5	403.1	95.4	+24	1,893.4	1,816.2	77.2	+4
- US and Bahamas	306.1	341.3	-35.2	-10	1,435.2	1,365.0	70.2	+5
	4,276.8	3,961.5	315.3	+8	16,602.5	15,489.9	1,112.6	+7
Plantation								
- Malaysia	273.3	295.0	-21.7	-7	962.3	907.1	55.2	+6
- Indonesia	139.9	168.7	-28.8	-17	547.1	368.2	178.9	+49
- Downstream Manufacturing	245.5	27.5	218.0	>100	723.4	96.1	627.3	>100
	658.7	491.2	167.5	+34	2,232.8	1,371.4	861.4	+63
- Intra segment	(161.8)	(0.8)	-161.0	>-100	(520.7)	(1.6)	-519.1	>-100
	496.9	490.4	6.5	+1	1,712.1	1,369.8	342.3	+25
Power (see Note in page 24)	301.9	162.4	139.5	+86	1,065.8	1,011.5	54.3	+5
Property	65.2	42.7	22.5	+53	210.3	186.4	23.9	+13
Oil & Gas	86.3	72.2	14.1	+20	313.0	220.3	92.7	+42
Investments & Others	31.5	23.8	7.7	+32	115.9	87.9	28.0	+32
	5,258.6	4,753.0	505.6	+11	20,019.6	18,365.8	1,653.8	+9
Profit before tax								
Leisure & Hospitality								
- Malaysia	763.6	671.3	92.3	+14	2,376.6	2,505.6	-129.0	-5
- Singapore	799.6	718.5	81.1	+11	3,629.9	2,392.1	1,237.8	+52
- UK and Egypt	63.8	26.9	36.9	>100	231.0	260.4	-29.4	-11
- US and Bahamas	38.2	87.7	-49.5	-56	232.0	175.9	56.1	+32
	1,665.2	1,504.4	160.8	+11	6,469.5	5,334.0	1,135.5	+21
Plantation								
- Malaysia	123.7	153.5	-29.8	-19	413.0	413.6	-0.6	-
- Indonesia	26.9	68.8	-41.9	-61	166.6	94.5	72.1	+76
- Downstream Manufacturing	7.2	(0.4)	7.6	>100	12.1	(2.4)	14.5	>100
	157.8	221.9	-64.1	-29	591.7	505.7	86.0	+17
Power	122.5	(2.3)	124.8	>100	415.8	124.2	291.6	>100
Property	18.8	18.0	0.8	+4	77.5	69.6	7.9	+11
Oil & Gas	53.0	51.8	1.2	+2	207.2	176.2	31.0	+18
Investments & Others	(115.7)	302.2	-417.9	>-100	(699.1)	(67.1)	-632.0	>-100
	1,901.6	2,096.0	-194.4	-9	7,062.6	6,142.6	920.0	+15
Adjusted EBITDA								
Net fair value gain/(loss) on derivative financial instruments	0.5	(9.6)	10.1	>100	(42.3)	(93.5)	51.2	+55
Net gain on disposal of available-for-sale financial assets	1.1	1,302.2	-1,301.1	-100	226.0	1,307.0	-1,081.0	-83
Net (loss)/gain on derecognition/dilution of shareholding in associates	(62.4)	0.3	-62.7	>-100	(62.4)	26.4	-88.8	>-100
Gain on disposal of assets and liabilities classified as held for sale	-	3.0	-3.0	-100	302.2	3.0	299.2	>100
Reversal of previously recognised impairment losses	-	-	-	-	-	195.2	-195.2	-100
Impairment losses	(308.8)	(110.4)	-198.4	>-100	(675.0)	(188.2)	-486.8	>-100
Depreciation and amortisation	(547.3)	(546.8)	-0.5	-	(2,127.0)	(2,003.1)	-123.9	-6
Interest income	175.8	274.3	-98.5	-36	886.8	1,024.5	-137.7	-13
Finance cost	(268.9)	(167.6)	-101.3	-60	(950.1)	(678.8)	-271.3	-40
Share of results in joint ventures and associates	(1.5)	(51.4)	49.9	+97	(47.1)	(116.4)	69.3	+60
Others	(54.8)	(37.7)	-17.1	-45	(261.5)	(159.2)	-102.3	-64
	835.3	2,752.3	-1,917.0	-70	4,312.2	5,459.5	-1,147.3	-21

Quarter ended 31 December 2017 compared with quarter ended 31 December 2016

The Group's revenue increased by 11% from RM4,753.0 million in the previous year's corresponding quarter to RM5,258.6 million in the current quarter.

