

Interim Financial Report for the three months ended 30 June 2018

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Note:

A1 to A11 are explanatory notes in accordance with MFRS134.

B1 to B13 are explanatory notes in accordance with paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements.

Condensed Consolidated Income Statements

(The figures have not been audited)

	Current Year Quarter 30.06.2018 RM' 000	Preceding Year Quarter 30.06.2017 RM' 000	Current Year- To-Date 30.06.2018 RM' 000	Preceding Year- To-Date 30.06.2017 RM' 000
Revenue	293,498	271,398	587,693	552,944
Cost of sales	(132,646)	(119,648)	(258,008)	(243,500)
Gross profit	160,852	151,750	329,685	309,444
Other operating income	9,425	10,633	18,421	56,362
Administrative expenses	(47,940)	(49,310)	(98,583)	(88,682)
Other operating expenses	(11,234)	(624)	(18,004)	(24,081)
Profit from operations	111,103	112,449	231,519	253,043
Finance income	10,956	13,198	23,060	24,919
Finance costs	(35,671)	(29,041)	(61,530)	(58,401)
Share of after-tax results of associates and joint venture	13,104	17,229	6,718	19,713
Profit before tax	99,492	113,835	199,767	239,274
Less tax:				
Company and subsidiaries	(25,362)	(19,534)	(55,425)	(8,727)
Profit for the period	74,130	94,301	144,342	230,547
Attributable to:				
Equity holders of the Company	41,270	46,322	75,348	119,491
Non-controlling interests	32,860	47,979	68,994	111,056
	74,130	94,301	144,342	230,547
Earnings per share (sen)				
- basic	6.32	7.61	11.55	19.64
- diluted	4.67	5.81	8.49	14.96

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

Condensed Consolidated Statements of Comprehensive Income

(The figures have not been audited)

	Current Year Quarter 30.06.2018 RM' 000	Preceding Year Quarter 30.06.2017 RM' 000	Current Year- To-Date 30.06.2018 RM' 000	Preceding Year- To-Date 30.06.2017 RM' 000
Profit for the financial period	74,130	94,301	144,342	230,547
Other comprehensive income/(loss):				
Currency translation differences				
- equity holders	(4,201)	(4,698)	(18,773)	(16,300)
- non-controlling interests	2,259	(2,893)	(126)	(7,684)
Available-for-sale financial assets				
- net change in fair value	(781)	-	7,113	6,956
Items that may subsequently be reclassified to profit or loss	(2,723)	(7,591)	(11,786)	(17,028)
Total comprehensive income for the financial period	71,407	86,710	132,556	213,519
Total comprehensive income for the financial period attributable to:				
Equity holders of the Company	36,288	41,625	63,688	110,148
Non-controlling interests	35,119	45,085	68,868	103,371
Total comprehensive income for the financial period	71,407	86,710	132,556	213,519

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

Condensed Consolidated Statements of Financial Position
(The figures have not been audited)

