GENTING BERHAD

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2014. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2014 RM'000	Preceding Year Corresponding Quarter 30/06/2013 RM'000	Current Year-To-Date 30/06/2014 RM'000	Preceding Year Corresponding Period 30/06/2013 RM'000
Continuing operations:				
Revenue	**4,408,788**	4,313,901	**9,102,155**	8,228,862
Cost of sales	**(2,908,302)**	(2,615,882)	**(5,693,987)**	(5,096,085)
Gross profit	**1,500,486**	1,698,019	**3,408,168**	3,132,777
Other income	**161,972**	207,996	**347,428**	404,451
Net fair value (loss)/gain on derivative financial instruments	**(8,748)**	13,253	**(26,897)**	65,262
Impairment losses	**-**	(11,257)	**-**	(11,292)
Other expenses	**(617,673)**	(558,253)	**(1,143,533)**	(1,196,469)
Finance cost	**(114,093)**	(112,726)	**(225,343)**	(225,327)
Share of results in joint ventures and associates	**9,042**	(10,912)	**35,401**	(9,983)
Profit before taxation	**930,986**	1,226,120	**2,395,224**	2,159,419
Taxation	**(234,226)**	(276,826)	**(589,605)**	(394,349)
Profit for the period from continuing operations	**696,760**	949,294	**1,805,619**	1,765,070
Discontinued operations:				
Profit/(loss) for the period from discontinued operations	**24,538**	(24)	**(8,902)**	23,640
Profit for the period	**721,298**	949,270	**1,796,717**	1,788,710
Profit attributable to:				
Equity holders of the Company	**372,066**	466,295	**869,597**	864,133
Holders of perpetual capital securities of a subsidiary	**75,285**	74,564	**150,727**	146,930
Non-controlling interests	**273,947**	408,411	**776,393**	777,647
	721,298	949,270	**1,796,717**	1,788,710

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CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014 (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2014 RM'000	Preceding Year Corresponding Quarter 30/06/2013 RM'000	Current Year-To-Date 30/06/2014 RM'000	Preceding Year Corresponding Period 30/06/2013 RM'000
Earnings/(loss) per share (sen) for profit attributable to equity holders of the Company:				
Basic				
- from continuing operations	**9.35**	12.62	**23.66**	22.75
- from discontinued operations	**0.66**	-	**(0.24)**	0.64
	10.01	12.62	**23.42**	23.39
Diluted				
- from continuing operations	**8.98**	12.60	**22.68**	22.71
- from discontinued operations	**0.64**	-	**(0.23)**	0.64
	9.62	12.60	**22.45**	23.35

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2014 RM'000	Preceding Year Corresponding Quarter 30/06/2013 RM'000	Current Year-To-Date 30/06/2014 RM'000	Preceding Year Corresponding Period 30/06/2013 RM'000
Profit for the period	**721,298**	949,270	**1,796,717**	1,788,710
Other comprehensive (loss)/income				
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value (loss)/gain	**(270,854)**	113,436	**(224,226)**	738,523
- Reclassification to profit or loss upon disposal	**-**	(4,577)	**(14,595)**	(17,754)
Cash flow hedges				
- Fair value loss	**(44,221)**	(1,090)	**(42,409)**	(201)
Share of other comprehensive (loss)/income of joint ventures and associates	**(1,355)**	1,722	**(955)**	2,989
Net foreign currency exchange differences	**(571,534)**	725,786	**(364,648)**	655,930
Other comprehensive (loss)/income for the period, net of tax	**(887,964)**	835,277	**(646,833)**	1,379,487
Total comprehensive (loss)/income for the period	**(166,666)**	1,784,547	**1,149,884**	3,168,197
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	**(230,137)**	987,001	**370,364**	1,746,481
Holders of perpetual capital securities of a subsidiary	**35,996**	129,598	**117,418**	159,737
Non-controlling interests	**27,475**	667,948	**662,102**	1,261,979
	(166,666)	1,784,547	**1,149,884**	3,168,197

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013).

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	As At 30 June 2014 RM'000	Audited As At 31 Dec 2013 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	**24,646,581**	24,570,177
Land held for property development	**419,755**	423,937
Investment properties	**1,577,164**	1,589,483
Plantation development	**1,552,922**	1,504,985
Leasehold land use rights	**269,143**	238,702
Intangible assets	**5,291,510**	5,329,979
Exploration costs	**2,025,066**	1,481,432
Joint ventures	**217,383**	205,782
Associates	**1,093,253**	844,010
Available-for-sale financial assets	**4,063,603**	3,936,123
Derivative financial instruments	**93,529**	112,075
Deferred tax assets	**261,217**	270,657
Other non-current assets	**1,854,557**	633,971
	43,365,683	41,141,313
CURRENT ASSETS		
Property development costs	**82,813**	56,138
Inventories	**392,634**	385,225
Trade and other receivables	**4,024,505**	3,993,083
Amounts due from joint ventures and associates	**4,340**	5,974
Financial assets at fair value through profit or loss	**3,868**	3,756
Available-for-sale financial assets	**5,877,240**	5,456,333
Derivative financial instruments	**35**	9,389
Restricted cash	**455,082**	420,096
Cash and cash equivalents	**16,128,156**	17,963,687
	26,968,673	28,293,681
Assets classified as held for sale	**1,911,426**	2,060,503
	28,880,099	30,354,184
TOTAL ASSETS	**72,245,782**	71,495,497
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**374,187**	371,948
Treasury shares	**(211,505)**	(210,884)
Reserves	**25,712,123**	25,152,996
	25,874,805	25,314,060
Perpetual capital securities of a subsidiary	**5,952,065**	5,985,555
Non-controlling interests	**19,778,124**	19,272,973
TOTAL EQUITY	**51,604,994**	50,572,588
NON-CURRENT LIABILITIES		
Long term borrowings	**10,394,115**	10,824,089
Deferred tax liabilities	**1,462,653**	1,486,018
Derivative financial instruments	**106,548**	22,637
Other non-current liabilities	**303,627**	309,534
	12,266,943	12,642,278
CURRENT LIABILITIES		
Trade and other payables	**4,022,640**	4,098,764
Amounts due to joint ventures and associates	**26,708**	57,846
Short term borrowings	**2,535,934**	2,561,348
Derivative financial instruments	**97,626**	35,476
Taxation	**579,874**	507,105
	7,262,782	7,260,539
Liabilities classified as held for sale	**1,111,063**	1,020,092
	8,373,845	8,280,631
TOTAL LIABILITIES	**20,640,788**	20,922,909
TOTAL EQUITY AND LIABILITIES	**72,245,782**	71,495,497
NET ASSETS PER SHARE (RM)	**6.96**	6.85

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013).

