

# **GOLDIS BERHAD**

## **Interim Financial Report**

For the financial year ended 31 December 2017

---

### **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. Prospects for 2018
  - 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
-

**GOLDIS BERHAD**  
**Condensed Consolidated Income Statements**  
For the financial year ended 31 December 2017  
*(The figures have not been audited)*

	<b>Current Year Quarter 31.12.2017 RM'000</b>	Preceding Year Quarter 31.12.2016 RM'000	<b>Current Year To-Date 31.12.2017 RM'000</b>	Preceding Year To-Date 31.12.2016 RM'000
Revenue	362,668	312,194	1,201,528	1,255,473
Cost of sales	<b>(164,312)</b>	(158,492)	<b>(533,935)</b>	(611,331)
Gross profit	<b>198,356</b>	153,702	<b>667,593</b>	644,142
Other operating income	7,275	14,079	73,338	180,571
Administrative expenses	<b>(54,601)</b>	(78,405)	<b>(188,583)</b>	(250,610)
Other operating expenses	<b>(11,300)</b>	5,570	<b>(36,537)</b>	(15,759)
Profit from operations	<b>139,730</b>	94,946	<b>515,811</b>	558,344
Finance income	<b>15,796</b>	6,822	<b>49,630</b>	32,130
Finance costs	<b>(25,164)</b>	(29,251)	<b>(103,541)</b>	(129,804)
Share of results of associates and joint ventures	<b>3,471</b>	2,428	<b>29,418</b>	22,238
Profit before taxation	<b>133,833</b>	74,945	<b>491,318</b>	482,908
Tax expense	<b>(18,721)</b>	(19,020)	<b>(59,548)</b>	(83,022)
<b>Profit for the financial year</b>	<b>115,112</b>	55,925	<b>431,770</b>	399,886
<b>Attributable to:</b>				
Owners of the parent	<b>59,882</b>	16,289	<b>215,143</b>	165,027
Non-controlling interests	<b>55,230</b>	39,636	<b>216,627</b>	234,859
<b>Profit for the financial year</b>	<b>115,112</b>	55,925	<b>431,770</b>	399,886
<b>Earnings per share attributable to equity holders of the Company (sen)</b>				
Basic	<b>9.84</b>	2.68	<b>35.36</b>	27.15
Diluted	<b>7.47</b>	2.10	<b>26.94</b>	20.84

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 year ended 31 December 2017

*(The figures have not been audited)*

	<b>Current Year Quarter 31.12.2017 RM'000</b>	Preceding Year Quarter 31.12.2016 RM'000	<b>Current Year To-Date 31.12.2017 RM'000</b>	Preceding Year To-Date 31.12.2016 RM'000
<b>Profit for the financial year</b>	<b>115,112</b>	55,925	<b>431,770</b>	399,886
<b>Other comprehensive income/(loss):</b>				
Currency translation differences				
- equity holders	<b>(20,051)</b>	24,946	<b>(33,941)</b>	(23,763)
- non-controlling interests	<b>(8,665)</b>	12,260	<b>(16,499)</b>	(2,592)
Available-for-sale financial assets				
- net change in fair value	<b>(5,135)</b>	(3,288)	<b>1,821</b>	(3,288)
Items that may be subsequently reclassified to profit or loss	<b>(33,851)</b>	33,918	<b>(48,619)</b>	(29,643)
<b>Total comprehensive income for the financial year</b>	<b>81,261</b>	89,843	<b>383,151</b>	370,243
<b>Attributable to:</b>				
Owners of the parent	<b>34,694</b>	37,947	<b>183,023</b>	137,976
Non-controlling interests	<b>46,567</b>	51,896	<b>200,128</b>	232,267
<b>Total comprehensive income for the financial year</b>	<b>81,261</b>	89,843	<b>383,151</b>	370,243

