

# **GOLDIS BERHAD**

## **Interim Financial Report**

For the financial period ended 30 June 2017

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**GOLDIS BERHAD****Condensed Consolidated Income Statements**

For the financial period ended 30 June 2017

*(The figures have not been audited)*

	<b>Current Year Quarter 30.6.2017 RM'000</b>	<b>Preceding Year Quarter 30.6.2016 RM'000</b>	<b>Current Year To-Date 30.6.2017 RM'000</b>	<b>Preceding Year To-Date 30.6.2016 RM'000</b>
Revenue	271,398	287,639	552,944	592,547
Cost of sales	(119,648)	(142,274)	(243,500)	(288,874)
Gross profit	151,750	145,365	309,444	303,673
Other operating income	10,633	14,577	56,362	20,058
Administrative expenses	(49,310)	(55,777)	(88,682)	(115,197)
Other operating expenses	(624)	(8,049)	(24,081)	(16,709)
Profit from operations	112,449	96,116	253,043	191,825
Finance income	13,198	9,373	24,919	19,640
Finance costs	(29,041)	(33,347)	(58,401)	(68,312)
Share of results of associates and joint ventures	17,229	6,012	19,713	25,321
Profit before taxation	113,835	78,154	239,274	168,474
Tax expense	(19,534)	(13,697)	(8,727)	(29,789)
<b>Profit for the financial period</b>	<b>94,301</b>	<b>64,457</b>	<b>230,547</b>	<b>138,685</b>
<b>Attributable to:</b>				
Owners of the parent	46,322	21,933	119,491	52,946
Non-controlling interests	47,979	42,524	111,056	85,739
<b>Profit for the financial period</b>	<b>94,301</b>	<b>64,457</b>	<b>230,547</b>	<b>138,685</b>
<b>Earnings per share attributable to equity holders of the Company (sen)</b>				
Basic	7.61	3.61	19.64	8.71
Diluted	5.81	2.83	14.96	6.76

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017

*(The figures have not been audited)*

	<b>Current Year Quarter 30.6.2017 RM'000</b>	Preceding Year Quarter 30.6.2016 RM'000	<b>Current Year To-Date 30.6.2017 RM'000</b>	Preceding Year To-Date 30.6.2016 RM'000
<b>Profit for the financial period</b>	<b>94,301</b>	64,457	<b>230,547</b>	138,685
<b>Other comprehensive income/(loss):</b>				
Currency translation differences				
- equity holders	<b>(4,698)</b>	(7,065)	<b>(16,300)</b>	(60,388)
- non-controlling interests	<b>(2,893)</b>	(2,412)	<b>(7,684)</b>	(19,895)
Available-for-sale financial assets				
- net change in fair value	-	-	<b>6,956</b>	-
Items that may be subsequently reclassified to profit or loss	<b>(7,591)</b>	(9,477)	<b>(17,028)</b>	(80,283)
<b>Total comprehensive income for the financial period</b>	<b>86,710</b>	54,980	<b>213,519</b>	58,402
<b>Attributable to:</b>				
Owners of the parent	<b>41,625</b>	14,869	<b>110,148</b>	(7,441)
Non-controlling interests	<b>45,085</b>	40,111	<b>103,371</b>	65,843
<b>Total comprehensive income for the financial period</b>	<b>86,710</b>	54,980	<b>213,519</b>	58,402

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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

