

GOLDIS BERHAD

Interim Financial Report

For the financial period ended 30 June 2014

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GOLDIS BERHAD**Condensed Consolidated Income Statements**

For the financial period ended 30 June 2014

(The figures have not been audited)

	Current Year Quarter 30.6.2014 RM'000	Preceding Year Quarter RM'000	Current Year To-Date 30.6.2014 RM'000	Preceding Year To-Date RM'000
Revenue	319,980	N/A	644,050	N/A
Cost of sales	(137,783)		(277,581)	
Gross profit	182,197		366,469	
Other income	6,219		14,780	
Administrative expenses	(58,234)	N/A	(125,573)	N/A
Other expenses	(2,144)		(4,029)	
Operating profit	128,038	N/A	251,647	N/A
Finance income	9,630		22,772	
Finance costs	(25,491)		(45,542)	
Share of results of associates	7,633		11,715	
Profit before taxation	119,810	N/A	240,592	N/A
Taxation	(21,363)		(54,616)	
Profit for the financial period	98,447	N/A	185,976	N/A
Attributable to:				
Owners of the parent	24,595		43,884	
Non-controlling interest	73,852		142,092	
Profit for the financial period	98,447	N/A	185,976	N/A
Earnings per share attributable to equity holders of the Company				
Basic/Diluted (sen)	4.05	N/A	7.32	N/A

Note:

1. There is no comparative figures due to the change of financial year end from 31 January to 31 December.

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the 11 months financial period ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

For the financial period ended 30 June 2014

(The figures have not been audited)

	Current Year Quarter 30.6.2014 RM'000	Preceding Year Quarter RM'000	Current Year To-Date 30.6.2014 RM'000	Preceding Year To-Date RM'000
Profit for the financial period	98,447	N/A	185,976	N/A
Other comprehensive income/(loss):				
Currency translation differences				
- equity	(142)		(1,807)	
- non-controlling interests	839		1,105	
Available-for-sale financial assets				
- net change in fair value	3,712		1,238	
Other comprehensive income for the financial period, net of tax	4,409		536	
Total comprehensive income for the financial period	102,856	N/A	186,512	N/A
Attributable to:				
Owners of the parent	29,004		44,420	
Non-controlling interests	73,852		142,092	
Total comprehensive income for the financial period	102,856	N/A	186,512	N/A

Note:

1. There is no comparative figures due to the change of financial year end from 31 January to 31 December.

GOLDIS BERHAD
Condensed Consolidated Statements of Financial Position
As at 30 June 2014

(The figures have not been audited)

	30.6.2014	31.12.2013
	RM'000	RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	2,398,450	2,356,844
Land held for property development	218,735	220,363
Investment properties	2,534,494	2,477,331
Long term prepaid lease	3,504	3,697
Intangible assets	19,589	19,720
Biological assets	394	460
Associates & Joint ventures	397,865	390,598
Available-for-sale financial assets	9,857	9,857
Concession receivables	58,573	57,703
Deferred tax assets	1,649	1,649
Deposits, cash and bank balances	470,972	95,000
	6,114,082	5,633,222
Current Assets		
Property development costs	296,888	297,916
Inventories	81,124	83,796
Available-for-sale financial assets	51,151	49,914
Financial assets at fair value through profit or loss	19,101	16,927
Concession receivables	5,915	6,198
Amount owing from associates	91,103	86,758
Amount owing from related company	14	22
Trade and other receivables	608,524	231,413
Tax recoverable	2,249	5,048
Cash held in Housing Development Accounts	35,290	32,984
Deposits, cash and bank balances	895,937	1,057,170
	2,087,296	1,868,146
Total Assets	8,201,378	7,501,368
Equity and Liabilities		
Equity Attributable To Owners Of The Parent		
Share capital	610,494	610,494
Share premium	32,340	67,765
Treasury shares	(5,722)	(41,147)
Other reserves	210,089	211,111
Retained earnings	927,856	881,846
	1,775,057	1,730,069
Non-controlling interests	3,092,276	3,102,460
Total Equity	4,867,333	4,832,529
Liabilities		
Non-Current Liabilities		
Trade and other payables	65,039	73,405
Deferred tax liabilities	276,289	276,572
Hire-purchase and finance lease payables	179	194
Interest bearing bank borrowings	1,485,588	1,484,909
	1,827,095	1,835,080
Current Liabilities		
Trade and other payables	519,785	496,487
Amount owing to associates	2,718	4,107
Current tax liabilities	122,508	69,802
Hire-purchase and finance lease payables	53	75
Interest bearing bank borrowings	861,886	263,288
	1,506,950	833,759
Total Liabilities	3,334,045	2,668,839
Total Equity and Liabilities	8,201,378	7,501,368
Net assets per share attributable to ordinary equity holders of the Company	2.92	2.93

