GOLDIS
BERHAD
(515802-U)

annual report **07**

WE INVEST IN ENTREPRENEURS WHO GROW OUR COMPANIES

Contents

Chairman's Letter **TO SHAREHOLDERS**

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report for the financial year ended 31 January 2007.

OVERVIEW

The first half of 2006 saw a pass through effect of the high commodity prices. Malaysian consumers were rocked by higher fuel and utility prices. Interest rates were also raised to reflect the inflationary environment. Fortunately, the last quarter of the year saw calmer sentiments and an improving economy with fuel prices stabilizing and the Ringgit Malaysia ("RM") de-pegged to counter imported inflation.

All our investments saw firmer growth in the second half of the year. The companies have either expanded into new territories or expanded their new product offerings to consumers. We have also started the construction of Goldis Tower and can now set the completion date for the first quarter of 2009. In Malaysia, we disposed of our shares in KrisAssets Holdings Bhd for RM55.3 million and the proceeds were used to reduce the company's RM loans. In China, we disposed of our investment in Jili Plaza for RMB160 million. The resulting cash flow will be used to reduce our USD loans and to increase our private equity investments in China.

Goldis Berhad Group will start 2007 with a minimal net gearing of 7% and will be poised to put more investments into our existing businesses and to start new ventures.

FINANCIAL PERFORMANCE

For the financial year ended 31 January 2007, the Group revenue surged 18% to RM215.3 million from RM183.0 million the year before. The Group pre-tax profit jumped from RM27.4 million to RM64.7 million, an impressive improvement of 136%.

The performance of the Group for the year under review is substantially contributed by its property investment and development division.

In tandem with the improved profitability, earnings per share increased by 112% to 20.93 sen from 9.88 sen last year. Financial position of the Group remained healthy with borrowing level reduced to RM146.1 million while shareholders' fund has strengthened to RM970.3 million.

PERFORMANCE REVIEW OF OUR INVESTMENTS

IGB CORPORATION BERHAD ("IGB") (a listed real estate conglomerate)

For the financial year ended 31 December 2006, IGB registered a strong performance with Group revenue rising to RM719.0 million, an increase of 16% from RM619.7 million the year before. Pre-tax profit also surged 29% to RM202.0 million from RM156.3 million the year before. All three divisions namely property development, property investment and hotels continued to do well. The company will continue to add commercial square footage (shopping, office and hotels) to its portfolio for the next 2 to 3 years making it one of the biggest property owners in Kuala Lumpur.

PRIVATE EQUITY INVESTMENTS IN MALAYSIA

The total investment in private companies in Malaysia as at 31 January 2007 was RM61.7 million compared to RM56.2 million last year.

A review of the performance of our main investee companies are as follows:

HOEPharma Holdings Sdn Bhd ("HOE") (a dermatological and healthcare company)

HOE Group recorded a revenue of RM57.1 million and pre-tax loss of RM6.2 million for the financial year ended 31 January 2007. The drop in revenue from RM73.4 million the year before was partly due to a change in accounting recognition of sales by the Company. The current year loss was mainly due to higher advertising and marketing expenses incurred to penetrate the market in Europe and also due to stock returns as a result of the change in distributorships in Malaysia, Singapore, Thailand and Taiwan during the financial year. We are confident that the new distributorship, new markets and new products will contribute to the revenue and profits in the coming years.

Macro Kiosk Berhad ("MACROKIOSK") (a mobile data communications technology provider)

MACROKIOSK Group revenue increased marginally from RM38.1 million to RM40.7 million. The Company recorded a pre-tax loss of RM6.6 million for the year under review. Higher advertising and marketing expenses were incurred for the launch of two new products. The setting up of new markets in Indonesia, Taiwan, Vietnam, Philippines and China also contributed to the higher expenses. MACROKIOSK currently has presence in 10 countries. We are confident that the new products and new markets will contribute to increase revenue and profits in the coming years.

Macro Lynx Sdn Bhd (broadband solutions and service provider)

The Company operates in a very competitive environment and made a marginal loss of RM0.8 million for the year under review. Steps have been taken during the year to improve the broadband quality which includes strengthening the infrastructure through collaborative joint ventures and replacing and purchasing of new equipments. The following agreements were signed during the year:

On 21 September 2006, the Company entered into an Agreement with Fiberail Sdn Bhd in relation to the marketing and provision of broadband services using the fibre optic network platform.

On 6 April 2007, the Company had entered into a Memorandum of Understanding with Pacific Internet (Malaysia) Sdn Bhd to explore the possibility of collaboration to jointly target the corporate market in Malaysia by providing connectivity and IP-based solutions to such corporate customers.

On 7 May 2007, the Company through its wholly-owned subsidiary, MVC Fiberlynx Sdn Bhd (formerly known as Quantum Intermerge Sdn Bhd") ("MVCF"), had entered into an IT Infrastructure Management Agreement with IGB Corporation Berhad in relation to the leasing of the IT Infrastructure exclusively (fibre optic, CAT5 and/or CAT6 transmission infrastructure) to MVCF as the Facilities Manager to manage the same and to conduct the business of sub-leasing the IT Infrastructure providing broadband services in Mid Valley City and leasing of circuits within Mid Valley City.

Protech Yu (Asia) Sdn Bhd (an aquaculture company)

The Company started operations in April 2006. It is involved in high tech land based aquaculture. In a short period of time, it has been able to create market awareness for its farm development and for its organic quality fish products sold under the brand "GOODFISH". We believe the market for high Omega3 fish uncontaminated by antibiotics and heavy metals will continue to grow as Asian consumers become more aware of the dangers of current fish production and fishing methods.

PRIVATE EQUITY INVESTMENTS IN CHINA

The total investment in China as at 31 January 2007 was RM76.3 million compared to RM86.3 million the previous year.

Revenue for GoldChina Group was marginally higher at RM68.7 million compared to RM68.5 million the year before but pre-tax profit decreased to RM1.4 million from RM10.5 million the year before.

The significant drop in pre-tax profit was mainly attributable to Gold Water (Shanghai) Co Ltd (a water and waste treatment company) which recorded a loss of RM7.0 million during the year under review. The company owned two Build, Operate and Transfer ("BOT") concessions to treat sewage for a period of 20 years in Jiangsu and Ganyu provinces. The Ganyu concession has commenced operations in early 2007 and the Jiangsu treatment plant is expected to be commissioned by the end 2007. Both concessions are expected to contribute to revenue and profit in the coming years.

On 1 December 2006, the Company announced that GoldChina Sdn Bhd, a 90% owned subsidiary of Goldis had disposed of the entire issued and paid up capital in Tramex Pte Ltd for a cash consideration of RMB160 million (equivalent to approximately RM72.2 million) which has resulted in a gain of RM0.96 million.

We will continue to dispose of assets in China when the timing is right while continuing to look for new opportunities to make new private equity investments in that country.

PROPERTY INVESTMENT

Goldis Tower Sdn Bhd

The company is developing a 30 storey commercial building on a 1.95 acre of prime land near the junction of Jalan Ampang and Jalan Tun Razak. The contract to build both the foundation and the superstructure has been awarded to IJM Corporation Bhd. The building will be completed by the first quarter of 2009. The construction will be funded by an issue of preference shares to private equity investors and by bank borrowings.

AWARDS AND RECOGNITIONS

MACROKIOSK

- Ernst & Young Entrepreneur Of The Year Award
- Deloitte Technology Fast 500 Asia Pacific Award
- Enterprise 50 Award
- PIKOM National ICT Awards
- ASEAN Communications and Multimedia Expo (ACM), Best @ Show Award

TIANJIN MANAX NATURAL FIBRE THIN FILM CO LTD

- ISO 9001:2000 International Certificate on Quality Management System certification
- ISO 140001:2004 International Certificate on Environmental Management System

OUR PEOPLE

For the financial year under review, the number of employees for the Group has increased from 895 to 901 last year.

PROSPECTS

2007 will be a promising year for the Goldis Group. The Group will continue to rely on the growth of its existing investments as well as developing new income streams for the future.

DIVIDEND

The Board is pleased to recommend a first and final dividend of 0.5 sen per share less tax of 26% and 1.5 sen per share tax exempt amounting to RM6.0 million in respect of the financial year ended 31 January 2007, which is subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

ACKNOWLEDGEMENT AND APPRECIATION

I wish to take this opportunity to express my sincere gratitude to the members of the Board of Directors for their professionalism and dedicated contribution to steer the Group towards excellence. My special thanks also go to the management team and staff members for their continued contributions and commitment towards the Group. Finally, I also wish to extend our thanks to our valuable shareholders, customers, business associates, investors as well as banking institutions and relevant authorities for their continued support, guidance and confidence in Goldis Group.

TAN LEI CHENG (MS)
Chairman & CEO

主席献词

致敬爱的股东们：

我谨此代表董事局欣然为大家呈献截止2007年1月31日的财政年度之常年报告。

概述

在2006年上半年，市场深受价格高涨的原产品效应所影响。马来西亚消费者面对偏高的汽油和水电气价格的困境。除此以外，高涨的利率也反映出通货膨胀的经济环境。不过，最后一季的消费市场情绪略为平静，经济环境大有改善，平稳的油价和解除固定汇率后的令吉(“RM”)得以抵御入口所引起的通货膨胀。

在本财政年度的下半年，我们所有的投资都显示平稳的成长。相关公司如不是成功扩展业务，进军新领域，就是为客户们推出新产品。除此以外,我们也开始进行Goldis Tower的建筑工程，竣工日期定为2009年第一季。在马来西亚，我们以5530万令吉出售KrisAssets Holdings Bhd的股份，所得的收益作为减低公司的令吉贷款。与此同时，在中国，我们也以1亿6000万人民币脱售吉利大厦的投资。这项脱售获得的现金将用于减轻公司的美元贷款，同时增加公司在中国的私人股本投资。

在2007年，金诗投资集团将以最低7％的净负债作为开始，同时加强现有的业务投资，并且计划进军新企业。

财务业绩

截止2007年1月31日财政年度，集团营收从1亿8300万令吉增至2亿1530万令吉，较前一个财政年度上涨18％。集团税前盈利从前一个财政年度的2740万令吉增至6470万令吉，涨副高达136%。

在本财政年度，集团的业绩表现主要由房地产投资和发展部门所贡献。

鉴于盈利率提升，每股收益增长高达112%，由去年的9.88仙增至20.93仙。集团的财务状况维持健全，借款水平减至1亿4610万令吉；同时股东基金也增至9亿7030万令吉。