	30.06.2018	<i>Audited</i> 31.12.2017
	RM '000	RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,591,610	1,633,541
Inventories	286,679	286,576
Investment properties	3,136,604	2,931,959
Long term prepaid lease	382	395
Intangible assets	17,744	17,899
Associates and joint ventures	835,263	847,471
Available-for-sale financial assets	69,793	53,088
Concession receivables	105,468	104,979
Deferred tax assets	27,247	27,559
Prepayment	-	1,516
	6,070,790	5,904,983
CURRENT ASSETS		
Inventories	644,813	590,700
Financial assets at fair value through profit or loss	1,563	1,782
Concession receivables	3,983	4,061
Amounts owing by associates and joint ventures	92,692	88,866
Receivables and contract assets	218,010	198,894
Tax recoverable	19,616	18,158
Cash held under Housing Development Accounts	21,649	26,020
Deposits, cash and bank balances	1,181,868	1,561,873
	2,184,194	2,490,354
TOTAL ASSETS	8,254,984	8,395,337
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	884,285	645,030
Treasury shares	(5,722)	(5,722)
Redeemable Convertible Cumulative Preference Shares	504,070	365,847
Other reserves	7,783	27,273
Retained earnings	1,910,585	1,678,340
	3,301,001	2,710,768
Non-controlling interests	127,664	1,322,847
TOTAL EQUITY	3,428,665	4,033,615
LIABILITIES		
NON-CURRENT LIABILITIES		
Payables and contract liabilities	86,216	95,327
Deferred tax liabilities	136,337	143,195
Redeemable Convertible Cumulative Preference Shares	62,891	31,746
Interest bearing bank borrowings	3,436,667	2,856,048
	3,722,111	3,126,316
CURRENT LIABILITIES		
Payables and contract liabilities	543,834	575,657
Amounts owing to associates	4	4
Current tax liabilities	113,068	92,831
Redeemable Convertible Cumulative Preference Shares	24,381	17,096
Interest bearing bank borrowings	422,921	549,818
	1,104,208	1,235,406
TOTAL LIABILITIES	4,826,319	4,361,722
TOTAL EQUITY AND LIABILITIES	8,254,984	8,395,337

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

IGB Berhad (515802-U)
(formerly known as Goldis Berhad)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2018
(The figures have not been audited)

	Attributable to equity holders					Non-controlling Interests		Total Equity RM '000
	Share Capital RM '000	Treasury Shares RM '000	Redeemable Convertible Cumulative Preference Shares RM '000	Other reserves RM '000	Retained earnings RM '000	Total RM '000	RM '000	
At 1 January 2018	645,030	(5,722)	365,847	27,273	1,678,340	2,710,768	1,322,847	4,033,615
Total comprehensive income for the period	-	-	-	(11,660)	75,348	63,688	68,868	132,556
Conversion of Redeemable Convertible Cumulative Preference Shares to ordinary shares	65,829	-	(48,983)	-	13	16,859	-	16,859
Dividend paid to non-controlling interests	-	-	-	-	-	-	(41,426)	(41,426)
Changes in ownership interests in subsidiaries that do not result in a loss of control								
- acquisition of IGB Corporation Berhad	173,426	-	187,206	(7,830)	168,824	521,626	(1,253,136)	(731,510)
- other subsidiaries	-	-	-	-	(11,940)	(11,940)	30,511	18,571
Total transactions with equity holders	239,255	-	138,223	(7,830)	156,897	526,545	(1,264,051)	(737,506)
At 30 June 2018	884,285	(5,722)	504,070	7,783	1,910,585	3,301,001	127,664	3,428,665

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 2017
(The figures have not been audited)

	Attributable to equity holders						Non-controlling	Total	
	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		Interests 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 (See Note 1)	32,809	(32,809)	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(9,344)	119,491	110,147	103,372	213,519
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)
Total transactions with equity holders	1,085	-	-	(940)	-	(6,070)	(5,925)	(85,310)	(91,235)
At 30 June 2017	644,785	-	(5,722)	365,981	50,314	1,600,750	98,297	1,317,442	3,973,550

Note 1

With the Companies Act, 2016 coming into effect on 31 January 2017, the credit standing in the share premium account of RM32,809,000 was transferred to the share capital account.

Condensed Consolidated Cash Flow Statements

(The figures have not been audited)

