

GOLDIS BERHAD

Interim Financial Report

For the financial year ended 31 December 2015

CONTENTS

Condensed Consolidated Income Statement

Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Financial Position

Condensed Consolidated Statement of Changes in Equity

Condensed Consolidated Statement of Cash Flows

Part A

Compliance with Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting and Bursa Listing Requirements

- A1. Accounting Policies and Methods of Computation
- A2. Explanatory Comments about the Seasonality or Cyclicalities of Interim Operations
- A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows
- A4. Material Changes in Estimates
- A5. Capital Management, Issuances, Repurchases, and Repayment of Debt and Equity Securities
- A6. Dividends Paid
- A7. Operating Segment Reporting
- A8. Material Events Subsequent to the End of the Interim Period
- A9. Effects of Changes in the Composition of the Group
- A10. Capital Commitments
- A11. Fair Value of Financial Instruments

Part B

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

- B1. Review of Performance
 - B2. Comparison with Preceding Quarter's Results
 - B3. Commentary on Prospects for the Remaining Period of the Current Financial Year
 - B4. Variance of Actual Profit from Forecast Profit or Profit Guarantee
 - B5. Statement by Directors
 - B6. Taxation
 - B7. Status of Corporate Proposals
 - B8. Details of Group Borrowings and Debt Securities
 - B9. Changes in Material Litigations
 - B10. Proposed Dividends
 - B11. Earnings Per Share
 - B12. Notes to Statements of Comprehensive Income
 - B13. Realised and Unrealised Retained Earnings
 - B14. Audit Report Qualification and Status of Matters Raised
-

GOLDIS BERHAD
Condensed Consolidated Income Statements
For the financial year ended 31 December 2015
(The figures have not been audited)

	Current Year Quarter 31.12.2015 RM'000	Preceding Year Quarter 31.12.2014 RM'000	Current Year To-Date 31.12.2015 RM'000	Preceding Year To-Date 31.12.2014 RM'000
Revenue	319,116	327,117	1,282,579	1,288,979
Cost of sales	(173,058)	(172,769)	(651,586)	(659,863)
Gross profit	146,058	154,348	630,993	629,116
Other operating income	20,839	27,719	50,676	48,562
Administrative expenses	(61,650)	(62,184)	(214,269)	(179,863)
Other operating expenses	7,015	4,734	(8,837)	(18,854)
Profit from operations	112,262	124,617	458,563	478,961
Finance income	6,853	14,444	41,372	45,336
Finance costs	(43,979)	(26,769)	(150,009)	(95,471)
Share of results of associates and joint ventures	3,053	5,184	40,453	21,365
Profit before taxation	78,189	117,476	390,379	450,191
Tax expense	(12,766)	(25,394)	(103,486)	(102,782)
Profit for the financial period	65,423	92,082	286,893	347,409
Attributable to:				
Owners of the parent	28,230	45,700	109,105	102,165
Non-controlling interests	37,193	46,382	177,788	245,244
Profit for the financial period	65,423	92,082	286,893	347,409
Earnings per share attributable to equity holders of the Company (sen)				
Basic	4.65	7.52	17.96	16.93
Diluted	3.60	-	14.46	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 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 December 2015

(The figures have not been audited)

	Current Year Quarter 31.12.2015 RM'000	Preceding Year Quarter 31.12.2014 RM'000	Current Year To-Date 31.12.2015 RM'000	Preceding Year To-Date 31.12.2014 RM'000
Profit for the financial period	65,423	92,082	286,893	347,409
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	29,243	5,886	54,838	3,676
- non-controlling interests	12,437	3,146	16,265	(147)
Available-for-sale financial assets				
- net change in fair value	24	1,935	(2,224)	7,296
- transfer to profit or loss on disposal	-	(15,148)	-	(15,148)
Items that may be subsequently reclassified to profit or loss	41,704	(4,181)	68,879	(4,323)
Total comprehensive income for the financial period	107,127	87,901	355,772	343,086
Attributable to:				
Owners of the parent	57,497	38,373	161,719	97,989
Non-controlling interests	49,630	49,528	194,053	245,097
Total comprehensive income for the financial period	107,127	87,901	355,772	343,086