公司投资表现

IGB 机构有限公司 (“IGB”)（上市地产集团）

在截止2006年12月31日，IGB集团展现强稳的卓越表现，集团营收为7亿1900万令吉，比前一年6亿1970万令吉增加了16％。税前盈利亦从前一年的1亿5630万令吉涨29％至2亿200万令吉。公司的三个主要领域，即是房地产发展、房地产投资和酒店业表现皆非常卓越。公司将持续在未来的2年至3年，积极加强商业场地面积(购物中心、办公室和酒店)，力求成为吉隆坡最大的房地产持有人。

在马来西亚的私人股本投资

截止2007年1月31日，与去年5620万令吉相比，投资于马来西亚私人公司的投资总额高达6170万令吉。

我们在马来西亚投资公司的表现如下：

HOEPharma 控股私人有限公司 (“HOE”)（皮肤病学与保健护理公司）

截止2007年1月31日财政年度，HOE集团的营收为5710万令吉，税前亏损为620万令吉。与前年营收7340万令吉相比，导致亏损的部分原因是公司对销售之会计识别定义作出更改。今年亏损的主要导因是公司在本财政年度，耗费更高的广告宣传和市场行销费用以使公司能进军欧洲市场，同时也深受马来西亚、新加坡、泰国和台湾的发行代理权更换而导致的退货而影响。我们深信新的发行代理、新市场和新产品将为集团未来几年的收入和盈利作出贡献。

Macro Kiosk 有限公司（“MACROKIOSK”）（流动数据通讯技术供应商）

MACROKIOSK集团营收从3810万令吉增至4070万令吉。本财务年度的税前亏损为660万令吉。公司推出两种新产品而导致偏高的广告宣传和市场行销费用。在印尼、台湾、越南、菲律宾和中国所开拓的新市场也导致更高的费用。目前，MACROKIOSK已经在10个国家开始经营。我们深信新产品和新市场将在未来几年增加公司营收和利润。

Macro Lynx 私人有限公司（宽频方案和服务供应商）

公司在竞争严峻的环境下经营业务，在本财务年度，公司的边际亏损为80万令吉。在本财务年度，公司已经采取适当的步骤以提升宽频素质，这包括通过企业合营，加强基建；同时更换和购买新的仪器。以下是在本财务年度签署的协议：

在2006年9月21日，公司与Fiberail Sdn Bhd签署协议，对通过使用光纤网络平台，行销和提供宽频服务达成协议。

在2007年4月6日，公司与Pacific Internet (Malaysia) Sdn Bhd签署一份谅解协议，共同商讨合作的可能性，通过为企业客户提供连线服务和IP根据的方案，携手开拓马来西亚的企业市场。

在2007年5月7日，公司通过其独资持有的附属公司，MVC Fiberlynx Sdn Bhd (先前被称为 Quantum Intermerge Sdn Bhd”) (“MVCF”)，与IGB Corporation Berhad签署一份IT 基建管理协议，把完整的IT基建(光纤CAT5 和/或 CAT6 传送基建) 租赁予MVCF，由MVCF出任设施经理，负责管理业务以及在谷中城执行分租赁IT基建业务，提供宽频服务;同时也在谷中城提供网路租赁服务。

宝特余(亚洲)私人有限公司(水产业公司)

公司于2006年4月开始经营，所涉及的业务包括高科技的水产业。在短短的时间内，公司成功提高市场醒觉，推广市场对其先进农场发展和以GOODFISH为名的有机优质鱼产品的认识。我们深信富含Omega3及不受抗生素和重金属污染的鱼产的市场将持续成长，因为亚洲消费者对目前鱼产业和捕鱼方式所带来的危机都有一定的认识。

在中国的私人股本投资

截止2007年1月31日，在中国的总投资额达7630万令吉，去年投资额为8630万令吉。

GoldChina集团的营收比去年增长，由6850万令吉增至6870万令吉，但是，税前利润则从去年的1050万令吉减至140万令吉。

税前盈利大副下跌，主要是金水(上海)水处理设备有限公司(水利和污水处理公司)在本财务年度亏损了700万令吉。该公司拥有两项建设、运营和移交(BOT)协议，负责江苏省和赣榆省的污水处理，为期20年。赣榆省的协议于2007年年初开始运作，江苏省的污水处理厂预期将在2007年年杪开始运作。两项协议预期能在未来几年为公司的营收和利润作出贡献。

在2006年12月1日，公司宣布 GoldChina Sdn Bhd，金诗持有90%的附属公司已经把在Tramex Pte Ltd 的整个已发股本和已付股本发售，获得现金1亿6000万人民币(大约相等于7220万令吉)，为公司带来为数96万令吉的利润。

我们将持续在适当的时机出售在中国的产业，同时也将积极寻求新的商机，在中国开拓新的私人股本投资项目。

房地产投资

Goldis Tower Sdn Bhd

公司将建设一个占地1.95英亩的30层商业高楼，地点与Jalan Ampang 和Jalan Tun Razak的交叉点为毗邻。此项建设地基和上部构造合约由IJM Corporation Bhd承接。这栋商业高楼预期在2009年第一季竣工。此项工程将由发售优先股予股本投资者，以及银行贷款支助。

奖项与认可

MACROKIOSK

- Ernst & Young 企业家年度奖
- 亚太Deloitte Technology Fast 500 奖项
- 企业 50 奖项
- PIKOM 全国 ICT 奖项
- 亚洲通讯及多媒体产品展览会 (ACM) 最佳展示奖

天津万利天然纤维薄膜有限公司

- ISO 9001:2000 国际认可-- 品质管理系统
- ISO 140001:2004 国际认可—环境管理系统

我们的队伍

在本财务年度，集团员工总数已从去年895人增至901人。

前景展望

2007年将是金诗集团的丰收年。集团将持续积极促进现有投资的成长，同时开拓未来收入的新来源。

股息

董事局谨此欣然建议在截止2007年1月31日的财政年度派发每股0.5仙的股息扣除26%税务，以及每股1.5仙免税股息，总值600万令吉。这项建议必须在公司即将来临的的常年会议获得所有股东之正式批准。

鸣谢

本人谨此向董事局成员表示谢意，感谢他们为集团迈向卓越业绩的奋斗中所给予的专业和持续的贡献。本人也非常感谢公司管理层和员工，感激他们勤奋工作，及对集团给予支持和忠诚。最后，我也感谢所有的股东、客户、商业伙伴、投资者以及银行机构和相关当局的支持、指导和对金诗集团的信任。

陈丽贞(MS)
主席兼首席执行员

Corporate **INFORMATION**

BOARD OF DIRECTORS

Executive Chairman &
Chief Executive Officer
Ms Tan Lei Cheng

Senior Independent Non-Executive Director
Datuk Tan Kim Leong

Independent Non-Executive Director
Encik Daud Mah Bin Abdullah

Non-Independent Non-Executive Directors
Ms Pauline Tan Suat Ming
Mr Tan Boon Lee
Encik Harun Bin Hashim Mohd

AUDIT COMMITTEE

Datuk Tan Kim Leong
(Chairman-Independent Director)
Encik Daud Mah Bin Abdullah
(Independent Director)
Ms Tan Lei Cheng
(Non-Independent Director)

SECRETARIES

Ms Chow Lai Ping
Mr Leong Kok Chi

REGISTERED OFFICE

Penthouse, Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel. No. : 603-2163 1111
Fax. No. : 603-2163 7020

REGISTRAR

IGB Corporation Berhad
[Share Registration Department]
23rd Floor Menara IGB
No. 1 The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel. No. : 603-2289 8989
Fax. No. : 603-2289 8899

PRINCIPAL BANKERS

Public Bank Berhad
Bank of East Asia Limited
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad
HSBC Bank (Malaysia) Berhad
AmBank (M) Berhad

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Jeyaratnam & Chong

STOCK EXCHANGE LISTING

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

DATE OF INCORPORATION

1 June 2000

WEBSITE

www.goldis.com.my

Notice of the Seventh **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Goldis Berhad will be held at Seri Angsana, 2nd Floor, Sidewalk Cafe, MiCasa All Suite Hotel, 368B, Jalan 1/68F, Off Jalan Tun Razak, 50400 Kuala Lumpur on Wednesday, 27 June 2007 at 2.30 p.m. for the following purposes:-

1. To receive the audited financial statements for the year ended 31 January 2007 together with the Reports of the Directors and Auditors thereon. — Ordinary Resolution 1

2. To approve the payment of Directors' fees of RM95,000. — Ordinary Resolution 2

3. To declare a first and final dividend of 0.5 sen less income tax of 26% and 1.5 sen tax exempt for the year ended 31 January 2007. — Ordinary Resolution 3

4. To re-elect the following Directors who retire in accordance with Article 98 of the Articles of Association of the Company:

   (a) Ms Tan Lei Cheng — Ordinary Resolution 4
   (b) Mr Tan Boon Lee — Ordinary Resolution 5

5. To re-appoint Messrs. PricewaterhouseCoopers as auditors and to authorise the Directors to fix their remuneration. — Ordinary Resolution 6

   As Special Business
   To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. **Authority for Directors to Issue Shares**

   That, subject to the Companies Act, 1965 and the Articles of Association of the Company, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to allot and issue 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 issued and paid-up share capital 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. — Ordinary Resolution 7

7. **Proposed Renewal of Shareholders' Mandate for the Company to Purchase its Own Shares ("Proposed Share Buy-Back")**

   That subject to the provisions under the Companies Act, 1965 ("Act"), the Companies Regulations 1966, 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 of RM1.00 each ("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 issued and paid-up share capital 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 Company's aggregate retained profits and/or share premium account;

   That authority be and is hereby given to the Directors of the Company to decide at their discretion, as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any Goldis Shares so purchased by the Company in the following manner:

   (a) to cancel the Goldis Shares so purchased; or

   (b) to retain the Goldis Shares so purchased as treasury shares for distribution as dividends to the shareholders of the Company and/or re-sell through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancel the Goldis Shares so purchased subsequently; or

(c) to retain part of the Goldis Shares so purchased as treasury shares and cancel the remainder.

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 ("AGM") 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 AGM 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. Ordinary Resolution 8

To consider and if thought fit, to pass the following resolutions as Special Resolutions:

8. **Proposed Amendments to the Articles of Association of the Company**

That the alterations, modifications or additions to the Articles of Association of the Company as set out in Appendix B of the Statement to Shareholders dated 5 June 2007 be and are hereby approved. Special Resolution 1

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

NOTICE OF DIVIDEND ENTITLEMENT & PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a first and final dividend of 0.5 sen less income tax of 26% and 1.5 sen tax exempt in respect of the financial year ended 31 January 2007, if approved by shareholders, will be paid on 27 July 2007 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 4 July 2007.