	30.06.2018 RM '000	30.06.2017 RM '000
Operating activities		
Receipts from customers	596,529	482,163
Payments to contractors, suppliers and employees	(332,524)	(303,877)
Cash flow generated from/(used in) operations	264,005	178,286
Interests paid	(55,919)	(53,936)
Income taxes paid	(45,640)	(52,678)
Net cash generated from operating activities	162,446	71,672
Investing activities		
Additional investments in available-for-sale financial assets	(9,436)	(20,617)
Proceeds from disposal of financial assets through profit or loss	-	9,015
Additions to property, plant and equipment, investment properties and land held for property development	(237,661)	(184,532)
Proceeds from disposal of property, plant and equipment	-	572,905
Movements in Fixed Deposits with maturity more than 3 months	186,039	-
Net repayments from associates and joint ventures	3,169	(10,376)
Dividend received from associates	-	167
Interest received	20,678	22,570
Net cash generated from investing activities	(37,211)	389,132
Financing activities		
Dividend paid to holders of RCPS	(9,070)	(9,096)
Dividend paid to non-controlling interests	(123,041)	(89,430)
Proceeds from issuance of new ordinary shares	17,418	-
Acquisition of additional interests in subsidiary	(658,371)	(600)
Receipt of bank borrowings net of repayments	450,897	94,926
Payments of hire-purchase and financing lease liabilities	-	(59)
Additional deposit held with trustee	(5,043)	-
Net cash used in financing activities	(327,210)	(4,259)
Currency translation differences	(1,404)	7,809
Net increase in cash and cash equivalents	(201,975)	456,545
Cash and cash equivalents at 1 January	1,293,635	1,012,025
Cash and cash equivalents at 31 March	1,090,256	1,476,379
Add: Restricted cash		
Deposits pledged with licensed banks	113,261	39,274
As per statement of financial position	1,203,517	1,515,653

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

PART A - Explanatory notes pursuant to MFRS 134

A1 Accounting Policies and Methods of Computation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 – "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017.

These condensed consolidated interim financial statements have been prepared based on accounting policies and methods of computation which are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2017 except for the adoption of the following amendments to MFRSs that are applicable for the current financial year:

(Effective for annual periods beginning on or after 1 January 2018)

•	Amendments to MFRS 140	Classification on 'Change in Use' – Assets transferred to, or from, Investment Properties
•	IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
•	Amendments to MFRS 9	Financial Instruments

The adoption of the above amendments to MFRSs did not have any material impact on the financial statements of the Group.

A2 Seasonality or cyclicity

The Group's operations were not materially affected by seasonal or cyclical factors other than as disclosed elsewhere in this Report.

A3 Significant unusual items

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows other than as disclosed elsewhere in these Notes.

A4 Material changes in estimates

Not applicable.

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 follows:

Date	No. of Ordinary Shares	Remarks
As at 31 December 2017	611,474,118	Including 2,858,020 treasury shares
Issued in January 2018	20,000	Conversion of Redeemable Convertible Cumulative Preference Shares ("RCPS") into ordinary shares
Issued in February 2018	32,062	Conversion of RCPS into ordinary shares
Issued in March 2018	57,808,634	Allotment of new ordinary shares
Issued in April 2018	449,342	Conversion of RCPS into ordinary shares
Issued in May 2018	19,721,308	Conversion of RCCPS into ordinary shares
As at 30 June 2018	689,505,464	
Issued in July 2018	5,000	Conversion of RCPS into ordinary shares
Issued in August 2018	9,256	Conversion of RCCPS into ordinary shares
As at 30 August 2018	689,519,720	

Date	No. of RCPS	Remarks
As at 31 December 2017	453,492,452	
January 2018	(45,600)	Conversion of RCPS into ordinary shares
February 2018	(73,102)	Conversion of RCPS into ordinary shares
April 2018	(1,024,500)	Conversion of RCPS into ordinary shares
As at 30 June 2018	452,349,250	
July 2018	(11,400)	Conversion of RCPS into ordinary shares
As at 30 August 2018	452,337,850	

Date	No. of RCCPS	Remarks
As at 31 December 2017 ;	-	
March 2018	76,817,705	Allotment of new Redeemable Convertible Cumulative Preference Shares ("RCCPS")
May 2018	(19,721,308)	Conversion of RCCPS into ordinary shares
As at 30 June 2018	57,096,397	
August 2018	(9,256)	Conversion of RCCPS into ordinary shares
As at 30 August 2018	57,087,141	

The number of treasury shares held as at 30 June 2018 and up to the date of this report remained at 2,858,020 (31.12.2017: 2,858,020) ordinary shares.

