SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Consolidation (cont'd)

(e) Associates (cont'd)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred.

Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, the cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate. Any gain or loss on re-measurement of the previously held stake is taken to profit or loss and any other comprehensive income recognised in prior periods in relation to the previously held stake in the acquired associate is also recognised in profit or loss. Any acquisition-related costs are expensed in the periods in which the costs are incurred.

The cost of acquiring additional stake in an associate is added to the carrying amount of the associate. This is the deemed cost of the Group's investment in the associate for applying equity accounting. Goodwill arising on the purchase of additional stake is computed using the fair value information at the date the additional interest is purchased. The previously held interest is not re-measured.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

When the Group ceases significant influence, investments in associates are derecognised. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in the profit or loss.

Investment in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are shown at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy on impairment of non-financial assets.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in subsidiaries.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment

Property, plant and equipment are tangible items that:

(i) are held for use in the production or supply of goods or services, or for administrative purposes; and
(ii) are expected to be used during more than one period.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for certain properties which were revalued before 1998. In accordance with the transitional provision allowed by MASB upon first adoption of IAS 16 "Property, Plant and Equipment", the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation, amortisation and impairment losses.

A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Costs include plantation expenditure incurred from the stage of land clearing up to the stage of maturity. The bearer plants were previously termed as plantation development expenditure.

Cost of other property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. See accounting policy on borrowings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year that they are incurred.

Freehold land is stated at cost and is not depreciated. Leasehold lands are amortised equally over their respective periods of lease. The depreciation of leasehold land is capitalised as part of the cost of bearer plant from the stage of land clearing up to the stage of maturity. Immature bearer plants and other property, plant and equipment which are under construction are not depreciated. Depreciation commences when the bearer plants mature or when the assets under construction are ready for their intended use.

The depreciable amount of an item of property, plant and equipment is determined as the difference between the cost less its residual value. The residual value is the estimated amount that the Group expects to obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset was already of the age and in the condition expected at the end of its useful lives.

Depreciation of other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Years
Buildings and improvements	2 – 60
Plant, equipment and vehicles	2 – 50
Bearer plants	22
Leasehold lands	51 – 999
Aircrafts, sea vessels and improvements	2 – 25

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment (Cont'd)

The assets' residual values and useful lives are reviewed annually and revised if appropriate.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

Investment Properties

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or for capital appreciation and are not occupied by the Group.

Investment in freehold land is stated at cost. Leasehold land is amortised using the straight-line method over the lease period. Other investment properties are stated at cost less accumulated depreciation and impairment losses. Investment properties under construction are not depreciated. Depreciation for other investment properties is calculated using the straight-line method to allocate their cost over their estimated economic lives as follows:

	Years
Leasehold land	51 – 97
Buildings and improvements	2 – 50

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its retirement from use.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in the profit or loss.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Construction Contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity at each reporting date ("percentage of completion method"), as measured by the surveys of work performed. Contract revenue is accumulated within service concession receivables (under trade and other receivables).

Where the outcome cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group presents construction contract work-in-progress as an asset when costs recognised to-date exceed billings received or paid, and is shown as trade and other receivables (within other non-current assets or trade and other receivables). The Group presents construction contract work-in-progress as a liability when billings received or paid exceed costs recognised to-date.

Leasehold Land Use Rights

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in FRS 117 "Leases") and is amortised over the lease term in accordance with the pattern of benefits provided.

Property Development Activities

(a) Land Held for Property Development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.

Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at revalued amounts, it continues to retain these amounts as its surrogate cost as allowed by FRS 201 "Property Development Activities". Where an indication of impairment exists, the carrying amount of the asset is assessed and written-down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and where the development activities can be completed within the normal operating cycle of 2 to 3 years.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property Development Activities (Cont'd)

(b) Property Development Costs and Revenue Recognition

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property development activity progresses. The stage of completion is determined based on proportion of property development costs incurred for work performed up to the reporting date over the estimated total property development cost to completion.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable of recovery, and property development costs on the development units sold are recognised as an expense when incurred. Foreseeable losses, if any, arising when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, are recognised immediately in the profit or loss.

Property development cost not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value. Upon completion of development, the unsold completed development properties are transferred to inventories.

Where revenue recognised in the profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and purpose for which the asset was acquired. The Group determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

There are two subcategories: financial assets held for trading and those designated as at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing more than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in "trade and other receivables", "other non-current assets", "restricted cash", "cash and cash equivalents" and intercompany balances in the statement of financial position (see accounting policy note on receivables).

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Assets (cont'd)

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit or loss within other income/expense in the financial year in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in the profit or loss and translation differences on non-monetary securities are recognised in OCI. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in OCI.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as "gains/losses or impairment losses from available-for-sale financial assets".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Assets (cont'd)

(c) Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments classified as available-for-sale are not reversed through the profit or loss.

Intangible Assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed. If the aggregate of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the profit or loss. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of annual impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Licences

Casino licences - indefinite lives

The Group capitalises purchased casino licences. The amount capitalised is the difference between the price paid for a casino including the associated licence and the fair value of a similar property without a casino licence. Casino licences have indefinite useful lives as there is no foreseeable limit to the period over which the licences are expected to generate cash inflows. Each licence is reviewed annually for impairment and as such is stated at cost less any accumulated impairment losses.

Purchased licences - definite lives

The Group capitalises purchased licence. The licences, which have definite useful lives, are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised using the straight-line method over its estimated useful lives of 30 to 40 years. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in the profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of licences is assessed and written down immediately to its recoverable amount.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible Assets (cont'd)

(b) Licences (cont'd)

Casino and theme park licences - Singapore

Casino and theme park licences are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Such cost is amortised using the straight-line method over 3 to 30 years, which is the shorter of its economic useful life and periods of contractual right. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in the profit or loss when changes arise. Amortisation is recognised in the profit or loss unless the amount can be capitalised as part of construction-in-progress. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

(c) Trademarks

Trademarks are reviewed annually for impairment and are stated at cost less any accumulated impairment losses. Trademarks have an indefinite useful life as it is maintained through continuous marketing and upgrading.

(d) Research and development expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

(i) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
(ii) Management intends to complete the intangible asset and use or sell it;
(iii) There is an ability to use or sell the intangible asset;
(iv) It can be demonstrated that the intangible asset will generate probable future economic benefits;
(v) Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(vi) The expenditure attributable to the intangible asset during its development can be reliably measured.

Collaborations and alliances are maintained with third parties for provision of research and development expertise and capacity in genomics for the achievement of performance milestones. Milestone payments are capitalised to the extent that the capitalisation criteria in FRS 138 "Intangible Assets" are met. Judgement is involved in determining whether the amount paid meets the performance milestones so as to enable the amount to be capitalised as intangible assets.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use or sale, on a straight-line basis over the estimated useful lives, not exceeding 20 years.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible Assets (cont'd)

(e) Intellectual property rights

Acquired intellectual property ("IP") rights are stated at cost less accumulated amortisation and accumulated impairment losses. The IP rights are amortised from the point at which the asset is available for use or sale, on a straight-line basis over its useful life not exceeding 20 years.

(f) Software development

Software development that does not form an integral part of other related hardware is treated as an intangible asset. Costs that are directly associated with development and acquisition of software development programmes by the Group are capitalised as intangible assets when the following criteria are met:

(i) It is technically feasible to complete the software product so that it will be available for use;
(ii) Management intends to complete the software product and use or sell it;
(iii) There is an ability to use or sell the software product;
(iv) It can be demonstrated that the software product will generate probable future economic benefits;
(v) Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
(vi) The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff cost of the software development team and an appropriate portion of relevant overheads. Costs associated with maintaining software development programmes are recognised as an expense when incurred.

Expenditure that enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Completed software development programmes recognised as assets are amortised using the straight-line method over their estimated useful lives of 5 years. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise.

Software development programmes under development are not amortised.

See accounting policy note on impairment of non-financial assets for intangible assets.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Rights of Use of Oil and Gas Assets

(a) Rights and concessions

Included in rights and concessions are purchase consideration that the Group has paid for the acquisition of working interest in contracts for petroleum exploration, development and production.

Rights and concessions are amortised according to the unit of production ("UOP") method based on the proved and probable reserves of the fields, represented by the Group's estimated entitlements to future production under the terms of the petroleum contracts.

(b) Exploration cost

Oil and gas exploration cost is accounted for in accordance with the successful efforts method. Under this method, costs directly associated with an exploration well are capitalised when incurred and are accumulated in respect of each identifiable area of interest. These costs are carried as an asset when the well has found a sufficient quantity of reserves to justify its completion as a producing well and the Group is making sufficient progress assessing the reserves and the economic and operating viability of the project. Exploration costs not meeting these criteria are charged to expense. Other exploratory expenditures including geological and geophysical costs are expensed when incurred.

Exploration cost is stated at cost less any accumulated impairment losses. Where one or more of the following facts and circumstances exists, the carrying amount of the exploration cost is assessed and written down immediately to its recoverable amount.

(i) the petroleum contract has expired during the period or will expire in the near future, and is not expected to be renewed;

(ii) no further exploration and evaluation activities budgeted nor planned;

(iii) exploration and evaluation activities in the specific area have not led to the discovery of commercially viable quantities of oil and gas and the Group has decided to discontinue such activities in the specific area;

(iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When development plan is commercially viable and approved by the relevant authorities, the related exploration and evaluation costs are transferred to project-in-progress within the Rights of Use of Oil and Gas Assets. Development costs incurred in bringing an area of interest to commercial production is capitalised. Upon commencement of production, the exploration and development expenditure initially capitalised as projects-in-progress are transferred to production wells and amortised as described in the accounting policy 3(c) below.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Rights of Use of Oil and Gas Assets (cont'd)

(c) Production wells, related equipment and facilities

Production wells, related equipment and facilities are shown in the statement of financial position as Rights of Use of Oil and Gas Assets in recognition of the eventual ownership of production assets being vested in the government. Capitalisation is made within Rights of Use of Oil and Gas Assets according to the nature of the expenditure. These assets are stated at cost less accumulated depreciation, depletion and amortisation.

Completed production wells, related equipment and facilities are depleted according to the UOP method based on the proved and probable reserves of each field, represented by the Group's estimated entitlements to future production under the terms of the relevant petroleum contracts.

Construction in progress are not amortised until the assets are completed and transferred to production wells.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Non-Current Assets Held for Sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell ("FVLCTS").

An impairment loss is recognised for any initial or subsequent write-down of the asset to FVLCTS. A gain is recognised for any subsequent increases in FVLCTS of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

Non-current assets classified as held-for-sale are presented separately from the other assets in the statement of financial position. The liabilities classified as held for sale are presented separately from other liabilities in the statement of financial position.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment loss. An impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the profit or loss. An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. The reversal is recognised in the profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), money market instruments, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value (with original maturities of 3 months or less). Bank overdrafts are included within short term borrowings in current liabilities in the statements of financial position.

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Finance Leases

(a) Accounting for Lessee

Leases of property, plant and equipment where the Group, as lessee, assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge incurred on qualifying assets are capitalised until the assets are ready for their intended use after which such expense is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

(b) Accounting for Lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return on the balance outstanding.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Operating Leases

(a) Accounting for Lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the profit or loss on a straight-line basis over the period of the lease.

(b) Accounting for Lessor

Leases where the Group retains substantially all risks and rewards of ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Lease incentives are recognised as other receivables where such incentives are provided by the Group and recognised net of lease income in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new shares, warrants, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

Treasury Shares

A purchase by the Company of its own equity shares is accounted for under the treasury stock method. Under this method, the shares purchased and held as treasury shares is measured and carried at the cost of purchase (including any directly attributable incremental external costs, net of tax). On presentation in the statements of financial position, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable reserves. Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Perpetual Capital Securities

Perpetual capital securities are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or financial liabilities with another person or entity that are potentially unfavourable to the issuer. Incremental costs directly attributable to the issuance of new perpetual capital securities are shown in equity as a deduction, net of tax, from the proceeds. The proceeds received net of any directly attributable transaction costs are credited to perpetual capital securities.

Warrants Reserve

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrants reserve. Warrants reserve is transferred to the share capital upon the exercise of the warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and are capitalised and amortised over the period of the facility to which it relates.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost using the effective interest method. Any difference between the amount recorded as borrowings and the associated redemption value is recognised in the profit or loss over the period of the borrowings.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned from specific borrowings which are invested temporarily pending the utilisation of such borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to profit or loss.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially at fair value plus transaction costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less, where appropriate, cumulative amortisation recognised.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment of Non-Financial Assets

The carrying amounts of non-financial assets other than inventories, assets arising from construction contracts, property development activities, deferred tax assets and non-current assets classified as held for sale are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, an impairment review is performed to assess whether the carrying amount of the asset is fully recoverable.

Irrespective of whether there is any indication of impairment, the Group also:

(a) tests intangible assets with indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount; and

(b) tests goodwill acquired in a business combination for impairment annually.

Impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the profit or loss, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset unless the asset is carried at revalued amount, in which case the reversal is treated as an increase to revaluation reserve. An impairment loss recognised for goodwill shall not be reversed.

Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed, unless the possibility of an outflow of resource embodying economic benefit is remote. When a change in the probability of an outflow of economic resources occurs and the outflow is probable, it will then be recognised as a provision. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence where inflows of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Contingent Liabilities and Contingent Assets (Cont'd)

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with FRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118 "Revenue".

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under it.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Asset Retirement Obligations – oil and gas

Asset retirement obligations (including future decommissioning and restoration) which meet the criteria of provisions are recognised as provisions and the amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related oil and gas assets of an amount equivalent to the provision is also created. This is subsequently amortised as part of the costs of the Rights of Use of Oil and Gas Assets. Interest expense from asset retirement obligations for each period are recognised using the effective interest method over the useful life of the related oil and gas assets.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income Taxes

Current taxation is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable income and is measured using the tax rates which are applicable at the reporting date.

Deferred tax liabilities and/or assets are recognised, using liability method, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their related tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluations is also recognised. Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax benefits from investment tax allowance and customised incentive granted under the East Coast Economic Region are recognised when the tax credit is utilised and no deferred tax asset is recognised on the unutilised tax benefits.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Employee Benefits

(a) Short-Term Employee Benefits

Short-term employee benefits include wages, salaries, bonus, social security contributions and paid annual leave. These benefits are accrued when incurred and are measured on an undiscounted basis.

(b) Post-Employment Benefits

Post-employment benefits include defined contribution plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These benefits are accrued when incurred and are measured on an undiscounted basis.

(c) Long-Term Employee Benefits

Long-term employee benefits include retirement gratuities payable under a retirement gratuity scheme which was established in 1991 by the Board of Directors for Executives and Executive Directors of the Company and certain subsidiaries. The level of retirement gratuities payable is determined by the Board of Directors in relation to services rendered and it does not take into account the employee's performance to be rendered in later years up to retirement and the gratuity is a vested benefit when the employee reaches retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the reporting date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of the retirement gratuities payable. Past-service costs are recognised immediately in the profit or loss.

Such retirement gratuities payable are classified as current liabilities where it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Employee Benefits (cont'd)

(d) Share-based Compensation

For equity-settled, share-based compensation plan, the fair value of employee services rendered in exchange for the grant of the shares and/or options is recognised as an expense with a corresponding increase in equity over the vesting period. The total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of shares and/or options granted at the grant date and the number of shares and/or options vested by vesting date, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the estimates of the number of shares and/or options that are expected to become vested and/or exercisable. At each reporting date, the respective companies will revise its estimates of the number of shares and/or options that are expected to be vested and it recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement is made. For performance shares that are expected to be granted, due to services received before grant date, the total amount to be recognised over the vesting period is determined by reference to the fair value of the performance shares at the end of the reporting period, until the date of grant has been established.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised. For share-based compensation plan implemented by a subsidiary, the proceeds are credited in equity as transactions with owners.

Where the terms of a share-based compensation plan are modified, the expense that has yet to be recognised for the award is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the share and/or options due to the modification, as measured at the date of the modification.

Revenue Recognition

Sales are recognised upon delivery of products or performance of services, net of goods and services tax, returns, rebates and discounts and amounts collected on behalf of third parties and after eliminating sales within the Group.

Gaming revenue represents net house takings, which is the aggregate of wins and losses arising from gaming play. Revenue is reported after deduction of goods and services tax, commissions, discounts and loyalty points awarded to customers where applicable. The casino licence in Malaysia is renewable every three months.

Sales relating to property development projects are recognised progressively as the project activity progresses and are in respect of sales where agreements have been finalised. The recognition of sales is based on the percentage of completion method and is consistent with the method adopted for profit recognition.

Rental income from operating leases (net of any incentives given to the lessees) is recognised in the profit or loss on a straight-line basis over the lease term.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue Recognition (cont'd)

Investment and interest income are recognised using the effective interest method.

Revenue from the sale of oil and electricity, net of taxes, is recognised when the significant risks and rewards of ownership have been transferred, which is considered to occur when oil or electricity has been delivered to the customer.

Revenue from construction contract is recognised on the percentage of completion method.

Capacity payment represents finance income on the service concession receivable arising from a service concession arrangement subsequent to the commencement of commercial operation, and is recognised using the effective interest method. Finance income prior to commercial operation is classified under other income.

Dividend income is recognised when the right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Fees from management and licensing services are recognised in the period in which the services are rendered.

Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

Government Grant

Government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the assets when the assets are commissioned.

Foreign Currency Translation

(a) Functional and presentation currency

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

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign Currency Translation (Cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in reserve on exchange differences as OCI.

(c) Group companies

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

(i) assets and liabilities are translated at the closing rate at the reporting date;
(ii) income and expenses in profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognised as a separate component of OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to OCI. When a foreign operation is partially disposed of or sold, such exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on disposal.

Intercompany loans where the settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in OCI.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in OCI.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivative that are not designated or do not qualify for hedge accounting are recognised in profit or loss within fair value gains/losses on derivative financial instruments when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The fair value changes on the effective portion of interest rate swaps or other derivatives that are designated and qualify as cash flow hedges are recognised in the cash flow hedge reserve and reclassified to the profit or loss when the interest expense on the borrowings is recognised in the profit or loss unless the amount transferred can be capitalised as part of the cost of a self-constructed asset, in which case, both the reclassification and interest expense are capitalised. The fair value changes on the ineffective portion are recognised immediately in the profit or loss.

When a hedging instrument expires or is sold or is terminated, or when the cash flow hedge is discontinued or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is only transferred to profit or loss when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in cash flow hedge reserve is immediately transferred to the profit or loss within fair value gains/losses on derivative financial instruments.

The carrying amount of the derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chairman and Chief Executive and the President and Chief Operating Officer of the Company.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk factors

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board of Directors. Financial risk management is carried out through risk reviews conducted at all significant operating units. This process is further enhanced by effective internal controls, a comprehensive insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

(i) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for committed transactions by entering into forward foreign currency exchange contracts and cross currency swap within the constraints of market and government regulations.

The Group's principal foreign currency exposure relates mainly to the Singapore Dollar ("SGD"), United States Dollar ("USD"), Hong Kong Dollar ("HKD") and Indonesia Rupiah ("IDR").