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

GOLDIS BERHAD**Condensed Consolidated Statements of Financial Position**

As at 31 December 2015

(The figures have not been audited)

	31.12.2015	31.12.2014
	RM'000	RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	2,468,290	2,197,353
Inventories	309,935	254,836
Investment properties	2,451,063	2,609,532
Long term prepaid lease	4,065	3,645
Intangible assets	33,907	19,608
Biological assets	242	331
Associates and joint ventures	948,488	824,690
Available-for-sale financial assets	17,579	12,638
Concession receivables	97,746	74,739
Deferred tax assets	1,548	103
	6,332,863	5,997,475
Current Assets		
Inventories	472,755	379,423
Financial assets at fair value through profit or loss	21,185	24,882
Concession receivables	3,285	2,113
Amount owing from associates and joint ventures	46,786	54,750
Amount owing from a related company	-	42
Receivables and contract assets	236,149	240,331
Tax recoverable	5,914	4,724
Cash held under Housing Development Accounts	23,931	40,500
Deposits, cash and bank balances	1,116,689	1,214,286
	1,926,694	1,961,051
Assets classified as held-for-sale	35,190	-
	1,961,884	1,961,051
Total Assets	8,294,747	7,958,526
Equity and Liabilities		
Equity Attributable To Owners Of The Parent		
Share capital	610,494	610,494
Share premium	32,340	32,340
Treasury shares	(5,722)	(5,722)
Redeemable Convertible Cumulative Preference Shares	367,650	-
Other reserves	79,514	18,805
Retained earnings	1,346,408	1,260,140
	2,430,684	1,916,057
Non-controlling interests	1,245,403	1,251,220
Total Equity	3,676,087	3,167,277
Liabilities		
Non-Current Liabilities		
Payables and contract liabilities	89,297	70,169
Deferred tax liabilities	188,842	191,031
Redeemable Convertible Cumulative Preference Shares	64,085	-
Hire-purchase and finance lease payables	54	124
Interest bearing bank borrowings	2,707,964	1,571,267
	3,050,242	1,832,591
Current Liabilities		
Payables and contract liabilities	551,770	522,640
Amount owing to associates	1,717	2,697
Current tax liabilities	98,954	115,348
Redeemable Convertible Cumulative Preference Shares	14,271	-
Hire-purchase and finance lease payables	70	70
Interest bearing bank borrowings	901,636	2,317,903
	1,568,418	2,958,658
Total Liabilities	4,618,660	4,791,249
Total Equity and Liabilities	8,294,747	7,958,526
Net assets per share attributable to ordinary equity holders of the Company	4.00	3.15

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 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 December 2015