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	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 2014	371,948	1,195,504	1,144,413	307,147	2,093,948	(1,635)	161,929	20,251,690	(210,884)	25,314,060	5,985,555	19,272,973	50,572,588
Profit for the period	-	-	-	-	-	-	-	869,597	-	869,597	150,727	776,393	1,796,717
Other comprehensive loss	-	-	-	-	(204,926)	(41,725)	(245,327)	(7,255)	-	(499,233)	(33,309)	(114,291)	(646,833)
Total comprehensive (loss)/income for the period	-	-	-	-	(204,926)	(41,725)	(245,327)	862,342	-	370,364	117,418	662,102	1,149,884
Transfer due to realisation of revaluation reserve	-	-	-	(68)	-	-	-	68	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	971	-	971	-	61,972	62,943
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	-	37,972	37,972
Issue of shares upon exercise of warrants	2,239	209,497	(33,527)	-	-	-	-	-	-	178,209	-	-	178,209
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(265,615)	(265,615)
Buy-back of shares by the Company and subsidiaries	-	-	-	-	-	-	-	-	(621)	(621)	-	(2,229)	(2,850)
Perpetual capital securities distribution payable and paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	(150,908)	-	(150,908)
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	-	11,822	-	11,822	-	10,949	22,771
Balance at 30 June 2014	374,187	1,405,001	1,110,886	307,079	1,889,022	(43,360)	(83,398)	21,126,893	(211,505)	25,874,805	5,952,065	19,778,124	51,604,994

(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 2013).

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	←					Attributable to equity holders of the Company			→			
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Cash Flow Hedge Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Total RM'000	Perpetual Capital Securities of a Subsidiary RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2013	371,948	1,195,504	311,551	1,022,787	(2,028)	(951,297)	19,961,619	(210,319)	21,699,765	5,789,509	16,979,364	44,468,638
Profit for the period	-	-	-	-	-	-	864,133	-	864,133	146,930	777,647	1,788,710
Other comprehensive income/(loss)	-	-	-	410,632	(225)	472,018	(77)	-	882,348	12,807	484,332	1,379,487
Total comprehensive income/(loss) for the period	-	-	-	410,632	(225)	472,018	864,056	-	1,746,481	159,737	1,261,979	3,168,197
Transfer due to realisation of revaluation reserve	-	-	(4,174)	-	-	-	4,174	-	-	-	-	-
Effects arising from changes in composition of the Group	-	-	-	-	-	-	(8,911)	-	(8,911)	-	51,157	42,246
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	24,030	24,030
Buy-back of shares by the Company and subsidiaries	-	-	-	-	-	-	-	(100)	(100)	-	(2,062)	(2,162)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(278,032)	(278,032)
Perpetual capital securities distribution payable and paid by a subsidiary	-	-	-	-	-	-	-	-	-	(147,107)	-	(147,107)
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	10,169	-	10,169	-	9,379	19,548
Appropriation:												
Final dividend for financial year ended 31 December 2012	-	-	-	-	-	-	(124,693)	-	(124,693)	-	-	(124,693)
Balance at 30 June 2013	371,948	1,195,504	307,377	1,433,419	(2,253)	(479,279)	20,706,414	(210,419)	23,322,711	5,802,139	18,045,815	47,170,665

(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 2013).

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	Current Year-To-Date RM'000	Preceding Year Corresponding Period RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- Continuing operations	**2,395,224**	2,159,419
- Discontinued operations	**7,831**	35,427
	2,403,055	2,194,846
Adjustments for:		
Depreciation and amortisation	**898,302**	873,363
Impairment losses and write off of receivables	**368,080**	192,140
Finance cost	**252,542**	254,812
Assets written off	**86,603**	2,939
Net exchange loss/(gain) – unrealised	**61,761**	(41,818)
Net fair value loss/(gain) on derivative financial instruments	**26,897**	(65,262)
Interest income	**(173,027)**	(134,018)
Investment income	**(80,781)**	(26,984)
Share of results in joint ventures and associates	**(35,401)**	9,983
Gain on disposal of available-for-sale financial assets	**(14,595)**	(17,754)
Construction profit	**(5,194)**	(793)
Gain on deemed dilution of shareholdings in associate	**(5,965)**	(34,915)
Impairment losses	**-**	11,292
Other non-cash items	**44,428**	28,864
	1,423,650	1,051,849
Operating profit before changes in working capital	**3,826,705**	3,246,695
Net change in current assets	**(1,134,460)**	(109,209)
Net change in current liabilities	**(144,306)**	227,778
	(1,278,766)	118,569
Cash generated from operations	**2,547,939**	3,365,264
Tax paid (net of tax refund)	**(530,755)**	(538,066)
Retirement gratuities paid	**(3,282)**	(5,066)
Other operating activities	**(7,480)**	(10,383)
	(541,517)	(553,515)
NET CASH FROM OPERATING ACTIVITIES	**2,006,422**	2,811,749
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investments, intangible assets and other long term financial assets	**(2,620,120)**	(2,220,611)
Purchase of property, plant and equipment	**(1,041,837)**	(2,740,261)
Acquisition of an associate	**(254,655)**	-
Loan to an associate	**(253,148)**	-
Proceeds from disposal of investments	**1,151,898**	859,946
Interest received	**146,889**	135,529
Other investing activities	**2,968**	33,323
NET CASH USED IN INVESTING ACTIVITIES	**(2,868,005)**	(3,932,074)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings and transaction costs	**(1,144,642)**	(1,430,237)
Finance cost paid	**(235,863)**	(240,006)
Dividends paid to non-controlling interests	**(153,484)**	(155,962)
Perpetual capital securities distribution paid by a subsidiary	**(150,908)**	(147,107)
Restricted cash	**(13,203)**	(11,445)
Buy-back of shares by the Company and subsidiaries	**(2,850)**	(2,162)
Proceeds from bank borrowings	**691,188**	762,312
Proceeds from issue of shares upon exercise of warrants	**178,209**	-
Other financing activities	**63,058**	24,780
NET CASH USED IN FINANCING ACTIVITIES	**(768,495)**	(1,199,827)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,630,078)**	(2,320,152)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**18,308,692**	21,267,002
EFFECTS OF CURRENCY TRANSLATION	**(201,948)**	273,134
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**16,476,666**	19,219,984