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Financial risk factors (cont'd)

(i) Foreign currency exchange risk (cont'd)

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities as at the reporting date is as follows:

	SGD	USD	HKD	IDR	Others	Total
At 31 December 2017						
Financial assets						
Available-for-sale financial assets	-	315.1	0.4	-	-	315.5
Other non-current assets	-	1,328.7	-	-	-	1,328.7
Trade and other receivables	0.1	23.9	-	99.1	0.3	123.4
Restricted cash	-	-	-	-	164.8	164.8
Cash and cash equivalents*	63.0	3,585.7	253.1	59.1	24.0	3,984.9
	63.1	5,253.4	253.5	158.2	189.1	5,917.3
Financial liabilities						
Trade and other payables	(1.2)	(39.2)	-	(107.8)	(11.7)	(159.9)
Derivative financial instruments	(14.4)	-	-	-	-	(14.4)
Other non-current liabilities	-	-	-	-	-	-
Borrowings	(215.1)	(707.3)	-	-	-	(922.4)
	(230.7)	(746.5)	-	(107.8)	(11.7)	(1,096.7)
Net currency exposure	(167.6)	4,506.9	253.5	50.4	177.4	4,820.6
At 31 December 2016						
Financial assets						
Available-for-sale financial assets	-	-	0.5	-	-	0.5
Other non-current assets	-	1,189.9	-	-	-	1,189.9
Trade and other receivables	0.5	28.5	0.8	11.4	3.8	45.0
Derivative financial instruments	1.9	115.5	-	-	-	117.4
Cash and cash equivalents	287.3	4,310.0	265.9	75.3	39.5	4,978.0
	289.7	5,643.9	267.2	86.7	43.3	6,330.8
Financial liabilities						
Trade and other payables	(0.1)	(61.6)	(0.4)	(27.8)	(121.6)	(211.5)
Derivative financial instruments	(60.6)	(10.9)	-	-	-	(71.5)
Other non-current liabilities	-	(10.5)	-	-	-	(10.5)
Borrowings	(198.8)	(763.2)	-	-	-	(962.0)
	(259.5)	(846.2)	(0.4)	(27.8)	(121.6)	(1,255.5)
Net currency exposure	30.2	4,797.7	266.8	58.9	(78.3)	5,075.3

* Cash and cash equivalents of RM5,488.9 million (2016: Nil) denominated in USD and arising from a subsidiary whose functional currency is SGD were not shown in the table above. This cash and cash equivalents' exposure to foreign exchange risk was offset by similar exposure from the subsidiary's corresponding USD inter-company loan. As a result, the Group's net exposure to foreign exchange risk had been minimised.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Financial risk factors (cont'd)

(i) Foreign currency exchange risk (cont'd)

The following table demonstrates the sensitivity of the Group's profit after tax and equity to 10% (2016: 10%) strengthening of each currency respectively in SGD, USD, HKD and IDR against the respective functional currencies of the entities within the Group, with all other variables held constant.

2017	**<---- Increase/(Decrease) --->**	
Group	**Profit after tax**	**OCI**
SGD	**(16.8)**	**-**
USD	**419.2**	**31.5**
HKD	**25.4**	**-**
IDR	**5.0**	**-**

2016	**<---- Increase/(Decrease) --->**	
Group	**Profit after tax**	**OCI**
SGD	3.0	-
USD	479.8	-
HKD	26.6	0.1
IDR	5.9	-

A 10% (2016: 10%) weakening of the above currencies against the respective functional currencies of the entities within the Group would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

The Company's principal foreign currency exposure relates mainly to cash and cash equivalents of RM53.6 million (2016: RM35.9 million) which is denominated in USD and amount due to a subsidiary of RM0.2 million (2016: amount due from a subsidiary of RM123.8 million) which is denominated in SGD. At the reporting date, if exchange rate of USD had been 10% (2016: 10%) stronger/weaker, with all other variables remaining constant, the profit after tax of the Company will be higher/lower by RM5.4 million (2016: RM3.6 million). The impact of a 10% change on the SGD is not material as the exposure to SGD is not significant (2016: RM12.4 million).

(ii) Interest rate risk

Interest rate risks arise mainly from the Group's borrowings and debt securities classified as available-for-sale financial assets. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting the borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with financial institutions to exchange, at specified intervals, the difference between the fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts. There are no significant cash flow interest rate risks arising from debt securities classified as available-for-sale.

The Group's outstanding borrowings as at the year end at variable rates on which hedges have not been entered into are denominated mainly in SGD, USD and RMB. At the reporting date, if annual interest rates had been 1% (2016: 1%) higher/lower respectively, with all other variables in particular foreign exchange rates and including tax rate being held constant, the profit before tax will be lower/higher by RM101.9 million (2016: RM109.6 million) as a result of increase/decrease in interest expense on these borrowings.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Financial risk factors (cont'd)

(iii) Credit risk

Exposure to credit risk arises mainly from sales made on deferred credit terms, cash and cash equivalents, deposits with financial institutions, money market instruments and debt securities as well as promissory notes issued by the Tribe. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers whose accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses.

In managing credit risk exposure from trade receivables, Genting Singapore PLC ("Genting Singapore"), an indirect 52.8% subsidiary of the Company, has established a Credit Committee and processes to evaluate the creditworthiness of its counterparties. The counterparty's payment profile and credit exposure are continuously monitored by the Credit Committee, together with the operational policies and guidelines. Credit exposure to an individual counterparty is restricted by the credit limits set by the Credit Committee based on the ongoing credit evaluation.

The top 10 trade debtors of Genting Singapore Group as at 31 December 2017 represented 24% (2016: 34%) of its trade receivables. The Genting Singapore Group also establishes an allowance account for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to the specific counterparties. Subsequently, when the Genting Singapore Group is satisfied that no recovery of such losses is possible, the trade receivables are considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired trade receivables.

The Group avoids, where possible, any significant exposure to a single customer. However, in the ordinary course of business, certain subsidiaries in the Group's Power Segment have trade receivables that are solely from their offtakers, the provincial or national electricity utility companies whereas certain subsidiaries in Group's Oil and Gas Segment are transacting solely with the state-owned customers. As such, the counterparty risk is considered to be minimal.

In addition to that, the Group is also exposed to individual customer or counterparty risk in relation to the Group's investment in promissory notes issued by the Tribe. The Group's credit risks are minimised through effective monitoring of receivables.

The Group's cash and cash equivalents and short term deposits are placed with creditworthy financial institutions and the risks arising thereof are minimised in view of the financial strength of these financial institutions. The risks arising therefrom are further minimised by the setting of exposure limits for each financial institution and the tenure of the placements which are normally less than one year. The approved exposure limit for each financial institution is subjected to regular reviews. To minimise the Group's counterparty risk, the Group enters into derivative transactions only with creditworthy financial institutions.

The Group is exposed to credit risk from non-related counterparties where the Group holds debt securities issued by those entities. The Group only holds debt securities with issuers which are of investment grade.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Financial risk factors (cont'd)

(iii) Credit risk (cont'd)

The Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses.

At the Company level, credit risk arises from amounts due from subsidiaries, cash and cash equivalents, income fund and deposits with banks and financial institutions. The Company's exposure to bad debts is not significant. The Company also manages its credit risk by performing regular reviews of the ageing profile of amounts due from subsidiaries. The credit risk on income fund is limited because the fund is ultimately deposited with creditworthy financial institutions.

Financial assets that are neither past due nor impaired

Information regarding other non-current assets and trade and other receivables that are neither past due nor impaired is disclosed in Notes 27 and 30. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding trade receivables that are past due or impaired is disclosed in Note 30.

Apart from those disclosed above, none of the other financial assets is past due or impaired.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2017	2016
Corporate guarantee provided to banks on subsidiaries' facilities	**3,615.1**	4,203.7

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Financial risk factors (cont'd)

(iv) Price risk

The Group is exposed to equity securities price risk from its investments in quoted securities classified as financial assets at fair value through profit or loss, available-for-sale financial assets and derivative financial instruments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio which is done in accordance with the limits set by the Group.

If the prices of equity securities and derivative financial instruments listed in the respective countries change by 1% (2016: 1%) respectively with all other variables including tax rate being held constant, the Group's profit after tax and OCI for the current and previous financial years will be as follows:

2017	<-- Increase/Decrease -->	
Group	Profit after tax	OCI
Listed equity securities		
– increase/decrease 1%	**0.1**	**9.4**
Company		
Listed derivative financial instruments		
– increase/decrease 1%	**2.3**	**-**

2016	<-- Increase/Decrease -->	
Group	Profit after tax	OCI
Listed equity securities and derivative financial instruments		
– increase/decrease 1%	0.1	8.7
Company		
Listed derivative financial instruments		
– increase/decrease 1%	2.3	-

Profit after tax would increase/decrease as a result of gains/losses on equity securities classified as fair value through profit or loss and derivative financial instruments. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Financial risk factors (cont'd)

(v) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

The Group manages its liquidity risk with the view to maintaining a healthy level of cash and cash equivalents appropriate to the operating environment and expected cash flows of the Group. Liquidity requirements are maintained within its undrawn committed borrowing facilities at all times and are sufficient and available to the Group to meet its obligations.

Generally, surplus cash held by the operating entities over and above the balance required for working capital management are managed by the Group Treasury. The Group Treasury invests surplus cash in interest bearing accounts, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned cash flows of the Group.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Group				
At 31 December 2017				
Other non-current liabilities	-	295.2	0.1	-
Derivative financial instruments				
- hedged	46.7	36.6	82.8	50.3
Trade and other payables	5,068.6	-	-	-
Amounts due to joint ventures	112.4	-	-	-
Borrowings				
(principal and finance costs)	3,143.9	4,202.2	10,743.2	15,767.7
Company				
At 31 December 2017				
Trade and other payables	44.0	-	-	-
Amounts due to subsidiaries				
- current	62.5	-	-	-
- non-current	179.8	1,767.5	772.7	1,823.4
Financial guarantee contracts	3,615.1	-	-	-

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Financial risk factors (cont'd)

(v) Liquidity risk (cont'd)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Group				
At 31 December 2016				
Derivative financial instruments				
- hedged	71.8	52.8	(29.3)	90.5
- unhedged	0.7	-	-	-
Trade and other payables	4,908.8	-	-	-
Amounts due to joint ventures	4.5	-	-	-
Borrowings (principal and finance costs)	2,895.3	1,714.0	9,326.4	8,094.3
Company				
At 31 December 2016				
Trade and other payables	39.1	-	-	-
Amounts due to subsidiaries				
- current	155.5	-	-	-
- non-current	179.8	179.8	1,957.7	2,405.8
Financial guarantee contracts	4,203.7	-	-	-

(b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to provide returns for shareholders and benefits for other stakeholders.

In order to optimise the capital structure, or the capital allocation amongst the Group's various businesses, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and warrants, buy back issued shares, take on new debt or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital utilisation on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings (comprising 'short term and long term borrowings' as shown in the statements of financial position). Total capital is calculated as the sum of total equity and total debt.

The gearing ratio as at 31 December 2017 and 2016 are as follows:

	Group	
	2017	2016 Restated
Total debt	**26,969.3**	17,964.6
Total equity	**57,108.9**	64,704.3
Total capital	**84,078.2**	82,668.9
Gearing ratio	**32%**	22%

There were no changes in the Group's approach to capital management during the current financial year.

The Group was in compliance with externally imposed capital requirements for the financial years ended 31 December 2017 and 2016.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Fair value measurement

The assets and liabilities carried at fair value are categorised into different levels of the fair value hierarchy as follows:

- 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).

The following table presents the Group's financial instruments that are measured at fair value.

	Level 1	Level 2	Level 3	Total
Group				
At 31 December 2017				
Financial assets				
Financial assets at fair value through profit or loss	**7.4**	**-**	**-**	**7.4**
Available-for-sale financial assets	**935.1**	**620.0**	**1,270.4**	**2,825.5**
Derivative financial instruments	**-**	**4.5**	**3.7**	**8.2**
	942.5	**624.5**	**1,274.1**	**2,841.1**
Financial liability				
Derivative financial instruments	**-**	**194.5**	**-**	**194.5**
Company				
As at 31 December 2017				
Financial asset				
Derivative financial instruments	**227.9**	**-**	**-**	**227.9**
Group				
At 31 December 2016				
Financial assets				
Financial assets at fair value through profit or loss	10.8	-	-	10.8
Available-for-sale financial assets	872.7	1,250.0	1,614.0	3,736.7
Derivative financial instruments	-	121.8	-	121.8
	883.5	1,371.8	1,614.0	3,869.3
Financial liability				
Derivative financial instruments	-	305.6	-	305.6
Company				
As at 31 December 2016				
Financial assets				
Available-for-sale financial assets	-	200.0	-	200.0
Derivative financial instruments	232.8	-	-	232.8
	232.8	200.0	-	432.8

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Fair value measurement (cont'd)

The carrying values of current financial assets and current financial liabilities of the Group and the Company at the end of the reporting period approximated their fair values.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps, cross currency swaps and commodity collar contracts are calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency exchange contracts is determined using forward exchange rates at the reporting date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Fair value measurement (cont'd)

There were no transfers between Levels 1 and 2 during the current financial year (2016: Nil).

The following table presents the changes in Level 3 financial instruments for the financial years ended 31 December 2017 and 2016:

	Group	
	2017	2016
As at 1 January	**1,614.0**	1,589.6
Foreign exchange differences	**(138.8)**	57.4
Additions	**94.2**	106.3
Disposals	**(1.7)**	(19.7)
Transfer from Level 2	**-**	100.8
Fair value changes – recognised in OCI	**(130.9)**	(138.9)
Fair value changes – recognised in income statement	**(0.4)**	-
Impairment loss	**(191.2)**	-
Investment income and interest income	**29.0**	19.4
Repayment	**(0.1)**	-
Transfer to investment in associates	**-**	(98.8)
Reclassification	**-**	(2.1)
As at 31 December	**1,274.1**	1,614.0

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The assessment of the fair value of unquoted equity securities is performed based on the available data such as discounted cash flow with key inputs such as growth rates and discount rates, or recent transacted prices of similar financial instruments as indications of their fair values as at reporting date.

Although the Group believes that its estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value. For fair value measurement in Level 3, there are no reasonably possible changes in any of the growth rate or discount rate that would materially impact the profit or loss, total assets and total equity of the Group.

5. SEGMENT ANALYSIS

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The chief operating decision-makers considers the business from both a geographic and industry perspective and has the following reportable segments:

Leisure & Hospitality	-	This segment includes the gaming, hotel, entertainment and amusement, tours and travel related services, development and operation of integrated resorts and other support services. The contribution from non-gaming operations is not significant.
Plantation	-	This segment is involved mainly in oil palm plantations, palm oil milling and related activities.
Power	-	This segment is involved in the generation and supply of electric power.
Property	-	This segment is involved in property development activities.
Oil & Gas	-	This segment is involved in oil & gas exploration, development and production activities.

All other immaterial segments including investments in equities are aggregated and disclosed under "Investments & Others" as they are not of a sufficient size to be reported separately.

The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA"). This measurement basis also excludes the effects of non-recurring items from the operating segments, such as net fair value gain or loss on financial assets, gain or loss on disposal of financial assets, gain or loss on derecognition/dilution of shareholding in associates, project costs written off, reversal of previously recognised impairment losses, impairment losses, pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, inventories, trade and other receivables, available-for-sale financial assets, financial assets at fair value through profit or loss, and cash and cash equivalents. Segment assets exclude interest bearing instruments, joint ventures, associates, deferred tax assets, tax recoverable and assets classified as held for sale as these assets are managed on a group basis.

Segment liabilities comprise operating liabilities. Segment liabilities exclude interest-bearing instruments, tax payable, deferred tax liabilities and liabilities classified as held for sale as these liabilities are managed on a group basis.

SEGMENT ANALYSIS (Cont'd)

The segment analysis of the Group is set out below:

	Leisure & Hospitality					Plantation				Power *(Notes (ii) & (iii))*	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	UK and Egypt	US and Bahamas	Total	Malaysia	Indonesia	Downstream Manufacturing	Total					
2017														
Revenue														
Total revenue	6,905.8	7,445.0	1,893.4	1,435.2	17,679.4	962.3	547.1	723.4	2,232.8	1,065.8	219.9	319.4	121.7	21,639.0
Inter/Intra segment	(1,075.9)	(1.0)	-	-	(1,076.9)	(520.7)	-	-	(520.7)	-	(9.6)	(6.4)	(5.8)	(1,619.4)
External	5,829.9	7,444.0	1,893.4	1,435.2	16,602.5	441.6	547.1	723.4	1,712.1	1,065.8	210.3	313.0	115.9	20,019.6
Results														
Adjusted EBITDA	2,376.6	3,629.9	231.0	232.0	6,469.5	413.0	166.6	12.1	591.7	415.8	77.5	207.2	(699.1)	7,062.6
Net fair value (loss)/gain on derivative financial instruments	-	-	-	-	-	-	-	-	-	(42.8)	-	0.9	(0.4)	(42.3)
Net gain on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-	226.0	226.0
Gain on disposal of assets and liabilities classified as held for sale	-	34.9	-	-	34.9	-	-	-	-	-	-	-	267.3	302.2
Net loss on derecognition/ dilution of shareholding in associates	-	-	-	-	-	-	-	-	-	(62.4)	-	-	-	(62.4)
Impairment losses	(13.5)	(21.0)	(163.4)	(35.2)	(233.1)	-	-	-	-	(86.2)	-	(29.6)	(326.1)	(675.0)
Depreciation and amortisation	(483.1)	(877.6)	(134.5)	(285.9)	(1,781.1)	(71.2)	(98.9)	(12.1)	(182.2)	(10.7)	(32.4)	(99.4)	(21.2)	(2,127.0)
Interest income														886.8
Finance cost														(950.1)
Share of results in joint ventures	-	10.5	-	-	10.5	-	-	-	-	(21.1)	30.2	-	19.2	38.8
Share of results in associates	-	-	-	-	-	4.4	-	-	4.4	(77.2)	0.1	-	(13.2)	(85.9)
Others *(Note (i))*	(106.0)	(55.1)	(12.0)	(51.9)	(225.0)	7.6	0.2	(0.1)	7.7	-	29.8	(9.9)	(64.1)	(261.5)
Profit before taxation														4,312.2
Taxation														(1,069.4)
Profit for the financial year														3,242.8

SEGMENT ANALYSIS (Cont'd)

	Leisure & Hospitality					Plantation				Power (Note (ii))	Property	Oil & Gas	Investments & Others	Total
2016 (Restated)	Malaysia	Singapore	UK	US and Bahamas	Total	Malaysia	Indonesia	Downstream Manufacturing	Total					
Revenue														
Total revenue	6,666.8	6,686.9	1,816.2	1,365.0	16,534.9	907.1	368.2	96.1	1,371.4	1,011.5	196.0	228.3	102.2	19,444.3
Inter segment	(1,044.3)	(0.7)	-	-	(1,045.0)	(1.6)	-	-	(1.6)	-	(9.6)	(8.0)	(14.3)	(1,078.5)
External	5,622.5	6,686.2	1,816.2	1,365.0	15,489.9	905.5	368.2	96.1	1,369.8	1,011.5	186.4	220.3	87.9	18,365.8
Results														
Adjusted EBITDA	2,505.6	2,392.1	260.4	175.9	5,334.0	413.6	94.5	(2.4)	505.7	124.2	69.6	176.2	(67.1)	6,142.6
Net fair value loss on derivative financial instruments	-	-	-	-	-	-	-	-	-	(6.4)	-	(87.1)	-	(93.5)
Net gain on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-	1,307.0	1,307.0
Gain on disposal of assets and liabilities classified as held for sale	-	3.0	-	-	3.0	-	-	-	-	-	-	-	-	3.0
Gain on deemed dilution of shareholding in associate	-	-	-	-	-	-	-	-	-	-	-	-	26.4	26.4
Reversal of previously recognised impairment losses	-	-	195.2	-	195.2	-	-	-	-	-	-	-	-	195.2
Impairment losses	(0.2)	(39.0)	(5.4)	-	(44.6)	-	-	-	-	-	(5.0)	(0.1)	(138.5)	(188.2)
Depreciation and amortisation	(387.3)	(887.4)	(149.3)	(232.6)	(1,656.6)	(75.4)	(86.3)	-	(161.7)	(9.4)	(29.3)	(106.7)	(39.4)	(2,003.1)
Interest income														1,024.5
Finance cost														(678.8)
Share of results in joint ventures	-	12.2	-	-	12.2	-	-	-	-	(56.6)	21.1	-	18.0	(5.3)
Share of results in associates	-	(30.9)	-	-	(30.9)	3.6	-	-	3.6	(75.9)	0.2	-	(8.1)	(111.1)
Others *(Note (i))*	(90.8)	(22.8)	(17.2)	(38.5)	(169.3)	129.0	(0.7)	-	128.3	-	(2.8)	(27.5)	(87.9)	(159.2)
Profit before taxation														5,459.5
Taxation														(981.7)
Profit for the financial year														4,477.8

Notes:

(i) Others include pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses.