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 31 December 2017

*(The figures have not been audited)*

	31.12.2017	31.12.2016
	RM'000	RM'000
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1,633,541	1,705,020
Inventories	286,576	252,906
Investment properties	2,931,960	2,725,284
Long term prepaid lease	395	422
Intangible assets	17,899	14,418
Biological assets	-	102
Associates and joint ventures	847,471	852,608
Available-for-sale financial assets	53,088	29,644
Concession receivables	102,268	100,302
Prepayment	1,516	-
Deferred tax assets	27,498	12,796
	<b>5,902,212</b>	<b>5,693,502</b>
<b>Current Assets</b>		
Inventories	590,770	513,609
Financial assets at fair value through profit or loss	1,782	17,778
Concession receivables	3,191	3,313
Amount owing from associates and joint ventures	88,866	66,952
Receivables and contract assets	210,083	207,574
Tax recoverable	18,159	24,206
Cash held under Housing Development Accounts	26,020	87,700
Deposits, cash and bank balances	1,561,873	963,599
	<b>2,500,744</b>	<b>1,884,731</b>
<b>Assets classified as held-for-sale</b>	-	708,025
	<b>2,500,744</b>	<b>2,592,756</b>
<b>Total Assets</b>	<b>8,402,956</b>	<b>8,286,258</b>
<b>Equity and Liabilities</b>		
<b>Equity Attributable To Owners Of The Parent</b>		
Share capital	645,030	610,891
Share premium	-	32,809
Treasury shares	(5,722)	(5,722)
Redeemable Convertible Cumulative Preference Shares	365,847	366,921
Other reserves	27,273	59,658
Retained earnings	1,678,340	1,487,329
	<b>2,710,768</b>	<b>2,551,886</b>
Non-controlling interests	1,322,847	1,299,380
<b>Total Equity</b>	<b>4,033,615</b>	<b>3,851,266</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Payables and contract liabilities	95,329	90,129
Deferred tax liabilities	122,739	174,257
Redeemable Convertible Cumulative Preference Shares	31,746	49,004
Hire-purchase and finance lease payables	-	33
Interest bearing bank borrowings	2,856,963	2,654,236
	<b>3,106,777</b>	<b>2,967,659</b>
<b>Current Liabilities</b>		
Payables and contract liabilities	583,333	745,187
Amount owing to associates	4	4
Current tax liabilities	113,228	107,561
Redeemable Convertible Cumulative Preference Shares	17,096	15,092
Hire-purchase and finance lease payables	-	47
Interest bearing bank borrowings	548,903	599,442
	<b>1,262,564</b>	<b>1,467,333</b>
<b>Total Liabilities</b>	<b>4,369,341</b>	<b>4,434,992</b>
<b>Total Equity and Liabilities</b>	<b>8,402,956</b>	<b>8,286,258</b>
<b>Net assets per share attributable to ordinary equity holders of the Company</b>	<b>4.45</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 year ended 31 December 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><u>Comprehensive income</u></b>									
Profit for the financial year	-	-	-	-	-	215,143	215,143	216,627	431,770
Other comprehensive income	-	-	-	-	(32,120)	-	(32,120)	(16,499)	(48,619)
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,120)</b>	<b>215,143</b>	<b>183,023</b>	<b>200,128</b>	<b>383,151</b>
<b><u>Transactions with owners</u></b>									
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	1,330	-	-	(1,074)	-	(94)	162	-	162
Dividend paid to ordinary shareholders	-	-	-	-	-	(12,171)	(12,171)	-	(12,171)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(200,134)	(200,134)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(265)	(11,867)	(12,132)	23,473	11,341
<b>Total transactions with owners</b>	<b>1,330</b>	<b>-</b>	<b>-</b>	<b>(1,074)</b>	<b>(265)</b>	<b>(24,132)</b>	<b>(24,141)</b>	<b>(176,661)</b>	<b>(200,802)</b>
<b>At 31 December 2017</b>	<b>645,030</b>	<b>-</b>	<b>(5,722)</b>	<b>365,847</b>	<b>27,273</b>	<b>1,678,340</b>	<b>2,710,768</b>	<b>1,322,847</b>	<b>4,033,615</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><u>Comprehensive income</u></b>									
Profit for the financial year	-	-	-	-	-	165,027	165,027	234,859	399,886
Other comprehensive income	-	-	-	-	(27,051)	-	(27,051)	(2,592)	(29,643)
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,051)</b>	<b>165,027</b>	<b>137,976</b>	<b>232,267</b>	<b>370,243</b>
<b><u>Transactions with owners</u></b>									
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)
<b>Total transactions with owners</b>	<b>397</b>	<b>469</b>	<b>-</b>	<b>(729)</b>	<b>-</b>	<b>(24,108)</b>	<b>(23,971)</b>	<b>(180,891)</b>	<b>(204,862)</b>
<b>At 31 December 2016</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>

