GENTING BERHAD

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SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2006. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2006

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/06/2006 RM'000	RESTATED PRECEDING YEAR CORRES-PONDING QUARTER 30/06/2005 RM'000	CURRENT YEAR-TO-DATE 30/06/2006 RM'000	RESTATED PRECEDING YEAR CORRES-PONDING PERIOD 30/06/2005 RM'000
Revenue	**1,530,281**	1,272,311	**2,890,377**	2,520,945
Cost of sales	**(856,112)**	(706,841)	**(1,632,822)**	(1,407,242)
Gross profit	**674,169**	565,470	**1,257,555**	1,113,703
Other income	**73,704**	81,753	**185,467**	129,064
Other expenses	**(89,629)**	(78,069)	**(212,645)**	(158,579)
Profit from operations	**658,244**	569,154	**1,230,377**	1,084,188
Finance cost	**(37,341)**	(39,553)	**(70,530)**	(82,775)
Share of results in jointly controlled entities and associates	**(54,703)**	16,920	**(84,144)**	30,916

GENTING BERHAD
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2006 (cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/06/2006 RM'000	RESTATED PRECEDING YEAR CORRES-PONDING QUARTER 30/06/2005 RM'000	CURRENT YEAR-TO-DATE 30/06/2006 RM'000	RESTATED PRECEDING YEAR CORRES-PONDING PERIOD 30/06/2005 RM'000
Profit from ordinary activities before taxation	**566,200**	546,521	**1,075,703**	1,032,329
Taxation	**(162,010)**	(155,168)	**(204,960)**	(281,586)
Profit for the period	**404,190**	391,353	**870,743**	750,743
Attributable to:				
Equity holders of the Company	**272,056**	256,560	**579,533**	494,412
Minority interest	**132,134**	134,793	**291,210**	256,331
	404,190	391,353	**870,743**	750,743
Basic earnings per share (sen)	**38.57**	36.42	**82.16**	70.18
Diluted earnings per share (sen)	**38.20**	36.21	**81.34**	69.82

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005).

GENTING BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	UNAUDITED AS AT 30 JUNE 2006 RM'000	RESTATED UNAUDITED AS AT 31 DEC 2005 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	**8,311,180**	6,482,799
Land held for property development	**514,086**	487,960
Investment properties	**29,806**	28,884
Biological assets	**434,912**	429,723
Intangible assets	**267,375**	140,701
Jointly controlled entities	**35,691**	36,163
Associates	**2,158,581**	2,491,522
Other long term assets	**1,220,887**	1,244,395
Deferred taxation	**10,631**	9,385
CURRENT ASSETS		
Property development costs	**113,574**	111,382
Inventories	**440,076**	349,100
Trade and other receivables	**834,083**	661,179
Amount due from jointly controlled entities and associates	**17,913**	1,389
Short term investments	**2,398,995**	1,708,601
Bank balances and deposits	**3,604,844**	4,370,530
	7,409,485	7,202,181
TOTAL ASSETS	**20,392,634**	18,553,713
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**352,694**	352,672
Reserves	**9,157,608**	8,691,618
	9,510,302	9,044,290
Minority interests	**5,001,711**	4,883,047
Total equity	**14,512,013**	13,927,337
NON-CURRENT LIABILITIES		
Long term borrowings	**3,714,323**	2,455,701
Other long term liabilities	**127,159**	129,134
Deferred taxation	**574,769**	547,233
	4,416,251	3,132,068
CURRENT LIABILITIES		
Trade and other payables	**907,510**	913,148
Short term borrowings	**284,469**	417,007
Taxation	**175,894**	164,153
Dividend payable	**96,497**	-
	1,464,370	1,494,308
Total liabilities	**5,880,621**	4,626,376
TOTAL EQUITY AND LIABILITIES	**20,392,634**	18,553,713
NET ASSETS PER SHARE (RM)	**13.48**	12.82

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005).