(ii) 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 RM183.3 million and RM134.7 million respectively (2016: RM949.4 million and RM837.7 million respectively), have been disclosed under the "Power" segment in the consolidated income statement for the current financial year ended 31 December 2017 thereby generating a construction profit of RM48.6 million (2016: RM111.7 million).

(iii) Revenue and adjusted EBITDA for the current financial year ended 31 December 2017 comprised sale of electricity by the Indonesian coal-fired power plant following the start of commercial operations on 28 March 2017.

SEGMENT ANALYSIS (Cont'd)

	Leisure & Hospitality					Plantation				Power	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	UK and Egypt	US and Bahamas	Total	Malaysia	Indonesia	Downstream Manufacturing	Total					
2017														
Assets														
Segment assets	**11,211.9**	**16,418.3**	**4,751.2**	**7,548.0**	**39,929.4**	**1,262.1**	**4,137.2**	**489.3**	**5,888.6**	**4,706.8**	**2,709.2**	**4,159.7**	**5,368.9**	**62,762.6**
Interest bearing instruments														**28,387.2**
Joint ventures	**-**	**164.7**	**-**	**-**	**164.7**	**-**	**-**	**-**	**-**	**851.2**	**108.1**	**-**	**89.8**	**1,213.8**
Associates	**-**	**-**	**-**	**-**	**-**	**12.7**	**-**	**-**	**12.7**	**43.6**	**0.4**	**-**	**663.5**	**720.2**
Unallocated corporate assets														**449.0**
Assets classified as held for sale (see Note 32)														**75.7**
Total assets														**93,608.5**
Liabilities														
Segment liabilities	**2,134.1**	**1,383.2**	**473.1**	**503.8**	**4,494.2**	**94.5**	**137.6**	**18.3**	**250.4**	**670.4**	**178.7**	**630.0**	**342.3**	**6,566.0**
Interest bearing instruments														**26,969.3**
Unallocated corporate liabilities														**2,905.1**
Liabilities classified as held for sale (see Note 32)														**59.2**
Total liabilities														**36,499.6**

SEGMENT ANALYSIS (Cont'd)

	Leisure & Hospitality					Plantation				Power	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	UK	US and Bahamas	Total	Malaysia	Indonesia	Downstream Manufacturing	Total					
2016 (Restated)														
Assets														
Segment assets	9,395.9	17,517.2	4,857.0	7,650.3	39,420.4	1,489.5	3,357.6	378.8	5,225.9	4,873.0	2,952.7	4,753.8	5,347.7	62,573.5
Interest bearing instruments														24,687.3
Joint ventures	-	157.6	-	-	157.6	-	-	-	-	922.0	77.9	-	127.3	1,284.8
Associates	-	-	-	-	-	12.2	-	-	12.2	215.8	0.5	-	794.8	1,023.3
Unallocated corporate assets														373.2
Assets classified as held for sale (see Note 32)														1,600.9
Total assets														91,543.0
Liabilities														
Segment liabilities	1,916.6	1,074.3	421.7	496.1	3,908.7	93.0	188.8	14.4	296.2	795.5	246.3	812.8	370.0	6,429.5
Interest bearing instruments														17,985.1
Unallocated corporate liabilities														2,413.0
Liabilities classified as held for sale (see Note 32)														11.1
Total liabilities														26,838.7

SEGMENT ANALYSIS (Cont'd)

Geographical Information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2017	2016	**2017**	2016 Restated
Malaysia	**7,185.8**	6,819.9	**12,311.1**	10,290.8
Singapore	**7,449.6**	6,698.5	**15,761.3**	16,677.8
Asia Pacific (excluding Malaysia & Singapore)	**1,929.1**	1,603.5	**8,019.6**	7,851.6
US and Bahamas	**1,512.7**	1,418.5	**7,950.8**	8,522.2
UK and Egypt	**1,942.4**	1,825.4	**4,688.5**	5,012.6
	20,019.6	18,365.8	**48,731.3**	48,355.0

Non-current assets exclude investments in joint ventures, associates, available-for-sale financial assets, financial instruments, deferred tax assets and other non-current assets as presented in the consolidated statement of financial position.

There are no revenues derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue during the current financial year.

6. REVENUE

	Group		Company	
	2017	2016	**2017**	2016
Rendering of services:				
Leisure and hospitality	**16,601.3**	15,488.8	**-**	-
Rental and property management income	**98.8**	61.9	**-**	-
Fees from management and licensing services	**-**	-	**618.0**	600.0
Other services	**60.4**	59.6	**19.6**	17.6
Sale of goods:				
Plantation produce	**988.7**	1,275.9	**-**	-
Oil and gas	**312.9**	220.4	**-**	-
Development properties	**111.6**	124.5	**-**	-
Bio-diesel and refined palm products	**723.4**	93.8	**-**	-
Others	**48.3**	26.1	**-**	-
Construction revenue	**183.3**	949.4	**-**	-
Sale of electricity	**881.0**	55.1	**-**	-
Dividend income	**9.9**	10.3	**779.6**	447.0
	20,019.6	18,365.8	**1,417.2**	1,064.6

Sale of electricity includes capacity payment amounting to RM380.4 million (2016: Nil).

7. COST OF SALES

	Group		Company	
	2017	2016 Restated	**2017**	2016
Cost of services and other operating costs	**10,419.7**	10,334.3	**120.4**	97.4
Cost of inventories recognised as an expense	**2,187.4**	1,504.0	**-**	-
Construction cost	**134.7**	704.8	**-**	-
	12,741.8	12,543.1	**120.4**	97.4

Included in other operating costs are gaming related expenses amounting to RM2,896.3 million (2016: RM2,528.1 million) for the Group and Nil (2016: Nil) for the Company.

8. REVERSAL OF PREVIOUSLY RECOGNISED IMPAIRMENT LOSSES/IMPAIRMENT LOSSES

(a) Reversal of previously recognised impairment losses

In the previous financial year ended 31 December 2016, the Group's reversal of previously recognised impairment losses of RM195.2 million related to the casino business in United Kingdom ("UK"), on the basis that the recoverable amounts exceeded the carrying values.

No reversal of previously recognised impairment loss was recorded at the Company level for the financial years ended 31 December 2017 and 2016.

(b) Impairment losses

During the current financial year, the impairment losses of the Group comprised RM163.4 million relating to the casino business in UK as set out in Notes 15 and 20, RM245.6 million on the Group's available-for-sale financial assets, RM162.9 million on the Group's investment in associates, RM100.7 million on property, plant and equipment and RM2.4 million on intangible assets, on the basis that the carrying values exceeded their recoverable amounts.

During the current financial year, the Company's impairment losses of RM311.5 million (2016: RM45.5 million) was in relation to the investment in subsidiaries, on the basis that the carrying values exceeded its recoverable amounts, given the challenging market condition in the current financial year.

In the previous financial year ended 31 December 2016, the impairment losses of the Group comprised RM136.7 million on the Group's available-for-sale financial assets, RM5.4 million on the Group's intangible asset and RM46.1 million on property, plant and equipment, assets classified as held for sale and investment properties, on the basis that the carrying values exceeded their recoverable amounts.

9. PROFIT BEFORE TAXATION

Profit before taxation from operations has been determined after inclusion of the following charges and credits. The expenses by nature of the Group are also disclosed in the charges below:

	Group		Company	
	2017	2016 Restated	**2017**	2016
Charges:				
Depreciation of property, plant and equipment	**1,818.7**	1,680.2	**0.9**	0.9
Depreciation of investment properties	**15.8**	15.6	**-**	-
Amortisation of leasehold land use rights	**1.7**	2.0	**-**	-
Amortisation of intangible assets	**200.6**	211.6	**-**	-
Depletion, depreciation and amortisation of rights of use of oil and gas assets	**90.2**	93.7	**-**	-
Directors' remuneration excluding estimated monetary value of benefits-in-kind (see Note 11)	**203.4**	171.8	**75.5**	56.9
Impairment losses on property, plant and equipment	**102.7**	32.7	**-**	-
Impairment losses on investment properties	**-**	5.0	**-**	-
Impairment losses on intangible assets	**163.8**	5.4	**-**	-
Impairment losses on available-for-sale financial assets	**245.6**	136.7	**-**	-
Impairment losses on assets classified as held for sale	**-**	8.4	**-**	-
Impairment losses on investment in associates	**162.9**	-	**-**	-
Impairment losses in subsidiaries	**-**	-	**311.5**	45.5
Impairment losses on amounts due from subsidiaries	**-**	-	**116.6**	-
Inventories written off	**1.3**	0.4	**-**	-
Property, plant and equipment written off	**57.0**	41.0	**-**	-
Intangible assets written off	**-**	80.1	**-**	-
Fair value loss on financial assets at fair value through profit or loss	**2.5**	-	**-**	-
Net fair value loss on derivative financial instruments	**42.3**	93.5	**4.9**	-
Loss on derecognition of associate	**62.5**	-	**-**	-
Impairment losses and write off of receivables	**168.3**	804.5	**-**	-
Amount due from an associate written off	**5.4**	-	**-**	-
Exchange losses – realised	**151.4**	115.0	**-**	6.8
Exchange losses – unrealised	**304.8**	66.8	**4.4**	1.4
Hire of aircraft and equipment	**55.7**	52.9	**-**	-
Rental of land and buildings	**117.3**	93.4	**-**	-
Provision for onerous leases	**-**	62.6	**-**	-
Fair value adjustment of long term receivables	**1.1**	5.4	**-**	-
Finance cost				
- Interest on borrowings	**946.1**	651.0	**-**	-
- Sukuk Murabahah	**29.1**	33.1	**-**	-
- Other finance costs	**200.0**	149.3	**-**	-
- Less: capitalised costs	**(172.8)**	(133.5)	**-**	-
- Less: interest income earned	**(52.3)**	(21.1)	**-**	-
	950.1	678.8	**-**	-
Statutory audit fees				
- Payable to auditors	**3.3**	3.1	**0.2**	0.2
- Payable to member firms of an organisation which are separate and independent legal entities from the auditors	**12.1**	10.7	**-**	-
Audit related fees				
- Payable to auditors	**0.8**	0.7	**0.1**	0.1
- Payable to member firms of an organisation which are separate and independent legal entities from the auditors	**2.1**	1.7	**-**	-

PROFIT BEFORE TAXATION (Cont'd)

	Group		Company	
	2017	2016 Restated	**2017**	2016
Charges: (Cont'd)				
Expenditure paid to subsidiaries:				
- Finance cost	**-**	-	**180.2**	181.7
- Rental of land and buildings	**-**	-	**2.7**	2.7
- Rental of equipment	**-**	-	**1.3**	2.1
- Service fees	**-**	-	**1.8**	3.9
Repairs and maintenance	**312.9**	296.3	**1.6**	1.2
Utilities	**270.5**	273.2	**0.2**	0.2
Legal and professional fees	**144.7**	181.9	**1.9**	6.9
Transportation costs	**100.7**	87.6	**-**	-
Credits:				
Interest income	**886.8**	1,024.5	**68.4**	42.2
Gain on disposal of available-for-sale financial assets	**226.0**	1,307.0	**-**	-
Net gain on disposal of property, plant and equipment	**31.2**	127.5	**-**	-
Gain on disposal of subsidiaries	**3.5**	-	**-**	-
Gain on disposal of assets and liabilities classified as held for sale	**302.2**	3.0	**-**	-
Rental income from land and buildings	**197.1**	139.8	**-**	-
Gain on dilution of shareholding in associate	**0.1**	26.4	**-**	-
Gain on bargain purchase	**2.8**	-	**-**	-
Reversal of provision for onerous leases	**0.3**	-	**-**	-
Net surplus arising from compensation in respect of land acquired by the Government	**10.6**	0.1	**-**	-
Exchange gains – realised	**-**	14.4	**1.8**	-
Exchange gains – unrealised	**-**	263.9	**-**	-
Reversal of previously recognised impairment losses on property, plant and equipment and investment property	**-**	11.2	**-**	-
Reversal of previously recognised impairment losses on intangible assets	**-**	184.0	**-**	-
Fair value gain on financial assets at fair value through profit or loss	**-**	2.2	**-**	-
Net fair value gain on derivative financial instruments	**-**	-	**-**	17.2
Dividends (gross) from:				
- Quoted foreign corporations	**3.9**	3.6	**-**	-
- Quoted Malaysian corporations	**0.2**	-	**-**	-
- Unquoted Malaysian corporations	**6.2**	6.7	**-**	-
Income from available-for-sale financial assets	**27.6**	47.1	**0.8**	7.6
Other information:				
Non-audit fees and non-audit related costs*				
- Payable to auditors	**0.2**	0.2	**-**	-
- Payable to member firms of an organisation which are separate and independent legal entities from the auditors	**6.4**	4.9	**-**	-

* Non-audit fees and non-audit related costs are in respect of tax related services of RM2.5 million (2016: RM2.3 million) and financial advisory services of RM4.1 million (2016: RM2.8 million).

10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2017	2016	**2017**	2016
Wages, salaries and bonuses	**3,680.4**	3,441.8	**88.2**	79.4
Defined contribution plan	**276.6**	260.4	**13.5**	11.7
Other short-term employee benefits	**453.1**	481.7	**2.6**	2.6
Share-based payments (see note below)	**80.3**	77.3	**-**	-
Provision for retirement gratuities, net (see Note 38)	**63.8**	31.9	**16.1**	3.7
	4,554.2	4,293.1	**120.4**	97.4

Employee benefits expense, as shown above, includes the remuneration of Executive Directors.

Note: The share-based payments arose mainly from the Performance Share Scheme and Employee Share Option Scheme of the Group's subsidiaries, Genting Singapore and Genting Malaysia Berhad ("Genting Malaysia"), a company which is 49.3% owned by the Company.

11. DIRECTORS' REMUNERATION

	Group		Company	
	2017	2016	**2017**	2016
Non-Executive Directors:				
Fees	**0.6**	0.6	**0.6**	0.6
Executive Directors:				
Fees	**1.1**	1.1	**0.4**	0.4
Salaries and bonuses	**134.7**	120.9	**52.4**	46.9
Defined contribution plan	**19.4**	18.9	**9.8**	8.8
Other short-term employee benefits	**0.5**	0.5	**-**	-
Share-based payments	**21.8**	29.1	**-**	-
Provision for retirement gratuities	**25.3**	0.7	**12.3**	0.2
	202.8	171.2	**74.9**	56.3
Directors' remuneration excluding estimated monetary value of benefits-in-kind (see Note 9)	**203.4**	171.8	**75.5**	56.9
Estimated monetary value of benefits-in-kind (not charged to the income statements) in respect of Executive Directors	**2.0**	1.9	**-**	-
	205.4	173.7	**75.5**	56.9

12. TAXATION

	Group		Company	
	2017	2016 Restated	**2017**	2016
Current taxation charge:				
Malaysian taxation	**347.7**	357.9	**142.3**	133.2
Foreign taxation	**671.1**	370.7	**-**	-
	1,018.8	728.6	**142.3**	133.2
Deferred tax charge/(credit) (see Note 28)	**99.7**	320.0	**(3.7)**	(0.7)
	1,118.5	1,048.6	**138.6**	132.5
Prior years' taxation:				
Income tax over provided	**(49.1)**	(66.9)	**(0.1)**	-
	1,069.4	981.7	**138.5**	132.5

The reconciliation between the average effective tax rate and the Malaysian tax rate is as follows:

	Group		Company	
	2017 %	2016 % Restated	**2017 %**	2016 %
Malaysian tax rate	**24.0**	24.0	**24.0**	24.0
Tax effects of:				
- expenses not deductible for tax purposes	**13.1**	10.5	**20.5**	7.7
- over provision in prior years	**(1.1)**	(1.2)	**-**	-
- different tax regime	**(4.6)**	(0.4)	**-**	-
- tax incentives	**(4.1)**	(4.4)	**-**	-
- income not subject to tax	**(4.0)**	(11.5)	**(25.6)**	(14.7)
- others	**1.5**	1.0	**-**	-
Average effective tax rate	**24.8**	18.0	**18.9**	17.0

Taxation is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) on the estimated chargeable profit for the year of assessment 2017.

The income tax effect of the other comprehensive (loss)/income items of the Group, which are individually not material, is a tax credit of RM16.1 million (2016: tax expense of RM33.0 million) in the current financial year.

13. EARNINGS PER SHARE

The basic and diluted earnings per share of the Group are computed as follows:

(a) Basic earnings per share:

Basic earnings per share of the Group is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	2017	2016 Restated
Profit for the financial year attributable to equity holders of the Company (RM million)	**1,445.3**	2,120.6
Weighted average number of ordinary shares in issue ('million)	**3,775.1**	3,720.5
Basic earnings per share (sen)	**38.28**	57.00

(b) Diluted earnings per share:

For the diluted earnings per share calculation, the Group's profit for the financial year is reduced by the lower consolidated earnings from subsidiaries arising from the potential dilution of the Group's shareholdings in those subsidiaries that have issued potential ordinary shares that are dilutive. The weighted average number of ordinary shares in issue of the Company is also adjusted to assume conversion of all dilutive potential ordinary shares issued by the Company.

	2017	2016 Restated
Earnings adjusted as follows:		
Profit for the financial year attributable to equity holders of the Company (RM million)	**1,445.3**	2,120.6
Net impact on earnings on potential exercise of Employees Share Options and Performance Share Scheme awarded to executives of the Company's subsidiaries and warrants issued to shareholders of the Company's subsidiary (RM million)	**(0.9)**	(1.1)
Adjusted earnings for the financial year (RM million)	**1,444.4**	2,119.5
Weighted average number of ordinary shares adjusted as follows:		
Weighted average number of ordinary shares in issue ('million)	**3,775.1**	3,720.5
Adjustment for potential conversion of warrants of the Company ('million)	**64.3**	21.9
Adjusted weighted average number of ordinary shares in issue ('million)	**3,839.4**	3,742.4
Diluted earnings per share (sen)	**37.62**	56.63

14. DIVIDENDS

Dividends recognised as distribution to ordinary equity holders of the Company:

	Group/Company			
	2017		2016	
	Gross dividend per share Sen	**Amount of dividend, net of tax RM million**	Gross dividend per share Sen	Amount of dividend, net of tax RM million
Special dividends paid in respect of previous financial year	**6.5**	**242.0**	-	-
Final dividends paid in respect of previous financial year	**6.0**	**226.6**	3.5	130.3
Interim dividends paid in respect of current financial year	**8.5**	**324.3**	-	-
	21.0	**792.9**	3.5	130.3

A special single-tier dividend of 7.0 sen (2016: 6.5 sen) per ordinary share in respect of the current financial year has been declared for payment to shareholders registered in the Register of Members on 14 March 2018. The special single-tier dividend shall be paid on 3 April 2018. Based on the issued and paid-up capital of the Company as at 31 December 2017, the special single-tier dividend would amount to RM267.8 million (2016: RM242.0 million). The special single-tier dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 December 2017 of 6.0 sen (2016: 6.0 sen) per ordinary share amounting to RM229.5 million (2016: RM226.6 million) will be proposed for shareholders' approval. These financial statements do not reflect this final single-tier dividend which will be accrued as a liability upon approval by shareholders.

