

GOLDIS BERHAD

Interim Financial Report

For the financial year ended 31 December 2016

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 2016

(The figures have not been audited)

	Current Year Quarter 31.12.2016 RM'000	Preceding Year Quarter 31.12.2015 RM'000	Current Year To-Date 31.12.2016 RM'000	Preceding Year To-Date 31.12.2015 RM'000
Revenue	312,194	314,755	1,255,473	1,278,218
Cost of sales	(158,492)	(171,695)	(611,331)	(650,225)
Gross profit	153,702	143,060	644,142	627,993
Other operating income	14,747	24,523	181,239	54,360
Administrative expenses	(79,076)	(58,651)	(251,281)	(211,268)
Other operating expenses	5,570	5,049	(15,759)	(10,803)
Profit from operations	94,943	113,981	558,341	460,282
Finance income	6,822	6,841	32,130	41,360
Finance costs	(29,248)	(45,686)	(129,801)	(151,716)
Share of results of associates and joint ventures	2,428	3,053	22,238	40,453
Profit before taxation	74,945	78,189	482,908	390,379
Tax expense	(19,020)	(12,766)	(83,022)	(103,486)
Profit for the financial period	55,925	65,423	399,886	286,893
Attributable to:				
Owners of the parent	16,289	28,230	165,027	109,105
Non-controlling interests	39,636	37,193	234,859	177,788
Profit for the financial period	55,925	65,423	399,886	286,893
Earnings per share attributable to equity holders of the Company (sen)				
Basic	2.68	4.65	27.15	17.96
Diluted	2.10	3.60	20.84	14.46

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 2016

(The figures have not been audited)

	Current Year Quarter 31.12.2016 RM'000	Preceding Year Quarter 31.12.2015 RM'000	Current Year To-Date 31.12.2016 RM'000	Preceding Year To-Date 31.12.2015 RM'000
Profit for the financial period	55,925	65,423	399,886	286,893
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	24,946	36,438	(23,763)	62,033
- non-controlling interests	12,260	15,040	(2,592)	18,868
Available-for-sale financial assets				
- net change in fair value	(3,288)	24	(3,288)	(2,224)
Items that may be subsequently reclassified to profit or loss	33,918	51,502	(29,643)	78,677
Total comprehensive income for the financial period	89,843	116,925	370,243	365,570
Attributable to:				
Owners of the parent	37,947	64,692	137,976	168,914
Non-controlling interests	51,897	52,233	232,268	196,656
Total comprehensive income for the financial period	89,844	116,925	370,243	365,570

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

As at 31 December 2016

(The figures have not been audited)

	31.12.2016	31.12.2015
	RM'000	RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	1,705,020	2,466,317
Inventories	305,361	309,935
Investment properties	2,672,829	2,451,063
Long term prepaid lease	605	4,065
Intangible assets	14,418	33,907
Biological assets	102	242
Associates and joint ventures	852,608	948,488
Available-for-sale financial assets	29,644	17,579
Concession receivables	100,302	97,746
Deferred tax assets	12,796	1,548
	5,693,685	6,330,890
Current Assets		
Inventories	513,609	472,755
Financial assets at fair value through profit or loss	17,778	21,185
Concession receivables	3,313	3,285
Amount owing from associates and joint ventures	66,952	46,786
Receivables and contract assets	215,259	211,996
Tax recoverable	10,701	5,914
Cash held under Housing Development Accounts	87,700	23,931
Deposits, cash and bank balances	963,599	1,116,690
	1,878,911	1,902,542
Assets classified as held-for-sale	708,025	35,190
	2,586,936	1,937,732
Total Assets	8,280,621	8,268,622
Equity and Liabilities		
Equity Attributable To Owners Of The Parent		
Share capital	610,891	610,494
Share premium	32,809	32,340
Treasury shares	(5,722)	(5,722)
Redeemable Convertible Cumulative Preference Shares	366,921	367,650
Other reserves	59,658	86,709
Retained earnings	1,487,329	1,346,410
	2,551,886	2,437,881
Non-controlling interests	1,299,380	1,248,004
Total Equity	3,851,266	3,685,885
Liabilities		
Non-Current Liabilities		
Payables and contract liabilities	90,129	89,297
Deferred tax liabilities	174,257	188,842
Redeemable Convertible Cumulative Preference Shares	49,004	64,085
Hire-purchase and finance lease payables	34	80
Interest bearing bank borrowings	2,654,236	2,577,964
	2,967,660	2,920,268
Current Liabilities		
Payables and contract liabilities	753,007	515,850
Amount owing to associates	4	1,717
Current tax liabilities	94,105	98,951
Redeemable Convertible Cumulative Preference Shares	15,092	14,271
Hire-purchase and finance lease payables	45	44
Interest bearing bank borrowings	599,442	1,031,636
	1,461,695	1,662,469
Total Liabilities	4,429,355	4,582,737
Total Equity and Liabilities	8,280,621	8,268,622
Net assets per share attributable to ordinary equity holders of the Company	4.20	4.01