A6 Dividends paid

An Interim Single Tier dividend of 4% per annum (based on the issue price of RM1.00 per RCPS) for the six months period from and including 16 August 2017 up to and including 15 February 2018 was paid on 14 February 2018.

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A7 Segment Reporting

Business segments	Property investment - retail RM '000	Property investment -commercial RM '000	Hotel RM '000	Property development RM '000	Construction RM '000	Others RM '000	Group RM '000
6 months to 30 June 2018							
Revenue							
Total revenue	288,930	95,474	147,646	37,305	188,791	88,738	846,884
Intersegment revenue	<u>(27,752)</u>	<u>(12,019)</u>	<u>(2,929)</u>	-	<u>(188,791)</u>	<u>(27,700)</u>	<u>(259,191)</u>
External revenue	<u>261,178</u>	<u>83,455</u>	<u>144,717</u>	<u>37,305</u>	<u>-</u>	<u>61,038</u>	<u>587,693</u>
Results							
Segment results (external)	179,220	43,125	26,897	22,167	(559)	(9,046)	261,804
Unallocated expense							<u>(30,285)</u>
Profit from operations							231,519
Finance income							23,060
Finance costs							(61,530)
Share of after-tax results of associates and joint ventures	-	882	3,032	981	-	1,823	6,718
Profit before tax							199,767
Tax expense							<u>(55,425)</u>
Profit for the period							<u>144,342</u>
Attributable to:							
Equity holders of the Company							75,348
Non-controlling interests							<u>68,994</u>
							<u>144,342</u>

Unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

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Business segments	Property investment - retail RM '000	Property investment -commercial RM '000	Hotel RM '000	Property development RM '000	Construction RM '000	Others RM '000	Group RM '000
6 months to 30 June 2017							
Revenue							
Total revenue	285,601	99,339	158,595	14,975	126,940	79,015	764,465
Intersegment revenue	<u>(27,894)</u>	<u>(12,343)</u>	<u>(4,264)</u>	<u>-</u>	<u>(126,940)</u>	<u>(40,080)</u>	<u>(211,521)</u>
External revenue	<u>257,707</u>	<u>86,996</u>	<u>154,331</u>	<u>14,975</u>	<u>-</u>	<u>38,935</u>	<u>552,944</u>
Results							
Segment results (external)	170,520	46,431	62,616	4,066	(44)	(7,191)	276,398
Unallocated expense							<u>(23,355)</u>
Profit from operations							253,043
Finance income							24,919
Finance costs							(58,401)
Share of after-tax results of associates and joint venture	<u>-</u>	<u>1,683</u>	<u>17,803</u>	<u>(20)</u>	<u>-</u>	<u>247</u>	<u>19,713</u>
Profit before tax							239,274
Tax expense							<u>(8,727)</u>
Profit for the period							<u>230,547</u>
Attributable to:							
Equity holders of the Company							119,491
Non-controlling interests							<u>111,056</u>
							<u>230,547</u>

Unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

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 Changes in the composition of the Group

On 11 July 2018, an announcement was made to Bursa Securities that IGB Corporation Berhad, a wholly-owned subsidiary, had on even date incorporated six wholly-owned private limited companies namely, MVS North Tower Sdn Bhd, MVS South Tower Sdn Bhd, MVS Centrepoint North Tower Sdn Bhd, MVS Centrepoint South Tower Sdn Bhd, MVS Northpoint Hotel Sdn Bhd and MVS Southpoint Hotel Sdn Bhd, with each new subsidiary having an issued capital of two shares. The new subsidiaries are to be used as investment vehicles for future development projects.