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2006

	◄ Attributable to equity holders of the Company					►		
	Share Capital RM'000	**Share Premium RM'000**	**Revaluation Reserve RM'000**	**Other Reserves RM'000**	**Retained Earnings RM'000**	**Total RM'000**	**Minority Interest RM'000**	**Total Equity RM'000**
Balance at 1 January 2005								
As previously stated	352,232	99,541	308,238	74,151	7,034,392	7,868,554	3,432,046	11,300,600
Prior year adjustments - effects of adopting:								
- FRS 121	-	-	-	42,380	-	42,380	32,251	74,631
Restated balance	352,232	99,541	308,238	116,531	7,034,392	7,910,934	3,464,297	11,375,231
Foreign exchange differences recognised directly in equity	-	-	-	(6,299)	-	(6,299)	(2,857)	(9,156)
Others	-	-	(139)	-	139	-	107	107
Net income/(expenses) recognised directly in equity	-	-	(139)	(6,299)	139	(6,299)	(2,750)	(9,049)
Profit for the period	-	-	-	-	494,412	494,412	256,331	750,743
Total recognised income and expense for the period	-	-	(139)	(6,299)	494,551	488,113	253,581	741,694
Issue of shares	34	924	-	-	-	958	354,131	355,089
Share of associate's other reserves	-	-	-	11,205	-	11,205	8,527	19,732
Changes in composition of the Group	-	-	-	-	(101,323)	(101,323)	88,021	(13,302)
Dividend payable to equity holders	-	-	-	-	(81,162)	(81,162)	-	(81,162)
Dividends paid by subsidiaries	-	-	-	-	-	-	(101,283)	(101,283)
Balance at 30 June 2005	352,266	100,465	308,099	121,437	7,346,458	8,228,725	4,067,274	12,295,999
Balance at 1 January 2006								
As previously stated	**352,672**	**111,690**	**307,369**	**62,518**	**8,167,740**	**9,001,989**	**4,862,946**	**13,864,935**
Prior year adjustments - effects of adopting:								
- FRS 2	**-**	**-**	**-**	**15,123**	**(8,854)**	**6,269**	**(6,269)**	**-**
- FRS 121	**-**	**-**	**-**	**36,281**	**(249)**	**36,032**	**26,370**	**62,402**
Restated balance	**352,672**	**111,690**	**307,369**	**113,922**	**8,158,637**	**9,044,290**	**4,883,047**	**13,927,337**
Foreign exchange differences recognised directly in equity	**-**	**-**	**-**	**(19,584)**	**-**	**(19,584)**	**(29,852)**	**(49,436)**
Others	**-**	**-**	**(132)**	**-**	**132**	**-**	**(3,634)**	**(3,634)**
Net income/(expenses) recognised directly in equity	**-**	**-**	**(132)**	**(19,584)**	**132**	**(19,584)**	**(33,486)**	**(53,070)**
Profit for the period	**-**	**-**	**-**	**-**	**579,533**	**579,533**	**291,210**	**870,743**
Total recognised income and expense for the period	**-**	**-**	**(132)**	**(19,584)**	**579,665**	**559,949**	**257,724**	**817,673**
Issue of shares	**22**	**606**	**-**	**-**	**-**	**628**	**17,220**	**17,848**
Changes in composition of the Group	**-**	**-**	**-**	**-**	**-**	**-**	**(33,357)**	**(33,357)**
Share-based payment	**-**	**-**	**-**	**1,932**	**-**	**1,932**	**-**	**1,932**
Dividend distributed to equity holders	**-**	**-**	**-**	**-**	**(96,497)**	**(96,497)**	**-**	**(96,497)**
Dividends paid by subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**(122,923)**	**(122,923)**
Balance at 30 June 2006	**352,694**	**112,296**	**307,237**	**96,270**	**8,641,805**	**9,510,302**	**5,001,711**	**14,512,013**

(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 2005).

GENTING BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2006

	CURRENT YEAR-TO-DATE RM'000	RESTATED PRECEDING YEAR CORRES-PONDING PERIOD RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from ordinary activities before taxation	**1,075,703**	1,032,329
Adjustments for:		
Depreciation of property, plant and equipment ("PPE")	**227,626**	198,988
Finance cost	**70,530**	82,775
Share of results in jointly controlled entities and associates	**84,144**	(30,916)
Interest income	**(101,797)**	(63,894)
Net surplus arising from compulsory acquisition of freehold land	**-**	(25,797)
Other non-cash items	**(32,414)**	686
	248,089	161,842
Operating profit before changes in working capital	**1,323,792**	1,194,171
Net change in current assets	**(72,570)**	(72,064)
Net change in current liabilities	**(79,544)**	(368)
	(152,114)	(72,432)
Cash generated from operations	**1,171,678**	1,121,739
Taxation paid	**(238,214)**	(242,517)
Retirement gratuities paid	**(1,179)**	(971)
Other net operating receipts	**2,454**	3,241
	(236,939)	(240,247)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**934,739**	881,492
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries*	**(348,214)**	-
Purchase of PPE	**(220,313)**	(244,837)
Purchase of additional equity interest in a subsidiary	**(54,264)**	(98,277)
Increase in investments and other long term assets	**(18,637)**	(881,721)
Interest received	**102,962**	64,083
Other net receipts from investing activities	**73,349**	60,637
Acquisition of Maxims Casino Business	**-**	(74,682)
NET CASH USED IN INVESTING ACTIVITIES	**(465,117)**	(1,174,797)

GENTING BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2006 (Cont'd)

	CURRENT YEAR-TO-DATE RM'000	RESTATED PRECEDING YEAR CORRES-PONDING PERIOD RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	**(304,136)**	(984,440)
Dividends paid to minority shareholders	**(122,923)**	(101,283)
Finance cost paid	**(53,754)**	(68,435)
Proceeds from bank borrowings	**-**	315,809
Other net receipts from financing activities	**17,848**	334,830
NET CASH USED IN FINANCING ACTIVITIES	**(462,965)**	(503,519)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**6,657**	(796,824)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**5,996,304**	5,543,700
EFFECT OF CURRENCY TRANSLATION	**(78,362)**	(239)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**5,924,599**	4,746,637
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	**3,604,844**	3,129,272
Money market instruments (included in Short term investments)	**2,319,755**	1,617,365
	5,924,599	4,746,637

*** ANALYSIS OF THE ACQUISITION OF SUBSIDIARIES**

Net assets acquired and net cash outflow on acquisition of subsidiaries are analysed as follows:

	CURRENT YEAR-TO-DATE RM'000
Property, plant and equipment	**1,885,754**
Intangible assets	**101,523**
Long term receivables	**2,795**
Inventories	**80,782**
Trade and other receivables	**77,351**
Bank balances and deposits	**217,854**
Trade and other payables	**(118,626)**
Short term borrowings	**(170,880)**
Taxation	**(45)**
Long term loans	**(1,303,334)**
Deferred taxation	**(11,397)**
Net assets acquired	**761,777**
Less: Amount previously accounted for as an associate	**(195,709)**
Total purchase consideration	**566,068**
Less: Bank balances and deposits acquired	**(217,854)**
Net cash outflow on acquisition of subsidiaries	**348,214**

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2005).