A Depositor shall qualify for entitlement to the dividend only in respect of:

a. shares transferred into the depositor's securities account before 4.00 p.m. on 4 July 2007 in respect of transfers.

b. shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Chow Lai Ping
(MAICSA 0829388)

Leong Kok Chi
(MICPA 2918)
Company Secretaries

Kuala Lumpur
5 June 2007

Notes:

1. *A member entitled to attend and vote at the meeting may appoint a proxy, who need not be a member, to vote in his stead and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *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 under its common seal or under the hand of a duly authorized officer or attorney.*

3. *The Proxy Form shall be deposited at the Registered Office of the Company, Penthouse, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting.*

Explanatory Notes on Special Business

1. The proposed Ordinary Resolution 7, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital 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.

2. The proposed Ordinary Resolution 8, 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 percentum (10%) of the issued and paid-up share capital of the Company. 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 5 June 2007, which is despatched together with the Company's Annual Report 2007.

3. The proposed Special Resolution 1 is made to comply with the recent amendments to the Listing Requirements of Bursa Malaysia Securities Berhad. Further information on the Proposed Amendments to the Articles of Association of the Company is set out in the Statement to Shareholders dated 5 June 2007, which is despatched together with the Company's Annual Report 2007.

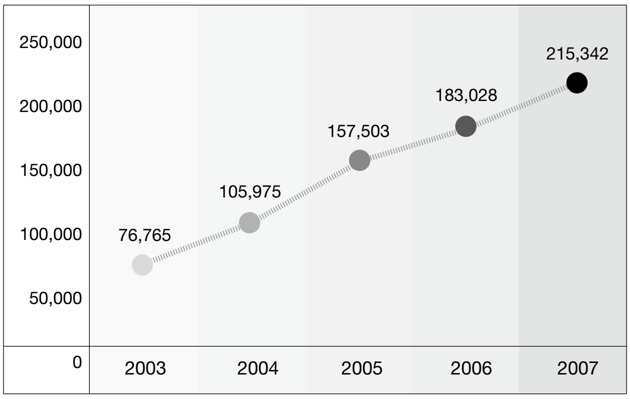
The details of interests in the securities held by the Directors standing for re-election in the Company are:-

	Number of shares held			
	Direct	**%**	**Indirect**	**%**
Tan Lei Cheng	2,245,907	0.70	-	-
Tan Boon Lee	2,036,657	0.63	-	-

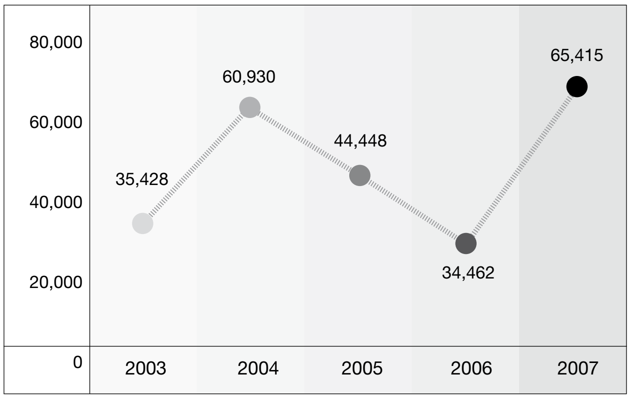
	Number of Options held under the Employees' Share Option Scheme
Tan Lei Cheng	2,200,000
Tan Boon Lee	-

Further details on the Directors standing for re-election at the Seventh Annual General Meeting are set out in their respective profiles which appear in the Directors' Profiles on page 15 of this Annual Report.

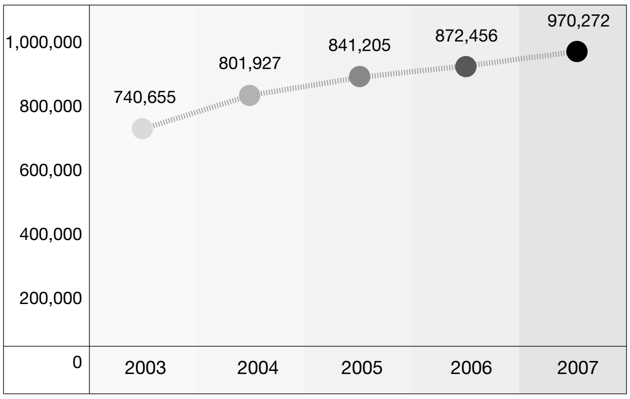
Five-Year **PERFORMANCE HIGHLIGHTS**



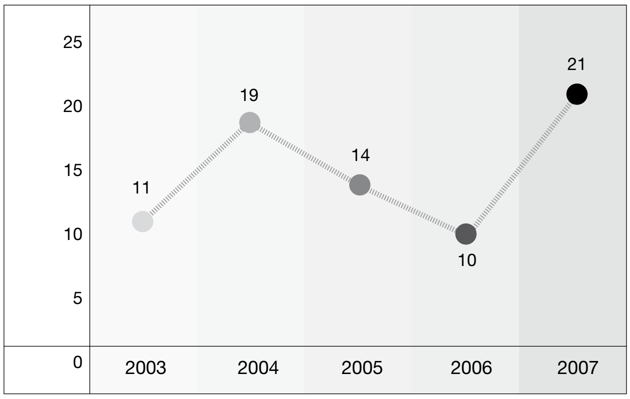
Revenue (RM'000)



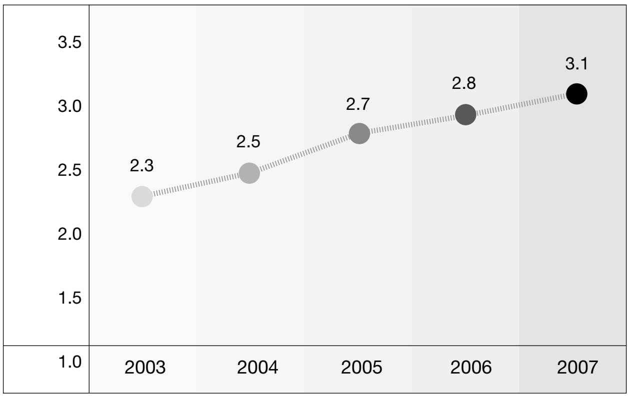
Net Profit For The Year (RM'000)



Shareholders' Funds (RM'000)



Basic EPS (sen)

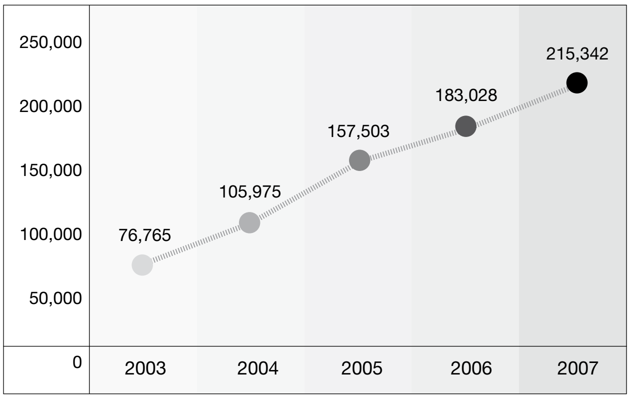


Net Assets Per Share (RM)

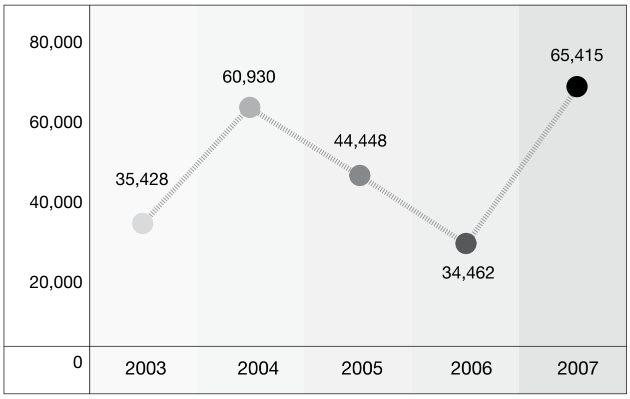
Income Statements

Financial year ended 31 January	**2003 RM'000**	**2004 RM'000**	**2005 RM'000**	**2006 RM'000**	**2007 RM'000**
Revenue	76,765	105,975	157,503	183,028	215,342
Net profits for the financial year	35,428	60,930	44,448	34,462	65,415
Shareholders' Fund	740,655	801,927	841,205	872,456	970,272
Net assets	747,041	812,217	857,024	890,752	991,473
Financial ratios as at 31 January	2003	2004	2005	2006	2007
Basic earnings per share (sen)	11.00	19.00	13.86	9.88	20.93
Dividends per ordinary share (sen)	0	2.0	2.5	2.5	2.0
Net assets per share (RM)	2.3	2.5	2.7	2.8	3.1

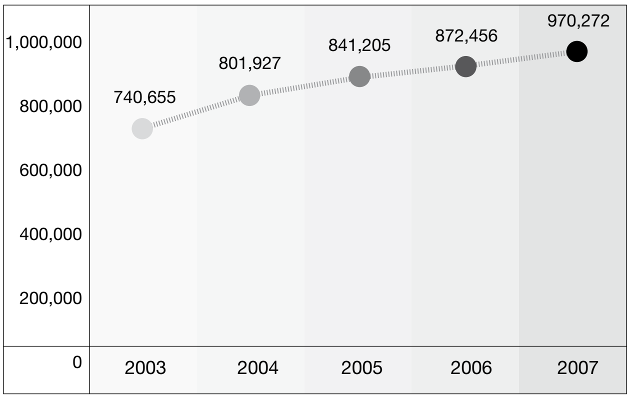
五年表现焦点



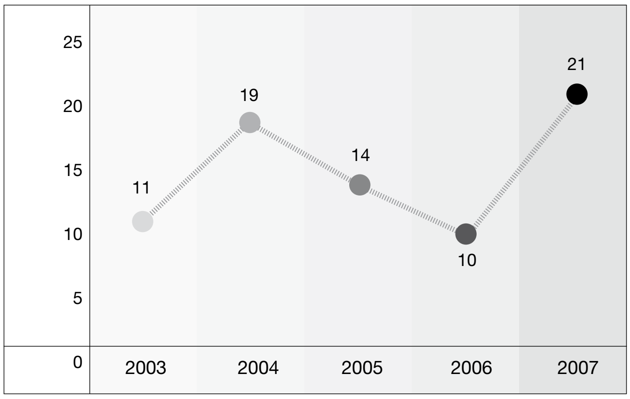
收入 (RM'000)