A10 Capital commitment

Capital expenditure not provided for in the financial statements were as follows:

	Group	
	30 June 2018 RM'000	31 December 2017 RM'000
Approved and contracted for:		
Property, plant and equipment	528	472
Investment properties	437,782	209,993
Others	30,787	37,310
	469,097	247,775

A11 Fair value of financial instruments

There were no contingent liabilities or contingent assets since 31 December 2017.

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

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

	Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	Total RM '000
Financial assets at fair value through profit or loss	1,563	-	-	1,563
Available-for-sale financial assets	-	69,793	-	69,793
	1,563	69,793	-	71,356

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the previous financial year ended 31 December 2017.

There were no transfers between the levels of the fair value hierarchy during the financial period ended 30 June 2018.

B1 Review of performance

	3 months to 30.06.2018 RM' 000	3 months to 30.06.2017 RM' 000	Variance %
Revenue	293,498	271,398	8%
Profit from operations	111,103	112,449	-1%
Profit before interest and tax	135,163	142,876	-5%
Profit before tax	99,492	113,835	-13%
Profit after tax	74,130	94,301	-21%
Profit attributable to ordinary equity holders	41,270	46,322	-11%

When comparing three months ended 30 June 2018 with three months ended 30 June 2017:

- i) Group revenue increased by 8% mainly due to higher contribution from the Property Development and Investment divisions.
- ii) Group pre-tax profit decreased by 13% due to lower contributions from the Property Investment-Commercial and Hotel divisions as well as higher finance costs.

Property Investment – Retail

The Group's retail division is mainly represented by IGB REIT, the owner of Mid Valley Megamall and The Gardens Mall. For the 3 months ended 30 June 2018, IGB REIT reported total gross revenue and net property income of RM128.0 million (2Q2017: RM127.3 million) and RM90.7 million (2Q2017: RM88.0 million) respectively, an increase of about 1% and 3% respectively.

Property Investment – Commercial

In the Property Investment - Commercial division, average occupancy rates for 2Q2018 for the Group's commercial buildings was above 80% with average rental rates at RM6.00 psf which is comparable to the previous year.

Property Development

Revenue recognition from the Property Development division during the current quarter increased significantly to RM20.3 million when compared to the same period last year of RM8.9 million mainly due to recognition of higher percentage of completion. The Group's development project currently under construction at about 47% completion is "Stonor 3", a 400-unit condominium located in the vicinity of KLCC.

Hotel

Revenue contributed by the Hotel division for the 3 months to 30 June 2018 decreased by 5% to RM71.0 million (2Q2017: RM74.9 million) mainly as a result of a drop in average occupancy rates for most of the local hotels.

B2 Comparison with immediate preceding quarter

	3 months to 30.06.2018 RM' 000	3 months to 31.03.2018 RM' 000	Variance %
Revenue	293,498	294,195	0%
Profit from operations	111,103	120,416	-8%
Profit before interest and tax	135,163	126,134	7%
Profit before tax	99,492	100,275	-1%
Profit after tax	74,130	70,212	6%
Profit attributable to ordinary equity holders	41,270	34,078	21%

When comparing three months ended 30 June 2018 with three months ended 31 March 2018:

- i) Group revenue achieved for this quarter of RM293.5 million is in line with that achieved in the previous quarter of RM294.2 million.
- ii) Group pre-tax profit decreased slightly to RM99.5 million from RM100.3 million in the previous quarter due to higher finance cost incurred during this quarter.

B3 Prospects for 2018

	Cumulative Period		
	6 months to 30.06.2018 RM' 000	6 months to 30.06.2017 RM' 000	Variance %
Revenue	587,693	552,944	6%
Operating profit	231,519	253,043	-9%
Profit before interest and tax	261,297	297,675	-12%
Profit before tax	199,767	239,274	-17%
Profit after tax	144,342	230,547	-37%
Profit attributable to ordinary equity holders	75,348	119,491	-37%

With the completion of the Corporate Exercise as detailed in Note B6 below, the Board expects the full consolidation of the Group's businesses in the coming months and the Group's results from operations will be satisfactory.

