

GOLDIS BERHAD

Interim Financial Report

For the financial period ended 30 September 2017

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GOLDIS BERHAD**Condensed Consolidated Income Statements**

For the financial period ended 30 September 2017

(The figures have not been audited)

	Current Year Quarter 30.9.2017 RM'000	Preceding Year Quarter 30.9.2016 RM'000	Current Year To-Date 30.9.2017 RM'000	Preceding Year To-Date 30.9.2016 RM'000
Revenue	285,916	350,732	838,860	943,279
Cost of sales	(126,123)	(163,965)	(369,623)	(452,839)
Gross profit	159,793	186,767	469,237	490,440
Other operating income	9,701	146,434	66,063	166,492
Administrative expenses	(45,300)	(57,008)	(133,982)	(172,205)
Other operating expenses	(1,156)	(4,620)	(25,237)	(21,329)
Profit from operations	123,038	271,573	376,081	463,398
Finance income	8,915	5,668	33,834	25,308
Finance costs	(19,976)	(32,241)	(78,377)	(100,553)
Share of results of associates and joint ventures	6,234	(5,511)	25,947	19,810
Profit before taxation	118,211	239,489	357,485	407,963
Tax expense	(32,100)	(34,213)	(40,827)	(64,002)
Profit for the financial period	86,111	205,276	316,658	343,961
Attributable to:				
Owners of the parent	35,770	95,792	155,261	148,738
Non-controlling interests	50,341	109,484	161,397	195,223
Profit for the financial period	86,111	205,276	316,658	343,961
Earnings per share attributable to equity holders of the Company (sen)				
Basic	5.88	15.76	25.52	24.47
Diluted	4.51	11.96	19.46	18.73

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 September 2017

(The figures have not been audited)

	Current Year Quarter 30.9.2017 RM'000	Preceding Year Quarter 30.9.2016 RM'000	Current Year To-Date 30.9.2017 RM'000	Preceding Year To-Date 30.9.2016 RM'000
Profit for the financial period	86,111	205,276	316,658	343,961
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	2,410	11,679	(13,890)	(48,709)
- non-controlling interests	(150)	5,043	(7,834)	(14,852)
Available-for-sale financial assets				
- net change in fair value	-	-	6,956	-
Items that may be subsequently reclassified to profit or loss	2,260	16,722	(14,768)	(63,561)
Total comprehensive income for the financial period	88,371	221,998	301,890	280,400
Attributable to:				
Owners of the parent	38,181	107,470	148,329	100,029
Non-controlling interests	50,190	114,528	153,561	180,371
Total comprehensive income for the financial period	88,371	221,998	301,890	280,400

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 September 2017

(The figures have not been audited)

	30.9.2017	31.12.2016
	RM'000	RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	1,659,915	1,705,020
Inventories	218,874	252,906
Investment properties	2,848,112	2,725,284
Long term prepaid lease	402	422
Intangible assets	14,516	14,418
Biological assets	-	102
Associates and joint ventures	870,164	852,608
Available-for-sale financial assets	57,544	29,644
Concession receivables	100,054	100,302
Deferred tax assets	21,527	12,796
	5,791,108	5,693,502
Current Assets		
Inventories	592,507	513,609
Financial assets at fair value through profit or loss	7,934	17,778
Concession receivables	3,257	3,313
Amount owing from associates and joint ventures	79,884	66,952
Receivables and contract assets	281,160	207,574
Tax recoverable	24,813	24,206
Cash held under Housing Development Accounts	94,413	87,700
Deposits, cash and bank balances	1,318,511	963,599
	2,402,479	1,884,731
Assets classified as held-for-sale	36,765	708,025
	2,439,244	2,592,756
Total Assets	8,230,352	8,286,258
Equity and Liabilities		
Equity Attributable To Owners Of The Parent		
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	52,724	59,658
Retained earnings	1,621,437	1,487,329
	2,679,205	2,551,886
Non-controlling interests	1,364,627	1,299,380
Total Equity	4,043,832	3,851,266
Liabilities		
Non-Current Liabilities		
Payables and contract liabilities	86,275	90,129
Deferred tax liabilities	133,560	174,257
Redeemable Convertible Cumulative Preference Shares	33,079	49,004
Hire-purchase and finance lease payables	14	33
Interest bearing bank borrowings	2,751,942	2,654,236
	3,004,870	2,967,659
Current Liabilities		
Payables and contract liabilities	515,479	745,187
Amount owing to associates	4	4
Current tax liabilities	115,417	107,561
Redeemable Convertible Cumulative Preference Shares	15,092	15,092
Hire-purchase and finance lease payables	3	47
Interest bearing bank borrowings	535,655	599,442
	1,181,650	1,467,333
Total Liabilities	4,186,520	4,434,992
Total Equity and Liabilities	8,230,352	8,286,258
Net assets per share attributable to ordinary equity holders of the Company	4.40	4.20