(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	Redeemable Convertible Cumulative Preference Shares RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2015	610,494	32,340	(5,722)	-	18,805	1,260,140	1,916,057	1,251,220	3,167,277
<u>Comprehensive income</u>									
Profit for the financial period	-	-	-	-	-	109,105	109,105	177,788	286,893
Other comprehensive income	-	-	-	-	52,614	-	52,614	16,265	68,879
Total comprehensive income for the financial period	-	-	-	-	52,614	109,105	161,719	194,053	355,772
<u>Transactions with owners</u>									
Issuance of Redeemable Convertible Cumulative Preference Shares	-	-	-	367,650	-	-	367,650	-	367,650
Options granted to executives of the subsidiary	-	-	-	-	8,095	-	8,095	2,946	11,041
Dividend paid	-	-	-	-	-	(12,153)	(12,153)	-	(12,153)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(202,762)	(202,762)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(10,684)	(10,684)	(54)	(10,738)
Total transactions with owners	-	-	-	367,650	8,095	(22,837)	352,908	(199,870)	153,038
At 31 December 2015	610,494	32,340	(5,722)	367,650	79,514	1,346,408	2,430,684	1,245,403	3,676,087
At 1 January 2014 (restated)	610,494	67,765	(41,147)	-	17,760	998,142	1,653,014	2,936,793	4,589,807
<u>Comprehensive income</u>									
Profit for the financial period	-	-	-	-	-	102,165	102,165	245,244	347,409
Other comprehensive income	-	-	-	-	(4,176)	-	(4,176)	(147)	(4,323)
Total comprehensive income for the financial period	-	-	-	-	(4,176)	102,165	97,989	245,097	343,086
<u>Transactions with owners</u>									
Expenses incurred on acquisition of additional interest in a subsidiary	-	-	-	-	-	(3,690)	(3,690)	-	(3,690)
Distribution of treasury shares as dividend	-	(35,425)	35,425	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(155,119)	(155,119)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	5,221	163,523	168,744	(1,775,551)	(1,606,807)
Total transactions with owners	-	(35,425)	35,425	-	5,221	159,833	165,054	(1,930,670)	(1,765,616)
At 31 December 2014	610,494	32,340	(5,722)	-	18,805	1,260,140	1,916,057	1,251,220	3,167,277

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 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 December 2015

(The figures have not been audited)

	Current Year 31.12.2015 RM'000	Preceding Year 31.12.2014 RM'000
Operating Activities		
Cash receipts from customers	1,174,454	1,343,864
Cash paid to suppliers and employees	(635,418)	(730,229)
Cash flows from operations	539,036	613,635
Interests paid	(144,699)	(100,615)
Tax refund	1,589	53,946
Income taxes paid	(130,208)	(105,573)
Net cash generated from operating activities	265,718	461,393
Investing Activities		
Acquisition of joint ventures	(16,502)	(67,494)
Proceeds from issuance of shares by subsidiaries to non-controlling interest	701	-
Additional investment in available-for-sale financial assets	(4,425)	-
Additional investment in financial assets at fair value through profit or loss	(7,241)	(18,259)
Additions in investment properties, land held for property development and property, plant and equipments	(265,421)	(485,815)
Additions in biological assets	(56)	(37)
Additions in intangible assets	(324)	(150)
Proceed from disposal of associates	-	3,900
Proceed from disposal of available-for-sale financial assets	-	54,428
Proceed from disposal of financial assets at fair value through profit or loss	8,566	11,249
Proceed from disposal of property, plant and equipments	-	515
Repayment of advances from associates	1,079	1,930
Advances to associate & joint venture	-	(315,475)
Deposit pledged with license bank	(53,669)	(385,419)
Interest received	42,388	41,543
Dividend received from associates	-	2,450
Net cash used in investing activities	(294,904)	(1,156,634)
Financing Activities		
Proceeds from issuance of Redeemable Convertible Cumulative Preference Shares ("RCPS")	455,727	-
Expenses relating to issuance of RCPS	(1,064)	-
Acquisition of subsidiaries	898	(1,647,489)
Additional investment in a subsidiary from non-controlling interest	(3,547)	-
Cash arising from dilution of equity of a subsidiary	-	41,244
Dividend paid to ordinary shareholders	(12,153)	-
Dividend paid to RCPS shareholders	(9,115)	-
Dividend paid to non-controlling interests	(205,937)	(150,233)
Proceeds from borrowings	184,522	2,212,090
Repayments of borrowings	(528,442)	(68,767)
Payments of hire-purchase and finance lease liabilities	(70)	(75)
Deposit held with trustee	-	(661)
Net cash (used in)/generated from financing activities	(119,181)	386,109
Net decrease in cash and cash equivalents during the financial period	(148,367)	(309,132)
Currency translation differences	(19,467)	(7,316)
Cash and cash equivalents at beginning of the financial period	744,980	1,061,428
Cash and cash equivalents at end of the financial period	577,146	744,980

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

GOLDIS BERHAD

Notes to the Interim Financial Report

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

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with MFRS 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 December 2014. 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 December 2014. Comparative figures for the financial year ended 31 December 2014 have been reclassified, these reclassifications had no impact on the profit before tax and profit for the period.