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 2016

(The figures have not been audited)

	Attributable to owners of the parent								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	Non- Controlling Interests RM'000	
At 1 January 2016	610,494	32,340	(5,722)	367,650	86,709	1,346,410	2,437,881	1,248,004	3,685,885
Comprehensive income									
Profit for the financial year	-	-	-	-	-	165,027	165,027	234,859	399,886
Other comprehensive income	-	-	-	-	(27,051)	-	(27,051)	(2,592)	(29,643)
Total comprehensive income for the financial year	-	-	-	-	(27,051)	165,027	137,976	232,267	370,243
Transactions with owners									
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	397	469	-	(729)	-	-	137	-	137
Dividend paid to ordinary shareholders	-	-	-	-	-	(12,156)	(12,156)	-	(12,156)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(190,333)	(190,333)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(11,952)	(11,952)	9,442	(2,510)
Total transactions with owners	397	469	-	(729)	-	(24,108)	(23,971)	(180,891)	(204,862)
At 31 December 2016	610,891	32,809	(5,722)	366,921	59,658	1,487,329	2,551,886	1,299,380	3,851,266
At 1 January 2015	610,494	32,340	(5,722)	-	18,805	1,260,140	1,916,057	1,251,220	3,167,277
Comprehensive income									
Profit for the financial year	-	-	-	-	-	109,105	109,105	177,788	286,893
Other comprehensive income	-	-	-	-	59,809	-	59,809	18,868	78,677
Total comprehensive income for the financial year	-	-	-	-	59,809	109,105	168,914	196,656	365,570
Transactions with owners									
Issuance of Redeemable Convertible Cumulative Preference Shares	-	-	-	367,650	-	-	367,650	-	367,650
Options granted to executives of a subsidiary	-	-	-	-	8,095	-	8,095	2,946	11,041
Dividend paid to ordinary shareholders	-	-	-	-	-	(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	-	-	-	-	-	(10,682)	(10,682)	(56)	(10,738)
Total transactions with owners	-	-	-	367,650	8,095	(22,835)	352,910	(199,872)	153,038
At 31 December 2015	610,494	32,340	(5,722)	367,650	86,709	1,346,410	2,437,881	1,248,004	3,685,885

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 2015 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 2016

(The figures have not been audited)