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 September 2017

(The figures have not been audited)

	Attributable to owners of the parent								
	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	Total Equity RM'000
At 1 January 2017	610,891	32,809	(5,722)	366,921	59,658	1,487,329	2,551,886	1,299,380	3,851,266
Adjustments for effects of Companies Act 2016 (Note A)	32,809	(32,809)	-	-	-	-	-	-	-
<u>Comprehensive income</u>									
Profit for the financial period	-	-	-	-	-	155,261	155,261	161,397	316,658
Other comprehensive income	-	-	-	-	(6,934)	-	(6,934)	(7,834)	(14,768)
Total comprehensive income for the financial period	-	-	-	-	(6,934)	155,261	148,327	153,563	301,890
<u>Transactions with owners</u>									
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	1,085	-	-	(940)	-	-	145	-	145
Dividend paid to ordinary shareholders	-	-	-	-	-	(12,171)	(12,171)	-	(12,171)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(108,639)	(108,639)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(8,982)	(8,982)	20,323	11,341
Total transactions with owners	1,085	-	-	(940)	-	(21,153)	(21,008)	(88,316)	(109,324)
At 30 September 2017	644,785	-	(5,722)	365,981	52,724	1,621,437	2,679,205	1,364,627	4,043,832
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
<u>Comprehensive income</u>									
Profit for the financial period	-	-	-	-	-	148,738	148,738	195,223	343,961
Other comprehensive income	-	-	-	-	(48,709)	-	(48,709)	(14,852)	(63,561)
Total comprehensive income for the financial period	-	-	-	-	(48,709)	148,738	100,029	180,371	280,400
<u>Transactions with owners</u>									
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	173	222	-	(318)	-	-	77	-	77
Dividend paid to ordinary shareholders	-	-	-	-	-	(12,156)	(12,156)	-	(12,156)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(113,357)	(113,357)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	(11,449)	(11,449)	8,943	(2,506)
Total transactions with owners	173	222	-	(318)	-	(23,605)	(23,528)	(104,414)	(127,942)
At 30 September 2016	610,667	32,562	(5,722)	367,332	38,000	1,471,543	2,514,382	1,323,961	3,838,343

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 September 2017

(The figures have not been audited)

