



PRESS RELEASE

For Immediate Release

GENTING PLANTATIONS REPORTS SECOND QUARTER AND FIRST HALF 2020 FINANCIAL RESULTS

KUALA LUMPUR, Aug 26 – Genting Plantations Berhad today reported its financial results for the second quarter (“2Q 2020”) and first half (“1H 2020”) ended 30 June 2020.

The Group’s revenue for 2Q 2020 improved year-on-year underpinned by the higher palm products prices which eclipsed the lower sales registered by the Property and Downstream Manufacturing segments. On the other hand, the Group registered a year-on-year decline in revenue for 1H 2020 as the combined effects of lower FFB production, lower property sales and softer demand for biodiesel and refined palm products outstripped the impact of higher palm products prices.

The Group’s achieved crude palm oil price in 2Q 2020 and 1H 2020 were RM2,325 per metric tonne (“mt”) and RM2,465 per mt respectively, whilst palm kernel price in 2Q 2020 and 1H 2020 were RM1,295 per mt and RM1,439 per mt respectively.

The Group’s FFB production in 2Q 2020 and 1H 2020 declined year-on-year largely due to the lagged effect of dry weather conditions in 2019 which crimped crop output this year.

EBITDA for the Plantation segment for 2Q 2020 and 1H 2020 improved year-on-year, with the impact of higher palm products selling prices outweighing the lower FFB production.

EBITDA for the Property segment for 2Q 2020 and 1H 2020 were higher year-on-year despite the lower revenue, mainly due to the gain derived from sale of an investment property.

The Biotechnology segment incurred lower year-on-year losses for 2Q 2020 and 1H 2020 in tandem with its lower research and development expenditure.

The Downstream Manufacturing segment posted a year-on-year decline in EBITDA for 2Q 2020 and 1H 2020, with both its biodiesel and refinery operations registering lower sales and capacity utilisation along with margin compression.

The Group’s prospects for the second half of 2020 (“2H 2020”) will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the Group’s FFB production.

The Group expects palm products prices to be primarily influenced by factors such as the demand and supply dynamics of palm oil and substitute oils and fats, global economic conditions and the implementation of higher biodiesel mandates by Indonesia and Malaysia. These factors are in turn contingent on the impact from the COVID-19 pandemic.

Barring any weather anomalies, the Group expects FFB production to register an improvement in 2H 2020 underpinned by a recovery in crop output from the lagged effect of drought in 2019. Notwithstanding the crop recovery in 2H 2020, production for the full year of 2020 is anticipated to at best match the level attained in 2019.

The Property segment's performance in 2H 2020 is expected to be constrained by the uncertain economic outlook weighing on purchasers' sentiments. Separately, the patronage and sales of both the Premium Outlets® have shown encouraging recovery towards the end of 2Q 2020 and is likely to improve in 2H 2020 subject to the COVID-19 pandemic situation.

The Biotechnology segment will continue developing commercial solutions and applications to enhance the yield and productivity of oil palm.

The outlook for the Downstream Manufacturing segment for the rest of this year remains challenging as demand for its products is expected to remain uncertain in the wake of the COVID-19 pandemic and the prevailing unfavourable palm oil gas oil ("POGO") spread.

The Board of Directors has declared an interim single-tier dividend of 6.0 sen per ordinary share. In comparison, the interim single-tier dividend declared for the corresponding period of 2019 amounted to 3.5 sen per ordinary share.

A summary of the quarterly results is shown in Table 1.

TABLE 1:

RM' Million	2Q 2020	2Q 2019	%	1H 2020	1H 2019	%
Revenue						
Plantation	325.7	253.4	+29	665.8	594.3	+12
Property	3.6	31.2	-88	28.9	53.8	-46
Biotechnology	0.4	-	-	0.5	-	-
Downstream Manufacturing	333.5	343.9	-3	678.4	742.4	-9
	663.2	628.5	+6	1,373.6	1,390.5	-1
Inter segment	(118.9)	(102.8)	-16	(260.3)	(243.1)	-7
Revenue - external	544.3	525.7	+4	1,113.3	1,147.4	-3
Adjusted EBITDA						
Plantation	100.8	64.2	+57	219.3	171.2	+28
Property	7.2	6.8	+6	12.7	10.6	+20
Biotechnology	(1.5)	(4.5)	+67	(4.7)	(8.2)	+43
Downstream Manufacturing	1.9	12.6	-85	16.0	34.6	-54
Others*	3.8	5.5	-31	16.9	3.7	>100
	112.2	84.6	+33	260.2	211.9	+23
EBITDA	111.9	87.5	+28	266.9	214.6	+24
Profit before tax	38.8	25.9	+50	129.5	85.8	+51
Profit for the financial period	30.9	18.3	+69	101.6	60.4	+68
Basic EPS (sen)	2.52	2.55	-1	12.70	7.69	+65

