

GOLDIS BERHAD

Interim Financial Report

For the financial year ended 31 January 2012

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GOLDIS BERHAD
Condensed Consolidated Income Statements
For the financial year ended 31 January 2012
(The figures have not been audited)

	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To-Date	To-Date
	31.1.12	31.1.11	31.1.12	31.1.11
	RM'000	RM'000	RM'000	RM'000
Revenue	78,528	(Restated) 30,286	194,314	(Restated) 101,897
Cost of sales	(59,879)	(37,817)	(148,746)	(98,110)
Gross profit	18,649	(7,531)	45,568	3,787
Other income	1,888	(873)	5,683	453
Selling and distribution expenses	(526)	(1,048)	(3,198)	(2,392)
Administration expenses	(16,605)	(3,671)	(51,595)	(33,218)
Operating profit/(loss)	3,406	(13,123)	(3,542)	(31,370)
Finance income	3,121	256	4,377	405
Finance costs	(3,161)	(4,565)	(14,191)	(14,229)
Finance costs (net)	(40)	(4,309)	(9,814)	(13,824)
Share of results of an associate	27,552	18,494	81,609	57,642
Profit before taxation	30,918	1,062	68,253	12,448
Taxation	(10,297)	(1,098)	(11,105)	(1,131)
Profit from continuing operations	20,621	(36)	57,148	11,317
Profit from discontinuing operations	(1,042)	(2,801)	1,385	1,253
Profit from discontinued operations	-	638	230,596	13,942
Profit for the financial period	19,579	(2,199)	289,129	26,512
Attributable to:				
Owners of the parent				
- from continuing operations	19,950	125	54,377	8,224
- from discontinuing operations	(1,042)	(2,801)	1,385	1,253
- from discontinued operations	-	638	230,596	13,942
	18,908	(2,038)	286,358	23,419
Non-controlling interest	671	(161)	2,771	3,093
Profit for the financial period	19,579	(2,199)	289,129	26,512
Earnings per share attributable to equity holders of the Company				
Basic (sen)				
- from continuing operations	3.27	0.02	8.91	1.35
- from discontinuing operations	(0.17)	(0.46)	0.23	0.21
- from discontinued operations	-	0.10	37.80	2.29
	3.10	(0.33)	46.94	3.85
Diluted (sen)				
- from continuing operations	3.27	0.02	8.91	1.35
- from discontinuing operations	(0.17)	(0.46)	0.23	0.21
- from discontinued operations	-	0.10	37.80	2.29
	3.10	(0.33)	46.94	3.84

Note:

1. The discontinuing operations is in relation to the proposed disposal of a subsidiary, Macro Kiosk Bhd, see Note A12 for details
2. The discontinued operations is in relation to the disposal of a subsidiary, HOEPharma Holdings Sdn Bhd, see Note A12 for details

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.

GOLDIS BERHAD**Condensed Consolidated Statements of Comprehensive Income**

For the financial year ended 31 January 2012

(The figures have not been audited)

	Current Year Quarter 31.1.12 RM'000	Preceding Year Quarter 31.1.11 RM'000	Current Year To-Date 31.1.12 RM'000	Preceding Year To-Date 31.1.11 RM'000
Profit for the financial period	19,579	(2,199)	289,129	26,512
Other comprehensive income				
Available-for-sale financial assets				
- Fair value gain	4,806	2,457	5,499	2,457
- Reclassification upon disposal	-	-	(533)	-
Currency translation differences	419	1,795	288	92
Other comprehensive income for the financial period, net of tax	5,225	4,252	5,254	2,549
Total comprehensive income for the financial period	24,804	2,053	294,383	29,061
Attributable to:				
Owners of the parent				
- from continuing operations	25,486	4,216	59,894	10,760
- from discontinuing operations	(1,042)	(2,801)	1,385	1,253
- from discontinued operations	-	638	230,596	13,942
Non-controlling interest	360	-	2,508	3,106
Total comprehensive income for the financial period	24,804	2,053	294,383	29,061

Note:

1. The discontinuing operations is in relation to the proposed disposal of a subsidiary, Macro Kiosk Bhd, see Note A12 for details
2. The discontinued operations is in relation to the disposal of a subsidiary, HOEPharma Holdings Sdn Bhd, see Note A12 for details

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.