	Current Year 30.9.2017 RM'000	Preceding Year 30.9.2016 RM'000
Operating Activities		
Cash receipts from customers	787,421	799,733
Cash paid to suppliers and employees	(435,186)	(290,680)
Cash flows generated from operations	352,235	509,053
Interests paid	(96,295)	(101,742)
Income taxes paid	(82,805)	(91,593)
Net cash generated from operating activities	173,135	315,718
Investing Activities		
Investment in associates	-	(1,168)
Proceeds from disposal of associates	-	2,706
Additional investment in available-for-sale financial assets	(20,944)	(13,095)
Additional investment in financial assets through profit and loss	(892)	(3,600)
Proceed from disposal of financial assets through profit and loss	9,615	1,660
Additions in investment properties, land held for property development and property, plant and equipments	(253,454)	(206,087)
Proceed from disposal of property, plant and equipments	576,905	220,072
Additions in biological assets	-	(10)
Advances to associates & joint ventures - net	(20,582)	(19,148)
Deposit released by license bank	-	534,088
Capital repayment to non-controlling interests of subsidiary	-	(2,494)
Dividend received from associates	167	1,960
Interest received	30,304	21,821
Net cash generated from investing activities	321,119	536,705
Financing Activities		
Additional investment in subsidiary from non-controlling interest	(600)	(12)
Proceed from issuance of share to non-controlling interest	11,940	-
Dividend paid to ordinary shareholders	(12,171)	(12,156)
Dividend paid to holders of RCPS	(18,169)	(18,222)
Dividend paid to non-controlling interests	(180,335)	(175,405)
Proceeds from/(Repayment of) borrowings - net	55,522	(510,070)
Payments of hire-purchase and finance lease liabilities	(62)	(33)
Net cash used in financing activities	(143,875)	(715,898)
Net increase in cash and cash equivalents during the financial period	350,379	136,525
Currency translation differences	11,246	2,739
Cash and cash equivalents at beginning of the financial period	1,012,025	576,052
Cash and cash equivalents at end of the financial period	1,373,650	715,316

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

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 September 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 during the financial year ended 31 December 2017:

	RM'000
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.	9,096
A dividend of 2% (based on the issue price of RM1.00) per Redeemable Convertible Cumulative Preference Shares under the single tier system has been paid on 10 August 2017	9,073
	<u>18,169</u>
A first interim single-tier dividend of 2 sen per Ordinary Share has been paid on 11 August 2017	<u>12,171</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 13 September 2017, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that Blackfriars Project Management Limited became a 50% associate of Verokey Sdn Bhd, a wholly-owned subsidiary of IGB.

On 20 September 2017, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that in respect of the voluntary winding-up of Amandamai Satu Sdn Bhd ("Amandamai") and Kennyvale Sdn Bhd ("Kennyvale"), both of which are wholly-owned subsidiaries of IGB, the Final Meetings of Amandamai and Kennyvale had been held on 20 September 2017 and these two companies shall be dissolved on the expiration of 3 months from 20 September 2017.

A10. Capital Commitments

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

	As at 30.9.2017	As at 31.12.2016
	RM'000	RM'000
Approved and contracted for:		
- Investment properties	630,819	820,084
- Property, plant and equipment	6,888	10,898
	<u>637,707</u>	<u>830,982</u>
Approved but not contracted for:		
- Investment properties	197,497	199,289
- Property, plant and equipment	4,449	8,956
	<u>201,946</u>	<u>208,245</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	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss	7,934	-	-	7,934
Available-for-sale financial assets	-	57,544	-	57,544
	<u>7,934</u>	<u>57,544</u>	<u>-</u>	<u>65,478</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 2016.

There have been no transfers between the levels of the fair value hierarchy during the financial period ended 30 September 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 30.9.2017 RM'000	Preceding Year Quarter 30.9.2016 RM'000	Changes (%)	Current Year To-Date 30.9.2017 RM'000	Preceding Year To-Date 30.9.2016 RM'000	Changes (%)
Revenue	285,916	350,732	-18.5%	838,860	943,279	-11.1%
Operating profit	123,038	271,573	-54.7%	376,081	463,398	-18.8%
Profit before interest and taxation	138,187	271,730	-49.1%	435,862	508,516	-14.3%
Profit before taxation	118,211	239,489	-50.6%	357,485	407,963	-12.4%
Profit after taxation	86,111	205,276	-58.1%	316,658	343,961	-7.9%
Profit attributable to ordinary equity holders of the parent	35,770	95,792	-62.7%	155,261	148,738	4.4%