	Current Year 31.12.2016 RM'000	Preceding Year 31.12.2015 RM'000
Operating Activities		
Cash receipts from customers	1,386,817	1,337,431
Cash paid to suppliers and employees	(590,653)	(738,211)
Cash flows from operations	796,164	599,220
Interests paid	(130,077)	(155,193)
Tax refund	-	1,487
Income taxes paid	(118,062)	(130,329)
Net cash generated from operating activities	548,025	315,185
Investing Activities		
Investment in associates & joint venture	(1,168)	-
Proceeds from disposal of associates	2,706	-
Subscription of additional shares in associates	-	(675)
Proceeds from issuance of shares by subsidiaries to non-controlling interest	-	701
Additional investment in available-for-sale financial assets	(13,095)	(4,425)
Additional investment in financial assets at fair value through profit or loss	(3,785)	(4,249)
Additions in investment properties, land held for property development and property, plant and equipments	(349,343)	(374,209)
Proceed from disposal of properties, plant and equipments	220,072	170
Additions in biological assets	(10)	(55)
Additions in intangible assets	(159)	(324)
Proceed from disposal of financial assets at fair value through profit or loss	3,227	8,566
Proceed from disposal of land held for property development	-	7,655
Proceed from redemption of preference shares in associates	6,500	5,500
(Advances to)/Repayment from associates & joint ventures - net	(21,878)	13,181
Deposit released by/(pledged with) license bank	534,088	(53,669)
Capital repayment to non-controlling interests of subsidiary	(2,494)	(770)
Dividend received from associates	1,960	13,762
Interest received	26,193	39,068
Net cash generated/(used in) investing activities	402,814	(349,773)
Financing Activities		
Additional investment in subsidiary from non-controlling interest	(15)	(3,557)
Acquisition of subsidiaries	-	908
Proceeds from issuance of Redeemable Convertible Cumulative Preference Shares ("RCPS")	-	455,727
Expenses relating to issuance of RCPS	-	(1,064)
Cash arising from dilution of equity of a subsidiary	-	225
Dividend paid to ordinary shareholders	(12,156)	(12,153)
Dividend paid to holders of RCPS	(18,222)	(9,115)
Dividend paid to non-controlling interests	(180,687)	(205,937)
Repayments of borrowings - net	(295,872)	(354,020)
Payments of hire-purchase and finance lease liabilities	(44)	(70)
Deposit held with trustee	(1,190)	(1,095)
Net cash used in financing activities	(508,186)	(130,151)
Net increase/(decrease) in cash and cash equivalents during the financial year	442,653	(164,739)
Currency translation differences	921	(4,189)
Cash and cash equivalents at beginning of the financial year	576,052	744,980
Cash and cash equivalents at end of the financial year	1,019,626	576,052

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 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 2015. 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 2015, except for the followings:

- Amendments to MFRS 11 'Joint Arrangements'
- Amendments to MFRS 116 'Property, Plant and Equipment' and MFRS 138 'Intangible Assets'
- Amendments to MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investments in Associate and Joint Ventures'

The adoption of above Amendments to MFRS has no significant impact to the Group's interim financial reports for the current quarter or the comparative consolidated financial statements of the previous financial 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 results for the current financial period result.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs and share cancellations for the current financial year, except as below:-

- (i) Non-cash conversion of 904,331 Redeemable Convertible Cumulative Preference Shares ("RCPS") of RM0.01 each at an issue price of RM1.00 per RCPS into 396,627 ordinary shares of RM1.00 each at a conversion price of RM2.28;
- (ii) The number of treasury shares held as at 31 December 2016 and up to the date of this report remained at 2,858,020 (31.12.2015: 2,858,020) ordinary shares of RM1.00 each.

A6. Dividends Paid

The following dividend payment was made 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 12 February 2016	<u>9,115</u>

The following dividend payment was made during financial year ended 31 December 2016:	
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 2016	9,107

A first interim single-tier dividend of 2 sen per Ordinary Share has been paid on 12 August 2016	12,156
	<u><u>21,263</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

On 20 January 2017, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that the disposal of Renaissance Kuala Lumpur Hotel was completed on 20 January 2017 following the settlement of the balance purchase consideration by the Purchaser. The estimated Group gain on the disposal of about RM85.0 million will be recognised in the first quarter of 2017.

A9. Effects of Changes in the Composition of the Group

On 19 May 2016, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that its wholly-owned dormant subsidiary, Pekeliling Property Sdn Bhd ("PPSB") had held its Final General Meeting on 19 May 2016 in respect of the members' voluntary winding-up of PPSB and that pursuant to Section 272(5) of the Companies Act 1965, PPSB will be dissolved with effective from 19 August 2016.

On 15 September 2016, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that its wholly-owned dormant subsidiary, IGB Management Services Sdn Bhd ("IGBMS") had held its Final General Meeting on 15 September 2016 in respect of the members' voluntary winding-up of IGBMS and that pursuant to Section 272(5) of the Companies Act 1965, IGBMS will be dissolved with effective from 15 December 2016.

On 10 November 2016, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that its wholly-owned subsidiary, Verokey Sdn Bhd, had on 7 November 2016 incorporated a private limited company in the United Kingdom under the name of Blackfriars Project Management Limited ("BPML") with a registered capital of £1 divided into one share. BPML is established for purposes of overseeing the management and construction of the Group's 18 Blackfriars London project.