GOLDIS BERHAD
Condensed Consolidated Statements of Financial Position

As at 31 January 2012

(The figures have not been audited)

	31.1.12 RM'000	31.01.11 RM'000	31.01.10 RM'000
		(Restated)	(Restated)
Assets			
Non-Current Assets			
Property, plant and equipment	376,319	417,639	405,525
Investment properties	-	4,743	4,844
Intangible assets	2,322	4,736	10,880
Concession receivables	39,311	25,795	17,800
Associate	1,009,895	957,419	909,975
Available-for-sale financial assets	241	1,245	1,307
Deferred tax assets	1,958	1,232	3,641
	1,430,046	1,412,809	1,353,972
Current Assets			
Assets held for sale	65,905	-	-
Concession receivables	6,685	6,684	7,186
Inventories	8,098	18,604	13,297
Available-for-sale financial assets	14,519	10,635	-
Financial assets at fair value through profit or loss	14,505	3,029	3,053
Amount owing from an associate	130	62	49
Trade and other receivables	30,030	79,135	69,056
Tax recoverable	2,641	2,478	2,120
Deposits, cash and bank balances	159,423	65,256	76,116
	301,937	185,884	170,878
Total Assets	1,731,983	1,598,693	1,524,850
Equity and Liabilities			
Equity Attributable To Owners Of The Parent			
Share capital	610,368	609,681	486,712
Irredeemable Convertible Non-Cumulative Preference Shares	-	3,500	3,500
Share premium	145,189	169,344	290,946
Exchange fluctuation reserve	1,628	1,077	998
Share options reserve	30	117	292
Available-for-sale reserve	8,732	3,766	-
Retained earnings	604,229	386,829	363,191
	1,370,176	1,174,314	1,145,639
Non-controlling interests	27,541	18,581	18,270
Total Equity	1,397,717	1,192,895	1,163,909
Liabilities			
Non-Current Liabilities			
Deferred tax liabilities	3,017	144	68
Hire-purchase and finance lease payables	-	296	402
Interest-bearing bank borrowings	92,033	97,730	9,847
Deferred revenue	9,563	9,352	11,721
	104,613	107,522	22,038
Current Liabilities			
Liabilities held for sale	47,386	-	-
Trade and other payables	47,085	71,870	76,254
Deferred revenue	2,274	2,754	1,372
Current tax liabilities	3,192	2,084	121
Hire-purchase and finance lease payables	69	405	440
Interest-bearing bank borrowings	129,647	221,163	260,716
	229,653	298,276	338,903
Total Liabilities	334,266	405,798	360,941
Total Equity and Liabilities	1,731,983	1,598,693	1,524,850
Net assets per share attributable to ordinary equity holders of the Company	2.24	1.93	1.88 *

* based on enlarge capital after bonus issue

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.

GOLDIS BERHAD
Condensed Consolidated Statements of Changes in Equity

For the financial year ended 31 January 2012

(The figures have not been audited)

	Attributable to equity holders of the Parent									Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Irredeemable Convertible Non-Cumulative Preference Shares RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Available-for-sale reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000			
At 1 February 2011	609,681	3,500	169,344	1,077	3,766	117	386,829	1,174,314	18,581	1,192,895	
<u>Comprehensive income</u>											
Profit for the financial period	-	-	-	-	-	-	286,358	286,358	2,771	289,129	
<u>Other comprehensive income</u>											
Available-for-sale financial assets	-	-	-	-	4,966	-	-	4,966	-	4,966	
Currency translation differences	-	-	-	551	-	-	-	551	(263)	288	
Total other comprehensive income	-	-	-	551	4,966	-	-	5,517	(263)	5,254	
Total comprehensive income for the financial period	-	-	-	551	4,966	-	286,358	291,875	2,508	294,383	
<u>Transactions with owners</u>											
Issuance of shares - ESOS	687	-	345	-	-	(87)	-	945	-	945	
Final dividend paid by Company	-	-	-	-	-	-	(75,524)	(75,524)	-	(75,524)	
Final dividend paid by subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	(87)	(87)	
Effects of changes in stakes in a subsidiary	-	(3,500)	(24,500)	-	-	-	6,566	(21,434)	21,434	-	
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(14,895)	(14,895)	
Transactions with owners	687	(3,500)	(24,155)	-	-	(87)	(68,958)	(96,013)	6,452	(89,561)	
At 31 January 2012	610,368	-	145,189	1,628	8,732	30	604,229	1,370,176	27,541	1,397,717	
At 1 February 2010											
As previously reported	486,712	3,500	290,946	998	-	292	363,191	1,145,639	18,270	1,163,909	
Effects of adoption of FRS 139	-	-	-	-	1,309	-	219	1,528	-	1,528	
As restated	486,712	3,500	290,946	998	1,309	292	363,410	1,147,167	18,270	1,165,437	
<u>Comprehensive income</u>											
Profit for the financial period	-	-	-	79	2,457	-	23,419	25,955	3,106	29,061	
Total comprehensive income for the financial period	486,712	3,500	290,946	1,077	3,766	292	386,829	1,173,122	21,376	1,194,498	
<u>Transactions with owners</u>											
Issuance of shares											
- Bonus issue	121,927	-	(121,927)	-	-	-	-	-	-	-	
- ESOS	1,042	-	325	-	-	(175)	-	1,192	-	1,192	
Arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	(2,708)	(2,708)	
Final dividend paid by subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	(87)	(87)	
Transactions with owners	122,969	-	(121,602)	-	-	(175)	-	1,192	(2,795)	(1,603)	
At 31 January 2011	609,681	3,500	169,344	1,077	3,766	117	386,829	1,174,314	18,581	1,192,895	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.