Revenue and adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") of Resorts World Sentosa ("RWS") increased in the current quarter as a result of higher business volume from both its gaming and non-gaming attractions.

Revenue from Resorts World Genting ("RWG") increased in the current quarter due mainly to overall higher business volume from the mass market as well as the mid to premium segments of the business. The opening of new attractions at SkyAvenue has also contributed significantly to the increase in revenue. Consequently, adjusted EBITDA increased due to the higher revenue which was partially offset by higher costs incurred for the new facilities under the Genting Integrated Tourism Plan ("GITP").

The casino business in United Kingdom ("UK") and Egypt generated higher revenue due mainly to higher hold percentage and higher volume of business from its premium gaming segment. Adjusted EBITDA likewise increased, attributable to higher revenue and lower payroll and related costs, partially offset by higher bad debt written off.

Lower revenue from the leisure and hospitality business in the US and Bahamas was mainly attributed to Resorts World Casino New York City ("RWNYC"). The net reversal of expenses over-accrued in previous periods which was recognised in the previous year's corresponding quarter, together with the lower revenue, resulted in a decrease in adjusted EBITDA.

Revenue from Plantation segment was lower in the current quarter compared with the previous year's corresponding quarter due mainly to lower crude palm oil selling price. There was higher offtake of refined palm products and biodiesel which boosted the revenue from Downstream Manufacturing. Adjusted EBITDA of Plantation-Malaysia and Plantation-Indonesia decreased against the backdrop of lower palm product selling prices and higher unrealised profit from intra segment sales whilst that from Downstream Manufacturing increased in line with the higher revenue.

The increase in revenue and adjusted EBITDA of the Power Division came mainly from the sale of electricity by the Indonesian Banten coal-fired power plant ("Banten Plant") following the start of commercial operations on 28 March 2017. Revenue in the previous year's corresponding quarter was mainly construction revenue recognised based on the percentage of completion of the Banten Plant. The Power Division suffered an adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") in the previous year's corresponding quarter due mainly to higher expenses incurred on the Banten Plant.

Revenue and adjusted EBITDA from Oil & Gas Division were higher in the current quarter due mainly to higher average oil prices.

The adjusted LBITDA from "Investments & Others" was due mainly to net foreign exchange losses on net foreign currency denominated financial assets compared with net foreign exchange gains in the previous year's corresponding quarter.

Profit before tax for the current quarter was RM835.3 million compared with RM2,752.3 million in the previous year's corresponding quarter, a decrease of 70%. The previous year's corresponding quarter's profit had included a one-off gain of approximately RM1.3 billion arising from the disposal of the Group's investment in GENHK. In addition, impairment losses in the current quarter were higher than that of the previous year's corresponding quarter due mainly to impairment loss on the Group's investment in a life sciences associated company which is in the process of being wound up.

Financial year ended 31 December 2017 compared with the previous financial year ended 31 December 2016

The Group generated revenue of RM20,019.6 million in the current financial year compared with RM18,365.8 million in the previous financial year, an increase of 9%.

Increased revenue from RWS was driven mainly by its efforts to recalibrate its credit policy and commission structure for its VIP gaming business. This has resulted in lower impairment on gaming receivables and improved operating margins.

Increased revenue from RWG was contributed mainly by the mass market following the opening of new facilities under GTP since December 2016. However, this was partially offset by lower revenue from the mid to premium segments of the business due to a lower hold percentage despite the higher volume of business. Adjusted EBITDA decreased due mainly to higher costs relating to the premium players business and higher operating costs incurred for the new facilities under GTP.

The casino business in UK and Egypt recorded higher revenue due mainly to higher hold percentage and higher volume of business from its premium gaming segment. Adjusted EBITDA decreased due to higher operating costs and net bad debt written off.