As at 30 June 2017

*(The figures have not been audited)*

	30.6.2017 RM'000	31.12.2016 RM'000
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1,654,829	1,705,020
Inventories	255,256	252,906
Investment properties	2,808,882	2,725,284
Long term prepaid lease	408	422
Intangible assets	14,413	14,418
Biological assets	-	102
Associates and joint ventures	856,022	852,608
Available-for-sale financial assets	57,217	29,644
Concession receivables	101,107	100,302
Deferred tax assets	21,187	12,796
	<b>5,769,321</b>	<b>5,693,502</b>
<b>Current Assets</b>		
Inventories	587,294	513,609
Financial assets at fair value through profit or loss	8,226	17,778
Concession receivables	3,247	3,313
Amount owing from associates and joint ventures	73,563	66,952
Receivables and contract assets	293,423	207,574
Tax recoverable	26,454	24,206
Cash held under Housing Development Accounts	105,982	87,700
Deposits, cash and bank balances	1,409,671	963,599
	<b>2,507,860</b>	<b>1,884,731</b>
<b>Assets classified as held-for-sale</b>	-	708,025
	<b>2,507,860</b>	<b>2,592,756</b>
<b>Total Assets</b>	<b>8,277,181</b>	<b>8,286,258</b>
<b>Equity and Liabilities</b>		
<b>Equity Attributable To Owners Of The Parent</b>		
Share capital	644,785	610,891
Share premium	-	32,809
Treasury shares	(5,722)	(5,722)
Redeemable Convertible Cumulative Preference Shares	365,981	366,921
Other reserves	50,314	59,658
Retained earnings	1,600,750	1,487,329
	<b>2,656,108</b>	<b>2,551,886</b>
Non-controlling interests	1,317,442	1,299,380
<b>Total Equity</b>	<b>3,973,550</b>	<b>3,851,266</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Payables and contract liabilities	85,205	90,129
Deferred tax liabilities	133,469	174,257
Redeemable Convertible Cumulative Preference Shares	41,392	49,004
Hire-purchase and finance lease payables	14	33
Interest bearing bank borrowings	2,871,442	2,654,236
	<b>3,131,522</b>	<b>2,967,659</b>
<b>Current Liabilities</b>		
Payables and contract liabilities	562,761	745,187
Amount owing to associates	4	4
Current tax liabilities	114,823	107,561
Redeemable Convertible Cumulative Preference Shares	15,092	15,092
Hire-purchase and finance lease payables	7	47
Interest bearing bank borrowings	479,422	599,442
	<b>1,172,109</b>	<b>1,467,333</b>
<b>Total Liabilities</b>	<b>4,303,631</b>	<b>4,434,992</b>
<b>Total Equity and Liabilities</b>	<b>8,277,181</b>	<b>8,286,258</b>
<b>Net assets per share attributable to ordinary equity holders of the Company</b>	<b>4.36</b>	<b>4.20</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017

(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		
<b>At 1 January 2017</b>	<b>610,891</b>	<b>32,809</b>	<b>(5,722)</b>	<b>366,921</b>	<b>59,658</b>	<b>1,487,329</b>	<b>2,551,886</b>	<b>1,299,380</b>	<b>3,851,266</b>
<b>Adjustments for effects of Companies Act 2016 (Note A)</b>	<b>32,809</b>	<b>(32,809)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive income</b>									
Profit for the financial period	-	-	-	-	-	119,491	119,491	111,056	230,547
Other comprehensive income	-	-	-	-	(9,344)	-	(9,344)	(7,684)	(17,028)
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,344)</b>	<b>119,491</b>	<b>110,147</b>	<b>103,372</b>	<b>213,519</b>
<b>Transactions with owners</b>									
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	1,085	-	-	(940)	-	-	145	-	145
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(90,780)	(90,780)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(6,070)	(6,070)	5,470	(600)
<b>Total transactions with owners</b>	<b>1,085</b>	<b>-</b>	<b>-</b>	<b>(940)</b>	<b>-</b>	<b>(6,070)</b>	<b>(5,925)</b>	<b>(85,310)</b>	<b>(91,235)</b>
<b>At 30 June 2017</b>	<b>644,785</b>	<b>-</b>	<b>(5,722)</b>	<b>365,981</b>	<b>50,314</b>	<b>1,600,750</b>	<b>2,656,108</b>	<b>1,317,442</b>	<b>3,973,550</b>
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
<b>Comprehensive income</b>									
Profit for the financial period	-	-	-	-	-	52,946	52,946	85,739	138,685
Other comprehensive income	-	-	-	-	(60,388)	-	(60,388)	(19,895)	(80,283)
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(60,388)</b>	<b>52,946</b>	<b>(7,442)</b>	<b>65,844</b>	<b>58,402</b>
<b>Transactions with owners</b>									
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	156	200	-	(287)	-	-	69	-	69
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(94,740)	(94,740)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(5,968)	(5,968)	3,461	(2,507)
<b>Total transactions with owners</b>	<b>156</b>	<b>200</b>	<b>-</b>	<b>(287)</b>	<b>-</b>	<b>(5,968)</b>	<b>(5,899)</b>	<b>(91,279)</b>	<b>(97,178)</b>
<b>At 30 June 2016</b>	<b>610,650</b>	<b>32,540</b>	<b>(5,722)</b>	<b>367,363</b>	<b>26,321</b>	<b>1,393,388</b>	<b>2,424,540</b>	<b>1,222,569</b>	<b>3,647,109</b>

#### Note A

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium of RM32,809,000, has been transferred to the share capital account.