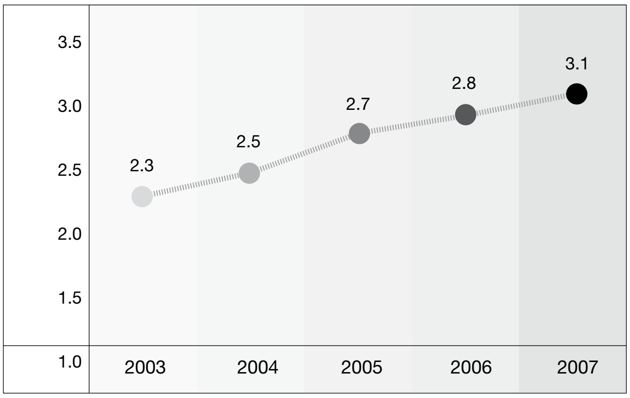
年度净利 (RM'000)



股东基金 (RM'000)



基本每股收益 (分)



每股资产净额 (RM)

收益表

财政年度截至1月31日	**2003 RM'000**	**2004 RM'000**	**2005 RM'000**	**2006 RM'000**	**2007 RM'000**
收入	76,765	105,975	157,503	183,028	215,342
年度净利	35,428	60,930	44,448	34,462	65,415
股东基金	740,655	801,927	841,205	872,456	970,272
资产净额	747,041	812,217	857,024	890,752	991,473

财务比率截至1月31日	2003	2004	2005	2006	2007
基本每股收益 (分)	11.00	19.00	13.86	9.88	20.93
每普通股股息 (分)	0	2.0	2.5	2.5	2.0
每股资产净额 (RM)	2.3	2.5	2.7	2.8	3.1

TAN LEI CHENG
(Non-Independent Executive Chairman & Chief Executive Officer)

Tan Lei Cheng, aged 50, a Malaysian, was appointed a director of Goldis Berhad ("Company") on 20 September 2000. Ms Tan was appointed Executive Chairman and Chief Executive Officer ("CEO") of the Company on 6 May 2002. 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 Goldis Berhad took over its listing on 8 May 2002, following the completion of the merger between the Company, Tan & Tan and IGB Corporation Berhad. She is the prime mover in identifying and developing projects that are in the growth industries sector. She has 27 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 also a member of Lincoln's Inn and was admitted to the English Bar in 1983. She is a member of the Young President's Organisation, Malaysia Chapter ("YPO"). YPO is a premier international network of young business leaders that is dedicated to the continuing education of its members. She is also a Board member of Kuala Lumpur Business Club ("KLBC"). She is a director of IGB Corporation Berhad, KrisAssets Holdings Berhad, Macro Kiosk Berhad and Dato' Tan Chin Nam Foundation.

She is a member of the Audit, Nomination, Remuneration and ESOS Committees.

She is a sister of Tan Boon Lee, a director of the Company. She is also a sister of Tan Boon Seng and a daughter of Dato' Tan Chin Nam, who are major shareholders of Goldis Berhad. She is a cousin of Pauline Tan Suat Ming, Robert Tan Chung Meng and Tony Tan @ Choon Keat, who are major shareholders.

She has no conflict of interest with the Company and has no conviction for offences within the past 10 years.

DATUK TAN KIM LEONG@ TAN CHONG MIN, J.P.
(Senior Independent Non-Executive Director)

Datuk Tan Kim Leong @ Tan Chong Min, aged 67, a Malaysian, was appointed to the Board of the Company on 11 January 2002. Datuk Tan is the Executive Chairman of BDO Binder. He holds professional memberships in the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He is also a Fellow member of the Institute of Chartered Accountants, Australia and the Malaysian Institute of Chartered Secretaries and Administrators.

Other directorships in public companies include Amoy Canning Corporation (Malaya) Berhad, KL Industrial Services Berhad and MCIS Zurich Insurance Berhad.

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

He has no conflict of interest with the Company and has no conviction for offences within the past 10 years. He is not related to any members of the board nor major shareholders.

PAULINE TAN SUAT MING
(Non-Independent Non-Executive Director)

Pauline Tan Suat Ming, aged 61, a Malaysian, was appointed a director of the Company on 7 January 2002. Ms Pauline Tan holds a Bachelor of Science (Honours) in Biochemistry from University of Sussex, England and is also a Fellow of the Institute of Chartered Secretaries and Administrators. She worked as a chemist in Malayan Sugar Manufacturing Co Berhad from 1969 to 1972. She joined Tan Kim Yeow Sdn Bhd as an Executive Director in 1976 and joined Wah Seong Group of Companies in 1983. She is a director of Wah Seong Corporation Berhad, IGB Corporation Berhad and Yayasan Wah Seong.

Ms Pauline Tan is the Chairman of the Nomination Committee and a member of the Remuneration Committee. She is a cousin of Tan Lei Cheng and Tan Boon Lee, directors of the Company and a cousin of Tan Boon Seng who is a major shareholder of the Company. She is a sister of Tony Tan @ Choon Keat and Robert Tan Chung Meng who are major shareholders.

She has no conflict of interest with the Company and has no conviction for offences within the past 10 years.

TAN BOON LEE
(Non-Independent Non-Executive Director)

Tan Boon Lee, aged 43, a Malaysian, was appointed a director of the Company on 11 January 2002. Mr Tan holds a Bachelor of Economics from Monash University, Australia and a Masters in Business Administration from Cranfield School of Management, United Kingdom. He has 21 years of experience in the property and hotel industry, giving management and technical assistance to hotel and hospitality projects in Malaysia and Asia. He is a director of IGB Corporation Berhad, KrisAssets Holdings Berhad, Macro Kiosk Berhad and Dato' Tan Chin Nam Foundation.

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

He is a brother of Tan Lei Cheng, a director of the Company. He is also a brother of Tan Boon Seng and a son of Dato' Tan Chin Nam, who are major shareholders of Goldis Berhad. He is a cousin of Pauline Tan Suat Ming, Robert Tan Chung Meng and Tony Tan @ Choon Keat, who are major shareholders.

He has no conflict of interest with the Company and has no conviction for offences within the past 10 years.

DAUD MAH BIN ABDULLAH @ MAH SIEW WHYE
(Independent Non-Executive Director)

Daud Mah Bin Abdullah @ Mah Siew Whye, aged 45, a Malaysian, 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 auditing various businesses, focusing on financial services while with Coopers & Lybrand, London from 1984-1989. After completing his Masters in Business Administration in 1992, he returned to Malaysia to join The Boston Consulting Group, where he was the consultant to companies in the oil & gas, pharmaceutical, food and airlines industries. He left The Boston Consulting Group in 1995 and set up a boutique fund management company called Kumpulan Sentiasa Cemerlang Sdn Bhd. He is presently the CEO of KSC Capital Berhad, a unit trust management company, which is a wholly-owned subsidiary of Kumpulan Sentiasa Cemerlang Sdn Bhd.

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

He has no conflict of interest with the Company and has no conviction for offences within the past 10 years. He is not related to any members of the board nor major shareholders.

HARUN BIN HASHIM MOHD
(Non-Independent Non-Executive Director)

Harun Bin Hashim Mohd, aged 57, a Malaysian, was appointed to the Board of the Company on 14 December 2004 and is a representative of Permodalan Nasional Berhad.

He holds a Master of Arts in Public Policy and Administration (Economics) from the University of Wisconsin, United States of America and a Bachelor of Arts (Economics) from the University of Malaya.

He started off his career with the Ministry of Agriculture in 1972 for two years. Thereafter he joined the Economics Planning Unit of the Prime Minister's Department in 1974, whereby he held various senior positions in several divisions and sections. He left the Department in 1993 to join Perbadanan Usahawan Nasional Berhad where he held the position of General Manager of the Human Resource and Entrepreneur Development Division for two years. He is currently the Executive Director of Gunung Kabel Sdn Bhd. Other directorships in public companies include IGB Corporation Berhad.

Other than as disclosed, he has no conflict of interest with the Company and he has no conviction for offences within the past 10 years. He is not related to any members of the board or major shareholders.

The Board of Directors remain fully committed to achieve and maintain good corporate governance and will continue to enhance its role in improving governance practices effectively to safeguard the best interests of shareholders and other stakeholders.

The following paragraph sets out the manner in which the Group has applied the Principles of Corporate Governance and the extent of compliance with the best practices of the Malaysian Code on Corporate Governance ("the Code").

THE BOARD

(i) Board Balance

The Group realizes the establishment of an active, dynamic and independent Board is paramount in improving corporate governance practices. The size of the Board, comprising six (6) members is appropriate, made up of one (1) Executive Director and five (5) Non-Executive Directors of whom two (2) are Independent Directors, fulfilling the prescribed requirements for one-third (1/3) of the membership of the Board to be Independent Board Members. The Chief Executive Officer ("CEO") is the sole Executive Director. Together, the Directors with their wide experiences in both the public and private sectors and diverse academic backgrounds provide a collective range of experience, skills and expertise which is vital for the successful performance of the Board and direction for the Group. A brief profile of each Director is presented in the Profile of the Board of Directors.

Due to the size and the business nature of the Company, the positions of the Chairman and the CEO of the Company are held by the same person. The CEO has overall responsibilities over the development of corporate objectives, operational units, organizational effectiveness and implementation of Board policies and decisions. The function of the Chairman that is currently held by the CEO is to ensure the orderly conduct and working of the Board, the management of the business and the implementation of such policies and strategies as approved by the Board. The Board has the overall responsibility for corporate governance, strategic direction and overseeing the investment and business of the Group.

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.

The presence of Independent Non-Executive Directors is essential in providing unbiased and independent views, advice and judgements as well as safeguarding the interests of the Group, shareholders and other stakeholders. Thay also serve as a check and balance to carry sufficient weight in Board decisions. They are independent of management and the major shareholders.

The Board has reserved for itself powers in respect of significant areas in the Group's business including major investment decisions, strategic plans, approval of major capital expenditure and acquisition and disposal of business segments.

(ii) Board Meetings and Supply of Information

The Board meets every quarter and additional meetings are convened as necessary. The meetings are held on a scheduled basis that is determined in advance upon consultation with the Chairman. This would enable the Directors to plan their other appointment dates in order to facilitate their attendance at the Board meetings. Senior management officers are invited when necessary, to attend the Board meetings to update the Directors on their respective business portfolios and to brief the Directors on proposals submitted for the Board's consideration. The agenda for each Board meeting and the papers are circulated to the Directors for their perusal before the Board meetings for decision making.