A10. Capital Commitments

Authorised capital commitments not recognised in the interim financial statements as at 31 December 2016 are as follows:

	RM'000
Approved and contracted for:	
- Investment properties	799,738
- Property, plant and equipment	10,899
	<u>810,637</u>
Approved but not contracted for:	
- Investment properties	2,948
- Property, plant and equipment	8,800
	<u>11,748</u>

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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets at fair value through profit or loss	17,778	-	-	17,778
Available-for-sale financial assets	-	29,644	-	29,644
	<u>17,778</u>	<u>29,644</u>	<u>-</u>	<u>47,422</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 2015.

There have been no transfers between the levels of the fair value hierarchy during the financial year ended 31 December 2016.

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

The Group's revenue for the financial year ended 31 December 2016 decreased by 1.8% to RM1,255.5 million as compared to RM1,278.2 million in the preceding year. The decrease in revenue was mainly due to lower contribution from the property development segment and the property investment - commercial segment. However, these decreases were mitigated by higher contributions derived from the hotel segment and property investment - retail segment.

Our Group recorded higher profit before taxation of RM482.9 million for the financial year ended 31 December 2016 as compared to RM390.4 million in the preceding year, which represented an increase of 23.7%. This was mainly due to a one-off gain on disposal of a property, plant and equipment by a subsidiary.

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 slight increase in revenue of RM493.3 million and segmental profit of RM324.3 million for the financial year ended 31 December 2016 as compared to the revenue of RM468.0 million and segmental profit of RM319.2 million for the preceding year, which represented an increase of 5.4% and 1.6% respectively. The increase in revenue and segmental profit were mainly due to higher total rental income.

The property investment - commercial segment recorded revenue of RM169.9 million and segmental profit of RM84.0 million for the 12 months period ended 31 December 2016 as compared to the revenue of RM185.0 million and segmental profit of RM94.5 million for the corresponding period of the preceding year, which was lower by 8.1% and 11.1% respectively. The decrease in segmental revenue and segmental profit was due to decrease in the occupancy of the office towers. Four of the office towers in Mid Valley City are above 90% occupancy whilst the fifth tower, Centrepoint North is currently about 55% occupied as the previous single occupant left in 2015. The occupancy in Plaza Permata, GTower and Menara Tan & Tan are 92%, 82% and 81% respectively.

Property Development

Our Group's property development segment registered a lower revenue of RM93.6 million for the financial year ended 31 December 2016 as compared to the revenue of RM155.5 million for the preceding year, which was lower by 39.8%. The higher revenue for the corresponding period of the preceding year was mainly due to the completion and handing over of the 468 units of service apartments at G Residence in March 2015.

In October 2016, our Group launched a 400-unit luxury curated condominium in a 41-storey tower located off Jalan Stonor, in the heart of Kuala Lumpur City Centre, known as "Stonor 3". Currently, our Group has two on going projects in hand which are the 166-unit condominium, known as "328 Tun Razak" at Jalan Tun Razak, Kuala Lumpur which was completed in August 2016 and the 31-unit condominium known as "Damai Residence" in the vicinity of The Ampwalk, Kuala Lumpur which is scheduled to be completed in mid of 2017.

Hotel

The hotel division registered an increase in revenue of RM403.1 million for the financial year ended 31 December 2016 as compared to revenue of RM369.5 million for the preceding year, which represented an increase of 9.1%. The improved revenue were mainly from the opening of four new hotels in 2015.

The four new hotels opened in 2015 were 210-room Cititel Express Ipoh, 234-room Cititel Express Penang, 415-room St Giles Wembley Penang and 280-room The Tank Stream St Giles Premier Hotel in Sydney, Australia.

In mid of May 2016, our Group disposed Cititel Express Kuala Lumpur for a cash consideration of RM37.0 million. In July 2016, our Group disposed MiCasa Hotel, Yangon for a cash consideration of USD46.0 million which was completed in the third quarter of 2016.

On 15 August 2016, our Group via its subsidiary IGB entered into a conditional sale and purchase agreement to dispose Renaissance Kuala Lumpur Hotel for a cash consideration of RM765.0 million. The sale and purchase agreement became unconditional on 31 October 2016 and the disposal was completed in January 2017.

The cash proceeds derived from the disposals will be used to invest in investments which give a higher yield and better growth prospects to the Group.

