GOLDIS BERHAD
(515802-U)

ANNUAL REPORT 2016

CONTENTS

1. Overview of Goldis Berhad ("Goldis" or "the Company")

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities of the Group consist mainly of property investment and management, owner and operator of malls, hotel operations, property development, construction, information and communication technology services, the provision of engineering services for water treatment plants and related services, education, investment holding and management of a real estate investment trust. Today, we have private equity investments in Malaysia and China and through our subsidiary IGB Corporation Berhad ("IGB"), have a footprint that spans across Asia, Australia, the United States and Europe.

2. Delivering Sustained Results

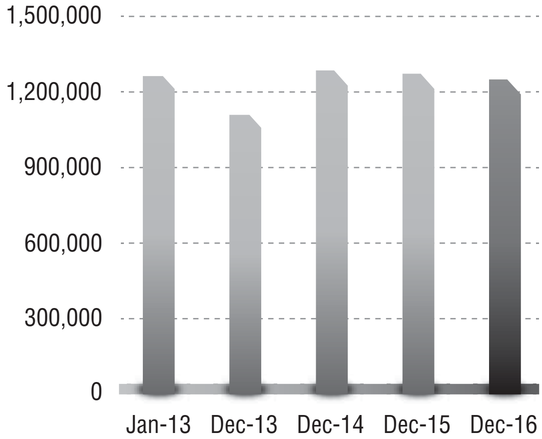
A slowdown in growth, rising costs of living, low oil and gas prices and a ringgit that remained weak, continued to weigh on the Malaysian economy in 2016. This was further impacted by global developments, in particular, the United Kingdom's vote to exit the European Union ("Brexit") and a change of President in the United States of America, both of which contributed to market volatility and increased global economic uncertainty.

Against this backdrop, companies in Malaysia continued to review their operations, with many, particularly in the oil and gas sector, downsizing their presence. Additionally, with Malaysians experiencing a rise in the cost of living, weaker job prospects and a reduction in purchasing power, consumer sentiment remained low, with many consumers reining in spending.

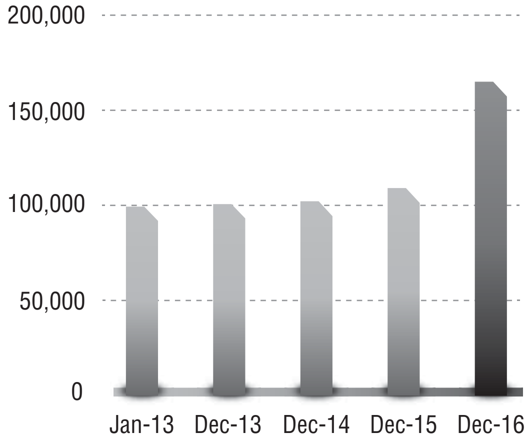
Despite this, Goldis delivered sustained results and pushed ahead with new initiatives, remaining focused on driving sustainability in our business and creating long-term value for our shareholders.

3. Key Financial Highlights

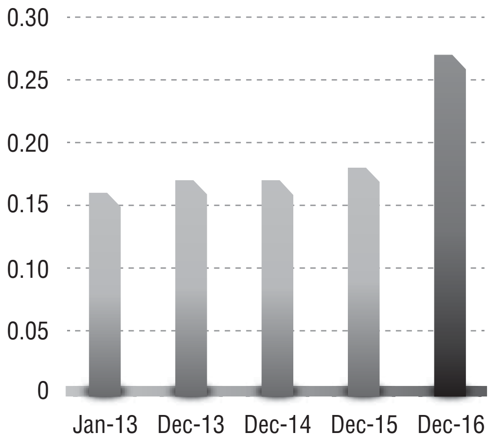
REVENUE (RM'000)



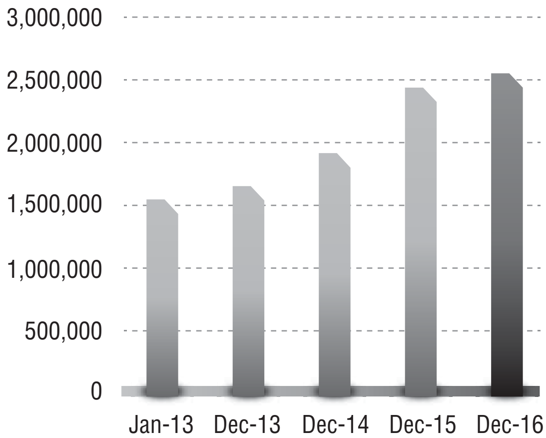
PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS (RM'000)



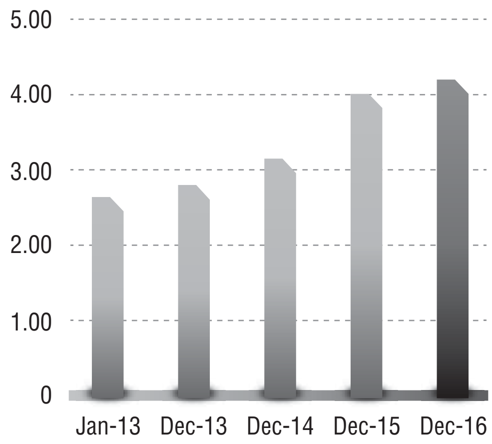
EPS (RM)



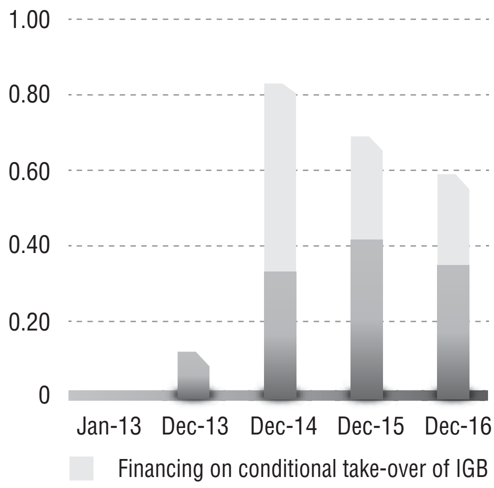
NET ASSETS (RM'000)



NET ASSETS PER SHARE (RM)



NET GEARING (TIMES)



		MFRS			
Financial year ended	**Jan-13***	**Dec-13^**	**Dec-14**	**Dec-15**	**Dec-16**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue#	1,268,792	1,114,871	1,291,302	1,278,218	1,255,473
Profit before taxation#	415,914	408,413	450,191	390,379	482,908
Taxation#	(153,951)	(103,634)	(102,782)	(103,486)	(83,022)
Net profits	261,963	304,779	347,409	286,893	399,886
Profit attributable to ordinary equity holders	99,346	100,667	102,165	109,105	165,027
Capital and reserves attributable to equity holders/ Net Assets	1,547,172	1,653,014	1,916,057	2,437,881	2,551,886
EPS (RM)	0.16	0.17	0.17	0.18	0.27
Net Assets per share (RM)	2.64	2.80	3.15	4.01	4.20
Total borrowings	1,889,646	1,748,466	3,889,364	3,688,080	3,317,854
Net debt&	0	563,312	2,634,578	2,547,459	2,266,555
Total equity	5,060,184	4,589,807	3,167,277	3,685,885	3,851,266
Net Gearing (times)	-	0.12	0.83	0.69	0.59

* *Statement of financial position figures have been restated following the adoption of MFRS 1 & MFRS 15*

^ *The Company has changed its financial year end from 31 January to 31 December. Thus, the audited financial statements of the financial period ended December 2013 were made up from 1 February to 31 December 2013 for a period of eleven (11) months. The figures also have been restated following the adoption of MFRS 1 & MFRS 15*

\# *Including results from discontinued and discontinuing operations*

& *Being total borrowings less deposit, cash and bank balances (including cash held under Housing Development Accounts)*

For the financial year ended 31 December ("FY") 2016, Group revenue was RM1,255.5 million, down 2% from FY2015 where the corresponding figure was RM1,278.2 million. The decrease was mainly from the Property Development and Property Investment (Commercial) divisions which saw contributions to the Group decrease by 40% to RM93.6 million (FY2015: RM155.6 million) and 7% to RM171.9 million (FY2015: RM185.0 million), respectively. The higher revenue from the Property Development division in FY2015 was mainly due to the completion and handing over of the 468 units of service apartments at G Residence in March 2015, while the decrease for the Property Investment (Commercial) division in FY2016 was due to lower occupancies in office towers. These decreases were mitigated by higher contributions from other operating divisions. Notably, the Property Investment (Retail) division saw revenue increase by 5% to RM491.4 million while the Hotel division saw revenue increase by 9% to RM403.1 million.

Our Group recorded higher profit before taxation of RM482.9 million for FY2016 as compared to RM390.4 million in the preceding year, which represented an increase of 24%. This was mainly due to a one-off gain on disposal of a property, plant and equipment by a subsidiary.

4. Operations Overview

Property Development Segment

2016 was a challenging year for the property development division as the rising costs of living, weaker job prospects, more stringent bank lending policies, and general economic uncertainty, led many potential buyers to hold off on purchasing new properties. We have therefore been extremely conservative. This year, we completed 2 developments - Three28 Tun Razak, a boutique development with 166 units located on Jalan Tun Razak, and Park Manor, a development comprising 41 villas located in the award winning Sierramas residential estate. Take up rates for Three28 Tun Razak and Park Manor as at 31 December 2016 were 96% and 22% respectively. We also have two ongoing projects - Stonor 3, a collection of 400 luxury curated homes located in the heart of KLCC, which was launched this year, and Damai Residence, a boutique, luxury, residential offering comprising 31 family-sized homes.

We remain cautious about the local market in 2017 and believe that the first half of the year will continue to be soft.

We are proud that IGB was ranked amongst the top 10 developers once again in The Edge Malaysia's Top Property Developers' Award. This marks the fourteenth consecutive year that IGB have been an award recipient.

Hotel Segment

The hotel division posted positive growth in FY2016, bolstered by the performance of four hotels which opened in 2015, namely Cititel Express Ipoh, Cititel Express Penang, The Wembley Penang, and The Tank Stream Sydney. This was in spite of a generally challenging year for the hospitality industry, which saw a reduction in the volume of travel, entertainment and meetings, as many companies, particularly those in the oil and gas sector, downsized their operations in Malaysia and cut costs. Additionally, with Malaysian Airlines withdrawing flights from several key markets as part of its ongoing restructuring plans, international arrivals have been impacted.

To address these challenges, we adopted a more aggressive approach to marketing and sought to better manage our costs. For example, we intensified our distribution through electronic channels, launched a digital campaign and worked with online travel portals. We also implemented an energy savings programme among other initiatives.

Several assets were disposed of in the year, namely, The Renaissance Kuala Lumpur Hotel, Cititel Express Kuala Lumpur and Micasa Hotel Apartments, Yangon.

We expect 2017 to continue to be challenging, particularly if the Government goes ahead to implement the Service Charge Top Up and the proposed Tourism Service Fee which will result in an increase in cost pressure. We anticipate seeing a slight improvement in visitor numbers as a result of a weak ringgit, improved connectivity between China and Malaysia and the easing of the visa process for tourists from China and India.

Property Investment and Management, Commercial Segment

The property investment and management, commercial segment posted a decline in both segmental revenue and profit due to the general slowdown in the economy and oversupply of office space in the Klang Valley. Occupancy of four of the office towers in Mid Valley are currently above 90%, while occupancy of the fifth tower, Centrepoint North, which saw its previous single occupant vacate the building in 2015, is currently about 55%. The occupancy of Plaza Permata, GTower and Menara Tan & Tan are 92%, 82% and 81% respectively. GTower was particularly impacted by companies in the oil and gas industry downsizing their operations in Malaysia, as these companies made up its key tenant profile.

This year, we remained focused on enhancing customer service, the environment within our buildings and attracting new tenants. We offered a range of incentives such as longer rent free periods, worked to secure longer term tenancies across a range of businesses and industries and ensured top notch security, cleanliness and maintenance.

In the new year, we will work to strengthen our management team so that they are better able to support our business objectives. We are confident that given the prime locations of our buildings and captive market, we will be able to maintain healthy occupancies across all our assets in 2017.

Property Investment and Management, Retail Segment

Despite a slight improvement in consumer sentiment in 2016, the retail market remained challenging as new malls opened in the Klang Valley and the popularity of online shopping increased. IGB Real Estate investment Trust ("IGB REIT"), which owns Mid Valley Megamall ("MVM") and The Gardens Mall ("TGM"), continued to post positive growth in the year. Both malls worked to maintain their competitiveness through carrying out asset enhancement initiatives ("AEI") to improve the shopper experience and shopping ambience and bringing in new brands to keep the tenant mix fresh and on trend.

New brands at MVM included Go Noodle House, Elianto Make Up, Oakley, CK Performance, Stride Rite, Obermain, Kit Kat Chocolatory, Ray Ban, Watchfinders, Sheldonet Toystore, Llao Llao and Marry Merry. While at TGM, luxury brands such as Tory Burch, Bulgari, Lancome, Lalique, Kens Apothecary and Bowers & Wilkins, were introduced. A new premium area, Les Suites at TGM, also made its debut this year. The area, which is a one-stop destination for customers looking to plan a wedding, houses The Occasions Eventeur, Mun Keat Photography, Celest Thoi and The Studio, a multi-brand store featuring local and ASEAN designer.

2017 is looking to be another challenging year. However with a proactive asset management strategy and focus on sustainable long term growth, IGB REIT is well positioned to weather the challenges ahead and continue to create value for all its stakeholders.

Construction

The construction arm of the Group has been busy with several large ongoing projects as listed below:-

(a) Mid Valley City Southpoint (Parcel 3)

Mid Valley City Southpoint (Parcel 3) is the last major component of our Mid Valley City development. Including car park, the development has a Gross Floor Area of 2.2 million square feet.

Construction works are still ongoing, with the 55-storey structure anticipated to top out by July 2017. A decision last year to convert 19 floors of the upper levels of the tower from offices to residences has necessitated amendments to the approved Development Order (D.O.). The amended D.O. is currently awaiting approval from the authorities.

The office levels are expected to be completed for fit out by September 2017, with the residential levels planned to be completed by the second quarter of 2018.

(b) Mid Valley Southkey

Works on Mid Valley Southkey, located in Johor Bahru, is progressing, with substructure works completed, and superstructure works targeted for completion by the first quarter of 2018. Architectural, mechanical, and electrical works have commenced and are scheduled for completion in late 2018.

An amendment to the approved D.O. rationalising the 33-acre development from a single parcel into two parcels is currently under application to the authorities. The first parcel currently under development will include the MVM Southkey, which will have a net lettable area of 1.5 million square feet. The mall is targeted to open its doors to the public at the end of 2018.

(c) Pangkor Island Resort

The Pangkor Island Resort is undergoing redevelopment work, and will be converted into 68 luxury villas with 5-star amenities. A D.O. from the local authorities has been obtained, and an application for the amalgamation of land titles is currently pending approval. Submission of our building plans will be made once the issuance of a new land title is obtained. Subject to these being received, construction work for the resort will commence in 2017.

Other Operating Segments

Water Treatment in China

The China Water Group currently operates in Jiangsu Province Ganyu, Shandong Province Yantai and Zoucheng, China. Our principal activities include the management, operations and maintenance of waste water treatment plants for concession periods ranging from 23 to 25 years.

Our main challenges this year have been attracting and retaining talent with the right skillsets for our business and managing revisions in water tariffs to better manage increasing operating costs. To address these challenges, we will monitor water tariffs periodically and work closely with the local authorities to ensure that tariffs are adjusted in a timely manner in line with increasing costs. We will also review our remuneration packages to ensure that they remain competitive and continue to enhance both the working environment and culture so as to support the continued growth and development of key management personnel. Additionally, we will be broadening our search for new talent as we continue to expand our business so that we are better able to find personnel with the right competencies to support our growth.

Moving forward, we are confident that we will be able to sustain our growth and expect sales to continue to improve as we commence the trial run for the Zoucheng upgrade project. Revisions to the water tariffs for select plants are also expected in the coming year, pending approval from the local authorities.

Education

International schools, including IGB International School ("IGBIS"), have not been spared from the challenging economic environment as increased economic uncertainty and a slowdown in the oil and gas sectors in particular, have resulted in an outflow of expatriates in the year. The school therefore stepped up its marketing efforts this year to reach out to a broader pool of families as well as to increase brand awareness.

Initiatives were carried out to both attract new students to the school as well as build loyalty amongst existing students and their families. For example, IGBIS started offering scholarships to new students transferring to IGBIS from other schools in Malaysia and offered discounts to those who enrolled with the school on Open Days held. It also introduced a two tiered fee structure to pioneer families to encourage them to continue with IGBIS and enrol siblings of pioneer students at the school as well. Fees for the Early Years Programme were also frozen and 3 and 5 year loyalty discounts applicable to families who stay with the school were introduced.

This year, we expanded our student body and celebrated the outstanding results of our first batch of IB Diploma graduates. 100% of students who took the examinations passed, achieving an average score of 34 points out of 45 (the worldwide average is 29 points), with nearly 20% of students scoring 40 points or higher.

2017 is set to be another challenging year for international schools in Malaysia. Despite this, we believe however that IGBIS has significant headroom for growth and is well-positioned to take advantage of the potential market available.

Healthcare

2016 saw the soft launch of Elements Medical Fitness Sdn Bhd (fka Elements Gym Sdn Bhd) ("Elements Medical Fitness"), Malaysia's First Integrated Medical Fitness Centre with professionally administered well-being programmes. Since our launch, we have received positive response from the public. Take up of our programmes however have been slow as consumers reined in their spending on the back of slower economic growth, weaker job prospects and rising costs of living. Moreover, as a business offering a new lifestyle concept, we have had to work hard to educate the public about our offers, including the benefits of our programmes and what sets us apart from other similar programmes in the market.

To address these challenges, we have focused our marketing efforts on the corporate wellness segments and have formed strategic alliances and partnerships with other organisations in the healthcare industry. Additionally, we have worked to ensure that clients who do sign up with us receive top notch care and attention, so that they go away with a positive experience and an appreciation of the full benefits of our programmes.

We are confident that as we work towards officially launching our offering and broadening our marketing efforts to new segments in the year ahead, we will attract an increasing number of clients.

IT & Data Analyst

It has been a tough year for our businesses in IT and data analytics. Macro Lynx Sdn Bhd ("Macro Lynx") has seen increased margin pressure as a result of ongoing broadband price wars and rising costs. Additionally, with a slowdown in the economy, occupancies of the buildings we cover have dropped and the number of new sign ups have also been slow.

To address these challenges, we worked hard to ensure that we continue to provide excellent service both in terms of customer service support and operationally, providing continuous network improvements and ensuring that our customers receive uninterrupted service. We also developed new products which allowed us to penetrate the SME segment and developed technology partnerships to support our pursuit of providing a wide range of connectivity options and robust business continuity solutions.

We believe that as we continue to enhance our service offerings, introduce new streams of business and penetrate new market segments, we will be able to grow our business sustainably.

This year, AFMS Solutions Sdn Bhd kicked off its operations following its establishment in 2015. We are in the business of providing consultancy services, focusing on the areas of building and mall management. Specifically, we aim to provide clients with innovative business solutions using big data analytics to improve people, processes and systems. As a new business, we worked to raise awareness around who we are and what we offer this year, seeking to educate potential clients about the benefits of our services.

The main challenges we faced were obtaining stakeholder buy in from potential clients and, once engaged, managing the availability of information needed to do our job.

Moving forward, as we continue to expand our business, we will be focusing on extending our marketing efforts to penetrate new markets, considering strategic partnerships to enable us to launch new products and enhancing the experience that clients have with us.

New Ventures

18@Medini, a mixed development in Iskandar Malaysia, Johor Bahru, remains under re-evaluation pending an improvement in market conditions.

In Thailand, we remain committed to developing a mixed-use project with our joint venture partners, the Immortal Group Co Ltd and are finalising the design and development concept for submission to the authorities. The project will sit on a 6-acre site fronting the Chao Phraya River.

We have submitted our plans for our mixed-use development project in London – Blackfriars and expect to obtain consent from the authorities this year. We are working towards launching the project at the end of 2017.

5. Risk Management

The Board of Goldis is responsible for overseeing and maintaining a sound system of internal controls and risk management so as to safeguard shareholder investments and the assets of the Group. We recognise that doing so is a fundamental requirement for our continued growth and that risk management is not about completely eliminating risk, but about managing it in a manner that allows for the Group to achieve its business objectives.

(a) Market Risk

The Group is exposed to developments in major economies and key financial markets around the world which may impact our performance. In order to mitigate this, we hold a diverse portfolio of assets across geographies and industries and have adopted a disciplined approach to financial management. Our businesses closely monitor developments in the markets in which they operate as well as assess the implication of global developments on their performance and strategies. These factors may then impact their investment and strategic objectives.

(i) Foreign currency exchange risk

Currency risks arise as a result of monetary assets and liabilities denominated in a currency that is not the functional currency.

The Group and the Company are exposed to foreign currency risk as a result of advances from and to subsidiaries, associates, as well as joint ventures. We are also exposed through the deposits and borrowings we have with licensed banks. To manage our exposure, management regularly monitors foreign currency fluctuations so that we can work to minimise any long term adverse effects to our financial performance.

(ii) Cash flow interest rate risk

The Group and Company's cash flow interest rate risk arises from floating rate term loans and revolving credit.

Our interest rate exposure is correlated with changes in the cost of funds ("COF") of our lenders and is part of the inherent risks associated with carrying on a business as a going concern. Management closely monitors our exposure and works to ensure that it is in accordance with the Group's financial risk management policies and in line with the overall financial objective of creating value for our stakeholders.

(b) Competition Risk

The Group faces ever-growing competition, both from established players as well as new entrants seeking to gain a foothold in the industry and grow their market share. In this environment, our businesses adopt a rigorous approach to strengthening their competitiveness through constantly monitoring the market, enhancing their offerings, bringing a fresh perspective to established industries and innovating to stay ahead of the curve.

Macro Lynx for example, has experienced intense competition from next generation high speed broadband players which has caused a price war, driven players in the industry to introduce new and innovative products and created a market whereby customers expect only the best service and quality offerings. Undoubtedly, these factors have served to push the industry forward but it has also meant that we must have a constant ear to the ground, regularly realign our packages to meet evolving market circumstances and consumer demands, enhance our customer service and diversify our product offerings in order to remain competitive.

(c) Human Capital Risk

Central to our success is our people. As such, continuing to attract and retain talent continues to be a priority. We remain committed to being an employer of choice and invest in the skills of our existing workforce, providing them with ample opportunities to grow. We also offer competitive salaries and comprehensive benefit packages, and support employee well-being through promoting a work-life balance and encouraging a healthy lifestyle. The Group also works hard to cultivate a positive work culture that promotes diversity, professionalism and respect.

Succession planning is critical to ensure the continuity of our business in the long run. We therefore actively identify individuals with the potential to take on more responsibilities and play a larger part in driving our business forward. We ensure that these individuals are given the support and exposure needed to grow into ever larger roles within the business.

(d) Regulatory & Compliance Risk

The Group is subject to the laws and regulations of the markets in which we operate. In order to ensure that we are both up to date and in compliance with new regulatory developments, we have in place a robust framework which allows us to monitor ongoing discussions and changes, assess the impact to the Group, and communicate these changes in a timely manner so that the affected businesses can take the necessary steps to embed them into their operations.

(e) Information Technology ("IT") Risk

Our businesses and operations rely to varying degrees on IT. With cybersecurity threats on the rise around the world, we are exposed to the risk of cyber-attacks that can cause disruptions to our operations. To mitigate these threats, our IT departments have an established framework to manage IT security risks and have worked to ensure that there are relevant preventive, detective and recovery measures in place. Additionally, we review all IT policies and procedures regularly to ensure that they are up to date and provide the greatest level of protection for our people and business, and have in place an IT Disaster Recovery Plan.

(f) Terrorist Threat

The frequency of reported terrorist attacks have increased around the world, imposing an urgent need for businesses to be prepared for such eventualities. The Group has therefore worked to heighten security across all our buildings and works closely with the authorities to keep up to date on any potential threats. We also have crisis management plans in place as well as a team of personnel who have been trained to respond to such circumstances.

Management of our malls and office buildings have in particular increased the presence of security personnel, reviewed their crisis management procedures, enhanced training for security personnel and upgraded CCTV cameras on their premises.

(g) Malpractice Risk

Elements Medical Fitness is Malaysia's First Integrated Medical Fitness Centre. Our team of professionals take their jobs and responsibilities very seriously and will never knowingly cause harm to any of our clients. However, as with other organisations in the healthcare industry, the risk of malpractice lawsuits stemming from incorrect diagnoses, treatments, or adverse reactions to treatments or supplements prescribed, are very real. As such, we abide by stringent codes of practice. Examples of this include: ensuring that we take the time to fully understand the unique circumstances of our patients so that we can obtain detailed medical histories, engaging only professional and qualified doctors and practitioners, and using only registered laboratories for any testing required. Any diagnosis is then based on the test results received from these laboratories. We also refer all high risk patients to external conventional diagnostic centres.

(h) Credit risk

Credit risk arises when sales are made on deferred credit terms.

The Group and the Company control these risks by the application of credit approvals, limits and monitoring procedures. To minimise our credit risk, we ensure that we only work with business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis through our management reporting procedures and we work to ensure that we do not have significant exposure to any individual customer or counterparty, or have any major concentration of credit risk related to any financial instrument.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with a good collection track record with us and management closely monitors any trade receivables that are past due. As a result, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's and the Company's trade receivables.

(i) Price Risk

The Group and Company are exposed to debt and equity securities price risk because of investments held and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss.

To manage our price risk arising from investments in debt and equity securities, we have diversified our portfolio in accordance with the limits set by the Group. As such, our exposure to price risk is minimal.

(j) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness. As at 31 December 2016, the Group held cash and cash equivalents of RM1,012.0 million (2015: RM576.1 million) as part of our management of liquidity risk.

As at 31 December 2016, Group borrowings stood at RM3,317.9 million, of which RM1,000.0 million has been secured for MVM Southkey. As we push ahead with ongoing projects, additional funding may be needed.

(k) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

6. Moving Forward Sustainably and with Confidence

2017 is expected to be another challenging year, particularly as economies around the world grapple with the emerging political and economic landscape following Brexit and President Trump's promise to put America first. At home, Malaysians will continue to struggle with rising costs and a ringgit that is unlikely to see a strong rebound in the near future. These factors will weigh on consumer sentiment and contribute to weakening employment prospects, as companies continue to downsize their operations here.

Businesses across the board are likely to be impacted by these developments and Goldis is no different. We believe however that with our diversified portfolio, robust fundamentals and strong management teams, we are in a good position to ride out the challenges ahead and continue to create and deliver sustainable value for our shareholders.

BOARD OF DIRECTORS

Non-Executive Chairman & Non-Independent Non-Executive Director
Ms Tan Lei Cheng

Senior Independent Non-Executive Director
Datuk Tan Kim Leong @ Tan Chong Min

Independent Non-Executive Directors
Encik Daud Mah Bin Abdullah @ Mah Siew Whye
Mr Lee Chaing Huat

Non-Independent Executive Directors
Dato' Seri Robert Tan Chung Meng
Mr Tan Boon Lee
Ms Tan Mei San
Mr Daniel Yong Chen-I

SECRETARIES

Ms Chow Lai Ping
Mr Leong Kok Chi

REGISTERED OFFICE

Suite 28-03, Level 28, GTower
199 Jalan Tun Razak
50400 Kuala Lumpur
Tel. No. : 603-2168 1888
Fax. No. : 603-2163 7020

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No. : 603-2783 9299
Fax. No. : 603-2783 9222
Email : is.enquiry@my.tricorglobal.com

PRINCIPAL BANKERS

Hong Leong Bank Berhad
HSBC Bank (Malaysia) Berhad
Malayan Banking Berhad
Public Bank Berhad

AUDITORS

PricewaterhouseCoopers (AF1146)

SOLICITORS

Jeyaratnam & Chong

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (May 8, 2002)
Stock Code 5606

DATE OF INCORPORATION

1 June 2000

WEBSITE

www.goldis.com

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of Goldis Berhad will be held at the Klang Room, Mezzanine Floor, GTower, 199 Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 25 May 2017 at 2.30 p.m. for the following purposes:

As Ordinary Business

1. To receive the audited financial statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note (a)***

2. To approve the payment of Directors' fees of RM252,404 for the financial year ended 31 December 2016. **Ordinary Resolution 1**

3. To approve the payment of Directors' benefits up to an amount of RM305,000 from 1 January 2017 until the next Annual General Meeting of the Company. **Ordinary Resolution 2** ***Please refer to Note (b)***

4. To re-elect the following Directors who retire by rotation in accordance with Article 98 of the Company's Articles of Association and being eligible offer themselves for re-election:

   (a) Dato' Seri Robert Tan Chung Meng **Ordinary Resolution 3**
   (b) Mr Lee Chaing Huat **Ordinary Resolution 4**

5. To re-appoint Messrs. PricewaterhouseCoopers as auditors and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and if thought fit, to pass the following ordinary resolutions:

6. To re-appoint the following Directors:

   (a) Datuk Tan Kim Leong **Ordinary Resolution 6** ***Please refer to Note (c)***
   (b) Encik Daud Mah bin Abdullah **Ordinary Resolution 7** ***Please refer to Note (c)***

7. **Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016** **Ordinary Resolution 8** ***Please refer to Note (d)***

   That pursuant to Sections 75 and 76 of the Companies Act, 2016, the Articles of Association of the Company, approval from Bursa Malaysia Securities Berhad and any other governmental/regulatory authorities, the Directors be and are hereby authorised to allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

8. **Proposed Renewal of Shareholders' Mandate for the Company to Purchase its Own Shares ("Proposed Share Buy-Back")** **Ordinary Resolution 9** ***Please refer to Note (e)***

   That subject to the provisions under the Companies Act, 2016, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities (if any), the Company be and is hereby authorised, to the extent permitted by law, to purchase and/or hold such number of its own ordinary shares ("Goldis Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase;

That the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits;

That the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends or to deal with the treasury shares in the manner allowed by the Companies Act, 2016;

That the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:

(a) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which this resolution is passed, at which time the authority would lapse unless renewed by an ordinary resolution, either unconditionally or conditionally; or

(b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or

(c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

And that the Directors of the Company be and are hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.

9. To transact any other business of which due notice shall have been given.

By Order of the Board

Chow Lai Ping
(MAICSA 0829388)

Leong Kok Chi
(MIA 11054)
Company Secretaries

Kuala Lumpur
28 April 2017

Explanatory Notes

(a) The Audited Financial Statements is meant for discussion pursuant to the provision of Section 340(1)(a) of the Companies Act, 2016.

(b) For proposed Ordinary Resolution 2, the benefits payable to Directors comprise meeting allowances payable to the Directors. The total estimated amount of meeting allowances is calculated based on the number of scheduled Board, Board Committees and Executive Committee meetings from 1 January 2017 until the next Annual General Meeting.

Meeting Allowance

- Independent Director — RM2,500 per meeting
- Non-Independent Director — RM1,500 per meeting

(c) For proposed Ordinary Resolutions 6 and 7, in line with the Malaysian Code on Corporate Governance 2012, the Nomination Committee and the Board of Directors had undertaken an annual assessment on the independence of Datuk Tan Kim Leong and Encik Daud Mah bin Abdullah who have served for more than nine (9) years and recommended them to continue to act as Independent Non-Executive Directors of the Company. Please refer to page 22 as stated in the Statement of Corporate Governance in the Company's Annual Report 2016 for further details.

Ordinary Resolution 6, if passed, will also authorize the continuation of Datuk Tan Kim Leong in office from the date of this meeting without any lapse of time.

(d) The proposed Ordinary Resolution 8, if passed, will renew the mandate to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company in order to avoid any delay and costs involved in convening a general meeting to approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

This mandate will provide flexibility to the Company for the allotment of shares for the purpose of funding working capital, future expansion, investment(s)/acquisition(s) or such other purposes as the Directors consider would be in the interest of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Sixteenth Annual General Meeting held on 25 May 2016 and which will lapse at the conclusion of the Seventeenth Annual General Meeting ("17th AGM").

(e) The proposed Ordinary Resolution 9, if passed, will renew the shareholders' mandate for the share buy-back by the Company and will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued shares. This authority will, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting. Further information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 28 April 2017, which is despatched together with the Annual Report of the Company.

(f) Profiles of Directors standing for re-election and re-appointment are set out on pages 13 and 14 of the Annual Report; while details of their interest in securities are set out on pages 177 and 179 of the Annual Report.

Notes:

Appointment of Proxy

1. Only depositors whose names appear on the Record of Depository as at 19 May 2017 shall be entitled to attend, speak and vote at the meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and to vote in his stead. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy.

3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

4. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if the appointer is a corporation, either (a) under its common seal or (b) under the hand of a duly authorized officer or attorney and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.

7. Pursuant to paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice shall be put to vote by poll.

8. The Proxy Form shall be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting.

Registration of Members/Proxies

1. Registration will start at 1.00 p.m. on the day of the 17th AGM.

2. Members/proxies are required to produce original identification cards/documents during registration for verification.

3. For members/proxies who park their vehicles at GTower, please ensure the parking ticket is stamped first at the registration counter before proceeding to validate the ticket at the security counter located at the lobby.

4. Each member/proxy will be given a wristband upon registration. No person will be allowed to enter the meeting room without wearing the wristband. There will be no replacement in the event members/proxies lose or misplace the wristband. Members/proxies are allowed to enter the meeting room at 2.00 p.m.

TAN LEI CHENG

Non-Executive Chairman and Non-Independent Non-Executive Director
(Re-designated on 1 January 2017)
Malaysian, Female, Aged 60

Tan Lei Cheng was appointed a Director of Goldis Berhad ("Goldis" or "the Company") on 20 September 2000. She was appointed the Executive Chairman and Chief Executive Officer ("CEO") of the Company on 6 May 2002 until she retired on 31 December 2016. Following her retirement, she was re-designated as a Non-Executive Chairman and Non-Executive Director of the Company. She was the CEO of Tan & Tan Developments Berhad ("Tan & Tan") a property development company, from March 1995 to August 2003. Tan & Tan is a public company listed on Bursa Malaysia Securities Berhad until the Company took over its listing on 8 May 2002, following the completion of the merger between the Company, Tan & Tan and IGB Corporation Berhad ("IGB"). She is the prime mover in identifying and developing projects that are in the growth industry sector. She has more than 30 years of experience in the property industry and the corporate sector. She holds a Bachelor of Commerce from the University of Melbourne, Australia, and a Bachelor of Law from King's College, London (LLB Hons). She is a member of Lincoln's Inn and was admitted to the English Bar in 1983. She is also a member of the World Presidents' Organisation, Malaysia Chapter.

She is a director of IGB, IGB REIT Management Sdn Bhd ("IGBRM") (the manager of IGB Real Estate Investment Trust) ("IGB REIT"), Tan & Tan and Dato' Tan Chin Nam Foundation.

She is a member of the Remuneration and ESOS Committees.

DATUK TAN KIM LEONG @ TAN CHONG MIN, J.P.

Senior Independent Non-Executive Director
Malaysian, Male, Aged 77

Datuk Tan Kim Leong @ Tan Chong Min was appointed to the Board of the Company on 11 January 2002. He is a Fellow member of the Institute of Chartered Accountants, Australia and the Malaysian Institute of Chartered Secretaries and Administrators. He holds professional memberships in the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He was the Executive Chairman of BDO Binder from 1982 to 2009.

Other directorships in public companies include IOI Properties Group Berhad, Amoy Canning Corporation (Malaya) Berhad, Yayasan Tan Sri Dato' Lee Shin Cheng, Ng Teck Fong Foundation, Malaysia-China Business Council, KL Industrial Services Berhad and Gul Technologies Singapore Ltd.

He is the Senior Independent Director, Chairman of the Audit Committee and a member of the Nomination, Remuneration and ESOS Committees.

DAUD MAH BIN ABDULLAH @ MAH SIEW WHYE

Independent Non-Executive Director
Malaysian, Male, Aged 55

Daud Mah Bin Abdullah @ Mah Siew Whye was appointed a Director of the Company on 15 January 2003. He holds a Bachelor of Science (Econs) degree from the London School of Economics and Political Science and a Masters in Business Administration majoring in Finance from Wharton School, University of Pennsylvania. He is a member of the Institute of Chartered Accountants of England and Wales, and of the Malaysian Institute of Accountants.

His working experience commenced with Coopers & Lybrand, London from 1984 to 1989. After completing his Masters in Business Administration in 1992, he returned to Malaysia to join The Boston Consulting Group. He left The Boston Consulting Group in 1995 and set up a boutique fund management company called Kumpulan Sentiasa Cemerlang Sdn Bhd where he is a Director.

He is the Chairman of the Remuneration and ESOS Committees and a member of the Audit and Nomination Committees.

DATO' SERI ROBERT TAN CHUNG MENG

Non-Independent Executive Director

Malaysian, Male, Aged 64

Dato' Seri Robert Tan Chung Meng was appointed to the Board of the Company on 8 December 2014. He has vast experience in property development, hotel construction, retail design and development as well as corporate management with more than 30 years of experience in the property and hotel industries. After studying Business Administration in the United Kingdom, he was attached to a Chartered Surveyor's firm for a year. He had developed a housing project in Central London before returning to Malaysia. His stint in the property industry began with IGB in 1995 when he was the Joint Managing Director and subsequently appointed Group Managing Director in 2001, a position he holds today.

He has been involved in various development projects carried out by IGB, in particular Mid Valley City. From inception to the realisation of Mid Valley Megamall and The Gardens Mall, he was actively involved in every stage of their developments. He is instrumental to the development and success of Mid Valley Megamall and The Gardens Mall and more importantly, in retaining their positions as prime shopping hotspots in the Klang Valley.

He is a director of IGB, IGBRM (the manager of IGB REIT), Wah Seong Corporation Berhad, Tan & Tan and Yayasan Tan Kim Yeow.

LEE CHAING HUAT

Independent Non-Executive Director

Malaysian, Male, Aged 63

Lee Chaing Huat was appointed to the Board of the Company on 8 December 2014. He is a fellow member of the Association of Chartered Certified Accountants, UK and a member of the Malaysian Institute of Accountants.