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the 11 months financial period ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

GOLDIS BERHAD**Condensed Consolidated Statements of Changes in Equity**

For the financial period ended 30 June 2014

(The figures have not been audited)

	Attributable to owners of the parent						Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2014	610,494	67,765	(41,147)	211,111	881,846	1,730,069	3,102,460	4,832,529
<u>Comprehensive income</u>								
Profit for the financial period	-	-	-	-	43,884	43,884	142,092	185,976
Other comprehensive income	-	-	-	(1,022)	453	(569)	1,105	536
Total comprehensive income for the financial period	-	-	-	(1,022)	44,337	43,315	143,197	186,512
<u>Transactions with owners</u>								
Distribution of treasury shares as dividend	-	(35,425)	35,425	-	-	-	-	-
Dividend paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	(88,057)	(88,057)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	1,673	1,673	(65,324)	(63,651)
Total transactions with owners	-	(35,425)	35,425	-	1,673	1,673	(153,381)	(151,708)
At 30 June 2014	610,494	32,340	(5,722)	210,089	927,856	1,775,057	3,092,276	4,867,333

Note:

1. There is no comparative figures due to the change of financial year end from 31 January to 31 December.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the 11 months financial period ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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

For the financial period ended 30 June 2014

(The figures have not been audited)

	Current Year 30.6.2014 RM'000	Preceding Year RM'000
Operating Activities		
Cash receipts from customers	615,962	N/A
Cash paid to suppliers and employees	(310,797)	N/A
Cash generated from operations	305,165	N/A
Interests paid	(46,328)	
Tax refunded	12,739	
Taxation paid	(8,402)	
Net cash flow generated from operating activities	263,174	N/A
Investing Activities		
Investment in associate	(339,529)	N/A
Purchases of biological assets	(35)	
Purchases of property, plant and equipments	(170,462)	
Additional investment in financial assets at fair value through profit or loss	(2,448)	
Proceed from disposal of financial assets at fair value through profit or loss	1,360	
Repayment of advances from associates	121,952	
Interest received	20,186	
Net cash flow used in investing activities	(368,976)	N/A
Financing Activities		
Capital repayment to non-controlling interests of a subsidiary	(66,042)	N/A
Proceeds from bank borrowings	597,494	
Payments of hire-purchase and finance lease liabilities	(37)	
Dividend paid by a subsidiary to non-control interest	(83,113)	
Net cash flow generated from financing activities	448,302	N/A
Net decrease in cash and cash equivalents during the financial period	342,500	N/A
Currency translation differences	(3,019)	
Cash and cash equivalents at beginning of the financial period	1,061,428	
Cash and cash equivalents at end of the financial period	1,400,909	N/A

Note:

1. There is no comparative figures due to the change of financial year end from 31 January to 31 December.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the 11 months financial period ended 31 December 2013 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 period ended 31 December 2013. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the period ended 31 December 2013, except for the followings:

- Amendment to FRS 132, 'Financial Instruments: Presentation'
- Amendments to FRS 10, 'Consolidated Financial Statements'
- Amendments to FRS 12, 'Disclosure of Interests in Other Entities: Transition Guidance'
- Amendments to FRS 127, 'Separate financial statements'
- IC Interpretation 21, 'Levies'

The adoption of above Amendments to FRS and IC Interpretations has no significant impact to the Group's interim financial reports of the current quarter or the comparative consolidated financial statements of the prior financial period.

A2. Change of Financial Year End

On 27 December, 2013, the Board of Directors of the Company announced an immediate change of its financial year end from 31 January to 31 December.

Due to the change of financial year end, there are no comparative figures given for preceding year corresponding quarter and year-to-date in the current report.

A3. Explanatory Comments about the Seasonality or Cyclicity of Interim Operations

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

A4. 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.

A5. Material Changes in Estimates

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

A6. Capital Management, Issuances, Repurchases, and Repayment of Debt and Equity Securities

Details of the shares repurchased were as follows:-

	No. of shares	Cost RM
At 1 January 2014	20,553,953	41,146,601
<u>Distributed as dividend</u> March 2014	(17,695,933)	(35,425,180)
As at 30 June 2014/reporting date	2,858,020	5,721,421

On 27 March 2014, Goldis Berhad had distributed three (3) treasury shares for every one hundred (100) existing ordinary shares of RM1.00 each held ("share dividend"). A total of 17,695,933 treasury shares have been distributed to the entitled shareholders as share dividend.

Other than the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs and share cancellations for the current financial period.

A7. Dividends Paid

Other than the share dividend distributed as disclosed in note A6, there was no payment of dividend during the financial period ended 30 June 2014.