15. PROPERTY, PLANT AND EQUIPMENT

2017 Group	Freehold lands	Leasehold lands	Buildings and improvements	Plant, equipment and vehicles	Aircrafts, sea vessels and improvements	Construction in progress	Bearer plants	Total
Net Book Value:								
At 1 January 2017, as previously reported	1,959.2	2,683.2	14,768.9	8,359.9	454.8	4,441.6	-	32,667.6
Effect of change in accounting policy	-	-	-	-	-	-	2,116.0	2,116.0
At 1 January 2017, as restated	1,959.2	2,683.2	14,768.9	8,359.9	454.8	4,441.6	2,116.0	34,783.6
Additions (including capitalised interest)	0.4	124.2	142.0	788.1	288.0	2,262.9	209.9	3,815.5
Disposals	(0.1)	-	(24.0)	(6.6)	-	(0.4)	(0.3)	(31.4)
Written off	-	-	(15.0)	(37.8)	-	(3.9)	(0.3)	(57.0)
Depreciation charged for the financial year	-	(62.3)	(465.4)	(1,166.0)	(40.2)	-	(84.8)	(1,818.7)
Assets of subsidiary acquired	-	-	18.5	33.0	-	40.4	534.8	626.7
Transfer from/(to):								
- Investment properties (see Note 17)	-	-	(1.1)	-	-	(0.1)	-	(1.2)
- Assets classified as held for sale (see Note 32)	-	-	(26.5)	(8.2)	(39.3)	-	-	(74.0)
Depreciation and amortisation capitalised on bearer plants:								
- Leasehold land use rights (see Note 19)	-	-	-	-	-	-	0.3	0.3
- Other assets	-	(0.4)	(6.1)	(4.0)	-	-	10.5	-
Reclassification	-	0.5	1,451.1	1,256.7	-	(2,708.3)	-	-
Impairment losses	(1.2)	(0.9)	(15.5)	(30.7)	(54.4)	-	-	(102.7)
Cost adjustments	0.9	1.5	1.9	(3.7)	(0.2)	2.7	-	3.1
Foreign exchange differences	(103.3)	(47.9)	(326.3)	(150.3)	(10.8)	(118.6)	(158.2)	(915.4)
At 31 December 2017	1,855.9	2,697.9	15,502.5	9,030.4	597.9	3,916.3	2,627.9	36,228.8
At 31 December 2017:								
Cost or valuation	1,857.1	3,152.1	19,442.3	19,561.8	725.6	3,916.3	3,187.8	51,843.0
Accumulated depreciation	-	(451.8)	(3,808.5)	(10,434.4)	(102.1)	-	(559.9)	(15,356.7)
Accumulated impairment losses	(1.2)	(2.4)	(131.3)	(97.0)	(25.6)	-	-	(257.5)
Net book value	1,855.9	2,697.9	15,502.5	9,030.4	597.9	3,916.3	2,627.9	36,228.8
Comprising at 31 December 2017								
Cost	1,598.1	3,109.4	19,246.8	19,550.4	725.6	3,916.3	3,187.8	51,334.4
At valuation:								
- 1981	46.6	-	-	-	-	-	-	46.6
- 1982	8.8	-	76.7	2.9	-	-	-	88.4
- 1983	105.1	-	2.3	-	-	-	-	107.4
- 1986	-	-	-	8.5	-	-	-	8.5
- 1989	83.3	-	115.8	-	-	-	-	199.1
- 1991	-	34.0	0.7	-	-	-	-	34.7
- 1995	-	8.7	-	-	-	-	-	8.7
- 1996	15.2	-	-		-	-	-	15.2
	1,857.1	3,152.1	19,442.3	19,561.8	725.6	3,916.3	3,187.8	51,843.0

PROPERTY, PLANT AND EQUIPMENT (Cont'd)

2016 Group	Freehold lands	Leasehold lands	Buildings and improvements	Plant, equipment and vehicles	Aircrafts, sea vessels and improvements	Construction in progress	Bearer plants	Total
Net Book Value:								
At 1 January 2016, as previously reported	1,985.0	2,704.1	13,782.8	8,324.7	655.4	3,687.4	-	31,139.4
Effect of change in accounting policy	-	-	-	-	-	-	1,824.1	1,824.1
At 1 January 2016, as restated	1,985.0	2,704.1	13,782.8	8,324.7	655.4	3,687.4	1,824.1	32,963.5
Additions (including capitalised interest)	0.5	5.6	227.5	518.2	39.8	2,930.3	187.6	3,909.5
Disposals	(1.7)	-	(5.9)	(22.5)	(255.8)	-	(9.6)	(295.5)
Written off	-	-	(10.8)	(27.2)	(0.4)	(1.2)	(1.4)	(41.0)
Depreciation charged for the financial year	-	(43.8)	(433.3)	(1,094.1)	(29.2)	-	(79.8)	(1,680.2)
Assets of subsidiaries acquired	-	-	3.8	0.3	-	0.3	120.7	125.1
Transfer from/(to):								
- Investment properties (see Note 17)	-	-	(39.4)	(0.4)	-	(34.1)	-	(73.9)
- Leasehold land use rights (see Note 19)	-	-	-	0.4	-	-	0.8	1.2
- Intangible assets (see Note 20)	-	-	-	-	-	0.7	-	0.7
Depreciation and amortisation capitalised on bearer plants:								
- Leasehold land use rights (see Note 19)	-	-	-	-	-	-	0.6	0.6
Reclassification	-	-	1,410.7	715.6	68.2	(2,201.8)	7.3	-
Impairment losses	-	-	(17.1)	(15.2)	(0.4)	-	-	(32.7)
Reversal of impairment losses	-	-	11.2	-	-	-	-	11.2
PPA adjustments (see note (b) below)	(46.8)	-	-	-	-	-	-	(46.8)
Cost adjustments	-	(7.5)	(15.7)	(10.9)	-	(3.8)	-	(37.9)
Foreign exchange differences	22.2	24.8	(144.9)	(29.0)	(22.8)	63.8	65.7	(20.2)
At 31 December 2016	1,959.2	2,683.2	14,768.9	8,359.9	454.8	4,441.6	2,116.0	34,783.6
At 31 December 2016:								
Cost or valuation	1,959.2	3,081.8	18,315.8	18,051.8	577.5	4,441.6	2,598.3	49,026.0
Accumulated depreciation	-	(397.1)	(3,429.8)	(9,620.1)	(110.0)	-	(482.3)	(14,039.3)
Accumulated impairment losses	-	(1.5)	(117.1)	(71.8)	(12.7)	-	-	(203.1)
Net book value	1,959.2	2,683.2	14,768.9	8,359.9	454.8	4,441.6	2,116.0	34,783.6
Comprising at 31 December 2016								
Cost	1,700.2	3,039.1	18,120.3	18,040.4	577.5	4,441.6	2,598.3	48,517.4
At valuation:								
- 1981	46.6	-	-	-	-	-	-	46.6
- 1982	8.8	-	76.7	2.9	-	-	-	88.4
- 1983	105.1	-	2.3	-	-	-	-	107.4
- 1986	-	-	-	8.5	-	-	-	8.5
- 1989	83.3	-	115.8	-	-	-	-	199.1
- 1991	-	34.0	0.7	-	-	-	-	34.7
- 1995	-	8.7	-	-	-	-	-	8.7
- 1996	15.2	-	-	-	-	-	-	15.2
	1,959.2	3,081.8	18,315.8	18,051.8	577.5	4,441.6	2,598.3	49,026.0
At 1 January 2016:								
Cost or valuation	1,985.0	3,057.2	16,913.1	17,111.4	790.5	3,687.4	2,154.9	45,699.5
Accumulated depreciation	-	(351.6)	(3,002.0)	(8,719.6)	(104.9)	-	(330.8)	(12,508.9)
Accumulated impairment losses	-	(1.5)	(128.3)	(67.1)	(30.2)	-	-	(227.1)
Net book value	1,985.0	2,704.1	13,782.8	8,324.7	655.4	3,687.4	1,824.1	32,963.5
Comprising at 1 January 2016								
Cost	1,726.0	3,014.5	16,717.6	17,100.0	790.5	3,687.4	2,154.9	45,190.9
At valuation:								
- 1981	46.6	-	-	-	-	-	-	46.6
- 1982	8.8	-	76.7	2.9	-	-	-	88.4
- 1983	105.1	-	2.3	-	-	-	-	107.4
- 1986	-	-	-	8.5	-	-	-	8.5
- 1989	83.3	-	115.8	-	-	-	-	199.1
- 1991	-	34.0	0.7	-	-	-	-	34.7
- 1995	-	8.7	-	-	-	-	-	8.7
- 1996	15.2	-	-	-	-	-	-	15.2
	1,985.0	3,057.2	16,913.1	17,111.4	790.5	3,687.4	2,154.9	45,699.5

PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Notes:

(a) During the current financial year, the Group has capitalised borrowing costs amounting to RM141.6 million (2016: RM106.7 million) on qualifying assets.

(b) In the previous financial year, Genting Malaysia Group had completed the Purchase Price Allocation ("PPA") exercise in respect of the acquisition of business from RAV Bahamas Limited which included land and certain properties with restaurants in Bimini that resulted in the reduction in fair value of the land acquired by RM46.8 million.

(c) Included in the property, plant and equipment is an amount of RM1,333.4 million (2016: RM1,601.0 million) related to the Bimini operations ("Bimini Assets"). The Group has carried out an impairment assessment on these assets in view of the continued losses recorded since the commencement of the Bimini operations. The recoverable amount of Bimini Assets is determined based on the value in use ("VIU") method. Cash flow projections used in this calculation were based on financial budgets approved by management covering an eight-year period (2016: five-year period). Cash flows beyond the eight-year period (2016: five-year period) were extrapolated using the estimated growth rate.

Key assumptions used in the VIU calculations are as follows:

	Group	
	2017	2016
Growth rate	**2.3%**	2.0%
Short term discount rate	**8.4%**	6.5%
Terminal value discount rate	**6.7%**	6.5%
Average hotel occupancy rate	**72.0%**	73.0%

Based on the impairment assessment, no impairment loss has been recognised for Bimini Assets (2016: Nil).

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the Bimini Assets to materially exceed the recoverable amount.

Fixed assets have been revalued by the Directors based upon valuations carried out by independent firms of professional valuers using the fair market value basis except for assets revalued in 1991, which were based on the values determined by a regulatory authority in connection with a restructuring exercise. The net book value of the revalued assets of the Group would have amounted to RM223.4 million (2016: RM225.1 million) had such assets been stated in the financial statements at cost.

Certain freehold land and buildings and improvements of the casino business in the UK amounting to RM693.1 million (2016: Nil) have been pledged as collateral for the Group's GBP borrowings.

Property, plant and equipment with a carrying amount of approximately RM432.8 million (2016: RM422.8 million) have been pledged as collateral as at 31 December 2017 for the USD borrowings in the Group's power plant business and plantation business.

PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Banker guarantees of SGD10.0 million (equivalent to approximately RM30.3 million) (2016: SGD10.0 million or equivalent to approximately RM31.0 million) were obtained and held by Sentosa Development Corporation ("SDC"), as part of the conditions in the Development Agreement entered into with SDC. These guarantees and the bank borrowings of Genting Singapore Group are substantially secured over assets of the Singapore leisure and hospitality business segment.

2017 **Company**	**Freehold buildings and improvements**	**Plant, equipment and vehicles**	**Total**
Net Book Value:			
At 1 January 2017	**0.1**	**1.9**	**2.0**
Additions	**-**	**1.7**	**1.7**
Depreciation	**(0.1)**	**(0.8)**	**(0.9)**
At 31 December 2017	**-**	**2.8**	**2.8**
At 31 December 2017:			
Cost	**8.8**	**18.8**	**27.6**
Accumulated depreciation	**(8.8)**	**(16.0)**	**(24.8)**
Net book value	**-**	**2.8**	**2.8**
2016 **Company**			
Net Book Value:			
At 1 January 2016	0.2	1.5	1.7
Additions	-	1.3	1.3
Disposal	-	(0.1)	(0.1)
Depreciation	(0.1)	(0.8)	(0.9)
At 31 December 2016	0.1	1.9	2.0
At 31 December 2016:			
Cost	8.8	18.7	27.5
Accumulated depreciation	(8.7)	(16.8)	(25.5)
Net book value	0.1	1.9	2.0

16. PROPERTY DEVELOPMENT ACTIVITIES

	Group			
		2017		2016
(a) Land held for property development:				
Freehold land		**262.1**		264.4
Development costs		**122.2**		114.5
		384.3		378.9
At 1 January				
- freehold land	**264.4**		258.3	
- development costs	**114.5**	**378.9**	101.4	359.7
Costs incurred during the financial year				
- freehold land	**-**		7.5	
- development costs	**6.2**	**6.2**	14.9	22.4
Costs transferred to property development costs (see Note 16(b))				
- freehold land	**(2.4)**		(1.3)	
- development costs	**(4.4)**	**(6.8)**	(1.5)	(2.8)
Costs transferred from/(to) assets classified as held for sale				
- freehold land	**0.1**		(0.1)	
- development costs	**5.9**	**6.0**	(0.3)	(0.4)
At 31 December		**384.3**		378.9
(b) Property development costs:				
Freehold land		**4.2**		2.7
Development costs		**48.7**		68.3
Accumulated costs charged to income statement		**(21.7)**		(21.0)
		31.2		50.0
At 1 January				
- freehold land	**2.7**		3.2	
- development costs	**68.3**		141.1	
- accumulated costs charged to income statement	**(21.0)**	**50.0**	(53.5)	90.8
Costs incurred during the financial year				
- development costs		**47.6**		48.8
Costs charged to income statement		**(44.1)**		(76.2)
Costs transferred from land held for property development (see Note 16(a))		**6.8**		2.8
Costs transferred to inventories				
- freehold land	**(0.9)**		(0.7)	
- development costs	**(71.7)**		(48.0)	
- accumulated costs charged to income statement	**43.5**	**(29.1)**	32.5	(16.2)
At 31 December		**31.2**		50.0

17. INVESTMENT PROPERTIES

	Group	
	2017	2016
Net Book Value:		
At 1 January	**2,099.6**	2,070.7
Additions	**51.2**	0.3
Transfer from property, plant and equipment (see Note 15)	**1.2**	73.9
Depreciation charged for the financial year	**(15.8)**	(15.6)
Impairment losses	**-**	(5.0)
Derecognition of investment property (see Note 27 (v))	**(41.5)**	-
Foreign exchange differences	**(129.4)**	(24.7)
At 31 December	**1,965.3**	2,099.6
At 31 December:		
Cost	**2,277.0**	2,425.1
Accumulated depreciation	**(278.0)**	(289.3)
Accumulated impairment losses	**(33.7)**	(36.2)
Net book value	**1,965.3**	2,099.6
Fair value at end of the financial year	**3,650.7**	3,590.9

Certain investment properties within the UK business segment amounting to RM185.8 million (2016: Nil) have been pledged as collateral for the Group's GBP borrowings.

Fair values of the Group's and Company's investment properties at the end of the financial year have been determined by independent professional valuers based on the market comparison approach that reflects the recent transaction prices for similar properties and are within Level 2 of the fair value hierarchy, except for the Group's investment properties in Miami, Florida, US which have been determined by independent professional valuers based on the income approach of the respective properties and are within Level 3 of the fair value hierarchy. The recoverable amounts of the Group's properties at Omni Center in the City of Miami, Florida, US were assessed together with the related goodwill arising from the acquisition of Omni Center. The calculations require the use of estimates as set out in Note 20.

The aggregate rental income and direct operating expenses arising from investment properties of the Group that generated rental income which was recognised during the financial year amounted to RM87.8 million and RM53.5 million (2016: RM52.7 million and RM51.5 million) respectively.

The direct operating expenses incurred from investment properties of the Group which did not generate rental income during the financial year amounted to RM7.4 million (2016: RM6.3 million).

18. PLANTATION DEVELOPMENT

	Group	
	2017	2016
Net Book Value:		
At 1 January, as previously reported	**2,513.6**	2,154.9
Less : Effect of change in accounting policies (see Note 2 (d))	**(2,513.6)**	(2,154.9)
At 1 January, as restated / At 31 December	**-**	-

19. LEASEHOLD LAND USE RIGHTS

	Group	
	2017	2016
Net Book Value:		
At 1 January	**495.8**	387.1
Additions	**50.4**	13.0
Assets of subsidiary acquired	**163.3**	85.9
Disposal	**(43.0)**	-
Reclassification to property, plant and equipment (see Note 15)	**-**	(1.2)
Amortisation	**(1.7)**	(2.0)
Amortisation capitalised under property, plant and equipment (see Note 15)	**(0.3)**	(0.6)
Foreign exchange differences	**(23.5)**	13.6
At 31 December	**641.0**	495.8
At 31 December:		
Cost	**665.2**	519.6
Accumulated amortisation	**(24.2)**	(23.8)
Net book value	**641.0**	495.8

Leasehold land use rights of certain subsidiaries with an aggregate carrying value of RM469.1 million (2016: RM398.9 million) are pledged as securities for borrowings.

The disposal during the financial year of RM43.0 million (2016: Nil) was related to the disposal of a subsidiary of the Genting Plantations Group.

The Group holds land rights in Indonesia in the form of Hak Guna Usaha ("HGU"), which give the rights to cultivate land for agricultural purposes with expiry dates between 2037 and 2044. The Group also holds other rights relating to certain plots of land in Indonesia and the Group is at various stages of the application process in converting such rights to HGU.

20. INTANGIBLE ASSETS

Group	Goodwill	Casino licences	Licences	Trademarks	Intellectual property rights and development costs	Other intangibles	Total
Net Book Value:							
At 1 January 2017	**988.8**	**2,506.8**	**2,826.7**	**77.3**	**-**	**127.8**	**6,527.4**
Foreign exchange differences	**(33.5)**	**(11.2)**	**(238.3)**	**(0.4)**	**-**	**(5.5)**	**(288.9)**
Additions	**-**	**-**	**-**	**-**	**-**	**33.9**	**33.9**
Amortisation	**-**	**(68.5)**	**(124.5)**	**-**	**-**	**(7.6)**	**(200.6)**
Adjustments (see note (a) Goodwill-Indonesia (ii) below)	**(4.2)**	**-**	**-**	**-**	**-**	**-**	**(4.2)**
Impairment losses	**-**	**(161.4)**	**-**	**-**	**-**	**(2.4)**	**(163.8)**
At 31 December 2017	**951.1**	**2,265.7**	**2,463.9**	**76.9**	**-**	**146.2**	**5,903.8**
At 31 December 2017:							
Cost	**2,363.0**	**2,845.6**	**3,128.9**	**76.9**	**-**	**229.5**	**8,643.9**
Accumulated amortisation	**-**	**(127.0)**	**(659.9)**	**-**	**-**	**(46.6)**	**(833.5)**
Accumulated impairment losses	**(1,411.9)**	**(452.9)**	**(5.1)**	**-**	**-**	**(36.7)**	**(1,906.6)**
Net book value	**951.1**	**2,265.7**	**2,463.9**	**76.9**	**-**	**146.2**	**5,903.8**
Net Book Value:							
At 1 January 2016	1,027.2	2,554.9	2,788.4	89.6	112.0	94.5	6,666.6
Foreign exchange differences	1.4	(371.1)	93.2	(12.3)	-	1.8	(287.0)
Additions	-	204.3	34.1	-	-	38.7	277.1
Written off	-	-	-	-	(93.4)	-	(93.4)
Amortisation	-	(65.3)	(121.2)	-	(18.6)	(6.5)	(211.6)
Reversal of previously recognised impairment losses	-	184.0	-	-	-	-	184.0
Transfer to property, plant and equipment (see Note 15)	-	-	-	-	-	(0.7)	(0.7)
PPA adjustments (see note (a) (ii) below)	(39.8)	-	37.6	-	-	-	(2.2)
Impairment losses	-	-	(5.4)	-	-	-	(5.4)
At 31 December 2016	988.8	2,506.8	2,826.7	77.3	-	127.8	6,527.4
At 31 December 2016:							
Cost	2,413.1	2,863.6	3,423.9	77.3	-	205.2	8,983.1
Accumulated amortisation	-	(61.4)	(592.0)	-	-	(40.7)	(694.1)
Accumulated impairment losses	(1,424.3)	(295.4)	(5.2)	-	-	(36.7)	(1,761.6)
Net book value	988.8	2,506.8	2,826.7	77.3	-	127.8	6,527.4

The other intangible assets comprised software development, patents and research and development costs.

