GENTING BERHAD

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2016. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2016 RM'000	Preceding Year Corresponding Quarter 30/06/2015 RM'000	Current Year-To-Date 30/06/2016 RM'000	Preceding Year Corresponding Period 30/06/2015 RM'000
Revenue	**4,225,390**	4,167,864	**8,929,056**	8,535,495
Cost of sales	**(3,026,925)**	(2,986,544)	**(6,394,688)**	(6,005,116)
Gross profit	**1,198,465**	1,181,320	**2,534,368**	2,530,379
Other income	**343,702**	7,947	**711,436**	806,894
Net fair value loss on derivative financial instruments	**(38,883)**	(270,076)	**(68,458)**	(568,220)
Reversal of previously recognised impairment losses	**-**	-	**-**	40,585
Impairment losses	**-**	(109,895)	**(61,680)**	(164,983)
Other expenses	**(562,525)**	(230,036)	**(1,445,271)**	(771,309)
Finance cost	**(174,053)**	(130,528)	**(347,142)**	(247,706)
Share of results in joint ventures and associates	**(10,340)**	(23,008)	**(24,159)**	15,672
Profit before taxation	**756,366**	425,724	**1,299,094**	1,641,312
Taxation	**(142,767)**	(169,453)	**(380,883)**	(423,380)
Profit for the period	**613,599**	256,271	**918,211**	1,217,932
Profit attributable to:				
Equity holders of the Company	**294,736**	67,909	**425,566**	687,969
Holders of perpetual capital securities of a subsidiary	**90,492**	85,663	**175,633**	163,671
Non-controlling interests	**228,371**	102,699	**317,012**	366,292
	613,599	256,271	**918,211**	1,217,932
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	**7.93**	1.83	**11.45**	18.50
- Diluted	**7.80**	1.80	**11.34**	18.20

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2016 RM'000	Preceding Year Corresponding Quarter 30/06/2015 RM'000	Current Year-To-Date 30/06/2016 RM'000	Preceding Year Corresponding Period 30/06/2015 RM'000
Profit for the period	**613,599**	256,271	**918,211**	1,217,932
Other comprehensive income/(loss)				
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value loss	**(251,855)**	(318,272)	**(342,763)**	(262,973)
- Reclassification to profit or loss	**(15,556)**	88,354	**44,764**	(74,389)
Cash flow hedges				
- Fair value (loss)/gain	**(32,066)**	47,008	**(104,852)**	(11,382)
Share of other comprehensive income/(loss) of joint ventures and associates	**437**	(20,810)	**(30,795)**	8,049
Net foreign currency exchange differences	**1,329,904**	1,491,428	**(2,621,686)**	3,057,769
Other comprehensive income/(loss) for the period, net of tax	**1,030,864**	1,287,708	**(3,055,332)**	2,717,074
Total comprehensive income/(loss) for the period	**1,644,463**	1,543,979	**(2,137,121)**	3,935,006
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	**826,700**	598,689	**(1,472,962)**	2,124,378
Holders of perpetual capital securities of a subsidiary	**300,660**	353,760	**1,838**	528,217
Non-controlling interests	**517,103**	591,530	**(665,997)**	1,282,411
	1,644,463	1,543,979	**(2,137,121)**	3,935,006

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	As At 30 Jun 2016 RM'000	Audited As At 31 Dec 2015 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	**30,398,570**	31,139,374
Land held for property development	**365,992**	359,688
Investment properties	**1,895,595**	2,070,669
Plantation development	**2,179,548**	2,154,922
Leasehold land use rights	**383,616**	387,063
Intangible assets	**6,158,561**	6,666,618
Rights of use of oil and gas assets	**4,186,076**	4,458,182
Joint ventures	**1,138,203**	1,118,660
Associates	**1,705,561**	1,200,807
Available-for-sale financial assets	**2,063,157**	2,302,973
Derivative financial instruments	**111,812**	121,844
Deferred tax assets	**360,126**	393,293
Other non-current assets	**5,882,233**	4,642,362
	56,829,050	57,016,455
CURRENT ASSETS		
Property development costs	**61,266**	90,847
Inventories	**491,815**	480,620
Trade and other receivables	**2,256,483**	3,848,351
Amounts due from joint ventures and associates	**11,809**	12,161
Financial assets at fair value through profit or loss	**7,635**	8,068
Available-for-sale financial assets	**1,490,956**	1,566,556
Derivative financial instruments	**28,256**	93,133
Restricted cash	**552,760**	626,340
Cash and cash equivalents	**23,083,361**	23,612,902
	27,984,341	30,338,978
Assets classified as held for sale	**1,776,224**	2,077,079
	29,760,565	32,416,057
TOTAL ASSETS	**86,589,615**	89,432,512
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**375,002**	374,320
Treasury shares	**(220,387)**	(219,597)
Reserves	**31,345,464**	32,463,004
	31,500,079	32,617,727
Perpetual capital securities of a subsidiary	**6,897,491**	7,071,496
Non-controlling interests	**22,137,519**	23,101,805
TOTAL EQUITY	**60,535,089**	62,791,028
NON-CURRENT LIABILITIES		
Long term borrowings	**16,318,915**	17,017,416
Deferred tax liabilities	**1,707,994**	1,891,794
Derivative financial instruments	**356,174**	270,714
Other non-current liabilities	**919,844**	494,441
	19,302,927	19,674,365
CURRENT LIABILITIES		
Trade and other payables	**4,447,220**	5,009,332
Amounts due to joint ventures	**127,097**	109,803
Short term borrowings	**1,632,010**	1,487,345
Derivative financial instruments	**72,999**	69,509
Taxation	**341,940**	291,130
Dividend payable	**130,333**	-
	6,751,599	6,967,119
TOTAL LIABILITIES	**26,054,526**	26,641,484
TOTAL EQUITY AND LIABILITIES	**86,589,615**	89,432,512
NET ASSETS PER SHARE (RM)	**8.46**	8.78