He started his career as an auditor in 1971 with Messrs. Hanafiah Raslan & Mohamad/Touche Ross, Malaysia before joining the financial sector in 1980. He has wide banking experience having worked with several banks – The Chase Manhattan Bank, Kwong Yik Bank Berhad and thereafter RHB Bank Berhad when Kwong Yik Bank merged with DCB Bank Berhad in 1997.

In 2004, he joined Hong Leong Credit Berhad as Group Chief Financial Officer and later joined Hong Leong Bank Berhad as Chief Operating Officer/Head of Business Banking Division. Thereafter, in December 2005, he started his own private management consultancy company.

Other directorships in public companies include Sentoria Group Berhad.

In Goldis Berhad, he is the Chairman of the Nomination Committee and a member of the Audit and Remuneration Committees.

TAN BOON LEE

Non-Independent Executive Director

Malaysian, Male, Aged 53

Tan Boon Lee was appointed a Director of the Company on 11 January 2002. He holds a Bachelor of Economics from Monash University, Australia and a Masters in Business Administration from Cranfield School of Management, United Kingdom. He is presently the CEO of Tan & Tan. He has more than 20 years of experience in the property and hotel industry, giving management and technical assistance to hotel and hospitality projects in Malaysia and Asia. In the 1990's, he spearheaded IGB Group's growth into emerging economies of Myanmar and Cambodia via the Group's hotel division. He was President of Malaysian Association of Hotel Owners (MAHO) from 2002 to 2004.

He is a director of IGB, IGBRM (the Manager of IGB REIT), Tan & Tan, Dato' Tan Chin Nam Foundation and SW Homeowners Berhad.

He is a member of the Remuneration and ESOS Committees.

TAN MEI SIAN

Non-Independent Executive Director

Malaysian, Female, Aged 33

Tan Mei Sian was appointed to the Board of the Company on 18 May 2016. Prior to her appointment to the Board of the Company, she was the Alternate Director to Tan Boon Lee for the period from 5 February 2013 to 18 May 2016. She graduated from the London School of Economics and Political Science with a Bachelor of Science in Economics. She is the Executive Director of the Company and also a member of the Executive Committee of the Company.

She was previously an Engagement Manager at Oliver Wyman, specialising in financial services and risk management consulting, having worked with major financial institutions in the United States, United Kingdom, Netherlands, China, Taiwan, Hong Kong, Singapore, Malaysia, Thailand and Australia. She is a member of the Young Presidents' Organisation (YPO).

She is an Alternate Director to Tan Lei Cheng on the Board of Tan & Tan.

DANIEL YONG CHEN-I

Non-Independent Executive Director

Malaysian, Male, Aged 45

Daniel Yong Chen-I was appointed to the Board of the Company on 8 December 2014. Prior to his appointment to the Board of the Company, he was an Alternate Director to Pauline Tan Suat Ming for the period from 10 July 2014 to 8 December 2014. He is a law graduate from the University of Bristol, England.

He is presently the Joint Chief Operating Officer (Mid Valley Megamall). He joined Mid Valley City Sdn Bhd ("MVC") in 1999 as a member of the pre-opening retail development team. He was appointed Executive Director of MVC in 2003 and has been responsible for overseeing the management and operation of Mid Valley Megamall since. He was also involved in the design and pre-opening of The Gardens Mall from 2004 to 2007. His prior work experience includes the development of bespoke systems with BYG Systems Ltd in England and Operational Management with Wah Seong Engineering Sdn Bhd, the distributor and manufacturer for Toshiba Elevator and Escalator in Malaysia.

He is a director of IGB and IGBRM (the manager of IGB REIT).

Note:

None of the Directors have:

(i) any family relationship with any Director and/or major shareholder of the Company save for Tan Lei Cheng, Dato' Seri Robert Tan Chung Meng, Tan Boon Lee, Daniel Yong Chen-I and Tan Mei Sian;
(ii) any conflict of interest with the Company;
(iii) any conviction for offences within the past 5 years other than traffic offences nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2016.

GOLDIS BERHAD

TAN MEI SIAN
Director of Corporate and Investment
Malaysian, Female, Aged 33

Tan Mei Sian was appointed as the Director of Corporate and Investment on 1 September 2014. Her profile is listed in the Profile of Directors on page 15.

LEONG KOK CHI
Chief Financial Officer
Malaysian, Male, Aged 50

Leong Kok Chi was appointed as the Chief Financial Officer on 16 May 2002. He is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA") and Malaysian Institute of Certified Public Accountants ("MICPA").

He is also a member of the Executive Committee of the Company. He started his career with Hanafiah Raslan and Mohamad in 1988 and left the firm in 1994 to join Larut Consolidated Berhad as Corporate Manager. Thereafter, he joined MBf Finance Bhd in 1997 as the Senior Manager of Finance and Treasury Department. He left MBf Finance Bhd in 2002 as a Vice President of the Finance Department.

COLIN NG CHO LENG
Chief Investment Officer
Malaysian, Male, Aged 48

Colin Ng Cho Leng was appointed as the Chief Investment Officer on 19 July 2013. He holds a Masters of Business Administration from RMIT University (Melbourne), Post Graduate Diploma in Finance from Melbourne University (Melbourne) and a Bachelor of Economics from Monash University (Melbourne).

He joined the Company as a Senior Investment Manager in 2004. He is a member of the Executive Committee of the Company. Prior to being in Goldis, he has spearheaded Corporate Development/Corporate Finance in a number of main board listed companies.

Note:

None of the Key Senior Management of Goldis have:

(i) any family relationship with any Director and/or major shareholder of the Company save for Tan Mei Sian;
(ii) any conflict of interest with the Company;
(iii) any conviction for offences within the past 5 years other than traffic offences nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2016.

IGB CORPORATION BERHAD (A Principal Subsidiary of Goldis Berhad)

The Key Senior Management team is headed by the Group Managing Director, Dato' Seri Robert Tan Chung Meng and his profile is set out in the Profile of Directors of the Annual Report.

TAN BOON LEE
CEO (Property Development)
Malaysian, Male, Age 53

Appointment : 1 March 1985

His profile is listed in the Profile of Directors on page 14.

CHUA SENG YONG
Executive Committee Chairman (Hotel)
Malaysian, Male, Age 54

Appointment : 1 July 1994

Chua Seng Yong holds a Bachelor of Economics from Monash University, Australia, and a Master in Business Administration from Cranfield School of Management, United Kingdom.

He joined IGB as Financial Controller in 1994 and has more than 30 years of experience in the property and hotel industries. He is presently the Executive Assistant to the Group Managing Director and the divisional head of procurement, information technology and corporate and legal affairs of IGB Group.

DATO' ERIC LIM HOCK KHENG
Managing Director and CEO (Hotel Management)
Malaysian, Male, Age 66

Appointment : 1 November 1996

Dato' Eric Lim is a graduate of the Cornell University Hotel School General Managers' Programme.

He has over 44 years of experience in the hospitality and tourism industry. In 1979, he joined Shangri-La International Hotels & Resorts in Penang to oversee marketing and sales for the group's properties where he remained for the next 18 years. He joined Cititel Hotel Management Sdn Bhd, a subsidiary of IGB, in 1996 to spearhead the Cititel brand name and the Group's hotel properties development of which he is presently the Managing Director & CEO. He was honoured by the Malaysian Association of Hotels (MAH) Penang in 2016 for his key role in forming the organisation's island chapter in 2001 and as a pioneer hotelier. He had served as a MAH board member and as a trustee of Malaysian Association of Hotels Training & Education Centre.

ANTONY PATRICK BARRAGRY
CEO (Retail Management)
British/Permanent Resident of Malaysia, Male, Age 65

Appointment : 1 September 2012

Antony Barragry holds a Diploma in Architecture from the University of Sheffield and a member of the International Council of Shopping Centres and The International Real-Estate Federation ("FIABCI").

He is a qualified architect with more than 40 years of international experience in the design, development and operations of mixed-use developments. His prior work experience includes Jebel Ali Hotel development in Dubai, Putra World Trade Centre in Kuala Lumpur and Kempinski Ciragan Palace Hotel in Istanbul. His career with IGB group commenced with Renaissance Kuala Lumpur Hotel in 1993; then as Project Director for phase 1 of Mid Valley City, including Mid Valley Megamall ("MVM"); and subsequently was appointed Executive Director of Mid Valley City Sdn Bhd ("MVC") in 2002, where he spearheaded the development of more than 6 million square feet of commercial space in Mid Valley City's phase 2 (The Gardens Mall and The Gardens Hotel & Residences), phase 3 (Mid Valley City Southpoint, presently under construction) and phase 4 (Northpoint). He was also Project Director for the design and construction of St Giles Heathrow, London, and Pangkor Island Beach Resort upgrade in 2004 (presently undergoing redevelopment work and to be converted into luxury villas). He was CEO of Mid Valley City Gardens Sdn Bhd from January 2008 until he relinquished the post in September 2012.

CHAI LAI SIM

Group Chief Financial Officer
Malaysian, Female, Age 56

Appointment : 1 August 1993

Chai Lai Sim is a member of the Malaysian Institute of Accountants ("MIA") and Malaysian Institute of Certified Public Accountants ("MICPA").

She has over 30 years of experience in audit, corporate finance, capital management strategy including treasury, financial accounting and taxation in property development, commercial and retail property investment and hospitality industries. She began her career as an articled student with Coopers & Lybrand (now known as PriceWaterhouseCoopers) before joining Tan & Tan as Group Financial Controller in 1993. Following the completion of the merger between Tan & Tan and IGB in 2002, she was appointed Senior Group General Manager of Group Finance and subsequently assumed the present role of Group Chief Financial Officer of IGB.

LIM GIK CHAY

Executive Director (Construction)
Malaysian, Male, Age 55

Appointment : 11 April 1994

Lim Gik Chay holds a Bachelor of Science in Civil Engineering from University of Memphis, United States. He is a graduate member of the Institution of Engineers Malaysia.

He has over 30 years of experience in construction, project management, design and development in various commercial, residential and high rise projects. He was involved in Singapore condominium construction work prior to joining IGB. In 1994, he joined IGB as Project Engineer, then promoted as Construction Manager, and subsequently assumed the present role of Executive Director (Construction) in 2007 and has been responsible for overseeing the Group's in-house construction projects since. He had overseen the development and construction of Mid Valley City, Renaissance Kuala Lumpur Hotel, The Gardens Mall, The Gardens Hotel and Residences, Desa Damansara Condominium, U-Thant Residence, Seri Ampang Hilir, Cendana, St Giles Makati, G Residence, PIBR, MVC Southpoint (presently under construction) and Mid Valley Megamall Southkey (presently under construction).

GOH HONG SEONG

Senior General Manager (Property Management)
Malaysian, Male, Age 64

Appointment : 1 September 2010

Goh Hong Seong holds a Bachelor of Engineering (Hons) from Monash University, Melbourne. He is a qualified Professional Engineer and a Fellow of the Institution of Engineers Malaysia.

He has over 40 years of experience in property and township development in public and private sectors. In public sector, he was attached to Penang Development Corporation involved in the development of Penang State, namely Komtar, Bandar Bayan Baru, Bandar Seberang Perai, Macullum Street Development, Kedah Road Development and Industrial Estates in Bayan Lepas and Seberang Perai. He later joined United Malayan Land Berhad and spend a great deal of time in the development of Bandar Seri Alam Township in Johor before joining IGB as head of Property Management in 2010, overseeing all commercial office buildings of the Group.

<u>Note</u>:

None of the Key Senior Management of IGB, a principal subsidiary of Goldis have:

(i) any family relationship with any Director and/or major shareholder of the Company save for Dato' Seri Robert Tan Chung Meng and Tan Boon Lee;
(ii) any conflict of interest with the Company;
(iii) any conviction for offences within the past 5 years other than traffic offences nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2016.

Goldis Berhad ("Goldis" or "the Company") and its Board of Directors ("the Board") is committed to achieving and demonstrating high standards of corporate governance. The Board continues to refine and improve the governance framework and practices to ensure they meet the interests of stakeholders.

The Board has endeavoured to ensure the Principles and Recommendations as set out in the Malaysian Code of Corporate Governance 2012 ("MCCG 2012") are observed throughout the Group.

In this Statement, the Board reports on the manner in which the Group had adopted and applied the Principles and Recommendations as set out in the MCCG 2012 throughout the year under review.

IGB, a major subsidiary of Goldis is a public listed company and has its own internal controls systems and Standard Operating Procedures ("SOPs") to oversee the application and oversight of risk management and controls, internal audit, corporate governance, Directors' responsibilities and Board Committees' duties and responsibilities. The Statement of Corporate Governance of IGB is detailed in its own Annual Report.

1 ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Functions of the Board

The Board plays a pivotal role in the stewardship of its strategic business direction and enhancement in shareholders' value. The Board oversees the conduct of business of the Group and the principal responsibilities of the Board include the following:-

(i) Reviewing and adopting a strategic plan for the Company

The Board plays an active role in guiding management in the strategic planning of the Company. Management will present a budget for the Group at the end of every year for the following year. Thereafter a midyear review would be conducted with management reviewing their recommended strategy and business plan and the amended budget and variances will be tabled and approved by the Board.

(ii) Overseeing the conduct of the business of the Company to evaluate whether the business is being properly managed

The Board reserves for its consideration significant matters such as the approval of financial results and appointment of directors and company secretary. The Board also adopts a schedule of matters specifically reserved for the Board's approval such as fixing limits of authority for acquisition and disposal of investments, capital expenditure, annual budget and total investment in subsidiaries.

(iii) Identifying principal risks and ensure the implementation of appropriate systems to manage these risks

The Board through the Audit Committee oversees the risk management framework of the Group. The Group Internal Auditor monitors the areas of high risk and adequacy of compliance and control procedures and reports to the Audit Committee.

Further details of the Company's risk management and internal controls are set out in the Statement on Risk Management and Internal Controls on pages 37 to 39 of the Annual Report.

(iv) Succession planning

The Board through the Nomination Committee oversees the succession planning process of the Company. The Board Charter sets out the procedures for new nominations to the Board. Suitability of the proposed candidates are based on established selection criteria as set out in the Evaluation Policy Framework in the Board Charter.

(v) Developing and implementing an investor relations policy for the Company

Goldis has an investor relations policy which promotes effective communication with shareholders and encourages participation at General Meetings. The policy is available on the website of the Company.

(vi) Reviewing the adequacy and the integrity of the internal controls systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines of the Company.

The Board is ultimately responsible for the adequacy and integrity of the internal controls system and management information system of the Group. Further details on this is set out in the Statement on Risk Management and Internal Controls on pages 37 to 39 of the Annual Report.

On 8 April 2016, our Group Chief Executive Officer ("CEO"), Ms Tan Lei Cheng, the founder of Goldis Group announced her retirement as the Group CEO effective from 31 December 2016. Ms Tan Lei Cheng remains as a Director and from 1 January 2017 was re-designated as a Non-Independent Non-Executive Director and Non-Executive Chairman. After due deliberations by the Nomination Committee and the Board given the existing business, investment and organizational profile of Goldis, it was decided that an Executive Committee ("EXCO") would be formed to oversee the day to day operations of the Group comprising senior management of which Ms Tan Lei Cheng is the Chairman. The Goldis EXCO has authority to oversee the conduct of Goldis Group's businesses/investments and to review and/or implement strategic plans for Goldis Group with restricted authority given by way of limits determined by the Board. The duties of the Goldis EXCO include the following:-

(a) review the long term objective of the Group and its subsidiaries;
(b) direct and oversee the formulation of strategic direction and initiatives, including mergers and acquisition or disposal of businesses and investments, funding and investment proposals and approve certain transaction up to specific limits, beyond which the approval of the Board will be sought;
(c) develop and implement business plans, policies, procedures and budgets, manage the day to day activities to achieve the objectives of the Group and its subsidiaries;
(d) monitor the operating and financial performance and determine the corrective measurements to be taken by the management as and when necessary;
(e) prioritise and allocate investment and resources;
(f) manage and develop talents;
(g) manage the risk profile of the Group;
(h) manage external threats/risk faced by the Group.

The existence of an EXCO ensures continuity of leadership for critical positions in terms of succession planning as there is no complete dependence on a single individual.

Board Charter

The Board had in 2013 formalised a Board Charter setting out the duties and responsibilities of the Board. The Board Charter is reviewed as and when the need arises to ensure it remains consistent with the Board's objectives and responsibilities and relevant standards of corporate governance. The Board Charter covers key areas such as constitution and principal responsibilities of the board, board meeting procedure, board committees, annual review of directors and evaluation forms. It is available to shareholders for review upon request in writing submitted to the Company.

Directors' Code of Ethics

The Directors continue to adhere to the Directors' Code of Ethics established by the Companies Commission of Malaysia. The principles on which this Code of Ethics rely on are those that concern transparency, integrity, accountability and corporate social responsibilities. The Code of Ethics is available on the website of the Company (http://www.goldis.com).

Whistle-Blowing Policy

In line with good governance and transparency, a Whistle-Blowing Policy was adopted by the Company to report concerns relating to illegal, unethical or improper conduct in circumstances where employees and the public may be apprehensive about raising their concerns due to fear of possible adverse repercussions. The policy enables staff to raise concerns openly and locally. The policy is available on the website of the Company.

Sustainable Policy

Goldis is committed to operating in a sustainable manner and has adopted a Sustainable Policy. Details of the sustainability initiatives undertaken by the Group are furnished in the Sustainability Statement on pages 31 to 36 of the Annual Report.

Access to Information and Advice

The Directors have direct and unrestricted access to Senior Management and to all information which they may require in discharging their duties. This information includes both verbal and written details. The Directors could also request for such professional advice via the Board and various Board Committees set up with their own established terms of reference and operating procedures which are reviewed on a regular basis.

All Directors are provided with an agenda and a set of Board papers electronically and in hard copies prior to the Board Meetings. They are issued with sufficient time to enable the Directors to obtain further clarifications where necessary. However to maintain confidentiality certain meeting papers which are deemed highly confidential are distributed to the Directors at the Board meeting itself. Any additional information requested by Directors is promptly furnished. Where deemed necessary, external consultants and advisors are invited to give presentations and briefings to provide further information and respond directly to the Directors. Minutes of Board meeting are circulated to all Directors for their perusal prior to confirmation at the following Board meeting and the Directors may raise comments prior to confirmation of the minutes as a correct record of proceedings of the Board. All deliberations, discussions and decisions including dissenting views are minuted and recorded accordingly.

Senior management is invited to brief and report in meetings of the Board and Board Committees. Informal meetings are held for Senior Management to brief Directors on prospective deals and potential developments in the early stages.

Company Secretary

Both Company Secretaries of Goldis have professional qualifications (one is a member of MAICSA whilst the other is a member of MIA) and are qualified to act as company secretaries under the Companies Act, 2016. The Directors have access to the advice and services of the Company Secretaries who facilitates overall compliance with the Main Market Listing Requirements ("MMLR"), Companies Act, 2016 and other relevant laws and regulations, advise the Board on all governance issues and ensure the Directors are provided with relevant information on a timely basis for decision making. Thus, the Board, with the support of the Company Secretaries, monitors developments in corporate governance, statutory and regulatory requirements relating to Directors' duties and responsibilities.

2 STRENGTHEN COMPOSITION

BOARD COMMITTEES

Board Committees assist the Directors in the discharge of their duties and responsibilities. All Committees operate under Board approved terms of reference, which may be updated from time to time to keep abreast with developments in law and best practices in Corporate Governance. The Board has established four (4) Board Committees, namely the Nomination Committee, Remuneration Committee, Audit Committee and ESOS Committee. The Chairman of the respective Board Committees report to the Board on any salient matters raised and which require the attention, guidance and approval from the Board. Minutes of the Committee meetings are circulated to the Board for their information.

A Nomination Committee

The Nomination Committee comprises the following members:-

- Mr Lee Chaing Huat *(Chairman/Independent Non-Executive Director)*
- Datuk Tan Kim Leong *(Senior Independent Non-Executive Director)*
- Encik Daud Mah bin Abdullah *(Independent Non-Executive Director)*

The Nomination Committee comprises exclusively of Independent Directors. Although the Chairman of the Nomination Committee is not the Senior Independent Non-Executive Director, the Nomination Committee is able to perform its duties transparently and independently with the whole of its members being Independent Directors. Meetings of the Nomination Committee are held as and when required and at least once a year. During the financial year, the Nomination Committee met twice.

The terms of reference of Nomination Committee include amongst others, the reporting responsibilities, duties and procedure for nomination and assessment.

The Nomination Committee's primary function is the selection and assessment of directors to ensure the Board's composition remains relevant and optimal. A summary of the key activities of the Nomination Committee in discharging its duties during the year ended 31 December 2016 is set out follows:-

(i) Reviewed the size, composition and effectiveness of the Board

The Nomination Committee is satisfied that the Board's existing size and composition met the requirement of character, experience, integrity, competence, time and independence to effectively discharge their respective roles. The Independent Directors provide the necessary checks and balances in the Board's exercise of their independent evaluation of Board's decisions with an appropriate balance of executive and independent directors. The Board currently comprises eight (8) members of whom five (5) are Non-Independent Directors and three (3) are Independent Directors. The composition of the Board complies with the prescribed requirements for one-third (1/3) of the membership of the Board to be Independent Board Members.

(ii) Assessed the performance of individual Directors based on their integrity, strategic perspective, business acumen, ability to understand corporate governance and financial reporting and team work amongst other criteria.

(iii) Assessed the performance of Board Committees based on their respective terms of reference, authority to carry out duties, access to senior management, internal and external auditors for information and co-operation of the committee members amongst other criteria.

(iv) Assessed the independence of Independent Directors based on their relationship with the Company and business dealings or transactions with the Company amongst other criteria.

(v) Assessed the justification of retaining Independent Directors beyond nine (9) years.

The Nomination Committee is satisfied with the independence of Independent Directors, namely, Datuk Tan Kim Leong and Encik Daud Mah bin Abdullah who have served beyond nine (9) years based on the following justifications:-

- During Board Meetings, Datuk Tan Kim Leong and Encik Daud Mah bin Abdullah are able to express their opinions free of concern of their positions and their views are taken seriously, of which, without their approval, corporate proposals would not be carried out. The Board is of the opinion that it is the approach and the attitude of the Independent Non-Executive Directors which is critical in determining their independent status.

- Datuk Tan Kim Leong and Encik Daud Mah bin Abdullah have performed their duties diligently and in the best interest of the Company by providing independent and balanced assessment of proposals from the management.

- The Group has benefitted from these long serving Independent Directors who possess detailed knowledge of the business, SOPs, internal controls and risk management of the Group.

(vi) Assessed the performance of the Audit Committee Members based on their respective terms of reference, experience, ability to challenge and act and ability to understand financial reporting amongst other criteria.

(vii) Assessed the performance of the Chief Financial Officer ("CFO") based on his integrity, professional conduct, qualifications, technical knowledge, advice to the Board and Board Committees amongst other criteria.

(viii) Assessed the suitability of new appointments of Board members.

Before appointing a member of the Board, the Nomination Committee will assess the candidate based on established selection criteria as set out in the Board Charter. The Nomination Committee undertook an assessment of Ms Tan Mei Sian who was appointed as a Non-Independent Executive Director on 18 May 2016 based on her qualifications, background, experience and directorships in other organisations. Ms Tan Mei Sian had been acting as the Alternate Director since 2013 and the Nomination Committee is confident that she would be a successful addition to the Board.

(ix) Recommended to the Board for decision on the tabling of the proposed re-election of the Directors by rotation for shareholders' approval at the next Annual General Meeting ("AGM").

Assessment Procedure

The Nomination Committee carries out the assessment of Board, individual Directors, Board Committees, independence of Independent Directors, Audit Committee members and CFO annually. Individuals abstain from deliberations on their own assessment.

The Company Secretary facilitates the Nomination Committee by preparing and distributing the questionnaires to the respective parties and Committees for assessment, collating the questionnaires and tabulating the rating. The overall findings are communicated to the Nomination Committee for its consideration and action. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions are documented.

Re-Election of Directors

In accordance with the Articles of Association of the Company, all Directors retire from office at least once in every three (3) years and offer themselves for re-election. The election of each Director is voted on separately. The Executive Directors also rank for re-election by rotation. Re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors.

In accordance to the MCCG 2012, an Independent Non-Executive Director can remain as Independent Director after serving a cumulative term of nine (9) years provided that the Board justifies and seeks shareholders' approval in a general meeting.

The Directors who are due for retirement by rotation and eligible for re-election pursuant to Article 98 of the Company's Articles of Association are Dato' Seri Robert Tan Chung Meng and Mr Lee Chaing Huat. The Independent Directors who have served beyond nine (9) years under the MCCG 2012 are Datuk Tan Kim Leong and Encik Daud Mah bin Abdullah.

Boardroom Diversity

The Board recognizes the policy of Boardroom diversity in terms of gender, age and ethnicity. Our Board has both male (6) and female (2) representations and the required collective skills, experience and expertise contributed by Directors as detailed on pages of 13 to 15. They come from diverse background, bringing a wealth of experience and leadership qualities. Most importantly, it does not practise any discrimination of any form, whether based on marital status, sexual orientation, race, origin, religion, religious beliefs, political opinion or disability.

B Remuneration Committee

The Remuneration Committee comprises the following members:-

- Encik Daud Mah bin Abdullah *(Chairman/Independent Non-Executive Director)*
- Datuk Tan Kim Leong *(Senior Independent Non-Executive Director)*
- Mr Lee Chaing Huat *(Independent Non-Executive Director)*
- Mr Tan Boon Lee *(Non-Independent Executive Director)*
- Ms Tan Lei Cheng *(Non-Independent Non-Executive Director)*
  (On 1 January 2017, Ms Tan Lei Cheng was re-designated as a Non-Independent Non-Executive Director)

The Remuneration Committee comprises mainly of Non-Executive Directors. Meetings of the Remuneration Committee are held as and when required and at least once a year. During the financial year, the Remuneration Committee met thrice.

Directors' Remuneration

The objective of the policy of the Company on Directors' remuneration is to attract and retain the Directors of the calibre needed to run the Group successfully.

The Remuneration Committee reviews the CEO's remuneration annually and recommends to the Board the remuneration framework and package, drawing from outside advice where necessary. The remuneration of the CEO consists of basic salary and other emoluments. The remuneration is structured so as to link rewards to corporate and individual performance. In line with her retirement as the CEO, the Remuneration Committee had proposed to the Board a one-off retirement gratuity to be paid to her in recognition of her long service and contribution to the Company. The proposal was approved by the shareholders at the last AGM held on 25 May 2016.

The Directors are paid fees which are approved annually by the shareholders in the AGM. The Remuneration Committee reviews the Directors' fees annually and the last revision was made in 2014.

All the directors except for the Executive Directors based in Goldis office, are paid a meeting allowance for each Board meeting they attend. Similarly, members of the Board Committees are also paid a meeting allowance for each Committee meeting they attend.

The Director concerned abstains from deliberations and voting on decisions in respect of his/her individual remuneration package.

The aggregate remuneration of Directors categorised into appropriate components for the financial year ended 31 December 2016 is as follows:-

Company	Salary & EPF Contributions RM'000	Fees RM'000	Meeting Allowances RM'000	Other Emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors	1,621	92	21	16,069	7	17,810
Non-Executive Directors	-	160	98	-	-	258

- *The salary is inclusive of statutory employer's contribution to Employees Provident Fund.*

Group	Salary & EPF Contributions RM'000	Fees RM'000	Meeting Allowances RM'000	Other Emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors	11,148	102	123	27,368	81	38,822
Non-Executive Directors	-	160	98	-	-	258

- *The salary is inclusive of statutory employer's contribution to Employees Provident Fund.*

The aggregate remuneration of Directors for the Group analysed into bands for the financial year ended 31 December 2016 is as follows:-

Range of Remuneration	Executive Directors	Non-Executive Directors
RM50,000 and below	-	-
RM50,001-RM100,000	-	3
RM100,001-RM300,000	-	-
RM300,001-RM350,000	1	-
RM350,001-RM1,400,000	-	-
RM1,400,001-RM1,450,000	1	-
RM1,450,001-RM1,850,000	-	-
RM1,850,001-RM1,900,000	1	-
RM1,900,001-RM17,350,000	-	-
RM17,350,001-RM17,400,000	1	-
RM17,400,001-RM17,750,000	-	-
RM17,750,001-RM17,800,000	1	-

The Board views that the transparency in respect of Directors' remuneration has been dealt with by the disclosure.

C Audit Committee

The Audit Committee comprises the following members:-

- Datuk Tan Kim Leong *(Chairman/Senior Independent Non-Executive Director)*
- Encik Daud Mah bin Abdullah *(Independent Non-Executive Director)*
- Mr Lee Chaing Huat *(Independent Non-Executive Director)*

All members of the Committee are Independent Non-Executive Directors fulfilling the requirement of the MMLR. The Audit Committee met four (4) times during the year. The Audit Committee also met with the external auditors without the presence of any Executive Directors present. The terms of reference which include the objectives, authority, functions and activities of the Audit Committee during the year have been described in detail in a separate statement in the Annual Report.

Please refer to pages 40 to 44 of the Annual Report.

D ESOS Committee

The ESOS Committee comprises the following members:-

- Encik Daud Mah bin Abdullah *(Chairman/Independent Non-Executive Director)*
- Datuk Tan Kim Leong *(Senior Independent Non-Executive Director)*
- Mr Tan Boon Lee *(Non-Independent Executive Director)*
- Ms Tan Lei Cheng *(Non-Independent Non-Executive Director)*
  (On 1 January 2017, Ms Tan Lei Cheng was re-designated as a Non-Independent Non-Executive Director)

The ESOS Committee's primary function is to administer the Employees' Share Option Scheme in accordance with the Bye-Laws. There were no meetings held during the financial year as the Scheme had expired on 19 May 2012.

3 REINFORCE INDEPENDENCE

Assessment of Independence of Independent Directors

The Nomination Committee and Board, have upon their annual assessment (as disclosed under Nomination Committee) are satisfied with the level of independence demonstrated by the Independent Directors.

Tenure of Independent Directors

The Nomination Committee and Board hold the view that the length of service of Datuk Tan Kim Leong and Encik Daud Mah bin Abdullah has not in any way interfered with their objective and independent judgement in carrying out their roles as members of the Board and Board Committees. Independence should be evaluated qualitatively and on a case-to-case basis. Based on the justifications as disclosed under the Nomination Committee, the Board and Nomination Committee are satisfied that Datuk Tan Kim Leong and Encik Daud Mah bin Abdullah, who have served on Board beyond nine (9) years remain independent and recommend the same to the shareholders for approval at the AGM.

Separation of Positions of the Chairman and CEO

For the financial year under review, taking into account the size, scope and business nature of the Company, the positions of the CEO and the Chairman of the Company were held by the same person. The CEO was responsible for managing the CEOs/leaders of the various subsidiaries who managed the day to day management of the subsidiaries as well as developing, meeting and implementing the corporate strategies and objectives of the Company. The function of the Chairman that was held by the CEO was to ensure the orderly conduct and working of the Board, the management of the business and the translation of Board's decision into executive action. Although the positions were held by the same Board member, no individual may dominate the Board on decision-making. An open environment is encouraged for debate and ensures the Independent Directors are able to speak freely and contribute effectively.

Although the Board does not comprise a majority of Independent Directors, it has a high proportion of Independent Directors. All the Directors exercise a high duty of due care with respect to the matters which they consider and bring objective judgement to bear in decision making. The Independent Directors are independent of executive management and free of any business relationship that could materially interfere with the exercise of unfettered and independent judgement that could compromise their ability to act in the best interests of the Company. They have the capacity to fully deliberate and examine strategies proposed by management, therefore safeguarding the interests of the stakeholders.

The Board has appointed Datuk Tan Kim Leong as the Senior Independent Non-Executive Director to whom any concerns pertaining to the Group may be conveyed.

4 FOSTER COMMITMENT OF DIRECTORS

Time Commitment

All Directors are able to allocate sufficient time to discharge their duties and responsibilities effectively as evidenced by the attendance record of the Directors at the Board Meetings as set out in the table above. Our dedicated Independent Directors even go the extra mile to discuss their concerns on issues at hand by engaging with senior management via informal meetings and telephone calls. None of the Board members hold more than five (5) directorships in listed issuers, thus ensuring their commitments, resources and time are focused on the affairs of the Group. All Board members shall notify the Chairman of the Board formally via a 'Letter of Notification of Appointment of Other Directorships' as provided in the Board Charter before accepting any new directorships in any other organization. The new directorships would not unduly affect their time commitments and responsibilities to the Board.

Board Meetings

The Board is scheduled to meet quarterly with additional meetings to be convened when urgent matters need to be discussed and approved between these scheduled meetings. Board meetings are scheduled in advance before the end of each financial year so as to enable the Directors to plan accordingly to fit the year's Board meetings into their respective schedules.

Where the Board is considering a matter which a Director has an interest, the interested Director will disclose his interest and abstains from participating in any discussion or voting on the subject matter. In the event a corporate proposal is required to be approved by shareholders, the interested Director will abstain from voting in respect of his/her shareholdings on the resolution relating to the corporate proposal and will undertake to ensure that persons connected abstain from voting as well. The Company's Articles of Association provide for a resolution to be passed by a majority of directors. However, resolutions are always passed by all the directors. Directors and officers were also notified in advance of the closed periods for dealing in the securities of Goldis based on the targeted date of announcement of the quarterly results.

During the financial year ended 31 December 2016, the Board held four (4) meetings. Individual attendance at these meetings is set out in the table below:-

Name of Director	Total Meetings Attended	Percentage of Attendance (%)
Ms Tan Lei Cheng	4/4	100
Datuk Tan Kim Leong	4/4	100
Encik Daud Mah Bin Abdullah	4/4	100
Dato' Seri Robert Tan Chung Meng	4/4	100
Mr Lee Chaing Huat	4/4	100
Mr Tan Boon Lee	4/4	100
Ms Tan Mei Sian *(appointed on 18.05.2016)*	4/4	100
Mr Daniel Yong Chen-I	4/4	100

Directors' Training

Directors' training is an on-going process and the Directors are empowered by the Board to assess their own individual training needs. They are encouraged to participate in external training programmes which they individually consider as useful to update their knowledge and skills required to discharge their responsibilities. The Company Secretary also keeps the Directors informed of relevant external training programmes, facilitates the organisation of training programmes and maintains a complete record of the trainings attended by the Directors.

All the Directors have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as prescribed by the MMLR.

The training programmes and seminars attended by all the Directors during the financial year ended 31 December 2016 are set out below:-

Directors' Name	Course Detail
Tan Lei Cheng	• IGB in-house talk conducted by Lee Shih @ Skrine: How to Prepare for the New Companies Act • IGB in-house talk conducted by PricewaterhouseCoopers: Budget 2017 – Key Tax Proposals • Advocacy Session on Management Discussion and Analysis for CEOs and CFOs of Listed Issuers
Datuk Tan Kim Leong	• The New Auditor's Report – Sharing the UK Experience by Audit Oversight Board Bursa Malaysia • Corporate Governance Breakfast Series for Directors: Future of Auditor Reporting – The Game Changer for Boardroom • Corporate Governance Breakfast Series with Directors – The Strategy, the Leadership, the Stakeholders and the Board • In Conversation with Andrew Fastow, former CFO of Enron • The Interplay Between CG, NFI and Investment Decision – What Boards of Listed Companies Need to Know
Daud Mah bin Abdullah	• Companies Bill 2015: Changes and Impact on Company Directors • Budget 2017: Key Tax Proposals
Dato' Seri Robert Tan Chung Meng	• IGB in-house talk conducted by Lee Shih @ Skrine: How to Prepare for the New Companies Act • IGB in-house talk conducted by PricewaterhouseCoopers: Budget 2017 – Key Tax Proposals
Lee Chaing Huat	• Sustainability Engagement Series for Directors/Chief Executive Officer • Budget 2017: Key Tax Proposals
Tan Boon Lee	• IGB in-house talk conducted by Lee Shih @ Skrine: How to Prepare for the New Companies Act • IGB in-house talk conducted by PricewaterhouseCoopers: Budget 2017 – Key Tax Proposals

Directors' Name	Course Detail
Tan Mei Sian	• Sustainability Engagement Series for Directors/Chief Executive Officer • IGB in-house talk conducted by Lee Shih @ Skrine: How to Prepare for the New Companies Act • Advocacy Session on Management Discussion and Analysis for CEOs and CFOs of Listed Issuers • Corporate Governance Education Program/Empowering Women Series • Launch of the AGM Guide & CG Breakfast Series: How to Leverage on AGMs for Better Engagement with Shareholders
Daniel Yong Chen-I	• Edelman Public Relations Worldwide Sdn Bhd: Social Media & Search Engine Optimisation Workshop • Edelman Public Relations Worldwide Sdn Bhd: Crisis Simulation Training • IGB in-house training conducted by Maktab Polis Diraja Malaysia Crisis & Disaster Studies Centre: Threat Management • IGB in-house talk conducted by Lee Shih @ Skrine: How to Prepare for the New Companies Act • IGB in-house talk conducted by PricewaterhouseCoopers: Budget 2017 – Key Tax Proposals

5 UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Company used appropriate accounting policies which are consistently applied and supported by reasonable and prudent judgements and estimates. The Directors also ensure that the financial statements present a fair and understandable assessment of the position and prospects of the Company. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board prior to the release to Bursa Malaysia and Securities Commission.

Suitability and Assessment of External Auditors

The Board has established a formal and transparent professional relationship with the external auditors of the Group through the Audit Committee. The auditors are invited to attend Audit Committee Meetings at least twice a year without executive Board members present and will highlight to the Audit Committee significant matters requiring deliberation and attention. During the financial year under review, two (2) private sessions were held on 26 February 2016 and 23 November 2016 between the auditors and the Independent Directors.

The Audit Committee determines the suitability of the external auditors. The external auditors have affirmed its independence to the Audit Committee in accordance to the provisions of the By-Laws on Professional Independence of the MIA. The engagement signing partner is rotated every 5 years.

The Audit Committee also considered the provision of non-audit services by the external auditors during the year and concluded that the provision of these services did not compromise the external auditors' independence and objectivity and the amount of fees paid for these services was not significant when compared to the total fees paid.