GOLDIS BERHAD

Notes to the Interim Financial Report

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

A9. 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.

A10. Effects of Changes in the Composition of the Group

On the 10 July 2014 the Group announced to Bursa Malaysia that further to the announcement dated 1 November 2013 pertaining to the members' voluntary winding up of Ecosem Sdn Bhd (In Members' Voluntary Winding Up) ("Ecosem"), a wholly-owned subsidiary of Goldis Berhad ("Goldis"), the Board of Directors of Goldis wishes to announce that the Liquidators of Ecosem had convened a Final Meeting on 10 July 2014 to conclude the Members' Voluntary Winding Up of Ecosem.

The Return by Liquidator Relating To Final Meeting of Ecosem was lodged on 10 July 2014 with the Companies Commission of Malaysia and the Official Receiver. Ecosem will be dissolved on the expiration of three (3) months from 10 July 2014.

On 12 August 2014, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that Pacific Land Sdn Bhd, a wholly owned subsidiary of IGB, had acquired the entire issued and paid-up share capital of 2 ordinary shares of RM1.00 each in a company incorporated in Malaysia known as Majestic Path Sdn Bhd ("MPSB") for cash consideration of RM2.00. The intended principal activity of MPSB is investment holding.

A11. Capital Commitments

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

	RM'000
Approved and contracted for:	
- Property, plant and equipment	286,096
- Investment properties	29,680
Approved but not contracted for:	
- Property, plant and equipment	8,389
- Investment properties	1,177,353
	<u>1,501,518</u>

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B1. Review of Performance**

The Group recorded a total revenue of RM320.0 million and segmental results of RM135.7 million for the 3 months period ended 30 June 2014.

Subsequent to the adoption of FRS 10, the Group's major contribution to revenue and profit is derive from property investment and management of property such as malls, offices and property development, construction and hotels after the consolidation of IGB Corporation Berhad ("IGB") performance.

Property Investment and Management

The property investment and management segment recorded a revenue of RM161.6 million which increased by 0.6% compared to the preceeding quarter of RM160.6 million. The segment result of RM98.2 million, represented an increase of 1.9% compared to the preceeding quarter of RM96.4 million.

Property Development

Property Development segment achieved a higher revenue of RM49.5 million compared to the preceeding quarter of RM47.8 million and segment result of RM20.6 million compared to the preceeding quarter of RM18.0 million, represented by an increase of approximately 14.4%.

Hotel

The revenue from the hotel segment was RM90.7 million which decreased by approximately 5.4% compared to the preceeding quarter of RM95.9 million. However, the segment result of RM20.8 million was higher compared to the preceeding quarter of RM17.5 million due to an overall increase in the margin.

B2. Comparison with Preceding Quarter's Results

The Group's recorded a revenue of RM320.0 million compared to the preceeding quarter of RM324.0 million which has decreased by 1.2%. The decrease in revenue is mainly due to the lower revenue in the hotel segment and investment holding. However, the reduction was mitigated by the higher income achieved in the other segments of the Group.

The Group recorded PBT of RM119.8 million which is approximately 0.8% lower compared to the PBT of RM120.8 million reported in the preceeding quarter due to lower revenue reported and an increase in finance cost in the current quarter.

B3. Current Year Prospect

Despite the challenges of the announcement of a few new regulations in the budget 2014, the performance of the Group is expected to be satisfactory.

Property Investment and Management

The property investment and management segment will be more challenging in a short term with an expected slower growth in the 2nd half of the year with the increase in the supply of new office spaces, electricity tariff hikes and the increase in assessment in Kuala Lumpur.

Property Development

The property development segment is expected to be satisfactory with the development project under construction by IGB Group ("IGB"). The ongoing development projects are service apartments at G Residence and Three28. The new development of the strata bungalows called Park Manor at Sierramas will soon be launched.

Hotel

It will be more challenging for the hotel occupancy level with expected slow growth in second half of the year and the increase in supply of the number of rooms which could result in a stiffer competition for hotels in Kuala Lumpur.

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 period.

B5. Statement by Directors

The Group did not disclose or announce any profit forecast or projection in any public document in the current quarter or prior financial period.

GOLDIS BERHAD

Notes to the Interim Financial Report

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

B6. Taxation

	Current Quarter	Current YTD
	RM'000	RM'000
Current tax:		
- Malaysian tax	15,929	46,937
- Foreign tax	2,190	2,190
	<u>18,119</u>	<u>49,127</u>
Deferred Tax	3,244	5,489
	<u>21,363</u>	<u>54,616</u>

The effective income tax expense of the Group for the current quarter is lower than the statutory tax rate mainly due to certain income not being subject to tax.