**Changes in the "Others" category mainly reflect the impact from foreign currency translation position arising from foreign exchange movements.*

About Genting Plantations Berhad

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 64,600 hectares in Malaysia and some 178,200 hectares (including the *Plasma* scheme) in Indonesia held through joint ventures. It owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 580 metric tonnes per hour. In addition, the Group has ventured into the manufacturing of downstream palm-based products.

Genting Plantations has also diversified into property development to unlock the value of its strategically-located landbank and has invested significantly in biotechnology in a major effort to apply genomics-based solutions to increase crop productivity and sustainability.

For more information, visit www.gentingplantations.com.

~ END OF RELEASE ~

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2020. The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2020 RM'000	Preceding Year Corresponding Quarter 30/06/2019 RM'000	Current Year To-Date 30/06/2020 RM'000	Preceding Year Corresponding Period 30/06/2019 RM'000
Revenue	544,318	525,744	1,113,356	1,147,440
Cost of sales	(464,475)	(451,572)	(899,890)	(950,984)
Gross profit	79,843	74,172	213,466	196,456
Other income	21,748	17,761	42,265	30,425
Other expenses	(43,397)	(53,617)	(103,942)	(107,448)
Other gains/(losses)	(670)	1,834	9,598	(3,660)
Profit from operations	57,524	40,150	161,387	115,773
Finance cost	(22,957)	(26,139)	(44,400)	(52,570)
Share of results in joint ventures and associates	4,228	11,920	12,500	22,636
Profit before taxation	38,795	25,931	129,487	85,839
Taxation	(7,916)	(7,612)	(27,918)	(25,460)
Profit for the financial period	30,879	18,319	101,569	60,379
Profit/(loss) attributable to:				
Equity holders of the Company	22,637	20,744	113,933	62,428
Non-controlling interests	8,242	(2,425)	(12,364)	(2,049)
	30,879	18,319	101,569	60,379
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	2.52	2.55	12.70	7.69
- Diluted	2.52	2.55	12.70	7.69

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2020 RM'000	Preceding Year Corresponding Quarter 30/06/2019 RM'000	Current Year To-Date 30/06/2020 RM'000	Preceding Year Corresponding Period 30/06/2019 RM'000
Profit for the financial period	30,879	18,319	101,569	60,379
Other comprehensive income/(loss), net of tax:				
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedge				
- Fair value changes	3,570	(885)	23,556	(3,564)
- Reclassifications	(13,035)	(1,119)	(2,065)	(1,435)
	(9,465)	(2,004)	21,491	(4,999)
Foreign currency translation differences	303,541	27,656	(3,409)	44,569
	294,076	25,652	18,082	39,570
Total comprehensive income for the financial period	324,955	43,971	119,651	99,949
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	274,524	44,947	140,601	91,001
Non-controlling interests	50,431	(976)	(20,950)	8,948
	324,955	43,971	119,651	99,949

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	AS AT 30/06/2020 RM'000	Audited AS AT 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,292,959	4,365,549
Land held for property development	245,470	243,580
Investment properties	22,775	23,052
Right-of-use assets	972,868	963,141
Intangible assets	40,366	32,558
Joint ventures	207,781	196,453
Associates	11,308	10,136
Financial assets at fair value through profit or loss	3,490	3,263
Other non-current assets	154,816	50,312
Deferred tax assets	70,340	78,965
	<u>6,022,173</u>	<u>5,967,009</u>
Current assets		
Property development costs	11,597	45,681
Inventories	252,398	253,844
Produce growing on bearer plants	5,207	6,901
Tax recoverable	5,556	11,156
Trade and other receivables	694,143	613,150
Amounts due from joint ventures, associates and other related companies	2,733	4,436
Derivative financial assets	2,936	1,141
Financial assets at fair value through profit or loss	600,080	600,000
Cash and cash equivalents	794,590	955,093
	<u>2,369,240</u>	<u>2,491,402</u>
Assets classified as held for sale	-	1,789
	<u>2,369,240</u>	<u>2,493,191</u>
TOTAL ASSETS	<u><u>8,391,413</u></u>	<u><u>8,460,200</u></u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020 *(Continued)*