Higher revenue was recorded by the leisure and hospitality business in the US and Bahamas due mainly to an improved commission structure with the New York state authority on RWNYC's gaming operations as well as the stronger US Dollar exchange rate to the Malaysian Ringgit during the current financial year. This was partially offset by lower revenue from Resorts World Bimini in Bahamas ("Bimini operations") due to lower volume of business and hold percentage. Adjusted EBITDA increased contributed by higher revenue from RWNYC's operations and lower operating loss from Bimini operations as a result of cost rationalisation initiatives. The previous financial year's adjusted EBITDA had included a net reversal of expenses over-accrued in previous periods.

The Plantation segment recorded higher FFB production with improvements from both Malaysia and Indonesia buoyed by crop recovery from the impact of El Nino in the previous year along with additional mature areas and an improved age profile of planted areas in Indonesia. The Downstream Manufacturing segment also recorded higher sales of refined palm products and biodiesel. Adjusted EBITDA for Plantation-Indonesia increased due mainly to higher FFB production. However, EBITDA for Plantation-Malaysia was comparable with the previous financial year as the positive impact of its higher FFB production was largely offset by the unrealised profit from intra segment sales.

Revenue of the Power Division for the current financial year included construction revenue until March 2017, and thereafter revenue from sale of electricity by the Banten Plant following the start of commercial operations on 28 March 2017. Last year's revenue comprised mainly construction revenue from the Banten Plant. Adjusted EBITDA increased significantly in the current financial year following the start of commercial operations of the Banten Plant.

The Oil & Gas Division recorded higher revenue and adjusted EBITDA due mainly to higher average oil prices.

Higher adjusted LBITDA from "Investments & Others" was due mainly to net foreign exchange losses on net foreign currency denominated financial assets in the current financial year compared with net foreign exchange gains recorded in the previous financial year.

The profit before tax of RM4,312.2 million for the current financial year was a decrease of 21% compared with RM5,459.5 million in the previous financial year. The lower profit before tax was due mainly to inclusion of a one-off gain of approximately RM1.3 billion arising from the disposal of the Group's investment in GENHK in the previous financial year as well as higher net impairment losses in the current financial year. The net impairment losses were mainly in respect of certain UK casino licences, the carrying value of the Group's investment in Lanco Kondapalli Power Limited due to the adverse performance of its power plant in India for a prolonged period, a life sciences investment which is in the process of winding up and certain of the Group's available-for-sale financial assets.

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

Financial review for the current quarter compared with the immediate preceding quarter.

	Current Quarter 31/12/2017 RM'million	Immediate Preceding Quarter 30/09/2017 RM'million Restated	Changes	
			+/- RM'million	+/- %
Revenue				
Leisure & Hospitality				
- Malaysia	1,691.6	1,351.0	340.6	+25
- Singapore	1,780.6	1,970.4	-189.8	-10
- UK and Egypt	498.5	516.4	-17.9	-3
- US and Bahamas	306.1	363.2	-57.1	-16
	4,276.8	4,201.0	75.8	+2
Plantation				
- Malaysia	273.3	242.3	31.0	+13
- Indonesia	139.9	135.1	4.8	+4
- Downstream Manufacturing	245.5	155.4	90.1	+58
	658.7	532.8	125.9	+24
- Intra segment	(161.8)	(126.9)	-34.9	-28
	496.9	405.9	91.0	+22
Power (see Note below)	301.9	290.6	11.3	+4
Property	65.2	48.6	16.6	+34
Oil & Gas	86.3	68.8	17.5	+25
Investments & Others	31.5	24.7	6.8	+28
	5,258.6	5,039.6	219.0	+4
Profit before tax				
Leisure & Hospitality				
- Malaysia	763.6	453.9	309.7	+68
- Singapore	799.6	1,015.2	-215.6	-21
- UK and Egypt	63.8	53.8	10.0	+19
- US and Bahamas	38.2	59.6	-21.4	-36
	1,665.2	1,582.5	82.7	+5
Plantation				
- Malaysia	123.7	101.1	22.6	+22
- Indonesia	26.9	39.8	-12.9	-32
- Downstream Manufacturing	7.2	2.6	4.6	>100
	157.8	143.5	14.3	+10
Power	122.5	109.0	13.5	+12
Property	18.8	18.4	0.4	+2
Oil & Gas	53.0	41.8	11.2	+27
Investments & Others	(115.7)	(236.4)	120.7	+51
Adjusted EBITDA	1,901.6	1,658.8	242.8	+15
Net fair value gain/(loss) on derivative financial instruments	0.5	(18.7)	19.2	>100
Net gain on disposal of available-for-sale financial assets	1.1	-	1.1	NM
Net loss on derecognition/dilution of shareholding in associates	(62.4)	-	-62.4	NM
Impairment losses	(308.8)	(252.8)	-56.0	-22
Depreciation and amortisation	(547.3)	(482.3)	-65.0	-13
Interest income	175.8	209.2	-33.4	-16
Finance cost	(268.9)	(236.8)	-32.1	-14
Share of results in joint ventures and associates	(1.5)	(3.6)	2.1	+58
Others	(54.8)	(56.4)	1.6	+3
	835.3	817.4	17.9	+2