GENTING BERHAD

NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 30 JUNE 2006

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

(a) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements. The financial information of the Company and its material subsidiaries for the 6 months period ended 30 June 2006 have been reviewed by the Company's auditors in accordance with the International Standard on Review Engagements ("ISRE 2400") – Engagements to Review Financial Statements. The subsidiaries under the Genting Power China Limited Group were not included in the review as the completion of acquisitions of equity interests in the companies in China were substantially completed only at the end of May 2006.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2005. 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 2005 as well as the new/revised MASB approved accounting standards that are effective and applicable in the current financial year.

The Malaysian Accounting Standards Board ("MASB") issued a total of 21 new/revised FRSs, of which 18 are applicable to financial statements for annual periods beginning on or after 1 January 2006.

In the current half year ended 30 June 2006, the Group adopted the following new/revised FRSs below, which are relevant to its operations. The 2005 comparatives have been restated as required, in accordance with the relevant requirements.

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The Group has not adopted the following FRSs which effective date of commencement is 1 October 2006:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the new/revised FRSs did not result in substantial changes to the Group's accounting policies other than the effects of the following FRSs:

FRS 2	Share-based Payment
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 140	Investment Property

The principal effects of the changes in accounting policies resulting from the adoption of the above FRSs by the Group is as discussed below :

i) **FRS 2: Share-based Payment**

An entity is required to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets or equity instruments of the entity.

The Company together with its listed subsidiaries, namely Resorts World Bhd ("RWB"), a 57.7% owned subsidiary of the Company, Asiatic Development Berhad ("ADB"), a 54.5% owned subsidiary of the Company and Genting International P.L.C. ("GIPLC"), a 58.5% owned subsidiary of the Group, each operate an equity-settled, share-based compensation plan, where share options are issued by the respective companies to their respective eligible executives and executive directors.

Prior to 1 January 2006, no compensation expense was recognised in the income statement for share options granted. Effective from 1 January 2006, with the adoption of FRS 2, the fair value of employee services rendered in exchange for the grant of the share options is recognised as an expense over the vesting period. The fair value is measured by the use of a trinomial model. The total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each share option granted at the grant date and the number of share options vested by vesting date, with a corresponding increase in equity. Before the end of the vesting period, at each balance sheet date, the respective companies will revise its estimates of the number of share options that are expected to be vested at the vesting date and it recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement is made. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium account when the share options are exercised.

The Group has adopted the transitional provision in FRS 2 to include only share options that were granted after 31 December 2004 and not yet vested on 1 January 2006. The application is retrospective and accordingly, the comparative amounts as at 31 December 2005 are restated and the opening balance of retained earnings as at 1 January 2006, where material, has been adjusted. The financial impact to the Group arising from this change in accounting policy is as follows :

	As at 1 Jan 2006 RM'000
Decrease in retained earnings	(8,854)
Decrease in minority interest	(6,269)
Increase in other reserves	15,123

	Current year Quarter 30 June 2006 RM'000	Current financial year-to-date 30 June 2006 RM'000
Decrease in profit for the period	910	1,932

ii) **FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of results in associates, biological assets and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity where it requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the Company and to minority interest.

Share of results in associates is now disclosed net of tax and minority interests in the consolidated income statement.

Planting and development expenditure which was previously classified under property, plant and equipment is now disclosed separately in the consolidated balance sheet as biological assets. The Group maintains its existing accounting policy on biological assets and shall comply with the provisions of FRS 141: Agriculture, the equivalent of International Accounting Standard 41, once it becomes effective for application in Malaysia. The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with comparatives restated to conform with the current period's presentation (See I (a) (v)). The effect to the Group arising from this change in accounting policy is as follows:

	As at 1 Jan 2006 RM'000
Increase in biological assets	429,723
Decrease in property, plant and equipment	(429,723)

iii) **FRS 121: The Effect of Changes in Foreign Exchange Rates**

The financial statement of each entity in the Group is measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

On consolidation the results and financial position of all the group entities which have a functional currency different from that of the parent company's functional currency are translated into the parent company's functional and presentation currency as follows :

- Assets and liabilities for each balance sheet presented are translated at the closing rate ;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

As of 1 January 2006, goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. In accordance with the transitional provisions of FRS 121, this change is applied prospectively. Prior to 1 January 2006, goodwill and fair value adjustments arising on acquisition of a foreign entity are deemed to be assets and liabilities of the parent company and were translated using the exchange rate at the date of acquisition.