When comparing six months ended 30 June 2018 with six months ended 30 June 2017:

- i) Group revenue increased by 6% to RM587.7 million from RM552.9 million.
- ii) However, Group pre-tax profit decreased by 17% to RM199.8 million from RM239.3 million as the previous year's results included certain one-off items including a gain of RM34.0 million from the sale of the Group's Renaissance Kuala Lumpur Hotel and higher finance costs incurred in the current year.

B3 Prospects for 2018 (continued)

Property Investment – Retail and Commercial

The property investment segment will be more challenging in the near term with the scheduled increase in supply of new retail space and slower demand for office space in Kuala Lumpur. However, with the prime location of the Group's retail malls and office buildings, the Board expects contribution from this segment to be satisfactory.

Mid Valley Southpoint offices with net lettable area of about 490,000 sq. ft. was completed and obtained its Certificate of Occupation on 6 July 2018 and is expected to contribute positively to the growth of this division.

Property Development

In view of the current weak sentiment in the property development market, 2018 will continue to be a difficult and challenging year for the property development segment.

Hotel

Total revenue achieved for the six months to 30 June 2018 decreased by 6% to RM144.7 million (30 June 2017: RM154.3 million) mainly as a result of a drop in average occupancy rates for most of the local hotels.

Notwithstanding the lower contribution during the first half of 2018, the Board expects a stable performance from the hotel segment.

B4 Profit forecast/profit guarantee

The Group did not issue any profit forecast or profit guarantee.

B5 Tax

	Current year quarter ended 30.06.2018 RM '000	Cumulative current Year-To-Date ended 30.06.2018 RM '000
Malaysian income tax		
- Company and subsidiaries	25,565	62,375
Underprovision in previous year	68	1,901
Transferred to deferred tax	(1,469)	(11,907)
	24,164	52,369
Overseas tax		
- Company and subsidiaries	1,198	3,056
	25,362	55,425

The effective tax rate of the Group for the current quarter and the current year-to-date was higher than the statutory tax rate as certain expenses were not allowable for tax purposes as well as there is no group relief for losses incurred by certain subsidiaries.

B6 Corporate proposals

Members' scheme of arrangement pursuant to Section 366 of the Companies Act, 2016

On 23 February 2017, the Company had proposed to acquire the entire equity interest in IGB Corporation Berhad ("IGBC") not already owned by the Company by way of a members' scheme of arrangement pursuant to Section 366 of the Companies Act, 2016 ("Proposed Scheme"), at the offer price of RM3.00 per share.

The Proposed Scheme was legally effective upon receiving the Order of the High Court of Malaya which was lodged with the Registrar of Companies Malaysia on 9 January 2018.

On 2 March 2018, the total cash settlement amounting to RM658 million together with the issuance of 57,808,634 new ordinary share and 76,817,705 new Redeemable Convertible Cumulative Preference Shares ("RCCPS") in the Company was made to the shareholders of IGBC other than the Company ("Scheme Shareholders"). All the IGBC shares held by the Scheme Shareholders has also been transferred to the Company on 2 March 2018.

Following the completion of the Proposed Scheme, IGBC became a wholly-owned subsidiary of the Company and IGBC was delisted from the official list of Bursa Securities on 16 March 2018.

On 20 March 2018, the Company changed its name from Goldis Berhad to IGB Berhad.

B7 Group borrowings and debt securities

Group borrowings as at 30 June 2018 were as follows:

	30 June 2018				
	Long term	Short term		TOTAL	
	RM denomination RM '000	Foreign denomination '000	RM denomination RM '000	Foreign denomination '000	RM denomination RM '000
Secured					
Term Loan - RM	135,000	-	156	-	135,156
Revolving credit - RM	1,356,500	-	77,004	-	1,433,504
Revolving credit - USD		10,000	40,380	10,000	40,380
Revolving credit - AUD		5,000	14,923	5,000	14,923
Medium Term Notes - RM	1,945,167	-	14,900	-	1,960,067
Unsecured					
Revolving credit - RM	-	-	275,558	-	275,558
	3,436,667		422,921		3,859,588

B8 Material litigation

As at the date of this report, there are no pending material litigation which exceeds 5% of the net assets of the Group.