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 other than as disclosed elsewhere in the notes.

A4. Material Changes in Estimates

There were no changes in estimates that have a material effect on the current financial period result.

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

(a) RCPS by the Company

On 23 December 2014, the proposed renounceable rights issue of up to 460.0 million new redeemable convertible cumulative preference shares with a par value of RM0.01 each at an issue price of RM1.00 each ("RCPS") was approved by the shareholders at the Extraordinary General Meeting of the Company.

The entitlement basis of the RCPS is 3 RCPS for every 4 existing ordinary shares of RM1.00 each in Goldis held on 20 January 2015.

The holders of the RCPS shall have the right to receive a semi-annual preferential dividend at the rate of 4% for year 1 to 3, 4.5% for year 4 and 5% for year 5. Where there is no distributable profit, the entitlement to the preferential dividend shall be accumulated.

On 12 February 2015, the Company had received valid and full subscription for a total of 455,727,027 RCPS at an issue price of RM1.00 each. The total proceeds of the Rights Issue amounting to RM455,727,027 is used to refinance the borrowings of the Company in connection with the acquisition of an additional equity interest in a subsidiary, IGB Corporation Berhad.

The RCPS was listed on the main Market of Bursa Malaysia Securities Berhad on 24 February 2015.

(b) Treasury shares

The number of treasury shares held as at 31 December 2015 and up to the date of this report remained at 2,858,020 (31.12.2014: 2,858,020) ordinary shares of RM1.00 each.

(c) ESOS by subsidiary, IGB Corporation Berhad

On 30 April 2015, the Company's 73.32% subsidiary, IGB Corporation Berhad ("IGB") proposed an Executives Share Option Scheme ("Proposed ESOS") of up to 5% of the issued and paid-up ordinary share capital (excluding treasury shares) of IGB.

On 22 May 2015, the shareholders of IGB had approved the Proposed ESOS during the Extraordinary General Meeting.

On 2 June 2015, IGB offered 24,731,000 option shares or 1.85% of the total issued and paid-up share capital (excluding treasury shares) of IGB, for subscription by the Directors and Executives of IGB Group ("First Group of Eligible Persons") at the subscription price of RM2.88, with vesting period commencing from 1 July 2015 to 25 May 2020.

GOLDIS BERHAD

Notes to the Interim Financial Report

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

A6. Dividends Paid

The following dividend payments were made during the period in respect of financial year ended 31 December 2015:

	RM'000
A dividend of 2% (based on the issue price of RM1.00) per Redeemable Convertible Cumulative Preference Shares of RM0.01 each under the single tier system has been paid on 11 August 2015	9,115
A first interim single-tier dividend of 2 sen per Ordinary Share has been paid on 13 August 2015	<u>12,153</u>
	<u><u>21,268</u></u>

GOLDIS BERHAD

Notes to the Interim Financial Report

A. Compliance with Malaysian Financial Reporting Standard (MFRS) 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

On 11 March 2015, the Group announced to Bursa Malaysia that Goldis had acquired the entire issued and paid-up share capital of 2 ordinary shares of RM1.00 each in Elements Wellness Sdn Bhd (formerly known as Energy Spectra Sdn Bhd) for a cash consideration of RM2.00.

On 29 April 2015, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that IGB, a 73.32% owned subsidiary of the Company, had acquired the entire issued and paid-up share capital of 2 ordinary shares of RM1.00 each in IGB Development Management Services Sdn Bhd for a cash consideration of RM2.00.