6 RECOGNISE AND MANAGE RISKS

Internal Controls

The Board has overall responsibility for maintaining a sound system of internal controls and risk management to safeguard shareholders' investment and the assets of the Group. The Statement of Risk Management and Internal Controls is set out on pages 37 to 39 of the Annual Report providing an overview of the state of internal controls within the Group.

7 TIMELY AND HIGH QUALITY DISCLOSURES

Goldis is committed in ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive information issued by Goldis.

To promote more efficient and effective ways to communicate with its stakeholders, the Board has leveraged on information technology to disseminate information via announcements made to Bursa Malaysia and published electronically on the website of the Company. These information include quarterly results announcement, Annual Report, Circular to Shareholders, other announcements and press releases.

The Company has adopted a Corporate Disclosure Policy issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") which is available on the website of the Company. Contact details are also provided on the website to address any enquiries from the public.

8 STRENTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

AGM

The AGM is the prime forum of dialogue with shareholders. Shareholders are given the opportunity to ask questions at the AGM. The Directors, external auditors and senior management are available to provide responses to shareholders during these meetings.

The notice of the AGM is issued at least twenty-one (21) days before the meeting, in line with the Listing Requirements. The notice is also published in a leading English newspaper.

At the last AGM, the resolutions put forth for shareholders approval were voted by a show of hands as no substantive resolutions were put forth for shareholders approval. Nevertheless, voting of all resolutions at the forthcoming general meetings shall be conducted by poll pursuant to the new Listing Requirements.

Annual Report

The Annual Report remains a key channel of communication with the stakeholders of the Group. It contains the financial and operational review of the business of the Group, corporate information, financial statements and information on the Audit Committee and the Board of Directors. The Annual Report is disseminated to the shareholders in CD-ROM media and is also available on the website of the Company. The hard copy of the Annual Report is available upon request.

Investor Relations

Goldis has an investor relations policy which promotes effective communication with shareholders and encourages participation at General Meetings. The policy is available on the website of the Company.

This statement was made in accordance with the resolution of the Board of Directors passed on 23 February 2017.

AUDIT AND NON-AUDIT FEES

The amount of audit fees paid or payable to the external auditors for services rendered to the Company and the Group for the financial year ended 31 December 2016 amounted to RM92,000 and RM1,566,000 respectively.

The amount of non-audit fees paid or payable to the external auditors and its affiliates for services rendered to the Company and the Group for the financial year ended 31 December 2016 amounted to RM55,000 and RM694,000 respectively.

Material Contracts

Other than disclosed in Note 43 of the Financial Statements, there were no other material contracts entered into by the Company and/or its subsidiaries which involved Directors' or major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2016 or which were entered into since the end of the previous financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and Company as at 31 December 2016 and of the results and cash flows of the Group and Company for the financial year ended on that date.

The Directors are pleased to announce that in preparing the financial statements for the financial year ended 31 December 2016, the Group has:

- ensured compliance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965;
- adopted and consistently applied appropriate accounting policies; and
- made judgements and estimates that are prudent and reasonable.

The Directors are also responsible for ensuring that the Group and Company keep proper accounting records. In addition, the Directors have overall responsibilities for the proper safeguarding of the assets of the Group and Company and taking such reasonable steps for the prevention and detection of fraud and other irregularities.

This statement was made in accordance with the resolution of the Board of Directors passed on 23 February 2017.

1. Introduction

This Sustainability Statement formally sets out our approach to sustainability as well as discusses the various initiatives that we have undertaken in the year to drive sustainability within the Group. This statement covers areas that are integral to our continued success and have been deemed to be of importance not only to us but to our stakeholders.

2. Our Commitment to Sustainability

Sustainability is not just one part of our business, it is integral to everything that we do. At Goldis Berhad ("Goldis"), we are committed to ensuring that all our activities are sustainable and transparent and as such, take into consideration the long term impact of our actions on the economy, environment and society. We do this before embarking on new investments as well as in both managing and growing our businesses.

As the world has grown to be more greatly interdependent, businesses cannot thrive without taking into account its communities. As such, people form the cornerstone of our sustainability efforts, as we believe that it is only by doing so that we can continue to enrich the lives of those around us as well as create lasting value for our stakeholders.

With the new Bursa Malaysia guidelines, we have been given an opportunity to formalise the sustainability initiatives undertaken by the Group so that we are better able to monitor and assess our sustainability efforts, as well as identify opportunities to further improve our sustainability management and performance. Moving forward, we will build upon the framework that we have set out this year and strive to continue to enhance our sustainability efforts.

3. Our Sustainability Governance Structure

Our sustainability efforts are the responsibility of the Board which oversees the Group's sustainability strategies and initiatives. The business heads of each of our subsidiaries spearhead sustainability initiatives under their purview and are responsible for formulating, implementing and monitoring sustainability efforts for their business. The Group Internal Audit Department provides periodic updates to the Audit Committee on sustainability efforts made.

As this is the first year that we are preparing a Sustainability Statement, selected members of the Board, representatives from our company secretary's office and business heads were required to attend conferences held to familiarise themselves with the new Bursa Malaysia guidelines. Internal workshop were also held to communicate the importance of these guidelines for our business moving forward.

4. Materiality Process

Goldis adopted a bottom up approach to identify factors material to our business. Working groups within each business were tasked with identifying their respective economic, environmental and social contributions, taking into account feedback from both internal and external stakeholders and assessing the weightage placed on each for their business.

a. Economic: Empowering Lives

Goldis firmly believes that as the world has become so greatly intertwined, it is imperative that entities recognise that our actions impact the communities in which we operate. As such, it is only through working together that the ecosystem in which we live can thrive and be successful. It is therefore important to us that as a Group, we contribute and engage with our communities and work to help enrich and empower the lives of the people within it.

Apart from carrying out charitable donation drives and making monetary donations, we make efforts that seek to have a lasting impact. For example, a majority of our workforce comprise Malaysians and we make it a point to engage local suppliers and contractors where it makes sense. We also help local businesses through providing them with services that support their day to day operations. For example, Macro Lynx Sdn Bhd ("Macro Lynx"), seeks to provide uninterrupted internet access in the Klang Valley for both individuals and companies, reducing network downtime and meeting the changing needs and demands of its customers. It also provides business continuity solutions and cloud storage for businesses.

b. Environmental: Inculcating Green Mindsets

Goldis believes that we have a responsibility to help protect the environment and as such have programmes in place to ensure that all our businesses carry out sustainable practices. Though these efforts vary across the Group, we are proud of the steps taken so far and are committed to work to ensure that our operations are carried out responsibly.

Product and Service Responsibility

Our assets have a lasting impact on society and more acutely, on the communities in which they are located. We therefore recognise the responsibility that we have to ensure that we act responsibly right from the start.

GTower, which is under the management of our subsidiary, GTower Sdn Bhd, works hard to be environmentally sustainable and is the first Malaysian building to be internationally green-rated, having been awarded a Gold rating under the Singapore BCA Green Award Mark Scheme. From the planning stages, key elements of development were reconsidered and the latest in sustainable green building technologies and systems were harnessed. As a result, the building today has a smaller carbon footprint as compared to a building of a similar size.

Under IGB Corporation Berhad ("IGB"), our property development and construction divisions employ environmental management strategies and engage with Green Building Index (GBI) consultants to cultivate and improve our GBI practices, as well as help in achieving a greener and more sustainable outcome. We also use real estate construction green tools to benchmark all our projects to aid us in developing sustainable designs.

As part of development, we also try to preserve the natural environment as part of our designs. The property development division for example ensures that designs for hill slope projects respect the natural terrain and maintain natural contours, only allowing earthworks that are necessary. These efforts not only preserve the natural environment but also ensure slope and soil stability.

Water Conservation

Water is fast becoming a scarce resource. Experts have warned of a looming water crisis and as such, the need for water conservation is pressing. Goldis, through our subsidiaries, seeks to both proactively work to conserve water as part of our ongoing operations and educate the public about the need to preserve this precious resource.

Through the China Water Group for example, we seek to improve the discharged water quality and contribute to a cleaner water environment in cities located in Eastern China. We have established water treatment plants through a Build, Operate and Transfer investment model and this year, sought to achieve a Grade 1A discharge standard for all our waste water plants. We are proud to report that we have achieved our target, with the exception of our plant in the Jiangsu province of Ganyu.

At GTower, we have created water catchment areas to harvest rainwater which is then used to irrigate the building's green roofs and walls. We have also replaced all water taps with low flow rate alternatives to help reduce water usage throughout the building. Water consumption in 2016 was 132,508m^3 compared to 156,949m^3 in 2015. Condensed water from the building's air conditional system is also collected and pumped into the building cooling tower system which not only helps conserve water but contributes to energy savings. In 2016, we harvested 3,011m^3 of rain water for landscape irrigation compared to 3,060m^3 in 2015.

We also monitor water consumption across all our buildings and investigate any significant spikes which allow us to address any factors causing the spikes in a timely manner. We also encourage tenants and employees to play their part in conserving water, particularly in areas where water consumption is traditionally high such as in food and beverage outlets.

We recognise that more can be done to reduce water usage across the Group and will continue to explore innovation solutions which will allow us to do so moving forward.

Waste Management

We actively encourage responsible waste management across our businesses.

At Mid Valley Megamall ("MVM") and The Gardens Mall ("TGM") for example, food waste forms a large portion of total waste generated. As such, an initiative was kick started in 2012 to compost part of this waste. Today, approximately 500kg of food waste is composted every week.

At GTower, housekeeping staff are educated on the proper methods of separating waste and all recyclable waste is disposed of in recycling bins. Total dry recycling waste collected in 2016 was 7,060 kg compared to 7,449 kg in 2015.

On our construction sites, all GBI guidelines, including those on waste management, are clearly communicated to all personnel. We also appoint waste management representatives who are responsible for minimising pollutants and encouraging the use of renewable resources. These representatives also look into accurately measuring waste produced and setting realistic targets to ensure minimum wastage.

More generally, we make sure that employees, tenants and contractors are provided with the necessary support to segregate recyclable materials from general waste through providing recycling bins. We also work to educate all our employees on the importance of responsible waste management and the ways in which they can play their part.

Energy Conservation

Using energy responsibly forms part of our efforts to reduce our environmental footprint which we believe contributes to our operational efficiency and long term sustainability. Businesses across the Group are encouraged to both conserve and reduce energy consumption and have taken steps to do so in varying degrees.

LED lights, for example, have been installed at TGM, MVM and our office buildings in an effort to reduce electricity used. Additionally, the majority of common lights across our offices are turned off by a certain time and the settings on air conditioning in all our buildings have been adjusted to ensure efficient usage.

Designs for development projects also incorporate natural lighting to minimise the need to turn on indoor lights where possible. MVM and TGM for example were designed with glass skylight ceilings to allow more daylight in.

The latest in Green Building Technology was utilised during the development of GTower, allowing it to better achieve a sustainable and low energy environment. Since completion, the building's management continues to invest in and explore innovative solutions to further improve overall energy consumption. In 2016, for example, the management team at GTower not only installed new energy efficient chillers, they also created a live tracking system which allowed them to measure the efficiency of the chillers. As a result of these and other similar efforts, GTower recorded a further saving of 780,677Kwh of energy compared to 2015 (total energy consumed in 2015 was 8,712,840Kwh). This savings contributed to an additional reduction in CO2 of 411,400kg. In 2016, GTower consumed 7,932,163Kwh of electricity compared to 8,712,840Kwh in 2015.

c. Social: Our People Matter

Health and Safety

Occupational health, safety and environment ("OHSE") are important to the Group. We work hard to ensure that our businesses abide by all necessary health and safety guidelines and regulations and have the ability to take additional steps to ensure that any potential risks are mitigated, where required. Selected employees who take on health and safety responsibilities within the Group also receive first aid and CPR training fire drills are regularly carried out across all our buildings.

We also encourage our employees to lead a healthy lifestyle and promote a work-life balance. Employees are encouraged to engage in sporting and leisure activities and are offered a gym membership with our subsidiary, Elements Medical Fitness Sdn Bhd (fka Elements Gym Sdn Bhd) ("Elements Medical Fitness"), at a staff rate.

The work being done by Elements Medical Fitness in particular is pivotal in encouraging both our staff and communities to lead a healthier lifestyle. Through programmes which they run on a variety of topics such as obesity, clients are given the tools and support they need to achieve their healthy lifestyle goals. Elements Medical Fitness also helps to educate its clients and the broader public through carrying out health talks, outreach programmes, blood donation drives, health and fitness assessments and health screenings, amongst others.

Human Capital Management

We recognise that our employees are our most valuable asset. As such, we work hard to retain existing employees as well as attract new talent to the Group. We provide ample opportunities for employee development and professional growth with competitive salaries and comprehensive benefit packages which include insurance policies, sick leave, access to panel doctors and medical benefits. We continuously invest in the learning, training and development of our employees to ensure that they are equipped with the necessary skills and knowledge needed to carry out their jobs as well as be successful. As part of our efforts to build better rapport amongst our employees, various activities are organised throughout the year to enhance social cohesion. Examples of these activities include badminton, bowling and futsal tournaments, festive gatherings and birthday celebrations.

Goldis values diversity in the work place and does not tolerate any form of discrimination against employees or applicants. Moreover, we do not employ or condone the employment of forced or child labour. This commitment is evident in initiatives carried out by some of our subsidiaries. Macro Lynx for example, believes that everyone should be given a fair opportunity to work and run a programme which employs people with disabilities.

Supporting Communities

Goldis and our subsidiaries play our part in giving back to society through GivingIsGold, a unique Corporate Social Responsibility ("CSR") programme that provides an online platform which connects and matches interested donors to charity homes. Through the portal, charity homes can post their appeals for specific items that they need and interested donors who visit the website can make donations directly to them. A first in Malaysia, GivingIsGold was launched on 22 November 2012 by Dato' Norani Bt Hj Mohd Hashim, the Director General of the Social Welfare Department of Malaysia, with the tagline 'Fulfilling the need of the needy'.

Through GivingIsGold, G City Club Hotel Sdn Bhd organised a visit to Pusat Jagaan Nuri to bring cheer to the orphanage as well as help carry out repair works in the home. Essential items such as towels, bedsheets, shampoos and lotions, were also donated. Together with Sonata Vision Sdn Bhd ("Sonata Vision"), another subsidiary of Goldis, 40 children from the home were also invited to a Ramadhan buffet dinner at GTower to celebrate the special occasion.

In 2016, Sonata Vision also organised monthly events at the View Rooftop Bar to help raise funds to support women and children living with HIV. This year, approximately RM86,000 was raised and donated to various HIV organisations in Malaysia such as Rumah WAKE, PERNIM, PERTIWI and PT Foundation.

In December 2016, GivingIsGold initiated a Christmas Donation Clothing Drive campaign to collect new and second-hand clothing to be given away to the needy. In collaboration with the concierge at GTower, the clothing drive successfully collected more than 1,500 pieces of clothing from members of the public across all ages and genders. All contributions were channelled to Rumah WAKE, Pusat Jagaan Nuri and other charity homes.

5. Looking Ahead

Around the world, companies are increasingly propelled to include sustainability considerations in their decisions, adopt responsible business practices and communicate these efforts to their stakeholders. We believe that these efforts reflect the priorities of society today and an increasing urgency to push forward sustainability so that we can shape a better tomorrow for future generations.

At Goldis, we are committed to delivering value to all our stakeholders through sustaining growth in our businesses, empowering the lives of our people and nurturing communities. With the new Bursa guidelines, we have been given an opportunity to formalise what we already have in place and put in a framework that will allow us to better align ourselves to best practices and international benchmarks and track our sustainability performance.

Moving forward, we will continue to actively engage with our stakeholders as part of our sustainability journey and seek out innovation solutions as well as like-minded partners as we continue to grow. As an established player in the market, we have an opportunity to effect change and it is our hope that through our efforts we will not only positively impact our local communities, but play a part in shaping a sustainable future for generations to come.

GTower Green Building

Community

Christmas Donation Clothing Drive Campaign
- new and second-hand good condition clothing

Pusat Jagaan Nuri
- fixing home

Sonata Vision
- Ramadhan buffet dinner at GTower for children of Pusat Jagaan Nuri

Donations to various HIV organisations such as Rumah WAKE, PERNIM, PERTIWI and PT Foundation

The Board recognises that a sound framework of risk management and internal controls is fundamental to good corporate governance to safeguard shareholders' investment and the assets of the Group.

The Board affirms its overall responsibility for the effective governance, risk management and internal controls systems of the Group. This includes reviewing the risk management framework, processes, responsibilities and assessing the adequacy and integrity of financial, operational, environmental and compliance controls.

Risk Management is not about eliminating all risks; it is about identifying, assessing and responding to risks to achieve the objectives of the Group.

In view of the limitations that are inherent in any internal controls system, a sound system of internal controls could only reduce, but cannot eliminate, the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances. It is structured in such a manner that it can only provide reasonable assurance that the likelihood of a significant adverse impact on objectives arising from future event or situation is at a level acceptable to the business through a combination of preventive, detective and corrective measures.

The review of risk management and internal controls effectiveness only covers the operating units, subsidiaries and associated companies of the Group with the exception of IGB Corporation Berhad ("IGB"), which has become a subsidiary of the Group on 6 November 2014. The Board of Goldis Berhad ("Goldis") has conducted a review on IGB's governance structure and concluded that the Board of Goldis can rely on the Board of this subsidiary, a public listed company with its own independent directors, risk management and internal controls systems to perform the risk oversight role for the financial year. The review of IGB's governance structure will be updated on an annual basis.

The key senior management of Goldis are accountable to the Board for implementing and monitoring the system of risk management and internal controls and for providing assurance to the Board that it has done so. Through regular performance review, the key senior management of Goldis Berhad believes that the risk management and internal controls systems of the Group are operating adequately and effectively, in all material aspects, based on the risk management model adopted by the Group.

RISK MANAGEMENT

The Board recognises its role and responsibilities on effective risk oversight to set the tone and culture towards effective risk management and internal controls. The review process was delegated to the Audit Committee. However, the Board as a whole remains responsible for all the actions of the committee with regards to the execution of the delegated role.

In order to ensure that the risk management and internal controls are embedded into the culture, processes and structure of the Group, the system of risk management and internal controls was articulated with the following key elements.

Policies and Procedures

The Group Risk Management framework and methodology, was approved and adopted by the Board. The framework and methodology has been communicated to the senior management of all the subsidiaries of the Group through on-going training and facilitation from the Group Internal Audit Department ("GIAD").

Vision and Mission

Each subsidiary of the Group has its own set of vision and mission statement, which defines the direction and goals of the company as well as the strategies and objectives for achieving the goals. The mission statements had been clearly communicated to all levels of staff of the subsidiaries and are subject to review and update on an annual basis by the top management and the Board of the Group.

Risk Attitude

Each subsidiary of the Group has a set of Risk Analysis Parameters which defines the amount of risk that the subsidiary is willing to seek or accept in pursuit of its value. The Risk Analysis Parameters are set based on the vision and management risk appetite of the company and are measured in terms of likelihood and impact. The parameters are subject to review and updates from time to time in response to the changes in the business environment.

Risk Analysis and Management

There is an on-going process undertaken by management of each subsidiary to identify, assess, prioritise and manage significant risks relevant to the business of the company and the achievement of objectives and strategies. The management is also responsible to implement and monitor the risk management framework in accordance with the strategic vision, mission and overall risk appetite of the company. It involves the assessment of the impact and likelihood of such risks and the effectiveness of controls in place to manage them. The process includes the enhancement of the system of internal controls when there are changes in the business environment or regulatory guidelines. All risks will be rated as Gross (without taking into consideration the controls in place) and Nett (after taking into consideration the controls in place) in accordance to a Risk Analysis Matrix. This process has been embedded in all aspects of the Group's activities and has been in place for the year under review and up to the date of approval of this statement for inclusion in the Annual Report.

Key Risk Register

Each subsidiary maintains a register to record the result of its on-going risk analysis and risk management in a structured manner to facilitate monitoring and for review purposes. Key Risk Register contains details of all key risks faced by the company, their rating, existing treatments (i.e. preventive, detective and corrective measures) as well as planned treatments (i.e. Management Action Plan) with the person in-charge and target date of implementation specified. A copy of the Key Risk Register will be kept by the GIAD for review, monitoring and reporting to the Audit Committee.

On-going Assessment

The management assists the Board in the implementation of the Board's policies and procedures on risks and internal controls by identifying and assessing the risks faced and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks. All employees are accountable for operating within these policies. The Management reports regularly on the management of risks to the Chairman/Group Chief Executive Officer, whose main role is to assess, on behalf of the Board, the major business risks faced by the Group and the adequacy of internal controls to manage those risks. Emerging risks as a result of changes in the business and external environment are also identified and included in the monitoring process and where necessary, steps are taken to manage the risks. Any significant changes in the business and the external environment which may result in significant risks will be reported to the Audit Committee and Board accordingly. The Group Internal Audit ("GIA") based on its regular reviews, will report to the Audit Committee on subsidiaries' discipline and effort in maintaining an effective system of internal controls on a quarterly basis.

Letter of Assurance

In addition to the on-going assessment of risk management and internal controls systems, on a quarterly basis, letters of assurance are provided by the subsidiaries that are responsible for implementing the processes of risk analysis and internal controls, to assert that the processes are functioning in an effective manner.

Annual Assessment

Annually, subsidiaries are required to perform a review and update on the existing Key Risk Register to ensure the register does not leave out any significant risks that may hinder the company from achieving its objectives and confirming that necessary actions have been or are being taken to manage those risks. The updated Key Risk Register will be further reviewed by the GIAD before it is summarised and presented to the Audit Committee for deliberation and comment on the adequacy and effectiveness of the Group risk management and internal controls systems.

Strategic Risk Reporting

Strategic risks are emerging high level external risks arising from unexpected adverse changes in the business environment of which its occurrence would result in the destruction (or the possibility of the total elimination) of shareholders' value in the company. It is imperative for management of all subsidiaries to perform analysis to identify the risk of such nature and report to the Audit Committee and the Board for deliberation and comment on an annual basis.

Risk Maturity Review

Annually, the GIAD will perform risk management process maturity analysis on each subsidiary and report to the Audit Committee on the progress of management efforts on embedding risk management and control framework into the culture, processes and structure of the company.

New Investment Risk Analysis

It is imperative for subsidiaries which initiate new investment proposal (e.g. joint venture, new subsidiary, project etc.) to perform risk analysis on the new investment and submit together with all other analysis such as due diligences, SWOT analysis, market research, projection, business plan to the Group Investment Committee for review and approval before submitting to the Group Chief Executive Officer and Board for approval.

IGB Group Risk Management Processes

IGB Board has established a risk management framework and communicated to the management on the risk appetite and tolerance that the Group is willing to accept in pursuit of its objectives. Risk management in IGB Group involves an on-going process for identifying, evaluating, managing and reviewing any changes in the significant risks faced by the business in the Group in its achievement of objectives and strategies. The risk management process involved the business and functional units of the Group in identifying significant risk impacting the achievement of business objectives of the Group. It also involved the assessment of the impact and likelihood of such risks and of the effectiveness of controls in place to manage them. The process included the enhancement of the system of internal controls when there are changes to business environment or regulatory guidelines. This process has been embedded in all aspects of the Group's activities and has been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report.

The management assists the Board in the implementation of the Board's policies and procedures on risk and internal controls by identifying and assessing the risk faced and in the design, operation and monitoring of suitable internal controls to mitigate and control these risk. All employees are accountable for operating within these policies. The management has also identified key risk indicators for their respective divisions and monitoring is done to ensure that significant changes in risk levels are identified in a timely manner and actions are taken appropriately to address the risks. Emerging risks are also identified and included in the monitoring process and where necessary, steps are taken to manage the risks. IGB GIAD function provides further independent assurance on the adequacy and effectiveness of risk management and internal control system as part of their audit reviews. All report relating to the risk management process are brought to the attention of the Board through the Audit Committee.

KEY ELEMENTS OF INTERNAL CONTROL PROCESSES

Whilst the Board maintained full control and direction over appropriate strategic, financial, organisational and compliance issues, it has delegated to management the implementation of the system of internal control.

The main elements in the system of internal control framework include:

Clearly defined lines of responsibility and delegated authority

The Group has an organisational structure which clearly defines the responsibilities and reporting lines including relevant authorisation levels.

Management Meetings

The Chairman/Group Chief Executive Officer meets periodically with the Departmental heads of the Group to share information, monitor the progress of various business units, to deliberate and decide upon operational matters and with the Chief Executive Officer of the respective business unit to review the business unit financial performance, business development, management and corporate issues.

Budget

The Annual Budgets and revised Budgets are prepared by each operating company in the Group and are submitted to the Board for approval. It provides the Board with comparative information to assess and monitor the performance of the Group.

Internal Audit

The GIAD reports directly to the Audit Committee of the Group functionally to preserve the independence of the function. The internal audit work is focused on areas of priority as identified by risk analysis in accordance with its annual audit plan as approved by the Audit Committee. GIA also facilitates and evaluates the effectiveness of the governance, risk management and internal control framework and recommends enhancement, where appropriate. The Audit Committee receives reports on the GIAD function's work and findings and is updated regularly on issues that requires further follow-up and rectification by management.

Best Practices in Internal Controls

An internal control best practice has been established for key areas and has been distributed to each subsidiary for adoption. Each subsidiary will review and ensure that the internal controls best practices are incorporated into their existing Standard Operating Procedures.

Information and Communication

The Management Information Systems provide the Board with relevant and timely reports for monitoring the financial performance and the business operation of the Group.

MONITORING

The Board, through the Audit Committee, has reviewed the effectiveness of the risk management and internal controls systems of the Group at periodic Board meetings and the risk management and internal controls systems will continue to be reviewed, enhanced and updated in line with changes in the operating environment.

The Board is pleased to report that the risk management framework was functioning within levels appropriate to the Group businesses and there were no material internal controls systems failures nor were there any reported weaknesses which would have resulted in material losses or contingencies for the year under review and up to the date of this statement.

This statement was made in accordance with the resolution of the Board of Directors passed on 23 February 2017.

The Board is pleased to issue the following report on the Audit Committee and its activities during the financial year ended 31 December ("FY") 2016.

COMPOSITION

The Audit Committee comprises the following members:-

- Datuk Tan Kim Leong *(Chairman/Senior Independent Non-Executive Director)*
- Encik Daud Mah Bin Abdullah *(Independent Non-Executive Director)*
- Mr Lee Chaing Huat *(Independent Non-Executive Director)*

MEMBERS AND MEETINGS

Name of Director	Membership Status	Meetings Attended	Percentage of Attendance (%)
Datuk Tan Kim Leong *(Chairman)*	Senior Independent Non-Executive Director	4/4	100
Daud Mah Bin Abdullah	Independent Non-Executive Director	4/4	100
Lee Chaing Huat	Independent Non-Executive Director	4/4	100

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

A Objectives

The primary objectives of the Audit Committee are:

(1) To ensure transparency, integrity and accountability of the activities of the Group so as to safeguard the rights and interests of the shareholders.

(2) To provide assistance to the Board in discharging its responsibilities relating to the management of principal risks, internal controls, financial reporting and compliance with the statutory and legal requirements of the Group.

(3) To maintain regularly scheduled meetings, a direct line of communication between the Board, senior management, internal and external auditors.

B Membership

The Audit Committee shall be appointed by the Board from amongst its Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Directors. All members of the Audit Committee should be Non-Executive Directors. If membership for any reason falls below three (3) members, the Board shall within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

(1) The members of the Audit Committee shall elect a chairman from among their number who shall be an Independent Director.

(2) No Alternate Director shall be appointed to the Audit Committee.

(3) All members should be financially literate and at least one (1) member of the Audit Committee:

(a) must be a member of the Malaysian Institute of Accountants ("MIA"); or

(b) if he is not a member of the MIA, he must have at least three (3) years of working experience and have passed the examination specified in Part I of the 1st Schedule of the Accountants Act, 1967; or he must be a member of one of the Associations of Accountants specified in Part II of the said Schedule; or

(c) has a degree/masters/doctorate in accounting or finance and at least three (3) years of post qualification experience in accounting or finance; or

(d) at least seven (7) years of experience being a Chief Financial Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

The Nomination Committee had reviewed the term of office and performance of the Audit Committee and each of the members annually and is satisfied that the Audit Committee and members had carried out their duties in accordance with the terms of reference.

C Authority

The Audit Committee is authorised by the Board to:

(1) Investigate any activity within its terms of reference.

(2) Seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.

(3) Obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Audit Committee shall have direct access to the internal and external auditors, who in turn, have access at all times to the Chairman of the Audit Committee. The Audit Committee should meet with the external auditors without executive Board members present at least twice a year.

D Functions

The functions of the Audit Committee are:

(1) To review and discuss the following with the external auditors:

- (a) their audit plan;
- (b) their evaluation of the internal controls systems;
- (c) their audit report;
- (d) the assistance given by the employees of the Company to them;
- (e) their suitability and independence such as ensuring the provision of non-audit services would not impair the external auditors independence and obtaining written assurance from the external auditors confirming they have been independent throughout the conduct of the audit engagement;

(2) To review the following in respect of internal auditors:

- (a) the adequacy of the scope and plan, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (b) the internal audit programme, processes and results of the internal audit programme, processes or investigation undertaken and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- (c) the effectiveness of the internal controls systems;
- (d) the major findings of internal audit and management's response;
- (e) the appraisal or assessment of the performance of members of the internal audit function;

(3) To review the quarterly results and year end financial statements, prior to the submission to the Board for their approval, focusing particularly on:

- (a) going concern assumptions;
- (b) changes in accounting policies and practices;
- (c) significant and unusual events;
- (d) compliance with applicable financial reporting standards and other legal requirements;

(4) To review any related party transaction and conflict of interest situation that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;

(5) To consider and recommend the nomination and appointment, the audit fee and any questions of resignation, dismissal or re-appointment of the external auditors;

(6) To discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management, where necessary);

(7) To review the external auditors' management letter and management's response;

(8) To approve any appointment or termination of senior staff members of the internal audit function;

(9) To take cognisance of resignations of internal audit staff members;

(10) Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Main Market Listing Requirements ("MMLR"), the Audit Committee must promptly report such matter to Bursa Malaysia Securities Berhad;

(11) To act as a forum for communication between the Board, Senior Management and Internal Audit Function;

(12) To ensure adequate monitoring and review of the effectiveness of the systems established by management to identify, assess, manage and monitor the various risks arising from the activities of the Company; and

(13) Such other functions as may be agreed to by the Audit Committee and the Board.

E Procedure for Audit Committee

Meetings shall be held not less than four (4) times a year. The external auditors may request for a meeting and shall have the right to appear and be heard at any meeting of the Audit Committee. The Audit Committee Chairman shall convene a meeting whenever any member of the Audit Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Audit Committee and the external auditors, where applicable.

The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the Chairman of the Board, Chief Executive Officer, the Chief Financial Officer, the Head of Internal Audit and the external auditors in order to be kept informed of matters affecting the Company.

Members may, if they think fit, confer by radio, telephone, closed circuit television or other electronic means of audio or audio-visual communication and a resolution or decision passed by such a conference will, despite the fact that the members are not present together in one place at the time of the conference, be deemed to have been passed at the Audit Committee Meeting held on the day on which and at the time at which the conference was held. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting provided that at least one (1) member present at the meeting was at such place for the duration of the meeting.

The quorum for a meeting shall be two (2) provided always that the majority of members present must be Independent Directors and any decision shall be by a simple majority. The Audit Committee Chairman shall have a casting vote in case of an equality of votes except where only two (2) Directors are competent to vote on the question at issue.

The Chief Financial Officer, the Head of Internal Audit and a representative of the external auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee.

The Company Secretary shall be the Secretary of the Audit Committee and shall circulate the minutes of meeting of the Audit Committee to all members of the Board.

SUMMARY OF ACTIVITIES

Financial Reporting and Compliance

Reviewed Goldis's unaudited financial results for 4th quarter of 2015, 1st quarter of 2016, 2nd quarter of 2016 and 3rd quarter of 2016, which were announced via the regulatory information service immediately after the Board's approvals, respectively on 26 February 2016, 25 May 2016, 26 August 2016 and 23 November 2016 and the consolidated financial statements for the FY2015 ("FS2015") which was submitted via the regulatory information services on 29 April 2016. The Audit Committee concluded that the quarterly financial results and FS2015 presented a true and fair view of the state of affairs of Goldis Group and complied with regulatory requirements.

Subsequent to the FY2016, the Audit Committee, considered and reviewed the audited financial statements of the Group for the FY2016 ("FS2016"). In reviewing the annual audited financial statements, the Audit Committee discussed with the management and the external auditors on the accounting principles and the standards that were applied and their judgement on the items that may affect the financial statements.

The review was to ensure that the accounting treatment, financial reporting and disclosures are in compliance with:

- Provision of the Companies Act, 1965;
- MMLR of Bursa Malaysia Securities Bhd;
- Applicable accounting standards in Malaysia; and
- Other legal and regulatory requirements.

Internal Audit

(a) Reviewed Group Internal Audit Department (GIAD)'s reports on the effectiveness and adequacy of internal controls, risk management, operational, compliance and governance processes of the Group and management's responses and implementation of audit recommendations that were being properly addressed and corrected. A total of eleven (11) audit reports (including follow-up audits) were issued by GIAD for assignments conducted on Goldis Group based on the 2016 plan. Findings which were rated as "Improvements Required" were mainly relating to controls weaknesses, compliance shortcoming and documentation anomalies where the Committee has directed management to rectify and improve control procedures and workflow processes based on the internal auditors' recommendations and suggestions for improvement.

(b) Reviewed and approved the GIAD's audit plan 2017 to ensure adequate scope and coverage of operational, compliance and internal controls of Goldis Group. In planning for the audit of Goldis Group, a risk based auditing approach was adopted. The approach emphasised on effective planning and scoping of audit to suit the size and activities of functional areas and to concentrate audit resources on areas that exposed the operations to greater degree of risk.

(c) Monitored the corrective actions taken on the outstanding audit issues to ensure all control lapses have been addressed.

(d) Reviewed the Audit Committee reports and minutes of Audit Committee meetings submitted by IGB Corporation Berhad ("IGB"), a major subsidiary of Goldis on a quarterly basis. GIAD had reviewed the reports and highlighted all key issues raised in the reports to the Audit Committee of Goldis on a quarterly basis for knowledge and further actions, where necessary.

(e) Reviewed the governance structure of IGB, to determine the robustness and accountability in their commitment to good governance practices pursuant to the MMLR and Code of Corporate Governance. The review consists of assessment of Board structure, duties, internal controls and risk management framework. The Audit Committee is satisfied with IGB governance structure and had decided to rely on the Board of IGB, a public listed company with its own independent directors, risk management and internal controls systems to perform the risk oversight role for the financial year.

External Audit

(a) Reviewed external auditors' report on the conduct of FS2015 audit, the findings on significant financial accounting and reporting issues together with the findings on internal control system as well as overview of issues found during the interim audit.

(b) Reviewed external auditors' audit plan 2016 for Goldis Group, encompassing the proposed work blueprint, nature and scope for the year's audit and other examination including the evaluation of internal control system and risk management processes, to the extent performed as part of the external audit.

(c) Reviewed, in consultation with management, the terms of engagement of external auditor for the statutory audit of the Group in respect of scope and performance, upon confirmation of their independence and objectivity including non-audit services related to tax consultancy and compliance review.

(d) Met with the external auditors twice without the presence of any executive Board members and management staff on 26 February 2016 and 23 November 2016. These sessions enabled an open discussion and ensure that the external auditors was not restricted in their scope of audit.

(e) Subsequent to FY2016, the Audit Committee carried out a review with the external auditors on the report of their audit FS2016 of Goldis and the accompanying management letter and response.

Risk Management

The Audit Committee assisted the Board in examining the adequacy and effectiveness of Goldis risk management system to ensure that a robust risk management is maintained. Based on periodic updates from the management and annual risk reports presented by the GIAD which shed insight on the areas of risk, likelihood, impact and management action on Goldis Group's operating business and functional units, the Audit Committee was able to keep under review the adequacy and effectiveness of the Group's risk management system as well as their risk portfolio, risk level and risk mitigation strategies.

Related Party transaction ("RPT")/Recurrent Related Party Transaction ("RRPT")

The Audit Committee had reviewed RRPT entered into by the Group, ensured that proper disclosures were made in accordance with MMLR, and was satisfied that all transactions were in the best interest of Goldis Group, whereby the terms concluded were fair, reasonable and based on commercial viability and were therefore not deemed to be detrimental to the interest of minority shareholders and the monitoring procedures to regulate such transactions were appropriate and sufficient.

EMPLOYEES' SHARE OPTION SCHEME

There was no allocation of options during the FY2016. The Employees' Share Option Scheme had expired on 19 May 2012.

INTERNAL AUDIT FUNCTION

The Audit Committee is assisted by the in-house GIAD in discharging its duties and responsibilities. The GIAD function is considered an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group. The purpose, authority and responsibility of the GIAD function as well as the nature of the assurance and consultancy activities provided by the department are articulated in the internal audit charter.

The GIAD reports directly to the Audit Committee who reviews and approves the annual audit plan, financial budget and human resource requirements to ensure that the function is adequately resourced with competent and proficient internal auditors.

During the year, the GIAD conducted various internal audit engagements in accordance with the annual audit plan that is consistent with the goals of the Group. The GIAD evaluates the adequacy and effectiveness of key controls in responding to the risks within the organisation, governance, operations and information systems. The GIAD also plays an active advisory role in risk analysis and control consultation.

The total cost incurred in managing the GIAD for the FY2016 was RM423,000.

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Directors are pleased to present their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND CORPORATE INFORMATION

The principal activities of the Company during the financial year are those of investment holding and the provision of management services. The principal activities of the Group mainly consist of property investment and management, owner and operator of malls, hotel operations, property development, construction, information and communication technology services, provision of engineering services for water treatment plants and related services, education, investment holding and management of real estate investment trust.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The address of the principal place of business and registered office of the Company is as follows:

Suite 28-03, Level 28, GTower
199 Jalan Tun Razak
50400 Kuala Lumpur

FINANCIAL RESULTS

	Group RM’000	Company RM’000
Profit for the financial year	399,886	48,155
Attributable to:		
Owners of the parent	165,027	48,155
Non-controlling interests	234,859	-
	399,886	48,155

DIVIDENDS

The dividends paid by the Company since the end of the previous financial year are as follows:

	RM’000
In respect of the financial year ended 31 December 2015:	
A dividend of 2% (based on the issue price of RM1.00) per Redeemable Convertible Cumulative Preference Shares of RM0.01 each (“RCPS”) under the single tier system on 455,727,027 RCPS paid on 12 February 2016	9,115
In respect of the financial year ended 31 December 2016:	
A dividend of 2% (based on the issue price of RM1.00) per RCPS under the single tier system on 455,371,377 RCPS paid on 11 August 2016	9,107
First interim single-tier dividend of 2 sen per ordinary share on 607,792,019 ordinary shares paid on 12 August 2016	12,156
	21,263

On 30 December 2016, the Director declared a dividend of 2% (based on the issue price of RM1.00) per RCPS for the six months period from and including 16 August 2016 up to and including 15 February 2017 in respect of the financial year ended 31 December 2016 under the single tier system amounting to RM9,096,000 was paid out on 14 February 2017.