	AS AT 30/06/2020 RM'000	Audited AS AT 31/12/2019 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,724,016	1,724,016
Reserves	3,186,580	3,149,103
	-----	-----
	4,910,596	4,873,119
Non-controlling interests	110,438	186,474
	-----	-----
Total equity	5,021,034	5,059,593
Non-current liabilities		
Borrowings	2,087,248	2,103,487
Lease liabilities	11,033	5,847
Provisions	35,456	31,151
Derivative financial liabilities	9,768	4,184
Deferred tax liabilities	327,115	334,447
Deferred income	14,262	13,693
	-----	-----
	2,484,882	2,492,809
	-----	-----
Current liabilities		
Trade and other payables	380,336	379,101
Amounts due to ultimate holding and other related companies	827	2,231
Borrowings	396,058	485,479
Lease liabilities	2,213	2,405
Derivative financial liabilities	8,205	33,544
Taxation	12,624	5,038
Dividend payable	85,234	-
	-----	-----
	885,497	907,798
	-----	-----
Total liabilities	3,370,379	3,400,607
	-----	-----
TOTAL EQUITY AND LIABILITIES	8,391,413	8,460,200
	=====	=====
NET ASSETS PER SHARE (RM)	5.47	5.43

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	<----- Attributable to equity holders of the Company ----->								
	Share Capital	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	1,724,016	(84,586)	(200,980)	(30,859)	(1,372)	3,466,900	4,873,119	186,474	5,059,593
Profit/(loss) for the financial period	-	-	-	-	-	113,933	113,933	(12,364)	101,569
Other comprehensive income/(loss)	-	-	4,924	21,744	-	-	26,668	(8,586)	18,082
Total comprehensive income/(loss) for the financial period	-	-	4,924	21,744	-	113,933	140,601	(20,950)	119,651
Effects arising from changes in composition of the Group	-	-	-	-	-	(17,890)	(17,890)	(54,110)	(72,000)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(976)	(976)
Appropriation:									
- Final single-tier dividend payable for the financial year ended 31 December 2019 (9.5 sen)	-	-	-	-	-	(85,234)	(85,234)	-	(85,234)
Balance at 30 June 2020	1,724,016	(84,586)	(196,056)	(9,115)	(1,372)	3,477,709	4,910,596	110,438	5,021,034

(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 2019)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (Continued)**

	←----- Attributable to equity holders of the Company ----->							Total	Non- controlling Interests	Total Equity
	Share Capital RM'000	Warrants Reserve RM'000	Fair Value Reserve RM'000	Reserve on Exchange Differences RM'000	Cash Flow Hedge Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
At 1 January 2019	863,267	151,785	(84,586)	(236,955)	(442)	(1,372)	3,428,689	4,120,386	191,873	4,312,259
Profit/(loss) for the financial period	-	-	-	-	-	-	62,428	62,428	(2,049)	60,379
Other comprehensive income/(loss)	-	-	-	32,007	(3,434)	-	-	28,573	10,997	39,570
Total comprehensive income/(loss) for the financial period	-	-	-	32,007	(3,434)	-	62,428	91,001	8,948	99,949
Issue of shares upon exercise of warrants	860,749	(150,655)	-	-	-	-	-	710,094	-	710,094
Transfer of warrants reserve upon expiry of warrants to retained earnings	-	(1,130)	-	-	-	-	1,130	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(976)	(976)
Appropriation: - Final single-tier dividend paid for the financial year ended 31 December 2018 (8.25 sen)	-	-	-	-	-	-	(74,019)	(74,019)	-	(74,019)
Balance at 30 June 2019	1,724,016	-	(84,586)	(204,948)	(3,876)	(1,372)	3,418,228	4,847,462	199,845	5,047,307