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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	-	-	-	-	-	-	-	425,566	-	425,566	175,633	317,012	918,211
Other comprehensive loss	-	-	-	-	(186,958)	(83,242)	(1,620,242)	(8,086)	-	(1,898,528)	(173,795)	(983,009)	(3,055,332)
Total comprehensive (loss)/income for the period	-	-	-	-	(186,958)	(83,242)	(1,620,242)	417,480	-	(1,472,962)	1,838	(665,997)	(2,137,121)
Transfer due to realisation of revaluation reserve	-	-	-	(586)	-	-	-	586	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	117,014	-	298,701	-	415,715	-	43,944	459,659
Transfer upon expiry of share option scheme of a subsidiary	-	-	-	-	-	-	-	3,783	-	3,783	-	(3,783)	-
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	-	40,271	40,271
Issue of shares upon exercise of warrants	682	63,856	(10,219)	-	-	-	-	-	-	54,319	-	-	54,319
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(389,957)	(389,957)
Buy-back of shares by the Company	-	-	-	-	-	-	-	-	(790)	(790)	-	-	(790)
Perpetual capital securities distribution payable and paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	(175,843)	-	(175,843)
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	-	12,620	-	12,620	-	11,236	23,856
Appropriation:													
Final single-tier dividend for financial year ended 31 December 2015	-	-	-	-	-	-	-	(130,333)	-	(130,333)	-	-	(130,333)
Balance at 30 June 2016	375,002	1,481,236	1,098,686	300,581	761,504	(169,531)	4,261,078	23,611,910	(220,387)	31,500,079	6,897,491	22,137,519	60,535,089

(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 2015)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	← 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 2015	374,305	1,416,014	1,109,124	305,853	1,259,555	(124,920)	1,052,918	21,650,588	(212,461)	26,830,976	6,098,882	20,128,880	53,058,738
Profit for the period	-	-	-	-	-	-	-	687,969	-	687,969	163,671	366,292	1,217,932
Other comprehensive (loss)/income	-	-	-	-	(265,416)	(12,151)	1,720,626	(6,650)	-	1,436,409	364,546	916,119	2,717,074
Total comprehensive (loss)/income for the period	-	-	-	-	(265,416)	(12,151)	1,720,626	681,319	-	2,124,378	528,217	1,282,411	3,935,006
Transfer due to realisation of revaluation reserve	-	-	-	(24)	-	-	-	24	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	(97,584)	-	(97,584)	-	44,058	(53,526)
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	-	38,096	38,096
Issue of shares upon exercise of warrants	13	1,248	(200)	-	-	-	-	-	-	1,061	-	-	1,061
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(287,780)	(287,780)
Buy-back of shares by the Company	-	-	-	-	-	-	-	-	(446)	(446)	-	-	(446)
Perpetual capital securities distribution payable and paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	(163,868)	-	(163,868)
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	-	10,471	-	10,471	-	9,457	19,928
Appropriation:													
Final single-tier dividend for financial year ended 31 December 2014	-	-	-	-	-	-	-	(111,542)	-	(111,542)		-	(111,542)
Balance at 30 June 2015	374,318	1,417,262	1,108,924	305,829	994,139	(137,071)	2,773,544	22,133,276	(212,907)	28,757,314	6,463,231	21,215,122	56,435,667

(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 2015)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	Current Year-To-Date RM'000	Preceding Year Corresponding Period RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**1,299,094**	1,641,312
Adjustments for:		
Depreciation and amortisation	**939,025**	931,548
Impairment losses and write off of receivables	**461,384**	362,763
Net exchange loss – unrealised	**356,543**	7,580
Finance cost	**347,142**	247,706
Net fair value loss on derivative financial instruments	**68,458**	568,220
Impairment losses	**61,680**	164,983
Share of results in joint ventures and associates	**24,159**	(15,672)
Assets written off	**13,096**	29,678
Net loss/(gain) on disposal of available-for-sale financial assets	**186**	(239,221)
Interest income	**(480,622)**	(249,501)
Investment income	**(30,194)**	(84,507)
Gain on deemed dilution of shareholding in associate	**(26,068)**	(63,233)
Construction profit	**(14,061)**	(5,402)
Other non-cash items	**31,679**	(1,125)
	1,752,407	1,653,817
Operating profit before changes in working capital	**3,051,501**	3,295,129
Net change in current assets	**620**	(253,974)
Net change in current liabilities	**242,719**	(10,208)
	243,339	(264,182)
Cash generated from operations	**3,294,840**	3,030,947
Tax paid (net of tax refund)	**(331,285)**	(506,451)
Retirement gratuities paid	**(1,879)**	(2,378)
Other operating activities	**(3,195)**	(3,338)
	(336,359)	(512,167)
NET CASH FROM OPERATING ACTIVITIES	**2,958,481**	2,518,780
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(1,727,097)**	(1,607,769)
Increase in investments, intangible assets and other long term financial assets	**(1,530,817)**	(577,392)
Proceeds from disposal of property, plant and equipment	**293,354**	28,814
Interest received	**202,167**	121,361
Proceeds from redemption of unquoted preference shares in a Malaysian corporation by a subsidiary	**100,000**	-
Proceeds from disposal of investments	**30,138**	1,516,080
Acquisition of a subsidiary	**-**	(84,117)
Other investing activities	**18,983**	113,677
NET CASH USED IN INVESTING ACTIVITIES	**(2,613,272)**	(489,346)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings and transaction costs	**(1,991,463)**	(409,117)
Finance cost paid	**(383,609)**	(233,262)
Dividends paid to non-controlling interests	**(255,094)**	(172,788)
Perpetual capital securities distribution paid by a subsidiary	**(175,843)**	(163,868)
Buy-back of shares by the Company and subsidiaries	**(3,047)**	(154,916)
Proceeds from bank borrowings	**2,041,256**	828,032
Proceeds from changes in ownership interest in subsidiary	**488,870**	-
Proceeds from issue of shares upon exercise of warrants	**54,319**	1,061
Restricted cash	**49,472**	50,896
Proceeds from issuance of Sukuk Murabahah from a subsidiary	**-**	1,000,000
Other financing activities	**68,865**	41,628
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	**(106,274)**	787,666
NET INCREASE IN CASH AND CASH EQUIVALENTS	**238,935**	2,817,100
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**23,612,902**	16,391,246
EFFECTS OF CURRENCY TRANSLATION	**(768,476)**	902,043
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**23,083,361**	20,110,389
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	**19,662,197**	17,677,936
Money market instruments	**3,421,164**	2,432,453
	23,083,361	20,110,389