The financial impact to the Group arising from this change in accounting policy is as follows :

	As at 1 Jan 2006 RM'000
Increase in associates	62,402
Increase in reserves	36,032
Increase in minority interests	26,370

iv) **FRS 140: Investment Property**

FRS 140 defines an investment property as a property held for long-term rental yield and/or for capital appreciation and, that is not occupied by the companies in the Group. It is initially measured at cost, including direct transaction costs.

The Group adopted the cost model to measure all its investment properties. Under the cost model, investment property is measured at depreciated cost less any accumulated impairment losses.

Investment property previously classified under property, plant and equipment is now disclosed as a separate line item on the face of the consolidated balance sheet within non-current assets. In line with the revised requirements of FRS 101, the comparative is restated to conform with the current period's presentation (See I (a) (v)). The effect to the Group arising from this change in accounting policy is as follows :

	As at 1 Jan 2006 RM'000
Increase in investment properties	28,884
Decrease in property, plant and equipment	(28,884)

v) The effect to the Group’s comparative figures on adoption of the above FRSs is as follows:

RM’000	As previously stated	Effects on adoption of FRSs	As restated
As at 1 January 2006			
Property, plant and equipment	6,941,406	(458,607)	6,482,799
Investment properties	-	28,884	28,884
Biological assets	-	429,723	429,723
Associates	2,429,120	62,402	2,491,522
Reserves	8,649,317	42,301	8,691,618
Minority interests	4,862,946	20,101	4,883,047
Second quarter ended 30 June 2005			
Share of results in associate	16,264	656	16,920
Profit from ordinary activities before taxation	545,865	656	546,521
Taxation	(154,512)	(656)	(155,168)
6 months ended 30 June 2005			
Revenue	2,546,456	(25,511)	2,520,945
Cost of sales	(1,432,753)	25,511	(1,407,242)
Share of results in associate	31,817	(901)	30,916
Profit from ordinary activities before taxation	1,033,230	(901)	1,032,329
Taxation	(282,487)	901	(281,586)

(b) **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 2005 did not contain any qualification.

(c) **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 whilst the Manufacturing Division is subject to cyclical fluctuations. The results of the Leisure & Hospitality Division are affected by major festive seasons and holidays. The production of fresh fruit bunches is seasonal in nature and normally peaks in the second half of the year. More detailed commentary is set out in Notes 1 and 2 in Part II of this interim financial report.

(d) **Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

The unusual items included in the interim financial statements for the current quarter and current half year ended 30 June 2006 relate to:

i) Total intangible assets of RM102.3 million arising from the completion by Genting Power China Limited ("GPCL"), an indirect wholly-owned subsidiary of the Company, of the following acquisitions on 26 May 2006:

- The entire equity interests in MZW Holdings, Ltd and MZW Power Production Holding Co, Ltd from InterGen; and

- Approximately 26.3% equity interest of Fujian Electric (Hong Kong) LDC from China Pacific Electric Limited.

The amount of the intangible assets has been determined based on provisional fair values assigned to the identifiable assets as at the acquisition date. Any adjustments to these provisional values upon the finalisation of a detailed fair value exercise will be recognised to 'Intangible Assets' within twelve months of the acquisition date.

ii) Net overprovision of income tax of RM100.9 million in respect of prior years as disclosed in Note 5 of Part II of this interim financial report.

Other than the above, there were no other unusual items affecting the assets, liabilities, equity, net income or cashflows of the Group for the half year ended 30 June 2006.

(e) **Material Changes in Estimates**

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

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

The Company issued 44,000 new ordinary shares of 50 sen each, for cash, arising from the exercise of options granted under the Genting Executive Share Option Scheme at exercise prices of RM13.08 and RM14.34 per ordinary share for the half year ended 30 June 2006.

Other than the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company for the half year ended 30 June 2006.

(g) **Dividends Paid**

No dividend has been paid during the current quarter.

(h) **Segment Information**

Segment analysis for the half year ended 30 June 2006 is set out below:

	Leisure & Hospitality RM'000	Plantation RM'000	Property RM'000	Manufacturing RM'000	Oil & Gas RM'000	Power RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Operating Revenue									
External	1,756,537	211,409	58,315	265,560	70,685	491,875	35,996	-	2,890,377
Inter segment	1,550	-	7,877	955	-	6,195	25,908	(42,485)	-
	1,758,087	211,409	66,192	266,515	70,685	498,070	61,904	(42,485)	2,890,377
Results									
Segment profit	700,634	76,617	13,177	28,527	30,473	197,806	88,362	(7,016)	1,128,580
Interest income									101,797
Finance cost									(70,530)
Share of results in jointly controlled entities and associates	(105,932)	638	(39)	-	-	21,160	29	-	(84,144)
Profit from ordinary activities before taxation									1,075,703
Taxation									(204,960)
Profit for the financial period									870,743

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

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

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

The Company announced on 21 August 2006 that Phoenix Spectrum Sdn Bhd ("Phoenix"), a wholly-owned subsidiary of the Company, had on 18 August 2006, acquired 80 million ordinary shares of RM1.00 each in Landmarks Berhad ("Landmarks"), a company whose shares are listed on the Main Board of Bursa Malaysia, representing 16.65% of the total issued and paid-up capital of Landmarks for a total cash consideration of RM160.0 million. On 28 August 2006, Phoenix notified the relevant authorities pursuant to Section 69F(1) of the Companies Act, 1965, that it has acquired an additional 11,728,100 ordinary shares in Landmarks, thereby bringing its total shareholding in Landmarks to 19.10%.