NM = Not meaningful

Note

Included in the revenue of the Power segment is revenue from energy payment and capacity payment of the Banten Plant of RM157.8 million and RM135.8 million respectively for the current quarter and RM444.9 million and RM380.4 million respectively for the current financial year ended 31 December 2017.

The Group's profit before tax for the current quarter of RM835.3 million increased by 2% compared with RM817.4 million in the preceding quarter. The higher profit was due mainly to higher adjusted EBITDA generated by the respective business Divisions of the Group.

Adjusted EBITDA of RWS decreased in the current quarter due mainly to lower performance of both its gaming and non-gaming segments.

Higher adjusted EBITDA from RWG in the current quarter was due to improved hold percentage from the mid to premium segments of the business as well as higher business volume from the mass market.

Adjusted EBITDA of the Plantation segment increased in the current quarter on the back of higher FFB production from Plantation-Malaysia, higher palm kernel selling price and improved offtake for the refinery and biodiesel products. Plantation-Indonesia however recorded lower adjusted EBITDA due to lower yield.

Adjusted EBITDA of the Power Division increased due to the Banten Plant which increased its power generation in the current quarter. The increase was also due to a loss on impairment of receivable from Lanco Kondapalli Power Limited, an associated company, included in the preceding quarter's adjusted EBITDA.

The lower LBITDA from "Investments & Others" was due mainly to lower net foreign exchange losses on net foreign currency denominated financial assets.

* *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>
<i>Genting Singapore PLC</i>	<i>23 February 2018</i>
<i>Genting Plantations Berhad</i>	<i>26 February 2018</i>
<i>Genting Malaysia Berhad</i>	<i>27 February 2018</i>

3. Prospects

The performance of the Group for the 2018 financial year may be impacted as follows:

- (a) In Malaysia, the development of the GITP remains the focus of the GENM Group as it prepares to roll out the new Skytropolis indoor theme park and the highly anticipated Twentieth Century Fox World Theme Park. With the introduction of new attractions and facilities at RWG, the GENM Group will enhance strategic marketing efforts to grow and expand into regional markets. Meanwhile, the GENM Group will intensify database marketing to optimise yield management and improve the overall operational efficiencies and service delivery at RWG. The completion of the GITP expansion will elevate RWG's position as a premier integrated resort and destination of choice in the region;
- (b) RWS will continue to curate and re-invest in new tourist facilities, and re-fresh existing products to remain attractive to its customers. In parallel, RWS is reviewing its processes and guest interaction touch points to identify areas where it can innovate to achieve a better customer journey in all its business segments. RWS is optimistic that it will be able to streamline and address various challenges that it foresees ahead, including manpower constraints. The fast pace of technology transformation will require RWS management to be cognitive and adaptive in exploiting potential opportunities to re-invent and innovate in many disciplines. In the medium term, this initiative will improve productivity, expand and refine its digital marketing and fulfillment, and improve customer experience.

GENS is optimistic that the Japan IR Execution Bill will be tabled in this year's Diet session which will pave the way for the formal bidding process for Japan gaming licence. GENS Group continues to be engaged in this significant business opportunity, and GENS management is diligently preparing for the eventual bidding process. Many global gaming operators have pronounced their very keen interest to bid, and GENS will be facing fierce competition for the limited number of licences;