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014 (Cont'd)

	Current Year-To-Date RM'000	Preceding Year Corresponding Period RM'000
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	**13,623,742**	16,946,953
Money market instruments	**2,504,414**	2,273,031
	16,128,156	19,219,984
Bank balances and deposits from discontinued operations (included in assets classified as held for sale)	**348,510**	-
	16,476,666	19,219,984
Net cash flow from discontinued operations is analysed as follows:		
Net cash from operating activities	**101,685**	191,396
Net cash used in investing activities	**(10,046)**	(38,281)
Net cash used in financing activities	**(77,725)**	(81,378)
Net cash flow	**13,914**	71,737

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013).

GENTING BERHAD

NOTES TO THE INTERIM FINANCIAL REPORT – SECOND QUARTER ENDED 30 JUNE 2014

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

(a) Accounting Policies and Methods of Computation

The interim report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements. The financial information for the six months ended 30 June 2014 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 2013. 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 2013 except for the adoption of new FRSs, amendments and IC Interpretations that are mandatory for the Group for the financial year beginning 1 January 2014:

- Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
- Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139	Novation of Derivatives and Continuation of Hedged Accounting
- IC Interpretation 21	Levies

The adoption of these new FRSs, amendments and IC Interpretations do 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").

Transitioning Entities were originally allowed to defer adoption of the new MFRS Framework for an additional one year. On 30 June 2012, MASB decided to allow Transitioning Entities to further defer the adoption of the MFRS for another year, thereby making the adoption of the MFRS Framework by Transitioning Entities mandatory for annual periods beginning on or after 1 January 2014. However, on 7 August 2013, MASB decided to extend the transitional period for another year, i.e. the adoption of the MFRS Framework by the Transitioning Entities will now be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 December 2015. 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 2014.

(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 2014, the Company issued 22,388,045 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 2014, the Company had purchased a total of 61,500 ordinary shares of 10 sen each of its issued share capital from the open market for a total consideration of RM0.6 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 of the Group and equity securities of the Company for the six months ended 30 June 2014.

(f) **Dividends Paid**

No dividend has been paid for the six months ended 30 June 2014.

(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 and loss, gain or loss on disposal of financial assets, gain or loss on deemed dilution of shareholdings in associates, 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.

The financial results of the power segment relate mainly to Jangi Wind Farm and the Banten Plant while that for the Meizhou Wan power plant has been reclassified and disclosed as "discontinued operations".

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

Segment analysis for the six months ended 30 June 2014 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**					
Continuing operations:													
Revenue													
Total revenue	3,150.8	4,090.8	683.0	509.6	8,434.2	511.5	87.6	599.1	381.3	124.6	4.9	82.0	9,626.1
Inter segment	(508.6)	(0.8)	-	-	(509.4)	-	-	-	-	(3.3)	(4.9)	(6.3)	(523.9)
External	2,642.2	4,090.0	683.0	509.6	7,924.8	511.5	87.6	599.1	381.3	121.3	-	75.7	9,102.2
Adjusted EBITDA	1,208.9	1,861.2	10.2	43.0	3,123.3	212.7	20.6	233.3	28.1	37.3	(22.8)	(21.4)	3,377.8

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

	RM'million
Adjusted EBITDA	3,377.8
Net fair value gain on financial assets at fair value through profit or loss	0.2
Net fair value loss on derivative financial instruments	(26.9)
Gain on disposal of available-for-sale financial assets	14.6
Gain on deemed dilution of shareholdings in associate	6.0
Others (include pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses)	(64.3)
EBITDA	3,307.4
Depreciation and amortisation	(898.3)
Interest income	176.0
Finance cost	(225.3)
Share of results in joint ventures and associates	35.4
Profit before taxation	**2,395.2**

* 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 RM351.5 million and RM346.3 million respectively, have been disclosed under the "Power" segment in the consolidated income statement for the six months ended 30 June 2014 thereby generating a construction profit of RM5.2 million.

(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					
Continuing operations:													
Segment Assets	4,363.0	19,108.9	3,806.1	5,124.1	32,402.1	1,380.8	1,769.2	3,150.0	1,541.4	2,714.3	2,427.3	11,880.8	54,115.9
Segment Liabilities	1,225.8	1,552.0	324.0	198.2	3,300.0	108.6	93.0	201.6	118.2	174.3	308.4	419.6	4,522.1

	RM'million
A reconciliation of segment assets to total assets is as follows:	
Segment assets	54,115.9
Interest bearing instruments	14,634.0
Joint ventures	217.4
Associates	1,093.3
Unallocated corporate assets	273.8
Assets classified as held for sale	1,911.4
Total assets	**72,245.8**
A reconciliation of segment liabilities to total liabilities is as follows:	
Segment liabilities	4,522.1
Interest bearing instruments	12,965.1
Unallocated corporate liabilities	2,042.5
Liabilities classified as held for sale	1,111.1
Total liabilities	**20,640.8**

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

During the six months ended 30 June 2014, acquisitions and disposals of property, plant and equipment by the Group were RM1,035.9 million and RM12.3 million respectively.

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

(a) On 13 November 2013, Fujian Electric (Hong Kong) LDC ("FEHK") signed a Sale and Purchase Agreement for the disposal of a 51% equity interest in Fujian Pacific Electric Company Limited ("FPEC"), a wholly owned subsidiary of FEHK to SDIC Power Holdings Co., Ltd. FPEC owns and operates the 724MW coal fired Meizhou Wan power plant in Putian, Fujian Province, China.

On 10 July 2014, the Company announced the completion of the disposal for a total cash consideration of RMB694 million and FPEC ceased to be an indirect subsidiary of the Company on the same date. Subsequent to the disposal, the financial results of the Meizhou Wan power plant will be accounted for as a joint venture from the third quarter of 2014.