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

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

i) On 9 March 2006, GIPLC announced that Genting International (UK) Limited ("GIUK"), a wholly-owned subsidiary of Palomino Star Limited, which in turn is a wholly-owned subsidiary of GIPLC, had entered into an agreement to acquire 50% in Coastbright Limited ("Coastbright"), the company which owns and operates the Maxims Casino in Kensington, from Stanley Leisure plc ("Stanley") for a total consideration of STG8.5m to be satisfied in cash. GIUK now owns 100% of Coastbright.

ii) On 26 May 2006, GPCL completed the following acquisitions:

The entire equity interests in MZW Holdings, Ltd and MZW Power Production Holding Co, Ltd from InterGen for a total cash consideration of USD100.0 million; and

Approximately 26.3% equity interest of Fujian Electric (Hong Kong) LDC from China Pacific Electric Limited for a total cash consideration of USD55.3 million.

With the completion of the acquisitions, GPCL is the sole owner of the Meizhou Wan Plant and its project management company.

Other than the above, there were no other material changes in the composition of the Group for the half year ended 30 June 2006.

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

Other than the disclosure of the material litigation made in Note 11 of Part II of this interim financial report, there were no other significant changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2005.

(m) **Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 30 June 2006 are as follows:

	RM'000
Contracted	408,184
Not contracted	630,681
	1,038,865
Analysed as follows:	
- Property, plant and equipment	699,228
- Drilling and exploration costs	212,315
- Investments	92,430
- Biological assets	26,094
- Others	8,798
	1,038,865

GENTING BERHAD

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA – 2ND QUARTER ENDED 30 JUNE 2006

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

1. **Review of Performance**

The comparison of the quarterly results are tabulated below:

	Current Quarter			Preceding Quarter		First half		
	2006 RM'million	2005 RM'million	% +/-	**1Q 2006 RM'million**	% +/-	**2006 RM'million**	2005 RM'million	% +/-
Revenue								
Leisure & Hospitality	**923.6**	827.6	+12	832.9	+11	**1,756.5**	1,626.2	+8
Plantation	**107.3**	106.7	+1	104.1	+3	**211.4**	201.9	+5
Property	**27.2**	22.0	+24	31.1	-13	**58.3**	37.9	+54
Manufacturing	**136.1**	126.7	+7	129.5	+5	**265.6**	248.4	+7
Power	**278.0**	153.7	+81	213.9	+30	**491.9**	334.5	+47
Oil & Gas	**34.1**	29.4	+16	36.6	-7	**70.7**	53.3	+33
Others *	**24.0**	6.2	>100	12.0	+100	**36.0**	18.7	+93
	1,530.3	1,272.3	+20	1,360.1	+13	**2,890.4**	2,520.9	+15
Profit before tax and unusual items								
Leisure & Hospitality	**401.3**	344.7	+16	299.3	+34	**700.6**	695.7	+1
Plantation	**34.7**	35.7	-3	41.9	-17	**76.6**	75.9	+1
Property	**5.5**	5.3	+4	7.7	-29	**13.2**	9.6	+38
Manufacturing	**14.0**	15.7	-11	14.5	-3	**28.5**	32.6	-13
Power	**103.5**	62.7	+65	94.3	+10	**197.8**	135.7	+46
Oil & Gas	**9.7**	18.1	-46	20.8	-53	**30.5**	29.7	+3
Others	**37.1**	54.8	-32	44.2	-16	**81.3**	41.1	+98
	605.8	537.0	+13	522.7	+16	**1,128.5**	1,020.3	+11
Interest income	**52.4**	32.2	+63	49.4	+6	**101.8**	63.9	+59
Finance cost	**(37.3)**	(39.6)	-6	(33.2)	+12	**(70.5)**	(82.8)	-15
Share of results in jointly controlled entities and associates	**(54.7)**	16.9	>100	(29.4)	+86	**(84.1)**	30.9	>100
Profit before tax	**566.2**	546.5	+4	509.5	+11	**1,075.7**	1,032.3	+4

***** *Included within this segment is the gain arising from sale of short term investments.*

The recognition method for sale of short term investments was changed in the fourth quarter of 2005 from that of recognising the gross proceeds received from the disposal of such investments to that of recognising the difference between the proceeds on sale from these investments and its carrying amount in line with Financial Reporting Standard No. 125, "Accounting for Investments". Hence the comparative for 30 June 2005 has been restated to be consistent with the current quarter's disclosure.

Quarter ended 30 June 2006 compared to quarter ended 30 June 2005

The Group registered a revenue of RM1,530.3 million in the current quarter compared to RM1,272.3 million in the previous year's corresponding quarter, which is an increase of 20%. Increased revenue is recorded from all the Divisions of the Group.

The increased revenue from the Leisure & Hospitality Division is mainly attributable to the higher volume of business.

Revenue from the Plantation Division has increased marginally mainly due to higher fresh fruit bunches ("FFB") production whilst higher progress billings from properties sold contributed to higher revenue from the Property Division.

The increased revenue from the Manufacturing Division is mainly due to the higher sales volume.