Included in the licences is an amount of RM2,362.6 million (2016: RM2,701.0 million) which has been pledged as collateral for the Genting Malaysia Group's USD borrowing.

The intellectual property rights in the previous financial year represented the fair value of genomic data arising from the Genting Plantations Group's acquisition of the remaining 50% equity interest in ACGT Intellectual Limited in 2010.

The intellectual property development costs in the previous financial year comprised expenditure incurred on intellectual property development relating to the use of genomics-based techniques and other methods or tools thereof to increase the yields and profit streams principally from oil palm and other crops. The expenditure incurred on these intellectual property development represents mainly payments made in respect of the genome sequencing data received by Genting Plantations Group for the research and development activities in the area of genomics.

Both the intellectual property development costs and intellectual property rights had been written off in the previous financial year in view that the recoverable amount, based on the impairment assessment, was below the carrying amount of the intangible assets and other related assets.

INTANGIBLE ASSETS (Cont'd)

(a) Impairment tests for goodwill and other intangible assets with indefinite useful lives

Goodwill and other intangible assets with indefinite useful lives are allocated to the Group's cash-generating units ("CGU") identified according to geographical area and business segments.

A segment-level summary of the Group's net book value of goodwill and other intangible assets with indefinite useful lives allocation is as follows:

Group	**2017**	2016
Goodwill – leisure and hospitality segment:		
Malaysia	**277.1**	277.1
United Kingdom	**27.4**	27.5
United States of America	**42.0**	49.9
Singapore	**379.3**	386.4
Goodwill – others:		
United Kingdom – investment and others segment	**82.1**	86.1
Indonesia – plantation and oil and gas segment	**143.2**	161.8
Intangible assets other than goodwill:		
United Kingdom – leisure and hospitality segment		
- casino licences	**2,192.4**	2,363.9
- trademarks	**73.7**	74.0
Isle of Man		
- trademarks	**3.2**	3.3

Goodwill – Malaysia

The impairment test for goodwill relating to the Malaysia CGU was assessed using the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the leisure & hospitality industry in which the CGU operates.

Key assumptions used in the VIU calculation for 2017 include a growth rate and discount rate of 1.0% and 10.2% (2016: 1.0% and 9.4%) respectively.

Based on the impairment assessment, no impairment is required for goodwill attributed to the Malaysia CGU.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed the recoverable amount.

INTANGIBLE ASSETS (Cont'd)

Goodwill and other intangible assets– UK

(i) Goodwill and other intangible assets with indefinite useful lives – casino business in UK

Goodwill and other intangible assets with indefinite useful lives that have been allocated to leisure and hospitality segment in UK were tested for impairment. Goodwill is allocated to the UK segment for the purpose of impairment review. The casino licences, considered to have indefinite useful lives, are assigned to smaller CGUs for the purposes of impairment review.

The recoverable amounts of goodwill, casino licences and trademarks in the UK were determined based on the higher of FVLCTS and VIU. Estimates of fair value on property assets have been determined by an independent professional valuer. VIU has been calculated using cash flow projections covering a five-year period. The average EBITDA of the past three years, current year and 2018 budget approved by the Board of Directors are used as a proxy to forecast the 2018 base year cash flows for each CGU. Cash flows beyond the five-year period were extrapolated using the estimated growth rate.

Key assumptions used for VIU calculations include:

	Leisure and hospitality	
	2017	2016
Growth rate	**2.00%**	2.00%
Discount rate	**7.75%**	10.00%

The growth rate did not exceed the long-term average growth rate for the leisure and hospitality industry in which the CGUs operate and is consistent with the forecasts included in industry reports.

Based on the above impairment assessment, the Group recorded impairment losses of RM161.4 million (2016: reversal of previously recognised impairment losses of RM184.0 million) on casino licences and RM2.0 million (2016: reversal of previously recognised impairment losses of RM11.2 million) on property, plant and equipment in respect of certain CGUs on the basis that the carrying values exceeded recoverable amounts based on VIU method.

If the growth rate is reduced to 1.75% (2016: 1.75%) and all other variables including tax rate are being held constant, the impairment loss of intangible assets and property, plant and equipment will increase by RM67.0 million (2016: recoverable amount remained unchanged as the determined FVLCTS is higher than VIU).

If the discount rate is 0.25% (2016: 1%) higher and all other variables including tax rate are being held constant, the impairment loss of intangible assets and property, plant and equipment will increase by RM65.4 million (2016: recoverable amount remained unchanged as the determined FVLCTS is higher than VIU).

INTANGIBLE ASSETS (Cont'd)

Goodwill and other intangible assets – UK (cont'd)

(ii) Goodwill and online gaming licence with definite useful lives – Acquisition of Genting Alderney by Genting Malaysia Group

In the previous financial year, the Group completed the PPA exercise in respect of the acquisition of Genting Alderney which resulted in an increase in the carrying amount of intangible assets (i.e. online gaming license) by RM37.6 million (GBP5.8 million) and a corresponding decrease in goodwill of the same amount. The remaining goodwill of RM2.2 million (GBP0.4 million) arising from the finalisation of PPA has been written off to profit or loss in 2016.

(iii) Goodwill – Acquisition of DNAe Group Holdings Limited ("DNAe Group")

The impairment test for goodwill relating to the acquisition of DNAe Group amounting to RM42.6 million was assessed using the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a twelve-year period in consideration of its nature of the business in research and development which requires a longer period. Cash flows beyond the twelve-year period were extrapolated using the estimated growth rate stated below.

Key assumptions used in the VIU calculation include a growth rate and discount rate of 1.0% and 30% (2016: 1.0% and 30%) respectively.

Based on the impairment assessment, no impairment is required for goodwill attributed to the acquisition of DNAe Group.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed the recoverable amount.

INTANGIBLE ASSETS (Cont'd)

Goodwill and other intangible assets – UK (cont'd)

(iv) Goodwill – Acquisition of DNA Electronics, Inc ("DNA Electronics")

The impairment test for goodwill relating to the acquisition of DNA Electronics amounting to RM43.5 million was assessed using the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a twelve-year period in consideration of its nature of the business in research and development which requires a longer period. Cash flows beyond the twelve-year period were extrapolated using the estimated growth rate stated below.

Key assumptions used in the VIU calculation include a growth rate and discount rate of 1.0% and 30% (2016: 1.0% and 30%) respectively.

Based on the impairment assessment, no impairment is required for goodwill attributed to the acquisition of DNA Electronics.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed the recoverable amount.

Goodwill – United States of America ("US")

The goodwill attributable to the US CGU arose from the acquisition of Omni Center in the City of Miami, Florida, US.

The Group has engaged an independent professional valuer to carry out a formal valuation of Omni Center, which includes a hotel, retail shops and office building in 2017. The recoverable amounts of the Omni Center were determined based on the FVLCTS of the respective properties using the income approach and are within Level 3 of the fair value hierarchy. Key assumptions used include growth rates of 3.0% to 6.4% (2016: 3.0% to 5.4%) and discount rates of 17.5% to 23.8% (2016: 12.3% to 23.7%). Based on the impairment assessment, no impairment is required for goodwill attributed to the US CGU.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed the recoverable amount.

INTANGIBLE ASSETS (Cont'd)

Goodwill – Singapore

The goodwill attributed to the Singapore CGU mainly arose from the acquisition of 25% equity interest in Resorts World at Sentosa Pte. Ltd. ("RWSPL") which has developed the first integrated resort in Singapore. The impairment test for goodwill relating to the Singapore CGU was assessed using the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management. The cash flow projection covers a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the leisure and hospitality industry in which the CGU operates.

Key assumptions used in the VIU calculation for 2017 include a growth rate and discount rate of 2.00% and 6.24% (2016: 1.00% and 6.88%) respectively.

Based on the impairment assessment, no impairment is required for goodwill attributed to the Singapore CGU. A reasonably possible change in a key assumption on which management has based its determination of the CGU's recoverable amount would not cause its carrying amount to exceed its recoverable amount.

Goodwill – Indonesia

(i) Acquisition of AsianIndo Holdings Pte Ltd ("AIH")

Goodwill arose in 2010 when the Genting Plantations Group increased its equity interest from 60% to 77% in a subsidiary of Genting Plantations, AIH. This goodwill represents the excess of the purchase consideration over the incremental share of net assets, which was based on the then existing Genting Plantations Group's carrying amounts, instead of fair values of the net assets in AIH when the additional equity interest was acquired.

The impairment test for goodwill was based on the most recent transacted prices of plantation lands in Indonesia. Based on the impairment assessment, there is no indication of impairment for the goodwill attributed to the plantation lands in Indonesia.

(ii) Acquisition of PT Varita Majutama ("PTVM")

Goodwill arose from the acquisition of 95% equity interest in PTVM which was completed on 18 July 2014. During the current financial year, PTVM participated in the Indonesian Government's tax amnesty programme which resulted an increase in the net assets by RM4.2 million and a corresponding decrease in goodwill of the same amount. The impairment of goodwill was assessed collectively with exploration costs (see Note 21) as the acquisition of PTVM was in relation to the Group's oil and gas activities.

(b) Licences with definite useful lives

Included in licences as at 31 December 2017 is an amount of RM26.9 million (2016: RM30.4 million) related to casino licences of Bimini operations. The Group carried out the impairment assessment of the casino licences together with the Bimini Assets as disclosed in Note 15(c).

All the above impairment assessments are based on past performance, management's expectations for the future and external sources where applicable.

21. RIGHTS OF USE OF OIL AND GAS ASSETS

2017 Group	Exploration costs	Rights and concessions	Production wells, related equipment and facilities	Total
Cost:				
At 1 January 2017, as previously reported	**3,802.1**	**817.8**	**339.5**	**4,959.4**
Effects of change in accounting policy	**(605.2)**	**-**	**-**	**(605.2)**
At 1 January 2017, as restated	**3,196.9**	**817.8**	**339.5**	**4,354.2**
Additions	**30.2**	**-**	**0.7**	**30.9**
Written off	**(7.4)**	**-**	**-**	**(7.4)**
Adjustments *(see note below)*	**-**	**-**	**(39.4)**	**(39.4)**
Foreign exchange differences	**(282.8)**	**(72.4)**	**(30.1)**	**(385.3)**
At 31 December 2017	**2,936.9**	**745.4**	**270.7**	**3,953.0**
Depletion, depreciation and amortisation:				
At 1 January 2017	**-**	**(156.6)**	**(127.9)**	**(284.5)**
Charge for the financial year	**-**	**(51.3)**	**(38.9)**	**(90.2)**
Foreign exchange differences	**-**	**16.5**	**13.3**	**29.8**
At 31 December 2017	**-**	**(191.4)**	**(153.5)**	**(344.9)**
Net book value:				
As at 31 December 2017	**2,936.9**	**554.0**	**117.2**	**3,608.1**
2016 Group (Restated)				
Cost:				
At 1 January 2016, as previously reported	3,617.9	787.5	229.4	4,634.8
Effects of change in accounting policy	(577.0)	-	-	(577.0)
At 1 January 2016, as restated	3,040.9	787.5	229.4	4,057.8
Additions	38.8	-	101.2	140.0
Foreign exchange differences	117.2	30.3	8.9	156.4
At 31 December 2016	3,196.9	817.8	339.5	4,354.2
Depletion, depreciation and amortisation:				
At 1 January 2016	-	(101.4)	(75.2)	(176.6)
Charge for the financial year	-	(47.6)	(46.1)	(93.7)
Foreign exchange differences	-	(7.6)	(6.6)	(14.2)
At 31 December 2016	-	(156.6)	(127.9)	(284.5)
Net book value:				
As at 31 December 2016	3,196.9	661.2	211.6	4,069.7
As at 1 January 2016	3,040.9	686.1	154.2	3,881.2

Note:
Adjustments were due to changes in estimates for asset retirement obligations and accrued capital expenditure finalised in current financial year.

RIGHTS OF USE OF OIL AND GAS ASSETS (Cont'd)

Exploration costs comprise of drilling and pre-development costs for Kasuri block in Indonesia. These costs remain capitalised as the Group is committed to continue exploring and developing these interests.

Included in production wells, related equipment and facilities is work in progress amounting to RM4.3 million (2016: RM55.6 million).

Rights of use of oil and gas assets with a carrying amount of approximately RM591.7 million (2016: RM785.5 million) have been pledged as collateral as at 31 December 2017 for the USD borrowing in the Group's oil and gas business.

Rights of use of oil and gas assets for Kasuri block of RM3,016.4 million (2016: RM3,889.3 million) has been allocated into two Cash Generating Units ("CGU") – Asap, Merah and Kido fields ("AMK CGU") and other fields ("Others CGU"). The recoverable amount of AMK CGU was assessed based on the VIU method. VIU has been calculated using discounted cash flow projections based on the proposed structures as outlined in the Plan of Development submitted to the relevant Indonesian authority in 2016. Key assumptions used for the cash flow projections include a projected gas price, escalated at 2.0% (2016: 2.5%) per annum, a discount rate of 8.5% (2016: 8.7%) and gas production profile based on independent oil and gas reserve experts. Based on the impairment assessment, no impairment is required for AMK CGU.

The calculation of VIU from the discounted cash flow projections is sensitive to the assumptions set out above. If the gas price is reduced by 14.1% or the discount rate is increased by 1.5%, the VIU will approximate the carrying amount for the AMK CGU.

Others CGU together with the goodwill which arose from the acquisition of a 95% equity interest in PTVM were assessed collectively in accordance with FRS 106 "Exploration for and Evaluation of Mineral Resources". Based on the assessment, there is no impairment indicator as at 31 December 2017 as the Group continues to carry out its exploration and evaluation works in this CGU.

22. SUBSIDIARIES

	Company	
	2017	2016
Investment in subsidiaries:		
Quoted shares in Malaysia – at cost	**803.2**	803.2
Unquoted shares – at cost	**14,137.7**	13,897.2
	14,940.9	14,700.4
Less: Accumulated impairment losses	**(654.5)**	(343.0)
	14,286.4	14,357.4
Market value of quoted shares	**19,946.3**	17,151.8
Amounts due from subsidiaries are unsecured and comprise:		
Current:		
Interest free	**183.0**	275.4
Less: Accumulated impairment losses	**(116.6)**	-
	66.4	275.4
Non-current:		
Interest free	**68.7**	68.7
	135.1	344.1
Amounts due to subsidiaries are unsecured and comprise:		
Current:		
Interest bearing	**-**	99.1
Interest free	**62.5**	56.4
	62.5	155.5
Non-current:		
Interest bearing	**3,592.8**	3,592.5
	3,655.3	3,748.0

The subsidiaries are listed in Note 45.

(a) The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.

(b) Apart from the interest free portion of the amounts due from subsidiaries classified as non-current which are considered as part of the Company's net investment in its subsidiaries, the carrying value of other interest free and interest bearing amounts due from/to subsidiaries which have no fixed repayment terms and classified as current approximate their fair values.

There was no interest bearing amounts due from subsidiaries as at 31 December 2017 (2016: Nil).

Included in the interest bearing amounts due to subsidiaries are loans obtained by the Company from the following subsidiaries:

(i) RM1.45 billion loan from GB Services Berhad, a wholly owned subsidiary of the Company on 12 November 2009. The loan bears an effective interest rate of 5.3% (2016: 5.3%) per annum. The entire principal amount of the loan shall be repaid by 8 November 2019 provided always that the entire principal amount or any portion thereof, and any accrued and unpaid interest thereon shall be immediately due and payable upon the earlier of (i) 8 November 2019; or (ii) request(s) from GB Services Berhad for early prepayment of the loan or any portions thereof; or (iii) the acceleration of the loan.

SUBSIDIARIES (Cont'd)

(ii) RM0.5 billion loan from Genting Capital Berhad, a wholly owned subsidiary of the Company on 8 June 2012. The loan bears an effective interest rate of 4.42% (2016: 4.42%) per annum. The entire principal amount of the loan shall be repaid by 8 June 2022 provided always that the entire principal amount or any portion thereof, and any accrued and unpaid interest thereon shall be immediately due and payable upon the earlier of (i) 8 June 2022; or (ii) request(s) from Genting Capital Berhad for early prepayment of the loan or any portions thereof; or (iii) the acceleration of the loan.

(iii) RM1.5 billion loan from Genting Capital Berhad, a wholly owned subsidiary of the Company on 8 June 2012. The loan bears an effective interest rate of 4.86% (2016: 4.86%) per annum. The entire principal amount of the loan shall be repaid by 8 June 2027 provided always that the entire principal amount or any portion thereof, and any accrued and unpaid interest thereon shall be immediately due and payable upon the earlier of (i) 8 June 2027; or (ii) request(s) from Genting Capital Berhad for early prepayment of the loan or any portions thereof; or (iii) the acceleration of the loan.

(iv) Foreign currency short term time loan from Suasana Duta Sdn Bhd, a wholly owned subsidiary of the Company. The total outstanding loan has been fully repaid during the current financial year (2016: RM99.1 million). In the previous financial year, the loan bears an effective interest rate of 1.08% per annum.

Fair value of the interest bearing amounts due to subsidiaries as at 31 December 2017 was RM3,616.6 million (2016: RM3,624.4 million). The fair values have been estimated from the prospective market participants that hold similar borrowings and are within Level 2 of the fair value hierarchy.

(c) As at 31 December 2017, the Company's percentage shareholding in Genting Malaysia was 49.3% (2016: 49.3%).

Genting Malaysia's financial results are consolidated with those of the Company as its subsidiary notwithstanding the Company's shareholding of less than 50% in Genting Malaysia. The Company is the single largest shareholder of Genting Malaysia with all other shareholders having dispersed shareholding, and has consistently and regularly held a majority of the voting rights exercised at Genting Malaysia's general meetings, and no other shareholder directly or indirectly controls a higher share of voting rights than the Company. In addition, the Company has control over Genting Malaysia by virtue of the ability to manage the financial and operating policies of Genting Malaysia's principal asset, Resorts World Genting, pursuant to an agreement between one of the Company's wholly owned subsidiaries and Genting Malaysia.

(d) During the current financial year, the Company subscribed to 11,213 Convertible, Non-Cumulative Irredeemable Preference Shares issued by its wholly owned subsidiary, Genting Energy Limited, which amounted to RM49.9 million.

(e) During the current financial year, the Company subscribed to 45,079,000 Convertible, Non-Cumulative Irredeemable Preference Shares issued by its wholly owned subsidiary, Genting Genomics Limited, which amounted to RM190.6 million.

SUBSIDIARIES (Cont'd)

(f) Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The financial information is based on amounts before inter-company eliminations.