#### 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 year ended 31 December 2017

*(The figures have not been audited)*

	Current Year 31.12.2017 RM'000	Preceding Year 31.12.2016 RM'000
<b>Operating Activities</b>		
Cash receipts from customers	1,133,331	1,385,784
Cash paid to suppliers and employees	(599,991)	(596,907)
Cash flows generated from operations	533,340	788,877
Interests paid	(112,427)	(137,751)
Income taxes paid	(113,742)	(118,468)
<b>Net cash generated from operating activities</b>	<b>307,171</b>	<b>532,658</b>
<b>Investing Activities</b>		
Subscription of additional shares in associates	-	(1,168)
Proceeds from disposal of associates	-	546
Capital repayment from an associate	-	1,240
Additional investment in available-for-sale financial assets	(21,623)	(13,095)
Additional investment in financial assets through profit or loss	(7,364)	(1,522)
Proceed from disposal of financial assets through profit or loss	9,615	5,490
Additions in investment properties, land held for property development and property, plant and equipments	(341,782)	(328,806)
Proceed from disposal of land held for property development	-	498
Proceed from disposal of property, plant and equipments	581,905	202,148
Additions in biological assets	-	(10)
Additions in intangible assets	-	(161)
Proceed from redemption of preference shares in associates	-	6,500
Advances to associates & joint ventures - net	(14,809)	(9,731)
Deposit released by license bank	(107,655)	534,088
Capital repayment to non-controlling interests of subsidiary	-	(2,494)
Dividend received from associates	167	1,891
Interest received	44,946	28,363
<b>Net cash generated from investing activities</b>	<b>143,400</b>	<b>423,777</b>
<b>Financing Activities</b>		
Additional investment in subsidiary from non-controlling interest	(600)	(15)
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	(18,170)	(18,222)
Dividend paid to non-controlling interests	(190,215)	(180,688)
Proceeds from/(Repayment of) borrowings - net	168,376	(298,253)
Payments of hire-purchase and finance lease liabilities	(80)	(44)
Deposit held with trustee	-	(8,793)
<b>Net cash used in financing activities</b>	<b>(40,920)</b>	<b>(518,171)</b>
Net increase in cash and cash equivalents during the financial year	409,651	438,264
Currency translation differences	19,288	(2,291)
Cash and cash equivalents at beginning of the financial year	1,012,025	576,052
<b>Cash and cash equivalents at end of the financial year</b>	<b>1,440,964</b>	<b>1,012,025</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

---

### 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 year.

#### 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 year.

#### 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 1,330,244 Redeemable Convertible Cumulative Preference Shares ("RCPS") at an issue price of RM1.00 per RCPS into 583,435 ordinary shares at a conversion price of RM2.28;
- (ii) The number of treasury shares held as at 31 December 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:

	<b>RM'000</b>
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

#### A7. Operating Segment Reporting

The Group is organised into five main business segments:-

	Property investment - retail RM'000	Property investment - commercial RM'000	Property development RM'000	Hotel RM'000	Construction RM'000	Others RM'000	Group RM'000
<b><u>Year ended 31 December 2017</u></b>							
Total segment revenue	573,981	197,804	102,326	332,485	319,613	163,532	1,689,741
Inter-segment revenue	(55,714)	(24,595)	-	(8,367)	(319,613)	(79,924)	(488,213)
Revenue from external customers	518,267	173,209	102,326	324,118	-	83,608	1,201,528
Segment results	340,631	72,276	43,220	116,843	280	(4,788)	568,462
Unallocated expenses							(52,651)
Profit from operations							515,811
Finance income							49,630
Finance costs							(103,541)
Share of results of associates and joint ventures	-	3,109	(176)	26,137	-	348	29,418
Profit before taxation							491,318
Tax expense							(59,548)
Profit for the financial year							431,770
<b><u>Year ended 31 December 2016</u></b>							
Total segment revenue	546,995	195,564	93,551	412,985	237,021	159,441	1,645,557
Inter-segment revenue	(55,626)	(23,696)	-	(9,849)	(237,021)	(63,892)	(390,084)
Revenue from external customers	491,369	171,868	93,551	403,136	-	95,549	1,255,473
Segment results	325,898	83,577	42,621	199,700	(2,872)	(42,071)	606,853
Unallocated expenses							(48,509)
Profit from operations							558,344
Finance income							32,130
Finance costs							(129,804)
Share of results of associates and joint ventures	-	2,558	5,369	10,670	-	3,641	22,238
Profit before taxation							482,908
Tax expense							(83,022)
Profit for the financial year							399,886