(b) On 4 June 2014, Genting CDX Singapore Pte Ltd ("Genting CDX"), which is a 95% indirect subsidiary of the Company, signed a Sale and Purchase Agreement with Energy Development Corporation (China) Inc. ("EDC") to acquire EDC's 57% participating interest in the Chengdaoxi Block ("CDX") located in the shallow waters of Bohai Bay, China (the "Transaction"). Genting CDX took control of this participating interest in CDX, which is an oil producing field that is jointly operated by Genting CDX and the China Petrochemical Corporation, with effect from 1 July 2014. The total purchase price of the Transaction was USD186.1 million.

(c) On 18 July 2014, the Company announced that Newquest Resources Pte Ltd ("NRPL"), an indirect wholly owned subsidiary of the Company has on the same date, completed the acquisition of 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital in Lion Agriculture (Indonesia) Sdn Bhd (formerly known as LFIB Plantations Sdn Bhd) ("LAI") from Akurjaya Sdn Bhd ("Akurjaya") for a cash consideration of RM2.00 and a sum of RM6.9 million for taking over the existing shareholder loans extended to LAI ("Acquisition").

LAI has also on 18 July 2014, completed the acquisition of 95% equity interest comprising 17,100 ordinary shares of Indonesia Rp. 1,000,000 each in PT Varita Majutama ("PTVM"), an Indonesian company which has interest in approximately 52,000 hectares of plantation land in West Papua, Indonesia for a cash consideration of USD1.9 million and a sum of USD52.7 million for taking over the existing shareholder loans extended to PTVM. Arising from the Acquisition, LAI and PTVM have become indirect subsidiaries of the Company.

Other than the above, there were no other material events subsequent to the end of the six months ended 30 June 2014 that have not been reflected in this interim financial report.

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

On 7 February 2014, the Genting Singapore PLC ("GENS") Group, a 51.9% subsidiary of the Company, entered into a conditional shareholders agreement ("SHA") with Landing International Development Limited ("LIDL") to subscribe for 8,250,000 new ordinary shares in Landing Jeju Development Co., Ltd ("LJDC") for approximately SGD97.1 million and to provide a shareholders loan of approximately SGD97.1 million to LJDC. LIDL, an investment holding company listed on the Hong Kong Stock Exchange, has established LJDC to own, develop, manage and operate an integrated resort in Jeju, South Korea. The GENS Group has also entered into an operator agreement with LJDC on the same date to provide services to LJDC for its gaming business. Completion of the transaction is conditional upon fulfilment of certain conditions precedent set out in the SHA. On 27 March 2014, GENS announced that on 26 March 2014, all the conditions precedent under the SHA have been completed and LJDC is now recognised as an associate of GENS.

In addition to the above investment, the GENS Group has also entered into a conditional subscription agreement on the same date to acquire new shares in LIDL for a total purchase consideration of approximately SGD39.8 million. This represents approximately 5% of the enlarged share capital in LIDL. On 1 April 2014, GENS further announced that on 28 March 2014, all the conditions precedent under the subscription agreement have been satisfied and the subscription agreement was completed on 1 April 2014.

Other than the above, there were no other material changes in the composition of the Group for the six months ended 30 June 2014.

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

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2013.

(l) **Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 30 June 2014 are as follows:

	RM'million
Contracted	6,113.6
Not contracted	6,972.6
	13,086.2
Analysed as follows:	
i) Group	
- Property, plant and equipment	7,649.1
- Power concession assets (intangible assets and other non-current assets)	2,268.3
- Investments	1,119.0
- Drilling and exploration costs	1,055.7
- Oil & gas concession assets (intangible assets and other non-current assets)	483.0
- Plantation development	479.6
- Leasehold land use rights	21.7
- Investment properties	5.5
- Intellectual property development	0.5
	13,082.4
ii) Share of capital commitments in joint ventures	
- Investment properties	3.6
- Property, plant and equipment	0.2
	3.8
	13,086.2

(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 2014 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 2013 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.	109	217
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").	8	8
iv)	Provision of management services by Genting Awanpura Sdn Bhd, a wholly owned subsidiary of Genting Plantations Berhad ("GENP"), which is 54.1% subsidiary of the Company, to Genting Simon Sdn Bhd.	106	204
v)	Rental charges for premises by Genting Malaysia Berhad ("GENM"), which is 49.3% owned by the Company, to Oriregal Creations Sdn Bhd.	381	762
vi)	Licensing fee for the use of "Resorts World" and "Genting" intellectual property in the United States of America and the Bahamas charged by RWI Group to GENM Group.	13,625	26,858
vii)	Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by GENM Group to GENHK Group.	202	568
viii)	Provision of management and support services by GENM Group to SE Mass II, LLC.	1,105	2,394
ix)	Acquisition of aircraft by GENM Group from GENHK Group.	-	57,538
x)	Rental charges by Genting Development Sdn Bhd to GENM Group.	292	562
xi)	Provision of professional and marketing services by GENM Group to RWI Group.	3,410	9,644
xii)	Provision of hotel accommodation, food and beverage, theme park charges and management services by GENS Group to GENHK Group.	1,071	1,071

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

		Current quarter RM'000	Current financial year-to-date RM'000
Group			
xiii)	Air ticketing services and provision of reservation and booking services rendered by GENHK Group to GENS Group.	1,606	3,364
xiv)	Provision of goods and services by DCP (Sentosa) Pte Ltd to GENS Group.	20,349	38,324
xv)	Shareholders loan provided by GENS Group to its associate.	-	253,148
xvi)	Interest income earned by GENS Group from its associate.	3,323	3,323
xvii)	Leasing of office space by International Resort Management Services Pte Ltd from GENS Group.	447	447
Company			
i)	Licensing fees from the subsidiaries to the Company for the use of name and accompanying logo of "Genting" and "Awana" owned by the Company.	45,877	94,544
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.	95,264	201,595
iii)	Interest income earned by the Company from its subsidiaries on the interest bearing portion of the amount due from subsidiaries.	10,579	21,297
iv)	Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	57,392	114,505
v)	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.	1,016	2,218
vi)	Rental charges for office space and related services by a subsidiary of GENM.	676	1,356
vii)	Provision of management and/or support services by the Company to its subsidiaries, associates and joint ventures.	2,015	4,221

(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 2014, 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	3.9	-	-	3.9
Available-for-sale financial assets	4,716.5	4,490.6	733.7	9,940.8
Derivative financial instruments	-	93.6	-	93.6
	4,720.4	**4,584.2**	**733.7**	**10,038.3**
Financial liability				
Derivative financial instruments	**-**	**204.2**	**-**	**204.2**

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2013.