The power plants in China which were acquired by the Group in December 2005 and the 100%-owned Meizhou Wan Plant (which acquisition was completed in May 2006) contributed to the higher revenue of the Power Division this quarter. In addition, the revenue from the Malaysian power plant in the previous year's corresponding quarter had been lower as it had been affected by the major inspections carried out on all gas turbines as well as additional repair work on the steam turbine.

The higher average oil prices contributed to the higher revenue from the Oil & Gas Division.

Included in revenue of 'Others' is RM21.0 million arising from dividend income received from the Group's equity investments.

The Group's profit before tax for the current quarter is RM566.2 million, an increase of 4% compared to the previous year's corresponding quarter's profit before tax of RM546.5 million.

The profit before tax of all the operating Divisions increased in line with the higher revenue generated with the exception of the Plantation Division, Manufacturing Division and Oil & Gas Division.

The lower profit in the Plantation Division is mainly due to lower selling prices of palm products.

The lower profit in the Manufacturing Division is mainly due to the higher production costs incurred.

The lower profit in the Oil & Gas Division is mainly due to the higher amortisation of development expenditure, general and administrative expenses and levies incurred.

The lower profit from 'Others' is mainly due to the inclusion of the following in the previous year's corresponding quarter:

(a) A net surplus of RM25.8 million arising from additional compensation in respect of land previously acquired by the government from ADB.

(b) An amount of RM17.3 million arising from the difference in the redemption price of the NCL Holding ASA shares disposed by certain subsidiaries of the Group in November 2000 to Arrasas Limited.

(c) The above were set off by a higher dividend income received in the current quarter.

The share of results in jointly controlled entities and associates in the current quarter included a share of loss of RM57.5 million from Star Cruises Limited ("SCL") compared to a share of profit of RM8.4 million in the previous year's corresponding quarter.

Half year ended 30 June 2006 compared to half year ended 30 June 2005

The Group registered a revenue of RM2,890.4 million for the half year ended 30 June 2006 compared to RM2,520.9 million for the half year ended 30 June 2005, which is an increase of 15%. Increased revenue is recorded from all the Divisions of the Group.

The increased revenue from the Leisure & Hospitality Division is mainly attributable to the higher volume of business.

Increased revenue from the Plantation Division is due mainly to higher FFB production.

Higher progress billings from properties sold contributed to the increased revenue in the Property Division.

Higher revenue from the Manufacturing Division is mainly due to the higher volume sold.

The increased revenue from the Power Division was contributed mainly by the power plants in China. In addition, the revenue of the Malaysian power plant for the half year ended 30 June 2005 had been affected by the major inspections and maintenance work carried out on all the turbines.

Increased revenue from the Oil & Gas Division arose mainly from the higher average oil prices recorded for the half year ended 30 June 2006.

Included in revenue of ‘Others’ is RM24.3 million arising from dividend income.

The Group’s profit before tax for the half year ended 30 June 2006 is RM1,075.7 million compared to RM1,032.3 million for the half year ended 30 June 2005, an increase of 4%.

Increased profit is recorded from all the operating Divisions, which is in line with the higher revenue generated, with the exception of the Manufacturing Division.

The lower profit in the Manufacturing Division is mainly due to higher production costs incurred.

The profit from the Oil & Gas Division is maintained for the half year ended 30 June 2006 despite the higher revenue generated due mainly to the higher amortisation of development expenditure, general and administrative expenses and levies incurred.

Included in the profit of ‘Others’ for the half year ended 30 June 2006 is the dividend income of RM24.3 million and a net gain in foreign exchange of about RM50.0 million.

The share of results in jointly controlled entities and associates for the half year ended 30 June 2006 included a share of loss of RM104.0 million from SCL compared to a share of profit of RM14.1 million for the half year ended 30 June 2005.

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

The Group registered a profit before tax of RM566.2 million in the current quarter as compared to RM509.5 million in the preceding quarter, which is an increase of 11%.

The higher profit in the current quarter is mainly due to:

(a) The higher profit in the Leisure & Hospitality Division, due to the higher volume of business and improved luck factor in the premium player business.

(b) The higher profit in the Power Division in the current quarter arising mainly from the 100%-owned Meizhou Wan Plant (which acquisition was completed in May 2006).

The above increases have been set-off by the following:

(a) Lower profit from the Plantation Division mainly due to lower selling prices for palm products and the stepping up of manuring works. However, the impact from these were mitigated by the higher FFB production.

(b) Lower profit from the Property Division due to lower progress billings from properties sold.

(c) Lower profit from the Manufacturing Division due to higher costs of production.

(d) Higher amortisation of development expenditure, general and administrative expenses and levies incurred have resulted in a lower profit from the Oil & Gas Division.

(e) There is a higher share of loss in jointly controlled entities and associates in the current quarter amounting to RM54.7 million compared to a share of loss of RM29.4 million in the preceding quarter.

3. **Prospects**

In line with the government's continued policy to promote Malaysia as an international tourist destination and barring unforeseen circumstances, the Leisure & Hospitality Division's performance is expected to be satisfactory for the remaining period of the year.

Barring any unforeseen circumstances, the performance of the other Divisions in the Group is also expected to be satisfactory for the remaining period of the year.