2017

Summarised financial information	**Genting Singapore**	**Genting Malaysia**	**Genting Plantations**
Statements of Financial Position:			
Current assets	**12,555.3**	**7,059.1**	**2,755.3**
Non-current assets	**16,589.9**	**22,909.3**	**5,713.9**
Current liabilities	**(2,627.8)**	**(3,252.0)**	**(1,009.0)**
Non-current liabilities	**(3,941.2)**	**(7,574.6)**	**(2,890.7)**
Net assets	**22,576.2**	**19,141.8**	**4,569.5**
Accumulated non-controlling interests of the Group at the end of the reporting year	**10,904.6**	**9,723.4**	**2,297.2**
Income Statements:			
Revenue for the financial year	**7,450.1**	**9,328.7**	**1,804.3**
Profit for the financial year	**2,134.7**	**1,071.0**	**344.8**
Total comprehensive income for the financial year	**2,094.7**	**340.5**	**171.5**
Profit for the financial year attributable to non-controlling interests of the Group	**883.1**	**435.9**	**169.9**
Statements of Cash Flows:			
Cash inflows from operating activities	**3,810.1**	**2,154.8**	**596.0**
Cash inflows/(outflows) from investing activities	**1,386.0**	**(2,280.6)**	**(813.8)**
Cash (outflows)/inflows from financing activities	**(8,417.9)**	**1,441.9**	**207.5**
Net (decrease)/increase in cash and cash equivalents	**(3,221.8)**	**1,316.1**	**(10.3)**
Dividend paid to non-controlling interests of the Group	**516.2**	**502.7**	**97.5**

SUBSIDIARIES (Cont'd)

(f) Summarised financial information on subsidiaries with material non-controlling interests (cont'd)

2016

Summarised financial information	**Genting Singapore**	**Genting Malaysia**	**Genting Plantations (Restated)**
Statements of Financial Position:			
Current assets	18,079.5	6,129.2	2,513.0
Non-current assets	17,349.7	21,765.2	4,962.5
Current liabilities	(1,958.1)	(4,031.7)	(457.1)
Non-current liabilities	(3,972.6)	(4,117.3)	(2,482.1)
Net assets	29,498.5	19,745.4	4,536.3
Accumulated non-controlling interests of the Group at the end of the reporting year	10,748.6	10,151.9	2,263.0
Income Statements:			
Revenue for the financial year	6,691.9	8,931.6	1,480.1
Profit for the financial year	1,155.0	2,800.7	327.5
Total comprehensive income for the financial year	1,156.2	1,063.9	361.7
Profit for the financial year attributable to non-controlling interests of the Group	377.1	1,419.5	150.3
Statements of Cash Flows:			
Cash inflows from operating activities	3,605.4	2,409.4	375.3
Cash outflows from investing activities	(836.1)	(1,306.8)	(529.4)
Cash outflows from financing activities	(3,033.8)	(736.5)	(25.1)
Net (decrease)/increase in cash and cash equivalents	(264.5)	366.1	(179.2)
Dividend paid to non-controlling interests of the Group	525.5	209.7	21.6

23. JOINT VENTURES

	Group	
	2017	2016
Unquoted:		
Shares in foreign corporations	**1,056.8**	1,091.9
Shares in a Malaysian companies	**1.1**	1.1
Group's share of post acquisition reserves	**157.4**	193.3
Less: Accumulated impairment losses	**(1.5)**	(1.5)
	1,213.8	1,284.8
Amounts due from joint ventures	**291.3**	301.7
Amounts due to joint ventures	**(112.4)**	(128.0)
Less: Balance included in other non-current assets (see Note 27)	**(287.1)**	(297.9)
Balance included in current assets	**(4.2)**	(3.8)
Balance included in current liabilities	**112.4**	128.0
	-	-
	1,213.8	1,284.8

JOINT VENTURES (Cont'd)

The joint ventures are listed in Note 45.

The amounts due from joint ventures included in current assets are unsecured, interest free and are receivable within the next twelve months. The non-current amounts due from joint ventures represent an unsecured and interest free loan to a joint venture which is repayable in 2019 and the balance of purchase price receivable from the sale of land to Genting Simon Sdn Bhd ("Genting Simon") by Genting Property Sdn Bhd, a wholly owned subsidiary of Genting Plantations.

The following table summarises, in aggregate, the financial information of all individually immaterial joint ventures that are accounted for using the equity method:

	All Joint Ventures	
	2017	2016
Carrying amount at 31 December	**1,213.8**	1,284.8
Share of profit/(loss) from continuing operations	**38.8**	(5.3)
Share of other comprehensive (loss)/income	**(9.1)**	4.1
Share of total comprehensive income/(loss)	**29.7**	(1.2)

There are no contingent liabilities relating to the Group's interest in joint ventures at the reporting date (2016: Nil).

24. ASSOCIATES

	Group	
	2017	2016
Unquoted – at cost:		
Shares in foreign corporations	**662.0**	659.5
Shares in Malaysian companies	**2.1**	2.1
Group's share of post acquisition reserves	**212.5**	361.7
Less: Accumulated impairment losses	**(156.4)**	-
	720.2	1,023.3
Amounts due from associates	**1.1**	7.0
Less: Balance included in current assets	**(1.1)**	(7.0)
	-	-
	720.2	1,023.3

ASSOCIATES (Cont'd)

The associates are listed in Note 45.

The amounts due from/to associates represent outstanding amounts arising from trade transactions and advances and payments made on behalf of associates, are unsecured, interest free and repayable on demand.

During the current financial year, the Group has impaired its investment in associate, Lanco Kondapalli Power Limited ("Lanco Kondapalli") due to the adverse performance of its power plant for a prolonged period and a life sciences associated company which is in the process of being wound up.

In November 2017, Lanco Kondapalli carried out a debt restructuring exercise to convert its debt into equity shares. Upon completion of this debt restructuring exercise, the Group's shareholding in Lanco Kondapalli has reduced from 31.9% to 15.3%. Subsequent to the debt restructuring, Lanco Kondapalli ceased to be an associate and was reclassified as available-for-sale financial asset.

The following table summarises, in aggregate, the financial information of all individually immaterial associates that are accounted for using the equity method:

	All Associates	
	2017	2016
Carrying amount at 31 December	**720.2**	1,023.3
Share of loss from continuing operations	**(85.9)**	(111.1)
Share of other comprehensive (loss)/income	**(47.3)**	18.7
Share of total comprehensive loss	**(133.2)**	(92.4)

There are no contingent liabilities relating to the Group's interest in associates at the reporting date (2016: Nil).

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The carrying amounts of financial assets at fair value through profit or loss are classified as follows:

	Group	
	2017	2016
Current		
Held for trading		
- Equity investments (quoted foreign corporations)	**7.4**	10.8

The fair values of quoted equity investments are determined by reference to the bid price on the relevant stock exchanges.

26. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2017	2016	**2017**	2016
Equity investments in foreign corporations				
- Quoted	**271.3**	430.6	-	-
- Unquoted	**1,151.4**	1,351.6	-	-
Equity investments in Malaysian corporations				
- Quoted	**115.8**	100.5	-	-
- Unquoted	**2.1**	2.1	-	-
Debt securities in foreign corporations				
- Quoted	**548.0**	341.6	-	-
- Unquoted	**116.9**	260.3	-	-
Income funds in Malaysian corporation				
- Unquoted	**620.0**	1,250.0	-	200.0
	2,825.5	3,736.7	-	200.0
Analysed as follows:				
Current	**868.1**	1,619.7	-	200.0
Non-current	**1,957.4**	2,117.0	-	-
	2,825.5	3,736.7	-	200.0

Included in the available-for-sale financial assets of the Group is a 50% equity investment of RM1 held in trust for a third party which the Group has no beneficial interest.

The fair values of the quoted equity investments and portfolio of quoted debt securities are determined based on the quoted market bid prices available on the relevant stock exchanges. The fair values of the unquoted debt securities are determined based on the price traded over the counter. The income funds are redeemable at the holder's discretion and the fair values are based on the fair values of the underlying net assets.

The fair values of certain unquoted equity investments are determined based on the valuation techniques supported by observable market data or past transaction prices of similar shares issued by the foreign corporations.

27. OTHER NON-CURRENT ASSETS

	Group	
	2017	2016
Trade receivables (see note (i) below)	**3,624.7**	3,837.0
Promissory notes – unquoted (see note (ii) below)	**1,584.1**	1,395.3
Other receivables (see note (iii) below)	**378.6**	329.0
	5,587.4	5,561.3
Amounts due from joint ventures (see Note 23)	**287.1**	297.9
Deposits (see note (iv) below)	**-**	183.9
Prepayments	**105.9**	121.1
Finance lease receivable (see note (v) below)	**39.4**	-
	6,019.8	6,164.2

As at 31 December 2017, there were no non-current trade and other receivables (2016: Nil) that were past due but not impaired. These receivables are not secured by any collateral.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

Notes:

(i) Included in trade receivables of the Group is service concession receivable of RM3,624.1 million (2016: RM3,814.5 million) in relation to the construction of the Group's power plant in Indonesia. The amount will be recovered throughout the concession period, commencing from the commercial operation date of the power plant on 28 March 2017. The service concession receivable is analysed as follows:

	Group	
	2017	2016
Non-current	**3,624.1**	3,814.5
Current (included in trade receivables in Note 30)	**460.0**	-
	4,084.1	3,814.5

The Group signed a Power Purchase Agreement with PT. Perusahaan Listrik Negara (Persero) ("PLN") on 10 July 2012. The Group's responsibilities under the Power Purchase Agreement comprises the design, engineering, financing, construction, testing, commissioning, ownership, operation, management and maintenance of the 660MW coal-fired power plant in Desa Salira, Serang, Banten ("Banten Power Plant").

OTHER NON-CURRENT ASSETS (cont'd)

Notes (cont'd):

In assessing the Power Purchase Agreement, the Group has determined that it is within the scope of IC Interpretation 12 "Service Concession Arrangements" based on the following elements:

- PLN controls significant residual interest in the Banten Power Plant at the end of the Power Purchase Agreement as the Group is required to transfer the Banten Power Plant to PLN 25 years after the commercial operation date; and

- PLN regulates the services provided, to whom the services must be provided and the price to be charged.

The Group has also determined that the concession arrangement should be accounted for under the financial assets model as the Group's power plant in Indonesia has a contractual right to receive a specified or determinable amount of cash from PLN for the construction services.

(ii)

	Group	
	2017	2016
Non-current:		
Principal	**1,305.6**	1,280.3
Interest receivable	**278.5**	115.0
	1,584.1	1,395.3
Current:		
Interest receivable (see Note 30)	**-**	7.6
	1,584.1	1,402.9

The Genting Malaysia Group subscribed to the promissory notes ("notes") issued by Mashpee Wampanoag Tribe ("the Tribe") to finance the pre-development expenses of a destination resort casino in Taunton, Massachusetts, US. The notes carry fixed interest rates of 12% and 18% per annum (2016: 12% and 18% per annum). These notes were classified as other non-current assets as the Genting Malaysia Group expects the notes to be recovered beyond 12 months from the end of the reporting date.

The recoverability of the notes is dependent on the outcome of the pending legal case and/or review by the relevant government authorities as well as any other options which allow the Tribe to have land in trust for a destination resort casino development. This has affected the ability of the Tribe to proceed with the development, which cash flows are expected to facilitate the repayment of the notes when the casino commences operations.

The Genting Malaysia Group has carried out impairment assessment on the recoverability of the notes based on the probable outcome of the pending legal case and decision by the relevant government authorities as well as any other options allowing the Tribe to have land in trust for a destination resort casino development. Based on the review of the projected operational cash flows of the casino, the notes are expected to be fully recovered and as such, no impairment is required for the notes.

27. OTHER NON-CURRENT ASSETS (Cont'd)

Notes (cont'd):

(iii) Included in other receivables of the Group is an investment of RM150.0 million (2016: RM150.0 million) in unquoted preference shares in a Malaysian corporation. The preference shares carry a cumulative, non-compounding fixed dividend of 4% (2016: 4%) per annum and are subordinated to loan facilities undertaken by the issuer. The preference shares are redeemable in two equal tranches on the 8th and 9th anniversary of the issue date which can be extended by the issuer. However, the issuer may elect the following options prior to the 8th anniversary of the issue date:

(a) to extend the tenure of the preference shares by 1, 2 or 3 years from their original tenure stated above, where the preferential dividend rate applicable during the said extended tenure shall be at the rate of 1% above the fixed preferential dividend rate; or

(b) subject to the issuer being solvent at the time of the redemption of the preference shares, the issuer may at any time after the date of issuance of the preference shares and before the maturity date redeem any or all of the preference shares at the subscription price.

In the previous financial year, the issuer made an early redemption of 1,000 units of the preference shares at RM100,000 per share, totalling RM100.0 million which was fully settled by way of cash.

(iv) As at 31 December 2016, deposits of RM183.9 million related to the purchase of property, plant and equipment and have been reclassified to property, plant and equipment during the current financial year.

(v) Genting Malaysia's finance lease receivable arises from a lease arrangement with Genting Highlands Premium Outlets Sdn Bhd, a wholly owned subsidiary of Genting Simon. The lease arrangement is accounted for as a finance lease in accordance with FRS 117 "Leases". Genting Simon is a joint venture of the Genting Plantations Group.

	Group	
	2017	2016
Lease receivables:		
Receivable within 1 to 5 years	**42.3**	-
Less: Unearned interest income	**(2.9)**	-
	39.4	-
Present value of minimum lease payments receivable:		
Receivable within 1 to 5 years	**39.4**	-

28. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2017	2016 Restated	**2017**	2016
Deferred tax assets				
- subject to income tax (see (i) below)	**201.3**	238.9	**24.6**	20.9
Deferred tax liabilities				
- subject to income tax	**(2,195.9)**	(2,061.7)	**-**	-
- subject to Real Property Gain Tax ("RPGT")	**(9.5)**	(9.5)	**-**	-
Total deferred tax liabilities (see (ii) below)	**(2,205.4)**	(2,071.2)	**-**	-
	(2,004.1)	(1,832.3)	**24.6**	20.9
At 1 January, as previously reported	**(1,786.1)**	(1,498.5)	**20.9**	20.2
Effect of change in accounting policy	**(46.2)**	(55.9)	**-**	-
At 1 January, as restated	**(1,832.3)**	(1,554.4)	**20.9**	20.2
(Charged)/credited to income statements (see Note 12)				
- property, plant and equipment and investment properties	**(76.1)**	(84.2)	**0.2**	(0.1)
- intangible assets	**9.6**	4.6	**-**	-
- provisions	**36.7**	(46.3)	**3.5**	0.8
- impairment loss/(reversal of previously recognised impairment loss)	**33.6**	(27.9)	**-**	-
- unutilised tax losses	**(91.5)**	(90.1)	**-**	-
- rights of use of oil and gas assets	**(19.6)**	(25.0)	**-**	-
- other non-current assets (service concession receivable)	**(34.3)**	(121.9)	**-**	-
- others	**41.9**	70.8	**-**	-
	(99.7)	(320.0)	**3.7**	0.7
Foreign exchange differences	**49.6**	32.9	**-**	-
Reclassified to liabilities held for sale (see Note 32)	**3.9**	11.1	**-**	-
Acquisition of subsidiaries	**(122.3)**	(1.5)	**-**	-
Others	**(3.3)**	(0.4)	**-**	-
At 31 December	**(2,004.1)**	(1,832.3)	**24.6**	20.9

DEFERRED TAXATION (Cont'd)

	Group		Company	
	2017	2016 Restated	**2017**	2016
Subject to income tax/RPGT:				
(i) Deferred tax assets (before offsetting)				
- property, plant and equipment	**29.9**	30.3	**-**	-
- land held for property development	**5.7**	5.1	**-**	-
- provisions	**188.5**	157.0	**24.7**	21.2
- tax losses	**206.9**	262.9	**-**	-
- others	**143.8**	114.8	**-**	-
	574.8	570.1	**24.7**	21.2
- offsetting	**(373.5)**	(331.2)	**(0.1)**	(0.3)
Deferred tax assets (after offsetting)	**201.3**	238.9	**24.6**	20.9
(ii) Deferred tax liabilities (before offsetting)				
- property, plant and equipment and investment properties	**(2,009.2)**	(1,911.4)	**(0.1)**	(0.3)
- land held for property development	**(5.2)**	(5.2)	**-**	-
- intangible assets	**(61.8)**	(98.4)	**-**	-
- rights of use of oil and gas assets	**(91.3)**	(79.7)	**-**	-
- other non-current assets (service concession receivable)	**(210.8)**	(218.3)	**-**	-
- dividend distribution tax	**(1.8)**	(32.6)	**-**	-
- others	**(198.8)**	(56.8)	**-**	-
	(2,578.9)	(2,402.4)	**(0.1)**	(0.3)
- offsetting	**373.5**	331.2	**0.1**	0.3
Deferred tax liabilities (after offsetting)	**(2,205.4)**	(2,071.2)	**-**	-

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the statement of financial position are as follows:

	Group		Company	
	2017	2016	**2017**	2016
Unutilised tax losses				
- Expiring more than one year and not more than five years (see note (a) below)	**154.7**	137.6	**-**	-
- No expiry period (see note (b) below)	**578.8**	560.4	**-**	-
	733.5	698.0	**-**	-
Property, plant and equipment (no expiry date)	**291.4**	244.9	**-**	-
Provision (no expiry date)	**1.8**	1.8	**-**	-
	1,026.7	944.7	**-**	-

(a) Deferred tax assets have not been recognised as the realisation of the tax benefits accruing to these tax losses is uncertain.

(b) Included in this amount are unutilised tax losses of certain subsidiaries of the Group amounting to RM318.7 million (2016: RM305.9 million) for which deferred tax assets have not been recognised as these subsidiaries are accredited with tax exempt pioneer status for 10 years.

The deferred tax assets recognised on unutilised tax losses mainly relate to carried forward tax losses of subsidiaries in Indonesia to the extent that the deferred tax assets will be recoverable based on the estimated future financial performance of the subsidiaries.

With regards to MFRS 112 "Income Taxes", the Group will continue to recognise in profit or loss on the tax credits arising from the Group's unutilised Investment Tax Allowance of RM1,011.7 million (2016: RM1,026.9 million) and unutilised customised incentive granted under the East Coast Economic Region of RM1,478.0 million (2016: RM581.0 million) as and when they are utilised.

29. INVENTORIES

	Group	
	2017	2016
Stores and spares	**251.8**	260.8
Completed properties	**95.2**	91.4
Food, beverages and other hotel supplies	**89.1**	113.9
Produce stocks and finished goods	**144.3**	116.9
	580.4	583.0

30. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	**2017**	2016
Trade receivables (see note (i) below)	**1,685.6**	1,974.5	**-**	-
Promissory notes – unquoted (see Note 27(ii))	**-**	7.6	**-**	-
Other receivables (see note (ii) below)	**569.6**	660.8	**0.8**	1.3
Less: Impairment losses on receivables	**(550.8)**	(704.1)	**-**	-
	1,704.4	1,938.8	**0.8**	1.3
Accrued billings in respect of property development	**2.5**	4.7	**-**	-
Deposits	**81.3**	108.4	**1.2**	1.1
Prepayments	**335.5**	293.0	**8.5**	8.4
	2,123.7	2,344.9	**10.5**	10.8

Notes:

(i) Included in trade receivables of the Group is service concession receivable of RM460.0 million (2016: Nil) in relation to the construction of the Group's power plant in Indonesia.

(ii) Included in other receivables of the Group are plasma plantations debtors of RM165.2 million (2016: RM111.8 million) which are recoverable by its foreign subsidiaries. In accordance with the policy of the Government of the Republic of Indonesia, certain land rights used to develop plantations are usually granted if a nucleus company agrees to develop areas for local landholders (plasma plantations) in addition to developing its own plantations. The nucleus company will supervise and manage the plasma plantations and purchase the production from the plasma plantations at prices determined by the Government.

The advances made by the Group in the form of plasma plantation development costs are recoverable upon the completion of the plasma plantation projects. It will be recoverable from the plasma farmers or recoverable through the assignment to plasma farmers of the loan proceeds obtained for the projects. Allowance for impairment losses on recovery is made when the estimated recoverable amount is less than the outstanding advances.

The carrying amounts of the Group's and the Company's trade and other receivables approximate their fair value.

TRADE AND OTHER RECEIVABLES (Cont'd)

As at 31 December 2017, the ageing analysis of these trade and other receivables which were past due but not impaired is as follows:

	Group		Company	
	2017	2016	**2017**	2016
Receivables past due:				
Past due 0 to 3 months	**67.6**	195.7	**-**	-
Past due 3 to 6 months	**1.9**	135.7	**-**	-
Past due 6 to 12 months	**34.0**	108.6	**-**	-
Past due over 12 months	**3.4**	9.8	**-**	-
	106.9	449.8	**-**	-

No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

The Group's trade and other receivables that are individually determined to be impaired at the reporting date relate to customers that are in significant financial difficulties and have defaulted on payments. The amount of the provision was RM550.8 million (2016: RM704.1 million) as at 31 December 2017. These receivables are not secured by any collateral.