- (c) In the UK, the GENM Group's strategy of reducing short-term volatility in the premium players segment continues to be effective in delivering sustainable performance. The GENM Group will continue its focus on strengthening its position in the non-premium players segment by growing its market share as well as improving business efficiency. Meanwhile, Resorts World Birmingham expects to see further improvements in visitation and business volumes. The GENM Group remains committed to stabilising operations at the resort as well as its online operations in the UK;
- (d) In the US, RWNYC maintained its position as market leader in terms of gaming revenue in the Northeast US. The GENM Group will continue to boost its direct marketing efforts to drive visitation and frequency of play at the property. Meanwhile, the GENM Group remains focused on the USD400 million expansion at RWNYC, which will include the construction of a new 400-room hotel, additional gaming space, food and beverage outlets as well as new retail and entertainment offerings. Upon completion by end of 2019, this development is expected to turn RWNYC into a first-class integrated resort with a multitude of non-gaming amenities. The GENM Group will also leverage on the newly renovated Hilton Miami Downtown to grow business volume at the property. In the Bahamas, the GENM Group remains committed to its ongoing cost rationalisation initiatives and will continue intensifying its marketing efforts in the leisure market to drive visitation and volume of business at the resort;
- (e) The GENP Group's prospects for 2018 will largely be driven by the performance of GENP's mainstay Plantation segment, which in turn is contingent upon the direction of palm oil prices and its FFB production volume. Palm oil prices are influenced by several factors including global supply and demand of edible oils, weather patterns, currency exchange movements, global economic conditions, as well as the relevant government policies such as import/export tax and duty regimes and biodiesel mandates.

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

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

- (f) The operational availability of the Banten power plant in Indonesia is expected to remain high, therefore contributing towards stable earnings of the plant. In Gujarat, India, contribution from the Jangi wind farm is expected to be stable despite seasonal factors when the peak period falls between May to August; and
- (g) Improving oil prices and steady production from the Chengdaoqi oil field in China are expected to contribute to better results from Genting CDX Singapore Pte Ltd. The Plan of Development for the Kasuri block in Indonesia is still pending approval from the Ministry of Energy and Mineral Resources.

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 and current financial year ended 31 December 2017 are set out below:

	Current quarter RM'000	Current financial Year-to-date RM'000
Current taxation		
Malaysian income tax charge	102,354	347,619
Foreign income tax charge	104,209	671,109
	<u>206,563</u>	<u>1,018,728</u>
Deferred tax charge	85,217	99,722
	<u>291,780</u>	<u>1,118,450</u>
Prior period taxation		
Income tax over provided	(46,756)	(49,090)
	<u>245,024</u>	<u>1,069,360</u>

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

6. Profit Before Taxation

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

	Current quarter RM'000	Current financial Year-to-date RM'000
Charges:		
Finance cost	268,922	950,140
Depreciation and amortisation	547,295	2,126,975
Impairment and write off of receivables	11,238	168,262
Impairment losses	308,821	674,978
Inventories written off	735	1,266
Net fair value (gain)/loss on derivative financial instruments	(504)	42,320
Net loss on derecognition/dilution of shareholding in associates	62,400	62,400
Net foreign exchange loss	31,659	456,261
	<u>1,770,774</u>	<u>6,382,302</u>
Credits:		
Interest income	175,767	886,778
Investment income	8,221	37,881
Net gain on disposal of property, plant and equipment	29,088	31,228
Gain on disposal of quoted available-for-sale financial assets	114	225,035
Gain on disposal of unquoted available-for-sale financial assets	935	935
Gain on disposal of assets and liabilities classified as held for sale	-	302,173
	<u>194,125</u>	<u>1,483,000</u>

7. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 20 February 2018.