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 half year ended 30 June 2006 are as set out below:

	Current quarter RM'000	**Current financial year-to-date RM'000**
Current taxation		
Malaysian income tax charge	145,110	265,407
Foreign income tax charge	9,732	25,789
	154,842	291,196
Deferred tax charge	6,943	14,698
	161,785	305,894
Prior period taxation		
Income tax under/(over) provided	297	(100,935)
Deferred tax (over)/under provided	(72)	1
Taxation charge	162,010	204,960

The effective tax rate of the Group for the current quarter and half year-ended 30 June 2006, before adjustments made in respect of net over provisions for the prior years' taxation is marginally higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

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

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

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

(a) The dealings in quoted securities for the current quarter and half year ended 30 June 2006 are as follows:

	Current quarter RM'000	**Current financial year-to-date RM'000**
Total purchases at cost	-	4,958
Total disposal proceeds	30,631	33,251
Total gain on disposal	3,392	3,524

The RM equivalent of purchases and disposals in respect of foreign currency quoted securities have been translated at the closing rate as at 30 June 2006 and weighted average rates respectively.

(b) The details of the investments in quoted shares, excluding subsidiaries and associates, as at 30 June 2006 are as set out below:

	RM'000
Total investments at cost	1,212,135
Total investments at book value	1,252,572
Total investments at market value	1,425,519

8. **Status of Corporate Proposals Announced**

(a) At the Annual General Meeting of the Company held on 21 June 2006, the shareholders of the Company approved the resolution pertaining to the renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital of the Company.

(b) On 13 May 2005, the Company announced that Genting Overseas Holdings Limited ("GOHL") had entered into a Share Sale and Purchase Agreement with GIPLC for the disposal of its entire equity interest in Sedby for a sale consideration of USD18.4 million, satisfied through the issuance of 104,545,455 new GIPLC shares. Sedby holds 80.0% equity interest in EGH.

Similarly, on 13 May 2005, RWB, through Commerce International Merchant Bankers Berhad, announced that Resorts World Limited ("RWL") had entered into a Share Sale and Purchase Agreement with GIPLC for the disposal of its entire equity interest in Geremi for a sale consideration of USD4.6 million, satisfied through the issuance of 26,136,364 new GIPLC shares. Geremi holds 20.0% equity interest in EGH.

The transactions above were completed on 30 June 2005 and Sedby and Geremi ceased to be subsidiaries of GOHL and RWL respectively on that date.

GIPLC has made an application to the Luxembourg Stock Exchange for the listing of the new GIPLC shares issued pursuant to the disposals by GOHL and RWL. The application is still outstanding as at 23 August 2006.

(c) The completion of the Share Sale Agreement entered into between Mastika Lagenda Sdn Bhd, an indirect 97.7% owned subsidiary of the Company, and Tenaga Nasional ("TNB") for the acquisition of TNB's 40% stake in Sepang Power Sdn Bhd is still outstanding as at 23 August 2006. TNB has in its results for the 4th quarter ended 31 August 2005 stated that the Share Sale Agreement has lapsed. However, the Company is not in agreement with TNB's statement and the matter is now being referred to the Ministry of Energy, Water and Communications, and the Economic Planning Unit of the Prime Minister's Department.

(d) In June 2005, ADB announced that 5 of its subsidiaries had entered into 5 separate Joint Venture Agreements for the cultivation of oil palm on approximately 98,300 hectares of land in Kabupaten Ketapang, Provinsi Kalimantan Barat, Indonesia ("the Land") ("the Proposed Joint Venture"). As at 23 August 2006, the Proposed Joint Venture is subject to the following conditions being fulfilled within 12 months from the date of the Joint Venture Agreements or such period as may be mutually extended by parties to the said agreements:

i) The letter of confirmation from the local government of Kabupaten Ketapang on the Proposed Joint Venture;

ii) The approval of Badan Koordinasi Penanaman Modal ("BKPM") or Investment Coordinating Board in Indonesia;

iii) The issuance of the Hak Guna Usaha certificates or Right/Title to Cultivate the Land;

iv) Due diligence study on the Land and the Joint Venture Companies; and

v) Any other approvals, licenses and permits required for the Proposed Joint Venture.

The period for the fulfillment of the above conditions has since been extended up to and including 8 June 2007.

On 23 August 2006, one of the Joint Venture Companies, namely, PT Sepanjang Intisurya Mulia had obtained the approval from BKPM.

Other than the above, there were no other corporate proposals announced but not completed as at 23 August 2006.

9. **Group Borrowings and Debt Securities**

The details of the Group's borrowings and debt securities as at 30 June 2006 are as set out below:

	Secured/ Unsecured	**Foreign Currency ’000**		**RM Equivalent ’000**
Short term borrowings	Secured	RMB	376,071	172,920
	Unsecured	USD	30,354	111,549
Long term borrowings	Secured	RMB	2,868,685	1,319,039
	Unsecured	USD	651,778	2,395,284

10. **Off Balance Sheet Financial Instruments**

As at 23 August 2006, the Group had the following off balance sheet financial instruments:

(a) Foreign Currency Contracts

Currency	Contract Amounts '000	Transaction Dates	Expiry Dates
Swiss Francs	201	31/07/2006	29/09/2006
Euro	1,806	21/03/2006 to 31/07/2006	30/08/2006 to 28/12/2006
US Dollars	281	17/08/2006	24/08/2006
Swedish Kroner	120	31/07/2006	29/09/2006

As the above foreign currency contracts are entered into to cover the Group's commitments in foreign currencies, the contracted rates will be used to translate the underlying foreign currency transactions into Ringgit Malaysia. The above contracts are entered into with licenced banks.