The Group's revenue for the 9 months period ended 30 September 2017 decreased by 11.1% to RM838.9 million as compared to RM943.3 million for the 9 months period in the preceding year. The decrease in revenue was mainly due to lower contribution from the property development and hotel segment. The contribution from the property development segment for the 9 months period ended 30 September 2017 was RM25.7 million as compared to the contribution for the 9 months period in the preceding year of RM79.9 million due to a slow-down in sales of condominium units. For 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 Group has recorded lower profit before taxation of RM357.5 million for the 9 months period ended 30 September 2017 as compared to RM408.0 million for the corresponding 9 months period in the preceding year, which represented a decrease of 12.4%. This was mainly due to a one-off gain of RM136.2 million for the disposal of Micasa Hotel Apartment, Yangon which was recognised 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 slight increase in revenue of RM385.6 million and segmental profit of RM258.1 million for the 9 months period ended 30 September 2017 as compared to the revenue of RM370.3 million and segmental profit of RM245.8 million for the corresponding 9 months period in the preceding year, which represented an increase of 4.1% and 5.0% 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 RM130.6 million for the 9 months period ended 30 September 2017 as compared to the revenue of RM125.8 million for the corresponding 9 months period in the preceding year, representing an increase of 3.8%. The occupancy rate for the office towers in Mid Valley City are mostly above the average occupancy of 90%. The occupancy in Plaza Permata, GTower and Menara Tan & Tan are at 86%, 82% and 74% respectively.

Property Development

The Group's property development segment registered a lower revenue of RM25.7 million for the 9 months period ended 30 September 2017 as compared to the revenue of RM79.9 million for the corresponding 9 months period in the preceding year, which was lower by 67.8% 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 81% completed and the 400-unit condominium known as "Stonor 3", located in the vicinity of KLCC which is about 26% completed.

Hotel

The hotel segment registered a lower revenue of RM239.1 million for the 9 months period ended 30 September 2017 as compared to the revenue of RM295.9 million for the corresponding 9 months period in the preceding year. The reason for the decrease of 19.2% as a result of the reduction in revenue arising from 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.

The segment profit of RM90.1 million for the 9 months period ended 30 September 2017 was lower compared to the corresponding 9 months period in the preceding year of RM184.0 million due to the one off gain on the disposal of Micasa Hotel Apartment, Yangon.

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**

	Current Year Quarter 30.9.2017 RM'000	Preceding Quarter 30.6.2017 RM'000	Changes (%)
Revenue	285,916	271,398	5.3%
Operating profit	123,038	112,449	9.4%
Profit before interest and taxation	138,187	142,876	-3.3%
Profit before taxation	118,211	113,835	3.8%
Profit after taxation	86,111	94,301	-8.7%
Profit attributable to ordinary equity holders of the parent	35,770	46,322	-22.8%

The Group recorded a revenue of RM285.9 million for the current quarter as compared to the preceding quarter of RM271.4 million which was higher by 5.3% mainly due to higher revenue derived from most of the operating segments except property development segment.

The Group's profit after taxation of RM118.2 million for the current quarter increased by 3.8% as compared to the profit after taxation reported in the preceding quarter of RM113.8 million. The higher profit after tax for the preceding quarter was mainly due to an increase in the revenue.

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

	Current Quarter RM'000	Current YTD RM'000
Current tax:		
- Malaysian tax	31,872	82,566
- Foreign tax	130	713
	<u>32,002</u>	<u>83,279</u>
Deferred Tax	98	(42,452)
	<u>32,100</u>	<u>40,827</u>

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.

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 for 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 RCPS.

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.

On 20 September 2017, Bursa Securities had granted its approval for the listing of and quotation for the Consideration Shares, the Consideration New RCCPS and the new Goldis Shares to be issued upon conversion of the Consideration New RCCPS on the Main Market of Bursa Securities pursuant to the Proposed Scheme.

On 20 October 2017, BNM had granted its approval for the proposed issuance of the New RCCPS to non-residents in relation to the Consideration New RCCPS pursuant to the Proposed Scheme.

On 20 November 2017, the Company announced that the Proposed Scheme was duly passed at the Extraordinary General Meeting.

On 21 November 2017, IGB announced that the Proposed Scheme was approved by the requisite majority at the Court Convened Meeting.