The movements on the provision for impairment losses on receivables are as follows:

	Group		Company	
	2017	2016	**2017**	2016
At 1 January	**704.1**	722.6	**-**	-
Charge for the financial year	**167.2**	804.5	**-**	-
Write-off against provision	**(292.7)**	(860.5)	**-**	-
Foreign exchange differences	**(27.8)**	37.5	**-**	-
At 31 December	**550.8**	704.1	**-**	-

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

Other than as disclosed above, the remaining trade and other receivables balances of the Group and the Company are neither past due nor impaired.

31. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017	2016	**2017**	2016
Deposits with licensed banks	**20,009.6**	16,911.8	**889.8**	569.4
Cash and bank balances	**5,789.4**	4,622.6	**1.7**	1.9
	25,799.0	21,534.4	**891.5**	571.3
Less: Restricted cash	**(1,325.1)**	(565.1)	**(0.1)**	(0.1)
Bank balances and deposits	**24,473.9**	20,969.3	**891.4**	571.2
Add: Money market instruments	**5,018.0**	4,349.2	**1,568.8**	859.2
Cash and cash equivalents	**29,491.9**	25,318.5	**2,460.2**	1,430.4

CASH AND CASH EQUIVALENTS (Cont'd)

The deposits of the Group and the Company as at 31 December 2017 have an average maturity period of one month to two months (2016: one month). Cash and bank balances of the Group and the Company are held at call.

Investment in money market instruments comprises negotiable certificates of deposit and bankers' acceptances. The money market instruments of the Group and the Company as at 31 December 2017 have maturity periods ranging between overnight and three months (2016: overnight and one month).

Included in deposits with licensed banks for the Group is an amount of RM31.3 million (2016: RM22.5 million) deposited by an indirect subsidiary involved in property development activities into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. This amount is available for use by the said subsidiary for the payment of property development expenditure.

Restricted cash relates to the money market instruments pledged with licensed banks to secure certain bank borrowings and funds under the control of the Group placed with licensed banks and a third party which will be utilised for certain qualified expenses. These deposits have weighted average interest rates ranging from 0.02% to 6.4% (2016: 0.3% to 6.0%) per annum.

32. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

As at 31 December 2017, the following assets or liabilities were classified as held for sale:

(i) Planned disposal of aircraft - Genting Singapore

The assets and liabilities relating on the disposal as follows:

	Group	
	2017	2016
Assets classified as held for sale		
Property, plant and equipment (see Note 15)	**35.8**	-

The Genting Singapore's assets classified as held for sale of RM35.8 million as at 31 December 2017 represents aircraft owned by a wholly owned subsidiary of Genting Singapore. The sale of this asset is expected to be completed within the next 12 months.

ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE (Cont'd)

(ii) Planned disposal of business and property, plant and equipment - Genting Malaysia

	Group	
	2017	2016
Assets classified as held for sale		
Maxims Casino (see note below)		
Property, plant and equipment (see Note 15)	**34.7**	-
Trade and other receivables	**1.4**	-
Inventories	**0.3**	-
	36.4	-
Property, plant and equipment related to the Bimini operations (see Note 15)	**3.5**	-
	39.9	-
Liabilities classified as held for sale		
Maxims Casino (see note below)		
Trade and other payables	**(42.6)**	-
Deferred tax liabilities (see Note 28)	**(3.9)**	-
Taxation	**(12.7)**	-
	(59.2)	-

Note:
The assets and liabilities classified as held for sale relate to the business of Maxims Casino in the UK, owned and operated by Coastbright Limited, an indirect wholly owned subsidiary of Genting Malaysia.

(iii) Planned disposal of land held for property development – Genting Plantations

	Group	
	2017	2016
Land held for property development	**-**	6.0

The assets classified as held for sale as at the end of the previous financial year comprised land and infrastructure costs measuring approximately 20 acres pursuant to a sale and purchase agreement signed with a third party. The sale and purchase agreement was subsequently terminated during the financial year and accordingly the cost had been reclassified to land held for property development.

ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE (Cont'd)

(iv) Planned disposal of interest in associates – Genting Singapore

As at 31 December 2016, the disposal group classified as held for sale for Genting Singapore Group represented the following:

- Algona Pte. Ltd., a direct wholly owned subsidiary of Genting Singapore, entered into a conditional sale and purchase agreement with Landing International Development Limited ("LIDL") to dispose its 100% interest in Callisto Business Limited ("Callisto"). Callisto's disposal includes its wholly owned subsidiary, Happy Bay Pte. Ltd ("Happy Bay"), which in turn owns 50% of Landing Jeju Development Co., Ltd ("Callisto Group") that is developing an integrated resort in Jeju, Korea.

- Genting International Resorts Management Limited ("GIRML"), an indirect wholly owned subsidiary of Genting Singapore, entered into a conditional sale and purchase agreement with LIDL's direct wholly owned subsidiary, Landing Singapore Limited to dispose GIRML's 50% interest in Autumnglow Pte. Ltd. ("Autumnglow").

The assets and liabilities relating to Callisto Group and Autumnglow are included in "Investments and Others" and "Leisure and Hospitality" segments as follows:

	Group	
	2017	2016
Assets classified as held for sale		
Associate	-	799.8
Trade and other receivables	-	795.1
	-	1,594.9
Liability classified as held for sale		
Deferred tax liabilities (see Note 28)	-	(11.1)

The Group completed the disposals of Callisto Group and Autumnglow on 3 January 2017 for a total consideration of RM1,871.3 million and recorded a gain of disposal of RM302.2 million.

33. SHARE CAPITAL

	Number of shares		Share Capital	
	2017	2016	**2017**	2016
	(million)			
Authorised:				
At beginning of the financial year	**8,000.0**	8,000.0	**800.0**	800.0
Effects of transition to no authorised share capital regime on 31 January 2017 under the Companies Act 2016 (the "Act")	**(8,000.0)**	-	**(800.0)**	-
At end of the financial year	**-**	8,000.0	**-**	800.0
Issued and fully paid:				
Ordinary shares				
At beginning of the financial year	**3,750.0**	3,743.2	**375.0**	374.3
Issuance pursuant to exercise of warrants	**101.8**	6.8	**962.5**	0.7
Effects of transition to no par value regime on 31 January 2017 under the Act	**-**	-	**1,481.2**	-
At end of the financial year	**3,851.8**	3,750.0	**2,818.7**	375.0

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of warrants.

The Act which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amounts standing to the credit of the share premium account of RM1,481.2 million have become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

Pursuant to subsection 618(3) of the Act, the Group may exercise its right to use the amount standing to the credit of its share premium within 24 months after the commencement of the Act. The Board of Directors of the Company will make a decision thereon before 31 January 2019.

34. TREASURY SHARES

At the Annual General Meeting of the Company held on 1 June 2017, the shareholders of the Company approved the renewal of the authority for the Company to purchase its own shares of up to 4% of the issued and paid-up share capital of the Company.

No treasury share was purchased during the current financial year. During the previous financial year, the Company had purchased a total of 200,000 ordinary shares of its issued share capital from the open market at an average price of RM8.05 per share. The total consideration paid in the previous financial year for the purchase, including transaction costs, was RM1.6 million and was financed by internally generated funds. The purchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016. There is no cancellation, resale or reissuance of treasury shares during the financial year. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at 31 December 2017, of the total 3,851,782,223 (2016: 3,750,021,124) issued and fully paid ordinary shares, 26,320,000 (2016: 26,320,000) are held as treasury shares by the Company. As at 31 December 2017, the number of outstanding ordinary shares in issue after the offset is therefore 3,825,462,223 (2016: 3,723,701,124) ordinary shares.

The details of the treasury shares are as follows:

	Total shares purchased in units '000	**Total consideration paid RM million**	**Highest price RM**	**Lowest price RM**	**Average price * RM**
At 1 January 2017 and 31 December 2017	**26,320.0**	**221.2**	**10.80**	**3.40**	**8.40**

* Average price includes stamp duty, brokerage and clearing fees.

35. RESERVES

	Group		**Company**	
	2017	2016 Restated	**2017**	2016
Share premium (see Note 33)	-	1,481.2	-	1,481.2
Warrants reserve	**946.3**	1,098.7	**946.3**	1,098.7
Revaluation reserve	**292.7**	293.0	-	-
Fair value reserve	**276.9**	384.3	-	-
Cash flow hedge reserve	**(52.1)**	(85.3)	-	-
Reserve on exchange differences	**4,405.8**	6,010.8	-	-
Retained earnings	**25,322.6**	24,672.5	**9,761.5**	9,958.7
	31,192.2	33,855.2	**10,707.8**	12,538.6

RESERVES (Cont'd))

The warrants reserve represents monies received from the issuance of warrants by the Company pursuant to the Restricted Issue of Warrants. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 23 December 2013. Each warrant carries the right to subscribe for 1 new ordinary share in the Company at any time on or after the issue date up to the expiry date of 18 December 2018 at the exercise price of RM7.96 for each new share. Any warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The warrants are constituted by a Deed Poll dated 12 November 2013.

The movements in the warrants reserve and number of warrants during the financial year are summarised below:

	Group/Company			
	No. of Warrants		Warrants Reserve RM'million	
	2017	2016	**2017**	2016
At 1 January	**733,665,566**	740,490,934	**1,098.7**	1,108.9
Exercise of warrants	**(101,761,099)**	(6,825,368)	**(152.4)**	(10.2)
At 31 December	**631,904,467**	733,665,566	**946.3**	1,098.7

36. PERPETUAL CAPITAL SECURITIES OF A SUBSIDIARY

On 12 March 2012 and 18 April 2012, Genting Singapore issued SGD1,800 million 5.125% perpetual capital securities ("Institutional Securities") and SGD500 million 5.125% perpetual capital securities ("Retail Securities") respectively at issue prices of 100 per cent each.

Holders of these Institutional and Retail securities are conferred a right to receive distribution on a semi-annual basis from their issue date at the rate of 5.125% per annum, subject to a step-up rate from 12 September 2022 and 18 October 2022 respectively. Genting Singapore has a right to defer this distribution under certain conditions.

The Institutional and Retail securities have no fixed maturity and are redeemable in whole, but not in part, at Genting Singapore's option on or after 12 September 2017 for the Institutional securities and 18 October 2017 for the Retail securities at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, Genting Singapore will not declare, pay dividends or make similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

PERPETUAL CAPITAL SECURITIES OF A SUBSIDIARY (Cont'd)

These perpetual capital securities were issued for Genting Singapore's general corporate purposes as well as to finance capital expenditure and the expansion of its business.

During the current financial year, the Board of Directors of Genting Singapore have approved the payments of the second and third distribution in respect of the Institutional and Retail Securities. Accordingly, distributions for Institutional Securities amounting to SGD45.7 million (equivalent to approximately RM138.7 million) and SGD46.5 million (equivalent to approximately RM141.1 million) were paid on 13 March 2017 and 12 September 2017 respectively. Distributions for Retail Securities amounting to SGD12.8 million (equivalent to approximately RM38.9 million) and SGD12.8 million (equivalent to approximately RM38.9 million) were paid on 18 April 2017 and 19 October 2017 respectively.

Genting Singapore had fully redeemed the Institutional and Retail Securities on 12 September 2017 and 19 October 2017 respectively.

37. BORROWINGS

	Group	
	2017	2016
Current		
Secured:		
Term loans	**1,538.7**	1,024.9
Finance lease liabilities	**5.2**	9.7
Unsecured:		
Term loans	**475.2**	1,185.0
	2,019.1	2,219.6
Non-current		
Secured:		
Term loans	**8,406.4**	8,310.3
Finance lease liabilities	**4.0**	1.0
Unsecured:		
Medium term notes	**8,591.7**	5,993.3
Sukuk Murabahah	**997.7**	997.4
Bonds	**713.7**	-
Notes	**6,134.7**	-
Term loans	**102.0**	443.0
	24,950.2	15,745.0
	26,969.3	17,964.6

The borrowings (excluding finance lease liabilities) bear an effective annual interest rate of 1.9% to 10.5% (2016: 1.8% to 4.8%) per annum.

BORROWINGS (Cont'd)

(a) The maturity profile and exposure of borrowings of the Group is as follows:

	Floating Interest Rate	Fixed Interest Rate	Total
As at 31 December 2017:			
Less than one year	**1,864.5**	**154.6**	**2,019.1**
More than one year and less than two years	**1,431.6**	**1,608.9**	**3,040.5**
More than two years and less than five years	**4,856.1**	**3,598.0**	**8,454.1**
More than five years	**2,040.9**	**11,414.7**	**13,455.6**
	10,193.1	**16,776.2**	**26,969.3**
As at 31 December 2016:			
Less than one year	2,209.8	9.8	2,219.6
More than one year and less than two years	1,063.2	1.0	1,064.2
More than two years and less than five years	4,782.4	2,697.6	7,480.0
More than five years	2,907.8	4,293.0	7,200.8
	10,963.2	7,001.4	17,964.6

(b) Finance lease liabilities

The minimum lease payments of the finance lease liabilities at the reporting date are as follows:

	Group	
	2017	2016
Not more than one year	**6.5**	11.0
More than one year and not more than five years	**4.5**	1.0
	11.0	12.0
Future finance charges	**(1.8)**	(1.3)
Present value	**9.2**	10.7

Finance lease liabilities are effectively secured as the rights to the leased assets will revert to the lessor in the event of default. The finance lease liabilities have an effective interest rate of 2.3% to 21.3% (2016: 2.3% to 21.3%) per annum.

(c) Fair values of the borrowings as at 31 December 2017 was RM27,185.6 million (2016: RM17,998.3 million). Fair values of the borrowings have been estimated from the perspective of market participants that hold similar borrowings at the reporting date and are within Level 2 of the fair value hierarchy.

BORROWINGS (Cont'd)

(d) On 9 November 2009, the Company through its wholly owned subsidiary, GB Services Berhad ("GBS"), had successfully issued RM1.45 billion nominal amount of 10-year Medium Term Notes ("MTNs") pursuant to a RM1.6 billion nominal value MTNs programme. The issue was priced at 5.30% per annum, payable semi-annually and guaranteed by the Company. On 10 May 2010, GBS subsequently issued the remaining RM0.15 billion nominal amount of MTNs. The proceeds from issuance of the MTNs were on-lent to the Company and/or its subsidiaries for capital expenditure, investment, refinancing, working capital requirements and/or other general corporate purposes of the Group. The entire nominal amount of the MTNs shall be repaid by 8 November 2019 (the "Maturity Date") provided that the entire principal amount or any portion thereof, and accrued and unpaid interest thereon shall be immediately due and payable upon the earlier of (i) the Maturity Date; (ii) request(s) from GBS for early repayment; or (iii) acceleration of the loan. In the event of default, the Trustee of the MTNs may at its sole discretion, and shall if so directed by the MTNs holders by Extraordinary Resolution, declare by notice in writing to GBS that an event of default has occurred and notwithstanding the Maturity Date, the nominal value of all outstanding MTNs and unpaid interest thereon shall become immediately due and payable.

(e) On 8 June 2012, the Company through its direct wholly owned subsidiary, Genting Capital Berhad, issued RM0.5 billion nominal amount of 10-year MTNs and RM1.5 billion nominal amount of 15-year MTNs pursuant to a RM2.0 billion nominal value MTNs programme. The issue was at coupon rates of 4.42% per annum and 4.86% per annum, respectively, payable semi-annually and guaranteed by the Company. The proceeds from the issuance of the MTNs were on-lent to the Company and/or its subsidiaries for operating activities, capital expenditure, investment, refinancing, working capital requirements, general funding requirements and/or other general corporate purpose of the Group.

(f) On 5 June 2015, Benih Restu Berhad, an indirect wholly owned subsidiary of Genting Plantations, issued RM1.0 billion Sukuk Murabahah under the Sukuk Murabahah programme of up to RM1.5 billion in nominal value based on the Shariah principle of Murabahah. The Sukuk Murabahah has a tenure of 10 years, at a profit rate of 4.62% per annum payable semi-annually and guaranteed by Genting Plantations.

(g) On 24 August 2015, GENM Capital Berhad ("GENM Capital"), a direct wholly owned subsidiary of Genting Malaysia, issued RM1.1 billion nominal amount of 5-year MTNs at a coupon rate of 4.5% per annum and RM1.3 billion nominal amount of 10-year MTNs at a coupon rate of 4.9% per annum under its MTN Programme which is guaranteed by Genting Malaysia.

On 31 March 2017, GENM Capital further issued RM1.25 billion nominal amount of 5-year MTN at coupon rate of 4.78% per annum, RM1.1 billion nominal amount of 10-year MTN at coupon rate of 4.98% per annum and RM0.25 billion nominal amount of 15-year MTN at coupon rate of 5.20% per annum under its MTN Programme which is guaranteed by Genting Malaysia.

The coupon is payable semi-annually. The net proceeds from the MTN programme shall be utilised for operating expenses, capital expenditure, and/or working capital requirements of Genting Malaysia including to finance the development, and/or re-development of the properties of Genting Malaysia located in Genting Highlands, Pahang, Malaysia.

BORROWINGS (Cont'd)

(h) On 24 January 2017, Genting Overseas Holdings Limited ("GOHL") through its direct wholly owned subsidiary, GOHL Capital Limited ("GOHL Capital"), issued USD1.0 billion 4.25% guaranteed notes due 2027 (the "Notes"). The Notes are fully and unconditionally guaranteed by GOHL and have the benefit of a keepwell deed entered into with the Company. Interest on the Notes is payable semi-annually.

On 17 October 2017, GOHL Capital further issued USD500.0 million 4.25% guaranteed notes due 2027 (the "Further Notes"), which will constitute a further issuance of, and be consolidated and form a single series with, the Notes that were originally issued by GOHL Capital on 24 January 2017.

The Notes and the Further Notes are listed on The Stock Exchange of Hong Kong Limited.

The proceeds from the issuance of the Notes and Further Notes were on-lent to GOHL for the general corporate purposes of the Genting Group, including but not limited to, operating expenses, capital expenditure, investment, refinancing, working capital requirements, general funding requirements and/or making investments (by share purchase, loan or otherwise) in other members of the Genting Group, which may include investments for the development of the Resorts World Las Vegas project.

The Notes and Further Notes shall be repaid on 24 January 2027. The Notes and Further Notes are subject to redemption, together with accrued interest, (i) at the option of GOHL Capital, in whole or in part, at any time upon payment of the applicable premium, and (ii) in whole but not in part, in the event of certain changes affecting taxes of certain jurisdictions as described in the conditions of the Notes and Further Notes.

(i) On 24 October 2017, Genting Singapore issued an unsecured and unsubordinated Japanese Yen-denominated bonds with a principal amount of Japanese Yen ("JPY") 20.0 billion (approximately RM728.8 million) in Japan, acting through its Japan branch. The bonds have a coupon rate of 0.669% per annum and are due for repayment five years from the issue date.

Details of assets pledged as securities for the borrowings are disclosed in Notes 15, 19, 20, 21, 31 and 41.