# 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.

On 27 November 2017, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that in respect of the voluntary winding-up of X-Speed Sdn Bhd ("X-Speed"), a wholly-owned subsidiary of IGB, the Final Meeting of X-Speed had been held on 27 November 2017 and the company shall be dissolved on the expiration of 3 months from the date of lodgement of the Return by Liquidator relating to the Final Meeting of X-Speed on 27 November 2017 with the Companies Commission of Malaysia.

#### A10. Capital Commitments

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

	As at 31.12.2017	As at 31.12.2016
	RM'000	RM'000
Approved and contracted for:		
- Investment properties	413,939	820,084
- Property, plant and equipment	41,725	10,898
	<b>455,664</b>	<b>830,982</b>
Approved but not contracted for:		
- Investment properties	435,167	199,289
- Property, plant and equipment	9,267	8,956
	<b>444,434</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	1,782	-	-	1,782
Available-for-sale financial assets	-	53,088	-	53,088
	<b>1,782</b>	<b>53,088</b>	<b>-</b>	<b>54,870</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 year ended 31 December 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 31.12.2017 RM'000	Preceding Year Quarter 31.12.2016 RM'000	Changes (%)	Current Year To-Date 31.12.2017 RM'000	Preceding Year To-Date 31.12.2016 RM'000	Changes (%)
Revenue	362,668	312,194	16.2%	1,201,528	1,255,473	-4.3%
Operating profit	139,730	94,946	47.2%	515,811	558,344	-7.6%
Profit before interest and taxation	158,997	104,196	52.6%	594,859	612,712	-2.9%
Profit before taxation	133,833	74,945	78.6%	491,318	482,908	1.7%
Profit after taxation	115,112	55,925	105.8%	431,770	399,886	8.0%
Profit attributable to ordinary equity holders of the parent	59,882	16,289	267.6%	215,143	165,027	30.4%

The Group recorded a revenue of RM362.7 million for the final quarter ended 31 December 2017, increased by 16.2% compared to RM312.2 million for the final quarter in the preceding year mainly due to recognition of revenue of RM 61.9 million from the sale of land by a subsidiary which mitigated the lower contribution from the hotel segment. The final quarter ended 31 December 2016 had included the revenue from Renaissance Kuala Lumpur Hotel amounting to RM 22.5 million. This hotel was disposed in January 2017.

The Group recorded a profit before tax of RM133.8 million for the final quarter ended 31 December 2017, an increase of 78.6% compared to RM74.9 million for the final quarter in the preceding year as a result of better performances from the investment - retail and the one off gain of RM27.3 million from the disposal of land by a subsidiary recognised in property development segment for the current quarter.

The Group's revenue for the financial year ended 31 December 2017 decreased by 4.3% to RM1,201.5 million as compared to RM1,255.5 million for the preceding year. The decrease in revenue was mainly due to lower contribution from the hotel segment and investment segment.

**Property Investment - Retail and Commercial**

The property investment - retail segment represented by IGB REIT, the owner of Midvalley Megamall and The Gardens Mall, registered an increase in revenue to RM518.3 million and segmental profit of RM340.6 million for the financial year ended 31 December 2017 as compared to the revenue of RM491.4 million and segmental profit of RM325.9 million for the preceding year, which represented an increase of 5.5% and 4.5% 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 RM173.2 million for the financial year ended 31 December 2017 as compared to the revenue of RM171.9 million for the preceding year, representing an increase of 7.8%. 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 87%, 82% and 68% respectively.

**Property Development**

The Group's property development segment registered a higher revenue of RM102.3 million for the financial year ended 31 December 2017 as compared to the revenue of RM93.6 million for the preceding year, which was higher by 9.4% mainly because of the one off revenue of RM61.9 million from the sale of land by a subsidiary. 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 85% completed and the 400-unit condominium known as "Stonor 3", located in the vicinity of KLCC which is about 35% completed.