GOLDIS BERHAD**Condensed Consolidated Statement of Cash Flows**

For the financial year ended 31 January 2012

(The figures have not been audited)

	Current Year 31.1.2012 RM'000	Preceding Year 31.1.2011 RM'000 (Restated)
Operating Activities		
Cash receipts from customers	184,704	101,837
Cash paid to suppliers and employees	(132,840)	(112,887)
Cash generated from/(used in) operations	51,864	(11,050)
Dividends received	30,329	10,039
Interests received	4,188	278
Interests paid	(14,191)	(14,229)
Tax refunded	691	807
Taxation paid	(6,583)	(2,630)
Operating activities cash flow from continuing operations	66,298	(16,785)
Operating activities cash flow from discontinuing operations	10,293	7,483
Operating activities cash flow from discontinued operations	6,002	13,269
Net cash flow from operating activities	82,593	3,967
Investing Activities		
Subscription of shares in new subsidiaries	-	(30)
Additional investment in a subsidiary	(10,500)	-
Proceed from disposal of a subsidiary	250,909	-
Additional investment in an associate	(1,196)	-
Acquisition of shares from minority in subsidiaries	-	(1,508)
Additional investment in quoted investment	(44,569)	(6,648)
Proceed from disposal of quoted investments	36,040	21
Purchase of property, plant and equipments	(45,737)	(55,288)
Proceed from disposal of property, plant and equipments	-	9
Net repayment of advances from an associate	(68)	(14)
Investing activities cash flow from continuing operations	184,879	(63,458)
Investing activities cash flow from discontinuing operations	(619)	(1,349)
Investing activities cash flow from discontinued operations	(1,895)	(2,205)
Net cash flow from/(used in) investing activities	182,365	(67,012)
Financing Activities		
Proceeds from issuance of shares arising from exercise of ESOS	811	1,056
Proceeds from/(Payments to) bank borrowings (net)	(74,611)	55,232
Deposits pledged as securities for bank borrowings	-	2,912
Payments of hire-purchase and finance lease liabilities (net)	(211)	(465)
Advance to related parties	-	22
Dividend paid by Company	(75,524)	-
Dividend paid by a subsidiary to non-controlling interest	(87)	713
Financing activities cash flow from continuing operations	(149,622)	59,470
Financing activities cash flow from discontinuing operations	(339)	(162)
Financing activities cash flow from discontinued operations	(1,828)	(3,318)
Net cash flow (used in)/from financing activities	(151,789)	55,990
Net increase/(decrease) in cash and cash equivalents during the financial period	113,169	(7,055)
Reclassification to assets held for sale	(19,086)	-
Currency translation differences	271	(844)
Cash and cash equivalents at beginning of the financial period	63,779	71,678
Cash and cash equivalents at end of the financial period	158,133	63,779
Cash and cash equivalents at end of the financial period comprise of the following:		
Deposits with licensed banks	121,391	12,870
Short term investments with licensed bank	148	687
Cash and bank balances	37,884	51,699
Deposits, cash and bank balances	159,423	65,256
Less: Bank overdrafts	-	(187)
	159,423	65,069
Less: Deposits pledged as securities for borrowings	(1,290)	(1,290)
Cash and cash equivalents at end of the financial period	158,133	63,779

Note:

1. The discontinuing operations is in relation to the proposed disposal of a subsidiary, Macro Kiosk Bhd, see Note A12 for details
2. The discontinued operations is in relation to the disposal of a subsidiary, HOEPharma Holdings Sdn Bhd, see Note A12 for details

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.