The Directors do not recommend the payment of a final dividend for the financial year ended 31 December 2016.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM610,494,056 comprising of 610,494,056 ordinary shares of RM1.00 each to RM610,890,683 comprising of 610,890,683 ordinary shares of RM1.00 each by way of conversion of 904,331 RCPS into 396,627 ordinary shares of RM1.00 each at conversion price of RM2.28.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

In the current financial year, shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting on 25 May 2016, approved the Company's plan to purchase its own shares up to a maximum of 10% of the issued and paid up capital of the Company. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company did not repurchase its ordinary shares.

As at 31 December 2016, the number of outstanding ordinary shares in issue after the set off of treasury shares is 608,032,663 (2015: 607,636,036) ordinary shares of RM1.00 each.

DIRECTORS

The Directors in office since the date of the last report are:

Tan Lei Cheng
Datuk Tan Kim Leong @ Tan Chong Min
Daud Mah bin Abdullah @ Mah Siew Whye
Tan Boon Lee
Dato' Seri Robert Tan Chung Meng
Lee Chaing Huat
Daniel Yong Chen-I
Tan Mei Sian (Ceased as Alternate Director to Tan Boon Lee on 18.5.2016 and appointed as Director on 18.5.2016)

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments paid as disclosed in Note 9) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 43 to the financial statements.

Except as disclosed above, neither during nor at the end of the financial year was the Company a party to any arrangement whose object or objects was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the options over ordinary shares granted by a subsidiary company, IGB Corporation Berhad ("IGB") pursuant to IGB's Executives' Share Option Scheme ("ESOS").

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares and units in the Company and its subsidiary were as follows:

	Number of ordinary shares of RM1.00 each			
In the Company	**1.1.2016**	**Additions**	**Disposals**	**31.12.2016**
Tan Lei Cheng				
Direct	8,899,651	-	-	8,899,651
Indirect*	3,862,176	-	-	3,862,176
Datuk Tan Kim Leong @ Tan Chong Min				
Direct	366,010	-	-	366,010
Tan Boon Lee				
Direct	4,157,380	-	-	4,157,380
Daud Mah bin Abdullah @ Mah Siew Whye				
Direct	99,458	-	-	99,458
Tan Mei Sian				
Direct	106,090	400,000	-	506,090
Dato' Seri Robert Tan Chung Meng				
Direct	1,483,509	-	-	1,483,509
Indirect*	183,780,976	9,496,800	-	193,277,776
Daniel Yong Chen-I				
Indirect*	-	803,297	-	803,297

	Number of Redeemable Convertible Cumulative Preference Shares of RM0.01 each			
In the Company	**1.1.2016**	**Additions**	**Disposals**	**31.12.2016**
Tan Lei Cheng				
Direct	6,674,738	-	-	6,674,738
Indirect*	2,915,613	-	-	2,915,613
Datuk Tan Kim Leong @ Tan Chong Min				
Direct	274,507	-	-	274,507
Tan Boon Lee				
Direct	3,118,035	-	-	3,118,035
Daud Mah bin Abdullah @ Mah Siew Whye				
Direct	76,400	-	-	76,400
Tan Mei Sian				
Direct	79,567	-	-	79,567
Dato' Seri Robert Tan Chung Meng				
Direct	1,112,631	-	-	1,112,631
Indirect*	142,988,143	-	-	142,988,143
Daniel Yong Chen-I				
Indirect*	-	602,472	-	602,472

DIRECTORS' INTERESTS (CONTINUED)

	Number of ordinary shares of RM1.00 each			
In GTower Sdn. Bhd.	**1.1.2016**	**Additions**	**Disposals**	**31.12.2016**
(subsidiary)				
Tan Lei Cheng				
Direct	321,429	-	-	321,429
Tan Boon Lee				
Direct	428,571	-	-	428,571
Tan Mei Sian				
Direct	35,714	-	-	35,714

	Number of ordinary shares of RM0.50 each			
In IGB Corporation Berhad	**1.1.2016**	**Additions**	**Disposals**	**31.12.2016**
(subsidiary)				
Datuk Tan Kim Leong @ Tan Chong Min				
Direct	20,000	-	-	20,000
Tan Boon Lee				
Direct	1,690,000	-	-	1,690,000
Dato' Seri Robert Tan Chung Meng				
Direct	1,000,000	-	-	1,000,000
Indirect*	980,291,803	-	-	980,291,803

	Number of options over ordinary shares of RM0.50 each			
In IGB Corporation Berhad	**1.1.2016**	**Granted**	**Exercise**	**31.12.2016**
(subsidiary)				
Tan Lei Cheng	500,000	-	-	500,000
Tan Boon Lee	1,500,000	-	-	1,500,000
Daniel Yong Chen-I	500,000	-	-	500,000
Dato' Seri Robert Tan Chung Meng	2,000,000	-	-	2,000,000

DIRECTORS' INTERESTS (CONTINUED)

	Number of units of RM1.00 each			
In IGB Real Estate Investment Trust ("IGB REIT")	**1.1.2016**	**Additions**	**Disposals**	**31.12.2016**
(subsidiary)				
Tan Lei Cheng				
Direct	1,853,742	-	-	1,853,742
Indirect*	345,722	-	-	345,722
Datuk Tan Kim Leong @ Tan Chong Min				
Direct	1,600	-	-	1,600
Tan Boon Lee				
Direct	1,989,725	-	(384,700)	1,605,025
Daniel Yong Chen-I				
Direct	622,132	-	-	622,132
Indirect*	-	1,080,898	-	1,080,898
Dato' Seri Robert Tan Chung Meng				
Direct	9,289,081	-	-	9,289,081
Indirect*	1,837,118,859	21,685,021	-	1,858,803,880

* Deemed interest pursuant to Section 6A of the Companies Act, 1965.

Other than as disclosed above, none of the Directors in office at the end of financial year held any interests in the shares in the Company or its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statement, statement of comprehensive income and statement of financial position were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS POST REPORTING DATE

(a) Disposal of Renaissance Kuala Lumpur Hotel

On 15 August 2016, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that Great Union Properties Sdn. Bhd., a wholly owned subsidiary of IGB had signed a Sale and Purchase Agreement to dispose Renaissance Kuala Lumpur Hotel for a cash consideration of RM765.0 million. The disposal was completed on 20 January 2017.

(b) Proposed Acquisition of the Entire Equity Interest in IGB Corporation Berhad

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

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

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

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. The Directors had endorsed the recommendation of the Audit Committee for PricewaterhouseCoopers to be reappointed as auditors.

Signed in accordance with a resolution of the Directors dated 21 April 2017.

TAN LEI CHENG
DIRECTOR

TAN BOON LEE
DIRECTOR

INCOME STATEMENTS

for the financial year ended 31 December 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Revenue	6	1,255,473	1,278,218	120,869	206,092
Cost of sales		(611,331)	(650,225)	-	-
Gross profit		644,142	627,993	120,869	206,092
Other operating income		180,571	54,360	2,324	5,810
Administrative expenses		(250,610)	(211,268)	(24,901)	(9,875)
Other operating expenses		(15,759)	(10,803)	(8,399)	-
Profit from operations	7	558,344	460,282	89,893	202,027
Finance income	10	32,130	41,360	169	1,469
Finance costs	10	(129,804)	(151,716)	(43,306)	(51,361)
Share of results of associates		22,743	41,196	-	-
Share of results of joint ventures		(505)	(743)	-	-
Profit before taxation		482,908	390,379	46,756	152,135
Tax (expense)/credit	11	(83,022)	(103,486)	1,399	82
Profit for the financial year		399,886	286,893	48,155	152,217
Attributable to:					
Owners of the parent		165,027	109,105	48,155	152,217
Non-controlling interests		234,859	177,788	-	-
Profit for the financial year		399,886	286,893	48,155	152,217
Earnings per share (sen):					
- Basic	12 (a)	27.15	17.96		
- Diluted	12 (b)	20.84	14.46		

The accompanying accounting policies and notes form an integral part of these financial statements.

for the financial year ended 31 December 2016

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	399,886	286,893	48,155	152,217
Other comprehensive income/(loss):				
Available-for-sale financial assets				
- net change in fair values	(3,288)	(2,224)	(3,288)	(2,224)
Exchange fluctuation reserve				
- currency translation differences	(26,355)	80,901	-	-
Items that may be subsequently reclassified to profit or loss	(29,643)	78,677	(3,288)	(2,224)
Total comprehensive income for the financial year	370,243	365,570	44,867	149,993
Attributable to:				
Owners of the parent	137,976	168,914	44,867	149,993
Non-controlling interests	232,267	196,656	-	-
Total comprehensive income for the financial year	370,243	365,570	44,867	149,993

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2016

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	13	1,705,020	2,466,317	168	255
Inventories	14	252,906	309,935	-	-
Investment properties	15	2,725,284	2,451,063	-	-
Long term prepaid lease	16	422	4,065	-	-
Intangible assets	17	14,418	33,907	-	-
Biological assets	18	102	242	-	-
Subsidiaries	19	-	-	2,521,285	2,521,040
Associates	20	467,248	516,551	-	-
Joint ventures	21	385,360	431,937	-	-
Available-for-sale financial assets	22	29,644	17,579	29,644	17,529
Concession receivables	23	100,302	97,746	-	-
Deferred tax assets	24	12,796	1,548	-	-
		5,693,502	6,330,890	2,551,097	2,538,824
CURRENT ASSETS					
Inventories	14	513,609	472,755	-	-
Financial assets at fair value through profit or loss	25	17,778	21,185	10,152	11,296
Concession receivables	23	3,313	3,285	-	-
Amounts owing from subsidiaries	39	-	-	178	5,348
Amounts owing from associates	26	41,480	28,397	-	-
Amounts owing from joint ventures	26	25,472	18,389	-	-
Receivables and contract assets	27	207,574	211,996	24	32
Tax recoverable		24,206	5,914	2,209	776
Cash held under Housing Development Accounts	28	87,700	23,931	-	-
Deposits, cash and bank balances	28	963,599	1,116,690	3,106	12,552
		1,884,731	1,902,542	15,669	30,004
Asset classified as held-for-sale	29	708,025	35,190	-	-
		2,592,756	1,937,732	15,669	30,004
TOTAL ASSETS		8,286,258	8,268,622	2,566,766	2,568,828

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	30	610,891	610,494	610,891	610,494
Share premium	31	32,809	32,340	32,809	32,340
Treasury shares	32	(5,722)	(5,722)	(5,722)	(5,722)
Redeemable Convertible Cumulative Preference Shares	30	366,921	367,650	366,921	367,650
Other reserves	34	59,658	86,709	(3,003)	285
Retained earnings	35	1,487,329	1,346,410	546,947	510,948
		2,551,886	2,437,881	1,548,843	1,515,995
Non-controlling interests	19	1,299,380	1,248,004	-	-
TOTAL EQUITY		3,851,266	3,685,885	1,548,843	1,515,995
LIABILITIES					
NON-CURRENT LIABILITIES					
Payables and contract liabilities	36	90,129	89,297	-	-
Deferred tax liabilities	24	174,257	188,842	1,462	2,397
Redeemable Convertible Cumulative Preference Shares	33	49,004	64,085	49,004	64,085
Hire-purchase and finance lease payables	37	33	80	-	-
Interest bearing bank borrowings	38	2,654,236	2,577,964	920,100	956,600
		2,967,659	2,920,268	970,566	1,023,082
CURRENT LIABILITIES					
Payables and contract liabilities	36	745,187	515,850	17,428	1,168
Amount owing to subsidiaries	39	-	-	14,837	14,312
Amount owing to associates	26	4	1,717	-	-
Current tax liabilities		107,561	98,951	-	-
Redeemable Convertible Cumulative Preference Shares	33	15,092	14,271	15,092	14,271
Hire-purchase and finance lease payables	37	47	44	-	-
Interest bearing bank borrowings	38	599,442	1,031,636	-	-
		1,467,333	1,662,469	47,357	29,751
TOTAL LIABILITIES		4,434,992	4,582,737	1,017,923	1,052,833
TOTAL EQUITY AND LIABILITIES		8,286,258	8,268,622	2,566,766	2,568,828

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2016

Group	Note	Share capital (Note 30)	Share premium (Note 31)	Treasury shares (Note 32)	Redeemable Convertible Cumulative Preference Shares (Note 30)	Other reserves (Note 34)	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to owners of the parent								
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2016										
At 1 January 2016		610,494	32,340	(5,722)	367,650	86,709	1,346,410	2,437,881	1,248,004	3,685,885
Comprehensive income										
Profit for the financial year		-	-	-	-	-	165,027	165,027	234,859	399,886
Other comprehensive income		-	-	-	-	(27,051)	-	(27,051)	(2,592)	(29,643)
Total comprehensive income for the financial year		-	-	-	-	(27,051)	165,027	137,976	232,267	370,243
Transactions with owners										
Conversion of Redeemable Convertible Cumulative Preference Shares into ordinary shares		397	469	-	(729)	-	-	137	-	137
Dividend paid to ordinary shareholders	40	-	-	-	-	-	(12,156)	(12,156)	-	(12,156)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(190,333)	(190,333)
Changes in ownership interests in subsidiaries that do not result in a loss of control		-	-	-	-	-	(11,952)	(11,952)	9,442	(2,510)
Total transactions with owners		397	469	-	(729)	-	(24,108)	(23,971)	(180,891)	(204,862)
At 31 December 2016		610,891	32,809	(5,722)	366,921	59,658	1,487,329	2,551,886	1,299,380	3,851,266

Group	Note	Attributable to owners of the parent								
		Share capital (Note 30)	Share premium (Note 31)	Treasury shares (Note 32)	Redeemable Convertible Cumulative Preference Shares (Note 30)	Other reserves (Note 34)	Retained earnings	Total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2015										
At 1 January 2015		610,494	32,340	(5,722)	-	18,805	1,260,140	1,916,057	1,251,220	3,167,277
Comprehensive income										
Profit for the financial year		-	-	-	-	-	109,105	109,105	177,788	286,893
Other comprehensive income		-	-	-	-	59,809	-	59,809	18,868	78,677
Total comprehensive income for the financial year		-	-	-	-	59,809	109,105	168,914	196,656	365,570
Transactions with owners										
Issuance of Redeemable Convertible Cumulative Preference shares		-	-	-	367,650	-	-	367,650	-	367,650
Options granted to executives of a subsidiary		-	-	-	-	8,095	-	8,095	2,946	11,041
Dividend paid to ordinary shareholders	40	-	-	-	-	-	(12,153)	(12,153)	-	(12,153)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(202,762)	(202,762)
Changes in ownership interests in subsidiaries that do not result in a loss of control		-	-	-	-	-	(10,682)	(10,682)	(56)	(10,738)
Total transactions with owners		-	-	-	367,650	8,095	(22,835)	352,910	(199,872)	153,038
At 31 December 2015		610,494	32,340	(5,722)	367,650	86,709	1,346,410	2,437,881	1,248,004	3,685,885

The accompanying accounting policies and notes form an integral part of these financial statements.

for the financial year ended 31 December 2016

Company	Note	Share capital (Note 30) RM'000	Share premium (Note 31) RM'000	Treasury shares (Note 32) RM'000	Redeemable Convertible Cumulative Preference Shares (Note 30) RM'000	Other reserve (Note 34) RM'000	Retained earnings RM'000	Total RM'000
2016								
At 1 January 2016		610,494	32,340	(5,722)	367,650	285	510,948	1,515,995
Comprehensive income								
Profit for the financial year		-	-	-	-	-	48,155	48,155
Other comprehensive income		-	-	-	-	(3,288)	-	(3,288)
Total comprehensive income for the financial year		-	-	-	-	(3,288)	48,155	44,867
Transactions with owners								
Conversion of Redeemable Convertible Cumulative Preference Shares into Ordinary Shares		397	469	-	(729)	-	-	137
Dividend paid to ordinary shareholders	40	-	-	-	-	-	(12,156)	(12,156)
Total transactions with owners		397	469	-	(729)	-	(12,156)	(12,019)
At 31 December 2016		610,891	32,809	(5,722)	366,921	(3,003)	546,947	1,548,843
2015								
At 1 January 2015		610,494	32,340	(5,722)	-	2,509	370,884	1,010,505
Comprehensive income								
Profit for the financial year		-	-	-	-	-	152,217	152,217
Other comprehensive income		-	-	-	-	(2,224)	-	(2,224)
Total comprehensive income for the financial year		-	-	-	-	(2,224)	152,217	149,993
Transactions with owners								
Issuance of Redeemable Convertible Cumulative Preference shares		-	-	-	367,650	-	-	367,650
Dividend paid to ordinary shareholders	40	-	-	-	-	-	(12,153)	(12,153)
Total transactions with owners		-	-	-	367,650	-	(12,153)	355,497
At 31 December 2015		610,494	32,340	(5,722)	367,650	285	510,948	1,515,995

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
OPERATING ACTIVITIES					
Cash receipts from customers		1,385,784	1,337,431	-	-
Cash paid to suppliers and employees		(596,907)	(738,211)	(9,821)	(10,704)
Cash flows from/(used in) operations		788,877	599,220	(9,821)	(10,704)
Dividends received		-	-	117,651	203,321
Interests received		-	-	169	1,469
Interests paid		(137,751)	(155,193)	(39,211)	(47,379)
Income taxes refunded		74	1,487	-	-
Income taxes paid		(118,542)	(130,329)	(966)	(1,671)
Net cash generated from operating activities		532,658	315,185	67,822	145,036
INVESTING ACTIVITIES					
Additional investment in:					
- available-for-sale financial assets	22	(13,095)	(4,425)	(13,095)	(4,425)
- financial assets at fair value through profit or loss		(1,522)	(4,249)	(1,522)	(6,292)
Additions in:					
- investment properties		(253,530)	(170,964)	-	-
- land held for property development		(7,677)	(57,218)	-	-
- biological assets	18	(10)	(55)	-	-
- intangible assets	17	(161)	(324)	-	-
Proceed from issuance of shares by subsidiaries to non-controlling interest		-	701	-	-
Proceeds from disposal of:					
- associates		546	-	-	-
- financial assets at fair value through profit or loss		5,490	8,566	3,227	8,566
- land held for property development		498	7,655	-	-
Proceeds from redemption of preference shares in associates		6,500	5,500	-	-
Property, plant and equipment:					
- additions		(67,599)	(146,027)	(6)	(45)
- disposals		202,148	170	2	1
Advances to subsidiaries:					
- advances		-	-	(8,650)	(63,769)
- repayments		-	-	9,024	5,319
Advances from subsidiaries:					
- advances		-	-	2,690	14,460
- repayments		-	-	(2,060)	-
Advances to associates and joint ventures:					
- advances		(9,731)	(12,487)	-	-
- repayments		-	25,668	-	-
Deposit released/(pledged) with licensed bank		534,088	(53,669)	-	-
Interest received		28,363	39,068	-	-
Dividend received from associates		1,891	13,762	-	-
Capital repayment to non-controlling interests of a subsidiary		(2,494)	(770)	-	-
Subscription of additional shares in associates		(1,168)	(675)	-	-
Capital repayment from an associate		1,240	-	-	-
Net cash generated from/(used in) investing activities		423,777	(349,773)	(10,390)	(46,185)

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
FINANCING ACTIVITIES					
Additional investment in a subsidiary from non-controlling interest		(15)	(3,557)	-	(3,557)
Acquisition of subsidiaries		-	908	-	-
Redeemable Convertible Cumulative Preference Shares:					
- proceeds from issuance		-	455,727	-	455,727
- issue expenses		-	(1,064)	-	(1,064)
Dividend paid to:					
- non-controlling interests		(180,688)	(205,937)	-	-
- ordinary shareholders	40	(12,156)	(12,153)	(12,156)	(12,153)
- holders of RCPS	40	(18,222)	(9,115)	(18,222)	(9,115)
Repayments of borrowings		(630,758)	(1,015,620)	(36,500)	(1,008,620)
Proceeds from borrowings		332,505	661,600	-	420,100
Cash arising from dilution of equity in a subsidiary		-	225	-	-
Payments of hire-purchase and finance lease liabilities		(44)	(70)	-	-
Deposit held with trustee		(8,793)	(1,095)	-	-
Net cash used in financing activities		(518,171)	(130,151)	(66,878)	(158,682)
Net increase/(decrease) in cash and cash equivalents during the financial year		438,264	(164,739)	(9,446)	(59,831)
Currency translation differences		(2,291)	(4,189)	-	-
Cash and cash equivalents at beginning of the financial year		576,052	744,980	12,252	72,083
Cash and cash equivalents at end of the financial year	28	1,012,025	576,052	2,806	12,252

Non-cash transactions

The principal non-cash transaction of the Company in financial year 2016 is:

1) The capitalisation of advances to subsidiaries of RM23,530,000 as investment in subsidiaries.

A BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) Standards, amendments and improvements to published standards and interpretations to existing standards that are effective and are applicable to the Group and the Company.

The Group and the Company have applied the following amendments for the first time for the financial year beginning on 1 January 2016:

- Amendments to MFRS 10, 12 & 128 'Investment entities – applying the consolidation exception'
- Amendments to MFRS 11 'Joint arrangements' – Accounting for acquisition of interests in joint operations
- Amendments to MFRS 101 'Presentation of financial statements' – Disclosure initiative
- Amendments to MFRS 116/MFRS138 'Property, plant and equipment and intangible assets' – Clarification of acceptable methods of depreciation and amortisation
- Amendments to MFRS 127 'Equity method in separate financial statements'
- Annual Improvements to MFRSs 2012-2014 Cycle

The adoption of these amendments did not have any material impact on the current or any prior year financial statements of the Group and of the Company and are not likely to affect future periods.

(b) Standards, amendments and improvements to published standards and interpretations to existing standards that are early adopted by the Group and the Company except for MFRS 15 'Revenue from contract with customers' which was adopted by the Group and the Company in the financial year ended 31 December 2014.

There are no new accounting standards, amendments and improvements to published standards and interpretations that are early adopted by the Group and the Company.

(c) Standards, amendments and improvements to published standards and interpretations to existing standards that are applicable to the Group and the Company but are not yet effective.

The new standards, amendments and improvements to published standards and interpretations that are mandatory for the Group's and the Company's financial year beginning after 1 January 2016 or later periods, and the Group and the Company have not early adopted, are as follows:

(i) Financial year beginning on or after 1 January 2017

- Amendments to MFRS 107 'Statement of cash flows – Disclosure initiative' introduce an additional disclosure on changes in liabilities arising from financing activities.

- Amendments to MFRS 112 'Income Taxes – Recognition of deferred tax assets for unrealised losses' clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

  In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences.

  The amendments shall be applied retrospectively.

A BASIS OF PREPARATION (CONTINUED)

(c) Standards, amendments and improvements to published standards and interpretations to existing standards that are applicable to the Group and the Company but are not yet effective (continued)

The new standards, amendments and improvements to published standards and interpretations that are mandatory for the Group's and the Company's financial year beginning after 1 January 2016 or later periods, and the Group and the Company have not early adopted, are as follows: (continued)

(ii) Financial year beginning on or after 1 January 2018

MFRS 9 'Financial Instruments' will replace MFRS 139 'Financial Instruments: Recognition and Measurement'. The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ('OCI'). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than the income statement, unless this creates an accounting mismatch.

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

(iii) Financial year beginning on or after 1 January 2019

MFRS 16 'Leases' will supersede MFRS 117 'Leases' and the related interpretations.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, plant and equipment' and the lease liability is accreted over time with interest expenses recognised in the income statement.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group and the Company is in the process of assessing the impact of the above standards, amendments and improvements to published standards and interpretations to existing standards on its financial statements and are not anticipated to have any significant impact on the financial position of the Group and the Company in the year of initial application.

B CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

B CONSOLIDATION (CONTINUED)

(a) Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statements (see Note E on goodwill).

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint ventures, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

B CONSOLIDATION (CONTINUED)

(d) Joint arrangements (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of results of joint ventures' in the income statement.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(e) Associates

Associates are all entities over which the Group has significant influence, but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using equity method of accounting. Under the equity method, the investment is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified acquisition.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, goodwill is calculated at each stage of the acquisition. The Group does not revalue its previously owned share of net assets to fair value. Any existing available-for-sale reserve is reversed in other comprehensive income, restating the investment to cost. For an investment designated at fair value through profit or loss, the reversal resulting from the restatement to cost is made against retained earnings. A share of profits (after dividends) together with a share of any equity movements relating to the previously held interest are accounted for in other comprehensive income.

The cost of acquiring an additional stake in an associate is added to the carrying amount of associate and equity accounted. Goodwill arising on the purchase of additional stake is computed using fair value information at the date the additional stake is purchased. The previously held interest is not re-measured.

The Group determines at each reporting date whether there is any objective evidence that the investment is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of results of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

B CONSOLIDATION (CONTINUED)

(e) Associates (continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in the income statement.

(f) Investments in subsidiaries, joint ventures and associates

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries, joint ventures and associates.

C PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (see Note R on borrowings and borrowing costs).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in the income statements during the financial years in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Leasehold land classified as finance lease is amortised in equal instalments over the period of the respective leases. Other property, plant and equipment are depreciated on the straight line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Buildings, including hotel properties	25 to 100 years
Leasehold land	50 to 99 years
Plant and machinery	5 to 10 years
Furniture, fixtures, fittings and equipment	3 to 10 years
Motor vehicles	5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period. The Group carries out assessment on residual values and useful lives of assets on an annual basis. There was no adjustment arising from the assessment performed in the financial year.

Depreciation on assets under construction commences when the assets are ready for their intended use.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note G on impairment of non-financial assets).

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount and are included in income statements.

D INVESTMENT PROPERTIES

Investment properties, comprising principally land, development rights and buildings are held for long term rental yields or for capital appreciation or both, and are not substantially occupied by the Group. Building fittings that are attached to the buildings are also classified as investment properties. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (see Note R on borrowings and borrowing costs).

D INVESTMENT PROPERTIES (CONTINUED)

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note G on impairment of non-financial assets). Freehold land is not depreciated as it has an infinite life. Assets under construction and land held for future development are depreciated when the assets are ready for their intended use. Investment properties are depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Retail property	33 to 99 years
Commercial property	10 to 99 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in the income statements.

E INTANGIBLE ASSETS

(a) Goodwill

Goodwill or negative goodwill represents the excess or deficit of the cost of acquisition of subsidiaries, jointly controlled entities and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill on acquisitions of subsidiaries is included in the statement of financial position as intangible assets whereas negative goodwill is recognised immediately in the income statements.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost to sell. Any impairment losses on goodwill is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose, identified according to operating segment (see Note G on impairment of non-financial assets).

Goodwill on acquisition of jointly controlled entities and associates is included in investments in jointly controlled entities and investments in associates. Such goodwill is tested for impairment as part of the overall balance.

(b) Research and development

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
(ii) management intends to complete the intangible asset and use or sell it;
(iii) there is an ability to use or sell the intangible asset;
(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
(v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight line basis over its useful life, not exceeding 3 years.

E INTANGIBLE ASSETS (CONTINUED)

(b) Research and development (continued)

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable (see Note G on impairment of non-financial assets).

(c) Licenses

Acquired licenses are shown at historical cost. Licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of the acquired licenses over their estimated useful lives of 10 to 50 years.

F BIOLOGICAL ASSETS

Biological assets represents live fishes (i.e. fry and matured fish) and broodstocks (i.e. mother fish).

Live fishes are measured at fair value less cost to sell, based on market prices of livestock of similar age, breed and genetic merit with adjustments, where necessary, to reflect the differences. The costs to sell include the incremental selling costs, including fees and commission paid to dealers. Changes in fair value of livestock are recognised in the income statement. Live fishes below 4.5 inches are measured at cost less impairment losses as the fair value cannot be measured reliably. Cost capitalized as part of biological assets includes cost of purchase plus transportation charges (if any), feed and medication, direct labour cost and direct overheads.

In measuring the fair value of live fishes, various management estimates and judgement are required. Estimates and judgements in determining the fair value of live fishes relate to the market prices, average length or weight and quality of the live fishes and mortality rates.

Broodstocks are measured at its cost less accumulated depreciation and impairment losses as the quoted market prices are not available and for which alternative estimates of fair value measurements are determined to be clearly unreliable. Once the fair value of such a biological asset becomes reliably measurable, an entity shall measure it at its fair value less costs to sell.

All costs incurred on immature broodstocks are capitalized until such time when the broodstocks commence breeding at the estimated age of 36 months. Costs incurred on immature broodstocks consist of the acquisition cost of the mother fico, cost of feeds and medication, direct labour cost and an appropriate proportion of farm operating overheads.

Broodstocks are fishes held for reproduction purpose, not intended for sale and classified as non-current asset. The costs of broodstocks are amortised over the expected reproductive live span of the respective fish for 5 years.

Gains and losses on disposal of broodstocks are determined by comparing disposal proceeds with carrying amounts and are recognised in profit or loss in the year of the disposal.

G IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment is charged to the income statements unless it reverses a previous revaluation, in which case it is charged to revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statements. Reversals of impairment loss is recognised immediately in income statements and shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

H FINANCIAL INSTRUMENTS

(a) Financial assets

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, e.g. are held for trading. Derivatives are also categorised as held for trading unless they are designated as hedges. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statements when the loans and receivables are derecognised or impaired, and through the amortisation process.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset.

(iii) Concession receivables

Upon adoption of IC Interpretation 12 'Service Concession Arrangements', the Group recognises a financial asset arising from a service concession arrangement when the operator has an unconditional right to receive cash or another financial asset from the grantor in remuneration for concession services. Such financial assets are recognised in the statement of financial position, for the amount of the fair value of the infrastructure at initial recognition and subsequently at amortised cost.

The operator has such an unconditional right if the grantor contractually guarantees the payment of amounts specified or determined in the contract or the shortfall, if any, between amounts received and amounts specified or determined in the contract even if payment is contingent on the operator ensuring that the infrastructure meets specified quality or efficiency requirements.

An impairment loss is recognised if the carrying amount of these assets exceeds the present value of future cash flows discounted at the initial effective interest rate. The portion falling due within one year is included in current assets, while the portion falling due more than one year after the end of the reporting period is presented in the non-current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

H FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets (continued)

(iv) Available-for-sale financial assets (continued)

Subsequent to initial recognition, available-for-sale financial assets are carried at fair value. Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses (see Note H(c) on impairment of financial assets and Note W(b) on foreign exchange gains and losses on monetary assets). The exchange differences on monetary assets are recognised in the income statement, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in the income statement. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in the income statement. Dividend income on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established.

(b) Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial liabilities are recognised initially, they are measured at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group classifies its financial liabilities in the following categories: other financial liabilities and financial guarantee contracts. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

(i) Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.

(ii) Financial guarantee contracts

The Group has issued corporate guarantee to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Group to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liabilities are initially recognised at their fair values plus transaction costs and subsequently at the higher of the amount determined in accordance with MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less cumulative amortisation, where appropriate, in the Group's statement of financial position.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless it is probable that the Group will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Group's statement of financial position.

H FINANCIAL INSTRUMENTS (CONTINUED)

(c) Impairment of financial assets

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of loss has been determined.

Assets classified as available-for-sale

For debt securities, the Group uses the criteria of impairment loss applicable for 'asset carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

In the case of equity securities classified as available-for-sale, in addition to the criteria for assets carried at amortised cost above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indication that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative losses that have been recognised directly in equity is removed from equity and recognised in the income statement. The amount of cumulative loss that is reclassified to the income statement is the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Impairment losses recognised in consolidated income statement on equity instruments classified as available-for-sale are not reversed through the consolidated income statement.

Investment in unquoted equity instruments which are classified as available-for-sale and whose fair value cannot be reliably measured are measured at cost. These investments are assessed for impairment at each reporting date.

H FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial instruments recognised in the statements of financial position

The particular recognition method adopted for financial instruments recognised in the statements of financial position is disclosed in the individual accounting policy statements associated with each item.

(e) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the reporting date.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate for each type of the financial liabilities of the Group.

The fair values for financial assets (less any estimated credit adjustments) and financial liabilities with a maturity of less than one year are assumed to approximate their fair values.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

I SERVICE CONCESSION ARRANGEMENTS

A portion of the Group's assets are within the framework of concession contracts granted by the government ("the grantor"). In order to fall within the scope of concession contract, a contract must satisfy the following two criteria:

- The grantor controls or regulates what services the operator must provide with the infrastructure assets, to whom it must provide them, and at what price; and
- The grantor controls the significant residual interest in the infrastructure assets at the end of the term of the arrangement.

Such infrastructure assets are not recognised by the Group as property, plant and equipment but as financial assets as described in Note H(a).

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction and operating services. Financial assets are accounted for in accordance with the accounting policy set out in Note H(a).

The Group recognises revenue from construction and operation of infrastructure assets in accordance with its revenue recognition policy set out in Note V.

The Group has entered into service concession arrangements with the government of the People's Republic of China ("PRC") to construct and operate waste water treatment plants for a period ranging from 23 to 25 years. The terms of arrangement allows the Group to maintain and manage these treatment plants and received consideration based on the water usage and rates as determined by the grantor for entire duration of the concession.

J LEASES

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(a) Operating lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payment made under operating leases (net of any incentives received from the lessor) is charged to the income statements on the straight line basis over the lease period.

J LEASES (CONTINUED)

(a) Operating lease (continued)

Initial direct costs incurred by the Group in negotiating and arranging operating leases are recognised in the income statements when incurred. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

(b) Finance lease

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The interest element of the finance cost is charged to the income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in the income statements over the lease term on the same basis as the lease expense.

K ASSET CLASSIFIED AS HELD-FOR-SALE

Non-current asset are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

L TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (see Note H(c) on impairment of financial assets).

M INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

(a) Completed properties

The cost of completed properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

(b) Hotel operating supplies

Cost is determined using the first-in, first-out method and comprises food and beverage, printing and stationeries and guestroom supplies.

Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

M INVENTORIES (CONTINUED)

(c) Land held for property development

The cost of land held for property development is stated at the lower of historical cost and net realisable value. The cost of land held for property development consists of the purchase price of the land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value less costs to sell. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where development activities can be completed within the Group's normal operating cycle.

(d) Property development costs

Cost is determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses. The asset is subsequently recognised as an expense in income statements when or as the control of the asset is transferred to the customer.

(e) Other inventories

Cost is determined using the first-in, first-out method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses.

N CONSTRUCTION CONTRACTS

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to income statements systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligation to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted property, an impairment loss is recognised to income statements.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within 'receivables and contract assets'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

O CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows.

In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

P SHARE CAPITAL

(a) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument (see Note R on borrowings and borrowing costs and Note Z on compound financial instruments).

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against share premium account.

(c) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(d) Purchase of own shares

Where any Company within the Group purchases the Company's equity instruments as a result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued or disposed. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

(e) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

(i) the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
(ii) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

(i) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
(ii) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Q TRADE PAYABLES

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

R BORROWINGS AND BORROWING COSTS

(a) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in the income statements over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility of which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(b) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets of the Group includes inventories and investment properties that take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognised in the income statements in the financial year in which they are incurred.

S CURRENT AND DEFERRED INCOME TAX

Tax expense for the financial year comprises current and deferred income tax. The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the income statements, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference, the deferred income tax is not recognised.

S CURRENT AND DEFERRED INCOME TAX (CONTINUED)

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in the equity or other comprehensive income, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

T EMPLOYEE BENEFITS

(a) Short-term employee benefits

Wages, salaries, bonuses, paid annual leave and sick leave and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the financial year in which the employees render the related service are recognised in respect of employees' services up to the end of the financial year and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statements of financial position.

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(b) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The defined contribution plan of the Group relates to the contribution to the Group by various defined contribution plans in accordance with local conditions and practices in the countries in which it operates the national defined contribution plan.

The Group's contributions to defined contribution plans are charged to the income statements in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

(d) Share-based payments

Employee options

The Group operates a number of equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of shares for a specific period of time).

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

T EMPLOYEE BENEFITS (CONTINUED)

(d) Share-based payments (continued)

Employee options (continued)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary in the Group is treated as a capital contribution to the subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

U CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group does not recognise contingent assets and liabilities but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

V REVENUE RECOGNITION

(a) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Recognition and measurement

At the inception of each contract with customer, the Group assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices. A good or service is distinct if:

- the customer can either benefit from the good or service on its own or together with other readily available resources; and
- the good or service is separately identifiable from other promises in the contract (e.g. the good or service is not integrated with, or significantly modify, or highly interrelated with, other goods or services promised in the contract).

V REVENUE RECOGNITION (CONTINUED)

(a) Revenue from contracts with customers (continued)

Recognition and measurement (continued)

If a good or service is not distinct, the Group combines it with other promised goods or services until the Group identifies a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Control over the goods or services are transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances a customer-controlled asset; or
- the Group's performance does not create an asset with alternative use and the Group has a right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Specific revenue recognition criteria for each of the Group's activities are as described below:

(i) Hotel room rental and food and beverages revenue

Room rental revenue is accrued on a daily basis on customer-occupied rooms. Revenue from the sales of food and beverage is recognised when the customer receives and consumes, and the Group has a present right to payment for, the food and beverage product. Hotel room rental and food and beverages revenue are recorded based on the published rates, net of discounts.

(ii) Revenue from property development and construction contract

Revenue from property development and construction contract is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer (e.g. surveys or appraisals of performance completed to date); or
- the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract).