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 2016 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 2017

*(The figures have not been audited)*

	Current Year 30.6.2017 RM'000	Preceding Year 30.6.2016 RM'000
<b>Operating Activities</b>		
Cash receipts from customers	482,163	542,814
Cash paid to suppliers and employees	(303,877)	(205,651)
Cash flows (used in)/generated from operations	178,286	337,163
Interests paid	(53,936)	(70,522)
Income taxes paid	(52,678)	(49,331)
<b>Net cash (used in)/generated from operating activities</b>	<b>71,672</b>	<b>217,310</b>
<b>Investing Activities</b>		
Investment in associates	-	(1,168)
Additional investment in available-for-sale financial assets	(20,617)	(12,949)
Additional investment in financial assets through profit and loss	(600)	(1,724)
Proceed from disposal of financial assets through profit and loss	9,615	-
Additions in investment properties, land held for property development and property, plant and equipments	(184,532)	(106,155)
Proceed from disposal of property, plant and equipments	572,905	-
Additions in biological assets	-	(10)
Additions in intangible assets	-	(5)
Advances to associates & joint ventures - net	(10,376)	(14,199)
Deposit released by license bank	-	291,158
Capital repayment to non-controlling interests of subsidiary	-	(2,494)
Dividend received from associates	167	1,960
Interest received	22,570	17,308
<b>Net cash generated from investing activities</b>	<b>389,132</b>	<b>171,722</b>
<b>Financing Activities</b>		
Additional investment in subsidiary from non-controlling interest	(600)	(12)
Dividend paid to holders of RCPS	(9,096)	(9,115)
Dividend paid to non-controlling interests	(89,430)	(82,983)
Proceeds from/(Repayment of) borrowings - net	94,926	(68,584)
Payments of hire-purchase and finance lease liabilities	(59)	(22)
<b>Net cash (used in) financing activities</b>	<b>(4,259)</b>	<b>(160,716)</b>
Net increase in cash and cash equivalents during the financial period	456,545	228,316
Currency translation differences	7,809	2,616
Cash and cash equivalents at beginning of the financial period	1,012,025	576,052
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,476,379</b>	<b>806,984</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

# GOLDIS BERHAD

## Notes to the Interim Financial Report

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### 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 2016. 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 2016, except for the followings:

- Amendments to MFRS 107 'Statement of Cash Flow - Disclosure Initiative'
- Amendments to MFRS 112 'Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses'

The adoption of the 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.

#### 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 period, except as below:-

- (i) Non-cash conversion of 1,165,400 Redeemable Convertible Cumulative Preference Shares ("RCPS") at an issue price of RM1.00 per RCPS into 511,135 ordinary shares at a conversion price of RM2.28;
- (ii) The number of treasury shares held as at 30 June 2017 and up to the date of this report remained at 2,858,020 (31.12.2016: 2,858,020) ordinary shares.

#### A6. Dividends Paid

The following dividend payment was made in respect of financial year ended 31 December 2016:

A dividend of 2% (based on the issue price of RM1.00) per RCPS under the single tier system has been declared by the Board of Directors of Goldis Berhad was paid out on 14 February 2017.

**RM'000**

9,096





# 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

There were no changes in the composition of the Group during the interim period up to the date of this report.

#### A10. Capital Commitments

Authorised capital commitments not recognised in the interim financial statements are as follows:

	As at 30.6.2017	As at 31.12.2016
	RM'000	RM'000
Approved and contracted for:		
- Investment properties	702,177	820,084
- Property, plant and equipment	7,275	10,898
	<b>709,452</b>	<b>830,982</b>
Approved but not contracted for:		
- Investment properties	197,628	199,289
- Property, plant and equipment	5,412	8,956
	<b>203,040</b>	<b>208,245</b>

#### 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	8,226	-	-	8,226
Available-for-sale financial assets	-	57,217	-	57,217
	<b>8,226</b>	<b>57,217</b>	<b>-</b>	<b>65,443</b>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2016.