(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 2019)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	Current Year To-Date 30/06/2020 RM'000	Preceding Year Corresponding Period 30/06/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	129,487	85,839
Adjustments for:		
Depreciation and amortisation	116,781	113,133
Finance cost	44,400	52,570
Interest income	(11,241)	(14,322)
Investment income	(8,996)	(6,095)
Net unrealised exchange differences	(10,316)	2,459
Share of results in joint ventures and associates	(12,500)	(22,636)
Fair value change arising from produce growing on bearer plants	(5,144)	(395)
Net surplus arising from Government acquisition	(7,006)	(3,222)
Gain from disposal of assets classified as held for sale	(11,311)	-
Other adjustments	5,594	2,802
	<u>100,261</u>	<u>124,294</u>
Operating profit before changes in working capital	229,748	210,133
Changes in working capital:		
Net change in current assets	(80,449)	(50,104)
Net change in current liabilities	33,373	(1,704)
	<u>(47,076)</u>	<u>(51,808)</u>
Cash generated from operations	182,672	158,325
Tax paid (<i>net of tax refund</i>)	(18,961)	(26,948)
Retirement gratuities/benefits paid	(1,443)	(468)
	<u>162,268</u>	<u>130,909</u>
Net cash flows generated from operating activities	162,268	130,909
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(134,726)	(124,341)
Purchase of intangible assets	(6,977)	-
Purchase of right-of-use assets	(4,980)	(4,541)
Land held for property development	(2,501)	(326)
Interest received	11,126	14,322
Investment income	8,996	6,095
Financial assets at fair value through profit or loss	-	(200,000)
Proceeds from disposal of property, plant and equipment	161	146
Proceeds received from Government in respect of acquisition of land	10,334	-
Net cash flows used in investing activities	(118,567)	(308,645)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 *(Continued)*

	Current Year To-Date 30/06/2020 RM'000	Preceding Year Corresponding Period 30/06/2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	630,967	93,500
Proceeds from issue of shares upon exercise of warrants	-	710,094
Repayment of bank borrowings and transaction costs	(778,257)	(125,742)
Repayment of lease liabilities	(1,469)	(1,391)
Dividends paid to non-controlling interests	(976)	(976)
Finance cost paid	(56,110)	(65,793)
Net cash flows (used in)/generated from financing activities	(205,845)	609,692
Net change in cash and cash equivalents	(162,144)	431,956
Cash and cash equivalents at beginning of financial period	955,093	949,885
Effects of currency translation	1,641	1,591
Cash and cash equivalents at end of financial period	794,590	1,383,432
Analysis of cash and cash equivalents		
Bank balances and deposits	239,132	268,882
Money market instruments	555,458	1,114,550
	794,590	1,383,432

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)

GENTING PLANTATIONS BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
- SECOND QUARTER ENDED 30 JUNE 2020

l) Compliance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting

a) Accounting Policies, Presentation and Methods of Computation

The interim financial report has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The financial information for the current quarter and six months ended 30 June 2020 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 2019. The accounting policies, presentation and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2019 except for the adoption of new MFRSs, amendments to published standards and IC Interpretations for the Group for the financial year beginning 1 January 2020:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 “Definition of a Business”
- Amendments to MFRS 101 “Presentation of Financial Statements” and MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors”
- Amendments to MFRS 7 “Financial Instruments: Disclosures”, MFRS 9 “Financial Instruments” and MFRS 139 “Financial Instruments: Recognition and Measurement”

The adoption of these new MFRSs, amendments to published standards and IC interpretations did not have any material impact on the interim financial report of the Group.

b) Seasonal or Cyclical Factors

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.

c) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the six months ended 30 June 2020.

d) Material Changes in Estimates

There were no significant changes made in estimates of amounts reported in previous financial year.

e) Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debts or equity securities for the six months ended 30 June 2020.

f) Dividend Paid

No dividend was paid during the six months ended 30 June 2020.

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 based on the nature of the products and services, specific expertise and technology requirements of individual reportable segments. The performance of the operating segments is based on a measure of adjusted EBITDA. Items not forming part of the adjusted EBITDA include net fair value gain or loss on financial assets, gain or loss on disposal of assets, net surplus arising from Government acquisition, assets written off, gain or loss on changes in shareholding in joint ventures and associates, impairment losses and reversal of previously recognised impairment losses.

g) Segment Information (Continued)

Segment analysis for the six months ended 30 June 2020 is set out below:

	Plantation RM'000	Property RM'000	Biotechnology RM'000	Downstream Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
- External	405,903	28,905	147	678,401	-	-	1,113,356
- Inter segment	259,894	-	401	-	-	(260,295)	-
Total Revenue	665,797	28,905	548	678,401	-	(260,295)	1,113,356
Adjusted EBITDA	219,311	12,693	(4,716)	16,030	16,917	-	260,235
Loss on disposal of assets	(49)	-	-	-	-	-	(49)
Net surplus arising from government acquisition	7,006	-	-	-	-	-	7,006
Assets written off & others	(192)	-	-	(153)	80	-	(265)
	226,076	12,693	(4,716)	15,877	16,997	-	266,927
Depreciation and amortisation	(109,640)	(415)	(1,177)	(5,549)	-	-	(116,781)
Share of results in joint ventures and associates	1,159	11,322	-	-	19	-	12,500
	117,595	23,600	(5,893)	10,328	17,016	-	162,646
Interest income							11,241
Finance cost							(44,400)
Profit before taxation							129,487
Main foreign currency exchange ratio of 100 units of foreign currency to RM	RM/IDR 0.0291	RM -	RM -	RM -	RM -		
Assets							
Segment assets	5,823,557	478,013	28,257	512,721	600,382	-	7,442,930
Joint ventures	-	207,781	-	-	-	-	207,781
Associates	11,323	142	-	-	(157)	-	11,308
	5,834,880	685,936	28,257	512,721	600,225	-	7,662,019
Interest bearing instruments							653,498
Deferred tax assets							70,340
Tax recoverable							5,556
Total assets							8,391,413
Liabilities							
Segment liabilities	301,096	123,034	3,421	33,677	86,106	-	547,334
Interest bearing instruments							2,483,306
Deferred tax liabilities							327,115
Taxation							12,624
Total liabilities							3,370,379
Main foreign currency exchange ratio of 100 units of foreign currency to RM	RM/IDR 0.0300	RM -	RM -	RM -	RM -		

h) Property, Plant and Equipment

During the six months ended 30 June 2020, acquisitions and disposals of property, plant and equipment by the Group were RM140.8 million and RM64.2 million respectively.

i) Material Events Subsequent to the End of Financial Year

There were no material events subsequent to the end of the six months ended 30 June 2020 that have not been reflected in this interim financial report.

j) Changes in the Composition of the Group

On 12 February 2020, the Company had announced the proposed unwinding of the share sale and purchase agreement between the Company and Elevance Renewable Sciences Singapore Pte Ltd ("ERS Singapore") dated 11 July 2014 ("Share SPA") for the disposal by the Company of 72 million fully paid-up ordinary shares representing 25% of the entire share capital of Genting Biorefinery Sdn Bhd ("GIB") to ERS Singapore for a cash consideration of RM72.00 million. The unwinding of the Share SPA has been completed on 18 February 2020 and GIB became a wholly-owned subsidiary of the Company on the same date.

Other than the above, there were no other material changes in the composition of the Group for the six months ended 30 June 2020.

k) Changes in Contingent Liabilities or Contingent Assets

There were no significant changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2019.

l) Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 30 June 2020 are as follows:

	RM'000
Contracted	69,969
Not contracted	1,384,363

	1,454,332
	=====
Analysed as follows:	
- Property, plant and equipment	1,384,920
- Right-of-use assets	69,295
- Intangible assets	117

	1,454,332
	=====

m) Significant Related Party Transactions

Significant related party transactions which were entered into on agreed terms and prices for the six months ended 30 June 2020 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 2019 and the approved shareholders' mandates for recurrent related party transactions.

	Current Quarter RM'000	Current Financial Year-to- Date RM'000
i) Provision of shared services in relation to secretarial, tax, treasury and other services by Genting Berhad ("GENT").	464	903
ii) Letting of office space and provision of related services by Oakwood Sdn Bhd.	329	968
iii) Purchase of air-tickets, hotel accommodation and other related services from Genting Malaysia Berhad ("GENM").	2	9
iv) Provision of information technology consultancy, development, implementation, support and maintenance service by GENM.	564	1,109
v) Provision of management services to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd by Genting Awanpura Sdn Bhd.	132	363
vi) Sale of refined palm oil products by Genting MusimMas Refinery Sdn Bhd to Inter-Continental Oils & Fats Pte Ltd.	209,995	231,650
vii) Sale of fresh fruit bunches by PT Agro Abadi Cemerlang to Sepanjang Group.	1,846	6,550
viii) Sale of fresh fruit bunches by PT Surya Agro Palma to Sepanjang Group.	1,235	2,283
ix) Royalty fee charged by Genting Intellectual Property Sdn Bhd and Genting Intellectual Property Pte Ltd, both are subsidiaries of GENT, to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd.	385	629
x) Provision of electricity services by Genting Utilities & Services Sdn Bhd, a subsidiary of GENM, to Genting Highlands Premium Outlets Sdn Bhd.	362	630

n) Fair Value of Financial Instruments

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

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

As at 30 June 2020, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

RM'000	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	-	600,080	3,490	603,570
Derivative financial instruments	-	2,936	-	2,936
	-----	-----	-----	-----
	-	603,016	3,490	606,506
	=====	=====	=====	=====
Financial liabilities				
Derivative financial instruments	-	17,973	-	17,973
	=====	=====	=====	=====

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the previous financial year ended 31 December 2019.