38. PROVISIONS

	Group		Company	
	2017	2016	**2017**	2016
Provision for retirement gratuities (see (a) below)	**367.1**	313.2	**103.0**	88.3
Asset retirement obligations (see (b) below)	**138.1**	158.1	**-**	-
Other provisions	**51.0**	56.9	**-**	-
	556.2	528.2	**103.0**	88.3
Less: Provision for retirement gratuities shown as current liabilities (see (a) below)	**(44.2)**	(32.1)	**-**	-
	512.0	496.1	**103.0**	88.3

(a) Provision for Retirement Gratuities

Beginning of the financial year	**313.2**	284.7	**88.3**	84.8
Charge for the financial year	**64.1**	32.0	**16.1**	3.7
Write-back of provision	**(0.3)**	(0.1)	**-**	-
Payments during the financial year	**(9.4)**	(3.4)	**(1.4)**	(0.2)
Disposal of a subsidiary	**(0.4)**	-	**-**	-
Foreign exchange differences	**(0.1)**	-	**-**	-
End of the financial year	**367.1**	313.2	**103.0**	88.3
Analysed as follows:				
Current (see Note 40)	**44.2**	32.1	**-**	-
Non-current	**322.9**	281.1	**103.0**	88.3
	367.1	313.2	**103.0**	88.3

(b) Asset Retirement Obligations

	Group	
	2017	2016
Beginning of the financial year	**158.1**	146.0
(Reversal)/Addition	**(33.7)**	6.3
Unwinding of discount	**8.8**	11.6
Foreign exchange differences	**4.9**	(5.8)
End of the financial year	**138.1**	158.1

Asset retirement obligations consist primarily of estimated cost of dismantlement, removal, site reclamation and similar activities associated with oil and gas assets.

The interest rate and inflation rate used to determine the obligations as at 31 December 2017 was 3.6% (2016: 4.3%) per annum and 2.7% (2016: 3.0%) per annum respectively. Changes in the expected future costs are reflected in both the provision and the asset.

39. OTHER NON-CURRENT LIABILITIES

	Group	
	2017	2016
Advance membership fees (see note (a) below)	**7.5**	9.5
Government grant (see note (b) below)	**43.0**	8.5
Amount due to a shareholder of a subsidiary (see note (c) below)	**295.2**	292.7
Accruals and other payables	**7.2**	15.6
	352.9	326.3

Notes:

(a) The advance membership fees relate to fees received on sale of timeshare units by an indirect subsidiary offering a timeshare ownership scheme. These fees are recognised as income over the next twenty four years from commencement of membership.

(b) This mainly relates to government grant totalling RM8.5 million and RM34.5 million respectively (2016: RM8.5 million and Nil respectively) in relation to the construction of a biorefinery plant and construction of certain properties in the US. The government grant is to be recognised in income statement over the useful lives of the assets when the assets are commissioned and completed.

(c) Amount due to a shareholder of a subsidiary is denominated in USD, unsecured and interest free.

40. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
Trade payables	**747.0**	740.0	**-**	-
Accruals	**2,804.5**	2,782.4	**44.0**	35.8
Retirement gratuities (see Note 38(a))	**44.2**	32.1	**-**	-
Deposits	**24.5**	25.9	**-**	-
Provision for onerous leases	**3.3**	93.7	**-**	-
Accrued capital expenditure	**594.2**	548.2	**-**	-
Deferred income	**200.7**	159.4	**-**	-
Other payables	**975.8**	812.3	**4.0**	3.3
	5,394.2	5,194.0	**48.0**	39.1

Included in accruals of the Group is interest payable of RM210.0 million (2016: RM79.3 million).

The carrying amounts of the Group's and the Company's trade and other payables approximate their fair values.

As at 31 December 2016, the Group has accrued for termination costs of RM89.5 million in relation to an agreement with a port authority for cruise terminal usage. The termination costs were fully settled during the current financial year.

41. DERIVATIVE FINANCIAL INSTRUMENTS

	Note	2017 Notional/ Contract Value	2017 Fair Value Assets	2017 Fair Value Liabilities	2016 Notional/ Contract Value	2016 Fair Value Assets	2016 Fair Value Liabilities
Group							
Designated as hedges							
Interest Rate Swap	(a)						
- USD		**2,258.7**	-	**(162.6)**	2,619.7	0.4	(228.9)
- GBP		-	-	-	362.1	-	(4.0)
Cross Currency Swap	(b)						
- SGD		**174.2**	-	**(31.9)**	185.7	-	(60.6)
Commodity Future Contract	(c)	**31.0**	**2.0**	-	-	-	-
Forward Foreign Currency Exchange Contracts	(d)						
- USD		**92.1**	**1.4**	-	92.7	3.1	(0.6)
			3.4	**(194.5)**		3.5	(294.1)
Not designated as hedges							
Interest Rate Swap	(a)						
- USD		**127.5**	**1.1**	-	429.1	0.9	(11.5)
Cross Currency Swap	(b)						
- USD		-	-	-	319.7	115.5	-
Forward Foreign Currency Exchange Contracts	(d)						
- SGD		-	-	-	12.2	1.9	-
Warrants	(e)	**N/A**	**3.7**	-	-	-	-
			4.8	-		118.3	(11.5)
Total derivative financial instruments			**8.2**	**(194.5)**		121.8	(305.6)
Analysed as follows:							
Current			**3.9**	**(46.1)**		7.7	(73.4)
Non-current			**4.3**	**(148.4)**		114.1	(232.2)
			8.2	**(194.5)**		121.8	(305.6)
Company							
Not designated as hedges							
Non-current - Warrants	(f)	**N/A**	**227.9**	-	N/A	232.8	-

DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

The Group's derivative financial instruments relate to the following:

(a) Interest Rate Swaps ("IRS")

The Group had entered into IRS to hedge the Group's exposure to interest rate risk on its borrowings. This contract entitles the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The changes in fair value of these IRS contracts that are designated as hedges are included as hedging reserve in equity and continuously released to the income statement until the repayment of the bank borrowings or maturity of the IRS whichever is earlier. For the IRS contracts that are not designated as hedges, the changes in fair value are recognised as other income or other expense in the income statement.

(b) Cross Currency Swap

The Group had entered into a Cross Currency Swap contract to exchange interest payments and principal denominated in two different currencies to hedge against the exposure of its borrowings to interest rate risk and foreign exchange risk.

The changes in the fair value of these Cross Currency Swap contracts that are designated as hedges are included as hedging reserve in equity and continuously released to the income statement until the repayment of the bank borrowings or maturity of Cross Currency Swap contracts whichever is earlier. For the Cross Currency Swap contracts that are not designated as hedges, the changes in the fair value are recognised as other income or other expense in the income statement.

(c) Commodity Future Contract

The commodity future contracts were entered into with the objective of managing and hedging on the Group's downstream manufacturing operations to adverse price movements in the palm oil commodities.

The changes in the fair value of these commodity future contracts are accounted using the hedge accounting method. The changes in fair value of these contracts are included in hedging reserves in equity and are recognised in income statement when the underlying hedged items are recognised.

DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

(d) Forward Foreign Currency Exchange

The Group had entered into various forward foreign currency exchange contracts to manage the exposure to foreign currency exchange risk in relation to its operations in respective countries.

The changes in fair value of these forward foreign currency exchange contracts that are designated as hedges are included as hedging reserves in equity and are recognised in the income statement as the underlying hedged items are recognised. For the forward foreign currency exchange contracts that are not designated as hedges, the changes in the fair value of these forward contracts are recognised as other income or other expense in the income statement.

(e) Warrants

During the current financial year, the Group subscribed to USD16.8 million non-convertible senior notes with 560,000 warrants. The warrants are initially recognised at fair value and are subsequently carried at fair value through profit or loss. The fair value changes are recognised in profit or loss. As at 31 December 2017, the estimated fair value of the warrants was RM3.7 million which was favourable to the Group (2016: Nil).

As at 31 December 2017, derivative financial instruments of approximately RM1.1 million (2016: RM106.8 million) have been pledged as security for the term loan facility of the Group's power plant and oil and gas businesses.

The fair values of the above instruments have been estimated using the published market prices or quotes from reputable financial institutions or valuation techniques supported by observable market data. The Group has no significant concentrations of credit risk as at 31 December 2017 and 2016.

Company

(f) The Company's derivative financial instrument relates to the warrants in Genting Plantations which are exercisable at any time on or after 20 December 2013 up to the date of expiry on 17 June 2019. The warrants are traded in active market with fair value changes recognised in the income statement.

42. COMMITMENTS

(a) Capital Commitments

	Group	
	2017	2016
Authorised capital expenditure not provided for in the financial statements:		
- contracted	**4,476.7**	3,912.8
- not contracted	**17,320.2**	21,302.3
	21,796.9	25,215.1
Analysed as follows:		
- Property, plant and equipment	**21,538.2**	23,815.3
- Power concession assets (intangible assets and other non-current assets)	**-**	798.4
- Investments*	**49.4**	396.5
- Rights of use of oil and gas assets	**151.1**	129.2
- Intangible assets	**29.2**	52.8
- Leasehold land use rights	**29.0**	22.9
	21,796.9	25,215.1

* Includes commitment to invest in joint ventures amounting to RM25.6 million (2016: RM20.5 million).

COMMITMENTS (Cont'd)

(b) Operating Lease Commitments

(i) The Group as lessee

The future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group	
	2017	2016
Not later than one year	**127.1**	117.2
Later than one year but not later than five years	**227.8**	271.3
Later than five years	**358.0**	254.9
	712.9	643.4

The operating lease commitments mainly relate to leases of offices, land and buildings and equipment under non-cancellable operating lease agreement. The leases have varying terms, escalation clauses and renewal rights.

(ii) The Group as lessor

The future minimum lease receivables under non-cancellable operating lease are as follows:

	Group	
	2017	2016
Not later than one year	**41.9**	60.7
Later than one year but not later than five years	**31.2**	58.0
Later than five years	**2.0**	3.6
	75.1	122.3

The Group leases out retail space to non-related parties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. Generally, the lessees are required to pay contingent rents computed based on their turnover achieved during the lease period.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 24 January 2017 and 17 October 2017, GOHL through its direct wholly owned subsidiary, GOHL Capital, issued USD1.5 billion 4.25% guaranteed notes due 2027 (the "Notes" and "Further Notes"). The Notes and Further Notes are fully and unconditionally guaranteed by GOHL and have the benefit of a keepwell deed entered into with the Company. Interest on the Notes and Further Notes is payable semi-annually. Details of borrowings are disclosed in Note 37(h).

(b) On 25 January 2017, Palma Citra Investama Pte Ltd, a 73.7% indirect subsidiary of Genting Plantations, entered into a conditional sale and purchase agreement with PT Suryaborneo Mandiri, a related party, for the purpose of disposing 950 Series A shares and 34,100 Series B shares of IDR1,000,000 each in PT Permata Sawit Mandiri ("PT PSM") for a cash consideration of USD3,190,000 ("Proposed Disposal").

Genting Plantations had on 16 March 2017 further announced that the Proposed Disposal has been completed on the same day. Following the completion of the Proposed Disposal, PT PSM has ceased to be a subsidiary of Genting Plantations.

(c) On 18 August 2017, AsianIndo Holdings Pte Ltd ("AsianIndo"), a wholly owned subsidiary of Genting Plantations, entered into a conditional sale and purchase agreement with Lee Rubber Company (Pte) Ltd for the purpose of acquiring 20,000,000 ordinary shares representing 100% equity interest in Knowledge One Investment Pte Ltd for a cash consideration of USD94,970,000 ("Proposed Acquisition"). The Proposed Acquisition was completed on 10 October 2017.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In the normal course of business, the Group and the Company undertake on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions listed below were carried out on terms and conditions negotiated and agreed between the parties.

		Group		Company	
		2017	2016	**2017**	2016
(a)	**Transactions with subsidiaries**				
(i)	Licensing fees from the subsidiaries to the Company for the use of name and accompanying logo of "Genting", "Resorts World" and "Awana" owned by the Company.	-	-	**206.8**	195.5
(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 Genting Malaysia.	-	-	**411.2**	404.5
(iii)	Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	-	-	**180.2**	181.7
(iv)	Provision of information technology consultancy, development, implementation, support and maintenance service, other management services and rental of information technology equipment by subsidiaries to the Company.	-	-	**2.7**	3.8
(v)	Rental charges for office space and related services by a subsidiary of Genting Malaysia to the Company.	-	-	**2.7**	2.7
(vi)	Provision of management and/or support services by subsidiaries to the Company.	-	-	-	1.7
(vii)	Provision of management and/or support services by the Company to its subsidiaries.	-	-	**18.4**	16.4

SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

		Group		Company	
		2017	2016	**2017**	2016
(b)	**Transactions with associates and joint ventures**				
(i)	Provision of the management and/or support services and licensing fee by the Group to Resorts World Inc Pte Ltd ("RWI"), a joint venture of the Group.	**1.3**	1.2	**1.2**	1.1
(ii)	Licensing fee for the use of the name "Genting" charged by wholly owned subsidiaries of the Company to Genting Simon, a joint venture of the Genting Plantations Group.	**0.6**	0.6	-	-
(iii)	Provision of services in connection with the clinical study by TauRx Pharmaceuticals Ltd Group, an associate of the Group, to a subsidiary of the Company.	**16.7**	22.3	-	-
(iv)	Provision of management services by Genting Awanpura Sdn Bhd, a wholly owned subsidiary of Genting Plantations, to Genting Simon.	**0.5**	0.5	-	-
(v)	Provision of goods and/or services by DCP (Sentosa) Pte Ltd ("DCP (Sentosa)"), a joint venture of Genting Singapore to Genting Singapore Group.	**57.4**	63.9	-	-
(vi)	Provision of goods and/or services by Genting Singapore Group to DCP (Sentosa).	**3.6**	-	-	-
(vii)	Letting of a premise to Genting Highlands Premium Outlets Sdn Bhd ("GHPO"), a joint venture of the Genting Plantations Group.	**4.2**	-	-	-
(viii)	Provision of utilities, maintenance, security and construction management services by Genting Malaysia Group to GHPO.	**4.5**	0.6	-	-
(ix)	Interest income earned by indirect subsidiaries from their associates.	**13.7**	41.6	-	-
(x)	Purchase of electronic table games by Genting Malaysia Group from RWI Group.	**6.8**	-	-	-

SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

		Group		Company	
		2017	2016	**2017**	2016
(xi)	Licensing fee for the use of "Resorts World" and "Genting" intellectual property in the US and Bahamas charged by RWI Group to Genting Malaysia Group.	**75.4**	75.1	-	-
(xii)	Licensing fee for the use of Internet Gaming System platform in the United Kingdom charged by RWI Group to Genting Malaysia Group.	**2.3**	2.3	-	-
(xiii)	Licensing fee for the use of Dynamic Reporting System charged by RWI Group to Genting Malaysia Group.	**1.0**	0.2	-	-
(xiv)	Licensing fee for the use of "Genting" intellectual property in United Kingdom charged by RWI Group to Genting Malaysia Group.	-	6.0	-	-
(c)	**Transactions with other related parties**				
(i)	Rental of premises and provision of connected services by Genting Malaysia to Warisan Timah Holdings Sdn Bhd ("Warisan Timah"). Datuk Lim Chee Wah, a brother of Tan Sri Lim Kok Thay ("TSLKT") and an uncle of Lim Keong Hui ("LKH"), has deemed interest in Warisan Timah.	**2.2**	2.4	-	-
(ii)	Letting of premises by Genting Development Sdn Bhd ("GDSB") to the Group. The late Puan Sri Lim (Nee Lee) Kim Hua, the mother of TSLKT and the grandmother of LKH, is a shareholder of GDSB. Among others, TSLKT and Mr Teo Eng Siong had been named as Executors and Trustees of the Estate of Puan Sri Lim (Nee Lee) Kim Hua.	**1.0**	1.3	-	-
(iii)	Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by Genting Malaysia Group to Genting Hong Kong Limited ("Genting Hong Kong") Group, a company in which certain Directors of the Company have interests.	**1.1**	1.7	-	-

SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

		Group		Company	
		2017	2016	**2017**	2016
(iv)	Acquisitions of Cahaya Agro Abadi Pte Ltd and Palm Capital Investment Pte Ltd from Green Palm Capital Corp, which is owned by a major shareholder in PalmIndo Holdings Pte Ltd, a 73.685% indirect subsidiary of Genting Plantations.	-	123.7	-	-
(v)	Sale of refined palm oil products to Inter-Continental Oils & Fats Pte Ltd, a wholly owned subsidiary of Musim Mas Holdings Pte Ltd, the holding company of Musim Mas International (South Asia) Pte Ltd, which in turn holds 28% equity interest in Genting MusimMas Refinery Sdn Bhd.	**481.8**	-	-	-
(vi)	Sale of fresh fruit bunches by PT Agro Abadi Cemerlang ("PT AAC"), an indirect subsidiary of Genting Plantations, to Sepanjang Group, which vide PalmIndo Holdings Pte Ltd and PT Bintang Harapan Desa, holds an effective 30% equity interest in PT AAC.	**10.3**	-	-	-
(vii)	Disposal of PT Permata Sawit Mandiri to PT Suryaborneo Mandiri, which is owned by a major shareholder in PalmIndo Holdings Pte Ltd, an indirect subsidiary of Genting Plantations.	**14.1**	-	-	-
(viii)	Provision of design and consultancy services in relation to the construction and operation of a metathesis plant by Elevance Renewable Sciences, Inc ("Elevance") to a subsidiary of Genting Plantations, where an indirect subsidiary of the Company holds 16.6% equity interest in Elevance.	-	32.0	-	-
(ix)	Provision of management and consultancy service on theme park and resort development and operations by International Resort Management Services Pte Ltd ("IRMS"), an entity connected with certain Directors of the Company and Genting Malaysia, to Genting Malaysia Group and an indirect wholly owned subsidiary of the Company.	**11.2**	10.0	-	-

SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

		Group		Company	
		2017	2016	**2017**	2016
(x)	Proceeds from disposal of Genting Hong Kong shares by Genting Malaysia Group and GOHL to Golden Hope Limited ("GHL") (GHL acting as trustee of GHUT and both TSLKT and LKH have deemed interests in the units of GHUT).	-	1,763.3	-	-
(xi)	Provision of water supply services by Bimini Bay Water Ltd., an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to Genting Malaysia Group.	**3.2**	2.6	-	-
(xii)	Provision of maintenance services by entities connected with shareholder of BBEL to Genting Malaysia Group.	**18.6**	11.6	-	-
(xiii)	Rental charges for office space by Genting Malaysia Group to Genting Hong Kong Group.	**5.4**	3.5	-	-
(xiv)	Provision of construction services by an entity connected with shareholder of BBEL to Genting Malaysia Group.	**7.7**	4.6	-	-
(xv)	Purchase of rooms by Genting Malaysia Group from an entity connected with shareholder of BBEL.	**0.8**	2.4	-	-
(xvi)	Provision of aviation related services by Genting Malaysia Group to Genting Hong Kong Group.	**0.7**	1.1	-	-
(xvii)	Air ticketing services and provision of reservation and booking services rendered by Genting Hong Kong to Genting Singapore Group.	**8.7**	8.4	-	-
(xviii)	Provision of information technology, implementation, support and maintenance services, hotel accommodation, food and beverage and theme park charges by Genting Singapore Group to Genting Hong Kong Group.	**5.8**	4.9	-	-
(xix)	Leasing of office space and related expenses by IRMS from Genting Singapore Group.	**0.8**	1.0	-	-
(xx)	Provision of consultancy services by IRMS to Genting Singapore Group.	**1.2**	-	-	-

SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

	Group		Company	
	2017	2016	**2017**	2016
(d) Directors and key management personnel				
The remuneration of Directors and other key management personnel is as follows:				
Fees, salaries and bonuses	**142.6**	127.6	**59.6**	52.9
Defined contribution plan	**20.2**	19.5	**10.5**	9.4
Other short term employee benefits	**0.5**	0.5	**-**	-
Share-based payments	**21.8**	29.1	**-**	-
Provision for retirement gratuities	**26.4**	1.5	**13.4**	1.0
Estimated money value of benefits-in-kind (not charged to the income statements)	**2.0**	2.0	**0.1**	0.1

The outstanding balances as at 31 December 2017 and 2016, arising from sale/purchase of services, and payments made on behalf/receipts from the subsidiaries, associates and joint ventures are disclosed in Notes 22, 23 and 24. The outstanding balances arising from other related sales/purchases are not material as at 31 December 2017 and 2016.