V REVENUE RECOGNITION (CONTINUED)

(a) Revenue from contracts with customers (continued)

Recognition and measurement (continued)

Specific revenue recognition criteria for each of the Group's activities are as described below: (continued)

(iii) Rendering of services

Service and management fees are recognised in the accounting period in which the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for, the services.

Other rent related and car park income is recognised upon services being rendered.

(iv) Utilities revenue

Revenue from electricity sales are recognised upon supply and distribution of electricity to the customer and the customer receives and consumes the electrical energy.

(v) Others

Revenue from delivering services on a time basis or as a fixed-price contract, with contract term is recognised in the period the services are provided, using a straight-line basis over the term of the contract.

Certain arrangements whereby customer purchase a goods together with a servicing agreement, the amount of revenue allocated to each element is based upon the relative fair value of the various elements. The fair value of each element is determined based on the current market price of each of the elements when sold separately. The revenue relating to the goods is recognised when risk and rewards of the goods are transferred to the customer which occurs on delivery. Revenue relating to the service element is recognised on a straight-line basis over the service period.

(b) Lease income on operating leases

When assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset.

Lease income on operating leases is recognised over the non-cancellable term of the lease on a straight-line basis. Lease income is shown net of rebates and discounts. Lease income includes base rent turnover or percentage rent, service and promotional charges from tenants. Base rent is recognised on a straight line basis over the lease. Initial direct cost incurred by the Group in negotiating and arranging an operating lease is recognised as an asset and amortised over the non-cancellable lease term on the same basis as the lease income.

(c) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period of maturity, unless collectability is in doubt, in which case it is recognised on a cash receipt basis.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

W FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

W FOREIGN CURRENCIES (CONTINUED)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statements within 'other operating income or expense'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statements, and other changes in the carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement or separate income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to the income statement, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the income statement. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to the income statement.

Inter company loans, where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income.

(d) Net investment hedge

The Group is exposed to foreign currency fluctuation risks arising from transactions denominated in foreign currencies and as part of the Group's risk management strategy, the Group has entered into a net investment hedge on its investment in a foreign operation.

The Group documents at the inception of the transaction the relationship between the hedge instrument and hedged item, as well as its risk management objectives and strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedge transaction is highly effective in offsetting changes in foreign currency fluctuations of the hedged item.

W FOREIGN CURRENCIES (CONTINUED)

(d) Net investment hedge (continued)

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of or sold.

X DEFERRED REVENUE

Deferred revenue represents unearned revenue from web-site maintenance contracts, leasing and car park operations which will be recognised in profit or loss upon expiry, utilisation or performance of services.

Y SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

Z COMPOUND FINANCIAL INSTRUMENTS

Compound financial instruments issued by the Group comprise convertible notes that can be converted to equity share capital at the option of the holder, and the number of equity shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity compound is recognised initially at the difference between the fair value of the compound financial instruments as a whole and the fair value of the liability component. Any directly attributable contribution costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method until extinguished on conversion or maturity of the compound instrument. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except when the compound instrument is redeemed or repurchased before maturity. The equity instrument component is subject to deferred tax liability which is charged directly to equity.

Upon conversion of the compound instrument into equity shares, the amount credited to ordinary share capital and share premium is the aggregate of the carrying amounts of the liability components classified within liability and equity component at the time of conversion. No gain or loss is recognised.

1 GENERAL INFORMATION

The principal activities of the Company during the financial year are those of investment holding and the provision of management services. The principal activities of the Group mainly consist of property investment and management, owner and operator of malls, hotel operations, property development, construction, information and communication technology services, provision of engineering services for water treatment plants and related services, education, investment holding and management of real estate investment trust.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and cash flow interest rate risk), credit risk, price risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to Group financial risk management policies. The management regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Market risk

(i) Foreign currency exchange risk

The Group and the Company is exposed to foreign currency risk as a result of amounts owing to subsidiaries, advances to associates, advances to joint ventures, deposits with licensed banks and borrowings denominated in Great Britain Pound ("GBP"), United States Dollar ("USD"), Australian Dollar ("AUD"), Hong Kong Dollar ("HKD"), Euro ("EUR"), Japanese Yen ("JPY") and Singapore Dollar ("SGD"). Management regularly monitors the foreign exchange currency fluctuations.

As defined by MFRS 7 'Financial Instruments: Disclosure', currency risks arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

As at 31 December 2016, the Group's and the Company's GBP, USD, AUD, HKD, EUR, JPY and SGD denominated net monetary assets/(liabilities) are as tabled below together with the effects to the Group and the Company profit before tax, had these GBP, USD, AUD, HKD, EUR, JPY and SGD strengthened by 10% (2015: 2%) against RM, the profit before tax would (decrease)/increase as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Net monetary assets/(liabilities) denominated in		
- GBP	51,962	25,625
- USD	(31,312)	(9,849)
- AUD	14,408	14,938
- HKD	32	268
- EUR	287	69
- JPY	1,204	42
- SGD	-	1,696
Effects increase/(decrease) to profit before tax if the currency had strengthened by 10% (2015: 2%)		
- GBP	5,196	512
- USD	(3,131)	(197)
- AUD	1,441	299
- HKD	3	5
- EUR	29	1
- JPY	120	1
- SGD	-	34

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Foreign currency exchange risk (continued)

	Company	
	2016	**2015**
	RM'000	**RM'000**
Net monetary assets denominated in		
- USD	541	6,324
- AUD	-	3,065
- HKD	32	268
- EUR	287	69
- JPY	1,204	42
- SGD	-	1,696
Effects increase to profit before tax if the currency had strengthened by 10% (2015: 2%)		
- USD	54	126
- AUD	-	61
- HKD	3	5
- EUR	29	1
- JPY	120	1
- SGD	-	34

A 10% (2015: 2%) weakening of RM against the above currencies at 31 December 2016 would have an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

Except as disclosed above, other foreign currency exchange risks exposures are not material and did not have any significant impact on the financial statements of the Group and of the Company at 31 December 2016, hence sensitivity analysis is not presented.

(ii) Cash flow interest rate risk

The Group's and Company's cash flow interest rate risk arises from floating rate term loans, medium term notes and revolving credits.

The information on maturity dates and effective interest rates of these borrowings is disclosed in Note 38.

The Group's and Company's interest rate exposure is co-related with changes in cost of funds ("COF") of the lenders. The impact on the Group's and Company's profit after tax arising from changes in COF of the lenders by 25 (2015: 25) basis points arising from the Group's and Company's floating rate term loan and revolving credits with all other variables being held constant, would be as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Impact to profit after tax due to interest rate (increase)/decrease:		
- increase by 25 (2015: 25) basis points	(3,475)	(4,698)
- decrease by 25 (2015: 25) basis points	3,475	4,698

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Cash flow interest rate risk (continued)

	Company	
	2016	2015
	RM'000	RM'000
Impact to profit after tax due to interest rate (increase)/decrease:		
- increase by 25 (2015: 25) basis points	(2,300)	(2,392)
- decrease by 25 (2015: 25) basis points	2,300	2,392

(b) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group and the Company control these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's and the Company's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures. The Group and the Company do not have any significant exposure to any individual customer or counterparty nor do they have any major concentration of credit risk related to any financial instrument.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group and the Company. Management will continuously monitor closely the trade receivables which are past due.

Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's and the Company's trade receivables.

Credit risk arising from property development

The Group and the Company do not have any significant credit risk from their property development activities as their products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

Credit risks with respect to trade receivables are limited as the legal title to the properties sold remain with the Group until the purchase consideration is fully paid.

Credit risk arising from property investment – office towers and malls

Credit risk with respect to rental receivables is limited due to the nature of business which is predominantly rental receivables in advance. Furthermore, the tenants have placed security deposits with the Group which acts as collateral if receivables due from the tenant are not settled or in case of breaches of contract. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's and the Company's trade receivables.

Credit risk arising from amounts due from associates

Credit risk with respect to amounts due from associates are assessed to be low due to the nature of the associates' hotel operations that remain profitable, generate positive cash flows and has seen an appreciation of the hotel properties.

Credit risk arising from amounts due from joint ventures

Credit risk with respect to amounts due from joint ventures' are assessed to be low due to the nature of their property development and property investment activities as the legal title to the properties is transferred only when the consideration is fully received for property development and forecast rental income receivable on completion of the investment property.

Credit risk arising from deposits with licensed banks

Credit risk also arises from deposits with licensed banks and financial institutions. The deposits are placed with credit-worthy financial institutions with high credit rating. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

Credit risk arising from deposits with licensed banks (continued)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the statement of financial position, except as follows:

	Company	
	2016	**2015**
	RM'000	**RM'000**
Corporate guarantees provided to banks on subsidiaries' facilities	41,271	21,467

The Company does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk except for amounts due from subsidiaries. The credit risks with respect to amounts due from subsidiaries are assessed to be low.

The Company is exposed to credit risk arising from financial guarantee contracts given to banks for subsidiaries' borrowings where the maximum credit risk exposure is the amount of borrowings utilised by the subsidiaries. Management is of the view that the financial guarantee contracts are unlikely to be called by the subsidiaries' banks.

(c) Price risk

The Group and Company is exposed to debt and equity securities price risk because of investments held by the Group and Company and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investment in debt and equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. Thus, the exposure of price risk of the Group and Company is minimal.

The Group's investments in the debt and equity securities are listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), New York Stock Exchange, Singapore Stock Exchange, Australian Securities Exchange, Tokyo Stock Exchange, Hong Kong Stock Exchange, Euronext Paris, Deutche Borse and Shanghai Stock Exchange.

(d) Liquidity and cash flow risks

The Group and the Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group and the Company raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

At 31 December 2016, the Group and the Company held cash and cash equivalents of RM1,012,025,000 (2015: RM576,052,000) and RM2,806,000 (2015: RM12,252,000) respectively that are expected to readily generate cash inflows for managing liquidity risk.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity and cash flow risks (continued)

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Note	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Group						
2016						
Payables and contract liabilities (excluding deferred revenue, output tax and contract liabilities)	36	709,954	44,731	41,014	8,346	804,045
Interest bearing bank borrowings		743,405	225,628	1,347,158	1,375,607	3,691,798
Hire-purchase and finance lease payables	37	49	35	-	-	84
Amounts owing to associates	26	4	-	-	-	4
		1,453,412	270,394	1,388,172	1,383,953	4,495,931
2015						
Payables and contract liabilities (excluding deferred revenue, output tax and contract liabilities)	36	480,655	53,465	30,151	5,681	569,952
Interest bearing bank borrowings		1,155,973	195,974	220,435	2,508,715	4,081,097
Hire-purchase and finance lease payables	37	49	49	35	-	133
Amounts owing to associates	26	1,717	-	-	-	1,717
		1,638,394	249,488	250,621	2,514,396	4,652,899

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity and cash flow risks (continued)

	Note	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Company						
2016						
Payables and contract liabilities (excluding deferred revenue, output tax and contract liabilities)	36	17,404	-	-	-	17,404
Interest bearing bank borrowings		37,540	37,540	37,540	951,366	1,063,986
Amounts owing to subsidiaries		14,837	-	-	-	14,837
Corporate guarantees provided to banks on subsidiaries' facilities		41,271	-	-	-	41,271
		111,052	37,540	37,540	951,366	1,137,498
2015						
Payables and contract liabilities (excluding deferred revenue, output tax and contract liabilities)	36	1,140	-	-	-	1,140
Interest bearing bank borrowings		40,656	40,656	40,656	1,031,117	1,153,085
Amounts owing to subsidiaries		14,312	-	-	-	14,312
Corporate guarantees provided to banks on subsidiaries' facilities		21,467	-	-	-	21,467
		77,575	40,656	40,656	1,031,117	1,190,004

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The debt to equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (excluding payables and contract liabilities) less deposit, cash and bank balances. Total equity is as shown in the statement of financial position.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as interest bearing net debt divided by total equity. Interest bearing liabilities is calculated as total interest bearing bank borrowings, hire-purchase and finance lease payables and Redeemable Convertible Cumulative Preference Shares (including short term and long term borrowings) as shown in the statement of financial position.

The consolidated debts of the Group included a long term loan taken by IGB Real Estate Investment Trust ("REIT") of RM1.24 billion (2015: RM1.23 billion), which is secured against its investment properties and cash flow generated from the income of the investment properties and without recourse to the Group. In view of that, the Group also monitor an adjusted gearing ratio that exclude the IGB REIT's long term loan.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Capital risk management (continued)

The gearing ratios were as follows:

	2016 RM'000	2015 RM'000
Group		
Interest bearing liabilities	3,317,854	3,688,080
Less: Deposit, cash and bank balances (including cash held under Housing Development Accounts)	(1,051,299)	(1,140,621)
Interest bearing net debts	2,266,555	2,547,459
Total equity	3,851,266	3,685,885
Gearing ratio	0.59 : 1:00	0.69 : 1.00
Adjusted interest bearing net debts	1,029,326	1,314,344
Adjusted gearing ratio	0.27 : 1.00	0.36 : 1.00
Company		
Interest bearing liabilities	984,196	1,034,956
Less: Deposit, cash and bank balances	(3,106)	(12,552)
Interest bearing net debts	981,090	1,022,404
Total equity	1,548,843	1,515,995
Gearing ratio	0.63 : 1.00	0.67 : 1.00

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Financial instruments by category

	Available-for-sale RM'000	Assets at fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
Group				
2016				
Assets as per statement of financial position				
Non-current				
Available-for-sale financial assets	29,644	-	-	29,644
Concession receivables	-	-	100,302	100,302
Current				
Financial assets at fair value through profit or loss	-	17,778	-	17,778
Concession receivables	-	-	3,313	3,313
Amounts owing from associates and joint ventures	-	-	66,952	66,952
Receivables and contract assets (excluding prepayments, input tax and contract assets)	-	-	154,850	154,850
Cash held under Housing Development Accounts	-	-	87,700	87,700
Deposits, cash and bank balances	-	-	963,599	963,599
Total	29,644	17,778	1,376,716	1,424,138

	Other financial liabilities at amortised cost RM'000	Total RM'000
Group		
2016		
Liabilities as per statement of financial position		
Non-current		
Payables and contract liabilities	90,129	90,129
Hire-purchase and finance lease payables	33	33
Interest bearing bank borrowings	2,654,236	2,654,236
Redeemable Convertible Cumulative Preference Shares	49,004	49,004
Current		
Payables and contract liabilities (excluding deferred revenue, output tax and contract liabilities)	713,916	713,916
Hire-purchase and finance lease payables	47	47
Interest bearing bank borrowings	599,442	599,442
Amounts owing to associates	4	4
Redeemable Convertible Cumulative Preference Shares	15,092	15,092
Total	4,121,903	4,121,903

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Financial instruments by category (continued)

	Available-for-sale	Assets at fair value through profit or loss	Loans and receivables	Total
	RM'000	RM'000	RM'000	RM'000
Group				
2015				
Assets as per statement of financial position				
Non-current				
Available-for-sale financial assets	17,579	-	-	17,579
Concession receivables	-	-	97,746	97,746
Current				
Financial assets at fair value through profit or loss	-	21,185	-	21,185
Concession receivables	-	-	3,285	3,285
Amounts owing from associates and joint ventures	-	-	46,786	46,786
Receivables and contract assets (excluding prepayments, input tax and contract assets)	-	-	169,992	169,992
Cash held under Housing Development Accounts	-	-	23,931	23,931
Deposits, cash and bank balances	-	-	1,116,690	1,116,690
Total	17,579	21,185	1,458,430	1,497,194

	Other financial liabilities at amortised cost	Total
	RM'000	RM'000
Group		
2015		
Liabilities as per statement of financial position		
Non-current		
Payables and contract liabilities	89,297	89,297
Hire-purchase and finance lease payables	80	80
Interest bearing bank borrowings	2,577,964	2,577,964
Redeemable Convertible Cumulative Preference Shares	64,085	64,085
Current		
Payables and contract liabilities (excluding deferred revenue, output tax and contract liabilities)	480,655	480,655
Hire-purchase and finance lease payables	44	44
Interest bearing bank borrowings	1,031,636	1,031,636
Amounts owing to associates	1,717	1,717
Redeemable Convertible Cumulative Preference Shares	14,271	14,271
Total	4,259,749	4,259,749

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Financial instruments by category (continued)

	Available-for-sale RM'000	Assets at fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
Company				
2016				
Assets as per statement of financial position				
Non-current				
Available-for-sale financial assets	29,644	-	-	29,644
Current				
Financial assets at fair value through profit or loss	-	10,152	-	10,152
Amounts owing from subsidiaries	-	-	178	178
Receivables and contract assets (excluding prepayments)	-	-	23	23
Deposits, cash and bank balances	-	-	3,106	3,106
Total	29,644	10,152	3,307	43,103

	Other financial liabilities at amortised cost RM'000	Total RM'000
Company		
2016		
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	920,100	920,100
Redeemable Convertible Cumulative Preference Shares	49,004	49,004
Current		
Payables and contract liabilities (excluding output tax)	17,428	17,428
Amounts owing to subsidiaries	14,837	14,837
Redeemable Convertible Cumulative Preference Shares	15,092	15,092
Total	1,016,461	1,016,461

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Financial instruments by category (continued)

	Available-for-sale RM'000	Assets at fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
Company				
2015				
Assets as per statement of financial position				
Non-current				
Available-for-sale financial assets	17,529	-	-	17,529
Current				
Financial assets at fair value through profit or loss	-	11,296	-	11,296
Amounts owing from subsidiaries	-	-	5,348	5,348
Receivables and contract assets (excluding prepayments)	-	-	31	31
Deposits, cash and bank balances	-	-	12,552	12,552
Total	17,529	11,296	17,931	46,756

	Other financial liabilities at amortised cost RM'000	Total RM'000
Company		
2015		
Liabilities as per statement of financial position		
Non-current		
Interest bearing bank borrowings	956,600	956,600
Redeemable Convertible Cumulative Preference Shares	64,085	64,085
Current		
Payables and contract liabilities (excluding output tax)	1,168	1,168
Amounts owing to subsidiaries	14,312	14,312
Redeemable Convertible Cumulative Preference Shares	14,271	14,271
Total	1,050,436	1,050,436

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Fair values

The carrying amounts of financial assets and liabilities such as deposit, cash and bank balances, current receivables and payables approximate their fair values due to the relatively short-term maturity of these financial instruments.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

		Group
	2016	**2015**
	RM'000	**RM'000**
Level 1		
Financial assets at fair value through profit or loss		
- trading securities	17,778	21,185
Level 2		
Available-for-sale financial assets		
- equity securities	29,644	17,529
Level 3		
Available-for-sale financial assets		
- equity securities	-	50
	47,422	38,764

		Company
	2016	**2015**
	RM'000	**RM'000**
Level 1		
Financial assets at fair value through profit or loss		
- trading securities	10,152	11,296
Level 2		
Available-for-sale financial assets		
- equity securities	29,644	17,529
	39,796	28,825

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Recognition of property development revenue

The Group recognises property development revenue by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measured based on direct measurements of the value transferred by the Group to the customer and the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining:

- the completeness and accuracy of the budgets;
- the extent of the costs incurred;

Substantial changes in cost estimates can in future periods have, a significant effect on the Group's profitability. In making the above judgement, the Group relies on past experience and work of specialists.

There is no estimation required in determining the transaction prices as revenue from property development are based on contracted prices.

4 SEGMENT REPORTING

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Management has determined the operating segments based on the various reports prepared for the Board of Directors that are used to make strategic decisions.

The Group is organised into five main business segments:

(a)	Property investment – retail	-	rental income and service charge from retail
(b)	Property investment – commercial	-	rental income and service charge from office building
(c)	Property development	-	development and sale of condominiums, bungalows, linked houses, shoplots and office suites and project management services
(d)	Hotel	-	income from hotel operations
(e)	Construction	-	civil and building construction

Other operations of the Group mainly comprise investment holding, sale of utilities, education services, waste water treatment services, information and communication technology and other operations; none of which are of a significant size to be reported separately.

The revenue from the respective operating segments (property investment – retail, property investment – commercial, property development, hotel and construction) includes incidental revenue generated within the respective segments that have been reclassified by their nature for presentation within the revenue note.

The amounts provided to the Board of Directors with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

The allocated assets include all non-current and current assets except for tax recoverable, deferred tax assets and cash and bank balances held by the respective investment holding companies as they are managed centrally by the Group.

The allocated liabilities include all non-current and current liabilities except for provisions for tax and deferred tax liabilities and general borrowings as the Group manages these fund through a centralised function.

Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

4 SEGMENT REPORTING (CONTINUED)

(a) Analysis by business segment

	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2016							
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 corporate expenses							(48,509)
Profit from operations							558,344
Finance income	10,120	1,887	8,119	5,202	5	6,797	32,130
Finance costs	(46,840)	(10,264)	(4,951)	(18,362)	(46)	(49,341)	(129,804)
Share of results of associates	-	2,558	5,382	11,162	-	3,641	22,743
Share of results of joint ventures	-	-	(13)	(492)	-	-	(505)
Profit before taxation							482,908
Taxation	(46,476)	(20,058)	(2,909)	(10,843)	(888)	(1,848)	(83,022)
Profit for the financial year							399,886
Other information:							
Assets							
Segment assets	2,018,494	1,562,164	990,213	1,409,082	30,669	425,608	6,436,230
Associates	-	58,683	150,860	236,472	-	21,233	467,248
Joint ventures	-	-	74,880	310,480	-	-	385,360
Asset classified as held-for-sale	-	-	-	708,025	-	-	708,025
Unallocated assets							289,395
Total assets							8,286,258
Liabilities							
Segment liabilities	1,780,359	347,630	74,981	451,494	91,495	1,198,657	3,944,616
Unallocated liabilities							490,376
Total liabilities							4,434,992

4 SEGMENT REPORTING (CONTINUED)

(a) Analysis by business segment (continued)

	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
2016							
Incurred for the financial year:							
- Property, plant and equipment	1,472	2,379	1,673	51,710	2,632	7,733	67,599
- Investment properties	166,354	107,410	-	-	-	-	273,764
- Intangible assets	-	-	-	-	-	161	161
- Biological assets	-	-	-	-	-	10	10
Depreciation:							
- Property, plant and equipment	2,655	15,055	913	73,056	93	10,196	101,968
- Biological assets	-	-	-	-	-	116	116
- Investment properties	28,593	23,405	-	-	-	-	51,998
Amortisation:							
- Intangible assets	-	-	-	-	-	486	486
- Long term prepaid lease	-	-	-	92	-	-	92
Write-off of property, plant and equipment	73	4	72	68	-	2,847	3,064
Impairment loss:							
- Property, plant and equipment	-	-	-	-	-	2,172	2,172
2015							
Total segment revenue	513,489	205,003	155,586	377,176	245,484	160,608	1,657,346
Inter-segment revenue	(45,485)	(20,053)	-	(7,714)	(245,484)	(60,392)	(379,128)
Revenue from external customers	468,004	184,950	155,586	369,462	-	100,216	1,278,218
Segment results	319,162	94,506	39,645	77,838	357	(19,236)	512,272
Unallocated corporate expenses							(51,990)
Profit from operations							460,282
Finance income	7,745	1,856	23,807	1,707	74	6,171	41,360
Finance costs	(63,703)	(12,056)	(5,016)	(15,140)	-	(55,801)	(151,716)
Share of results of associates	-	17,683	16,359	6,997	-	157	41,196
Share of results of joint ventures	-	-	(13)	(730)	-	-	(743)
Profit before taxation							390,379
Taxation	(41,668)	(29,695)	(2,692)	(25,202)	180	(4,409)	(103,486)
Profit for the financial year							286,893

4 SEGMENT REPORTING (CONTINUED)

(a) Analysis by business segment (continued)

	Property investment - retail	Property investment - commercial	Property development	Hotel	Construction	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2015							
Other information:							
Assets							
Segment assets	1,779,942	1,481,728	930,738	1,961,755	116,061	395,707	6,665,931
Associates	-	23,322	188,962	285,092	-	19,175	516,551
Joint ventures	-	-	71,978	359,959	-	-	431,937
Asset classified as held-for-sale	-	-	-	35,190	-	-	35,190
Unallocated assets							619,013
Total assets							8,268,622
Liabilities							
Segment liabilities	1,426,049	766,779	87,312	461,670	85,938	1,215,475	4,043,223
Unallocated liabilities							539,514
Total liabilities							4,582,737
Incurred for the financial year:							
- Property, plant and equipment	2,667	1,304	542	132,537	814	10,543	148,407
- Investment properties	77,317	101,018	-	-	-	-	178,335
- Intangible assets	-	-	-	11,638	-	2,924	14,562
- Biological assets	-	-	-	-	-	55	55
Depreciation:							
- Property, plant and equipment	2,488	3,686	1,575	79,454	45	9,482	96,730
- Biological assets	-	-	-	-	-	126	126
- Investment properties	28,397	37,100	-	-	-	-	65,497
Amortisation:							
- Intangible assets	-	-	-	-	-	263	263
- Long term prepaid lease	-	-	-	289	-	-	289
Write-off of property, plant and equipment	198	-	-	8	-	108	314
Reversal of impairment loss:							
- Property, plant and equipment	-	-	-	7,875	-	-	7,875

The segmental financial information by geographical segment is not presented as the Group's activities are mainly carried out in Malaysia.

5 CHANGES IN GROUP STRUCTURE

A. Incorporation of subsidiary during the financial year

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

The effects of the incorporation above were not material to the Group.

B. Members' voluntary winding-up of existing subsidiary companies during the financial year.

(i) On 3 November 2015, the Group via its subsidiary, IGB, announced to Bursa Malaysia that its dormant wholly-owned subsidiary, Dian Rezki Sdn. Bhd. which had been placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965, held its Final General Meeting on 3 November 2015 and was dissolved on 3 February 2016.

(ii) On 18 November 2015, the Group via its subsidiary, IGB, announced to Bursa Malaysia that its dormant wholly-owned subsidiary, Intercontinental Aviation Services Sdn. Bhd. which had been placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965, held its Final General Meeting on 18 November 2015 and was dissolved on 18 February 2016.

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

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

(v) On 27 December 2016, the Group via its subsidiary, IGB, announced to Bursa Malaysia that dormant wholly-owned subsidiaries Amandamai Satu Sdn. Bhd., KennyVale Sdn. Bhd. and X-Speed Sdn. Bhd., were placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965.

The effects of the above were not material to the Group.

6 REVENUE

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Lease income:				
- retail malls	368,025	338,118	-	-
- office buildings	166,514	190,675	-	-
- rent related	121,824	121,744	-	-
Contract with customers:				
- hotel room revenue	307,621	269,331	-	-
- property development revenue				
- sale of properties	83,909	142,433	-	-
- others	3,428	1,894	-	-
- sale of food and beverages	91,485	94,435	-	-
- rendering of services	34,818	34,126	-	-
- contract revenue relating to service concession arrangement	21,182	27,398	-	-
- utilities	52,393	54,882	-	-
- management services	-	193	2,949	2,534
- others	4,274	2,617	-	-
Investment income	-	372	-	-
Dividend income (gross)	-	-	117,651	203,321
Interest income on advances to subsidiaries	-	-	269	237
	1,255,473	1,278,218	120,869	206,092

7 PROFIT FROM OPERATIONS

The following items have been charged/(credited) in arriving at operating profit:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit from operations is stated after charging:				
Property development costs and cost of completed units sold	49,647	97,580	-	-
Biological assets: (Note 18)				
- depreciation	116	126	-	-
- written off	22	18	-	-
Provision for impairment:				
- receivables and contract assets (Note 27)	501	489	-	-
- investment in associates (Note 20)	-	996	-	-
- amount owing by subsidiaries	-	-	7,491	-
- investment in a subsidiary (Note 19)	-	-	908	-
Amortisation of intangible assets (Note 17)	486	263	-	-
Depreciation of investment properties (Note 15)	51,998	65,497	-	-
Amortisation of long term prepaid lease (Note 16)	92	289	-	-

7 PROFIT FROM OPERATIONS (CONTINUED)

The following items have been charged/(credited) in arriving at operating profit: (continued)

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit from operations is stated after charging: (continued)				
Auditors' remuneration (statutory audit fees):				
- PricewaterhouseCoopers Malaysia	1,323	1,256	92	78
- Firm other than member firm of PricewaterhouseCoopers International Limited	243	248	-	-
Tax and other non-audit related services:				
- PricewaterhouseCoopers Malaysia	644	723	55	185
- Firm other than member firm of PricewaterhouseCoopers International Limited	50	192	-	-
Employee benefits cost (Note 8)	245,203	202,100	21,514	5,347
Fair value loss of financial assets at fair value through profit or loss	95	1,651	95	1,651
Property, plant and equipment: (Note 13)				
- depreciation	101,968	96,730	91	96
- impairment	2,172	-	-	-
- written off	3,064	314	-	-
Rental expenses:				
- equipment	1,721	1,485	-	-
- premises	1,151	947	1,333	1,319
Utilities	121,072	124,311	41	37
Quit rent and assessment	34,081	31,743	-	-
and crediting:				
Write-back of provision for impairment:				
- receivables and contract assets (Note 27)	-	3,158	-	-
- amount owing from associates and joint ventures (Note 26)	-	1,917	-	-
Gain on disposal of:				
- property, plant and equipment	140,068	-	-	-
- available-for-sale financial assets	-	45	-	45
- financial assets at fair value through profit or loss	253	373	253	373
Reversal of impairment loss for:				
- property, plant and equipment (Note 13)	-	7,875	-	-
Advertising and promotional income	3,308	2,592	-	-
Exhibition business income	2,115	1,581	-	-
Storage leasing income	2,317	2,199	-	-
Foreign exchange gain/(loss) (net):				
- realised	5,241	(3,215)	(283)	229
- unrealised	(4,098)	26,702	2,449	6,814

8 EMPLOYEE BENEFITS COST

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	212,453	176,415	5,117	4,690
Defined contribution plan	21,806	19,041	597	657
Share option expenses	-	11,041	-	-
Post employment benefits	15,800	-	15,800	-
	250,059	206,497	21,514	5,347
Less: Employee benefits cost capitalised into:				
- research and development	(160)	(324)	-	-
- property development costs and investment property	(4,696)	(4,073)	-	-
	245,203	202,100	21,514	5,347

The above figures include Director's remuneration as disclosed in Note 9.

9 DIRECTORS' REMUNERATION

The aggregate amount of emoluments received/receivable by the Directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Fees	262	240	252	240
Salaries, bonus and allowances	20,429	17,739	1,740	2,132
Defined contribution plan	2,508	2,129	269	245
Post employment benefits	15,800	-	15,800	-
Benefits-in-kind	81	131	7	7
Executives share option scheme	-	2,025	-	-
	39,080	22,264	18,068	2,624

10 FINANCE INCOME AND COSTS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Interest income on:				
- deposits with licensed banks	24,367	34,046	128	1,209
- concession receivables	5,973	3,655	-	-
- late payment from tenants	772	513	-	-
- others	1,018	3,146	41	260
Total finance income	32,130	41,360	169	1,469

10 FINANCE INCOME AND COSTS (CONTINUED)

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- term loans, revolving credits and medium term notes	125,221	147,306	38,940	47,225
- Redeemable Convertible Cumulative Preference Shares (Note 33)	4,094	3,983	4,094	3,983
- others	489	427	272	153
Total finance costs	129,804	151,716	43,306	51,361
Net finance costs	97,674	110,356	43,137	49,892

11 TAXATION

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Malaysian tax	90,018	107,417	(464)	1,113
- Foreign tax	18,769	3,620	-	-
	108,787	111,037	(464)	1,113
Deferred tax	(25,765)	(7,551)	(935)	(1,195)
	83,022	103,486	(1,399)	(82)
Current tax:				
Current financial year	113,575	112,648	115	1,075
(Over)/Under accrual in prior financial year	(4,788)	(1,611)	(579)	38
	108,787	111,037	(464)	1,113
Deferred tax: (Note 24)				
Origination and reversal of temporary differences	(22,709)	(7,725)	(936)	(1,175)
(Over)/Under accrual in prior financial year	(3,056)	174	1	(20)
Tax expense/(credit)	83,022	103,486	(1,399)	(82)

11 TAXATION (CONTINUED)

The reconciliation between the effective tax rate and the Malaysian tax rate are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	%	**%**	**%**	**%**
Malaysian tax rate	24	25	24	25
Tax effects of:				
- different tax rates in other countries	(4)	*	-	-
- share of results of associates	(1)	(3)	-	-
- expenses not deductible for tax purposes	8	11	38	8
- income not subject to tax	(9)	(8)	(62)	(34)
- utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(2)	-	-	-
- current year tax losses and deductible temporary differences not recognised	2	3	-	-
- over accrual of taxation in prior financial year	(1)	(1)	(1)	*
- effect of changes in tax rate	-	*	-	-
- temporary differences arising from Redeemable Convertible Cumulative Preference Shares	*	*	(2)	1
Effective tax rate	17	27	(3)	*

* The tax effects of these reconciling items are less than 1%

Pursuant to Section 61A of Malaysia Income Tax Act, 1967 ("Act"), income of IGB Real Estate Investment Trust ("IGB REIT") will be exempted from tax provided that at least 90% of its taxable income (as defined in the Act) is distributed to the investors in the basis period of IGB REIT for that year of assessment within two (2) months after the close of financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two (2) months after the close of IGB REIT's financial year which forms the basis period for a year of assessment, then IGB REIT will be subject to income tax at the prevailing rate on its total income. Income which has been taxed at the IGB REIT level will have tax credits attached when subsequently distributed to unit holders.

12 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares (Note 32).

	Group	
	2016	**2015**
Profit attributable to equity holders of the Company (RM'000)	165,027	109,105
Weighted average number of ordinary shares in issue ('000)	607,793	607,636
Basic earnings per share (sen)	27.15	17.96

(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 Redeemable Convertible Cumulative Preference Shares ("RCPS").