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

	RM'000
As at 1 January 2020	3,263
Interest income	115
Foreign exchange differences	112

As at 30 June 2020	3,490
	=====

There have been no transfers between the levels of the fair value hierarchy during the six months ended 30 June 2020.



GENTING
PLANTATIONS

**ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES - SECOND QUARTER
ENDED 30 JUNE 2020**

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

1) Performance Analysis

The results of the Group are tabulated below:

	CURRENT QUARTER				FINANCIAL YEAR-TO-DATE			
	2020 RM'Mil	2019 RM'Mil	+/- RM'Mil	+/- %	1H 2020 RM'Mil	1H 2019 RM'Mil	+/- RM'Mil	+/- %
Revenue								
Plantation	325.7	253.4	+72.3	+29	665.8	594.3	+71.5	+12
Property	3.6	31.2	-27.6	-88	28.9	53.8	-24.9	-46
Biotechnology	0.4	-	+0.4	-	0.5	-	+0.5	-
Downstream Manufacturing	333.5	343.9	-10.4	-3	678.4	742.4	-64.0	-9
	663.2	628.5	+34.7	+6	1,373.6	1,390.5	-16.9	-1
Inter segment	(118.9)	(102.8)	-16.1	-16	(260.3)	(243.1)	-17.2	-7
Revenue - external	544.3	525.7	+18.6	+4	1,113.3	1,147.4	-34.1	-3
Profit before tax								
Plantation	100.8	64.2	+36.6	+57	219.3	171.2	+48.1	+28
Property	7.2	6.8	+0.4	+6	12.7	10.6	+2.1	+20
Biotechnology	(1.5)	(4.5)	+3.0	+67	(4.7)	(8.2)	+3.5	+43
Downstream Manufacturing	1.9	12.6	-10.7	-85	16.0	34.6	-18.6	-54
Others	3.8	5.5	-1.7	-31	16.9	3.7	+13.2	>100
Adjusted EBITDA	112.2	84.6	+27.6	+33	260.2	211.9	+48.3	+23
Net surplus arising from government acquisition	-	3.2	-3.2	-	7.0	3.2	+3.8	>100
Assets written off and others	(0.3)	(0.3)	-	-	(0.3)	(0.5)	+0.2	+40
EBITDA	111.9	87.5	+24.4	+28	266.9	214.6	+52.3	+24
Depreciation and amortisation	(58.9)	(55.4)	-3.5	-6	(116.8)	(113.1)	-3.7	-3
Interest income	4.6	8.1	-3.5	-43	11.3	14.3	-3.0	-21
Finance cost	(23.0)	(26.2)	+3.2	+12	(44.4)	(52.6)	+8.2	+16
Share of results in joint ventures and associates	4.2	11.9	-7.7	-65	12.5	22.6	-10.1	-45
Profit before tax	38.8	25.9	+12.9	+50	129.5	85.8	+43.7	+51

1) **Performance Analysis (Continued)**

The Group's revenue for the quarter ended 30 June 2020 ("2Q 2020") improved year-on-year, underpinned by the higher palm products prices which eclipsed the lower sales registered by the Property and Downstream Manufacturing segments.

On the other hand, the Group registered a year-on-year decline in revenue for the first half of 2020 ("1H 2020") as the combined effects of lower FFB production, lower property sales and softer demand for biodiesel and refined palm products outstripped the impact of higher palm products prices.

The Group's FFB production in 2Q 2020 and 1H 2020 declined year-on-year largely due to the lagged effect of dry weather conditions in 2019 which crimped crop output this year.

Despite significant fluctuations in palm products prices in 2Q 2020 and 1H 2020 mainly due to the impact of the COVID-19 pandemic and a low crude oil price environment, the average price levels for palm products achieved by the Group were still comparatively higher year-on-year as palm products prices in 2019 were burdened by higher inventory levels and weaker soybean oil prices amid the US-China trade dispute coupled with the African Swine Fever outbreak in China.

	Current Quarter			Year-To-Date		
	2020	2019	Change %	2020	2019	Change %
Average Selling Price/tonne (RM)						
o Crude Palm Oil	2,325	1,943	+20	2,465	1,960	+26
o Palm Kernel	1,295	1,082	+20	1,439	1,194	+20
Production (MT'000)						
o Fresh Fruit Bunches	500	515	-3	949	1,069	-11

EBITDA for the Plantation segment for 2Q 2020 and 1H 2020 improved year-on-year, with the impact of higher palm products selling prices outweighing the lower FFB production.