During the financial year under review, the Board met four times and the attendance record for each Director is as follows:-

Name of Director	Total Meetings Attended	Percentage of Attendance (%)
Ms Tan Lei Cheng	4/4	100
Datuk Tan Kim Leong	3/4	75
Encik Daud Mah bin Abdullah	4/4	100
Ms Pauline Tan Suat Ming	4/4	100
Mr Tan Boon Lee	4/4	100
Encik Harun bin Hashim Mohd	4/4	100

The Board is supplied with all necessary information to enable it to effectively discharge its responsibilities. Any additional information requested by the Directors is promptly provided.

Procedures are in place for Directors, in discharging their duties, to seek independent professional advice where necessary at the Company's expense in order to fulfil their duties and specific responsibilities. In addition, all Directors have access to the advice and services of the Company Secretaries.

(iii) Appointment and Re-election of Directors

In accordance with the Company's Articles of Association, all Directors retire from office at least once in every three years and offer themselves for re-election. The election of each Director is voted on separately. The Executive Director also rank for re-election by rotation. The re-election of Directors ensures that shareholders have a regular opportunity to reassess the composition of the Board.

(iv) Directors' Remuneration

(a) Level and Make-up of Remuneration

The objective of the Company's policy on Directors' remuneration is to attract and retain the Directors of the calibre needed to run the Group successfully. In the case of Executive Directors, the component parts of the remuneration are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.

(b) Remuneration Procedure

The Remuneration Committee recommends to the Board the framework of the CEO's remuneration and the remuneration package in all its forms, drawing from outside advice where necessary. However, the determination of remuneration packages of all Directors is a matter of the Board as a whole.

The Non-Executive Directors are paid annual fees which are approved annually by the shareholders. The Directors are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company.

Individual Directors do not participate in the discussion and decision of their own remuneration.

(c) Remuneration Package

Aggregate remuneration of Directors categorised into appropriate components for the financial year ended 31 January 2007 is as follows:

Category of Directors	Fees RM	Salary RM	Bonus RM	Benefits-in-kind RM	Total RM
Executive Director	10,000	* 624,614	116,571	7,800	758,985
Non-Executive Directors	85,000	-	-	-	85,000

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

The aggregate remuneration of Directors analysed into bands for the financial year ended 31 January 2007 is as follows:

Range of Remuneration	Executive Director	Non-Executive Directors
Below RM50,000	-	5
RM50,001 – RM100,000	-	-
RM100,001 – RM150,000	-	-
RM150,001 – RM400,000	-	-
RM400,001 – RM600,000	-	-
RM600,001 – RM650,000	-	-
RM650,001 – RM700,000	-	-
RM700,001 – RM750,000	-	-
RM750,001 – RM800,000	1	-

(v) Directors' Training

Every Director of the Company undergoes continuous training to equip himself/herself to effectively discharge his/ her duties as a Director. All the Directors have attended the Mandatory Accreditation Programme conducted in accordance with the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements.

Following the repeal of Practice Note 15 on Continuing Education Programme prescribed by Bursa Malaysia, the Board has assumed the onus of determining or overseeing the training needs of their Directors on a continuous basis. Directors are encouraged to attend various training programmes to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates. All the Directors have attended development and training programmes in 2006 which aid in the discharge of their responsibilities as directors of public listed companies. Mr Tan Boon Lee had attended a program on “Blue Ocean Leadership” whilst the other Directors had attended a conference on “Blue Ocean Strategy”, amongst others.

THE BOARD COMMITTEES

The Board delegates certain responsibilities to Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and ESOS Committee. All committees have written terms of reference and report to the Board on their proceedings and deliberations.

(i) Audit Committee

Please refer to pages 24 to 26 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee’s primary function is to propose new nominees on the Board, assess Directors on an on-going basis and propose re-election of Directors seeking re-election at the Annual General Meeting. The actual decision as to who shall be nominated is the responsibility of the full Board after considering the recommendations of the Nomination Committee.

The Nomination Committee undertakes an annual review of the performance of the Board as a whole, individual Directors and Board Committees.

Meetings of the Nomination Committee are held as and when required and at least once a year. The Nomination Committee met once during the financial year.

The Nomination Committee is chaired by Ms Pauline Tan Suat Ming.

(iii) Remuneration Committee

The Remuneration Committee’s primary function is to set the policy framework and recommend to the Board the remuneration packages and benefits extended to the Directors, drawing from outside advice where necessary. The determination of the remuneration package for Directors is a matter of the Board as a whole. The Director concerned abstains from deliberations and voting on decisions in respect of his/her individual remuneration package.

Meetings of the Remuneration Committee are held as and when required and at least once a year. The Remuneration Committee met once during the financial year.

The Remuneration Committee is chaired by Encik Daud Mah bin Abdullah.

(iv) ESOS Committee

The ESOS Committee’s primary function is to administer the Employees’ Share Option Scheme in accordance with the Bye-Laws.

The ESOS Committee is chaired by Encik Daud Mah bin Abdullah.

RELATIONSHIP WITH SHAREHOLDERS

The Board recognises the importance of maintaining effective communication with shareholders, stakeholders and the public on all material business matters affecting the Company. In addition to the announcements on quarterly results and other corporate news, press releases and announcements for public dissemination are made periodically to capture any significant corporate event or product launch that would be of interest to investors and members of the public.

The company website at http://www.goldis.com.my provides an easy and convenient avenue for shareholders and investors to gain access to the Group’s press releases and other corporate information.

Announcements to Bursa Malaysia on corporate news, quarterly results and annual report, that contain current and historical information, are accessible to shareholders through Bursa Malaysia’s website at http://www.bursamalaysia.com.

An important forum for communication and dialogue with shareholders is the Annual General Meeting ("AGM") where shareholders and investors are informed of the current developments with opportunities and time for shareholders to raise questions. The external auditors attend AGM upon invitation and are available to answer shareholders' questions, where appropriate. The Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements and information on the Audit Committee and the Board of Directors, is sent to all shareholders on a timely basis.

ACCOUNTABILITY AND AUDIT

(i) 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 Company's position and prospects. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board prior to the release to Bursa Malaysia and Securities Commission.

(ii) Internal Control

The Board has overall responsibility for maintaining a sound system of internal control and risk management to safeguard shareholders' investment and the Group's assets. The Statement of Internal Control is set out on page 23 of this Annual Report providing an overview of the state of internal control within the Group.

(iii) Relationship with the Auditors

The Board has established a formal and transparent professional relationship with the Group's auditors through the Audit Committee. The Audit Committee has been accorded the power to communicate directly with both the external auditors and the internal auditors.

ADDITIONAL COMPLIANCE INFORMATION

Share Buy-Back

The Company had on 29 June 2006 obtained its shareholders' approval at the Annual General Meeting to buy back shares of the Company. However, the Company has not conducted any share buy back for the financial year ended 31 January 2007.

Employees' Share Option Scheme ("ESOS")

During the financial year ended 31 January 2007, 106,000 options were exercised pursuant to the ESOS which was approved by the shareholders at the Extraordinary General Meeting held on 21 December 2001.

Non-Audit Fees

Non-audit fees amounting to RM212,000.00 were paid to the external auditors for the financial year ended 31 January 2007 in respect of the Scheme of Arrangement pursuant to Section 176 of the Companies Act, 1965 of Ecosem Sdn Bhd, subsidiary of the Company.

Material contracts

There were no material contracts entered into by the Company or its subsidiaries which involves Directors or major shareholders either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

This statement was made in accordance with the resolution of the Board of Directors passed on 28 March 2007.

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 January 2007 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 January 2007, 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 28 March 2007.

Corporate Social **RESPONSIBILITY STATEMENT**

The Group believes that the fundamental principles of good corporate governance and responsibility lies in the fact that organizations should have in place a firm commitment towards corporate social responsibilities activities. To this end, the Group's corporate culture is structured such that it seeks to achieve positive and sustainable outcome for its business, environment and the larger community.

HUMAN RESOURCE

The Group realizes that our people are our most valuable asset. The Group places utmost importance in ensuring that our people are equipped with the necessary skills and knowledge to keep us at the forefront of our businesses. Throughout the year, our employees are encouraged to attend training and development programmes to maintain and upgrade their competitive edge. A total of RM520,000.00 was invested on training and development programmes for the Group. During the year, senior management staff went on a training cum mid-year retreat held in Pulau Pangkor to encourage cross-pollination of ideas, inculcate a common corporate culture while creating a pool for succession planning. A company trip to Hanoi, Vietnam was organized for staff to unwind and build the team spirit. Social gatherings are also held occasionally to promote staff interactions and to foster closer ties among staff.

In all its policies, the Group does not discriminate against any race, gender, age or minorities. These policies serve as the guiding principles to inculcate a working culture that places high importance on professionalism, integrity and good governance.

Furthermore, our Human Resource Division continually provides the necessary support and infrastructure to facilitate a conducive work environment through constant internal communications with staff, fair reflective reward system and provision of opportunities for growth and development.

COMMUNITY

The Group is totally supportive of the country's mission in producing a generation of knowledgeable and bright young Malaysians through donations and contributions made to needy and deserving students through the Dato' Tan Chin Nam Foundation. Apart from sponsoring these students academically, the Group also takes these students, upon their graduation, under its wings by providing them employment opportunities and mentorship to offer them continuous advice, guidance and support.

Macro Kiosk Berhad, our subsidiary, played its part as the Mobile Messaging Technology provider for PEACE Malaysia's South Asian Earthquake Victims Fund by donating the entire proceeds from its revenue portion to the fund and contributing hundreds of man-hours at no cost. The company believes that as a mobile messaging technology enabler, SMS is the most ideal channel for charitable contributions. Macro Kiosk Berhad also donated cash to the MSC Malaysia Flood Victims Fund in aid of school going Orang Asli children of Rompin, Pahang who were affected by the flood disaster that hit the state of Pahang Darul Makmur. Its subsidiary, Eluxion Media (M) Sdn Bhd, produced and organized the Nation Care Charity Show, which is an annual fund raising programme and the beneficiary is Sau Seng Lum Haemodialysis & Stroke Rehabilitation Centre in Kuala Lumpur.

ENVIRONMENT

The Goldis Group also plays its part in helping to support conservation efforts and environment protection. Through our subsidiary, Gold Water Pte Ltd, our environmentally responsible business practice is echoed in our investment in water and waste water treatment system for industrial and municipal water treatment plants in China. This was founded upon our vision to come up with ecologically sound solutions for the supply of water for domestic, commercial and industrial use. Our sewage treatment plant located in GanYu County, JiangSu province in China has an operation capacity to treat 20,000m3/day of waste water.