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

Available-for-sale financial assets	**RM'million**
As at 1 January 2014	668.9
Foreign exchange differences	(12.7)
Additions	75.6
Fair value changes – recognised in other comprehensive income	3.6
Disposal	(1.7)
As at 30 June 2014	**733.7**

There have been no transfers between the levels of the fair value hierarchy during the six months ended 30 June 2014.

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

1. Performance Analysis

The comparison of the results are tabulated below:

	Current Quarter 2014 RM'million	Current Quarter 2013 RM'million	% +/-	Preceding Quarter 1Q 2014 RM'million	% +/-	Six Months Ended 30 June 2014 RM'million	Six Months Ended 30 June 2013 RM'million	% +/-
Continuing operations:								
Revenue								
Leisure & Hospitality								
- Malaysia	1,281.0	1,461.8	-12	1,361.2	-6	2,642.2	2,805.7	-6
- Singapore	1,937.1	1,737.4	+11	2,152.9	-10	4,090.0	3,402.6	+20
- UK	301.5	509.6	-41	381.5	-21	683.0	773.1	-12
- US and Bahamas	253.0	228.4	+11	256.6	-1	509.6	454.6	+12
	3,772.6	3,937.2	-4	4,152.2	-9	7,924.8	7,436.0	+7
Plantation								
- Malaysia	262.9	208.6	+26	248.6	+6	511.5	423.1	+21
- Indonesia	46.2	26.4	+75	41.4	+12	87.6	40.9	>100
	309.1	235.0	+32	290.0	+7	599.1	464.0	+29
Power	199.2	63.1	>100	182.1	+9	381.3	110.4	>100
Property	65.2	70.2	-7	56.1	+16	121.3	201.5	-40
Oil & Gas	-	-	-	-	-	-	-	-
Investments & Others	62.7	8.4	>100	13.0	>100	75.7	17.0	>100
	4,408.8	4,313.9	+2	4,693.4	-6	9,102.2	8,228.9	+11
Profit before tax								
Leisure & Hospitality								
- Malaysia	569.6	695.5	-18	639.3	-11	1,208.9	1,173.3	+3
- Singapore	818.0	769.6	+6	1,043.2	-22	1,861.2	1,404.0	+33
- UK	(66.2)	73.1	>100	76.4	>100	10.2	97.3	-90
- US and Bahamas	28.3	85.1	-67	14.7	+93	43.0	165.9	-74
	1,349.7	1,623.3	-17	1,773.6	-24	3,123.3	2,840.5	+10
Plantation								
- Malaysia	101.2	53.2	+90	111.5	-9	212.7	98.3	>100
- Indonesia	7.0	2.6	>100	13.6	-49	20.6	2.6	>100
	108.2	55.8	+94	125.1	-14	233.3	100.9	>100
Power	18.4	19.0	-3	9.7	+90	28.1	27.0	+4
Property	17.3	25.1	-31	20.0	-14	37.3	63.5	-41
Oil & Gas	(8.8)	(10.2)	-14	(14.0)	-37	(22.8)	(19.5)	+17
Investments & Others	(62.6)	3.8	>100	41.2	>100	(21.4)	49.6	>100
Adjusted EBITDA	1,422.2	1,716.8	-17	1,955.6	-27	3,377.8	3,062.0	+10
Net fair value (loss)/gain on derivative financial instruments	(8.8)	13.3	>100	(18.1)	-51	(26.9)	65.3	>100
Net fair value gain/(loss) on financial assets at fair value through profit or loss	0.5	(0.3)	>100	(0.3)	>100	0.2	(0.3)	>100
Gain on disposal of available-for-sale financial assets	-	4.6	-100	14.6	-100	14.6	17.8	-18
Gain on deemed dilution of shareholdings in associate	6.0	34.9	-83	-	NM	6.0	34.9	-83
Loss on disposal of subsidiaries	-	-	-	-	-	-	(3.9)	-100
Impairment losses	-	(11.3)	-100	-	-	-	(11.3)	-100
Others	(33.0)	(53.9)	-39	(31.3)	+5	(64.3)	(75.9)	-15
EBITDA	1,386.9	1,704.1	-19	1,920.5	-28	3,307.4	3,088.6	+7
Depreciation and amortisation	(448.9)	(412.5)	+9	(449.4)	-	(898.3)	(825.1)	+9
Interest income	98.0	58.1	+69	78.0	+26	176.0	131.2	+34
Finance cost	(114.0)	(112.7)	+1	(111.3)	+2	(225.3)	(225.3)	-
Share of results in joint ventures and associates	9.0	(10.9)	>100	26.4	-66	35.4	(10.0)	>100
Profit before tax	931.0	1,226.1	-24	1,464.2	-36	2,395.2	2,159.4	+11

NM = Not meaningful

Quarter ended 30 June 2014 compared with quarter ended 30 June 2013

The Group recorded total revenue from continuing operations of RM4,408.8 million in the current quarter compared with RM4,313.9 million in the previous year's corresponding quarter, an increase of 2%.

Higher revenue from Resorts World Sentosa ("RWS") came mainly from the gaming business which recorded growth of 9% from higher rolling volume and win percentage in the premium player business. Consequently, the adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") of RWS increased compared with the previous year's corresponding quarter.

Lower revenue from Resorts World Genting ("RWG") in Malaysia in the current quarter was mainly due to lower hold percentage in the premium players business. Adjusted EBITDA, which was lower than that of the previous year's corresponding quarter, was mainly due to lower revenue and higher payroll costs.

Revenue from the casino business in the United Kingdom ("UK") declined by 41% mainly due to lower hold percentage and volume of business of its London casino operations. An adjusted loss before interest, tax, depreciation and amortisation was registered mainly due to the lower revenue mitigated by lower bad debt written off in the current quarter.