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015)

(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 and six months ended 30 June 2016 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 2015. 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 2015 except for the adoption of new FRSs and amendments that are mandatory for the Group for the financial year beginning 1 January 2016:

- Annual Improvements to FRSs 2012-2014 Cycle.
- Amendments to FRS 10 "Consolidated Financial Statements", FRS 12 "Disclosure of Interests in Other Entities" and FRS 128 "Investments in Associates and Joint Ventures" – Investment Entities: Applying the Consolidation Exception.
- Amendments to FRS 11 "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations.
- Amendments to FRS 101 "Presentation of Financial Statements" – Disclosure Initiative.
- Amendments to FRS 116 "Property, Plant and Equipment" and FRS 138 "Intangible Assets" – Clarification of Acceptable Methods of Depreciation and Amortisation.
- Amendment to FRS 127 "Separate Financial Statements" – Equity Method in Separate Financial Statements.

The adoption of these new FRSs and amendments does not have a 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**

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the six months ended 30 June 2016.

(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 six months ended 30 June 2016, the Company issued 6,823,993 new ordinary shares of 10 sen each, for cash arising from the exercise of warrants at exercise price of RM7.96 per ordinary share.

ii) During the six months ended 30 June 2016, the Company had purchased a total of 100,000 ordinary shares of 10 sen each of its issued share capital from the open market for a total consideration of RM0.8 million. The share buy-back transactions were financed by internally generated funds. The purchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

Other than the above, there were no other issuance, cancellation, share buy-back, resale and repayment of debt securities or equity securities for the six months ended 30 June 2016.

(f) **Dividend Paid**

No dividend has been paid during the six months ended 30 June 2016.

(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 of 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 six months ended 30 June 2016 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	Total					
Revenue													
Total revenue	3,156.7	3,237.5	1,033.1	702.0	8,129.3	350.4	116.2	466.6	558.4	101.4	96.7	95.3	9,447.7
Inter segment	(502.1)	(0.3)	-	-	(502.4)	-	-	-	-	(4.8)	(3.6)	(7.8)	(518.6)
External	2,654.6	3,237.2	1,033.1	702.0	7,626.9	350.4	116.2	466.6	558.4	96.6	93.1	87.5	8,929.1
Adjusted EBITDA	1,193.1	960.6	191.5	75.0	2,420.2	117.5	4.1	121.6	30.2	25.1	81.9	(360.6)	2,318.4

A reconciliation of adjusted EBITDA to profit before tax is as follows:	**RM'million**
Adjusted EBITDA	2,318.4
Net fair value loss on derivative financial instruments	(68.5)
Gain on deemed dilution of shareholding in associate	26.1
Net loss on disposal of available-for-sale financial assets	(0.2)
Impairment losses	(61.7)
Depreciation and amortisation	(939.0)
Interest income	480.6
Finance cost	(347.1)
Share of results in joint ventures and associates	(24.2)
Others **	(85.3)
Profit before taxation	**1,299.1**

* 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 RM524.6 million and RM510.5 million respectively, have been disclosed under the "Power" segment in the consolidated income statement for the six months ended 30 June 2016 thereby generating a construction profit of RM14.1 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					Plantation			Power	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	United Kingdom	United States of America and Bahamas	Total	Malaysia	Indonesia	Total					
Segment Assets	7,817.8	18,626.7	4,813.5	7,045.6	38,303.6	1,497.3	2,925.6	4,422.9	3,715.5	2,787.6	4,743.0	5,279.6	59,252.2
Segment Liabilities	1,580.1	1,073.6	572.3	533.2	3,759.2	94.7	122.1	216.8	637.1	232.7	681.3	505.4	6,032.5

	RM'million
A reconciliation of segment assets to total assets is as follows:	
Segment assets	59,252.2
Interest bearing instruments	22,305.5
Joint ventures	1,138.2
Associates	1,705.6
Unallocated corporate assets	411.9
Assets classified as held for sale	1,776.2
Total assets	**86,589.6**
A reconciliation of segment liabilities to total liabilities is as follows:	
Segment liabilities	6,032.5
Interest bearing instruments	17,972.1
Unallocated corporate liabilities	2,049.9
Total liabilities	**26,054.5**

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

During the six months ended 30 June 2016, acquisitions and disposals of property, plant and equipment by the Group were RM1,426.4 million and RM291.8 million respectively.

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

Other than the disclosure of the completion of the disposal of leasehold land in Note 7(ii) in Part II of this interim financial report, there were no other material events subsequent to the end of the six months ended 30 June 2016 that have not been reflected in this interim report.

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

On 31 May 2016, the Group completed the disposal of its 40% effective interest in PT Lestari Banten Energi, the project company that is developing a 660MW coal-fired power plant in West Java, Indonesia, to Jaderock Investment Singapore Pte Ltd, a wholly owned subsidiary of SDIC Power Holdings Co.,Ltd. The financial effects of the disposal have been included in the current quarter's Condensed Consolidated Statement of Changes in Equity.

Other than the above, there were no material changes in the composition of the Group for the six months ended 30 June 2016.

(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 2015.