GOLDIS BERHAD

Notes to the Interim Financial Report

A. Compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and Bursa Listing Requirements

A1. Accounting Policies and Methods of Computation

The interim financial report are unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 January 2011. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 January 2011, except for the followings:

- FRS 3 (revised) "Business Combinations"
- FRS 124 (revised) "Related Party Disclosures"
- FRS 127 (revised) "Consolidated and separate Financial Statements"
- Amendments to FRS 2 "Share-based Payment: Group Cash-settled Share-based Payment Transactions"
- Amendments to FRS 7 "Financial Instruments: Disclosures and Presentation" and FRS 1 "First-time Adoption of Financial Reporting Standards"
- Amendments to FRS 132 "Financial Instruments: Presentation"
- IC Interpretation 4 "Determining whether an arrangement contains a lease"
- IC Interpretation 12 "Service Concession Arrangements"
- Improvements to FRSs

The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no significant impact to the Group's consolidated financial statements of the current quarter or the comparative consolidated financial statements of the prior financial year, except for the followings:-

(a) FRS 127 (revised) "Consolidated and separate Financial Statements"

The revised FRS 127 requires that total comprehensive income must be proportionately allocated to the non-controlling interest, even if the non-controlling interest are in deficit position. Change in ownership interest which does not result in a loss of control is accounted for within equity instead of the income statement. Where the change in ownership interest results in loss of control, any remaining interest in the former subsidiary is remeasured at fair value and the gain or loss is recognised in income statement.

The changes in the revised FRS 127 will be applied prospectively and only affect future acquisitions or loss of control of subsidiaries and transaction with non-controlling interest.

(b) IC Interpretation 12 "Service Concession Arrangements" ("IC 12")

The interpretation requires the Group to record its concession assets as financial assets. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the interpretation and there is no material impact to the opening retained earnings and current year results. The following figures have been restated following the adoption of IC 12:

	As previously reported RM'000	Effects of adopting IC 12 RM'000	As restated RM'000
<u>As at 31.1.2011</u>			
Property, plant and equipment	450,118	(32,479)	417,639
Concession receivables			
- Non-current	-	25,795	25,795
- Current	-	6,684	6,684
<u>As at 31.1.2010</u>			
Property, plant and equipment	430,511	(24,986)	405,525
Concession receivables			
- Non-current	-	17,800	17,800
- Current	-	7,186	7,186

GOLDIS BERHAD

Notes to the Interim Financial Report

A. Compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and Bursa Listing Requirements

A1. Accounting Policies and Methods of Computation (cont'd)

Certain comparative figures presented in the income statement and statement of cash flow have been restated. The amount relating to the proposed disposal of a subsidiary and disposed subsidiary have been separately disclosed under discontinuing and discontinued operations respectively according to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

A2. Explanatory Comments about the Seasonality or Cyclicity of Interim Operations

The Group's operations were not materially affected by seasonal or cyclical factors.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows except as disclosed in Note A12.

A4. Material Changes in Estimates

There were no changes in estimates that have had material effect in the current financial year result.

A5. Capital Management, Issuances, Repurchases, and Repayment of Debt and Equity Securities

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain an optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary. For capital management purposes, the Group considers shareholders' equity, non-controlling interests and long term liabilities to be the key components in the group's capital structure. The Group monitors capital on the basis of the gearing ratio.

A6. Dividends Paid

The dividends paid by the Company are as follows:-

Financial year	Type	Category	Rate per share	Date paid	Amount RM'000
31.1.2011	First & Final	Tax exempt	1.25 sen	22.7.2011	7,622
31.1.2012	First interim	Tax exempt	1.25 sen	11.11.2011	7,628
31.1.2012	Second interim	25% tax	0.50 sen	18.1.2012	60,274
		Singler tier	9.50 sen		
					75,524

GOLDIS BERHAD

Notes to the Interim Financial Report

A. Compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and Bursa Listing Requirements

A8. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period up to the date of this report.