Higher revenue from the leisure and hospitality business in the United States of America ("US") and Bahamas was mainly due to the commencement of operations of Resorts World Bimini in Bahamas ("Bimini operations") on 28 June 2013. However, lower adjusted EBITDA was recorded by the segment due to the loss suffered by the Bimini operations which arose from the operational challenges as a result of the infrastructure and hotel capacity constraints at Bimini. In addition, Resorts World Casino New York City ("RWNYC") recorded lower adjusted EBITDA primarily due to higher payroll costs.

The Plantation Division's revenue and adjusted EBITDA increased by 32% and 94% respectively in the current quarter mainly due to stronger palm product selling prices and higher FFB production registered by the Malaysia and Indonesia plantation segments. In addition, overall input costs reduced due to substantially lower fertiliser prices while other input costs remained generally steady.

Increased revenue from the Power Division in the current quarter was mainly from the construction revenue of the 660MW coal-fired Banten Plant in Indonesia. However, adjusted EBITDA is marginally lower due to the lower generation by the Jangi Wind Farm in Gujarat, India.

The Group's profit before tax from continuing operations was RM931.0 million, a decrease of 24% compared with RM1,226.1 million generated in the previous year's corresponding quarter. The decrease was mainly due to lower adjusted EBITDA recorded by the leisure and hospitality business in Malaysia, the UK, the US and Bahamas.

The results of the Meizhou Wan power plant continued to be disclosed as "profit/(loss) from discontinued operations" for the current quarter following the signing of a Sale & Purchase Agreement ("SPA") on 13 November 2013 for the disposal of a 51% shareholding in Fujian Pacific Electric Company Limited ("FPEC"). Similarly, the assets and liabilities have been reclassified and disclosed as "Assets/Liabilities classified as held for sale" in the Statement of Financial Position. The sale was subsequently completed on 10 July 2014 as disclosed in Note (i)(a) in Part 1 of this interim financial report.

Six months ended 30 June 2014 compared with six months ended 30 June 2013

Total revenue from continuing operations for the current six months was RM9,102.2 million compared with RM8,228.9 million in the previous year's six months, an increase of 11%.

Increased revenue and adjusted EBITDA from RWS was mainly due to a healthy growth in the rolling volume and win percentage of the premium players business.

Revenue from RWG for the current six months decreased mainly due to lower hold percentage in the premium players business. However, adjusted EBITDA has increased marginally compared with that of the previous year's six months despite higher payroll costs. The previous year's six months adjusted EBITDA had included contributions in support of the Group's social responsibility efforts.

Revenue from the leisure and hospitality business in the UK was lower mainly due to lower hold percentage of its London casino operations despite higher volume of business. As a result, adjusted EBITDA in the current six months was significantly lower mainly due to the lower revenue mitigated by lower bad debt written off.

Higher revenue was recorded from the leisure and hospitality business in the US and Bahamas, mainly contributed by the commencement of the Bimini operations. However, adjusted EBITDA decreased mainly due to operational challenges of Bimini operations which suffered a loss and lower adjusted EBITDA from RWNYC due to lower revenue and higher payroll costs.

Revenue from the Plantation Division increased by 29% mainly due to stronger palm product selling prices and higher FFB production. Consequently, adjusted EBITDA more than doubled due to the higher revenue and lower input costs arising mainly from lower fertiliser prices.

Higher revenue from the Power Division was mainly due to recognition of the construction revenue from the Banten Plant in Indonesia.

Lower revenue and adjusted EBITDA from the Property Division were mainly attributable to the absence of sizeable land sales from the GENP Group's property segment in the current six months.

The Group's profit before tax from continuing operations for the current six months was RM2,395.2 million, an increase of 11% compared with RM2,159.4 million in the previous year. The increase was mainly due to the higher adjusted EBITDA from the respective divisions.

The results of the Meizhou Wan power plant continued to be disclosed as "profit/(loss) from discontinued operations" for the current six months following the signing of a SPA on 13 November 2013 for the disposal of a 51% shareholding in FPEC. Similarly, the assets and liabilities have been reclassified and disclosed as "Assets/Liabilities classified as held for sale" in the Statement of Financial Position. The sale was subsequently completed on 10 July 2014 as disclosed in Note (i)(a) in Part 1 of this interim financial report.

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

The Group's profit before tax from continuing operations for the current quarter was RM931.0 million, a decrease of 36% compared with RM1,464.2 million recorded in the preceding quarter.

The lower adjusted EBITDA from RWS was mainly due to the lower rolling volume in the premium player business in the current quarter.

Lower revenue and higher other operating expenses of RWG in the current quarter compared with the preceding quarter resulted in a lower adjusted EBITDA this current quarter. This was mitigated by lower costs relating to premium players business.

The UK Division suffered an adjusted loss before interest, tax, depreciation and amortisation in the current quarter mainly due to lower revenue and higher bad debt written off in the current quarter.

The leisure and hospitality business in the US and Bahamas registered a higher EBITDA in the current quarter compared with the preceding quarter mainly due to higher volume of business from RWNYC operations.

Lower adjusted EBITDA from the Plantation Division in the current quarter arose from lower palm product selling prices. In addition, FFB production eased moderately while fertiliser expenditure incurred was higher as manuring was stepped up in view of more favourable weather conditions.

* *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	*14 August 2014*
Genting Plantations Berhad	*27 August 2014*
Genting Malaysia Berhad	*28 August 2014*

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 outdoor theme park, Arena of Stars and certain sections of the First World Plaza at RWG have been closed to facilitate the upgrading and expansion plans in relation to the Genting Integrated Tourism Plan. The upgrading works for the Arena of Stars are expected to complete by November 2014. Despite the closures, the GENM Group expects its core business to remain resilient and continues to develop plans to boost visitations to RWG through new fun and exciting indoor activities, attractions and events. The GENM Group will also continue to optimize operational efficiencies, further enhance its yield management initiatives and increase marketing efforts to grow its mid and premium core business segments;

(b) GENS is focused on delivering sustainable returns at RWS for the rest of this year. RWS's revenue grew year-on-year, as it attracted good quality foreign visitors and the premium segment continued to perform well. Its attractions remain the benchmark for regional competitors and a magnet for visitors from all around the world.