There have been no transfers between the levels of the fair value hierarchy during the financial period ended 30 June 2017.

**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**

	Individual Period			Cumulative Period		
	Current Year Quarter 30.6.2017 RM'000	Preceding Year Quarter 30.6.2016 RM'000	Changes (%)	Current Year To-Date 30.6.2017 RM'000	Preceding Year To-Date 30.6.2016 RM'000	Changes (%)
Revenue	271,398	287,639	-5.6%	552,944	592,547	-6.7%
Operating profit	112,449	96,116	17.0%	253,043	191,825	31.9%
Profit before interest and taxation	142,876	111,501	28.1%	297,675	236,786	25.7%
Profit before taxation	113,835	78,154	45.7%	239,274	168,474	42.0%
Profit after taxation	94,301	64,457	46.3%	230,547	138,685	66.2%
Profit attributable to ordinary equity holders of the parent	46,322	21,933	111.2%	119,491	52,946	125.7%

The Group's revenue for the 6 months period ended 30 June 2017 decreased by 6.7% to RM552.9 million as compared to RM592.5 million for the 6 months period in the preceding year. The decrease in revenue was mainly due to lower contribution from the hotel segment. The previous year's revenue had included revenue from Cititel Express Kuala Lumpur, Micasa Hotel Yangon and Renaissance Kuala Lumpur Hotel which were disposed in March 2016, July 2016 and January 2017 respectively. The contribution from these three hotels were RM57.4 million. However, this was mitigated by the higher revenue contributed by The Tank Stream Hotel in Sydney.

However, the Group has recorded higher profit before taxation of RM239.3 million for the 6 months period ended 30 June 2017 as compared to RM168.5 million for the corresponding 6 months period in the preceding year, which represented an increase of 42.0%. This was mainly due to a one-off gain on disposal of Renaissance Kuala Lumpur Hotel.

**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 RM257.7 million and segmental profit of RM170.5 million for the 6 months period ended 30 June 2017 as compared to the revenue of RM242.1 million and segmental profit of RM160.6 million for the corresponding 6 months period in the preceding year, which represented an increase of 6.4% and 6.2% respectively. The increase in revenue and segmental profit were mainly due to higher total rental income.

The property investment - commercial segment recorded a revenue of RM87.0 million for the 6 months period ended 30 June 2017 as compared to the revenue of RM85.6 million for the corresponding 6 months period in the preceding year, representing an increase of 1.6%. Four of the office towers in Mid Valley City are above 90% occupancy whilst the fifth tower, Centrepoint North is currently about 60% occupied. The occupancy in Plaza Permata, GTower and Menara Tan & Tan are at 93%, 83% and 80% respectively.

**Property Development**

The Group's property development segment registered a lower revenue of RM15.0 million for the 6 months period ended 30 June 2017 as compared to the revenue of RM23.6 million for the corresponding 6 months period in the preceding year, which was lower by 36.4% mainly because the Group has not launched any new development projects in view of the weak sentiment in the property sector.

Currently, the Group has two on-going projects which are the 31-unit condominium known as "Damai Residence" in the vicinity of The Ampwalk, Kuala Lumpur which is about 70% completed and the 400-unit condominium known as "Stonor 3", located in the vicinity of KLCC which is about 25% completed.

**Hotel**

The hotel division registered a lower revenue of RM154.3 million for the 6 months period ended 30 June 2017 as compared to the revenue of RM194.1 million for the corresponding 6 months period in the preceding year. The reason for the decrease of 20.5% was due to the disposal of the 3 hotels, namely, Cititel Express Kuala Lumpur in March 2016, MiCasa Hotel Apartment, Yangon in July 2016 and Renaissance Kuala Lumpur Hotel in January 2017. However, this was mitigated by the higher revenue contributed by The Tank Stream Hotel in Sydney.

The segment profit of RM62.6 million for the 6 months period ended 30 June 2017 was higher compared to the corresponding 6 months period in the preceding year of RM25.9 million, due to the one off gain on the disposal of Renaissance Kuala Lumpur Hotel.