Tianjin Manax Natural Fibre Thin Film Co Ltd ("Tianjin Manax"), another one of the Group's subsidiary in China which is involved in paper manufacturing also contributes in conserving the environment by using domestic waste paper instead of wood pulp from trees as components in its paper manufacturing process. Its advance waste water treatment plant also produces zero discharge of waste water. For its effort, Tianjin Manax was awarded the coveted "Water Conservation Award" by the Tianjin Government.

Through Protech Yu (Asia) Sdn Bhd, the Group ventured into organically-grown fishes produced in a controlled and regulated environment indoors and fed with organic feed with no chemicals or antibiotics included. Through Hi-technology farming with no toxic discharge to the environment and responsible use of our valuable water resource, the fishes are cared for in an environment controlled to be like their natural habitat resulting in superior quality and taste. Test results by SIRIM showed a significant low level of heavy metals in the flesh of the fish. For every fish reared, we can save one fish in the ocean.

As a caring manufacturer, the innovative products and effective preparations of HOE Pharmaceuticals Sdn Bhd, developed though science is available to consumers in more than 40 countries. As "The King of Creams", HOE Pharmaceuticals has produced a wide range of high quality dermatological products at the best value for money and is committed to set standards that were to become ingrained in its culture and beliefs.

The Group also encourages all its staff to conserve paper usage by recycling paper. Cleaning up work to reduce paper storage is conducted regularly where unwanted papers collected are sold for recycling purposes.

BUSINESS ETHICS

We believe our business should uphold high standards of behaviour and integrity. We work together with our business partners to promote high standards of conduct and ensure that all our employees continuously uphold high standards of conduct in the performance of their duties. This commitment towards good business ethics include timely delivery of products and services, achievement of accident free operations and a safe and conducive working environment.

This statement was made in accordance with the resolution of the Board of Directors dated 28 March 2007.

Statement of **INTERNAL CONTROL**

The Board is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. Its review covers financial, operational and compliance controls and risk management. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material errors, misstatement, losses or fraud.

For joint ventures and associated companies, its respective management has an existing monitoring function to assist them in ensuring the system of internal control is functioning as intended. The Management of Goldis Berhad believes that the system of internal control of these companies is adequate through regular performance reviews.

RISK MANAGEMENT

The Board recognises that risk management is an integral part of the system of internal control and good management practice that strengthens the business planning processes.

There is an on-going and systematic risk management process undertaken by Management to identify, assess and evaluate principal risks and to ensure that appropriate risk treatments are in place to mitigate those risks affecting the achievement of the Group's business objectives.

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 key risks inherent in the business and the system of controls necessary to manage such 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.

OTHER KEY ELEMENTS OF INTERNAL CONTROL SYSTEM

The other key elements of the Group's internal control system 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 Group's departmental heads to share information, monitor the progress of various business units, and to deliberate and decide upon operational matters, and with the respective business unit Chief Executive Officer to review the business unit's financial performance, business development, management and corporate issues.

Budget
The Annual 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 performance of the Group.

Internal Audit
The Group Internal Audit Department 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.

Best Practices in Internal Control
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 control best practices are incorporated into their existing Standard Operating Procedures ("SOP").

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 reviews the effectiveness of the system of internal control of the Group at periodic Board meetings and the system of internal control will continue to be reviewed, enhanced and updated in line with the changes in the operating environment.

The Board is pleased to report that there were no material internal control system failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.

This statement was made in accordance with the resolution of the Board of Directors passed on 28 March 2007.

The Board is pleased to issue the following report on the Audit Committee and its activities during the financial year ended 31 January 2007.

MEMBERS AND MEETINGS

Name	Membership status	Meeting Attended	% 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
Tan Lei Cheng (appointed on 28 March 2007)	Non-Independent Executive Director	N/A	N/A
Tan Boon Lee (resigned on 28 March 2007)	Non-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 Group's activities 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 Group's management of principal risks, internal control, financial reporting and compliance with the statutory and legal requirements.

(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. 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) At least one 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 years' 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 Board must review the term of office and performance of the Audit Committee and each of the members at least once every three years to determine whether the Audit Committee and members have 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. Where necessary, the Audit Committee meets with the external auditors without any executive members of the Audit Committee present except for the Company Secretary.

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 control system;

   (c) their audit report;

   (d) the assistance given by the employees of the Company to them;

(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 works;

   (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 control system;

   (d) the major findings of internal audit and management's response;

(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 or implementation of major accounting policy changes;

   (c) significant and unusual events; and

   (d) compliance with accounting 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; and

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

E Meetings and Minutes

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.

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 not have a casting vote.

Other Board members and employees may attend any particular meeting only at the Audit Committee's invitation.

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.

ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

The Audit Committee has discharged its duties as set out in its Term of Reference. The major areas reviewed by the Audit Committee during the financial year ended 31 January 2007 were as follows:

(a) Reviewed the audit plan, audit strategy and scope of work of the external auditors;

(b) Reviewed and approved the internal audit plan and work of the internal auditors;

(c) Reviewed the audited financial statements and recommended the same to the Board for approval;

(d) Reviewed the quarterly financial results for announcement to Bursa Malaysia Securities Berhad and recommended the same to the Board for approval;

(e) Reviewed the adequacy and integrity of the internal control system;

(f) Reviewed the risk management programme to safeguard the companies' assets; and

(g) Reviewed the related party transactions entered into by the Group.

EMPLOYEES' SHARE OPTION SCHEME

The Audit Committee has reviewed and verified that the allocations of options granted during the financial year under the Company's Scheme were made in accordance with the criteria as set out in the Bye-Laws and which were approved by the Employees' Share Option Scheme Committee.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department which assists the Audit Committee in obtaining sufficient assurance of regular review and/or appraisal of the effectiveness of the system of internal control within the Group.

The Group Internal Audit Department also play its consultative roles by reviewing and recommending improvements to the internal control, risk management and governance processes, where appropriate. The Audit Committee has full access to the Internal Auditors and receives regular reports on its audit works and activities.

Reports and Financial Statements

GOLDIS BERHAD (515802-U) ANNUAL REPORT **2007**

The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services.

The principal activities of the Group's subsidiaries are investment holding, manufacturing of pharmaceuticals products, information and communication technology services, paper manufacturing, provision of engineering services for water treatment plants and related services and aquaculture.

The Group's associates and jointly-controlled entities are principally involved in investment holding, property investment and development, provision of engineering services for water purification and waste water treatment, intelligent facilities management services and mobile communication technology services.

There have been no significant changes in the nature of these activities during the financial year other than the commencement of the aquaculture operations.

FINANCIAL RESULTS	**Group RM**	**Company RM**
Net profit for the financial year	65,415,116	48,052,033
Attributable to:		
Equity holders of the Company	67,178,437	48,052,033
Minority interests	(1,763,321)	-
Net profit for the financial year	65,415,116	48,052,033

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 31 January 2006 were as follows:

	RM
In respect of the financial year ended 31 January 2006, first and final dividend of 1.5 sen per share, less income tax of 28%, and 1.0 sen per share tax exempt, paid on 27 July 2006:	
- As shown in the Directors' report of that year, dividends on 320,942,830 ordinary shares	6,675,611
- Dividends on additional 10,000 ordinary shares issued subsequent to 31 January 2006 up to the date of book closure on 4 July 2006 due to the exercise of employees' share options	208
	6,675,819

The Directors now recommend the payment of a first and final dividend of 0.5 sen per share less income tax of 26% (2006: 28%) and 1.5 sen per share tax exempt on 321,048,830 ordinary shares, amounting to RM6,003,613 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 27 July 2007 to shareholders registered on the Company's Register of Members at the close of business on 4 July 2007.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are shown in the financial statements.

SHARE CAPITAL

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM320,942,830 to RM321,048,830 by way of the issuance of 106,000 ordinary shares of RM1.00 each pursuant to the exercise of the Employees' Share Option Scheme ("ESOS") at an exercise price of RM1.17 per option. The premium arising from the exercise of ESOS of RM18,020 has been credited to the Share Premium account.

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

EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 21 December 2001 and became effective on 20 May 2002, for a period of five years, in accordance with the ESOS Bye-Laws.

At an Extraordinary General Meeting held on 22 June 2005, the ESOS Bye-Laws were amended to approve the grant of options to Non-Executive Directors. On that date, the Directors were authorised to offer and grant options to the following Non-Executive Directors:

Datuk Tan Kim Leong @ Tan Chong Min
Pauline Tan Suat Ming
Tan Boon Lee
Daud Mah bin Abdullah @ Mah Siew Whye

Details of the ESOS are set out in Note 32 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia vide their letter dated 27 February 2007 from having to disclose the list of option holders and their holdings pursuant to Section 169(11) of the Companies Act, 1965, except for information of employees who were granted 250,000 options and above.

No employee of the Company and its subsidiaries has been granted 250,000 options and above under the ESOS during the financial year.

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Tan Lei Cheng
Datuk Tan Kim Leong @ Tan Chong Min
Pauline Tan Suat Ming
Tan Boon Lee
Daud Mah bin Abdullah @ Mah Siew Whye
Harun bin Hashim Mohd

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling 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 Company's Employees' Share Option Scheme (see Note 9 to the financial statements).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 9 to the financial statements) by reason of a contract made by the Company or 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.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares and options over ordinary shares in the Company and its related corporations are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.2.2006	**Additions**	**Disposals**	**At 31.1.2007**
Direct shareholdings in the Company				
Tan Lei Cheng	2,245,907	-	-	2,245,907
Tan Boon Lee	2,036,657	-	-	2,036,657
Pauline Tan Suat Ming	120,833	-	-	120,833
Indirect shareholdings in the Company				
Pauline Tan Suat Ming	89,662,735	-	-	89,662,735

Pauline Tan Suat Ming is deemed to have an interest in the shares in the Company by virtue of her shareholdings in Tan Kim Yeow Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

	Number of options over ordinary shares of RM1.00 each			
	At 1.2.2006	**Granted**	**Exercised**	**At 31.1.2007**
Share options in the Company				
Tan Lei Cheng	2,200,000	-	-	2,200,000
Tan Boon Lee	250,000	-	-	250,000
Datuk Tan Kim Leong @ Tan Chong Min	250,000	-	-	250,000
Pauline Tan Suat Ming	250,000	-	-	250,000
Daud Mah bin Abdullah @ Mah Siew Whye	250,000	-	-	250,000

None of the other Directors in office at the end of the financial year held any interest in shares and options over ordinary shares in the Company or its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets 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 render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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.