(l) **Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 30 June 2016 are as follows:

	RM'million
Contracted	4,110.5
Not contracted	10,204.2
	14,314.7
Analysed as follows:	
- Property, plant and equipment	11,933.7
- Power concession assets (intangible assets and other non-current assets)	932.3
- Plantation development	509.6
- Investments	492.6
- Rights of use of oil and gas assets	391.6
- Intangible assets	31.6
- Leasehold land use rights	21.1
- Investment properties	2.2
	14,314.7

(m) **Significant Related Party Transactions**

Significant related party transactions which were entered into on agreed terms and prices for the current quarter and six months ended 30 June 2016 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 2015 and the approved shareholders' mandates for recurrent related party transactions.

		Current quarter RM'000	Current financial year-to-date RM'000
<u>Group</u>			
i)	Provision of share registration services and secretarial services by a wholly owned subsidiary of the Company to Genting Hong Kong Limited ("GENHK") Group.	6	13
ii)	Licensing fee for the use of the name "Genting" charged by wholly owned subsidiaries of the Company to Genting Simon Sdn Bhd.	137	272
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").	16	27
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.	3,185	7,697
v)	Interest income earned by indirect subsidiaries from their associates.	10,155	18,868
vi)	Provision of management services by Genting Awanpura Sdn Bhd, a wholly owned subsidiary of Genting Plantations Berhad ("GENP"), which is a 52.3% subsidiary of the Company, to Genting Simon Sdn Bhd.	130	257
vii)	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 Genting Malaysia Berhad ("GENM") Group, which is 49.3% owned by the Company.	19,257	38,157
viii)	Rental charges by Genting Development Sdn Bhd to GENM Group.	368	660
ix)	Provision of management and consultancy services on theme park and resort development operations by International Resort Management Services Pte Ltd ("IRMS") to GENM.	2,502	5,004
x)	Rental charges for premises by GENM Group to Warisan Timah Holdings Sdn Bhd.	558	1,099
xi)	Provision of water supply services by an entity connected with a shareholder of BB Entertainment Ltd ("BBEL") to GENM Group.	605	1,132
xii)	Provision of maintenance services by entities connected with a shareholder of BBEL to GENM Group.	1,740	3,674
xiii)	Rental charges for office space by GENM Group to GENHK Group.	688	1,382

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

		Current quarter RM'000	Current financial year-to-date RM'000
Group			
xiv)	Provision of construction service by an entity connected with a shareholder of BBEL to GENM Group.	2,475	2,475
xv)	Purchase of rooms by GENM Group from an entity connected with a shareholder of BBEL.	559	3,091
xvi)	Licensing fee for the use of Internet Gaming System platform in the United Kingdom charged by RWI Group to GENM Group.	277	566
xvii)	Licensing fee for the use of "Genting" intellectual property in United Kingdom charged by RWI Group to GENM Group.	-	6,003
xviii)	Provision of aviation related services by GENM Group to GENHK Group.	360	758
xix)	Provision of information technology consultancy, development implementation, support and maintenance service and other management services by GENM Group to GENHK Group.	484	611
xx)	Air ticketing services and provision of reservation and booking services rendered by GENHK Group to Genting Singapore PLC ("GENS") Group, an indirect 52.9% subsidiary of the Company.	1,963	4,061
xxi)	Provision of goods and services by DCP (Sentosa) Pte Ltd to GENS Group.	18,318	35,895
xxii)	Leasing of office space and related expenses by IRMS from GENS Group.	293	606
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.	46,788	93,840
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.	99,499	194,818
iii)	Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	45,376	90,332
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.	1,014	2,013

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

		Current quarter RM'000	Current financial year-to-date RM'000
<u>Company</u>			
v)	Rental charges for office space and related services by a subsidiary of GENM.	680	1,355
vi)	Provision of management and/or support services by subsidiaries to the Company.	294	1,158
vii)	Provision of management and/or support services by the Company to its subsidiaries, associates and joint ventures.	4,445	8,630

(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 30 June 2016, 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	7.6	-	-	7.6
Available-for-sale financial assets	784.7	1,340.8	1,428.6	3,554.1
Derivative financial instruments	-	140.1	-	140.1
Assets classified as held for sale	1,673.1	-	-	1,673.1
	2,465.4	**1,480.9**	**1,428.6**	**5,374.9**
Financial liability				
Derivative financial instruments	**-**	**429.2**	**-**	**429.2**

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2015.

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

Available-for-sale financial assets	**RM'million**
As at 1 January 2016	1,589.6
Foreign exchange differences	(94.0)
Additions	106.3
Fair value changes – recognised in other comprehensive income	(71.4)
Investment income and interest income	7.6
Disposal	(8.8)
Transfer to investment in associates	(98.8)
Reclassification	(1.9)
As at 30 June 2016	**1,428.6**

There have been no transfers between the levels of the fair value hierarchy during the six months ended 30 June 2016.

GENTING BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – SECOND QUARTER ENDED 30 JUNE 2016
(II) Compliance with Appendix 9B of Bursa Securities Listing Requirements

1. **Performance Analysis**
The comparison of the results are tabulated below:

	Current Quarter 2016 RM'million	Current Quarter 2015 RM'million	% +/-	Preceding Quarter 1Q 2016 RM'million	% +/-	Six Months Ended 30 June 2016 RM'million	Six Months Ended 30 June 2015 RM'million	% +/-
Revenue								
Leisure & Hospitality								
- Malaysia	**1,349.3**	1,294.0	+4	1,305.3	+3	**2,654.6**	2,685.9	-1
- Singapore	**1,415.5**	1,574.4	-10	1,821.7	-22	**3,237.2**	3,278.7	-1
- UK	**504.2**	295.4	+71	528.9	-5	**1,033.1**	651.1	+59
- US and Bahamas	**351.6**	310.9	+13	350.4	-	**702.0**	624.7	+12
	3,620.6	3,474.7	+4	4,006.3	-10	**7,626.9**	7,240.4	+5
Plantation								
- Malaysia	**202.1**	200.7	+1	148.3	+36	**350.4**	388.8	-10
- Indonesia	**60.5**	51.7	+17	55.7	+9	**116.2**	101.7	+14
	262.6	252.4	+4	204.0	+29	**466.6**	490.5	-5
Power	**201.8**	221.5	-9	356.6	-43	**558.4**	393.9	+42
Property	**45.5**	45.2	+1	51.1	-11	**96.6**	135.4	-29
Oil & Gas	**51.4**	76.3	-33	41.7	+23	**93.1**	143.4	-35
Investments & Others	**43.5**	97.8	-56	44.0	-1	**87.5**	131.9	-34
	4,225.4	4,167.9	+1	4,703.7	-10	**8,929.1**	8,535.5	+5
Profit before tax								
Leisure & Hospitality								
- Malaysia	**611.8**	546.5	+12	581.3	+5	**1,193.1**	1,159.8	+3
- Singapore	**370.0**	815.1	-55	590.6	-37	**960.6**	1,427.7	-33
- UK	**92.8**	(100.1)	>100	98.7	-6	**191.5**	(61.7)	>100
- US and Bahamas	**51.8**	38.0	+36	23.2	>100	**75.0**	85.1	-12
	1,126.4	1,299.5	-13	1,293.8	-13	**2,420.2**	2,610.9	-7
Plantation								
- Malaysia	**68.4**	78.5	-13	49.1	+39	**117.5**	147.1	-20
- Indonesia	**(0.5)**	3.7	>-100	4.6	>-100	**4.1**	13.8	-70
	67.9	82.2	-17	53.7	+26	**121.6**	160.9	-24
Power	**16.2**	12.2	+33	14.0	+16	**30.2**	12.0	>100
Property	**11.7**	11.4	+3	13.4	-13	**25.1**	43.3	-42
Oil & Gas	**41.2**	53.4	-23	40.7	+1	**81.9**	102.8	-20
Investments & Others	**(48.3)**	(190.8)	+75	(312.3)	+85	**(360.6)**	127.8	>-100
Adjusted EBITDA	**1,215.1**	1,267.9	-4	1,103.3	+10	**2,318.4**	3,057.7	-24
Net fair value loss on derivative financial instruments	**(38.9)**	(270.1)	+86	(29.6)	-31	**(68.5)**	(568.2)	+88
Net (loss)/gain on disposal of available-for-sale financial assets	**(0.2)**	21.4	>-100	-	NM	**(0.2)**	239.2	>-100
Gain on deemed dilution of shareholding in associate	**3.7**	16.2	-77	22.4	-83	**26.1**	63.2	-59
Reversal of previously recognised impairment losses	**-**	-	-	-	-	**-**	40.6	-100
Impairment losses	**-**	(109.9)	+100	(61.7)	+100	**(61.7)**	(165.0)	+63
Depreciation and amortisation	**(456.0)**	(421.5)	-8	(483.0)	+6	**(939.0)**	(931.5)	-1
Interest income	**254.6**	132.4	+92	226.0	+13	**480.6**	249.5	+93
Finance cost	**(174.0)**	(130.5)	-33	(173.1)	-1	**(347.1)**	(247.7)	-40
Share of results in joint ventures and associates	**(10.4)**	(23.0)	+55	(13.8)	+25	**(24.2)**	15.7	>-100
Others	**(37.5)**	(57.2)	+34	(47.8)	+22	**(85.3)**	(112.2)	+24
	756.4	425.7	+78	542.7	+39	**1,299.1**	1,641.3	-21

NM = Not meaningful

Quarter ended 30 June 2016 compared with quarter ended 30 June 2015

Group revenue for the current quarter of RM4,225.4 million was marginally higher than that of the previous year's corresponding quarter's revenue of RM4,167.9 million.

Resorts World Sentosa ("RWS") recorded a decline in revenue in the current quarter due mainly to its gaming business as the Asian gaming market continued to face challenges. RWS has been able to maintain good earnings in the mass and premium mass market despite a weak environment. However, its premium market has been significantly impacted by a low win percentage. Its non-gaming business continued to perform well with the combined attractions sector maintaining a daily average visitation exceeding 18,000 this quarter whilst its hotel businesses recorded an overall occupancy rate of 93%. Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") was lower due mainly to the lower revenue as well as the inclusion of SGD102.7 million (equivalent to RM276.9 million) in relation to a one-off property tax refund in the previous year's corresponding quarter. In addition, RWS had implemented several cost efficiency initiatives which included one-off costs impacting the current quarter's results.

Higher revenue from Resorts World Genting ("RWG") in Malaysia was contributed mainly by an improved hold percentage, which is in line with expectation, for the mid to premium segment of the business even though business volumes were lower. Consequently, the higher revenue and overall lower operating costs from mid to premium segment of the business contributed to a higher adjusted EBITDA.

Higher revenue from the casino business in United Kingdom ("UK") was due mainly to its premium players business ("International Markets") as a result of revised marketing strategies adopted. The higher adjusted EBITDA was due mainly to significantly higher revenue aided by some debt recovery during the current quarter as compared with an adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") in the previous year's corresponding quarter.

Revenue from the leisure and hospitality business in United States of America ("US") and Bahamas increased due mainly to an increase in the volume of business from the operations of Resorts World Casino New York City ("RWNYC operations") and Resorts World Bimini in Bahamas offset by the cessation of the Bimini SuperFast cruise ferry operations ("Bimini operations") in January 2016. The increase was also due to a stronger US Dollar against the Malaysian Ringgit. Consequently, adjusted EBITDA increased due to overall higher revenue and lower operating costs from its Bimini operations.

Revenue from the Plantation Division improved in the current quarter due mainly to stronger palm product selling prices which outweighed lower FFB production. The lagged effects of adverse weather conditions experienced in previous years had impacted on FFB production. However, the lower FFB production had been partially mitigated by the addition of new harvesting areas in Indonesia. Adjusted EBITDA declined due mainly to lower yields and higher manuring costs, which collectively outweighed the impact of higher palm product selling prices.

Lower revenue from the Power Division was due mainly to lower construction revenue recognised as the percentage of completion of the 660MW coal-fired Banten Plant in Indonesia was lower in the current quarter compared with the previous year's corresponding quarter. However, the adjusted EBITDA was higher due mainly to higher generation by the Jangi Wind Farm.