B9 Proposed dividend

An Interim Single Tier Dividend of 2.0 sen per ordinary share is declared for the financial year ending 31 December 2018 and will be paid on 28 September 2018 to every member who is entitled to receive the dividend at 4.00 p.m. on 19 September 2018.

	Interim 2018	Interim 2017
Per ordinary share (sen)	2.0	2.0
Net dividend (RM'000)	13,790	12,171
Date payable/paid	28 September 2018	11 August 2017

An Interim Single Tier Dividend of 4.5% per annum (based on the issue price of RM1.00 per RCPS) is declared for the six months period from and including 16 February 2018 up to and including 15 August 2018 and will be paid on 28 September 2018 to every member who is entitled to receive the dividend at 4.00 p.m. on 19 September 2018.

An Interim Single Tier Dividend of 4.3% per annum (based on the issue price of RM3.28 per RCCPS) is declared for the six months period from and including 2 March 2018 up to and including 1 September 2018 and will be paid on 28 September 2018 to every member who is entitled to receive the dividend at 4.00 p.m. on 19 September 2018.

B10 Earnings per share

(a) Basic earnings per share

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

		Current Year Quarter ended 30.06.2018	Preceding Year Quarter ended 30.06.2017	Current Year-To-Date ended 30.06.2018	Preceding Year-To-Date ended 30.06.2017
Net Profit for the period	RM '000	<u>41,270</u>	<u>46,322</u>	<u>75,348</u>	<u>119,491</u>
Weighted average number of ordinary shares in issue	'000	<u>652,536</u>	<u>608,433</u>	<u>652,536</u>	<u>608,252</u>
Basic earnings per share	sen	<u><u>6.32</u></u>	<u><u>7.61</u></u>	<u><u>11.55</u></u>	<u><u>19.64</u></u>

B10 Earnings per share (continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue adjusted to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares from maximum conversion of RCPS and RCCPS.

		Current Year Quarter ended 30.06.2018	Preceding Year Quarter ended 30.06.2017	Current Year-To-Date ended 30.06.2018	Preceding Year-To-Date ended 30.06.2017
Net Profit for the period	RM '000	41,270	46,322	75,348	119,491
Add: Interest on RCPS and RCCPS saved as a result of conversion	RM '000	1,330	799	2,251	1,626
Less: Tax relief thereon	RM '000	(210)	(180)	(541)	(359)
Adjusted Net Profit	RM '000	42,390	46,941	77,058	120,758
Weighted average number of ordinary shares in issue	'000	652,536	608,433	652,536	608,252
Adjustment for potential dilution on maximum conversion of RCPS and RCCPS	'000	255,495	198,972	255,495	198,972
	'000	908,031	807,405	908,031	807,224
Diluted earnings per share	sen	4.67	5.81	8.49	14.96

B11 Notes to Statements of Comprehensive Income

	Current Year Quarter ended 30.06.2018 RM '000	Cumulative Current Year-To-Date ended 30.06.2018 RM '000
(a) Interest income	10,956	23,060
(b) Other income including investment income	9,426	18,422
(c) Interest expense	35,671	61,530
(d) Depreciation and amortisation	26,470	53,625
(e) Unrealised foreign exchange loss	10,426	15,943
(f) Foreign exchange gain	4,001	4,083

B12 Audit Report Qualification

The audit report of the Group's annual financial statements for the year ended 31 December 2017 did not contain any qualification.

B13 Authorisation for issue

This Interim Financial Report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 August 2018.