A9. Effects of Changes in the Composition of the Group

There were no changes in the composition of the Group to the end of the interim period up to the date of this report, except for the followings:-

- (i) On 9 February 2011, the Board of Directors of Goldis Berhad ("Goldis") announced that Macro Kiosk Berhad and Macro Mobile Services Sdn Bhd, subsidiaries of Goldis have incorporated a new subsidiary named Macro Kiosk (India) Private Limited ("MKI") in India on 7 February 2011. The Certificate of Incorporation of MKI was received on 9 February 2011.
- (ii) On 8 June 2011, the Board of Directors of Goldis announced that GoldChina Pte Ltd, a subsidiary of Goldis has been struck-off by the Singapore Accounting and Corporate Regulatory Authority on 9 May 2011.
- (iii) On 6 September 2011, a wholly owned subsidiary of Goldis, GTower Sdn Bhd had increased its ordinary share capital from RM14 million of ordinary shares of RM1.00 each to RM17.5 million of ordinary shares of RM1.00 each by the conversion of 70.0 million Irredeemable Convertible Preference Shares("ICPS") of RM0.50 each into 3.5 million ordinary shares of RM1.00 each based on a conversion ratio of 20:1. Upon full conversion of its ICPS, Goldis's effective interest had been diluted to 80%.
- (iv) On 29 September 2011, the Board of Directors of Goldis announced that Sweat Club Sdn Bhd, a wholly owned subsidiary of Goldis has been dissolved following the submission of Return by Liquidator Relating to Final Meeting with the Companies Commission of Malaysia and Official Receiver.
- (v) On 27 December 2011, the Board of Directors of Goldis announced that Macro Kiosk Berhad have incorporated a new subsidiary named Macro Kiosk FZ-LLC ("MKF") in Dubai, United Arab Emirates on 4 December 2011.
- (vi) On 6 January 2012, the Board of Directors of Goldis announced that Goldis has acquired the entire issued and paid up capital in Lautan Bumimas Sdn Bhd.

A10. Changes in Contingent Liabilities and Contingent Assets since the last annual balance sheet date

The contingent liabilities and contingent assets as at the end of the prior financial year ended 31 January 2011 have remained unchanged.

A11. Capital Commitments

Authorised capital commitments not recognised in the interim financial statements as at 31 January 2012 are as follows:

	RM'000
Approved and contracted for:	
- Property, plant and equipment	3,000
Approved but not contracted for:	
- Property, plant and equipment	2,300
	5,300

GOLDIS BERHAD

Notes to the Interim Financial Report

A. Compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and Bursa Listing Requirements

A12. Note to Discontinuing and Discontinued Operations

(a) Discontinuing Operations

The assets and liabilities related to Macro Kiosk Berhad ("MKB"), a 70% owned subsidiary, have been presented as held for sale following the approval by the Board to dispose to Trigoh Sdn Bhd on 14 December, 2011. Hence, the results from Macro Kiosk Berhad are presented separately on the consolidated statement of comprehensive income as "Discontinuing operation" and assets and liabilities related to MKB have been presented as held for sale as at 31 January, 2012, see Note B7 for details.

Financial performance and cash flow information presented for the year ended 31 January, 2012

	RM'000
Revenue	118,567
Cost of sales	<u>(91,636)</u>
Gross profit	26,931
Other income	427
Expenses	<u>(24,991)</u>
Profit before taxation	2,367
Tax expense	<u>(982)</u>
Profit after tax from discontinuing operations	<u>1,385</u>
Net cash generated from ordinary activities	10,293
Net cash used in investing activities	(619)
Net cash used in financing activities	<u>(339)</u>
	<u>9,335</u>

The carrying amounts of assets and liabilities as at 31 January, 2012 were:

Assets held for sale

Property, plant & equipment	3,298
Intangible assets	1,448
Deferred tax assets	288
Inventories	9
Trade & other receivables	41,776
Deposits, cash and bank balances	<u>19,086</u>
	<u>65,905</u>

Liabilities held for sale

Trade and other payables	42,886
Borrowings	<u>4,500</u>
	<u>47,386</u>

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Notes to the Interim Financial Report

A. Compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and Bursa Listing Requirements

A12. Note to Discontinuing and Discontinued Operations

(b) Discontinued operations

On 7 April 2011, Goldis Berhad together with six individual shareholders of HOEPharma Holdings Sdn Bhd (collectively known as the "Vendors") entered into a conditional Sale and Purchase Agreement ("SPA") with Taisho Pharmaceutical Co. Ltd ("Taisho") to dispose off Vendors' 8,000,000 ordinary shares of RM1.00 each in HOEPharma Holdings Sdn Bhd ("HPH"), to Taisho for a total cash consideration of RM370 million subject to the purchase price adjustment provisions as set out in the SPA. The proposed disposal had been completed on 1 August 2011 and HPH ceased to be a subsidiary of Goldis Berhad.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information presented are for the six month ended 31 July, 2011