On 24 June 2015, the Group via its subsidiary, IGB announced to Bursa Malaysia that its wholly-owned subsidiary, Ensignia Construction Sdn Bhd had formed a 70%-30% joint venture with Southkey City Sdn Bhd, known as Aspire Odyssey Sdn Bhd, through the execution of a Shareholders Agreement dated 23 June 2015.

On 24 August 2015, the Group via its subsidiary, IGB announced to Bursa Malaysia that its wholly-owned subsidiary, IGB Management Services Sdn Bhd which had ceased its business operations in December 2014 had, on 24 August 2015, been placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies

On 3 November 2015, the Group via its subsidiary, IGB announced to Bursa Malaysia that its dormant wholly-owned subsidiary, Dian Rezeki Sdn Bhd which had been placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965, held its Final General Meeting on 3 November 2015 and will be dissolved on 3 February 2016.

On 18 November 2015, the Group via its subsidiary, IGB announced to Bursa Malaysia that its dormant wholly-owned subsidiary, Intercontinental Aviation Services Sdn Bhd which had been placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965, held its Final General Meeting on 18 November 2015 and will be dissolved on 18 February 2016.

On 8 December 2015, the Group announced to Bursa Malaysia that Goldis's wholly owned subsidiary, Elements Integrative Health Sdn Bhd had acquired the remaining 51% of issued and paid-up share capital of 51,000 ordinary shares of RM1.00 each in Elements Gym Sdn Bhd ("EGSB") for a cash consideration of RM1,000.00, resulting EGSB becoming a wholly owned subsidiary of Goldis.

On 21 December 2015, the Group announced to Bursa Malaysia that Goldis's wholly owned subsidiary, Triple Hallmark Sdn Bhd had subscribed 150,000 ordinary shares of RM1.00 each in G City Club Hotel Sdn Bhd ("GCity") for a cash consideration of RM150,000.00, resulting in GCity become 80% subsidiary of Goldis.

A10. Capital Commitments

Authorised capital commitments not recognised in the interim financial statements as at 31 December 2015 are as follows:

	RM'000
Approved and contracted for:	
- Investment properties	1,076,012
- Property, plant and equipment	3,818
	<u>1,079,830</u>
Approved but not contracted for:	
- Property, plant and equipment	65,633
	<u>65,633</u>

GOLDIS BERHAD

Notes to the Interim Financial Report

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

A11. Fair Value of Financial Instruments

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

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

The following table presents the Group's financial assets that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss	21,185	-	-	21,185
Available-for-sale financial assets	-	17,529	50	17,579
	<u>21,185</u>	<u>17,529</u>	<u>50</u>	<u>38,764</u>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2014.

There have been no transfers between the levels of the fair value hierarchy during the financial period ended 31 December 2015.

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

The revenue of the Group for the 12 months period ended 31 December 2015 was RM1,282.6 million as compared to RM1,289.0 million in the preceding year.

The Group recorded profit before taxation of RM390.4 million for the year ended 31 December 2015, a decrease of 13.3% as compared to RM450.2 million in the preceding year. The decrease in profit before tax was mainly due to the finance cost for the full 12 months in respect of the acquisition of additional shares in IGB Corporation Berhad in November 2014.

Despite the reduction in the profit before tax, the Group recorded a higher profit attributable to its shareholders of RM109.1 million compared to RM102.2 million in the preceding year.

Property Investment - Retail and Commercial

The property investment - retail segment represented by IGB REIT, the owner of Midvalley Megamall and The Gardens Mall, registered a higher revenue of RM468.1 million for the 12 months of the year, an increase of 4.1% as compared to the corresponding 12 months of the preceding year of RM449.8 million. The segment result of RM319.2 million for the 12 months increased by 13.0% as compared to the corresponding 12 months of the preceding year of RM282.4 million. The improved performance was attributable to the increase in turnover rentals and assets enhancement initiatives.