	Group	
	2016	**2015**
Profit attributable to equity holders of the Company (RM'000)	165,027	109,105
Add: Interest on RCPS saved as a result of conversion (RM'000)	4,094	3,983
Less: Tax relief thereon (RM'000)	(915)	(1,160)
Adjusted earnings (RM'000)	168,206	111,928
Weighted average number of ordinary shares in issue ('000)	607,793	607,636
Adjustments for potential dilutive ordinary shares on maximum conversion of RCPS ('000)	199,484	166,567
Weighted average number of ordinary shares for diluted earnings per share ('000)	807,277	774,203
Diluted earnings per share (sen)	20.84	14.46

13 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold land	Hotel properties (Note 13(a))	Buildings	Plant and machinery	Furniture, fixtures, fittings and equipment	Motor vehicles	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2016									
Cost									
At 1 January 2016	114,084	2,417	2,389,809	318,339	30,350	144,935	9,038	29,440	3,038,412
Additions	-	-	13,756	115	2,595	7,503	288	43,342	67,599
Written off	-	-	(347)	-	(4)	(435)	(152)	(2,733)	(3,671)
Disposals	-	-	(84,083)	-	(119)	(396)	(609)	(255)	(85,462)
Reclassification	-	-	-	-	3,040	1,876	-	(4,916)	-
Transferred to asset held-for-sale (Note 29)	-	-	(728,708)	-	-	-	(1,026)	(41,668)	(771,402)
Currency translation differences	-	(20)	2,558	-	-	(4)	(40)	-	2,494
At 31 December 2016	114,084	2,397	1,592,985	318,454	35,862	153,479	7,499	23,210	2,247,970
Accumulated depreciation									
At 1 January 2016	-	647	420,651	28,846	11,606	94,702	7,140	-	563,592
Charge for the financial year	-	50	74,786	6,204	2,009	18,265	654	-	101,968
Written off	-	-	(281)	-	(1)	(173)	(152)	-	(607)
Disposals	-	-	(47,158)	-	(16)	(210)	(298)	-	(47,682)
Reclassification	-	-	(5,368)	-	5,443	-	(75)	-	-
Transferred to asset held-for-sale (Note 29)	-	-	(81,612)	-	-	-	(929)	-	(82,541)
Currency translation differences	-	(7)	(2,424)	-	-	(2)	(22)	-	(2,455)
At 31 December 2016	-	690	358,594	35,050	19,041	112,582	6,318	-	532,275
Accumulated impairment losses									
At 1 January 2016	275	-	-	2,595	4,144	1,489	-	-	8,503
Charge for the financial year	-	-	-	1,872	294	6	-	-	2,172
At 31 December 2016	275	-	-	4,467	4,438	1,495	-	-	10,675
Net book value									
At 31 December 2016	113,809	1,707	1,234,391	278,937	12,383	39,402	1,181	23,210	1,705,020

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Leasehold land RM'000	Hotel properties (Note 13(a)) RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fixtures, fittings and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2015									
Cost									
At 1 January 2015	60,683	2,309	2,023,208	107,327	24,905	75,849	8,622	312,779	2,615,682
Additions	-	-	118,799	5,892	219	7,895	340	15,262	148,407
Written off	-	-	(421)	-	(100)	(449)	(86)	-	(1,056)
Disposals	-	-	(162)	-	-	(254)	-	-	(416)
Reclassification	-	-	294,571	(11,702)	-	13,022	-	(295,891)	-
Transferred from investment properties (Note 15)	53,401	-	29,945	216,822	5,326	48,662	-	-	354,156
Transferred to investment properties (Note 15)	-	-	-	-	-	-	-	(11,340)	(11,340)
Transferred to inventories - property development costs (Note 14(b))	-	-	(45,243)	-	-	-	-	-	(45,243)
Transferred to asset held-for-sale (Note 29)	-	-	(56,968)	-	-	-	-	-	(56,968)
Acquisition of subsidiaries	-	-	-	-	-	187	-	-	187
Currency translation differences	-	108	26,080	-	-	23	162	8,630	35,003
At 31 December 2015	114,084	2,417	2,389,809	318,339	30,350	144,935	9,038	29,440	3,038,412
Accumulated depreciation									
At 1 January 2015	-	550	339,392	1,803	6,470	44,406	6,300	-	398,921
Charge for the financial year	-	50	79,003	1,785	1,198	13,869	825	-	96,730
Written off	-	-	(420)	-	-	(243)	(79)	-	(742)
Disposals	-	-	(124)	-	-	(111)	-	-	(235)
Transferred from investment properties (Note 15)	-	-	13,338	25,258	3,938	36,767	-	-	79,301
Transferred to inventories - property development costs (Note 14(b))	-	-	(458)	-	-	-	-	-	(458)
Transferred to asset held-for-sale (Note 29)	-	-	(18,748)	-	-	-	-	-	(18,748)
Currency translation differences	-	47	8,668	-	-	14	94	-	8,823
At 31 December 2015	-	647	420,651	28,846	11,606	94,702	7,140	-	563,592
Accumulated impairment losses									
At 1 January 2015	275	-	10,905	2,595	4,144	1,489	-	-	19,408
Transferred to asset held-for-sale (Note 29)	-	-	(3,030)	-	-	-	-	-	(3,030)
Reversal of impairment	-	-	(7,875)	-	-	-	-	-	(7,875)
At 31 December 2015	275	-	-	2,595	4,144	1,489	-	-	8,503
Net book value									
At 31 December 2015	113,809	1,770	1,969,158	286,898	14,600	48,744	1,898	29,440	2,466,317

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Hotel properties

Group	Freehold land RM'000	Hotel buildings RM'000	Plant and machinery RM'000	Office furniture, fittings and equipment RM'000	Total RM'000
2016					
Cost					
At 1 January 2016	317,746	1,601,476	154,626	315,961	2,389,809
Additions	-	3,940	2,242	7,574	13,756
Written off	-	-	(4)	(343)	(347)
Disposals	-	(44,747)	(29,477)	(9,859)	(84,083)
Transferred to asset held-for-sale	(160,000)	(523,456)	-	(45,252)	(728,708)
Currency translation differences	1,744	2,353	(1,103)	(436)	2,558
At 31 December 2016	159,490	1,039,566	126,284	267,645	1,592,985
Accumulated depreciation					
At 1 January 2016	-	134,865	64,411	221,375	420,651
Charge for the financial year	-	29,024	14,115	31,647	74,786
Written off	-	-	-	(281)	(281)
Disposals	-	(22,932)	(16,242)	(7,984)	(47,158)
Reclassification	-	(5,443)	-	75	(5,368)
Transferred to asset held-for-sale	-	(52,435)	-	(29,177)	(81,612)
Currency translation differences	-	(1,111)	(877)	(436)	(2,424)
At 31 December 2016	-	81,968	61,407	215,219	358,594
Net book value					
At 31 December 2016	159,490	957,598	64,877	52,426	1,234,391

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Hotel properties (continued)

Group	Freehold land RM'000	Hotel buildings RM'000	Plant and machinery RM'000	Office furniture, fittings and equipment RM'000	Total RM'000
2015					
Cost					
At 1 January 2015	368,601	1,318,942	53,223	282,442	2,023,208
Additions	-	51,722	45,813	21,264	118,799
Written off	-	-	-	(421)	(421)
Disposals	-	-	(3)	(159)	(162)
Reclassification	-	237,751	49,119	7,701	294,571
Transferred from investment properties (Note 15)	-	14,216	830	14,899	29,945
Transferred to inventories - property development costs (Note 14 (b))	(39,773)	(5,470)	-	-	(45,243)
Transferred to asset held-for-sale (Note 29)	(16,000)	(29,298)	-	(11,670)	(56,968)
Currency translation differences	4,918	13,613	5,644	1,905	26,080
At 31 December 2015	317,746	1,601,476	154,626	315,961	2,389,809
Accumulated depreciation					
At 1 January 2015	-	114,734	37,597	187,061	339,392
Charge for the financial year	-	32,820	12,484	33,699	79,003
Written off	-	-	-	(420)	(420)
Disposals	-	-	(1)	(123)	(124)
Reclassification	-	(10,792)	10,792	-	-
Transferred from investment properties (Note 15)	-	1,705	614	11,019	13,338
Transferred to inventories - property development costs (Note 14 (b))	-	(458)	-	-	(458)
Transferred to asset held-for-sale (Note 29)	-	(7,404)	-	(11,344)	(18,748)
Currency translation differences	-	4,260	2,925	1,483	8,668
At 31 December 2015	-	134,865	64,411	221,375	420,651
Accumulated impairment losses					
At 1 January 2015	-	10,905	-	-	10,905
Transferred to asset held-for-sale (Note 29)	-	(3,030)	-	-	(3,030)
Reversal during the financial year	-	(7,875)	-	-	(7,875)
At 31 December 2015	-	-	-	-	-
Net book value					
At 31 December 2015	317,746	1,466,611	90,215	94,586	1,969,158

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group	
	2016	**2015**
	RM'000	**RM'000**
Net book value of property, plant and equipment pledged as security for borrowings (Note 38)	279,089	683,627
Interest cost capitalised within property, plant and equipment	-	2,380

Company

	Furniture, fixtures, fittings and equipment	
	2016	**2015**
	RM'000	**RM'000**
Cost		
At 1 January	962	923
Additions	6	45
Disposals	(10)	(6)
Written off	(39)	-
At 31 December	919	962
Accumulated depreciation		
At 1 January	707	616
Charge for the financial year	91	96
Disposals	(8)	(5)
Written off	(39)	-
At 31 December	751	707
Net book value		
At 31 December	168	255

14 INVENTORIES

		Group	
	Note	**2016**	**2015**
		RM'000	**RM'000**
Non-current			
Land held for property development	(a)	252,906	309,935
Current			
Property development costs	(b)	433,138	384,848
At cost:			
Completed properties	(c)	76,886	84,593
Hotel operating supplies		1,763	2,252
Raw materials, feed and consumables		484	149
Food and beverages supplies		562	602
At net realisable value:			
Finished goods		102	131
At fair value:			
Biological assets - fish		674	180
		513,609	472,755

14 INVENTORIES (CONTINUED)

(a) Land held for property development

		Group		
	Note	At cost RM'000	At net realisable value RM'000	Total RM'000
2016				
At 1 January				
Land cost		125,020	92,752	217,772
Development costs		16,880	75,283	92,163
		141,900	168,035	309,935
Costs incurred during the financial year:				
Development costs		3,751	3,926	7,677
Disposal during the financial year:				
Land cost		-	(225)	(225)
Development costs		-	(162)	(162)
Reclassification to investment properties:	15			
Land cost		(51,517)	-	(51,517)
Development costs		(938)	-	(938)
Transfer to property development cost:	14(b)			
Land cost		(10,468)	-	(10,468)
Development costs		(1,396)	-	(1,396)
		(60,568)	3,539	(57,029)
At 31 December		81,332	171,574	252,906
Land cost		63,035	92,527	155,562
Development costs		18,297	79,047	97,344
		81,332	171,574	252,906

14 INVENTORIES (CONTINUED)

(a) Land held for property development (continued)

	Group		
	At cost	At net realisable value	Total
	RM'000	RM'000	RM'000
2015			
At 1 January			
Land cost	64,482	97,013	161,495
Development costs	15,324	78,017	93,341
	79,806	175,030	254,836
Costs incurred during the financial year:			
Land costs	60,538	-	60,538
Development costs	1,556	185	1,741
Disposal during the financial year:			
Land cost	-	(4,261)	(4,261)
Development costs	-	(2,919)	(2,919)
	62,094	(6,995)	55,099
At 31 December	141,900	168,035	309,935
Land cost	125,020	92,752	217,772
Development costs	16,880	75,283	92,163
	141,900	168,035	309,935

14 INVENTORIES (CONTINUED)

(b) Property development costs

	Note	Group 2016 RM'000	Group 2015 RM'000
At cost			
At 1 January			
Land and development costs		482,676	581,473
Accumulated costs charged to income statements		(97,828)	(283,301)
		384,848	298,172
Less:			
- Completed development properties:			
Land and development costs		(128,324)	(276,956)
Accumulated costs charged to income statements		128,324	276,956
- Transferred to inventories - completed properties	14(c)	(5,720)	(12,771)
Add:			
- Costs incurred during the financial year:			
Land and development costs		78,366	146,145
- Transferred from property, plant and equipment:			
Land	13	-	44,785
- Transferred from inventories - land held for property development:			
Land and development costs	14(a)	11,864	-
Costs recognised to income statements in current financial year		(36,220)	(91,483)
At 31 December		433,138	384,848
Property development costs are analysed as follows:			
At cost			
Land and development costs		438,862	482,676
Accumulated costs charged to income statements		(5,724)	(97,828)
		433,138	384,848
Land and development costs charged as security for borrowings	38	175,194	148,600
Interest cost capitalised as property development costs		8,198	6,925
Cost to obtain or fulfill contract recognised as an expense in the income statements in current financial year		584	1,971

14 INVENTORIES (CONTINUED)

(c) Completed properties

	Note	Group 2016 RM'000	Group 2015 RM'000
At cost			
At 1 January		84,593	77,919
Transferred from inventories - property development costs	14(b)	5,720	12,771
Disposals during the financial year		(13,427)	(6,097)
At 31 December		76,886	84,593

15 INVESTMENT PROPERTIES

Group	Land held for future development RM'000	Property investment retail RM'000	Property investment commercial RM'000	Capital work in progress RM'000	Total RM'000
2016					
Cost					
At 1 January 2016	-	1,402,379	770,433	952,543	3,125,355
Additions	-	-	590	273,174	273,764
Reclassification from inventories					
- land held for property development (Note 14)	52,455	-	-	-	52,455
Reclassification	111,706	-	-	(111,706)	-
At 31 December 2016	164,161	1,402,379	771,023	1,114,011	3,451,574
Accumulated depreciation					
At 1 January 2016	-	458,533	215,759	-	674,292
Charge for the financial year	-	28,593	23,405	-	51,998
At 31 December 2016	-	487,126	239,164	-	726,290
Net book value					
At 31 December 2016	164,161	915,253	531,859	1,114,011	2,725,284

15 INVESTMENT PROPERTIES (CONTINUED)

Group	Property investment retail	Property investment commercial	Capital work in progress	Total
	RM'000	RM'000	RM'000	RM'000
2015				
Cost				
At 1 January 2015	1,377,725	1,120,540	799,363	3,297,628
Additions	103	501	177,731	178,335
Reclassification	24,551	-	(24,551)	-
Reclassification to property, plant and equipment (Note 13)	-	(354,156)	-	(354,156)
Reclassification from property, plant and equipment (Note 13)	-	11,340	-	11,340
Reversal of over accruals	-	(7,792)	-	(7,792)
At 31 December 2015	1,402,379	770,433	952,543	3,125,355
Accumulated depreciation				
At 1 January 2015	430,136	257,960	-	688,096
Charge for the financial year	28,397	37,100	-	65,497
Reclassification to property, plant and equipment (Note 13)	-	(79,301)	-	(79,301)
At 31 December 2015	458,533	215,759	-	674,292
Net book value				
At 31 December 2015	943,846	554,674	952,543	2,451,063

Direct operating expenses from investment properties that generated rental income for the Group during the financial year amounted to approximately RM213,214,000 (2015: RM228,019,000).

Included in direct operating expenses of the Group's investment properties were the following expenses:

	Group	
	2016	2015
	RM'000	RM'000
Depreciation of investment properties	51,998	65,497
Quit rent and assessment	22,329	24,273
Repairs and maintenance	22,490	24,153
Staff costs	41,160	31,379
Utilities	48,163	51,748

	Fair value			
	2016	2015		Valuation
	RM'000	RM'000	Level	technique
Retail malls	4,890,000	4,890,000	3	Income approach
Commercial properties	1,885,997	1,768,818	3	Income approach
Total	6,775,997	6,658,818		

15 INVESTMENT PROPERTIES (CONTINUED)

The fair value of the investment properties above were estimated based on either valuations by independent qualified valuers or management's estimates.

The fair value of the investment properties above excludes investment properties that are under construction as the fair value of these properties are not expected to be reliably measurable until construction completes.

The fair value of the investment properties is determined based on income approach using Level 3 inputs in the fair value hierarchy of MFRS 13 'Fair Value Measurement'. The fair value of the investment properties is derived from an estimate of the market rental which the investment properties can reasonably be let for. Outgoings such as quit rent and assessment, property taxes, utilities costs, reimbursable manpower costs, repair and maintenance, insurance premium, asset enhancement initiatives as well as management expenses, are deducted from the annual rental income and thereafter, the net annual rental income is capitalised at an appropriate current market yield to arrive at its fair value.

The Level 3 inputs (unobservable inputs) include:

Term rental	-	the expected rental that the investment properties are expected to achieve and is derived from the current passing rental, including revision upon renewal of tenancies during the year;
Reversionary rental	-	the expected rental that the investment properties are expected to achieve upon expiry of term rental;
Car park income	-	refers to rental on car park bays;
Other income	-	comprising percentage rent, advertising income and others;
Outgoings	-	comprising quit rent and assessment, utilities costs, reimbursable manpower costs, repair and maintenance, insurance premium, asset enhancement expenses and other general expenses;
Capitalisation rate	-	based on actual location, size and condition of the investment properties and taking into account market data at the valuation date based on the valuers' knowledge of the factors specific to investment properties;
Allowance for void	-	refers to allowance provided for vacancy periods, marketing and rent free periods.

Investment property with net book value RM991,228,000 (2015: RM393,292,000) have been charged as security for borrowings as disclosed in Note 38.

Included in the Group's investment properties additions during the financial year were interest expense capitalised amounting to RM20,234,000 (2015: RM10,315,000).

16 LONG TERM PREPAID LEASE

	Group	
	2016	2015
	RM'000	RM'000
At cost		
At 1 January	9,005	7,453
Disposal	(7,821)	-
Currency translation differences	(526)	1,552
At 31 December	658	9,005
Accumulated amortisation		
At 1 January	4,940	3,808
Current year amortisation	92	289
Disposal	(4,497)	-
Currency translation differences	(299)	843
At 31 December	236	4,940
Net book value		
At 31 December	422	4,065

17 INTANGIBLE ASSETS

Group	Development costs	License	Goodwill	Total
	RM'000	RM'000	RM'000	RM'000
2016				
Cost				
At 1 January 2016	1,231	100	33,402	34,733
Additions	161	-	-	161
Transfer to assets classified as held-for-sale (Note 29)	-	-	(19,164)	(19,164)
At 31 December 2016	1,392	100	14,238	15,730
Accumulated amortisation				
At 1 January 2016	755	71	-	826
Charge for the financial year	476	10	-	486
At 31 December 2016	1,231	81	-	1,312
Net book value				
At 31 December 2016	161	19	14,238	14,418
2015				
Cost				
At 1 January 2015	907	100	19,164	20,171
Additions	324	-	-	324
Arising from acquisition of subsidiaries	-	-	14,238	14,238
At 31 December 2015	1,231	100	33,402	34,733
Accumulated amortisation				
At 1 January 2015	502	61	-	563
Charge for the financial year	253	10	-	263
At 31 December 2015	755	71	-	826
Net book value				
At 31 December 2015	476	29	33,402	33,907

17 INTANGIBLE ASSETS (CONTINUED)

Impairment test for goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the Group's cash-generating units ('CGUs') that are expected to benefit from that business combination.

A summary of the goodwill allocation to the Group's CGUs is shown as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Great Union Properties Sdn. Bhd. ("GUP")	-	19,164
G City Club Hotel Sdn. Bhd. ("GCity")	11,638	11,638
Elements Medical Fitness Sdn. Bhd. (formerly known as Elements Gym Sdn. Bhd.) ("EMF")	2,600	2,600
	14,238	33,402

The Group tests goodwill for impairment annually, or more frequently if there are any indications that impairment may have arisen.

The carrying value of the goodwill was compared to its recoverable amount, which was based on fair value less costs to sell for GUP and value-in-use calculations for GCity. The carrying value of EMF meanwhile, is deemed not material to the Group.

The goodwill from GUP arose from the acquisition of 50,000,000 ordinary shares of RM1.00 each representing 50% equity interest in GUP during the financial year ended 31 December 2012.

In the previous financial year, the GUP goodwill is not sensitive to changes in the fair value less costs to sell as the Directors assessment indicated that the fair value less costs to sell, based on current market conditions and circumstances exceeded the carrying amount of the CGU.

The GUP goodwill has been reclassified to asset classified as held-for-sale during the financial year pursuant to its disposal as described in Note 29.

The recoverable amount of GCity's goodwill has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. The growth rate does not exceed the long term average growth rate of GCity.

The key assumptions used for value-in-use calculations for GCity are as follows:

	GCity	
	2016	**2015**
Revenue growth	5-10%	8-16%
Cost increase	5%	8%
Discount rate	10%	10%

The Directors have determined the revenue growth and cost increase based on expected performance and its expectations of market conditions. The discount rates used are pre-tax and reflect specific risks relating to GCity.

The key assumptions used for the value in use calculations for GCity are not sensitive to the carrying value of its goodwill except as disclosed below:

	2016		2015	
	Change in assumption	**Impact on goodwill**	**Change in assumption**	**Impact on goodwill**
GCity				
Revenue growth	(2%)	(29%)	(2%)	(14%)
Discount rate	(2%)	(33%)	-	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

18 BIOLOGICAL ASSETS

	Group	
	2016	2015
	RM'000	RM'000
Broodstocks		
Cost		
At 1 January	648	632
Additions	10	55
Disposal	(39)	-
Written off	(87)	(39)
At 31 December	532	648
Accumulated depreciation		
At 1 January	406	301
Charge for the financial year	116	126
Disposal	(27)	-
Written off	(65)	(21)
At 31 December	430	406
Net book value		
At 31 December	102	242

19 SUBSIDIARIES

	Company	
	2016	2015
	RM'000	RM'000
Investment in subsidiaries, at cost		
Quoted ordinary shares	2,321,167	2,321,167
Unquoted ordinary shares	147,728	124,198
Less: Accumulated impairment losses	(8,006)	(7,098)
	2,460,889	2,438,267
Advances to subsidiaries	60,396	82,773
Total	2,521,285	2,521,040

The advances to subsidiaries refers to amounts of which the Company does not expect repayment in the foreseeable future and are considered as part of the Company's investment in subsidiaries.

The market value of the quoted ordinary shares is at RM2,362,262,245 (2015: RM2,254,441,147).

19 SUBSIDIARIES (CONTINUED)

	Company	
	2016	2015
	RM'000	RM'000
Movement of impairment loss on investment in subsidiaries:		
At 1 January	7,098	7,098
Charge during the year	908	-
At 31 December	8,006	7,098

Quoted ordinary shares with a carrying value of RM1.26 billion (2015: RM1.26 billion) have been charged as security for borrowings as detailed in Note 38 (a).

The details of the subsidiaries are as follows:

Name	Country of incorporation and place of business	Nature of business	2016 Effective interest held by the group	2016 Effective interest held by non-controlling interest	2015 Effective interest held by the group	2015 Effective interest held by non-controlling interest
			%	%	%	%
* AFMS Solutions Sdn. Bhd.	Malaysia	Research and development of automated facilities management solution system	80.00	20.00	80.00	20.00
Elements Integrative Health Sdn. Bhd.	Malaysia	Integrated healthcare and wellness	100.00	-	100.00	-
GoldChina Sdn. Bhd.	Malaysia	Investment holding	100.00	-	100.00	-
Goldis Capital Sdn. Bhd.	Malaysia	Dormant	100.00	-	100.00	-
Goldis Water Sdn. Bhd.	Malaysia	Investment holding	100.00	-	100.00	-
Goldis Yu Sdn. Bhd.	Malaysia	Provision of money lending services to related companies	100.00	-	100.00	-
GTower Sdn. Bhd.	Malaysia	Property investment holding	80.00	20.00	80.00	20.00
G Fish (Asia) Sdn. Bhd.	Malaysia	Aquaculture operations	96.67	3.33	96.67	3.33
IGB Corporation Berhad	Malaysia	Investment holding and property development	73.43	26.57	73.43	26.57
Lautan Bumimas Sdn. Bhd.	Malaysia	Aquaculture operations	51.00	49.00	51.00	49.00

19 SUBSIDIARIES (CONTINUED)

			2016		2015	
Name	Country of incorporation and place of business	Nature of business	Effective interest held by the group	Effective interest held by non-controlling interest	Effective interest held by the group	Effective interest held by non-controlling interest
			%	%	%	%
Macro Lynx Sdn. Bhd.	Malaysia	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	100.00	-	100.00	-
Multistock Sdn. Bhd.	Malaysia	Investment trading and investment holding	100.00	-	100.00	-
Steady Paramount Sdn. Bhd.	Malaysia	Property investment holding	100.00	-	100.00	-
Silver Sanctuary Sdn. Bhd.	Malaysia	Property investment holding	100.00	-	100.00	-
Triple Hallmark Sdn. Bhd.	Malaysia	Investment holding	100.00	-	100.00	-
Held by Elements Integrative Health Sdn. Bhd.						
Elements Wellness Sdn. Bhd.	Malaysia	Wellness consultation and health services	100.00	-	100.00	-
Elements Medical Fitness Sdn. Bhd. *(formerly known as Elements Gym Sdn. Bhd.)*	Malaysia	Integrated medical fitness centre and gym	100.00	-	100.00	-
Elements Nutrients Sdn. Bhd.	Malaysia	Pharmaceutical business and related products	100.00	-	100.00	-
Held by GoldChina Sdn. Bhd.						
* Crest Spring Pte. Ltd.	Singapore	Investment holding	100.00	-	100.00	-
Held by Crest Spring Pte Ltd						
* Crest Spring (Shanghai) Co. Ltd.	The People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services	100.00	-	100.00	-
* New Water Co. Ltd.	The People's Republic of China	Concession for management, operations and maintenance of waste water treatment plant	100.00	-	100.00	-

19 SUBSIDIARIES (CONTINUED)

Name	Country of incorporation and place of business	Nature of business	2016 Effective interest held by the group	2016 Effective interest held by non-controlling interest	2015 Effective interest held by the group	2015 Effective interest held by non-controlling interest
			%	%	%	%
Held by Crest Spring (Shanghai) Co. Ltd.						
* Jiang Su Crest Spring Co. Ltd.	The People's Republic of China	Investment holding and consultancy services in water treatment	100.00	-	100.00	-
* Yantai Xin Cheng Wastewater Treatment Co. Ltd.	The People's Republic of China	Concession for management, operations and maintenance of waste water treatment plant	100.00	-	100.00	-
* Lianyungang Ganyu Xin Cheng Sewage Treatment Co. Ltd.	The People's Republic of China	Concession for management, operations and maintenance of waste water treatment plant	100.00	-	100.00	-
Held by Goldis Water Sdn. Bhd.						
* Goldis Water Pte. Ltd.	Singapore	Investment holding	100.00	-	100.00	-
Held by Goldis Water Pte. Ltd.						
* ZouCheng XinCheng Waste Water Co. Ltd.	The People's Republic of China	Concession for management, operations and maintenance of waste water treatment plant	100.00	-	100.00	-
Held by G Fish (Asia) Sdn. Bhd.						
OM3 Fish (Asia) Sdn. Bhd.	Malaysia	Marketing and sale of aquaculture products	96.67	3.33	96.67	3.33
OM3 Fish Development Sdn. Bhd.	Malaysia	Aquaculture farms development and construction	96.67	3.33	96.67	3.33
OM3 Fish Services Sdn. Bhd.	Malaysia	Aquaculture operations and provision of management services	96.67	3.33	96.67	3.33
Held by Macro Lynx Sdn. Bhd.						
MVC Fiberlynx Sdn. Bhd.	Malaysia	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	100.00	-	100.00	-

19 SUBSIDIARIES (CONTINUED)

					2016		2015
	Name	Country of incorporation and place of business	Nature of business	Effective interest held by the group	Effective interest held by non-controlling interest	Effective interest held by the group	Effective interest held by non-controlling interest
				%	%	%	%
	Held by Macro Lynx Sdn. Bhd. (continued)						
	Mines Fiberlynx Sdn. Bhd.	Malaysia	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	100.00	-	100.00	-
	MLynx Sdn. Bhd.	Malaysia	Provision of broadband internet access services, web enabling services, supply and service of computer and related products	100.00	-	100.00	-
	Held by Triple Hallmark Sdn. Bhd.						
	Sonata Vision Sdn. Bhd.	Malaysia	Food and beverage operations	100.00	-	100.00	-
	G City Club Hotel Sdn. Bhd.	Malaysia	Hotel operations	100.00	-	79.60	20.40
	Held by IGB Corporation Berhad and its subsidiaries						
	Abad Flora Sdn. Bhd. [1]	Malaysia	Property investment	73.43	26.57	73.43	26.57
	Amandamai Dua Sdn. Bhd. [1]	Malaysia	Property development	73.43	26.57	73.43	26.57
	Amandamai Satu Sdn. Bhd. [1] *(Under members' Voluntary liquidation)*	Malaysia	Property development	73.43	26.57	73.43	26.57
	Angkasa Gagah Sdn. Bhd. [1]	Malaysia	Property development	73.43	26.57	73.43	26.57
	Arabayu Sepakat Sdn. Bhd. [1]	Malaysia	Property development and property investment	73.43	26.57	73.43	26.57
*	Asian Equity Limited [2]	British Virgin Islands	Investment holding	40.39	59.61	40.39	59.61
	Atar Deras Sdn. Bhd. [1]	Malaysia	Property development	73.43	26.57	73.43	26.57
*	Auspicious Prospects Ltd. [3]	Liberia	Investment holding	73.43	26.57	73.43	26.57

19 SUBSIDIARIES (CONTINUED)

Name	Country of incorporation and place of business	Nature of business	2016 Effective interest held by the group	2016 Effective interest held by non-controlling interest	2015 Effective interest held by the group	2015 Effective interest held by non-controlling interest
			%	%	%	%
Held by IGB Corporation Berhad and its subsidiaries (continued)						
Belimbing Hills Sdn. Bhd. [1]	Malaysia	Property development	73.43	26.57	73.43	26.57
* Beswell Limited [4]	Hong Kong	Investment holding	73.43	26.57	73.43	26.57
Bintang Buana Sdn. Bhd. [1]	Malaysia	Property development	66.09	33.91	66.09	33.91
Blackfriars Project Management Limited. [5]	United Kingdom	Management and construction	73.43	26.57	-	-
Central Review (M) Sdn. Bhd. [1]	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Cipta Klasik (M) Sdn. Bhd. [1]	Malaysia	Property development	51.40	48.60	51.40	48.60
Cititel Hotel Management Sdn. Bhd.	Malaysia	Hotel management services	44.06	55.94	44.06	55.94
Corpool Holdings Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
Danau Bidara (M) Sdn. Bhd. [1]	Malaysia	Property investment	73.43	26.57	73.43	26.57
Detik Harapan Sdn. Bhd.	Malaysia	Educational institution	44.06	55.94	44.06	55.94
Dian Rezki Sdn. Bhd. *(under members' voluntary liquidation completed in 2016)*	Malaysia	Dormant	-	-	73.43	26.57
Dimensi Magnitud Sdn. Bhd.	Malaysia	Property investment	51.40	48.60	51.40	48.60
Distinctive Ace Sdn. Bhd. [6]	Malaysia	Property investment and property development	36.72 + 1 share	63.28	36.72 + 1 share	63.28
Earning Edge Sdn. Bhd. [7]	Malaysia	Investment holding	47.73	52.27	47.73	52.27
Eastwind Alliance Sdn. Bhd. [1]	Malaysia	Property Investment and property development	73.43	26.57	73.43	26.57

19 SUBSIDIARIES (CONTINUED)

Name	Country of incorporation and place of business	Nature of business	2016 Effective interest held by the group %	2016 Effective interest held by non-controlling interest %	2015 Effective interest held by the group %	2015 Effective interest held by non-controlling interest %
Held by IGB Corporation Berhad and its subsidiaries (continued)						
Ensignia Construction Sdn. Bhd.	Malaysia	Building construction	73.43	26.57	73.43	26.57
Ensignia Southkey City Sdn. Bhd. [8]	Malaysia	Building construction	51.40	48.60	51.40	48.60
Future Pinnacle Sdn. Bhd. [9]	Malaysia	Property development	73.43	26.57	73.43	26.57
* Grapevine Investments Pte. Ltd.	Singapore	Investment holding	73.43	26.57	73.43	26.57
Great Union Properties Sdn. Bhd.	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Harta Villa Sdn. Bhd. [1]	Malaysia	Property development	73.43	26.57	73.43	26.57
ICDC Holdings Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
Idaman Spektra Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57
IGB Development Management Services Sdn. Bhd.	Malaysia	Project management services	73.43	26.57	73.43	26.57
IGB International School Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57
IGB International Ventures Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
IGB Management Services Sdn. Bhd. *(under members' voluntary liquidation completed in 2016)*	Malaysia	Dormant	-	-	73.43	26.57
IGB Project Management Services Sdn. Bhd.	Malaysia	Project management services	73.43	26.57	73.43	26.57

19 SUBSIDIARIES (CONTINUED)

Name	Country of incorporation and place of business	Nature of business	2016 Effective interest held by the group	2016 Effective interest held by non-controlling interest	2015 Effective interest held by the group	2015 Effective interest held by non-controlling interest
			%	%	%	%
Held by IGB Corporation Berhad and its subsidiaries (continued)						
IGB Properties Sdn. Bhd.	Malaysia	Property investment and management	73.43	26.57	73.43	26.57
IGB REIT Management Sdn. Bhd.	Malaysia	Management of real estate investment trust	73.43	26.57	73.43	26.57
IGB Real Estate Investment Trust [10]	Malaysia	Real estate investment trust	38.40	61.60	38.18	61.82
Innovation & Concept Development Co. Sdn. Bhd. [11]	Malaysia	Property development	73.43	26.57	73.43	26.57
Intercontinental Aviation Services Sdn. Bhd. *(under members' voluntary liquidation completed in 2016)*	Malaysia	Dormant	-	-	73.43	26.57
IST Buillding Products Sdn. Bhd.	Malaysia	Trading of building materials	73.43	26.57	73.43	26.57
IT&T Engineering & Construction Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
Kemas Muhibbah Sdn. Bhd. [12]	Malaysia	Property development	73.43	26.57	73.43	26.57
Kenny Vale Sdn. Bhd. [1] *(under members' voluntary liquidation)*	Malaysia	Property development	73.43	26.57	73.43	26.57
Kondoservis Sdn. Bhd. [1]	Malaysia	Management services	73.43	26.57	73.43	26.57
KrisAssets Holdings Berhad *(under members' voluntary liquidation completed in 2016)*	Malaysia	Dormant	-	-	46.63	53.37

19 SUBSIDIARIES (CONTINUED)

Name	Country of incorporation and place of business	Nature of business	2016 Effective interest held by the group	2016 Effective interest held by non-controlling interest	2015 Effective interest held by the group	2015 Effective interest held by non-controlling interest
			%	%	%	%
Held by IGB Corporation Berhad and its subsidiaries (continued)						
Lagenda Sutera (M) Sdn. Bhd. [4]	Malaysia	Hotelier	73.43	26.57	73.43	26.57
* Lingame Company Limited	Hong Kong	Investment holding	73.43	26.57	73.43	26.57
Majestic Path Sdn. Bhd. [4]	Malaysia	Investment holding	73.43	26.57	73.43	26.57
Megan Prestasi Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
* MiCasa Hotel Limited [13]	Myanmar	Hotelier	47.73	52.27	47.73	52.27
Mid Valley City Sdn. Bhd.	Malaysia	Management services/ service provider	73.43	26.57	73.43	26.57
Mid Valley City Developments Sdn. Bhd.	Malaysia	Property development	73.43	26.57	73.43	26.57
Mid Valley City Energy Sdn. Bhd.	Malaysia	Selling and distribution of utilities	73.43	26.57	73.43	26.57
Mid Valley City Enterprise Sdn. Bhd.	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Mid Valley City Gardens Sdn. Bhd.	Malaysia	Management services/ service provider	73.43	26.57	73.43	26.57
Mid Valley City Hotels Sdn. Bhd.	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Mid Valley City North Tower Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57
Mid Valley City Property Services Sdn. Bhd. [14]	Malaysia	Building and maintenance services	73.43	26.57	73.43	26.57
Mid Valley City South Tower Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57
Mid Valley City Southpoint Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57

19 SUBSIDIARIES (CONTINUED)

Name	Country of incorporation and place of business	Nature of business	2016 Effective interest held by the group	2016 Effective interest held by non-controlling interest	2015 Effective interest held by the group	2015 Effective interest held by non-controlling interest
			%	%	%	%
Held by IGB Corporation Berhad and its subsidiaries (continued)						
Murni Properties Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57
MVC Centrepoint North Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57
MVC Centrepoint South Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57
MVC CyberManager Sdn. Bhd.	Malaysia	MSC cybercentre at Mid Valley City	73.43	26.57	73.43	26.57
MVEC Exhibition and Event Services Sdn. Bhd.	Malaysia	Exhibition services	73.43	26.57	73.43	26.57
Nova Pesona Sdn. Bhd. [1]	Malaysia	Property development	73.43	26.57	73.43	26.57
OPT Ventures Sdn. Bhd. [1]	Malaysia	Property development and investment	51.40	48.60	51.40	48.60
Outline Avenue (M) Sdn. Bhd. [1]	Malaysia	Property development	65.79	34.21	65.79	34.21
Pacific Land Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
* Pacific Land Pte. Ltd. [4]	Singapore	Investment holding	73.43	26.57	73.43	26.57
Pangkor Island Resort Sdn. Bhd.	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Pekeliling Land Sdn. Bhd.	Malaysia	Property holding	73.43	26.57	73.43	26.57
Pekeliling Property Sdn. Bhd. *(under members' voluntary liquidation completed in 2016)*	Malaysia	Dormant	-	-	73.43	26.57
Penang Garden Sdn. Bhd.	Malaysia	Property development and investment	73.43	26.57	73.43	26.57
Permata Efektif (M) Sdn. Bhd. [1]	Malaysia	Property development	73.43	26.57	73.43	26.57

19 SUBSIDIARIES (CONTINUED)

Name	Country of incorporation and place of business	Nature of business	2016 Effective interest held by the group	2016 Effective interest held by non-controlling interest	2015 Effective interest held by the group	2015 Effective interest held by non-controlling interest
			%	%	%	%
Held by IGB Corporation Berhad and its subsidiaries (continued)						
Plaza Permata Management Services Sdn. Bhd.	Malaysia	Property management services	73.43	26.57	73.43	26.57
Prima Condominium Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
Primanah Property Sdn. Bhd.	Malaysia	Property development	73.43	26.57	73.43	26.57
Puncak Megah (M) Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
Rapid Alpha Sdn. Bhd.	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Reka Handal Sdn. Bhd. [1]	Malaysia	Property development	55.07	44.93	55.07	44.93
Riraiance Enterprise Sdn. Bhd.	Malaysia	Investment holding	73.43	26.57	73.43	26.57
Salient Glory City Sdn. Bhd.	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Southkey Megamall Sdn. Bhd.	Malaysia	Property investment	51.40	48.60	51.40	48.60
* St Giles Hotels (Asia) Limited [15]	Labuan	Hotel management services	44.06	55.94	44.06	55.94
Tanah Permata Sdn. Bhd. [4]	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Tan & Tan Developments Berhad	Malaysia	Property development, project management services and investment holding	73.43	26.57	73.43	26.57
Tan & Tan Realty Sdn. Bhd. [1]	Malaysia	Property investment and food court operator	58.74	41.26	58.74	41.26
* Tank Stream Holdings Pty. Ltd. [16]	Australia	Investment holding	73.43	26.57	73.43	26.57
The Gardens Theatre Sdn. Bhd.	Malaysia	Lease auditorium space for performing arts	73.43	26.57	73.43	26.57

19 SUBSIDIARIES (CONTINUED)

			2016		2015	
Name	Country of incorporation and place of business	Nature of business	Effective interest held by the group	Effective interest held by non-controlling interest	Effective interest held by the group	Effective interest held by non-controlling interest
			%	%	%	%
Held by IGB Corporation Berhad and its subsidiaries (continued)						
TTD Sdn. Bhd. [1]	Malaysia	Hotelier	73.43	26.57	73.43	26.57
Verokey Sdn. Bhd.	Malaysia	Property investment	73.43	26.57	73.43	26.57
* Wilmer Link Limited [17]	British Virgin Islands	Investment holding	42.59	57.41	42.59	57.41
X-Speed Sdn. Bhd. *(under members' voluntary liquidation)*	Malaysia	Property investment	73.43	26.57	73.43	26.57

Notes:

1 - Held by Tan & Tan Developments Berhad.
2 - Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd., 35.0% and 20.0% respectively.
3 - Held by Lingame Company Limited.
4 - Held by Pacific Land Sdn. Bhd.
5 - Held by Verokey Sdn. Bhd.
6 - Held by Megan Prestasi Sdn. Bhd.
7 - Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd., 45.0% and 20.0% respectively.
8 - Held by Ensignia Construction Sdn. Bhd.
9 - Held by TTD Sdn. Bhd.
10 - Held by IGB REIT Management Sdn. Bhd. and IGB, 2.68% and 49.62% respectively.
11 - Held by ICDC Holdings Sdn. Bhd.
12 - Held by IGB Project Management Services Sdn. Bhd.
13 - Held by Earning Edge Sdn. Bhd.
14 - Held by Mid Valley City Developments Sdn. Bhd.
15 - Held by Cititel Hotel Management Sdn. Bhd.
16 - Held by Pacific Land Sdn. Bhd. and IGB, 19.6% and 80.4% respectively.
17 - Held by IGB International Ventures Sdn. Bhd.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

** Companies audited by firms other than PricewaterhouseCoopers Malaysia.*

19 SUBSIDIARIES (CONTINUED)

Summarised financial information on a subsidiary with material non-controlling interest

As at 31 December 2016, the total non-controlling interest is RM1,299,380,000 (2015: RM1,248,004,000), of which RM1,282,193,000 (2015: RM1,225,110,000) is for IGB Group. The total non-controlling interest in respect of other subsidiaries of RM17,187,000 (2015: RM22,894,000) is not material, individually.

Set out below are the summarised financial information of IGB Group, the material non-controlling interest to the group.

See Note 44 for significant transactions with non-controlling interests.