8. Group Borrowings and Debt Securities

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

	As at 31/12/2017			As at 31/12/2016	
	Secured/ Unsecured	Foreign Currency 'million		RM Equivalent 'million	RM Equivalent 'million
Short term borrowings	Secured	USD	202.9	827.7	461.1
	Secured	SGD	205.9	624.6	573.5
	Secured	GBP	14.7	80.3	-
	Secured	INR	110.0	7.0	-
	Secured	IDR	14,167.9	4.3	-
	Unsecured	RM		109.3	-
	Unsecured	USD	-	-	143.9
	Unsecured	GBP	67.1	365.9	1,041.1
				2,019.1	2,219.6
Long term borrowings	Secured	RM		88.0	63.8
	Secured	USD	1,246.3	5,084.8	5,026.4
	Secured	SGD	844.0	2,560.6	3,221.1
	Secured	GBP	84.1	458.8	-
	Secured	INR	2,890.0	184.1	-
	Secured	IDR	113,343.4	34.1	-
	Unsecured	RM		9,589.4	6,986.0
	Unsecured	USD	1,528.6	6,236.7	447.7
	Unsecured	JPY	19,843.4	713.7	-
			24,950.2	15,745.0	
Total borrowings	Secured	RM		88.0	63.8
	Secured	USD	1,449.2	5,912.5	5,487.5
	Secured	SGD	1,049.9	3,185.2	3,794.6
	Secured	GBP	98.8	539.1	-
	Secured	INR	3,000.0	191.1	-
	Secured	IDR	127,511.3	38.4	-
	Unsecured	RM		9,698.7	6,986.0
	Unsecured	USD	1,528.6	6,236.7	591.6
	Unsecured	GBP	67.1	365.9	1,041.1
Unsecured	JPY	19,843.4	713.7	-	
			26,969.3	17,964.6	

9. Outstanding Derivatives

As at 31 December 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>		
SGD	174.2	
- Less than 1 year		(7.2)
- 1 year to 3 years		(11.3)
- More than 3 years		(13.4)
<u>Interest Rate Swaps</u>		
USD	2,386.2	
- Less than 1 year		(38.4)
- 1 year to 3 years		(52.7)
- More than 3 years		(70.4)
<u>Forward Foreign Currency Exchange</u>		
USD	92.1	
- Less than 1 year		1.4
<u>Commodity Futures Contracts</u>		
USD	31.0	
- Less than 1 year		2.0
<u>Warrants</u>		
USD	-	
- 1 year to 3 years		3.7

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

- (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.

10. Fair Value Changes of Financial Liabilities

As at 31 December 2017, the Group does not have any financial liabilities measured at fair value through profit or loss.

11. Changes in Material Litigation

There were no pending material litigations since the last financial year ended 31 December 2016 and up to 20 February 2018.

12. Dividend Proposed or Declared

- (a) i) The Board has declared a special single-tier dividend of 7.0 sen per ordinary share;
- ii) The special single-tier dividend shall be payable on 3 April 2018;
- iii) Entitlement to the special single-tier dividend:-
- A Depositor shall qualify for entitlement to the special single-tier dividend only in respect of:-
- Shares transferred into Depositor's Securities Account before 4.00 p.m on 14 March 2018 in respect of ordinary transfer; and
 - Shares bought on Bursa Securities on a cum entitlement basis according to the Main Market Listing Requirement of Bursa Securities.
- (b) i) A final single-tier dividend for the current financial year ended 31 December 2017 has been recommended by the Directors for approval by shareholders;
- ii) The recommended final single-tier dividend, if approved, would amount to 6.0 sen per ordinary share;
- iii) A final single-tier dividend of 6.0 sen per ordinary share has been declared for the previous financial year ended 31 December 2016; and
- iv) The date of payment of the recommended final single-tier dividend shall be determined by the Directors and announced at a later date; and
- (c) Should the final single-tier dividend be approved at the forthcoming Annual General Meeting, the total dividend paid/payable for the current financial year ended 31 December 2017 would amount to 21.5 sen per ordinary share, comprising an interim single-tier dividend of 8.5 sen per ordinary share, a special single-tier dividend of 7.0 sen per ordinary share and a proposed final single-tier dividend of 6.0 sen per ordinary share.

13. Earnings Per Share ("EPS")

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

	Current quarter RM'000	Current financial Year-to-date RM'000
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of Basic EPS)	133,150	1,445,298
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>(198)</u>	<u>(896)</u>
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of Diluted EPS)	<u>132,952</u>	<u>1,444,402</u>

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

	Current quarter No. of shares '000	Current financial Year-to-date No. of shares '000
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	3,825,269	3,775,128
Adjustment for potential conversion of warrants	<u>83,782</u>	<u>64,313</u>
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	<u>3,909,051</u>	<u>3,839,441</u>

14. 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 20 February 2018, KHR and PACs collectively hold 1,698,531,090 voting shares and 424,632,772 warrants in the Company representing approximately 44.33% and 67.84% 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 49.89% 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.

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 2016 did not contain any qualification.

16. Approval of Interim Financial Statements

The condensed consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 February 2018.