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

The lower adjusted LBITDA from "Investments and Others" in the current quarter was due mainly to lower net foreign exchange losses suffered by the GENS Group compared with the previous year's corresponding quarter offset by net foreign exchange gain primarily from GENM Group's US Dollar denominated financial assets.

Profit before tax for the current quarter was RM756.4 million, an increase of 78% compared with previous year's corresponding quarter's profit of RM425.7 million. The increase was due mainly to lower net fair value loss on derivative financial instruments and lower impairment losses in the current quarter.

Six months ended 30 June 2016 compared with six months ended 30 June 2015

Group revenue for the current six months was RM8,929.1 million compared with the previous year's six months revenue of RM8,535.5 million, recording an increase of 5%.

Whilst the non-gaming businesses of RWS recorded higher revenue in the current six months, its gaming business however generated lower revenue. Consequently, RWS's EBITDA decreased due to the lower revenue and the inclusion of a one-off property tax refund of SGD102.7 million in the previous year's six months adjusted EBITDA.

Revenue from RWG was marginally lower due mainly to the impact of Goods and Services Tax, and a lower than expected hold percentage in the mid to premium segment of the business although its business volumes were higher. Its adjusted EBITDA was higher due mainly to lower operating costs from mid to premium segment of the business.

The leisure and hospitality business in the UK recorded higher revenue due mainly to the implementation of revised marketing strategies for International Markets. The significantly higher revenue and net debt recovery in the current six months as compared to a high level of bad debts in the previous year's six months contributed to an adjusted EBITDA compared with adjusted LBITDA in the previous year's six months.

Higher revenue from the leisure and hospitality business in the US and Bahamas was due mainly to higher volume of business from the RWNYC operations and Resorts World Bimini partially offset by the cessation of the Bimini SuperFast cruise ferry operations. The increased revenue was also due to a stronger US Dollar against the Malaysian Ringgit. Lower adjusted EBITDA was due to higher payroll costs for RWNYC operations, higher operating costs relating to premium players business for Bimini operations partially offset by lower operating costs following the cessation of Bimini SuperFast.

Despite stronger palm product selling prices, Plantation-Malaysia recorded lower revenue during the current six months due to lower FFB production. However, revenue from Plantation-Indonesia increased due to increased FFB production and stronger palm product prices. Lower adjusted EBITDA from the Plantation Division was due mainly to lower yields and higher manuring costs, which collectivelly outweighed the impact of higher palm product selling prices.

Higher revenue and adjusted EBITDA from the Power Division were due mainly to higher construction revenue recognised from the higher percentage of completion of the Banten Plant as well as higher generation by the Jangi Wind Farm.

Lower revenue from the Property Division was due mainly to lower land sales in the current six months. The previous year's six months adjusted EBITDA had included the recognition of a one-off gain in relation to these land sales.

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

The adjusted LBITDA recorded by the "Investments & Others" segment in the current six months 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 six months.

Profit before tax for the current six months was RM1,299.1 million, a decrease of 21% compared with RM1,641.3 million in the previous year's six months. The decrease was due mainly to lower adjusted EBITDA of the Group and lower gain on disposal of available-for-sale financial assets partially mitigated by lower net fair value loss on derivative financial instruments.

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

The Group's profit before tax for the current quarter was RM756.4 million, an increase of 39% compared with RM542.7 million in the preceding quarter. The increase was mainly attributable to the higher adjusted EBITDA of the Group and an absence of impairment losses in the current quarter.

Lower adjusted EBITDA from RWS was attributed to lower performance from both the gaming and non-gaming segments in the current quarter.

RWG recorded higher adjusted EBITDA in the current quarter attributed mainly to higher revenue.

Higher adjusted EBITDA from the leisure and hospitality business in US and Bahamas was due mainly to the lower operating loss from the Bimini operations and lower operating costs of RWNYC operations.

Plantation-Malaysia recorded higher adjusted EBITDA due to higher FFB production and stronger palm product selling prices compared with the preceding quarter. Lower contribution from Plantation-Indonesia was due mainly to the effects of lower FFB production and higher manuring costs which outstripped the impact of stronger palm product selling prices.

Higher generation from the Jangi Wind Farm in the current quarter contributed to the stronger adjusted EBITDA of the Power Division.

The lower adjusted LBITDA from "Investments & Others" was due mainly to net foreign exchange gain on net foreign currency denominated financial assets as the US Dollar exchange rate strengthened against the Malaysian Ringgit in the current quarter after it had weakened 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.*

Listed subsidiaries	*Announcement date*
Genting Singapore PLC	*4 August 2016*
Genting Plantations Berhad	*25 August 2016*
Genting Malaysia Berhad	*25 August 2016*

3. **Prospects**

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

(a) In Malaysia, the GENM Group remains focused on the development of its Genting Integrated Tourism Plan ("GITP") at RWG. Pre-opening activities continue to ramp up as the GENM Group prepares for the opening of the various GITP attractions and facilities in stages, commencing before the end of the year. The significant redevelopment and expansion under the GITP, once completed, is expected to elevate the quality of guest experience at the resort. Meanwhile, the GENM Group remains committed to optimising its operational efficiencies, yield management systems and database marketing efforts as well as enhancing customer service at RWG;

(b) RWS has been a beacon for Singapore's tourism, and RWS is confident that it will continue to play a leading role in Singapore's tourist appeal. On 21 July 2016, the Singapore Michelin Guide 2016 announced Joel Robuchon Restaurant at RWS as the first and only 3-star Michelin Restaurant in Singapore. RWS is now the first Integrated Resort in the world with a total of 7 Michelin stars across 4 restaurants, namely 3-star Joel Robuchon Restaurant, 2-star L'Atelier de Joel Robuchon, 1-star Osia Restaurant and 1-star Forest Restaurant. With these unprecedented awards, RWS continues to transform itself into a premium lifestyle destination for premium travelers.