EBITDA for the Property segment for 2Q 2020 and 1H 2020 were higher year-on-year despite the lower revenue, mainly due to the gain derived from sale of an investment property.

The Biotechnology segment incurred lower year-on-year losses for 2Q 2020 and 1H 2020 in tandem with its lower research and development expenditure.

The Downstream Manufacturing segment posted a year-on-year decline in EBITDA for 2Q 2020 and 1H 2020, with both its biodiesel and refinery operations registering lower sales and capacity utilisation along with margin compression.

Changes in the "Others" category mainly reflect the impact of changes in foreign currency translation position of the Group's US Dollar denominated cash reserves and borrowings arising from foreign exchange fluctuations along with returns from investment in income funds.

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

	2Q 2020 RM'Mil	1Q 2020 RM'Mil	+/- RM'Mil	+/- %
Revenue				
Plantation	325.7	340.1	-14.4	-4
Property	3.6	25.3	-21.7	-86
Biotechnology	0.4	0.1	+0.3	>100
Downstream manufacturing	333.5	344.9	-11.4	-3
	663.2	710.4	-47.2	-7
Inter segment	(118.9)	(141.4)	+22.5	+16
Revenue – external	544.3	569.0	-24.7	-4
Profit before tax				
Plantation	100.8	118.5	-17.7	-15
Property	7.2	5.5	+1.7	+31
Biotechnology	(1.5)	(3.2)	+1.7	+53
Downstream manufacturing	1.9	14.1	-12.2	-87
Others	3.8	13.1	-9.3	-71
Adjusted EBITDA	112.2	148.0	-35.8	-24
Net surplus arising from government acquisition	-	7.0	-7.0	-100
Assets written off and others	(0.3)	-	-0.3	-
EBITDA	111.9	155.0	-43.1	-28
Depreciation and amortisation	(58.9)	(57.9)	-1.0	-2
Interest income	4.6	6.7	-2.1	-31
Finance cost	(23.0)	(21.4)	-1.6	-7
Share of results in joint ventures and associates	4.2	8.3	-4.1	-49
Profit before tax	38.8	90.7	-51.9	-57

Pre-tax profit for 2Q 2020 was lower than the immediate preceding quarter mainly on account of the combined impact of lower palm products prices, decline in biodiesel sales and foreign currency translation movements. Share of profits from the Premium Outlets also declined due to its temporary closure as required under the imposition of the Movement Control Order.

	2Q 2020	1Q 2020	Change %
Average Selling Price/tonne (RM)			
○ Crude Palm Oil	2,325	2,619	-11
○ Palm Kernel	1,295	1,593	-19
Production (MT'000)			
○ Fresh Fruit Bunches	500	449	+11

3) **Prospects**

The Group's prospects for the second half of 2020 ("2H 2020") will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the Group's FFB production.

The Group expects palm products prices to be primarily influenced by factors such as the demand and supply dynamics of palm oil and substitute oils and fats, global economic conditions and the implementation of higher biodiesel mandates by Indonesia and Malaysia. These factors are in turn contingent on the impact from the COVID-19 pandemic.

Barring any weather anomalies, the Group expects FFB production to register an improvement in 2H 2020 underpinned by a recovery in crop output from the lagged effect of drought in 2019. Notwithstanding the crop recovery in 2H 2020, production for the full year of 2020 is anticipated to at best match the level attained in 2019.

The Property segment's performance in 2H 2020 is expected to be constrained by the uncertain economic outlook weighing on purchasers' sentiments. Separately, the patronage and sales of both the Premium Outlets[®] have shown encouraging recovery towards the end of 2Q 2020 and is likely to improve in 2H 2020 subject to the COVID-19 pandemic situation.

The Biotechnology segment will continue developing commercial solutions and applications to enhance the yield and productivity of oil palm.

The outlook for the Downstream Manufacturing segment for the rest of this year remains challenging as demand for its products is expected to remain uncertain in the wake of the COVID-19 pandemic and the prevailing unfavourable palm oil gas oil ("POGO") spread.

4) **Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee for the year.

5) **Taxation**

Tax charge for the current quarter and six months ended 30 June 2020 is set out below:

	Current Quarter 2Q 2020 RM'000	Current Financial Year-To-Date RM'000
Current taxation:		
- Malaysian income tax charge	16,554	33,115
- Deferred tax credit	(8,646)	(5,205)
	7,908	27,910
Prior year's taxation:		
- Income tax underprovided	8	8
	7,916	27,918
	=====	=====

The effective tax rate for the current quarter and six months ended 30 June 2020 were lower than the Malaysian statutory tax rate mainly due to lower tax rates in certain jurisdictions and income not subject to tax, partially offset by expenses not deductible for tax purposes and tax losses of certain subsidiaries where deferred tax assets have not been recognised.