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.

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 EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 19 April 2007, the Company announced that the ESOS would be extended for a further period of five (5) years from 20 May 2007 to 19 May 2012.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Board of Directors dated 8 May 2007.

Tan Lei Cheng
Director

Tan Boon Lee
Director

Income **STATEMENTS**

for the financial year ended 31 January 2007

	Note	Group 2007 RM	Group 2006 RM (Restated)	Company 2007 RM	Company 2006 RM (Restated)
Revenue	7	215,341,814	183,028,010	53,346,158	11,050,289
Cost of sales		(115,486,075)	(111,056,253)	-	-
Gross profit		99,855,739	71,971,757	53,346,158	11,050,289
Other operating income		5,130,140	3,544,068	584,085	187,366
Selling and distribution expenses		(41,945,392)	(42,939,072)	(133,900)	-
Administrative expenses		(32,929,912)	(20,569,805)	(4,169,812)	(4,432,784)
Other operating expenses		(1,616,335)	(1,723,683)	-	-
Profit from operations	8	28,494,240	10,283,265	49,626,531	6,804,871
Finance costs	11	(8,163,276)	(6,912,826)	(584,477)	(1,611,140)
Share of results of associates		42,317,701	30,680,202	-	-
Share of results of jointly-controlled entities		2,084,867	(6,681,143)	-	-
Profit before taxation		64,733,532	27,369,498	49,042,054	5,193,731
Taxation	12	681,584	7,092,610	(990,021)	(667,530)
Net profit for the financial year		65,415,116	34,462,108	48,052,033	4,526,201
Attributable to:					
Equity holders of the Company		67,178,437	31,685,628	48,052,033	4,526,201
Minority interests		(1,763,321)	2,776,480	-	-
Net profit for the financial year		65,415,116	34,462,108	48,052,033	4,526,201
Earnings per share attributable to ordinary equity holders of the Company					
- basic (sen)	13	20.93	9.88		
- diluted (sen)	13	20.89	9.87		
Dividends per share recognised as distribution to ordinary equity holders of the Company	14	2.0	2.5		

The accounting policies on pages 38 to 49 and the notes on pages 50 to 86 form an integral part of these financial statements.

Balance **SHEETS**

as at 31 January 2007

	Note	Group 2007 RM	Group 2006 RM (Restated)	Company 2007 RM	Company 2006 RM (Restated)
Non-current assets					
Property, plant and equipment	15	160,712,834	113,697,103	230,755	262,083
Intangible assets	16	2,028,458	-	-	-
Subsidiaries	17	-	-	44,519,695	38,496,390
Associates	18	802,195,583	741,386,042	595,734,137	605,392,555
Jointly-controlled entities	19	(608,755)	68,047,008	-	-
Unquoted investments, at cost		1,900,104	1,908,083	-	-
Deferred tax assets	20	3,629,081	1,741,404	-	-
		969,857,305	926,779,640	640,484,587	644,151,028
Current assets					
Inventories	21	14,025,601	12,657,854	-	-
Quoted investments	22	61,333	61,333	-	-
Amounts due from subsidiaries	23	-	-	115,854,432	88,387,107
Amount due from an associate	24	38,614	41,917	38,614	41,917
Trade and other receivables	25	172,078,155	123,934,697	22,642	35,694
Tax recoverable		4,913,974	3,818,289	2,491,304	1,642,105
Deposits, cash and bank balances	27	26,519,575	61,553,952	2,551,589	25,121,329
		217,637,252	202,068,042	120,958,581	115,228,152
Less: Current liabilities					
Trade and other payables	28	45,897,925	42,445,419	468,550	144,936
Deferred revenue	29	669,769	338,605	-	-
Interest-bearing bank borrowings	30	146,127,011	185,358,742	-	40,000,000
Current tax liabilities		460,965	709,776	-	-
		193,155,670	228,852,542	468,550	40,144,936
Net current assets/(liabilities)		21,955,982	(26,784,500)	120,490,031	75,083,216
Less: Non-current liabilities					
Deferred tax liabilities	20	87,596	-	-	-
Deferred revenue	29	2,525,600	-	-	-
Interest-bearing bank borrowings	30	-	8,986,827	-	-
Hire-purchase and finance lease payables	31	252,809	256,549	-	-
		2,866,005	9,243,376	-	-
		991,472,882	890,751,764	760,974,618	719,234,244
Capital and reserves attributable to equity holders of the Company					
Share capital	32	321,048,830	320,942,830	321,048,830	320,942,830
Share premium	33	385,386,912	385,368,892	385,386,912	385,368,892
Exchange fluctuation reserve		(1,287,096)	(2,781,006)	-	-
Reserve on consolidation		-	5,762,680	-	-
Capital reserve		2,343,241	2,343,241	-	-
Share option reserve		1,204,238	945,168	1,094,448	854,308
Retained earnings	34	261,576,106	159,873,866	53,444,428	12,068,214
		970,272,231	872,455,671	760,974,618	719,234,244
Minority interests		21,200,651	18,296,093	-	-
Total equity		991,472,882	890,751,764	760,974,618	719,234,244

The accounting policies on pages 38 to 49 and the notes on pages 50 to 86 form an integral part of these financial statements.

Statements of **CHANGES IN EQUITY**
for the financial year ended 31 January 2007

Group	Note	Share capital RM	Share premium RM	Exchange fluctuation reserves RM	Reserve on consolidation RM	Capital reserve RM	Share option reserve RM	Retained earnings RM	Total RM	Minority interests RM	Total equity RM
		Attributable to equity holders of the Company									
At 1 February 2006											
- As previously stated		320,942,830	385,368,892	(2,781,006)	5,762,680	2,343,241	-	160,819,034	872,455,671	18,296,093	890,751,764
- Effects of changes in accounting policies	35	-	-	-	-	-	945,168	(945,168)	-	-	-
- As restated		320,942,830	385,368,892	(2,781,006)	5,762,680	2,343,241	945,168	159,873,866	872,455,671	18,296,093	890,751,764
- Effects of adoption of FRS 3	35	-	-	-	(5,762,680)	-	-	41,199,622	35,436,942	-	35,436,942
		320,942,830	385,368,892	(2,781,006)	-	2,343,241	945,168	201,073,488	907,892,613	18,296,093	926,188,706
Currency translation differences		-	-	1,493,910	-	-	-	-	1,493,910	313,829	1,807,739
Arising from acquisition of subsidiaries		-	-	-	-	-	-	-	-	4,354,050	4,354,050
Net gain not recognised in income statement		-	-	1,493,910	-	-	-	-	1,493,910	4,667,879	6,161,789
Net profit for the financial year		-	-	-	-	-	-	67,178,437	67,178,437	(1,763,321)	65,415,116
Dividends paid for the financial year ended 31 January 2006	14	-	-	-	-	-	-	(6,675,819)	(6,675,819)	-	(6,675,819)
Employees' share option scheme:	32										
- Issuance of shares		106,000	18,020	-	-	-	-	-	124,020	-	124,020
- Options granted to employees of the Group		-	-	-	-	-	259,070	-	259,070	-	259,070
At 31 January 2007		321,048,830	385,386,912	(1,287,096)	-	2,343,241	1,204,238	261,576,106	970,272,231	21,200,651	991,472,882

The accounting policies on pages 38 to 49 and the notes on pages 50 to 86 form an integral part of these financial statements.

		Attributable to equity holders of the Company									
Group	Note	Share capital RM	Share premium RM	Exchange fluctuation reserves RM	Reserve on consolidation RM	Capital reserve RM	Share option reserve RM	Retained earnings RM	Total RM	Minority interests RM	Total equity RM
At 1 February 2005		320,632,830	385,316,192	(3,424,666)	2,378,201	2,343,241	-	133,959,629	841,205,427	15,818,613	857,024,040
Currency translation differences		-	-	643,660	-	-	-	-	643,660	(539,000)	104,660
Reserve on consolidation arising from additional investment in a subsidiary		-	-	-	25,000	-	-	-	25,000	-	25,000
Reserve on consolidation arising from acquisition of a subsidiary		-	-	-	3,359,479	-	-	-	3,359,479	-	3,359,479
Arising from additional investment in a subsidiary		-	-	-	-	-	-	-	-	240,000	240,000
Net gain not recognised in income statement		-	-	643,660	3,384,479	-	-	-	4,028,139	(299,000)	3,729,139
Net profit for the financial year		-	-	-	-	-		31,685,628	31,685,628	2,776,480	34,462,108
Dividends paid for the financial year ended 31 January 2005		-	-	-	-	-	-	(5,771,391)	(5,771,391)	-	(5,771,391)
Employees' share option scheme:	32										
- Issuance of shares		310,000	52,700	-	-	-	-	-	362,700	-	362,700
- Options granted to employees of the Group		-	-	-	-	-	945,168	-	945,168	-	945,168
At 31 January 2006 (As restated)		320,942,830	385,368,892	(2,781,006)	5,762,680	2,343,241	945,168	159,873,866	872,455,671	18,296,093	890,751,764

The accounting policies on pages 38 to 49 and the notes on pages 50 to 86 form an integral part of these financial statements.

Statements of CHANGES IN EQUITY
for the financial year ended 31 January 2007 (continued)

			Non-distributable		Distributable	
		Share	Share	Share	Retained	
		capital	premium	option reserve	earnings	Total
Company	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 February 2006						
- As previously stated		320,942,830	385,368,892	-	12,922,522	719,234,244
- Effects of changes in accounting policies	35	-	-	854,308	(854,308)	-
- As restated		320,942,830	385,368,892	854,308	12,068,214	719,234,244
Net profit for the financial year		-	-	-	48,052,033	48,052,033
Dividends paid for the financial year ended 31 January 2006	14	-	-	-	(6,675,819)	(6,675,819)
Employees' share option scheme:	32					
- Issuance of shares		106,000	18,020	-	-	124,020
- Options granted to employees of the Company		-	-	240,140	-	240,140
At 31 January 2007		321,048,830	385,386,912	1,094,448	53,444,428	760,974,618
At 1 February 2005		320,632,830	385,316,192	-	13,313,404	719,262,426
Net profit for the financial year		-	-	-	4,526,201	4,526,201
Dividends paid for the financial year ended 31 January 2005		-	-	-	(5,771,391)	(5,771,391)
Employees' share option scheme:	32					
- Issuance of shares		310,000	52,700	-	-	362,700
- Options granted to employees of the Company		-	-	854,308	-	854,308
At 31 January 2006 (As restated)		320,942,830	385,368,892	854,308	12,068,214	719,234,244

The accounting policies on pages 38 to 49 and the notes on pages 50 to 86 form an integral part of these financial statements.