**Hotel**

The hotel segment registered a lower revenue of RM324.1 million for the financial year ended 31 December 2017 as compared to the revenue of RM403.1 million for the preceding year. The reason for the decrease of 19.6% was due to 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 RM116.8 million for the financial year ended 31 December 2017 was lower compared to the preceding year of RM199.7 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

#### B1. Review of Performance (continued)

##### Investment

Revenue from the investment segment, mainly from Mid Valley City Energy Sdn Bhd, the distributor of electricity in Mid Valley City and IGB International School, which is located in Sungai Buloh, had decreased by 34.0% mainly due to lower consumption of utilities by the tenants at Mid Valley. This was mitigated by the increase in revenue from the the China Water Group, which had increased by 43.7% due to the increase in the volume of water treated and the revision of rate.

#### B2. Comparison with Preceding Quarter's Results

	Current Year Quarter 31.12.2017 RM'000	Preceding Quarter 30.9.2017 RM'000	Changes (%)
Revenue	362,668	285,916	26.8%
Operating profit	139,730	123,038	13.6%
Profit before interest and taxation	158,997	138,187	15.1%
Profit before taxation	133,833	118,211	13.2%
Profit after taxation	115,112	86,111	33.7%
Profit attributable to ordinary equity holders of the parent	59,882	35,770	67.4%

The Group recorded a higher revenue of RM362.7 million and profit before tax of RM133.8 million for the current quarter as compared to the revenue of RM285.9 million and profit before tax of RM118.2 million for the preceding quarter which represented an increase of 26.8% and 13.2% respectively. The increase in revenue and profit before tax was mainly due to recognition of revenue of RM61.9 million and an one off gain of RM27.3 million from the sale of land by a subsidiary.

#### B3. Prospects for 2018

With the completion of the Corporate Exercise, the Board expects the full consolidation of the businesses to create a more cohesive, effective and efficient operating structure going forward.

##### 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

In view of the weak sentiment in the property market and the recent increase in the interest rate, 2018 will continue to be a difficult year for the property development segment.

##### Hotel

Our Group expects a stable performance within our hotel segment moving forward although the hotel operation industry will be more competitive with the increase in the number of new hotel developments.

#### 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	30,121	112,687
- Foreign tax	6,342	7,055
	<u>36,463</u>	<u>119,742</u>
Deferred Tax	<u>(17,742)</u>	<u>(60,194)</u>
	<u>18,721</u>	<u>59,548</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, and the reversal of deferred tax provisions arising from the disposal of certain assets by the Group.

**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 Securities Berhad ("Bursa Malaysia").

In consideration of the acquisition of IGB shares by the Company, Goldis Berhad ("Goldis") 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 it had 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 its intention to revise the terms of the Proposed Scheme and it 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 it had 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) had 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 Malaysia had, via its letter dated 11 July 2017, approved its 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 its 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 it had 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. Goldis had 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 had submitted an application to Bank Negara Malaysia ("BNM") 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 had submitted an application to Bursa Malaysia 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 Malaysia.

On 20 September 2017, Bursa Malaysia 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 Malaysia 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.

On 28 December 2017, IGB announced that the High Court of Malaya ("High Court") had on 28 December 2017 granted an order sanctioning the Proposed Scheme pursuant to Section 366 of the Companies Act 2016.

On 9 January 2018, IGB announced that the order of the High Court sanctioning the Proposed Scheme was lodged with the Registrar of Companies Malaysia on 9 January 2018 and accordingly, the Proposed Scheme is now legally effective.

On 10 January 2018, IGB announced that Scheme Shareholders whose names appear on the Record of Depositors of IGB as at 5.00 p.m. on 25 January 2018 will be entitled to participate in the Scheme. The other key events and dates included in the announcement are as follows:

Last day of trading of IGB shares	:	18 January 2018 (5.00 p.m.)
Date of suspension of trading of IGB Shares	:	19 January 2018 (9.00 a.m.)
Scheme Entitlement Date	:	25 January 2018
Election Offer Notice (together with Election Notice) to Entitled Scheme Shareholders	:	29 January 2018
Election Period	:	29 January 2018 to 20 February 2018
Settlement of Offer Price	:	Within 10 days after 20 February 2018 (sometime early March 2018)
Tentative date of completion of Scheme	:	Early March 2018
Tentative date for delisting of IGB Shares	:	Mid March 2018

On 29 January 2018, IGB announced that the Election Offer Notice (together with the Election Notice) dated 29 January 2018 had been sent to the Entitled Scheme Shareholders on 29 January 2018.