6) **Profit before taxation**

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

	Current Quarter 2Q 2020 RM'000	Current Financial Year-To-Date RM'000
Charges:		
Finance cost	22,957	44,400
Depreciation and amortisation	58,877	116,781
Loss on disposal of property, plant and equipment	18	49
Property, plant and equipment written off	250	345
	=====	=====
Credits:		
Interest income	4,514	11,241
Investment income	4,258	8,996
Net foreign exchange differences	(610)	9,518
Net surplus arising from government acquisition	-	7,006
Gain from disposal of assets classified as held for sale	11,311	11,311
	=====	=====

Other than the above, there were no provision for and write-off of inventories, gain or loss on disposal of quoted investments, impairment of assets and gain or loss on derivatives for the current quarter and six months ended 30 June 2020.

7) **Status of Corporate Proposals Announced**

There was no corporate proposals announced but not completed as at 19 August 2020.

8) **Group Borrowings and Debt Securities**

The details of the Group's borrowings and debts securities as at 30 June 2020 are set out below:

	As at 30/06/2020			As at 31/12/2019	
	Secured/ Unsecured	Foreign Currency 'million		RM Equivalent '000	RM Equivalent '000
Short term borrowings	Secured	USD	60.1	257,234	294,260
	Secured	RM		2,571	975
	Unsecured	USD	-	-	89,696
	Unsecured	RM		136,253	100,548
				396,058	485,479
Long term borrowings	Secured	USD	234.3	1,003,328	1,017,870
	Secured	RM		85,448	87,299
	Unsecured	RM		998,472	998,318
				2,087,248	2,103,487
Total borrowings	Secured	USD	294.4	1,260,562	1,312,130
	Secured	RM		88,019	88,274
	Unsecured	USD	-	-	89,696
	Unsecured	RM		1,134,725	1,098,866
				2,483,306	2,588,966

9) **Outstanding Derivatives**

As at 30 June 2020, the maturity analysis of the outstanding derivatives of the Group are summarised as follows:

Types of Derivative	Contract/Notional Value RM'000	Fair Value Assets/(Liabilities) RM'000
<u>Interest Rate Swaps</u>		
USD	428,250	
- Less than 1 year		(7,951)
- 1 year to 2 years		(6,340)
- 2 years to 5 years		(3,428)
<u>Forward Foreign Currency Exchange</u>		
USD	142,749	
- Less than 1 year		(254)
<u>Commodity Futures Contracts</u>		
RM	193,297	
- Less than 1 year		2,936

There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 December 2019:

- (a) the credit risk, market risk and liquidity risk associated with those financial derivatives;
- (b) the cash requirements of the financial derivatives; and
- (c) the policy in place for mitigating or controlling the risks associated with those financial derivatives.

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

As at 30 June 2020, the Group does not have any financial liabilities measured at fair value through profit or loss.

11) **Changes in Material Litigation**

There are no pending material litigations as at 19 August 2020.

12) **Dividend Proposed or Declared**

- a) i) An interim single-tier dividend of 6.0 sen per ordinary share in respect of the financial year ending 31 December 2020 has been declared by the Directors.
- ii) The interim single-tier dividend declared and paid for the previous year's corresponding period was 3.5 sen per ordinary share.
- iii) The interim single-tier dividend shall be payable on 24 September 2020.
- iv) Entitlement to the interim single-tier dividend:

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

- Shares transferred into the Depositor's Securities Account before 4.30 p.m on 10 September 2020 in respect of ordinary transfer; and
 - Shares bought on the 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 2020 is 6.0 sen per ordinary share.

13) Earnings per Share

	Current Quarter 2Q 2020	Current Financial Year-To-Date
Basic and diluted earnings per share		
Profit for the financial period attributable to equity holders of the Company (RM'000)	22,637	113,933
	=====	=====
Weighted average number of ordinary shares in issue ('000)	897,198	897,198
	=====	=====
Basic earnings per share (sen)	2.52	12.70
	=====	=====

The Group has no dilutive potential ordinary shares and therefore the diluted earning per share is the same as the basic earning per share.

14) 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 2019 did not contain any qualification.

15) Authorisation of Financial Statements

The condensed consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 August 2020.