B8. Details of Group Borrowings and Debt Securities

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

	As at 30.9.2017					
	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
Secured						
Revolving credits	-	911,200	-	77,145	-	988,345
Revolving credits - USD	-	-	10,000	42,220	10,000	42,220
Revolving credits - AUD	-	-	10,000	33,090	10,000	33,090
Term loans	-	135,000	-	106,018	-	241,018
Medium Term Notes	-	1,705,742	-	1,591	-	1,707,333
Unsecured						
Revolving credits	-	-	-	275,591	-	275,591
Total	-	2,751,942	-	535,655	-	3,287,597

	As at 30.9.2016					
	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
Secured						
Revolving credits	-	910,400	-	206,735	-	1,117,135
Revolving credits - USD	-	-	9,200	38,051	9,200	38,051
Revolving credits - AUD	-	-	27,000	63,264	27,000	63,264
Term loans	-	1,587,173	-	64,524	-	1,651,697
Unsecured						
Revolving credits	-	-	-	225,658	-	225,658
Total	-	2,497,573	-	598,232	-	3,095,805

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 September 2017, RM500.0 million nominal value of MTN have been issued with the maturity date on 20 December 2021.

On 20 November 2017, IGB REIT Capital Sdn Bhd, a wholly-owned subsidiary of IGB REIT via MTrustee Berhad, issued the first tranche AAA-rated Medium Term Notes ("Tranche 1, MTNs") amounting to RM1.2 billion which was advanced to IGB REIT to fully settle the existing RM1.2 billion Fixed Rate Term Loan. The Tranche 1 MTNs has a tenure of seven years.

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

GOLDIS BERHAD

Notes to the Interim Financial Report

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

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

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

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

	Current Quarter	Preceding Year Qtr	Current YTD	Preceding YTD
Net profit attributable to ordinary equity holders of the Company (RM'000)	35,770	95,792	155,261	148,738
Weighted average no. of ordinary shares in issue ('000)	608,544	607,796	608,361	607,737
Basic earnings per share (sen)	5.88	15.76	25.52	24.47

(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	35,770	95,792	155,261	148,738
Add: Interest on RCPS saved as a result of conversion	760	1,021	2,386	3,181
Less: Tax relief thereon	(149)	(210)	(508)	(706)
Adjusted Earning	36,381	96,603	157,139	151,213
Weighted average no. of ordinary shares in issue ('000)	608,544	607,796	608,361	607,737
Adjustments for potential dilutive on maximum conversion of RCPS ('000)	198,972	199,707	198,972	199,707
Weighted average number of ordinary shares for diluted earnings per share ('000)	807,516	807,503	807,333	807,444
Diluted earnings per share (sen)	4.51	11.96	19.46	18.73

B12. Notes to Statements of Comprehensive income

	Current Quarter RM'000	Current YTD RM'000
(a) Interest income	8,915	33,834
(b) Other income including investment income	9,701	66,063
(c) Interest expenses	(19,976)	(78,377)
(d) Depreciation and amortisation	(32,275)	(98,420)
(e) Unrealised foreign exchange (loss)/gain	(193)	443
(f) Foreign exchange gain	4,678	9,399
(g) Gain on disposal of properties, plant and equipments	-	34,047

GOLDIS BERHADNotes to the Interim Financial Report

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

	As at 30.9.2017 RM'000	As at 31.12.2016 RM'000
Total Retained Earnings		
- Realised	1,698,673	1,642,152
- Unrealised	<u>(133,641)</u>	<u>(174,698)</u>
	1,565,032	1,467,454
Total Share of Retained Profits from Associate		
- Realised	289,485	268,454
- Unrealised	<u>(6,818)</u>	<u>(6,267)</u>
	1,847,699	1,729,641
Less: Consolidation Adjustments	<u>(226,262)</u>	<u>(242,312)</u>
Total Retained Earnings	<u>1,621,437</u>	<u>1,487,329</u>

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.