The property investment - commercial segment recorded revenue of RM189.3 million and segmental results of RM90.9 million for the 12 months of the year which was lower by 2.0% and 11.9% as compared to the revenue of RM193.2 million and segment result of RM103.1 million for the corresponding 12 months of the preceding year. Four of the office towers in Mid Valley City are close to 100% occupancy whilst the fifth tower, Centrepoint North which was occupied by a single tenant is now vacant. Efforts are being made to find new tenants for the building. The occupancy in Plaza Permata is 93% whilst Menara Tan & Tan and GTower recorded occupancy rate of 90% and 87% respectively.

Property Development

Our Group's property development segment registered a revenue of RM155.6 million for the 12 months of the year, representing a decrease of 15.8% as compared to the corresponding 12 months of the preceding year of RM184.8 million. The segment result of RM38.9 million for the 12 months of the year was 59.8% lower as compared to the segment result of RM96.6 million for the corresponding 12 months of the preceding year. The Group's condominium development known as G Residence at Desa Pandan, Kuala Lumpur was completed and progressively handed over to buyers in March 2015. The Group's service apartment development known as Three28 Tun Razak which was launched in October 2013 has achieved sales of over 93% with total sales value of RM158.0 million. During the last quarter of 2014, the Group had a soft launched for the 41 units of strata bungalows called Park Manor at Sierramas with total Gross Development Value of about RM 173.0 million as well as another new development called Damai Residence located off Jalan Ampang, Kuala Lumpur in the vicinity of Ampwalk. Damai Residence comprises of 30 units of highly exclusive condominiums plus 1 penthouse in a 20-storey building with total Gross Development Value of about RM50.0 million. In October 2015, our Group had soft launched a new 400 units condominium named "Stonor 3" with estimated total Gross Development Value of RM638.0 million and located in the vicinity of Kuala Lumpur City Centre.

Hotel

The hotel division registered a slight increase in revenue of RM369.5 million for the 12 months of the year, an increase of 0.3% compared to revenue of RM368.2 million in the corresponding 12 months of the preceding year. However the segment result increased by 145.6% to RM76.8 million for the 12 months of the year compared to the segment result of RM31.3 million in the corresponding 12 months of the preceding year. The lower segmental result of the corresponding quarter of the preceding year was mainly due to the write off of the hotel properties arising from the Group's decision to redevelop Pangkor Island Beach Resort Hotel.

In February 2015, our Group had a soft opening for its newest addition to the Cititel Express brand, the 210-room Cititel Express Ipoh. In addition, the 234-room Cititel Express Penang and 415-room St Giles Wembley Penang also opened its doors for business in April 2015. The 280-room The Tank Stream St Giles Premier Hotel in Sydney, Australia has also opened in August 2015. With the additional 1,139 rooms to the Group's room inventory, our Group contribution from the Hotel division improved towards the later part of the year.

B2. Comparison with Preceding Quarter's Results

The Group recorded a revenue of RM319.1 million for the current quarter as compared to the preceding quarter of RM301.6 million which was slightly higher by 5.8% which was mainly contributed by the hotel segment.

The Group's profit before tax of RM78.2 million for the current quarter decreased by 16.1% as compared to the profit before tax reported in the preceding quarter of RM93.2 million as the profit recognition from on going projects in the Property Development division is lower in this quarter when compared to the previous quarter.

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 2016

The Board is cautiously optimistic that the performance of the Group for FY2016 will be satisfactory although 2016 is expected to be a challenging year.

Property Investment - Retail and Commercial

The property investment segment will be more challenging in the short term with an increase in the supply of new retail and decrease in demand of office space in Kuala Lumpur.

Property Development

2016 is expected to be a tough year for the property development segment.

Hotel

Our Group expects hotel segment to have a stable performance segment although 2016 is expected to be a challenging year.

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 previous financial year.

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 the previous financial year.

B6. Taxation

	Current Quarter RM'000	Current YTD RM'000
Current tax:		
- Malaysian tax	16,651	104,539
- Foreign tax	737	3,545
	<u>17,388</u>	<u>108,084</u>
Deferred Tax	(4,622)	(4,598)
	<u>12,766</u>	<u>103,486</u>

The effective tax rate of the Group for the current year was higher than the statutory tax rate as certain expenses incurred during the current year were not allowed for tax purposes.