GENS's Jurong hotel development is progressing well and is on schedule for a soft opening in the second quarter of 2015;

(c) The UK economy has continued to show positive signs of recovery in the first half of this year. The GENM Group remains committed to further grow its premium players business and it expects higher volumes to mitigate the volatility of the high roller market at the London casinos. The GENM Group is also continuing the re-vitalisation of its business in the domestic markets against a backdrop of a broadly flat market. Construction and development of Resorts World Birmingham continues and it is expected to open in the second quarter of 2015;

(d) In the US, RWNYC continues to deliver encouraging results and grow its market share in the State of New York. The GENM Group will continue to develop its marketing initiatives to increase and attract new visitations and to grow its customer database. In Bimini, the business operations have yet to reach the expected level with the ongoing expansion of its infrastructure and capacity. The opening of the deep water jetty and new luxury hotel by end of 2014 will improve accessibility and room capacity. With these, the visitations to Bimini are expected to grow;

(e) The continuing recognition of construction revenue and profit in accordance with FRS 111 “Construction Contracts” during the construction period of the Banten Power Plant in West Java, Indonesia, as per the requirement under IC Interpretation 12 “Service Concession Arrangements” will contribute to the overall performance of the Power Division;

(f) For the second half of the year, the GENP Group’s performance will continue to be influenced by external developments, including world palm oil price movements, the impact of changes in weather conditions on crop production trends, property market conditions, input cost factors as well as currency exchange rates.

The GENP Group’s FFB production growth, having increased year-to-date by a double-digit percentage, will continue to be primarily determined by the performance of the estates in Indonesia as young areas progress into higher yielding brackets and additional plantings mature over the course of the remainder of the year. Nevertheless, GENP Group’s Peninsular Malaysia estates may be affected in the latter part of the year by the lagged impact on production arising from the dry weather experienced earlier in 2014.

Meanwhile, the Property segment of the GENP Group will remain focused on development in Johor, where new residential property offerings are expected to be launched in the coming months to cater to market demand; and

(g) To date, the Oil & Gas Division has completed the drilling of seven wells in West Papua which led to the Asap, Merah and Kido oil and gas discoveries respectively. Well testing is on going to assess the oil and gas potential in Asap-4X and Kido-1X wells. Continuing drilling activities are currently taking place in Foroda and Bedidi Deep in order to prove up more oil and gas reserves.

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 from continuing operations for the current quarter and six months ended 30 June 2014 are set out below:

	Current quarter RM'000	**Current financial year-to-date RM'000**
Current taxation		
Malaysian income tax charge	154,174	332,090
Foreign income tax charge	126,241	288,606
	280,415	620,696
Deferred tax credit	(45,276)	(31,252)
	235,139	589,444
Prior period taxation		
Income tax (over)/under provided	(913)	161
	234,226	589,605

The effective tax rate of the Group before adjustments in respect of prior period taxation for the current quarter ended 30 June 2014 is higher than the Malaysian statutory income tax rate mainly due to expenses not deductible for tax purposes partially offset by income subjected to lower tax rates in certain jurisdictions.

The effective tax rate of the Group before adjustments in respect of prior period taxation for the six months ended 30 June 2014 is lower than the Malaysian statutory income tax rate mainly due to income subjected to lower tax rates in certain jurisdictions partially offset by expenses not deductible for tax purposes.

6. **Profit Before Taxation**

Profit before taxation from continuing operations 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	114,093	225,343
Depreciation and amortisation	448,914	898,302
Loss on disposal of property, plant and equipment	16	114
Impairment loss and write off of receivables	214,887	368,080
Inventories written off	111	1,607
Net fair value loss on derivative financial instruments	8,748	26,897
Net foreign exchange loss	99,582	55,058
Credits:		
Interest income	97,985	175,954
Investment income	67,241	80,781
Net gain on disposal of quoted available-for-sale financial assets	-	14,595
Gain on deemed dilution of shareholdings in associate	5,965	5,965

7. **Status of Corporate Proposals Announced**

Joint venture for the development and cultivation of oil palm plantation of approximately 69,000 hectares located at Kabupaten Kapuas and Barito Selatan, Kalimantan Tengah, Republic of Indonesia ("Joint Venture")

With reference to GENP's announcement dated 13 April 2012, 5 July 2012, 3 October 2012, 9 October 2012, 29 March 2013 and 27 September 2013 in respect of the Joint Venture, GENP had on 27 March 2014 announced that both parties under the Joint Venture have mutually agreed to extend the undertaking by Global Agrindo Investment Company Limited ("Vendor") to deliver the additional planted area of 2,982 ha and to procure all necessary permits for another six months to not later than 27 September 2014.

The parties in the Conditional Sale and Purchase Agreement ("PT UAI CSPA") in relation to the proposed acquisition of 95% equity interest in PT United Agro Indonesia by Universal Agri Investment Pte Ltd from affiliates of the Vendor had on 27 March 2014, at the request of the affiliates of the Vendor, mutually agreed to extend the period for fulfillment of the obligations to obtain all requisite licenses, permits or approvals for a further period of six months to not later than 18 September 2014.

The PT UAI CSPA is still conditional as at 20 August 2014.

Other than the above, there were no other corporate proposals announced but not completed as at 21 August 2014.

8. **Group Borrowings and Debt Securities**

The details of the Group's borrowings and debt securities as at 30 June 2014 are as set out below:

	Secured/ Unsecured	**Foreign Currency 'million**		**RM Equivalent 'million**
Short term borrowings	Secured	SGD	517.1	1,333.3
	Secured	USD	73.5	236.8
	Unsecured	USD	299.6	965.8
Long term borrowings	Secured	SGD	1,461.6	3,768.8
	Secured	USD	685.5	2,209.7
	Unsecured	GBP	149.2	820.4
	Unsecured			3,595.2

9. **Outstanding Derivatives**

As at 30 June 2014, 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**
Cross Currency Swaps		
USD	281.8	
- Less than 1 year		(3.5)
- 1 year to 3 years		0.9
- More than 3 years		90.6
SGD	154.7	
- 1 year to 3 years		(6.0)
- More than 3 years		(6.1)
Interest Rate Swaps		
USD	1,854.3	
- 1 year to 3 years		(48.4)
- More than 3 years		(45.2)
GBP	181.5	
- More than 3 years		2.0
Interest Rate Capped Libor-In-Arrears Swap		
USD	193.4	
- Less than 1 year		(1.6)
- 1 year to 3 years		(0.7)
Forward Foreign Currency Exchange		
USD	509.2	
- Less than 1 year		(2.9)
SGD	77.1	
- 1 year to 3 years		(0.1)
Compound Financial Instruments		
USD	3,626.4	
- Less than 1 year		(89.6)