**GOLDIS BERHAD**

## Notes to the Interim Financial Report

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

	<b>Current Year Quarter 30.6.2017 RM'000</b>	<b>Preceding Quarter 31.3.2017 RM'000</b>	<b>Changes (%)</b>
Revenue	<b>271,398</b>	281,546	-3.6%
Operating profit	<b>112,449</b>	140,594	-20.0%
Profit before interest and taxation	<b>142,876</b>	154,799	-7.7%
Profit before taxation	<b>113,835</b>	125,439	-9.3%
Profit after taxation	<b>94,301</b>	136,246	-30.8%
Profit attributable to ordinary equity holders of the parent	<b>46,322</b>	73,169	-36.7%

The Group recorded a revenue of RM271.4 million for the current quarter as compared to the preceding quarter of RM281.5 million which was lower by 3.6% mainly due to lower revenue from the property investment - retail segment and the hotel segment during the current quarter.

The Group's profit after taxation of RM94.3 million for the current quarter decreased by 30.8% as compared to the profit after taxation reported in the preceding quarter of RM136.2 million. The higher profit after tax for the preceding quarter was mainly due to the recognition of deferred tax amounting to RM41.0 million arising from the disposal of Renaissance Kuala Lumpur Hotel.

**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**

Despite the disposal of Renaissance Kuala Lumpur Hotel, we expect the performance of the hotel segment to be satisfactory.

**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**

	<b>Current Quarter RM'000</b>	<b>Current YTD RM'000</b>
Current tax:		
- Malaysian tax	21,421	50,694
- Foreign tax	(9)	583
	<b>21,412</b>	<b>51,277</b>
Deferred Tax	<b>(1,878)</b>	<b>(42,550)</b>
	<b>19,534</b>	<b>8,727</b>

The effective income tax rate of the Group for the current year to date was lower than the statutory tax rate mainly due to certain income not subjected to tax. Furthermore, there was a transfer from deferred tax arising from the disposal of property, plant and equipment by a subsidiary for an amount of RM41.0 million.

**B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B7. Status of Corporate Proposals**

On 23 February 2017, the Company has proposed to acquire the entire equity interest in IGB not already owned by the Company by way of a members' scheme of arrangement to be undertaken by IGB pursuant to Section 366 of the Companies Act, 2016 ("Proposed Scheme").

The Proposed Scheme will make IGB a wholly-owned subsidiary of the Company, which will likely eliminate the holding company discount of both entities. The completion of the Proposed Scheme will result in the delisting of IGB from the Main Market of Bursa Malaysia.

In consideration of the acquisition of IGB shares by the Company, the Company is offering RM3.00 ("offer price") for each IGB share held. The settlement of the offer price, will be made by either one of the 3 options, at the election of IGB's shareholders are as follows:

- (i) 100% cash option;
- (ii) 30% of the offer price in cash and 70% of the offer price in new ordinary shares in Goldis at an issue price of RM3.00 per Goldis share; or
- (iii) 20% of the offer price in cash and 80% of the offer price in Goldis New Redeemable Convertible Preference Shares ("New RCCPS") at an issue price of RM3.28 per New RCCPS.

The total consideration for the acquisition of the remaining equity interest in IGB is expected to amount to RM1,064.11 million, assuming the outstanding IGB ESOS options are not exercised.

On 30 March 2017, the Company announced that IGB requested for an extension of time up to 28 April 2017 to revert with its decision whether to put forward the Proposed Scheme to the shareholders of IGB for consideration. The request was agreed by the Company on an even date.

On 26 April 2017, the Company announced that the Company received a letter from IGB that the Board of Directors of IGB (other than the interested directors) had decided to put forward the Proposed Scheme to the Scheme Shareholders (the shareholders of IGB other than Goldis) for consideration based on the preliminary opinion of the Independent Adviser.

On 30 June 2017, the Company announced our intention to revise the terms of the Proposed Scheme and we had on the same day issued the Revised Proposal Letter to the Board of Directors of IGB for its consideration. The key changes to the Proposed Scheme, as part of the Revised Proposal Letter are:

- (i) the proportion of cash to New RCCPS as part of the Cash and New RCCPS Option has been revised from 20% cash and 80% New RCCPS to 12% Cash and 88% New RCCPS. This is to cater to Scheme Shareholders who wish to maximize their equity holdings in our Company with the aim to benefit from and realise the long term potential value in the consolidated group; and
- (ii) the Scheme Shareholders holding less than 100 Scheme Shares may elect to accept any of the Consideration Options, to allow the Scheme Shareholders to have the same election rights.