(a) Summarised statement of financial position

	IGB Group	
	2016	**2015**
	RM'000	**RM'000**
Current		
Assets	2,533,586	1,855,083
Liabilities	(1,296,417)	(1,499,598)
Total current net assets	1,237,169	355,485
Non-current		
Assets	5,225,065	5,861,494
Liabilities	(1,888,839)	(1,787,040)
Total non-current net assets	3,336,226	4,074,454
Net assets	4,573,395	4,429,939

(b) Summarised income statement

	IGB Group	
	2016	**2015**
	RM'000	**RM'000**
Revenue	1,150,308	1,167,082
Profit before taxation	534,973	427,040
Tax expense	(79,920)	(92,455)
Profit for the financial year	455,053	334,585
Other comprehensive income	(25,145)	68,917
Total comprehensive income	429,908	403,502
Profit for the financial year allocated to non-controlling interests	236,237	175,780
Total comprehensive income allocated to non-controlling interests	233,645	194,647
Dividends paid to non-controlling interests	185,933	199,762

19 SUBSIDIARIES (CONTINUED)

Summarised financial information on a subsidiary with material non-controlling interests (continued)

(c) Summarised cash flows

	IGB Group	
	2016	**2015**
	RM'000	**RM'000**
Cash flows from operating activities		
Cash generated from operations	767,268	570,445
Interest paid	(90,670)	(99,346)
Income tax paid	(111,309)	(117,116)
Income tax refunded	74	1,259
Net cash generated from operating activities	565,363	355,242
Net cash generated from /(used in) investing activities	438,769	(299,612)
Net cash used in financing activities	(543,863)	(116,131)
Net increase/(decrease) in cash and cash equivalents	460,269	(60,501)
Cash and cash equivalents at beginning of the financial year	526,306	593,572
Exchange loss on cash and cash equivalents	(2,149)	(6,765)
Cash and cash equivalents at end of the financial year	984,426	526,306

The information above is the amount before inter-company eliminations.

20 INVESTMENTS IN ASSOCIATES

	Group	
	2016	**2015**
	RM'000	**RM'000**
At cost		
Unquoted shares in Malaysia	75,919	83,885
Unquoted shares outside Malaysia	25,905	25,977
Amounts owing by associates	30,092	30,092
	131,916	139,954
Group's share of post-acquisition results and reserves	344,190	385,455
	476,106	525,409
Less: Accumulated impairment losses	(8,858)	(8,858)
At 31 December	467,248	516,551

The amounts owing from associates of which the Group does not expect repayment in the foreseeable future are considered as part of the Group's investment in the associates.

Set out below are associates of the Group as at 31 December 2016, which, in the opinion of the Directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. In the opinion of the Directors, all the other associates are immaterial to the Group.

20 INVESTMENTS IN ASSOCIATES (CONTINUED)

There are no contingent liabilities relating to the Group's interest in associates.

Name of company	Nature of business	Country of incorporation	Group's effective interest 2016 %	Group's effective interest 2015 %
Ravencroft Investments Incorporated	Investment holding	British Virgin Islands	36.33	36.33
New Commercial Investments Limited	Investment holding	British Virgin Islands	36.38	36.38

	Ravencroft Investments Incorporated 2016 RM'000	New Commercial Investments Limited 2016 RM'000
Summarised statement of comprehensive income		
Revenue	48,780	17,476
Administrative expense	(39,942)	(1,857)
Interest income	3,328	742
Interest expense	(4,404)	(2,190)
Profit before taxation	7,762	14,171
Income tax expense	(6,377)	(1,312)
Net profit for the financial year	1,385	12,859
Summarised statement of financial position		
Cash and cash equivalents	215,770	6,318
Other current assets (excluding cash and cash equivalents)	181,136	94,529
Total current assets	396,906	100,847
Other current liabilities (including trade and other payables and provision)	(250,843)	(76,570)
Total current liabilities	(250,843)	(76,570)
Non-current assets	217,500	108,856
Financial liabilities (excluding trade and other payables and provision)	(89,771)	(25,385)
Total non-current liabilities	(89,771)	(25,385)
Net assets	273,792	107,748

20 INVESTMENTS IN ASSOCIATES (CONTINUED)

	Ravencroft Investments Incorporated 2015 RM'000	New Commercial Investments Limited 2015 RM'000
Summarised statement of comprehensive income		
Revenue	48,504	11,011
Administrative expense	(35,447)	(1,963)
Interest income	2,064	288
Interest expense	(4,868)	(2,563)
Profit before taxation	10,253	6,773
Income tax expense	(7,805)	(994)
Net profit for the financial year	2,448	5,779
Summarised statement of financial position		
Cash and cash equivalents	199,635	11,394
Other current assets (excluding cash and cash equivalents)	212,959	99,742
Total current assets	412,594	111,136
Other current liabilities (including trade and other payables and provision)	(254,491)	(87,634)
Total current liabilities	(254,491)	(87,634)
Non-current assets	293,896	112,564
Financial liabilities (excluding trade and other payables and provision)	(103,676)	(29,318)
Total non-current liabilities	(103,676)	(29,318)
Net assets	348,323	106,748

20 INVESTMENTS IN ASSOCIATES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates is set out below:

	Ravencroft Investments Incorporated		New Commercial Investments Limited	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net assets as at 1 January	348,323	292,323	106,748	88,678
Foreign exchange differences	(75,916)	53,552	(11,859)	12,291
Net profit for the financial year	1,385	2,448	12,859	5,779
Net assets as at 31 December	273,792	348,323	107,748	106,748
Interest in associates (%)	49.47	49.47	49.55	49.55
Share of net assets	135,445	172,315	53,389	52,894
Add: Consolidation adjustment	51,572	51,572	7,361	7,361
Carrying amount of interest in associates	187,017	223,887	60,750	60,255

Set out below are the financial information of all individual immaterial associates on an aggregate basis:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Carrying amounts of interest in associates	219,481	232,409
Share of associate's profit/ total comprehensive income	15,686	37,122

The details of the associates are as follows:

Name	Country of incorporation	Nature of business	Group's effective interest 2016 %	Group's effective interest 2015 %
* Aroma Laundry and Dry Cleaners Sdn. Bhd. [1] *(under members' voluntary liquidation completed in 2016)*	Malaysia	Dormant	-	14.69
* Cititel Express Pty Limited [2]	Australia	Investment holding	28.64	-
* Cititel International Hospitality Limited [3]	Guernsey	Hotelier	36.35	-
* DMV Sdn. Bhd. [4]	Malaysia	Property development	28.27	28.27
* Fawkner Centre Pty. Ltd. [1]	Australia	Property investment	28.64	28.64

20 INVESTMENTS IN ASSOCIATES (CONTINUED)

The details of the associates are as follows: (continued)

	Name	Country of incorporation	Nature of business	Group's effective interest 2016 %	Group's effective interest 2015 %
	Gleneagles Medical Centre (Kuala Lumpur) Sdn. Bhd. [1] *(under members' voluntary liquidation)*	Malaysia	Dormant	22.03	22.03
	Hampshire Properties Sdn. Bhd. [1]	Malaysia	Property development and property investment	36.72	36.72
*	Harmony Streams Sdn. Bhd. [5]	Malaysia	Dormant	36.72	36.72
*	Hilltop International Success Inc [6]	British Virgin Islands	Purchasing/Leasing of aircrafts	36.35	36.35
*	Hicom Tan & Tan Sdn. Bhd. [1]	Malaysia	Property development	36.72	36.72
	Johan Kekal Sdn. Bhd. *(under members' voluntary liquidation)*	Malaysia	Dormant	36.72	36.72
	Jutanis Sdn. Bhd. [1]	Malaysia	Property development	33.04	33.04
	Kumpulan Sieramas (M) Sdn. Bhd. [1]	Malaysia	Property development	36.72	36.72
	Kundang Properties Sdn. Bhd.	Malaysia	Property development	36.72	36.72
*	Merchant Firm Ltd. [3]	British Virgin Islands	Investment holding	36.35	36.35
*	New Commercial Investments Limited [7]	British Virgin Islands	Investment holding	36.38	36.38
	Orion Corridor Sdn. Bhd. [6]	Malaysia	Leasing of aircrafts	18.14	18.14
*	Pacific Land Co., Limited [8]	Thailand	Investment holding	35.91	35.91
	Permata Alasan (M) Sdn. Bhd. [1]	Malaysia	Property development and property investment	36.72	36.72
*	Ravencroft Investments Incorporated [9]	British Virgin Islands	Investment holding	36.33	36.33
*	Sierramas Lanscape Services Sdn. Bhd. [5] *(under members' voluntary liquidation completed in 2016)*	Malaysia	Dormant	-	36.72
*	St Giles Hotel [6]	Republic of Congo	Construction and hotel management	36.35	36.35
*	St Giles Hotel, Inc [10]	United States of America	Hotelier	36.35	36.35
*	St Giles Hotel Limited [9]	United Kingdom	Hotelier	36.35	36.35

20 INVESTMENTS IN ASSOCIATES (CONTINUED)

The details of the associates are as follows: (continued)

Name	Country of incorporation	Nature of business	Group's effective interest 2016 %	Group's effective interest 2015 %
* St Giles Hotel LLC [11]	United States of America	Hotelier	36.35	36.35
* St Giles Hotel (Heathrow) Limited [7]	United Kingdom	Hotelier	36.42	36.42
* St Giles Hotel (Manila) Inc [6]	Philippines	Hotelier	36.35	36.35
* Technoltic Engineering Sdn. Bhd.	Malaysia	Servicing, maintenance and installation of elevators	29.37	29.37
* Tentang Emas Sdn. Bhd. [1]	Malaysia	Investment holding	35.98	35.98

Notes:

1 - Held by Tan & Tan Developments Berhad.
2 - Held by Tank Stream Holding Pty Ltd.
3 - Held by Ravencroft Investments Incorporated.
4 - Held by Tan & Tan Developments Berhad and IGB Corporation Berhad, 25.6% and 12.8% respectively.
5 - Held by Kumpulan Sierramas (M) Sdn. Bhd.
6 - Held by Merchant Firm Ltd.
7 - Held by Pacific Land Sdn. Bhd. and TTD Sdn. Bhd., 31.5% and 18.0% respectively.
8 - Held by Pacific Land Sdn. Bhd.
9 - Held by Pacific Land Sdn. Bhd., Beswell Limited and TTD Sdn. Bhd., 27.7%, 7.7% and 14.1% respectively.
10 - Held by St Giles Hotel Limited.
11 - Held by St Giles Hotel, Inc.

** Companies audited by firms other than PricewaterhouseCoopers Malaysia.*

21 INVESTMENTS IN JOINT VENTURES

	Group 2016 RM'000	Group 2015 RM'000
At cost		
Unquoted shares outside Malaysia	65,649	65,649
Amounts owing by joint venture	314,917	363,393
	380,566	429,042
Group's share of post-acquisition results and reserves	4,794	2,895
At 31 December	385,360	431,937

Set out below are joint ventures of the Group as at 31 December 2016. The joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

21 INVESTMENTS IN JOINT VENTURES (CONTINUED)

There are no contingent liabilities relating to the Group's interest in joint ventures.

Name of company	Nature of business	Country of incorporation	Group's effective interest 2016 %	Group's effective interest 2015 %
Black Pearl Limited	Property investment	Guernsey	36.72	36.72
Crystal Property Asia Company Limited	Property development and construction	Thailand	35.98	35.98

	Black Pearl Limited 2016 RM'000	Crystal Property Asia Company Limited 2016 RM'000
Summarised statement of comprehensive income		
Administrative expense	(984)	(26)
Net loss for the financial year	(984)	(26)
Summarised statement of financial position		
Cash and cash equivalents	2,034	130
Other current assets (excluding cash and cash equivalents)	46,891	-
Total current assets	48,925	130
Other current liabilities (including trade and other payables and provision)	(6,571)	(305)
Total current liabilities	(6,571)	(305)
Financial liabilities (excluding trade and other payables and provision)	(681,065)	-
Total non-current liability	(681,065)	-
Non-current assets	629,835	152,993
Net (liabilities)/assets	(8,876)	152,818

21 INVESTMENTS IN JOINT VENTURES (CONTINUED)

	Black Pearl Limited 2015 RM'000	Crystal Property Asia Company Limited 2015 RM'000
Summarised statement of comprehensive income		
Administrative expense	(1,460)	(25)
Net loss for the financial year	(1,460)	(25)
Summarised statement of financial position		
Cash and cash equivalents	1,178	124
Other current assets (excluding cash and cash equivalents)	23,983	-
Total current assets	25,161	124
Other current liabilities (including trade and other payables and provision)	(759,420)	(265)
Total current liabilities	(759,420)	(265)
Non-current assets	727,392	147,035
Net (liabilities)/assets	(6,867)	146,894

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures is set out below:

	Black Pearl Limited 2016 RM'000	Crystal Property Asia Company Limited 2016 RM'000	Total 2016 RM'000
Net (liabilities)/assets as at 1 January	(6,867)	146,894	140,027
Foreign exchange differences	(1,025)	5,950	4,925
Net loss for the financial year	(984)	(26)	(1,010)
Net (liabilities)/assets as at 31 December	(8,876)	152,818	143,942
Interest in joint ventures (%)	50.0	49.0	-
Share of net (liabilities)/assets	(4,438)	74,881	70,443
Amounts owing to corporate shareholders	314,917	-	314,917
Carrying amount of interest in joint ventures	310,479	74,881	385,360

21 INVESTMENTS IN JOINT VENTURES (CONTINUED)

Reconciliation of summarised financial information (continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures is set out below: (continued)

	Black Pearl Limited	Crystal Property Asia Company Limited	Total
	2015	2015	2015
	RM'000	RM'000	RM'000
Net (liabilities)/assets as at 1 January	(6,457)	133,805	127,348
Foreign exchange differences	1,050	13,114	14,164
Net loss for the financial year	(1,460)	(25)	(1,485)
Net (liabilities)/assets as at 31 December	(6,867)	146,894	140,027
Interest in joint ventures (%)	50.0	49.0	-
Share of net (liabilities)/assets	(3,434)	71,978	68,544
Amounts owing to corporate shareholders	363,393	-	363,393
Carrying amount of interest in joint ventures	359,959	71,978	431,937

The details of the joint ventures are as follows:

Name	Country of incorporation	Nature of business	Group's effective interest 2016	2015
			%	%
* Black Pearl Limited [1]	Guernsey	Property investment	36.72	36.72
* Blackfriars Limited [2]	Guernsey	Property investment	36.72	36.72
* Crystal Property Asia Company Limited [3]	Thailand	Property development and construction	35.98	35.98

Notes:

1 - Held by Verokey Sdn. Bhd.
2 - Held by Black Pearl Limited.
3 - Held by Majestic Path Sdn. Bhd.

** Companies audited by firms other than PricewaterhouseCoopers Malaysia.*

22 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current				
At 1 January	17,579	12,638	17,529	12,588
Additions	13,095	4,425	13,095	4,425
Net losses transfer to equity	(3,288)	(2,224)	(3,288)	(2,224)
Impaired	(50)	-	-	-
Exchange differences	2,308	2,740	2,308	2,740
At 31 December	29,644	17,579	29,644	17,529

Available-for-sale financial assets include the following:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unquoted shares in Malaysia	-	50	-	-
Unquoted shares outside Malaysia	29,644	17,529	29,644	17,529
	29,644	17,579	29,644	17,529

Available-for-sale financial assets are denominated in the following currencies:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	-	50	-	-
US Dollar	29,644	17,529	29,644	17,529
	29,644	17,579	29,644	17,529

23 CONCESSION RECEIVABLES

	Group	
	2016	2015
	RM'000	RM'000
Non-current	100,302	97,746
Current	3,313	3,285
	103,615	101,031

The Group has entered into service concession arrangements with the government of the People's Republic of China to construct and operate waste water treatment plants for a period ranging from 22 to 25 years. The terms of arrangement allows the Group to maintain and manage these treatment plants and receive consideration based on usage and rates as determined by the grantor for the entire duration of the concession subject to a minimum water volume calculated based on the waste water treatment plants normal capacity.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction and operating services.

	Group	
	2016	2015
	RM'000	RM'000
Fair value	109,682	103,460

The fair values are based on cash flows discounted based on the discount rate of 4.08% (2015: 4.57%). The fair values are within level 2 of the fair value hierarchy.

24 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	12,796	1,548	-	-
Deferred tax liabilities	(174,257)	(188,842)	(1,462)	(2,397)
Deferred tax liabilities (net)	(161,461)	(187,294)	(1,462)	(2,397)

24 DEFERRED TAX (CONTINUED)

The movements in deferred tax assets and liabilities of the Group and Company during the financial year are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 January	(187,294)	(190,928)	(2,397)	(67)
Credited/(Charged) to statements of comprehensive income				
- property, plant and equipment and investment properties	(1,185)	4,755	16	35
- inventories - property development costs	(237)	538	-	-
- Redeemable Convertible Cumulative Preference Shares	919	1,160	919	1,160
- provisions and others	(1,690)	1,159	-	-
- unutilised tax losses	27,958	(61)	-	-
	25,765	7,551	935	1,195
Charged to equity:				
- Redeemable Convertible Cumulative Preference Shares, upon issuance	-	(3,525)	-	(3,525)
Currency translation difference	68	(392)	-	-
At 31 December	(161,461)	(187,294)	(1,462)	(2,397)

24 DEFERRED TAX (CONTINUED)

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Subject to income tax:				
Deferred tax assets (before offsetting)				
- property, plant and equipment	1,915	514	-	-
- provisions and others	2,819	3,432	-	-
- unutilised tax losses	41,402	13,444	-	-
	46,136	17,390	-	-
Offsetting	(33,340)	(15,842)	-	-
Deferred tax assets (after offsetting)	12,796	1,548	-	-
Deferred tax liabilities (before offsetting)				
- property, plant and equipment and investment properties	(200,220)	(197,634)	(16)	(32)
- property development costs	(522)	(285)	-	-
- Redeemable Convertible Cumulative Preference Shares	(1,446)	(2,365)	(1,446)	(2,365)
- provisions and others	(4,504)	(3,427)	-	-
	(206,692)	(203,711)	(1,462)	(2,397)
Currency translation difference	(905)	(973)	-	-
	(207,597)	(204,684)	(1,462)	(2,397)
Offsetting	33,340	15,842	-	-
Deferred tax liabilities (after offsetting)	(174,257)	(188,842)	(1,462)	(2,397)

Deferred tax assets are recognised for tax losses carried forward to the extend the realisation of related tax benefits through future taxable profit is probable.

The amounts of deductible temporary differences and unused tax losses (all of which have no expiry) for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Unutilised tax losses	171,034	146,863
Deductible temporary differences	99,971	128,261
	271,005	275,124
Deferred tax assets not recognised at 24% (2015: 24%)	65,041	66,030

25 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Quoted shares/unit trust				
- held for trading in Malaysia	7,626	9,889	-	-
Quoted bonds outside Malaysia	470	477	470	477
Quoted shares outside Malaysia	9,682	10,819	9,682	10,819
	17,778	21,185	10,152	11,296

Changes in fair values of financial assets at fair value through profit or loss are recorded in the income statements. The fair value of equity securities is based on their current quoted prices in an active market.

26 AMOUNTS OWING FROM/(TO) ASSOCIATES AND JOINT VENTURES

	Group	
	2016	2015
	RM'000	RM'000
Amounts owing from associates	44,740	31,657
Less: Allowance for impairment	(3,260)	(3,260)
	41,480	28,397
Amounts owing from joint ventures	25,472	18,389
Amounts owing to associates	(4)	(1,717)

The amounts owing from associates and joint ventures represent advances which are unsecured, interest free (2015: interest free) and payable on demand, except for an amount owing from associate of RM14,344,000 (2015: nil), which carries interest at a rate of 15% (2015: nil) per annum.

The amounts owing to associates are unsecured, interest free and repayable on demand.

27 RECEIVABLES AND CONTRACT ASSETS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
(A) Trade and other receivables				
Trade receivables	79,091	112,108	-	-
Less: Provision for impairment	(3,400)	(3,162)	-	-
	75,691	108,946	-	-
Other receivables	48,636	30,826	7	15
Less: Provision for impairment	(1,376)	(1,358)	-	-
	47,260	29,468	7	15
Input tax	13,819	3,428	-	-
Deposits	22,047	21,374	16	16
Prepayments	36,780	12,941	1	1
Accrued billing in relation to rental income	9,852	10,204	-	-
	205,449	186,361	24	32
(B) Contract assets in relation to:				
- property development	2,125	25,635	-	-
	2,125	25,635	-	-
Total	207,574	211,996	24	32

The carrying amounts of trade and other receivables as at 31 December 2016 and 31 December 2015 approximated their fair values.

Credit terms of trade receivables of the Group ranged from 7 to 90 days (2015: 7 to 90 days).

As at 31 December 2016, included in trade receivables is an amount of RM30,641,000 (2015: RM28,143,000) being stakeholder sum for property development.

As at 31 December 2016 and 31 December 2015, all amounts in other receivables are current.

The remaining contractual billings to customers from property development activities amounted to RM34,237,000 (2015: RM73,000,000) and will be billed progressively upon the fulfilment of contractual milestones not withstanding if control of the assets has not been transferred to the customers. The contractual billings period for property development ranges between 1 to 2 years.

27 RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

(A) Trade and other receivables

As at 31 December 2016, trade receivables for the Group of RM22,184,000 (2015: RM21,206,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default, have met the Group's credit approval policies and are monitored on an on-going basis. The ageing of these trade receivables is as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Trade receivables past due but not impaired:		
Up to 3 months	20,313	16,141
Above 3 months	1,871	5,065
	22,184	21,206

As at 31 December 2016, trade and other receivables of RM4,776,000 (2015: RM4,520,000) were impaired. The ageing of these receivables was as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Above 6 months	4,776	4,520

Movement on the Group's provision for impairment of trade and other receivables were as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
At 1 January	4,520	8,680
Provision for impairment of receivables	501	489
Receivables written off during the financial year as uncollected	(245)	(1,491)
Unused amounts reversed	-	(3,158)
At 31 December	4,776	4,520

The creation and reversal of provision for impairment have been included in the income statements. Amounts charged to the provision account are generally written off, when there is no expectation of recovery additional cash. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk as at 31 December 2016 and 31 December 2015 is the carrying value of each class of receivables mentioned above.

27 RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

(B) Contract assets

The contract assets and contract liabilities as at 31 December 2016 and 31 December 2015 were not impacted by significant changes in contract terms.

	Group	
	2016	**2015**
	RM'000	**RM'000**
Net carrying amount of contract assets and liabilities is analysed as follows:		
At 1 January		
- contract assets	25,635	116,587
- contract liabilities	(10,033)	(5,312)
	15,602	111,275
Property development and construction revenue recognised during the financial year	83,909	142,433
Less: Billings during the financial year	(97,386)	(238,106)
At 31 December	2,125	15,602
At 31 December		
- contract assets	2,125	25,635
- contract liabilities (Note 36)	-	(10,033)
	2,125	15,602

Revenue recognised in the current financial year ended 31 December 2016 for the Group that was included in the contract liability for property development as at 1 January 2016 is RM10,033,000 (1 January 2015: RM2,732,000).

28 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise of the following:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits with licensed banks	747,714	923,836	803	836
Cash and bank balances	215,885	192,854	2,303	11,716
Deposits, cash and bank balances	963,599	1,116,690	3,106	12,552
Cash held under Housing Development Accounts (Note 28(a))	87,700	23,931	-	-
Less: Restricted Cash (Note 28(b))	(39,274)	(564,569)	(300)	(300)
Cash and cash equivalents	1,012,025	576,052	2,806	12,252

28 CASH AND CASH EQUIVALENTS (CONTINUED)

(a) Cash held under Housing Development Accounts

Bank balances held under the Housing Development Accounts represent receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Development (Control and Licensing) Amendment Act, 2002 held at call with banks and are denominated in Ringgit Malaysia.

The weighted average effective interest rates of bank balances under Housing Development Accounts during the financial year were 2% (2015: 2%) per annum.

(b) Restricted Cash

Deposits pledged have been placed with licensed banks as securities for certain secured interest bearing bank borrowings of the Group and of the Company (Note 38), and are not available for use by the Group and the Company.

Included in the Group's deposits placed with licensed banks is an amount of RM30,383,000 (2015: RM29,192,000), which is maintained as a Debt Service Reserve Account with a facility agent to cover a minimum of 6 months interest for a Syndicated Financing Facility granted to a subsidiary, IGB Real Estate Investment Trust (Note 38(b)) and RM7,601,000 (2015: Nil) granted to Southkey Megamall Sdn Bhd (Note 38(c)).

Deposits with licensed banks of the Group and the Company as at 31 December 2016 both have an average maturity period of 54 days (2015: 64 days) and 16 days (2015: 14 days) respectively.

Bank balances are deposits held at call with licensed banks and earn no interest.

The weighted average effective interest rates of deposits with licensed banks as at 31 December were as follows:

	Group		Company	
	2016	2015	2016	2015
	%	%	%	%
Deposits with licensed banks:				
Ringgit Malaysia	3.13	3.42	3.01	3.24
US Dollar	0.91	-	-	-

29 ASSET CLASSIFIED AS HELD-FOR-SALE

The disposal of Cititel Express Kuala Lumpur by the Group's subsidiary, Central Review (M) Sdn Bhd was completed in May 2016.

On 15 August 2016, Great Union Properties Sdn. Bhd. entered into a conditional sale and purchase agreement for the disposal of Renaissance Kuala Lumpur Hotel for a cash consideration of RM765.0 million.

As at 31 December 2016, not all conditions precedent have been fulfilled, hence the hotel property and goodwill were reclassified to non-current asset classified as held-for-sale. The sale was subsequently completed on 20 January 2017. The movements during the financial year relating to non-current asset classified as held-for-sale are as follows:

	Group	
	2016	2015
	RM'000	RM'000
At 1 January	35,190	-
Completion of disposal	(35,190)	-
Transferred from property, plant and equipments (Note 13)	688,861	35,190
Transferred from goodwill (Note 17)	19,164	-
At 31 December	708,025	35,190

30 SHARE CAPITAL

	Group and Company		Group and Company	
		2016		2015
	Number of shares '000	Value RM'000	Number of shares '000	Value RM'000
Authorised				
Ordinary shares of RM1.00 each:				
At the beginning and end of the financial year	1,500,000	1,500,000	1,500,000	1,500,000
Redeemable Convertible Cumulative Preference Shares of RM0.01 each:				
At the beginning and end of the financial year	1,000,000	10,000	1,000,000	10,000
Issued and fully paid				
Ordinary shares of RM1.00 each:				
At the beginning of the financial year	610,494	610,494	610,494	610,494
Issued during the financial year	397	397	-	-
At the end of the financial year	610,891	610,891	610,494	610,494
Redeemable Convertible Cumulative Preference Shares of RM0.01 each ("RCPS"):				
At the beginning of the financial year	455,727	367,650	-	-
Issued during the financial year	-	-	455,727	367,650
Converted during the financial year	(904)	(729)	-	-
At the end of the financial year	454,823	366,921	455,727	367,650

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM610,494,056 comprising of 610,494,056 ordinary shares of RM1.00 each to RM610,890,683 comprising of 610,890,683 ordinary shares of RM1.00 each by way of conversion of 904,331 RCPS into 396,627 ordinary shares of RM1.00 each at conversion price of RM2.28.

The premium arising from the conversion of RM468,341 has been credited to Share Premium.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

Details of the RCPS issued is set out in Note 33.

31 SHARE PREMIUM

(A) Accounting basis

	Group and Company	
	2016	2015
	RM'000	RM'000
At the beginning of the financial year	32,340	32,340
Converted from RCPS into ordinary shares	469	-
At the end of the financial year	32,809	32,340

31 SHARE PREMIUM (CONTINUED)

(B) Statutory basis, in accordance with Companies Act, 1965

	Company	
	2016	2015
	RM'000	RM'000
At the beginning of the financial year	483,510	32,340
Conversion of RCPS into ordinary shares		
- Ordinary shares	508	-
- RCPS	(895)	-
Redeemable Convertible Cumulative Preference Shares issued during the financial year	-	451,170
At the end of the financial year	483,123	483,510

32 TREASURY SHARES

In the current financial year, shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting on 25 May 2016, approved the Company's plan to purchase its own shares up to a maximum of 10% of the issued and paid up capital of the Company. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company did not repurchased its ordinary shares.

As at 31 December 2016, a total of 2,858,020 (2015: 2,858,020) ordinary shares of RM1.00 each were held as treasury shares. The cost of treasury shares as at 31 December 2016 and 31 December 2015 is summarised as follows:

2016/2015	Number of shares	Total consideration paid/cost (RM)	Average cost per share (RM)
At 1 January/31 December	2,858,020	5,721,421	2.00

The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and carried at purchase cost. The Company has the right to distribute these shares as dividends to reward shareholders and/or resell the shares. As treasury shares, the rights attached as to voting, dividends and participation in other distribution is suspended.

As at 31 December 2016, the number of outstanding ordinary shares in issue after the setting off treasury shares against equity was 608,032,663 (2015: 607,636,036) ordinary shares of RM1.00 each.

33 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES

On 12 February 2015, the Company issued 455,727,027 RCPS at an issue price of RM1.00 each.

The main features of the RCPS are as follows:

(i) The RCPS shall be convertible to new ordinary shares of Goldis at a fixed conversion price of RM2.28, at the option of the holder, at any time commencing from date of listing up to and including the maturity date of 5 years from the issue date;

(ii) The Company has an option to redeem the RCPS from the third anniversary of the issue date of the RCPS up to the day immediately preceding the maturity date and any RCPS not redeemed or converted shall be automatically converted into new ordinary shares of Goldis;

(iii) The holders of the RCPS shall have the right to receive a semi-annual preferential dividend at the rate of 4%, 4.5% and 5% from year 1 to 3, 4 and 5 respectively. Where there is no distributable profit, the entitlement to the preferential dividend shall be accumulated.

33 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES (CONTINUED)

The main features of Redeemable Convertible Cumulative Preference Shares at an issue price of RM1.00 each ("RCPS") are as follows: (continued)

(iv) The RCPS will carry no right to vote at any general meeting of the Company except with regards to the following:

- (a) when the dividend or part of the dividend on the RCPS is in arrears for more than six (6) months;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (d) on a proposal that affects rights attached to the RCPS;
- (e) on a proposal to wind up the Company; and
- (f) during the winding-up of the Company.

(v) The RCPS shall rank pari passu among themselves, and will rank ahead in regards to payment of dividends in all classes of shares of the Company.

(vi) The RCPS shall rank in priority to the Goldis Shares in any distribution of assets in the event of liquidation, dissolution or winding-up of Goldis.

The net proceeds received have been split between the liability and equity component.

The RCPS recognised in the statements of financial position is summarised as follows:

	Group and Company	
	2016	**2015**
	RM'000	**RM'000**
Liability component:		
At 1 January	78,356	-
At the date of issuance	-	83,488
Amortisation of interest expense (Note 10)	4,094	3,983
RCPS dividends paid (Note 40)	(18,222)	(9,115)
Converted into Ordinary shares	(132)	-
At 31 December	64,096	78,356
Represented by:		
Current	15,092	14,271
Non-current	49,004	64,085
	64,096	78,356

The fair value of the liability component of the RCPS at 31 December 2016 amounted to RM64,096,000 (2015: 78,356,000). The fair value is calculated using cash flows discounted at a rate based on the borrowings rate of 5.54% (2015: 5.79%) and are within Level 2 of the fair value hierarchy.

34 OTHER RESERVES

	Share option reserve RM'000	Available-for-sale reserve RM'000	Exchange fluctuation reserve RM'000	Total RM'000
Group				
2016				
At 1 January 2016	8,095	285	78,329	86,709
Exchange fluctuation reserve				
- currency translation differences	-	-	(23,763)	(23,763)
Available-for-sale financial assets				
- net change in fair values	-	(3,288)	-	(3,288)
At 31 December 2016	8,095	(3,003)	54,566	59,658
2015				
At 1 January 2015	-	2,509	16,296	18,805
Exchange fluctuation reserve				
- currency translation differences	-	-	62,033	62,033
Available-for-sale financial assets				
- net change in fair values	-	(2,224)	-	(2,224)
Executives Share Option Scheme	8,095	-	-	8,095
At 31 December 2015	8,095	285	78,329	86,709

(a) Share option reserve

The Group's subsidiary, IGB Corporation Berhad ("IGB") implemented an Executives Share Option Scheme ("ESOS") over IGB's shares which came into effect on 26 May 2015 for a period of 5 years to 25 May 2020. The ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 22 May 2015. The main features of the ESOS are as follows:

(i) The eligible persons are selected Directors or executives of the subsidiaries of the Group who have been confirmed and served as a Director or who has been in the employment within the IGB Group for at least 1 year before the offer date. The selection of eligible persons shall be at the discretion of the Options Committee.

(ii) The aggregate number of new IGB shares that may be offered and allotted to any eligible person shall be determined at the discretion of the Options Committee subject to the following:

a) the aggregate number of IGB shares allocated shall not exceed the maximum number of IGB shares available from the ESOS Scheme; and

b) the number of IGB shares allocated is subject to the maximum allowable allotment of new IGB shares.

(iii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 5% of the total issued and paid up share capital (excluding treasury share) of IGB at any point of time during the tenure of the ESOS.

(iv) No option shall be granted pursuant to the ESOS on or after the 5th anniversary of the date on which the ESOS became effective.

(v) The exercise price of RM2.88 for each new ordinary IGB's share is calculated based on the weighted average market price quotation of the shares for the five (5) market days immediately preceding the date on which the options are granted.

34 OTHER RESERVES (CONTINUED)

(a) Share option reserve (continued)

(vi) The options granted under ESOS are not assignable.

(vii) The new shares issued upon the exercise of an option will be subject to all the provisions of IGB's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities and shall rank pari passu in all respects with the then existing issued ordinary shares of IGB, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions when the entitlement date precedes the date of the issue of such new shares.

The fair value as at the grant date of share options granted during the previous financial year was determined using the Black Scholes valuation model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used were as follows:

	IGB Group
	2015
Dividend yield (%)	3%
Expected volatility (%)	18%
Risk-free interest rate (%)	3.59%
Expected life of option (years)	0-5 years
Share price at date of grant (RM)	2.88
Exercise price of option (RM)	2.88
Fair value of option at date of grant (RM)	0.45

The expected average life of options is based on historical information, which may not necessarily be indicative of the future exercise pattern that may occur. The expected volatility reflects the assumptions based on the historical volatility on the assumptions that this is indicative of future trends which may also not necessarily be the actual outcome.

Movements in the number of share options outstanding and the exercise price are as follows:

	IGB Group	
	Exercise price option (RM)	**Number of options**
2016/2015		
At 1 January	2.88	24,580,000
Granted		-
At 31 December		24,580,000

As at 31 December 2016 and 31 December 2015, all 24,580,000 options are exercisable.

(b) Exchange fluctuation reserve

During the previous financial year ended 31 December 2015, the Group has designated a net investment hedge for borrowings amounting to GBP57.1 million or Ringgit Malaysia equivalent of RM365 million which was used to fund an investment in a joint venture. The borrowings were fully repaid in the current financial year and the net investment hedge was discontinued.

34 OTHER RESERVES (CONTINUED)

	Available-for-sale reserve RM'000
Company	
2016	
At 1 January 2016	285
Net change in fair values	(3,288)
At 31 December 2016	(3,003)
2015	
At 1 January 2015	2,509
Net change in fair values	(2,224)
At 31 December 2015	285

35 RETAINED EARNINGS

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of the shareholders.

36 PAYABLES AND CONTRACT LIABILITIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current				
(A) Trade and other payables				
Deposits received from tenants and customers	90,129	89,297	-	-
	90,129	89,297	-	-
Current				
(A) Trade and other payables				
Trade payables	179,795	149,978	-	-
Other payables	131,225	99,252	1	8
Output tax	7,883	4,974	24	28
Accruals	124,274	119,304	17,403	1,132
Deposits received from tenants and customers	120,622	112,121	-	-
Deposits received from sale of a hotel property	158,000	-	-	-
Deferred revenue	23,388	20,188	-	-
(B) Contract liabilities in relation to:				
- property development (Note 27)	-	10,033	-	-
	745,187	515,850	17,428	1,168
Total	835,316	605,147	17,428	1,168

36 PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

Credit terms of trade payables ranged from 30 to 90 days (2015: 30 to 90 days).

Included in trade and other payables of the Group is retention sum of RM53,700,000 (2015: RM48,947,000).

The fair value of the non-current portion of deposits received from tenants at the reporting date approximates their carrying value as the impact of discounting is not significant.

37 HIRE-PURCHASE AND FINANCE LEASE PAYABLES

	Group	
	2016 RM'000	2015 RM'000
Minimum payments:		
- Payable within 1 year	49	49
- Payable between 1 and 5 years	35	84
	84	133
Less: Future finance charges	(4)	(9)
Present value of liabilities	80	124
Present value of liabilities:		
Current		
- Payable within 1 year	47	44
Non-current		
- Payable between 1 and 5 years	33	80
	80	124

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default.

The interest rates for the financial year ranged from 2.42% to 3.7% (2015: 2.42% to 3.70%) per annum. As at 31 December 2016, the effective interest rate applicable to the hire-purchase and finance lease payables was 4.82% (2015: 4.93%) per annum.

38 INTEREST BEARING BANK BORROWINGS

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current					
Secured:					
- Revolving credits	(a)	920,100	956,600	920,100	956,600
- Term loans	(b)	1,440,176	1,621,364	-	-
- Medium Term Notes	(c)	293,960	-	-	-
		2,654,236	2,577,964	920,100	956,600
Current					
Secured:					
- Revolving credits	(a)	141,642	536,880	-	-
- Term loans	(b)	66,676	90,489	-	-
Unsecured:					
- Revolving credits	(a)	391,124	404,267	-	-
		599,442	1,031,636	-	-
Total					
- Revolving credits	(a)	1,452,866	1,897,747	920,100	956,600
- Term loans	(b)	1,506,852	1,711,853	-	-
- Medium Term Notes	(c)	293,960	-	-	-
		3,253,678	3,609,600	920,100	956,600

The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies are as stated below:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revolving credits				
- RM	1,346,835	1,400,219	920,100	956,600
- GBP	-	397,544	-	-
- AUD	64,760	78,517	-	-
- USD	41,271	21,467	-	-
	1,452,866	1,897,747	920,100	956,600
Term loans				
- RM	1,506,852	1,711,853	-	-
Medium Term Notes				
- RM	293,960	-	-	-
Total	3,253,678	3,609,600	920,100	956,600

38 INTEREST BEARING BANK BORROWINGS (CONTINUED)

The currency profile and weighted average effective interest rates per annum of the borrowings are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	%	**%**	**%**	**%**
Revolving credits				
- RM	4.15	4.27	4.08	4.25
- GBP	-	1.20	-	-
- AUD	3.23	3.02	-	-
- USD	1.83	1.64	-	-
Term loans				
- RM	4.61	4.63	-	-
Medium Term Notes				
- RM	5.03	-	-	-

Estimated fair values

The carrying amounts and fair values of the borrowings for the Group and the Company are as follows:

	2016		2015	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
Revolving credits	1,452,866	1,452,866	1,897,747	1,897,747
Term loans	1,506,852	1,486,764	1,711,853	1,619,348
Medium Term Notes	293,960	293,960	-	-
	3,253,678	3,233,590	3,609,600	3,517,095
Company				
Revolving credits	920,100	920,100	956,600	956,600

The fair value of borrowings is estimated based on discounted cash flows using prevailing market rates for borrowings with similar risks profile and within level 3 of the fair value hierarchy.