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2013:

(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 2014 are as follows:

Type of financial liabilities	Current quarter fair value gain/(loss) RM'million	Current financial year-to-date fair value gain/(loss) RM'million	Basis of fair value measurement	Reasons for the gain/(loss)
Interest Rate Swaps	2.7	(31.5)	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.
Compound Financial Instruments	3.4	40.1	The fair value of the derivatives is determined by using valuation techniques and the assumptions are based on the market rates at the date of purchase for initial recognition, and at each reporting date for subsequent measurement.	The market rates at the reporting date have moved favourably for the Group.
Cross Currency Swaps	0.6	(3.4)	Differential between the interest and foreign exchange rates of the fixed contracted rates against the current market fixing rates at each reporting period.	The market rates at the reporting date have moved unfavourably for the Group.
Forward Foreign Currency Exchange Contracts	(3.3)	(3.3)	Foreign exchange differential between the contracted rate and the market forward rate	The foreign exchange rates differential between the contracted rate and the market forward rate from the last measurement date up to the respective maturity dates of the forward contracts have moved unfavourably for the Group.

11. **Changes in Material Litigation**

On the status of the legal suit No. K22-245 of 2002 with regards to the claim for 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, the Court of Appeal had on 9 June 2011, upheld the decision of the High Court and dismissed the Plaintiffs' appeal against the preliminary objection raised by the Defendants (the "Court of Appeal's Ruling").

Subsequently, the Plaintiffs had filed a motion for leave to appeal before the Federal Court against the Court of Appeal's Ruling ("Federal Court Appeal") and the Federal Court granted the Plaintiffs leave for appeal on 25 July 2011.

The Federal Court had on 24 November 2011 heard and allowed the Federal Court Appeal. The Federal Court further ordered that the matter be remitted to the High Court to hear the Appeal for the Application to Strike Out.

The High Court had on 13 March 2012 dismissed the Appeal for Application to Strike Out with cost ("High Court Decision") and ordered the parties to proceed with trial. Subsequently, GENP and Genting Tanjung Bahagia Sdn Bhd, its wholly owned subsidiary, being the Second and Third Defendants respectively had on 17 April 2012 filed a Notice of Appeal against the High Court Decision. The Court of Appeal heard the appeal on 8 May 2013. On 9 May 2013, the Court of Appeal dismissed the appeal. The Defendants' motion for leave to appeal to the Federal Court was dismissed with costs on 25 February 2014 and the Federal Court directed that trial at the High Court should continue.

On an application by the Plaintiffs, the High Court has allowed the Plaintiffs' application to amend the Statement of Claim and for joinder of 3 additional parties as the Sixth, Seventh and Eighth Defendants, namely the Assistant Collector of Land Revenue, Tongod, the Registrar of Titles and Assistant Collector of Land Revenues, Kota Kinabatangan.

The High Court had proceeded with trial since 26 November 2012 and the trial is still ongoing.

Other than the above, there have been no changes to the status of the aforesaid litigation as at 20 August 2014.

There were also no other pending material litigations since the last financial year ended 31 December 2013 and up to 21 August 2014.

12. **Dividend Proposed or Declared**

(a) (i) An interim single-tier dividend of 1.0 sen per ordinary share of 10 sen each in respect of the financial year ending 31 December 2014 has been declared by the Directors.

(ii) No interim dividend had been declared and paid for the previous year's corresponding period.

(iii) The interim single-tier dividend shall be payable on 27 October 2014.

(iv) Entitlement to the interim single-tier dividend:

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

(i) Shares transferred into the Depositor's Securities Account before 4.00 pm on 30 September 2014 in respect of ordinary transfers: and

(ii) Shares bought on Bursa Securities on a cum entitlement basis according to the Main Market Listing Requirements of Bursa Securities.

(b) The total single-tier dividend payable for the financial year ending 31 December 2014 is 1.0 sen per ordinary share of 10 sen each.

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 six months ended 30 June 2014 is as follows:

	Current quarter		
	Continuing operations RM'000	**Discontinued operations RM'000**	**Total RM'000**
Profit for the current quarter attributable to equity holders of the Company (used as numerator for the computation of Basic EPS)	347,528	24,538	372,066
Net impact on earnings on potential exercise of Employee Share Options and Performance Share Scheme awarded to executives of the Company's subsidiary and warrants issued to shareholders of the Company's subsidiary	(864)	-	(864)
Profit for the current quarter attributable to equity holders of the Company (used as numerator for the computation of Diluted EPS)	346,664	24,538	371,202

	Current financial year-to-date		
	Continuing operations RM'000	**Discontinued operations RM'000**	**Total RM'000**
Profit/(loss) for the current financial year-to-date attributable to equity holders of the Company (used as numerator for the computation of Basic EPS)	878,499	(8,902)	869,597
Net impact on earnings on potential exercise of Employee Share Options and Performance Share Scheme awarded to executives of the Company's subsidiary and warrants issued to shareholders of the Company's subsidiary	(2,793)	-	(2,793)
Profit/(loss) for the current financial year-to-date attributable to equity holders of the Company (used as numerator for the computation of Diluted EPS)	875,706	(8,902)	866,804

(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 six months ended 30 June 2014 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)	3,716,897	3,712,534
Adjustment for potential conversion of warrants	142,411	148,595
Weighted average number of ordinary shares in issue (used as denominator for the computation of Diluted EPS)	3,859,308	3,861,129

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

The breakdown of the retained profits of the Group as at 30 June 2014, 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	30,202.8	28,735.9
- Unrealised	(1,177.7)	(766.8)
	29,025.1	27,969.1
Total share of retained profits/(accumulated losses) from associates:		
- Realised	410.5	394.8
- Unrealised	(18.1)	(22.8)
Total share of retained profits from joint ventures:		
- Realised	67.8	55.2
	29,485.3	28,396.3
Less: Consolidation adjustments	(8,358.4)	(8,144.6)
Total Group retained profits	21,126.9	20,251.7

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 21 August 2014, KHR and the PACs collectively hold 1,698,531,090 voting shares and 424,632,772 warrants in the Company representing approximately 45.70% and 57.24% 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 51.27% 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 2013 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 28 August 2014.