B7. Status of Corporate Proposals

On 18 July 2014, on behalf of the Board of Directors of Goldis Berhad ("Goldis"), CIMB Investment Bank Berhad had announced that Goldis proposes to undertake a conditional take-over offer to acquire all the remaining ordinary shares of RM0.50 each in IGB Corporation Berhad which are not already held by Goldis (excluding treasury shares) ("Offer Shares") at a cash offer price of RM2.88 per Offer Share.

An application for an extension of time to submit the Offer Document to the Securities Commission Malaysia ("SC") and the despatch of the Offer Document ("EOT Application") was submitted on 17 July 2014, so as to allow sufficient time to undertake a valuation exercise on all material real estates of IGB Corp pursuant to paragraph 10.04 of the Main Market Listing Requirements of Bursa Securities. On this basis, the submission of the Offer Document is expected to be made within approximately 1.5 months from 18 July 2014, subject to SC's approval of the EOT Application.

Subsequently, as stated in the announcement dated 22 July 2014, the SC had vide its letter dated 22 July 2014 granted an approval for the following:

- (i) the draft Offer Document to be submitted to the SC for its consent concurrently upon the submission of the valuation reports to be included in the circular to shareholders of Goldis in respect of the Proposed Offer ("**Circular**") to Bursa Securities; and
- (ii) the Offer Document to be despatched within two (2) market days from Bursa Securities' clearance of Goldis' circular to shareholders in respect of the Proposed Offer, or after the Offer Document is consented to by the SC, whichever is later, and in any event no later than 82 days from the date of the Notice, being 8 October 2014.

Further, as at 18 August 2014, the shareholding of the PACs who have given their irrevocable undertaking to accept the Proposed Offer in respect of all their respective direct shareholdings in IGB Corp is approximately 229.31 million IGB Corp Shares, or 17.18% of the issued and paid-up share capital of IGB Corp (excluding treasury shares), as stated in the announcement dated 19 August 2014.

Taking into account the direct shareholdings of Goldis of approximately 31.11% as at 18 August 2014 and the undertakings of the PACs to accept the Proposed Offer in respect of all their respective direct shareholdings in IGB Corp as mentioned above, the collective shareholdings of Goldis and the PACs who have provided the aforementioned undertakings are approximately 48.29%.

We will make the relevant announcement upon the submission of the Offer Document to the SC in due course.

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 30 June 2014 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Revolving credits	727,831	119,008	846,839
Term loans	15,047	-	15,047
	<u>742,878</u>	<u>119,008</u>	<u>861,886</u>
Non-current			
Term loans	1,485,588	-	1,485,588
Total	<u>2,228,466</u>	<u>119,008</u>	<u>2,347,474</u>

The currency exposure profile of bank borrowings is as follows:

	Local currency (in '000)	RM equivalent (in '000)
Ringgit Malaysia		1,917,325
British Pound Sterling	62,500	338,494
Australian Dollar	27,000	81,876
US Dollar	3,000	9,779
		<u>2,347,474</u>

B9. Changes in Material Litigations

As at the reporting date, there were no pending material litigations since the last financial period ended 31 December 2013 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

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)	24,595	43,884
Weighted average no. of ordinary shares in issue ('000)	607,636	599,325
Basic earnings per share (sen)	<u>4.05</u>	<u>7.32</u>

Diluted earning per shares equal to basic earnings per share as there are no potential dilutive shares in issue.

B12. Notes to Statements of Comprehensive income

	Current Quarter RM'000	Current YTD RM'000
(a) Interest income	9,630	22,772
(b) Other income including investment income	6,219	14,780
(c) Interest expenses	25,491	45,542
(d) Depreciation and amortisation	37,762	73,338
(e) Allowance for and write off of receivables	-	-
(f) Allowance for and write off of assets	-	-
(g) Gain/(loss) on disposal of quoted/unquoted investment or properties	284	284
(h) Impairment of assets	-	-
(i) Foreign exchange gain/(loss)	(608)	2,057
(j) Gain/(loss) on derivatives	-	-
(k) Exceptional items	-	-

GOLDIS BERHADNotes to the Interim Financial Report

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B13. Realised and Unrealised Retained Earnings**

	As at 30.6.2014	As at 31.12.2013
	RM'000	RM'000
Total Retained Profits		
- Realised	1,271,914	1,236,886
- Unrealised	<u>(285,644)</u>	<u>(287,649)</u>
	986,270	949,237
 Total Share of Retained Profits from Associate		
- Realised	202,632	197,242
- Unrealised	<u>7,634</u>	<u>4,277</u>
	1,196,536	1,150,756
Less: Consolidation Adjustments	<u>(268,680)</u>	<u>(268,910)</u>
Total Retained Profits	<u>927,856</u>	<u>881,846</u>

B14. Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the period ended 31 December 2013 did not contain any qualification.