	RM'000
Revenue	44,112
Cost of sales	<u>(13,473)</u>
Gross profit	30,639
Other income	466
Expenses	<u>(18,225)</u>
Profit before taxation	12,880
Tax expense	<u>(3,511)</u>
Profit after tax from discontinued operations	9,369
Gain on disposal of subsidiary	221,227
Profit from discontinued operations	<u>230,596</u>
Net cash generated from ordinary activities	6,002
Net cash used in investing activities	(1,895)
Net cash used in financing activities	<u>(1,828)</u>
	<u>2,279</u>

The carrying amounts of assets and liabilities as at 31 July, 2011 were:

Property, plant and equipment	24,325
Deferred tax assets	352
Inventories	5,928
Trade & other receivables	29,700
Deposits, cash and bank balances	24,407
Trade and other payables	(15,465)
Borrowings	<u>(15,336)</u>
Total liabilities	53,911
Non-controlling interest	178
Group share of net assets	<u>54,089</u>
Consideration received	275,316
Carrying amount of net assets sold	<u>(54,089)</u>
Gain on disposal	<u>221,227</u>

GOLDIS BERHAD

Notes to the Interim Financial Report

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

Investment Holding

The performance of the Investment Holding segment remained stable with Revenue and Profit Before Tax ("PBT") of RM0.1 million and RM0.7 million in the current quarter.

Revenue consistent for the current year while PBT was reported at RM1.0 million.

Property Investment and Development ("Property")

Property segment registered an increase in revenue of RM6.0 million as compared to the corresponding quarter in the previous year due to higher occupancy rate. This segment continues to chalk up impressive results with PBT of RM30.1 million due to the higher occupancy rate and higher share of results from an associate.

For the financial year ended 31 January 2012, additional revenue arising from the higher occupancy rate of 85% as compared to 48% in the preceding year led to the upward trend in revenue and PBT.

Information and Communication Technology ("ICT")

ICT segment marked a higher revenue and PBT of RM4.6 million and RM0.8 million, an increase of 12% and 3% respectively for the quarter under review attributable to the ongoing strong demand for broadband connectivity as well as improved sales mix and volume performance from corporate customers for Data Center services, IT Projects and other value added services.

Revenue of RM15.8 million and PBT of RM3.6 million were generated from the operations of ICT segment for the year ended 31 January 2012.

Paper Manufacturing

Revenue for the current financial quarter was lower by 6% from RM14.7 million to RM13.8 million on the back of declining demand coupled with intense price war for corrugated paper in the Tianjin and Beijing area. Paper Manufacturing segment had made a loss of RM9.0 million in the current quarter as a result of a significant charge of impairment losses on assets of RM9.0 million in addition to higher raw material costs.

Total revenue for the full year recorded a growth of 25% from RM60.9 million to RM76.0 million despite the low demand and price war in the second half of the year mitigated by higher price and demand in the first half of the year. Recognition of impairment losses on assets of RM16.8 million and higher raw material costs have resulted in a loss position of RM20.2 million for the Paper Manufacturing segment in the current year.

Waste Water Treatment

For the quarter under review, the Waste Water Treatment segment achieved a high revenue of RM38.8 million and PBT of RM9.4 million following the adoption of IC Interpretation 12 ("IC12") in the current quarter.

The Waste Water Treatment segment recorded revenue of RM43.9 million in current financial year, inclusive of RM36.9 million on IC12 adjustments as compared to the preceding year of RM6.8 million. The performance of the Waste Water Treatment segment remained stable with PBT of RM8.6 million in the current year, inclusive of RM7.8million of IC12 adjustment.

Aquaculture

The Aquaculture segment posted a revenue increase of 42% to RM0.3 million in current quarter, buoyed by the trading of fish fry. Losses in the Aquaculture segment has declined sharply due to the recognition of the one-off impairment on assets amounting to RM10.1 million in the same quarter of the preceding year.

Current year revenue has increased due to higher demand in the consumption of fish fry. The lower net loss in the current year from the aquaculture was primarily contributed by the one-off impairment on assets in the preceding year.

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Notes to the Interim Financial Report

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance (cont'd)

Hotel

Comparing current quarter to the corresponding quarter in the preceding year, the Hotel segment has improved its occupancy rate resulting in an increase in the revenue and PBT.