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

The Groups' borrowings and debts securities as at 31 December 2017 are as follows:

	As at 31.12.2017					
	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	-	927,800	-	80,300	-	1,008,100
Revolving credits - USD	-	-	10,000	40,480	10,000	40,480
Revolving credits - AUD	-	-	10,000	31,607	10,000	31,607
Term loans	-	135,000	-	106,024	-	241,024
Medium Term Notes	-	1,794,163	-	14,900	-	1,809,063
<b>Unsecured</b>						
Revolving credits	-	-	-	275,592	-	275,592
<b>Total</b>	-	2,856,963	-	548,903	-	3,405,866

**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 (continued)**

	As at 31.12.2016					
	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	-	920,100	-	35,611	-	955,711
Revolving credits - USD	-	-	10,000	41,271	10,000	41,271
Revolving credits - AUD	-	-	20,000	64,760	20,000	64,760
Term loans	-	1,440,176	-	66,676	-	1,506,852
Medium Term Notes	-	293,960	-	-	-	293,960
<b>Unsecured</b>						
Revolving credits	-	-	-	391,124	-	391,124
<b>Total</b>	-	2,654,236	-	599,442	-	3,253,678

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 31 December 2017, RM600.0 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.

**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. Proposed 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 August 2017 up to and including 15 February 2018 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. The book closure date for the RCPS dividend is on 17 January 2018 to determine shareholders' entitlement and the said dividend will be paid out on 14 February 2018.

**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 year.

	Current Quarter	Preceding Year Qtr	Current YTD	Preceding YTD
Net profit attributable to ordinary equity holders of the Company (RM'000)	59,882	16,289	215,143	165,027
Weighted average no. of ordinary shares in issue ('000)	608,596	607,960	608,420	607,793
Basic earnings per share (sen)	<u>9.84</u>	<u>2.68</u>	<u>35.36</u>	<u>27.15</u>

**(b) Diluted Earnings Per Share**

For diluted earnings per share of the Group, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares from maximum conversion of RCPS.

	Current Quarter RM'000	Preceding Year Qtr RM'000	Current YTD RM'000	Preceding YTD RM'000
Profit for basic EPS	59,882	16,289	215,143	165,027
Add: Interest on RCPS saved as a result of conversion	689	913	3,075	4,094
Less: Tax relief thereon	(215)	(209)	(723)	(915)
Adjusted Earning	<u>60,356</u>	<u>16,993</u>	<u>217,495</u>	<u>168,206</u>
Weighted average no. of ordinary shares in issue ('000)	608,596	607,960	608,420	607,793
Adjustments for potential dilutive on maximum conversion of RCPS ('000)	198,900	199,484	198,900	199,484
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>807,496</u>	<u>807,444</u>	<u>807,320</u>	<u>807,277</u>
Diluted earnings per share (sen)	<u>7.47</u>	<u>2.10</u>	<u>26.94</u>	<u>20.84</u>

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

	Current Quarter RM'000	Current YTD RM'000
(a) Interest income	15,796	49,630
(b) Other income including investment income	7,275	73,338
(c) Interest expenses	(25,164)	(103,541)
(d) Depreciation and amortisation	(26,984)	(125,404)
(e) Unrealised foreign exchange (loss)/gain	(5,130)	(4,687)
(f) Realised foreign exchange gain/(loss)	(8,566)	833
(g) Gain on disposal of properties, plant and equipments	<u>252</u>	<u>34,299</u>

**B13. Realised and Unrealised Retained Earnings**

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Total Retained Earnings		
- Realised	1,734,192	1,642,152
- Unrealised	<u>(110,857)</u>	<u>(174,698)</u>
	1,623,335	1,467,454
Total Share of Retained Profits from Associate		
- Realised	292,164	268,454
- Unrealised	<u>(6,020)</u>	<u>(6,267)</u>
	1,909,479	1,729,641
Less: Consolidation Adjustments	<u>(231,139)</u>	<u>(242,312)</u>
Total Retained Earnings	<u>1,678,340</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.