All other material terms and conditions of the Proposed Scheme remain the same as our announcement dated 23 February 2017.

On 4 July 2017, the Company announced that the Company received a letter from IGB stating that the Board of Directors of IGB (save for the interested Directors who have abstained from deliberation and voting on the Proposed Scheme) has deliberated on the contents of the Revised Proposal Letter and decided to put forward the Proposed Scheme, pursuant to the revised terms, to the Scheme Shareholders for consideration on the basis of the preliminary opinion of Kenanga Investment Bank Berhad, the Independent Adviser.

On 11 July 2017, the Company announced that Bursa Securities had, via its letter dated 11 July 2017, approved our Company's application for a waiver from complying with Paragraph 6.06(1) of the Listing Requirements (in respect of the requirement for our Company to seek shareholders' approval in a general meeting for the allotment and issuance of securities to our directors, major shareholders or persons connected to such directors and major shareholders in relation to the Proposed Scheme).

On 20 July 2017, the Company announced that the Company has today informed IGB that according to Paragraph 2.7 (b) of the Proposal Letter, the Company will acquire the Scheme Shares with all the rights, benefits and entitlements attached thereto, including the right to all dividends and/or distributions declared, paid or made on or after the date of the Proposal Letter. Our Company has chosen to waive any rights and entitlements to any dividends which IGB may declare, make or pay to the Scheme Shareholders for the financial year ending 31 December 2017, prior to the date of sanction of the Proposed Scheme by the High Court. As a result of this waiver, the Scheme Shareholders will now be entitled to retain any such dividends.

For the avoidance of doubt, notwithstanding the waiver set out above, the Offer Price will not be reduced by an amount equivalent to the net dividend for each IGB Share which the Scheme Shareholders are entitled to retain. Similarly, if Goldis declares, makes or pays any dividend before the Consideration Shares and the Consideration New RCCPS are issued, the Consideration Shares Issue Price and the Consideration New RCCPS Issue Price will not be reduced by an amount equivalent to the net dividend for each Consideration Share or Consideration New RCCPS that the Scheme Shareholders are not entitled to.

All other terms and conditions to the Proposed Scheme as set out in the Proposal Letter and as revised by the Revised Proposal Letter remain the same.

**GOLDIS BERHAD**

## Notes to the Interim Financial Report

**B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B7. Status of Corporate Proposals (continued)**

On 21 July 2017, the Company have submitted an application to Bank Negara Malaysia for the proposed issuance of the New RCCPS to non-residents in relation to the Consideration New RCCPS pursuant to the Proposed Scheme.

On 31 July 2017, the Company have submitted an application to Bursa Securities for the listing of and quotation for the Consideration Shares, the Consideration New RCCPS and new ordinary shares in the Company to be issued upon the conversion of the Consideration New RCCPS pursuant to the Proposed Scheme on the Main Market of Bursa Securities.

**B8. Details of Group Borrowings and Debt Securities**

The Groups' borrowings and debts securities as at 30 June 2017 are as follows:

	As at 30.6.2017					
	Long term		Short term		Total	
	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000
<b>Secured</b>						
Revolving credits	-	925,600	-	90,727	-	1,016,327
Revolving credits - USD	-	-	10,000	42,940	10,000	42,940
Revolving credits - AUD	-	-	17,000	49,476	17,000	49,476
Term loans	-	1,445,152	-	20,705	-	1,465,857
Medium Term Notes	-	500,690	-	-	-	500,690
<b>Unsecured</b>						
Revolving credits	-	-	-	275,574	-	275,574
<b>Total</b>	-	2,871,442	-	479,422	-	3,350,864

	As at 30.6.2016					
	Long term		Short term		Total	
	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000	Foreign denomination '000	RM denomination RM'000
<b>Secured</b>						
Revolving credits	-	931,600	-	208,375	-	1,139,975
Revolving credits - USD	-	-	9,200	37,085	9,200	37,085
Revolving credits - AUD	-	-	27,000	74,747	27,000	74,747
Revolving credits - GBP	-	-	62,500	340,018	62,500	340,018
Term loans	-	1,622,548	-	92,121	-	1,714,669
<b>Unsecured</b>						
Revolving credits	-	-	-	225,587	-	225,587
<b>Total</b>	-	2,554,148	-	977,933	-	3,532,081

In November 2016, Southkey Megamall Sdn Bhd, a 70%-owned subsidiary of IGB had entered into an agreement for an unrated eight years Medium Term Notes ("MTN") programme up to RM1.0 billion in nominal value. As at 30 June 2017, RM500.0 million nominal value of MTN have been issued with the maturity date on 20 December 2021.