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B2. Comparison with Preceding Quarter's Results**

The Group recorded a revenue of RM312.2 million for the current quarter as compared to the preceding quarter of RM350.7 million which was lower by 11.0% mainly due to lower revenue from the property development segment and the property investment - retail segment in the current quarter.

The Group's profit before tax of RM74.9 million for the current quarter decreased by 68.7% as compared to the profit before tax reported in the preceding quarter of RM239.5 million mainly due the pre-tax gain on disposal of Cititel Express Kuala Lumpur and 65% owned MiCasa Hotel, Yangon amounting to RM137.4 million was recognised in the preceding quarter.

B3. Prospects for 2017

The Board expects the performance of the Group for 2017 to be satisfactory despite 2017 being a challenging year.

Property Investment - Retail and Commercial

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

Property Development

2017 will be a difficult year for the property development segment.

Hotel

With the completion of the disposal of Renaissance Kuala Lumpur Hotel, the hotel segment performance in 2017 will be better than 2016.

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	Current YTD
	RM'000	RM'000
Current tax:		
- Malaysian tax	27,056	86,386
- Foreign tax	3,504	18,684
	<u>30,560</u>	<u>105,070</u>
Deferred Tax	<u>(11,540)</u>	<u>(22,048)</u>
	<u>19,020</u>	<u>83,022</u>

The effective income tax rate of the Group for the current year to date is lower than the statutory tax rate mainly due certain income not being subjected to tax.

B7. Status of Corporate Proposals

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

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 December 2016 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current			
Revolving credits	206,403	326,363	532,766
Term loans	66,676	-	66,676
Non-current			
Revolving credits	920,100	-	920,100
Term loans	1,734,136	-	1,734,136
Total	2,927,315	326,363	3,253,678

The currency profile of bank borrowings is as follows:

	Local currency (in '000)	RM equivalent (in '000)
Ringgit Malaysia		3,145,731
Australian Dollar	27,000	66,676
United States Dollar	9,200	41,271
		3,253,678

B9. Changes in Material Litigations

As at the reporting date, there were no pending material litigation since the last financial year ended 31 December 2015 and up to the reporting date which exceeds 5% of the net assets of the Group.

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 months period from and including 16 August 2016 up to and including 15 February 2017 in respect of the financial year ended 31 December 2016 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 17 January 2017 to determine shareholders' entitlement and the said dividend was paid out on 14 February 2017.

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)	16,289	165,027
Weighted average no. of ordinary shares in issue ('000)	607,960	607,793
Basic earnings per share (sen)	2.68	27.15

(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)	16,289	165,027
Add: Interest on RCPS saved as a result of conversion (RM'000)	913	4,094
Less: Tax relief thereon (RM'000)	(209)	(915)
Adjusted Earning (RM'000)	16,993	168,206
Weighted average no. of ordinary shares in issue ('000)	607,960	607,793
Adjustments for potential dilutive on maximum conversion of RCPS ('000)	199,484	199,484
Weighted average number of ordinary shares for diluted earnings per share	807,444	807,277
Diluted earnings per share (sen)	2.10	20.84

GOLDIS BERHAD

Notes to the Interim Financial Report

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B12. Notes to Statements of Comprehensive income**

	Current Quarter	Current YTD
	RM'000	RM'000
(a) Interest income	6,822	32,130
(b) Other income including investment income	14,747	181,239
(c) Interest expenses	(29,248)	(129,801)
(d) Depreciation and amortisation	(34,788)	(154,610)
(e) Unrealised foreign exchange loss	11,935	(6,037)
(f) Foreign exchange gain	944	8,560
(g) Gain on disposal of properties, plant and equipments	2,772	140,146

B13. Realised and Unrealised Retained Earnings

	As at 31.12.2016	As at 31.12.2015
	RM'000	RM'000
Total Retained Earnings		
- Realised	1,650,498	1,493,930
- Unrealised	(183,952)	(168,843)
	<u>1,466,546</u>	<u>1,325,087</u>
Total Share of Retained Profits from Associate		
- Realised	273,550	249,115
- Unrealised	(11,363)	301
	<u>1,728,733</u>	<u>1,574,503</u>
Less: Consolidation Adjustments	(241,404)	(228,093)
Total Retained Earnings	<u>1,487,329</u>	<u>1,346,410</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 2015 did not contain any qualification.