In the current financial year, the Hotel segment recorded satisfactory revenue growth with room rate revisions during the year in addition to improved business volumes both in rooms and food and beverages. Room occupancy at the hotel was 60% against 13% in the preceding year. The hotel closed the year with a pre-tax loss of RM3.2 million compared to a loss of RM12.6 million in the preceding year.

B2. Comparison with Preceding Quarter's Results

The Group revenue from continuing operations for the current quarter of RM78.5 million, showed an improvement of 78% from RM44.2 million in the preceding quarter due to higher contribution from the Property Investment and Development segment and Waste Water Treatment segment. The Group profit before taxation from continuing operations for the current quarter increased from RM16.1 million to RM19.6 million due to higher contribution of the Property Investment and Development segment.

B3. Prospects for the Coming Financial Year

Investment Holding

Goldis Group's efforts are focused towards identifying, evaluating and investing in new projects that provide revenue growth and net income streams to Goldis Group. The continuing uncertain economic climate also presents some potentially attractive investment opportunities.

Property Investment and Development ("Property")

For the Group's investment property in Kuala Lumpur, office rental market are expected to hold up relatively well through 2012.

For the Group's investment in its associate, it is expected to record a significant improvement mainly underpinned by the stronger operating performances of IGB's businesses.

Information and Communication Technology ("ICT")

The Malaysian Communications Multimedia Commission (MCMC) has made increasing broadband connectivity a top priority, creating the National Broadband Initiative to foster development and adoption of fixed and mobile broadband services.

The IT segment remains extremely competitive with entry of new players into the ICT industry. Nevertheless, amid this environment where client attrition is experienced, the IT segment is expected to maintain a steady trend in its long term growth with continued focus in providing quick and attentive service to retain its major clients.

Paper Manufacturing

Although there is an increase in demand in corrugated paper, the Group expects to remain cautious in their dealings and prudent in their approach as the paper price in Tianjin and Beijing area will remain under pressure.

Waste Water Treatment

China continues to face severe water pollution and water scarcity problems. China generated 57.2 billion tons of waste water in 2008; municipal waste water and industrial waste water account for 58% and 42% respectively.

It is expected that total waste water will continue growing due to rapid urbanization and industrialization. The current waste water treatment infrastructure is still inadequate and there will be continued construction of new facilities and upgrading of existing ones, resulting in a large demand for investment.

However, competition for projects is fierce, from foreign companies that can provide advanced technology and management, as well as from domestic players, which can typically offer more competitive prices and in some cases comparable technology.

GOLDIS BERHAD

Notes to the Interim Financial Report

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B3. Prospects for the Coming Financial Year (cont'd)

Aquaculture

With the increase in awareness of organic fish in local and international markets, and the simultaneous reduction of fish stocks from capture fisheries, the aquaculture industry will play an important future role in food production in Malaysia. Demand for fish and fish products in local, regional and international markets will translate into better opportunities for the local processors and exporters. Increasing investment, up-date on international fisheries, trade and marketing development are initiatives put in place to ensure production of high value marine fish fingerlings as it is identified as a lucrative business.

Hotel

Notwithstanding the current market uncertainty, the prospects for the Group's Hotel business in 2012 appears to be encouraging.

B4. Variance of Actual Profit from Forecast Profit or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.

B5. Statement by Directors

The Group did not disclose or announce any profit forecast or projection in a public document in the current quarter or prior financial year. In the Board of Directors' opinion, the internal targets set by management for the remaining period of the current financial year ending 31 January 2012 are likely to be achieved.

B6. Taxation

	Current Quarter	Current YTD
	RM'000	RM'000
Current tax:		
Malaysian tax	6,480	7,288
Foreign tax	9	9
	<u>6,489</u>	<u>7,297</u>
Deferred Tax	<u>3,808</u>	<u>3,808</u>
	<u>10,297</u>	<u>11,105</u>

The effective income tax expense of the Group for the current quarter is lower than the statutory tax rate due to certain income not being subject to tax, utilisation of unutilised tax losses brought forward, and unabsorbed capital allowances in certain subsidiaries.

B7. Status of Corporate Proposals

There were no corporate proposals announced except for the followings:

On 14 December, 2011, the Board of Directors of Goldis Berhad have accepted the offer from Trigoh Sdn Bhd to dispose of 3,500,000 ordinary shares of RM1.00 each in Goldis Berhad's 70% owned subsidiary, Macro Kiosk Berhad, for a total cash consideration of RM15 million.