In October 2016, the GBP denominated borrowing was fully repaid in view of the favourable exchange rate at that time.

Tank Stream Holdings Pty Ltd, a 100%-owned subsidiary of IGB, has partially repaid the AUD denominated borrowing in August 2016 and February 2017 amounting to AUD 10.0 million.

**B9. Changes in Material Litigations**

As at the reporting date, there were no pending material litigation since the last financial year ended 31 December 2016 and up to the reporting date which exceeds 5% of the net assets of the Group.

**B10. Dividends**

A dividend of 2% (based on the issue price of RM1.00) per Redeemable Convertible Cumulative Preference Shares ("RCPS") for the six months period from and including 16 February 2017 up to and including 15 August 2017 in respect of the financial year ending 31 December 2017 under the single tier system has been declared by the Board of Directors of Goldis Berhad on 3 July 2017. The book closure date for the RCPS dividend is on 19 July 2017 to determine shareholders' entitlement and the said dividend was paid out on 10 August 2017.

An interim dividend of 2 sen per Ordinary Share for the financial year ending 31 December 2017 under the single tier system has been declared by the Board of Directors of Goldis Berhad on 5 July 2017. The book closure date for the interim dividend is on 21 July 2017 to determine shareholders' entitlement and the said dividend was paid out on 11 August 2017.

**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****(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	Preceding Year Qtr	Current YTD	Preceding YTD
Net profit attributable to ordinary equity holders of the Company (RM'000)	46,322	21,933	119,491	52,946
Weighted average no. of ordinary shares in issue ('000)	608,433	607,775	608,252	607,706
Basic earnings per share (sen)	<b>7.61</b>	3.61	<b>19.64</b>	8.71

**(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 RM'000	Preceding Year Qtr RM'000	Current YTD RM'000	Preceding YTD RM'000
Profit for basic EPS	46,322	21,933	119,491	52,946
Add: Interest on RCPS saved as a result of conversion	799	1,096	1,626	2,160
Less: Tax relief thereon	(180)	(206)	(359)	(496)
Adjusted Earning	<b>46,941</b>	22,823	<b>120,758</b>	54,610
Weighted average no. of ordinary shares in issue ('000)	608,433	607,775	608,252	607,706
Adjustments for potential dilutive on maximum conversion of RCPS ('000)	198,972	199,724	198,972	199,724
Weighted average number of ordinary shares for diluted earnings per share ('000)	<b>807,405</b>	807,499	<b>807,224</b>	807,430
Diluted earnings per share (sen)	<b>5.81</b>	2.83	<b>14.96</b>	6.76

**B12. Notes to Statements of Comprehensive income**

	Current Quarter RM'000	Current YTD RM'000
(a) Interest income	13,198	24,919
(b) Other income including investment income	10,633	56,362
(c) Interest expenses	(29,041)	(58,401)
(d) Depreciation and amortisation	(32,873)	(66,145)
(e) Unrealised foreign exchange gain	1,828	636
(f) Foreign exchange gain	2,425	4,721
(g) (Loss)/Gain on disposal of properties, plant and equipments	(231)	34,047

**B13. Realised and Unrealised Retained Earnings**

	As at 30.6.2017 RM'000	As at 31.12.2016 RM'000
Total Retained Earnings		
- Realised	1,688,780	1,642,152
- Unrealised	(134,138)	(174,698)
	<b>1,554,642</b>	1,467,454
Total Share of Retained Profits from Associate		
- Realised	284,826	268,454
- Unrealised	(8,393)	(6,267)
	<b>1,831,075</b>	1,729,641
Less: Consolidation Adjustments	(230,325)	(242,312)
Total Retained Earnings	<b>1,600,750</b>	1,487,329

**B14. Audit Report Qualification**

The audit report of the Group's annual financial statements for the year ended 31 December 2016 did not contain any qualification.