38 INTEREST BEARING BANK BORROWINGS (CONTINUED)

Group	Maturity profile <1 year	1-2 year	2-5 years	Total carrying amount
	RM'000	RM'000	RM'000	RM'000
2016				
Revolving credits:				
- Floating interest rate, secured	141,642	-	920,100	1,061,742
- Floating interest rate, unsecured	391,124	-	-	391,124
Term loans, secured:				
- Floating interest rate	150	5,000	126,000	131,150
- Fixed interest rate	66,526	100,000	1,209,176	1,375,702
Medium Term Notes, secured:				
- Floating interest rate	-	-	293,960	293,960
	599,442	105,000	2,549,236	3,253,678
2015				
Revolving credits:				
- Floating interest rate, secured	536,880	-	956,600	1,493,480
- Floating interest rate, unsecured	404,267	-	-	404,267
Term loans, secured:				
- Floating interest rate	15,218	30,000	245,000	290,218
- Fixed interest rate	75,271	50,000	1,296,364	1,421,635
	1,031,636	80,000	2,497,964	3,609,600

Company	Maturity profile <1 year	1-2 year	2-5 years	Total carrying amount
	RM'000	RM'000	RM'000	RM'000
2016				
Revolving credits:				
- Floating interest rate, secured	-	-	920,100	920,100
2015				
Revolving credits:				
- Floating interest rate, secured	-	-	956,600	956,600

38 INTEREST BEARING BANK BORROWINGS (CONTINUED)

(a) Revolving credits

A. The Company secured a Revolving Credit ('RC") up to RM960,000,000 with a tenure of 5 years from 31 October 2015 and bears a floating interest rate of aggregate effective cost of funds and a margin of 0.6% (2015: 0.6%) per annum.

The above banking facilities are secured by way of a Memorandum of Deposit over shares in a subsidiary, including but not limited, in all cases, to bonus shares, rights shares and other new shares or rights entitlements at a minimum coverage of at least 1.2 times.

B. Other than the RC A above, the other RC's of the Group are secured by way of:

(i) Fixed charge on the freehold land of a subsidiary company together with a 30 storey commercial building constructed thereon (Note 13);

(ii) Deposit of master title of a piece of land classified under inventories - property development costs (Note 14(b));

(iii) Deposits pledged with licensed banks (Note 28); and

(iv) Corporate guarantee granted by the Company or its subsidiary company.

C. Undrawn revolving credit facility of the Company is secured by way of fixed deposits amounting to RM300,000 placed with a licensed bank (Note 28) and fixed charge on the freehold land of a subsidiary company together with a 30 storey commercial building constructed thereon (Note 13).

(b) Term loans

Term loans obtained by the Group comprise of the following:

A. AmTrustee Berhad ("the Trustee"), on behalf of IGB Real Estate Investment Trust ("REIT"), as borrower, has obtained the Syndicated Financing Facilities ("SFF") comprising the following:

(a) A fixed rate term loan facility ("FRTL") of up to RM1,200 million; and
(b) A standby revolving credit facility of ("SBRC") of up to RM20 million.

The FRTL has a tenure of five (5) years from the date of first drawdown with an option to extend the same for a further two (2) years exercisable by the Trustee. For the first five (5) years, the FRTL bears a fixed interest rate of 4.4% (2015: 4.4%) per annum. In the event the FRTL is extended, the interest rates for the sixth and the seventh year shall be stepped up to 5.0% (2015: 5.0%) per annum.

The SBRC has a tenure of seven (7) years and bears a floating interest rate of the aggregate effective costs of funds and a margin of 0.7% (2015: 0.7%) per annum.

The SFF are secured against, among others, the following:

(i) a first party assignment by the Trustee of its rights, title, interests and benefits in Mid Valley Megamall and under the sale and purchase agreement in relation to Mid Valley Megamall pursuant to the Acquisitions and all other documents evidencing the Trustee's interest in Mid Valley Megamall. In the event the subdivision of master title is completed and a separate strata title is issued for Mid Valley Megamall ("Megamall Strata Title"), a first party first legal charge shall be created by the Trustee on the Megamall Strata Title for the benefit of the syndicated lenders;

(ii) an undertaking from the Trustee and IGB REIT Management Sdn Bhd ("the Manager"):

(a) to deposit all cash flows generated from Mid Valley Megamall into the revenue account; and

(b) that it shall not declare or make any dividends or distributions out of the cash flow derived from Mid Valley Megamall to the unit holders if an event of default has occurred under the terms of the SFF, and is continuing and has not been waived;

38 INTEREST BEARING BANK BORROWINGS (CONTINUED)

(b) Term loans (continued)

A. AmTrustee Berhad ("the Trustee"), on behalf of IGB REIT, as borrower, has obtained the Syndicated Financing Facilities ("SFF") comprising the following: (continued)

The SFF are secured against, among others, the following: (continued)

(iii) a first party legal assignment and charge by the Trustee over all rights, interests, title and benefits relating to the following designated accounts:

(a) the revenue account into which the Trustee shall credit, among others, all income and insurance proceeds derived from or in relation to Mid Valley Megamall;

(b) the operating account which is to capture funds transferred from the revenue account for the purpose of managing the operating expenditure of Mid Valley Megamall; and

(c) the debt service reserve account which is to capture funds transferred from the revenue account for purposes of meeting the debt service requirement; (Note 28)

(iv) a first party legal assignment by the Trustee of all the proceeds under the tenancy/lease agreements and all insurance policies in relation to Mid Valley Megamall.

B. A subsidiary company has a term loan ("TL") of RM180 million with a tenure of five (5) years and bears a floating interest rate of the aggregate cost of funds and a margin of 1.35% (2015: 1.35%) per annum.

The TL is secured against the following:

(i) a first party charge over the hotel properties of the subsidiary company (Note 13); and

(ii) debenture over assets of the subsidiary.

The TL was fully repaid during the current financial year.

C. Another subsidiary company has a TL of RM50 million with a tenure of five (5) years and bears a floating interest rate of the aggregate cost of funds and a margin of 1.20% (2015: 1.20%) per annum.

The TL is secured against a lienholder's caveat over the development land included within inventory of property development costs of the subsidiary company (Note 14(c)).

D. Term loan obtained by a subsidiary comprise a FRTL of RM150 million (2015: RM200 million) with a tenure of ten (10) years from the date of first drawdown and bears a fixed interest rate of 5.85% (2015: 5.85%) per annum.

The FRTL is secured against the hotel property of a subsidiary (Note 13(a)).

E. A term loan of RM90 million of a subsidiary company was obtained with the follow terms:-

(a) RM90 million is repayable in full on 25 February 2020 with an option to extend the facility for another 3 years, subject to the lender's consent; and

(b) bears a floating interest rate of the aggregate cost of funds and a margin of 0.70% (2015: 0.70%) per annum.

The loan is secured against the freehold land together with commercial building of a subsidiary company (Note 13).

(c) Medium Term Notes

In November 2016, Southkey Megamall Sdn. Bhd. ("SKM") entered into agreement for an unrated eight (8) years Medium Term Notes ("MTN") Programme of up to RM1.0 billion in nominal value. The MTN is non-tradeable and non-transferrable.

The weighted average effective interest rate of the MTN as at 31 December 2016 was 5.03% per annum. The proceeds from the issuance of the MTN shall be utilised to part finance the development and construction of Mid Valley Megamall, Southkey ("Property")/("Project").

38 INTEREST BEARING BANK BORROWINGS (CONTINUED)

(c) Medium Term Notes (continued)

On 20 December 2016, SKM issued RM300 million nominal value of MTN with maturity date on 20 December 2021. On 21 February 2017, SKM further issued RM200 million nominal value of MTN with the same maturity date.

The MTN is secured against, among others, the following:-

(i) First party first legal charge over the master title of the land where the Property is erected;

(ii) First party first legal charge over the strata titles of the Property;

(iii) First party first ranking debenture consisting of a fixed and floating charge over all the present and future assets of SKM;

(iv) Third party first ranking legal charge over 70% of the issued and paid-up ordinary share capital of SKM held by the Company;

(v) First party legal assignment over all present and future rights, titles, interests and benefits under all insurance policies in relation to the Project;

(vi) First party legal assignment over all rights, titles, interests and benefits under all performance bonds granted by contractors of the Project;

(vii) First party legal assignment over all rights, titles, interests and benefits under all construction contracts of the Project;

(viii) First party assignment and charge over all the designated accounts;

(ix) First party legal assignment over all rights, titles and interests under all management contracts;

(x) First party legal assignment over all rights, titles and interests under all lease agreements;

(xi) Power of attorney granted to security agent to manage and dispose of the Property upon declaration of a trigger event;

(xii) Letter of undertaking from the Company in relation to the required net property income is achieved upon commencement of operations; and

(xiii) First party legal assignment over all rights, titles and interests under the letter of undertaking from Southkey City Sdn. Bhd. who holds 30% of the issued and paid-up ordinary share capital in SKM.

39 AMOUNTS OWING FROM/(TO) SUBSIDIARIES

The amounts owing from subsidiaries are unsecured, repayable on demand and carry interest rates of 4.25% (2015: 4.0% to 4.5%) per annum.

The amounts owing to subsidiaries are unsecured, have no fixed terms of repayment and carry interest rates that ranged from 2.95% to 3.0% (2015: 3.3%).

40 DIVIDENDS

The dividends on ordinary shares and Redeemable Convertible Cumulative Preference Shares paid or declared by the Company were as follows:

	2016		2015	
	Gross dividend per share	Amount of dividend, net of tax	Gross dividend per share	Amount of dividend, net of tax
	%	RM	%	RM
Redeemable Convertible Cumulative Preference Shares				
- Single tier	2	9,115	-	-
- Single tier	2	9,107	2	9,115
	4	18,222	2	9,115
Ordinary shares				
- First interim single tier	2	12,156	2	12,153

On 31 December 2015, the Director declared a dividend of 2% (based on the issue price of RM1.00) per Redeemable Convertible Cumulative Preference Shares of RM0.01 each ("RCPS") for the six months period from and including 16 August 2015 up to and including 15 February 2016 in respect of the financial year ended 31 December 2015 under the single tier system amounting to a total dividend of RM9,115,000 was paid out on 12 February 2016.

On 1 July 2016, the Director declared a dividend of 2% (based on the issue price of RM1.00) per RCPS for the six months period from and including 16 February 2016 up to and including 15 August 2016 under the single tier system in respect of the financial year ended 31 December 2016, amounting to a total dividend of RM9,107,000 and the dividends were paid on 11 August 2016.

On 5 July 2016, the Director declared a first interim single tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2016, amounting to a total dividend of RM12,156,000 and the dividends were paid on 12 August 2016.

On 30 December 2016, the Director declared a dividend of 2% (based on the issue price of RM1.00) per RCPS for the six months period from and including 16 August 2016 up to and including 15 February 2017 in respect of the financial year ended 31 December 2016 under the single tier system amounting to a total of RM9,096,000. The book closure date for the RCPS dividend was on 17 January 2017 to determine shareholders' entitlement and the said dividend was paid out on 14 February 2017.

The Directors do not recommend the payment of a final dividend for the financial year ended 31 December 2016.

41 RENTALS RECEIVABLES UNDER NON-CANCELLABLE OPERATING LEASE

The Group leases out its investment properties and property, plant and equipment under operating leases. The future minimum lease receivable under non-cancellable lease is as follows:

	Group	
	2016	2015
	RM'000	RM'000
Less than 1 year	514,332	497,386
Between 1 year to 5 years	597,977	549,267
More than 5 years	243,236	277,172
	1,355,545	1,323,825

42 CAPITAL COMMITMENTS

	Group	
	2016	**2015**
	RM'000	**RM'000**
Approved and contracted for:		
- Property, plant and equipment	1,180	1,920
- Investment properties	820,084	1,076,012
- Others	9,718	1,629
Approved but not contracted for:		
- Property, plant and equipment	8,956	66,483
- Investment properties	199,289	3,422
	1,039,227	1,149,466

43 SIGNIFICANT RELATED PARTY DISCLOSURES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

Key management personnel of the Group and of the Company are the Executive Directors and senior management of the Group and of the Company.

Key management compensation is as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries, bonus and allowances	39,133	35,272	3,926	3,192
Defined contribution plan	4,509	4,085	460	381
Post employment benefits	15,800	-	15,800	-
Executives share option scheme	-	7,988	-	-
Other short term benefits	316	352	7	7
	59,758	47,697	20,193	3,580

Included in the key management compensation is Executive Director's remuneration as disclosed in Note 9 to the financial statements.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions agreed with the related parties.

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Related party	Relationship
G City Club Hotel Sdn. Bhd. [1]	Associate (up to November 2015)
Elements Medical Fitness Sdn. Bhd. (formerly known as Elements Gym Sdn. Bhd.) [2]	Associate (up to November 2015)
Cahaya Utara Sdn. Bhd.	An associate of Wah Seong (Malaya) Trading Co. Sdn. Bhd.
Strass Media Sdn. Bhd.	A subsidiary of Wah Seong (Malaya) Trading Co. Sdn. Bhd.
Wah Seong (Malaya) Trading Co Sdn. Bhd.	A company in which Dato' Seri Robert Tan Chung Meng and Tony Tan Choon Keat, Directors of the Company, have substantial financial interest
Wasco Management Services Sdn. Bhd.	A wholly-owned subsidiary of Wah Seong Corporation Berhad, a company in which Dato' Seri Robert Tan Chung Meng and Tony Tan Choon Keat, Directors of the Company, have substantial financial interest

Notes:

1 - On 21 December 2015, the Company has via its wholly-owned subsidiary, Triple Hallmark Sdn. Bhd. subscribed for a total of 150,000 ordinary shares of RM1.00 each in G City Club Hotel Sdn. Bhd. ("GCity") under renounceable right issue in GCity via cash, resulting in GCity becoming a 79.6% subsidiary from an associate as at 31 December 2015.

2 - On 22 June 2015, the Company has via its wholly-owned subsidiary, Elements Integrative Health Sdn. Bhd. ("EIHSB") acquired 49% equity interest of Elements Medical Fitness Sdn. Bhd. (formerly known as Elements Gym Sdn. Bhd.) ("EMF") from Triple Hallmark Sdn. Bhd., a wholly-owned subsidiary of the Company. Subsequently, on 8 December 2015, EIHSB has acquired the remaining 51% equity interests in EMF, resulting in EMF becoming a wholly-owned subsidiary from an associate as at 31 December 2015.

The significant related party transactions during the financial year are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Light boxes rental, pedestrian bridge and office rental:		
- Strass Media Sdn. Bhd.	1,242	1,584
Management/marketing fee income:		
- Cahaya Utara Sdn. Bhd.	1,305	1,202
Office rental income:		
- Wasco Management Services Sdn. Bhd.	1,006	1,176
Purchase of information technology products and security equipment:		
- Wah Seong (Malaya) Trading Co. Sdn. Bhd.	7,683	-
Rental income from:		
- G City Club Hotel Sdn. Bhd.	-	6,302
- Elements Medical Fitness Sdn. Bhd. (formerly known as Elements Gym Sdn. Bhd.)	-	1,607

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

The significant related party transactions during the financial year are as follows: (continued)

	Company	
	2016	2015
	RM'000	RM'000
Advances to subsidiaries:		
- advances	8,650	63,769
- repayment	9,024	5,319
Advances from subsidiaries	2,690	14,460
Interest income from:		
- GTower Sdn. Bhd.	-	3
- Lautan Bumimas Sdn. Bhd.	269	234
Dividend received from:		
- IGB Corporation Berhad	98,019	146,824
- GTower Sdn. Bhd.	17,600	12,000
- Macro Lynx Sdn. Bhd.	1,650	1,725
- Multistock Sdn. Bhd.	-	42,400
Rental of premises payable to GTower Sdn. Bhd.	1,333	1,319
Fees from management services receivable from GTower Sdn. Bhd.	1,049	1,188

The significant related party balances are as follows:

	Group	
	2016	2015
	RM'000	RM'000
Amounts owing from associates:		
- New Commercial Investments Limited	22,347	25,796
Amounts owing from joint venture:		
- Black Pearl Limited	25,472	18,389

	Company	
	2016	2015
	RM'000	RM'000
Amounts owing from subsidiary:		
- Lautan Bumimas Sdn. Bhd.	-	5,189
Amounts owing to subsidiaries:		
- Multistock Sdn. Bhd.	(8,283)	(8,383)
- Macro Lynx Sdn. Bhd.	(3,882)	(5,550)
- AFMS Solutions Sdn. Bhd.	(2,672)	-

44 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Significant transactions with non-controlling interest during the previous financial year are as follows:

Acquisition of additional interest in a subsidiary

During the previous financial year 31 December 2015, the Group acquired an additional 0.11% equity interest in a subsidiary, IGB Corporation Berhad ("IGB"). As a result, the Group have a 73.43% equity interest in IGB. The Group derecognised non-controlling interests of RM4,740,000 and recorded an increase/decrease in equity attributable to owners of the parent of RM1,183,000. The effect of changes in the ownership interest of IGB on the equity attributable to owners of the parent during the financial year is summarised as follows:

	Group
	2015
	RM'000
Carrying amount of non-controlling interests acquired	4,740
Consideration paid to non-controlling interests (Acquisition of treasury shares by IGB and acquisition of additional equity interest by Goldis)	(3,557)
Gain recognised in parent's equity	1,183

45 SIGNIFICANT EVENTS POST REPORTING DATE

(a) Disposal of Renaissance Kuala Lumpur Hotel

On 15 August 2016, the Group via its subsidiary, IGB Corporation Berhad ("IGB") announced to Bursa Malaysia that Great Union Properties Sdn. Bhd., a wholly owned subsidiary of IGB had signed a Sale and Purchase Agreement to dispose Renaissance Kuala Lumpur Hotel for a cash consideration of RM765.0 million. The disposal was completed on 20 January 2017.

(b) Proposed Acquisition of the Entire Equity Interest in IGB Corporation Berhad

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

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

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

46 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 21 April 2017.

47 DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS

The following analysis is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained profits of the Company and its subsidiaries:				
- Realised	1,642,152	1,493,930	546,055	508,182
- Unrealised	(174,698)	(168,843)	892	2,766
	1,467,454	1,325,087	546,947	510,948
Total share of retained profits from associates and joint ventures:				
- Realised	268,454	249,115	-	-
- Unrealised	(6,267)	301	-	-
	262,187	249,416	-	-
Add: Consolidation adjustments	(242,312)	(228,093)	-	-
Total retained profits	1,487,329	1,346,410	546,947	510,948

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Lei Cheng and Tan Boon Lee, being two of the Directors of Goldis Berhad, state that, in our opinion, the financial statements set out on pages 52 to 167 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2016 and of the results and cash flows of the Group and the Company for the financial year ended on that date, in accordance with Malaysian Financial Reporting Standards, International Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The information set out in Note 47 on page 168 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed in accordance with a resolution of the Board of Directors dated 21 April 2017.

TAN LEI CHENG
DIRECTOR

TAN BOON LEE
DIRECTOR

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Leong Kok Chi, the Officer primarily responsible for the financial management of Goldis Berhad, do solemnly and sincerely declare that the financial statements set out on pages 52 to 167 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LEONG KOK CHI

Subscribed and solemnly declared by the abovenamed Leong Kok Chi, at Kuala Lumpur, on 21 April 2017, before me.

COMMISSIONER FOR OATHS

Kuala Lumpur

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Goldis Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2016, of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 167.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matter	How our audit addressed the Key audit matter
Accounting for Property Development Activities The Group recognises property development revenue based on the progress towards satisfaction of that performance obligation over time, which is measured by reference to the property development costs incurred up to the date of the reporting period as a percentage of total budgeted property development costs. Property development projects are long term. Hence, significant judgements are involved in developing and monitoring total budgeted property development costs, for which inherent uncertainties may arise from estimating future costs which are impacted by changes in prices, exchange rates and inflation, among others. Therefore, focus is placed on the completeness and accuracy of total budgeted property development costs and the extent of costs incurred. Refer to Note M(d) and Note V(a)(ii) (Summary of significant accounting policies), Note 3(a) (Critical accounting estimates and judgements), Note 6 (Revenue) and Note 14(b) (Inventories-property development costs).	We tested the operating effectiveness of the approval process surrounding the budgetary process of the development costs that is used in estimating the progress towards complete satisfaction of that performance obligation at the reporting date. We tested the completeness and accuracy of total budgeted property development costs and extent of costs incurred by : i) Assessing the reasonableness of the total budgeted property development costs on a sample basis by comparing to contracts, quotations and cost estimates from quantity surveyors; ii) Testing samples of costs incurred to date to contractors' claim certificates or supplier invoices. Where costs have not been billed or certified, assess adequacy of management's accruals of such costs by reviewing subsequent contractors claims certificates, supplier invoices or quantity surveyors approval of contractors' claims; and iii) Evaluating variances between actual costs incurred and budgeted property development costs to assess whether the total estimated costs to completion has been properly updated. Based on the above procedures performed, we did not identify any material exceptions.

There are no key audit matters in relation to the financial statements of the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and contents of the 2016 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 19 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 47 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SOO HOO KHOON YEAN
(No. 2682/10/17 (J))
Chartered Accountant

Kuala Lumpur
21 April 2017

LIST OF TOP TEN MAJOR PROPERTIES BY VALUE HELD BY GOLDIS GROUP

as at 31 December 2016

	Location/Address	Tenure	Age of Building (Years)	Description/Existing use	Date of Acquisition/ Revaluation	Group Net Book Value As At 31 Dec 2016 RM'000
1*	Corner of Jalan Sultan Ismail and Jalan Ampang Kuala Lumpur	Freehold	20	910-rooms Renaissance Kuala Lumpur Hotel	23-3-2012	688,861
2	HS(D) 493555 PTD 208568 and HS(D) 493556 PTD 208569 Mukim Plentong Daerah Johor Bahru	Leasehold expiring 2100	-	31.5 acres vacant land for proposed mixed commercial development at Southkey, Johore	3-9-2013	607,911
3	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 2103	10	Shopping complex known as The Gardens Mall together with 4,128 car parking bays	28-12-2004	508,654
4	PT 15 HS(D) 105028 Section 95A Kuala Lumpur	Leasehold expiring 2103	-	Proposed commercial development under construction known as Mid Valley City South Point at Mid Valley City	28-12-2004	501,327
5	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 2103	17	Shopping complex known as Mid Valley Megamall together with 6,102 car parking bays	17-12-1999	383,318
6	Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold expiring 2103	17	646-rooms Cititel Hotel Mid Valley	31-12-2011	267,698
7	199, Jalan Tun Razak 50400 Kuala Lumpur	Freehold	8	32 storey commercial building with 2 level of commercial car park comprising retail, office and hotel	31-01-2002	262,089
8	97-99 Pitt Street Sydney, Australia	Freehold	2	281-rooms The Tank Stream, Sydney	06-07-2011	254,473
9	123 Nordin Street 10300 Pulau Pinang and 183 Jalan Magazine 10300 Pulau Pinang	Freehold	2	234-rooms Cititel Express Penang and 415-rooms Wembley Hotel, Penang	19-09-2007	198,825
10	207 Jalan Tun Razak Kuala Lumpur	Freehold	23	330,000sf office space at Menara Tan & Tan	31-1-2002	178,265

* As announced to Bursa Malaysia, the proposed disposal of Renaissance Kuala Lumpur Hotel was completed in January 2017.

ORDINARY SHARES

No. of Issued Ordinary Shares# : 608,156,785
Voting rights : One vote per ordinary share

 # Excluding 2,858,020 ordinary shares bought-back by the Company and retained as treasury shares as at 20 March 2017

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%#	No. of Shares Held	%#
Less than 100	317	10.14	11,659	0.00
100 to 1,000	187	5.98	106,050	0.02
1,001 to 10,000	2,114	67.63	7,618,855	1.25
10,001 to 100,000	392	12.54	11,476,135	1.89
100,001 to less than 5% of issued capital	110	3.52	268,293,562	44.12
5% and above of issued shares	6	0.19	320,650,524	52.72
Total	3,126	100.00	608,156,785	100.00

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%#
1	Tan Chin Nam Sdn Bhd	92,851,895	15.27
2	Wah Seong (Malaya) Trading Co. Sdn Bhd	72,654,778	11.95
3	Tan Kim Yeow Sdn Bhd	48,564,437	7.99
4	HSBC Nominees (Asing) Sdn Bhd *Exempt an for The HongKong and Shanghai Banking Corporation Limited*	41,984,169	6.90
5	HSBC Nominees (Asing) Sdn Bhd *Exempt an for Bank Julius Baer & Co. Ltd. (Singapore Bch)*	33,944,619	5.58
6	Tan Chin Nam Sdn Bhd	30,650,626	5.04
7	CIMB Group Nominees (Asing) Sdn Bhd *Exempt an for DBS Bank Ltd*	26,771,845	4.40
8	HLB Nominees (Asing) Sdn Bhd *Pledged securities account for Wang Tak Company Limited*	22,417,051	3.69
9	Wah Seong (Malaya) Trading Co. Sdn Bhd	13,795,014	2.27
10	Maybank Securities Nominees (Tempatan) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Tan Kim Yeow Sdn Bhd*	12,289,597	2.02
11	Wah Seong Enterprises Sdn Bhd	11,253,359	1.85
12	BBL Nominees (Tempatan) Sdn Bhd *Pledged securities account for Dato' Tan Chin Nam*	10,564,664	1.74
13	CIMSEC Nominees (Asing) Sdn Bhd *CIMB for Wang Tak Company Limited*	10,546,467	1.73
14	Scanstell Sdn Bhd	9,281,618	1.53
15	Tan Lei Cheng	8,899,651	1.46

No.	Name	No. of Shares Held	%#
16	Dato' Tan Chin Nam	7,998,349	1.32
17	CIMSEC Nominees (Asing) Sdn Bhd *CIMB for Wang Tak Company Limited*	7,729,730	1.27
18	HLIB Nominees (Asing) Sdn Bhd *Pledged securities account for Wang Tak Company Limited*	7,000,500	1.15
19	Dato' Tan Chin Nam	6,170,082	1.01
20	Classlant Sdn Bhd	5,809,608	0.96
21	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chin Nam Sdn Bhd*	5,500,000	0.90
22	Wah Seong (Malaya) Trading Co. Sdn Bhd	5,496,800	0.90
23	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Wang Tak Majujaya Sdn Bhd*	5,146,794	0.85
24	BBL Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Chin Nam Sdn Bhd*	5,113,125	0.84
25	Tan Kim Yeow Sdn Bhd	5,091,196	0.84
26	Amanahraya Trustees Berhad *Public Smallcap Fund*	4,923,100	0.81
27	Tentang Emas Sdn Bhd	4,867,541	0.80
28	Amanahraya Trustees Berhad *Public Strategic Smallcap Fund*	4,616,903	0.76
29	HLB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Wang Tak Majujaya Sdn Bhd*	4,070,000	0.67
30	Wah Seong Enterprises Sdn Bhd	3,984,540	0.66

SUBSTANTIAL SHAREHOLDERS

	Number of Shares Held			
Name	**Direct**	**%#**	**Indirect***	***%#**
Tan Chin Nam Sdn Bhd	137,958,446	22.68	136,614,164	22.46
Tan Kim Yeow Sdn Bhd	65,945,230	10.84	127,332,546	20.94
Pauline Tan Suat Ming	-	-	193,277,776	31.78
Dato' Seri Robert Tan Chung Meng	1,483,509	0.24	193,277,776	31.78
Tony Tan Choon Keat	-	-	193,277,776	31.78
Wah Seong (Malaya) Trading Co. Sdn Bhd	102,632,471	16.88	24,700,075	4.06
Tan Boon Seng	-	-	60,067,742	9.88
Lee Hing Development Limited	-	-	60,067,742	9.88
Wang Tak Company Limited	50,850,948	8.36	9,216,794	1.52
HSBC Holdings plc	-	-	74,538,347	12.26
HSBC Finance (Netherlands)	-	-	74,538,347	12.26
HSBC Private Banking Holdings (Suisse) SA	-	-	74,538,347	12.26
HSBC International Trustee Limited	-	-	74,538,347	12.26

Note:
* *Deemed interest pursuant to Section 8 of the Companies Act, 2016.*

STATEMENT OF DIRECTORS' INTERESTS IN THE COMPANY AND RELATED CORPORATION

The Company

	Number of Shares Held			
Name	**Direct**	**%#**	**Indirect***	***%#**
Tan Lei Cheng	8,899,651	1.46	3,862,176	0.64
Datuk Tan Kim Leong	366,010	0.06	-	-
Daud Mah Bin Abdullah	99,458	0.02	-	-
Dato' Seri Robert Tan Chung Meng	1,483,509	0.24	193,277,776	31.78
Tan Boon Lee	4,157,380	0.68	-	-
Daniel Yong Chen-I	-	-	803,297	0.13
Tan Mei Sian	506,090	0.08	-	-

IGB Corporation Berhad

	Number of Shares Held				
Name	**Direct**	**%**	**Indirect***	***%**	**Options over Ordinary Shares**
Tan Lei Cheng	-	-	-	-	500,000
Datuk Tan Kim Leong	20,000	0.00	-	-	-
Dato' Seri Robert Tan Chung Meng	1,000,000	0.07	980,291,803	73.44	2,000,000
Tan Boon Lee	1,690,000	0.13	-	-	1,500,000
Daniel Yong Chen-I	-	-	-	-	500,000

IGB Real Estate Investment Trust ('IGB REIT')

	Number of Units Held			
Name	**Direct**	**%**	**Indirect***	***%**
Tan Lei Cheng	1,853,742	0.05	345,722	0.01
Datuk Tan Kim Leong	1,600	0.00	-	-
Dato' Seri Robert Tan Chung Meng	11,939,081	0.34	1,863,683,497	53.27
Tan Boon Lee	1,605,025	0.05	-	-
Daniel Yong Chen-I	622,132	0.02	1,080,898	0.03

GTower Sdn Bhd

	Number of Shares Held	
Name	**Direct**	**%**
Tan Lei Cheng	321,429	0.64
Tan Boon Lee	428,571	0.86
Tan Mei Sian	35,714	0.07

Note:
* *Deemed interest pursuant to Section 8 of the Companies Act, 2016.*

REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES ("RCPS")

No. of Issued RCPS : 454,539,696

Voting Rights : The RCPS holders shall not carry any right to vote at any general meeting of the Company except for the right to vote in person or by proxy or by attorney at such meeting as a separate class in each of the following circumstances:-

(a) when the dividend or part of the dividend on the RCPS is in arrears for more than six (6) months;
(b) on a proposal to reduce the Company's share capital;
(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
(d) on a proposal that affects rights attached to the RCPS;
(e) on a proposal to wind up the Company; and
(f) during the winding-up of the Company.

DISTRIBUTION OF RCPS HOLDINGS

Range of RCPS holdings	No. of RCPS holders	%	No. of RCPS Held	%
Less than 100	21	1.97	1,364	0.00
100 to 1,000	86	8.06	45,482	0.00
1,001 to 10,000	729	68.32	2,438,776	0.54
10,001 to 100,000	171	16.03	4,862,621	1.07
100,001 to less than 5% of issued capital	54	5.06	150,536,024	33.12
5% and above of issued shares	6	0.56	296,655,429	65.27
Total	1,067	100.00	454,539,696	100.00

THIRTY (30) LARGEST RCPS HOLDERS

No.	Name	No. of RCPS Held	%
1	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Wang Tak Majujaya Sdn Bhd*	71,946,030	15.83
2	Tan Chin Nam Sdn Bhd	68,399,471	15.05
3	Wah Seong (Malaya) Trading Co. Sdn Bhd	59,643,500	13.12
4	Tan Kim Yeow Sdn Bhd	36,423,327	8.01
5	HSBC Nominees (Asing) Sdn Bhd *Exempt an for The HongKong and Shanghai Banking Corporation Limited*	30,152,601	6.63
6	HSBC Nominees (Asing) Sdn Bhd *Exempt an for Bank Julius Baer & Co. Ltd (Singapore Bch)*	30,090,500	6.62
7	Tan Chin Nam Sdn Bhd	21,451,280	4.72
8	CIMB Group Nominees (Asing) Sdn Bhd *Exempt an for DBS Bank Ltd*	18,511,158	4.07
9	Wah Seong (Malaya) Trading Co. Sdn Bhd	10,346,260	2.28
10	Maybank Securities Nominees (Tempatan) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Tan Kim Yeow Sdn Bhd*	9,217,197	2.03
11	Wah Seong Enterprises Sdn Bhd	8,440,019	1.86
12	BBL Nominees (Tempatan) Sdn Bhd *Pledged securities account for Dato' Tan Chin Nam*	7,923,498	1.74
13	Tan Lei Cheng	6,674,738	1.47
14	Dato' Tan Chin Nam	6,298,761	1.39

No.	Name	No. of RCPS Held	%
15	Amanahraya Trustees Berhad *Public Smallcap Fund*	4,648,000	1.02
16	Dato' Tan Chin Nam	4,627,561	1.02
17	Scanstell Sdn Bhd	4,592,038	1.01
18	Amanahraya Trustees Berhad *Public Strategic Smallcap Fund*	4,397,300	0.97
19	HSBC Nominees (Asing) Sdn Bhd *Exempt an for Credit Suisse*	3,781,700	0.83
20	Classlant Sdn Bhd	3,770,556	0.83
21	Tentang Emas Sdn Bhd	3,650,655	0.80
22	Wah Seong Enterprises Sdn Bhd	2,988,405	0.66
23	BBL Nominees (Tempatan) Sdn Bhd *Pledged securities account for Wah Seong (Malaya) Trading Co. Sdn Bhd*	2,896,875	0.64
24	Dasar Mutiara (M) Sdn Bhd	2,881,713	0.63
25	Tan Boon Lee	2,848,998	0.63
26	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Wah Seong (Malaya) Trading Co. Sdn Bhd*	2,685,402	0.59
27	Tan Kim Yeow Sdn Bhd	2,318,397	0.51
28	Datin Choy Wor Lin	1,955,179	0.43
29	Malaysia Nominees (Tempatan) Sdn Bhd *Pledged securities account for Wah Seong Enterprises Sdn Bhd*	1,491,890	0.33
30	MIDF Amanah Investment Nominees (Asing) Sdn Bhd *Pledged securities account for Connie Cheng Wai Ka*	1,459,068	0.32

DIRECTORS' RCPS HOLDINGS

	Number of RCPS Held			
Name	**Direct**	**%**	**Indirect***	***%**
Tan Lei Cheng	6,674,738	1.46	2,915,613	0.64
Datuk Tan Kim Leong	274,507	0.06	-	-
Daud Mah Bin Abdullah	76,400	0.02	-	-
Dato' Seri Robert Tan Chung Meng	1,112,631	0.24	142,988,143	31.46
Tan Boon Lee	3,118,035	0.69	-	-
Tan Mei Sian	79,567	0.02	-	-

Note:
* *Deemed interest pursuant to Section 8 of the Companies Act, 2016.*

This page has been intentionally left blank.

PROXY FORM

GOLDIS BERHAD
(515802-U)
(Incorporated in Malaysia)

CDS account no.

CDS account no. of authorized nominee [(1)]

I/We ______________________ NRIC No./Company No. ______________________

of ______________________

being a member(s) of Goldis Berhad, hereby appoint ______________________

NRIC No./Company No. ______________________ of ______________________

____

and/or ______________________ NRIC No./Company No. ______________________

of ______________________

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at the Klang Room, Mezzanine Floor, GTower, 199 Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 25 May 2017 at 2.30 p.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:

Resolution		First Proxy		Second Proxy	
		For	Against	For	Against
Ordinary Resolution 1	Payment of Directors' fees				
Ordinary Resolution 2	Payment of Directors' benefits				
Ordinary Resolution 3	Re-election of Dato' Seri Robert Tan Chung Meng				
Ordinary Resolution 4	Re-election of Mr Lee Chaing Huat				
Ordinary Resolution 5	Re-appointment of Messrs PricewaterhouseCoopers				
Ordinary Resolution 6	Re-appointment of Datuk Tan Kim Leong				
Ordinary Resolution 7	Re-appointment of Encik Daud Mah Bin Abdullah				
Ordinary Resolution 8	Authorization for Directors to issue shares				
Ordinary Resolution 9	Proposed Renewal of Shareholders' Mandate for the Company to Purchase its Own Shares				

Please indicate the manner in which you may wish your votes to be cast with an "X" in the appropriate spaces above. Unless voting instructions are specified therein, the proxy will vote or abstain from voting as he/she thinks fit.

Dated this __________ day of ______________________ 2017

____
Signature/Common Seal of Member

Tel No. : ______________________

No. of shares held

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

1. *Applicable to shares held through a nominee account.*
2. *Only depositors whose names appear on the Record of Depository as at 19 May 2017 shall be entitled to attend, speak and vote at the meeting.*
3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and to vote in his stead. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy.*
4. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
5. *Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
7. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if the appointer is a corporation, either (a) under its common seal or (b) under the hand of a duly authorized officer or attorney and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.*
8. *Pursuant to paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice shall be put to vote by poll.*
9. *The Proxy Form shall be deposited at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting.*

Affix
stamp

The Company Secretaries
Goldis Berhad (515802-U)
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

2nd fold here

1st fold here

GOLDIS BERHAD
(515802-U)

Suite 28-03, Level 28, GTower,
199 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.
Tel: +603 2168 1888 **Fax:** +603 2163 7020

www.goldis.com

IGB Corporation Berhad

IGB REIT
IGB REAL ESTATE INVESTMENT TRUST

G TOWER
OFFICES HOTEL CLUB

ML
MACROLYNX
Connecting You

REST SPRING