On 2 March, 2012, the Board of Directors of Goldis Berhad announced that the conditions precedent have not been fulfilled by the extended period and in view thereof, Goldis Berhad has on 2 March 2012 rescinded and terminated the contract formed in the Letter of Offer dated 12 December 2011 and the subsequent letter dated 14 December 2011 whereupon the contract was declared null and void and of no further force and effect and neither party have any claims against the other.

GOLDIS BERHAD

Notes to the Interim Financial Report

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B8. Details of Group Borrowings and Debt Securities**

The Groups' borrowings and debts securities as at 31 January 2012 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Revolving credits	99,368	-	99,368
Term loans	30,279	-	30,279
Bank overdraft	-	-	-
	<u>129,647</u>	<u>-</u>	<u>129,647</u>
Non-current			
Term loans	92,033	-	92,033
	<u>92,033</u>	<u>-</u>	<u>92,033</u>
Total	<u>221,680</u>	<u>-</u>	<u>221,680</u>

The currency exposure profile of bank borrowings is as follows:

	Local currency (in '000)	RM equivalent (in '000)
Ringgit Malaysia	184,660	184,660
Chinese Renminbi	60,400	29,113
US Dollar	2,600	7,907
	<u>221,680</u>	<u>221,680</u>

B9. Changes in Material Litigations

As at the reporting date, there were no pending material litigations since the last financial year ended 31 January 2011 and up to the reporting date.

B10. Proposed Dividends

The Directors have not proposed any dividend for the current financial period under review.

B11. Earnings Per Share**(a) Basic Earnings Per Share**

The basic earnings per share of the Group is calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	Current Quarter	Current YTD
Net profit attributable to ordinary equity holders of the Company (RM'000)		
- from continuing operations	19,950	54,377
- from discontinuing operations	(1,042)	1,385
- from discontinued operations	-	230,596
	<u>18,908</u>	<u>286,358</u>
Weighted average no. of ordinary shares in issue ('000)	610,356	610,036
Basic earnings per share (sen)		
- from continuing operations	3.27	8.91
- from discontinuing operations	(0.17)	0.23
- from discontinued operations	-	37.80
	<u>3.10</u>	<u>46.94</u>

GOLDIS BERHAD

Notes to the Interim Financial Report

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B11. Earnings Per Share (cont'd)****(b) Diluted Earnings Per Share**

For diluted earnings per share of the Group, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares from share options granted to employees.

	Current Quarter	Current YTD
Net profit attributable to ordinary equity holders of the Company (RM'000)		
- from continuing operations	19,950	54,377
- from discontinuing operations	(1,042)	1,385
- from discontinued operations	-	230,596
	<u>18,908</u>	<u>286,358</u>
Weighted average no. of ordinary shares in issue ('000)	610,356	610,036
Adjustments for exercise of ESOS ('000)	67	67
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>610,423</u>	<u>610,103</u>
Diluted earnings per share (sen)		
- from continuing operations	3.27	8.91
- from discontinuing operations	(0.17)	0.23
- from discontinued operations	-	37.80
	<u>3.10</u>	<u>46.94</u>

B12. Notes to Statements of Comprehensive income

	Current Quarter RM'000	Current YTD RM'000
(a) Interest income	3,121	4,377
(b) Other income including investment income	1,888	5,683
(c) Interest expenses	3,161	14,191
(d) Depreciation and amortisation	4,701	19,826
(e) Allowance for and write off of receivables	54	54
(f) Allowance for and write off of inventories	-	-
(g) Gain/(loss) on disposal of quoted/unquoted investment or properties	729	1,755
(h) Impairment of assets	9,300	17,120
(i) Foreign exchange gain/(loss)	847	858
(j) Gain/(loss) on derivatives	-	-
(k) Gain on disposal of a subsidiary	-	221,227

B13. Realised and Unrealised Retained Earnings

	As at 31.1.2012 RM'000	As at 31.1.2011 RM'000
Total Retained Profits		
- Realised	210,337	63,766
- Unrealised	8,359	6,585
	<u>218,696</u>	<u>70,351</u>
Total Share of Retained Profits from Associate		
- Realised	437,807	338,822
- Unrealised	(39,848)	(22,472)
	<u>616,655</u>	<u>386,701</u>
Less: Consolidation Adjustments	(12,426)	128
Total Retained Profits	<u>604,229</u>	<u>386,829</u>

B14. Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the year ended 31 January 2011 did not contain any qualification.