RWS has formed a strategic partnership with Ant Financial Services Group where China's largest mobile payment and lifestyle app service provider, Alipay, was appointed as its preferred partner for China as well as the official sponsor of S.E.A. Aquarium and Resorts World Theatre. This strategic partnership seeks to leverage Alipay's brand presence and network in Greater China, as it continues to build its business in strategic markets.

The regional economic environment continues to be uncertain, and RWS continues to exercise caution with its VIP gaming business. Its regional premium mass and mass market remains steady. RWS has implemented several cost efficiency initiatives. Such initiatives will continue into the next quarter, and it is confident that these programs will improve earnings in the following quarters.

The development of GENS's joint venture integrated resort project in Jeju, South Korea, is progressing well and on schedule. The take up of the residential plot continues to be well received and is on track for the soft opening of Phase 1 in fourth quarter of 2017;

(c) In the UK, the domestic market segment has performed commendably. The GENM Group will further strengthen its position in this segment and improve business efficiency. Whilst the GENM Group is pleased with the improved performance of its international premium players business as a result of its revised marketing strategies, it maintains a cautious stance on the volatility implicit in this business. The GENM Group remains focused on stabilising operations and growing business volumes at both Resorts World Birmingham and its online operations;

(d) In the US, Resorts World Casino New York City remains the market leader in terms of gaming revenue for Northeast US region. The GENM Group will continue to intensify its direct marketing efforts and introduce additional promotional activities to attract new customers and increase the frequency of visitation to the property. Earlier this year, the GENM Group completed the gaming and amenities expansion and improvements at the property to serve a growing market. This expansion is expected to further strengthen its presence in the region.

In the Bahamas, the GENM Group has now fully opened the 305-room Hilton hotel and the related hotel amenities. The GENM Group will focus on growing visitations to Resorts World Bimini by launching a revamped marketing campaign to attract targeted domestic US customers as well as international customers;

(e) The GENP Group's performance for the rest of 2016 will be fundamentally contingent on the movements in palm oil price dynamics weighed against the prospects of a recovery in FFB production from the lagged effects of the adverse weather of previous years.

Key factors anticipated to continue influencing the direction of palm oil prices include changes in weather conditions, demand for vegetable oils for edible and non-edible purposes, price trends of substitute feedstock commodities, currency movements and global economic prospects.

Notwithstanding that the ongoing addition of new harvesting areas and the progress of existing mature areas into higher yielding brackets in Indonesia are positive factors for production, the GENP Group's overall output for 2016 will depend on the extent to which any prospective recovery in crop yields in the latter months of the year will compensate for the shortfall experienced earlier in the year.

Nevertheless, at the operational level, the GENP Group remains committed to the pursuit of performance improvements across all relevant aspects, including yield and cost management;

(f) As the high wind season comes to an end, contribution from the Jangi Wind Farm, whilst expected to be stable year-on-year, will likely be lower compared with the second quarter. Construction profits from the Banten Power Plant will continue to be steady as the project progresses towards its targeted commercial operation date at the end of 2016; and

(g) While daily oil production from Genting CDX Singapore Pte Ltd in the Chengdaoxi Block in China is expected to be steady, revenue for the third quarter is expected to be lower due to an annual scheduled shutdown taking place in September. The Kasuri Block will incur moderate capital expenditure relating to studies undertaken for the development phase.

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 six months ended 30 June 2016 are set out below:

	Current quarter RM'000	Current financial year-to-date RM'000
Current taxation		
Malaysian income tax charge	135,811	268,202
Foreign income tax charge	53,758	188,551
	189,569	456,753
Deferred tax credit	(42,571)	(61,847)
	146,998	394,906
Prior period taxation		
Income tax over provided	(4,231)	(14,023)
	142,767	380,883

The effective tax rate of the Group for the current quarter ended 30 June 2016 was lower than the Malaysian statutory income tax rate due mainly to recognition of previously unrecognised tax losses and income not subject to tax, partially offset by expenses not deductible for tax purposes.

The effective tax rate of the Group for the six months ended 30 June 2016 was higher than the Malaysian statutory income tax rate due mainly to expenses not deductible for tax purposes, partially offset by recognition of previously unrecognised tax losses and income not subject to tax.

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	174,053	347,142
Depreciation and amortisation	456,025	939,025
Impairment losses and write off of receivables	163,473	461,384
Impairment losses	-	61,680
Net loss on disposal of property, plant and equipment	137	6,194
Loss on disposal of unquoted available-for-sale financial assets	7,441	7,441
Inventories written off	98	239
Net fair value loss on derivative financial instruments	38,883	68,458
Net foreign exchange (gain)/loss	(13,801)	267,145
Credits:		
Interest income	254,642	480,622
Investment income	15,344	30,194
Gain on disposal of quoted available-for-sale financial assets	7,255	7,255
Gain on deemed dilution of shareholding in associate	3,686	26,068

7. **Status of Corporate Proposals Announced**

(i) **Renewal of Shareholders' Mandate for the disposal of GENHK shares**

On 6 April 2016, GENM announced its proposal to seek the approval from its non-interested shareholders to renew the mandate for Resorts World Limited, an indirect wholly owned subsidiary of GENM, to dispose of the entire 1,431,059,180 ordinary shares of USD0.10 each in GENHK ("Disposal Mandate"). On 1 June 2016, the Disposal Mandate was approved by the non-interested shareholders of GENM and is valid for a period of 1 year from approval date.

(ii) **Disposal of leasehold land**

On 15 October 2015, GENM announced that its wholly owned subsidiary, Genting Highlands Tours and Promotion Sdn Bhd had entered into a conditional sale and purchase agreement with Esprit Icon Sdn Bhd, a wholly owned subsidiary of GENP, to dispose of two parcels of adjoining leasehold land in Segambut measuring an aggregate land area of 380,902 square feet with buildings erected thereon for a total cash consideration of RM65.8 million. The disposal was completed on 12 July 2016.

GENP made a similar announcement on 12 July 2016.