B7. Status of Corporate Proposals

There were no corporate proposals announced for the current quarter under review.

B8. Details of Group Borrowings and Debt Securities

The Groups' borrowings and debts securities as at 31 December 2015 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Revolving credits	726,357	175,279	901,636
Non-current			
Term loans	1,751,364	-	1,751,364
Revolving credits	956,600	-	956,600
Total	<u>3,434,321</u>	<u>175,279</u>	<u>3,609,600</u>

The currency exposure profile of bank borrowings is as follows:

	Local currency (in '000)	RM equivalent (in '000)
Ringgit Malaysia		3,112,071
British Pound Sterling	62,500	397,544
Australian Dollar	27,000	78,517
United States Dollar	5,000	21,468
		<u>3,609,600</u>

B9. Changes in Material Litigations

As at the reporting date, there were no pending material litigation since the last financial year ended 31 December 2014 and up to the reporting date which exceeds 5% of the net assets of the Group.

GOLDIS BERHAD

Notes to the Interim Financial Report

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B10. Proposed Dividends**

A dividend of 2% (based on the issue price of RM1.00) per Redeemable Convertible Cumulative Preference Shares of RM0.01 each ("RCPS") for the six month period from and including 16 August 2015 up to and including 15 February 2016 in respect of the financial year ending 31 December 2015 under the single tier system has been declared by the Board of Directors of Goldis Berhad. The book closure date for the RCPS dividend was on 19 January 2016 to determine shareholders' entitlement and the said dividend was paid out on 12 February 2016.

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)	28,230	109,105
Weighted average no. of ordinary shares in issue ('000)	607,636	607,636
Basic earnings per share (sen)	<u>4.65</u>	<u>17.96</u>

(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 maximum conversion of RCPS.

	Current Quarter	Current YTD
Profit for basic EPS (RM'000)	28,230	109,105
Add: interest on RCPS saved as a result of conversion (RM'000)	1,127	3,992
Less: tax relief thereon (RM'000)	<u>(290)</u>	<u>(1,160)</u>
Adjusted Earning (RM'000)	<u>29,067</u>	<u>111,937</u>
Weighted average no. of ordinary shares in issue ('000)	607,636	607,636
Adjustments for potential dilutive on maximum conversion of RCPS ('000)	<u>199,880</u>	<u>166,567</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>807,516</u>	<u>774,203</u>
Diluted earnings per share (sen)	<u>3.60</u>	<u>14.46</u>

B12. Notes to Statements of Comprehensive income

	Current Quarter	Current YTD
	RM'000	RM'000
(a) Interest income	6,853	41,372
(b) Other income including investment income	20,839	50,676
(c) Interest expenses	(43,979)	(150,009)
(d) Depreciation and amortisation	(44,699)	(158,559)
(e) Allowance for and write off of receivables	(3,060)	(3,060)
(f) Reversal of impairment on receivables	-	2,686
(g) Foreign exchange gain	<u>18,213</u>	<u>22,214</u>

B13. Realised and Unrealised Retained Earnings

	As at 31.12.2015	As at 31.12.2014
	RM'000	RM'000
Total Retained Earnings		
- Realised	1,516,373	1,349,350
- Unrealised	<u>(191,288)</u>	<u>(184,279)</u>
	1,325,085	1,165,071
Total Share of Retained Profits from Associate		
- Realised	250,614	303,852
- Unrealised	<u>(1,198)</u>	<u>(4,118)</u>
	1,574,501	1,464,805
Less: Consolidation Adjustments	<u>(228,093)</u>	<u>(204,665)</u>
Total Retained Earnings	<u>1,346,408</u>	<u>1,260,140</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 December 2014 did not contain any qualification.