(b) USD Interest Rate Swap ("IRS") and Hedging Transactions

i) On 25 April 2001, the Group had drawndown a loan amounting to USD200 million which was subjected to a floating interest rate based on LIBOR. Of this amount, USD40 million was repaid on 25 April 2003 and a further USD80 million was repaid on 25 April 2005. The final repayment of USD80 million was made on 25 April 2006.

ii) On 27 November 2002, the Group had drawndown a loan amounting to USD53.0 million which was subjected to a floating interest rate based on LIBOR. Of these loans, USD13.25 million was repaid on 29 November 2004 and a further USD13.25 million was repaid on 28 November 2005.

The outstanding IRS agreements entered into by the Group in respect of the loan are as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Outstanding Contract Amounts USD'000
11 June 2003	27 May 2003	27/11/2006 to 27/11/2007	12,734
16 January 2004	28 May 2004	27/11/2006 to 27/11/2007	13,766
Total			26,500

The above IRS effectively swap the interest rate payable from floating rate to floating rate in arrears subjected to a cap on the LIBOR of 5% per annum from the respective effective dates of commencement of contracts and up to their respective maturity dates.

iii) On 29 May 2003, 24 November 2003 and 11 December 2003, the Group had drawndown loans amounting to a total of USD73.93 million which were subjected to floating interest rates based on LIBOR. Of these loans, a total of USD28.14 million has been repaid to-date.

The outstanding IRS agreements entered into by the Group in respect of the loan are as follows:

Transaction Date	Effective Date of Commencement	Maturity Dates	Outstanding Contract Amounts USD'000
28 November 2003	28 November 2003	29/11/2006 to 29/05/2008	11,032
12 April 2004	24 May 2004	24/11/2006 to 24/11/2008	13,500
12 April 2004	11 June 2004	11/12/2006 to 11/12/2008	3,881
13 April 2004	24 May 2004	24/11/2006 to 24/11/2008	13,500
07 May 2004	11 June 2004	11/12/2006 to 11/12/2008	3,881
Total			45,794

The above swaps effectively fix the interest rate payable on that tranche of the loan from the respective effective dates of commencement of contracts and up to their respective maturity dates as set out above.

These instruments are executed with creditworthy financial institutions and the Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The Group uses derivative financial instruments including interest rate swap and currency swap agreements in order to limit the Group's exposure in relation to its underlying debt instruments resulting from adverse fluctuations in interest rates or foreign currency exchange rates and to diversify sources of funding. The related interest differentials under the swap agreements are recognised over the terms of the agreements in interest expense.

11. **Changes in Material Litigation**

ADB and Asiatic Tanjung Bahagia Sdn Bhd ("ATBSB"), a wholly-owned subsidiary of ADB, had vide previous announcements informed ADB's shareholders on the status of the legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 wherein ADB and ATBSB were named as the Second and Third Defendants respectively ("the Suit"). The Suit was instituted by certain natives ("the Plaintiffs") claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah which was acquired by ATBSB from Hap Seng Consolidated Berhad ("HSCB") ("the Tongod Land"). Subsequently, the Plaintiffs had also applied for an interlocutory injunction to restrain ADB and ATBSB from entering, trespassing, clearing, using or occupying the Tongod Land or part thereof ("the Injunction").

ADB's solicitors maintain their opinion that the Plaintiffs' action is misconceived and unsustainable.

Other than the above litigation, the status of which remain unchanged, there were no other material litigations since the last financial year ended 31 December 2005 and up to 23 August 2006.

12. **Dividend Proposed or Declared**

(a) i) An interim dividend for the half year ended 30 June 2006 has been declared by the Directors.

ii) The interim dividend for the half year ended 30 June 2006 is 12.0 sen per ordinary share of 50 sen each, less 28% tax

iii) The interim dividend declared and paid for the previous year's corresponding period was 10.0 sen per ordinary share of 50 sen each, less 28% tax.

iv) The interim dividend shall be payable on 31 October 2006.

v) Entitlement to the interim dividend:

A Depositor shall qualify for entitlement to the interim dividend only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.00 pm on 6 October 2006 in respect of ordinary transfers; and

- Shares bought on Bursa Malaysia on a cum entitlement basis according to the rules of Bursa Malaysia.

(b) The total dividend payable for the half year ended 30 June 2006 is 12.0 sen per ordinary share of 50 sen each, less 28% tax.

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

(a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter and half year ended 30 June 2006 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)	272,056	579,533
Net impact on earnings on potential exercise of Employee Share Options awarded to executives of the Company's subsidiaries	(1,772)	(3,974)
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of Diluted EPS)	270,284	575,559

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and half year ended 30 June 2006 is as follows:

	Current Quarter No. of shares	**Current financial year-to-date No. of shares**
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic EPS)	705,385,414	705,375,523
Adjustment for share options granted under the ESOS to executives of Genting Berhad	2,236,118	2,177,831
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	707,621,532	707,553,354

TUN MOHAMMED HANIF BIN OMAR
Deputy Chairman
GENTING BERHAD
30 August 2006