(iii) **Proposed acquisition of 100% equity interest in Cahaya Agro Abadi Pte Ltd ("CAA") and Palm Capital Investment Pte Ltd ("PCI") from Green Palm Capital Corp ("GPCC")**

On 27 June 2016, GENP announced that PalmIndo Holdings Pte Ltd, a 73.685% indirect subsidiary of GENP, had on 27 June 2016 entered into the following agreements with GPCC, a related party:

i) a conditional sale and purchase agreement for the purpose of acquiring 1 ordinary share of SGD1.00 in CAA representing 100% equity interest in CAA from GPCC for a cash consideration of USD34,550,000 ("CAA SPA"). CAA holds, through its 95.0% owned subsidiary in Indonesia, PT Agro Abadi Cemerlang, the rights to develop approximately 8,095 hectares of land in Kapubaten Sanggau, Provinsi Kalimantan Barat, Republic of Indonesia, into an oil palm plantation;

ii) a conditional sale and purchase agreement for the purpose of acquiring 1 ordinary share of SGD1.00 in PCI representing 100% equity interest in PCI from GPCC for a cash consideration of USD7,600,000 ("PCI SPA"). PCI holds, through its 95.0% owned subsidiary in Indonesia, PT Palma Agro Lestari Jaya, the rights to develop approximately 13,900 hectares of land in Kabupaten Sintang, Provinsi Kalimantan Barat, Republic of Indonesia, into an oil palm plantation.

The CAA SPA and PCI SPA are still conditional as at 18 August 2016.

Other than the above, there were no other corporate proposals announced but not completed as at 18 August 2016.

8. **Group Borrowings and Debt Securities**

The details of the Group's borrowings and debt securities as at 30 June 2016 are as set out below:

	Secured/ Unsecured	**Foreign Currency 'million**		**RM Equivalent 'million**
Short term borrowings	Secured	USD	63.8	257.2
	Secured	SGD	164.8	492.4
	Unsecured	GBP	58.5	318.0
	Unsecured	USD	140.0	564.4
Long term borrowings	Secured	USD	1,074.2	4,330.6
	Secured	SGD	1,438.4	4,298.3
	Secured			49.5
	Unsecured	GBP	119.7	650.4
	Unsecured			6,990.1

9. **Outstanding Derivatives**

As at 30 June 2016, 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	299.2	
- Less than 1 year		0.5
- 1 year to 3 years		8.5
- More than 3 years		103.3
SGD	179.3	
- Less than 1 year		(6.5)
- 1 year to 3 years		(14.4)
- More than 3 years		(31.4)
<u>Interest Rate Swaps</u>		
USD	2,768.0	
- Less than 1 year		(62.0)
- 1 year to 3 years		(121.8)
- More than 3 years		(186.6)
GBP	358.7	
- Less than 1 year		(3.8)
- 1 year to 3 years		(2.0)
<u>Forward Foreign Currency Exchange</u>		
SGD	16.5	
- Less than 1 year		1.3
USD	60.5	
- Less than 1 year		1.6
<u>Foreign Currency Exchange Option</u>		
USD	100.8	
- Less than 1 year		(0.7)
<u>Commodity Collar</u>		
USD	N/A	
- Less than 1 year		24.9

During the current quarter ended 30 June 2016, GENM Group has entered into foreign currency exchange forward contracts and foreign currency exchange option contracts to hedge against the exposure of its foreign exchange risk.

Other than the above, there is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2015:

(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**

The details of fair value changes of financial liabilities for the current quarter and six months ended 30 June 2016 are as follows:

Type of financial liabilities	Current quarter fair value loss RM'million	Current financial year-to-date fair value loss RM'million	Basis of fair value measurement	Reasons for the loss
Interest Rate Swaps	2.5	7.7	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 unfavourably for the Group.
Foreign Currency Exchange Option	0.7	0.7	Foreign exchange differential between the strike rate and the current market spot rate.	The foreign exchange rate differential between the strike rate and the current market spot rate up to the respective maturity dates of the contracts have moved unfavourably for the Group.

11. **Changes in Material Litigation**

There were no pending material litigations since the last financial year ended 31 December 2015 and up to 18 August 2016.

12. **Dividend Proposed or Declared**

No interim dividend has been proposed or declared for the six months ended 30 June 2016. The Board will decide on the total proposed dividend for the current financial year when reviewing and considering the financial results of the Company for the full year ending 31 December 2016.

No interim dividend was declared for the previous year's corresponding period.

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

(a) The earnings used as the numerator in calculating basic and diluted EPS for the current quarter and six months ended 30 June 2016 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)	294,736	425,566
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	-	(1)
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of Diluted EPS)	294,736	425,565

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted EPS for the current quarter and six months ended 30 June 2016 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)	3,717,502	3,717,269
Adjustment for potential conversion of warrants	59,070	36,324
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	3,776,572	3,753,593

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

The breakdown of the retained profits of the Group as at 30 June 2016, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at the end of current quarter RM'million	**As at the end of last financial year RM'million**
Total retained profits/(accumulated losses):		
- Realised	34,716.6	33,826.6
- Unrealised	(1,663.7)	(1,355.7)
	33,052.9	32,470.9
Total share of retained profits/(accumulated losses) from associates:		
- Realised	366.5	393.9
- Unrealised	(20.6)	(21.6)
Total share of retained profits from joint ventures:		
- Realised	253.7	228.7
- Unrealised	1.4	-
	33,653.9	33,071.9
Less: Consolidation adjustments	(10,042.0)	(10,062.8)
Total Group retained profits	23,611.9	23,009.1

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 the 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 the 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 the PACs is more than 50% of the voting shares or voting rights of the Company.

whichever occurs first.

As at 18 August 2016, KHR and the PACs collectively hold 1,698,531,090 voting shares and 424,632,772 warrants in the Company representing approximately 45.61% and 57.88% 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 the PACs exercise their warrants in full (but not other warrant holders), then the total voting shares held by KHR and the PACs will increase to 2,123,163,862 representing approximately 51.18% 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 2015 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 25 August 2016.