Cash Flow **STATEMENTS**

for the financial year ended 31 January 2007

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Operating activities					
Cash receipts from customers		192,686,009	158,633,132	-	-
Cash paid to suppliers and employees		(182,405,769)	(181,638,615)	(3,507,111)	(5,769,939)
Cash used in operations		10,280,240	(23,005,483)	(3,507,111)	(5,769,939)
Dividends received		10,040,988	9,574,940	9,334,479	8,902,488
Interests received		499,939	194,055	407,946	187,366
Interests paid		(9,446,935)	(6,912,826)	(584,477)	-
Income tax refunded		-	465,363	-	-
Taxation paid		(487,061)	(72,095)	-	-
Net cash flow from/(used in) operating activities		10,887,171	(19,756,046)	5,650,837	3,319,915
Investing activities					
Acquisition of a subsidiary	5	4,705	(1,357,945)	-	-
Additional investments in:					
- Subsidiaries		-	(215,000)	(523,305)	(6,215,002)
- Associates		(659,554)	(134,700)	(159,554)	(134,700)
Subscription of Redeemable Cumulative Unsecured Loan Stocks in a subsidiary		-	-	(5,000,000)	-
Proceeds from:					
- Disposals of investments		55,264,667	-	51,258,887	-
- Shares issued to minority interest		4,354,050	-	-	-
Property, plant and equipment					
- Additions		(50,371,314)	(7,325,851)	(43,024)	(158,664)
- Disposals		100,228	1,217,600	-	-
Development expenses paid		(1,053,408)	-	-	-
Acquisition of a license		(300,000)	-	-	-
Net (repayments to)/advances from subsidiaries		-	-	(26,667,847)	28,589,928
Advances from associates		3,302	15,683	3,302	15,683
Advances from jointly-controlled entities		-	275,035	-	-
Repayment of advances to a related company		-	(39,226)	-	-
Net cash flow from/(used in) investing activities		7,342,676	(7,564,404)	18,868,459	22,097,245
Financing activities					
Proceeds from issuance of shares		124,020	362,700	124,020	362,700
Proceeds from bank borrowings		-	95,211,355	-	
Repayments of bank borrowings		(45,470,705)	(29,921,442)	(40,000,000)	-
Deposits pledged as securities for bank borrowings		(4,374,332)	(639,830)	-	(265,885)
Payments of hire-purchase and finance lease liabilities		(449,923)	(916,763)	-	-
Dividends paid by the Company		(6,675,819)	(5,771,391)	(6,675,819)	(5,771,391)
Net cash flow (used in)/from financing activities		(56,846,759)	58,324,629	(46,551,799)	(5,674,576)
Net (decrease)/increase in cash and cash equivalents during the financial year		(38,616,912)	31,004,179	(22,032,503)	19,742,584
Currency translation differences		1,956,056	110,187	-	-
Cash and cash equivalents at the beginning of the financial year		54,961,144	23,846,778	24,584,092	4,841,508
Cash and cash equivalents at the end of the financial year	27	18,300,288	54,961,144	2,551,589	24,584,092

The accounting policies on pages 38 to 49 and the notes on pages 50 to 86 form an integral part of these financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities 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 Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ from those 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 2 to the financial statements.

(a) Standards, amendments to published standards and interpretations that are effective

The new accounting standards, amendments to published standards and Issues Committee ("IC") Interpretations to existing standards effective for the Group's and the Company's financial years beginning on or after 1 February 2006 are as follows:

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 2 Share-based Payment
- FRS 3 Business Combinations
- FRS 5 Non-current Assets Held for Sale and Presentation of Discontinued Operations
- FRS 101 Presentation of Financial Statements
- FRS 102 Inventories
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- FRS 110 Events After the Balance Sheet Date
- FRS 116 Property, Plant and Equipment
- FRS 121 The Effects of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 128 Investments in Associates
- FRS 131 Interests in Joint Ventures
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per Share
- FRS 136 Impairment of Assets
- FRS 138 Intangible Assets
- FRS 140 Investment Property
- Amendment to FRS 119_{2004} Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
- IC 107 Introduction of the Euro
- IC 110 Government Assistance – No Specific Relation to Operating Activities
- IC 112 Consolidation – Special Purpose Entities
- IC 113 Jointly Controlled Entities – Non-Monetary Contributions by Venturers
- IC 115 Operating Leases – Incentives
- IC 121 Income Taxes – Recovery of Revalued Non-Depreciable Assets
- IC 125 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
- IC 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IC 129 Disclosure – Service Concession Arrangements
- IC 131 Revenue – Barter Transactions Involving Advertising Services
- IC 132 Intangible Assets – Web Site Costs

A Basis of Preparation (CONTINUED)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards, amendments to published standards and interpretations. All standards, amendments and interpretations adopted by the Group and the Company require retrospective application, other than:

- FRS 2 – retrospective application for all equity instruments granted after 31 December 2004 and not vested as at 1 February 2006
- FRS 3 – prospective application for business combinations for which the agreement date is on or after 1 January 2006
- FRS 5 – prospective application to non-current assets (or disposal groups) that meet the criteria to be classified as held for sale and to operations that meet the criteria to be classified as discontinued on or after 1 February 2006
- FRS 116 – the exchange of property, plant and equipment is accounted at fair value prospectively
- FRS 121 – prospective accounting for goodwill and fair value adjustments as part of foreign operations
- FRS 136 and 138 – applies to goodwill and intangible assets acquired in business combinations for which the agreement date is on or after 1 January 2006 and all other assets prospectively from 1 February 2006
- FRS 140 – prospective accounting for investment property at fair value

A summary of the impact of the new accounting standards, amendments to published standards and interpretations to existing standards on the financial statements of the Group and of the Company is set out in Note 35 to the financial statements.

(b) Standards, amendments to published standards and interpretations that are not yet effective and have not been early adopted

The new standards, amendments to published standards and interpretations that are mandatory for the Group's financial year beginning on or after 1 February 2007 or later periods, and the Group has not early adopted, are as follows:

- FRS 117 "Leases" (effective for accounting periods beginning on or after 1 October 2006). This standard requires the classification of leasehold land as prepaid lease payments. The Group will apply this standard from the financial years beginning on 1 February 2007.

- FRS 124 "Related Party Disclosures" (effective for accounting periods beginning on or after 1 October 2006). This standard will affect the identification of related parties and some other related party disclosures. The Group will apply this standard from the financial years beginning 1 February 2007.

- FRS 139 "Financial Instruments: Recognition and Measurement" (effective date yet to be determined by MASB). This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group will apply this standard when it becomes effective.

- Amendment to FRS 121 "The Effects of Changes in Foreign Exchange Rates" – Net Investment in Foreign Operation (effective for accounting periods beginning on or after 1 January 2007). This amendment requires exchange differences on monetary items that form part of the net investment in a foreign operation to be recognised in equity instead of in profit or loss regardless of the currency in which these items are denominated in.

- IC 8 "Scope of FRS 2" (effective for accounting periods beginning on or after 1 July 2007). This interpretation clarifies that FRS 2 "Share-based Payment" applies even in the absence of specifically identifiable goods and services. The Group will apply this IC Interpretation from the financial years beginning on 1 February 2008.

(c) Standard, amendments to published standards and interpretations that are not yet effective and are not relevant for the Group's operations

- FRS 6 "Exploration for and Evaluation of Mineral Resources" (effective for accounting periods beginning on or after 1 January 2007). FRS 6 is not relevant to the Group's operations as the Group does not carry out exploration for and evaluation of mineral resources.

- Amendments to FRS 119_{2004} "Employee Benefits" – Actuarial Gains and Losses, Group Plans and Disclosures (effective for accounting periods beginning on or after 1 January 2007). This amendment to FRS 119_{2004} is not relevant to the Group's operations as the Group does not have any defined benefit plan.

A Basis of Preparation (CONTINUED)

(c) Standard, amendments to published standards and interpretations that are not yet effective and are not relevant for the Group's operations (continued)

- IC 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities" (effective for accounting periods beginning on or after 1 July 2007).
- IC 2 "Members' Shares in Co-operative Entities and Similar Instruments" (effective for accounting periods beginning on or after 1 July 2007).
- IC 5 "Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds" (effective for accounting periods beginning on or after 1 July 2007).
- IC 6 "Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment" (effective for accounting periods beginning on or after 1 July 2007).
- IC 7 "Applying the Restatement Approach under FRS 129_{2004} Financial Reporting in Hyperinflationary Economies" (effective for accounting periods beginning on or after 1 July 2007).

B Economic Entities in the Group

(a) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. In assessing whether potential voting rights contribute to control, the Group examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential voting rights.

Subsidiaries are consolidated using the purchase method of accounting. Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill (see accounting policy D(a) on goodwill). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Minority interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition and the minorities' share of changes in the subsidiaries' equity since that date.

All inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary, which is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal, including the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

B Economic Entities in the Group (CONTINUED)

(b) Transactions with minority interests

For purchases of a subsidiary's equity shares from minority interests for cash consideration and the purchase price is established at fair value, the accretion of the Group's interests in the subsidiary is treated as purchase of equity interest under the purchase method of accounting. The identifiable assets and liabilities acquired are adjusted to their fair values, with the resulting difference being attributed to goodwill.

When the Group's and the minorities' interest in a subsidiary change substantially as a result of a group reorganisation or restructuring where the consideration is not on a cash basis, the accretion or dilution of the Group's interest is treated as an equity transaction between the subsidiary and its shareholders. Any difference between the Group's share of net assets immediately before and immediately after the change in shareholding and any consideration received or paid is adjusted to or against the Group's reserves.

Disposals of equity shares to minority interests for cash consideration and at fair value result in gains and losses for the Group and are recorded in the income statement. The gain or loss is the difference between the Group's share of net assets immediately before and immediately after the disposal and a rateable portion of goodwill is realised.

(c) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss (see accounting policy D(a) on goodwill).

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

Dilution gains and losses in associates are recognised in the income statement.

For incremental interest in an associate, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. There is no "step up to fair value" of net assets of the previously acquired stake and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

(d) Jointly Controlled Entities

Jointly controlled entities are corporations, partnerships, or other entities in which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition results of jointly controlled entities in the income statement and its share of post-acquisition movements of reserves in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

B Economic Entities in the Group (CONTINUED)

(d) Jointly Controlled Entities (continued)

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the assets transferred.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with the Group.

C Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land and capital work-in-progress which are not depreciated. Freehold land is not depreciated as it has an infinite life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 charged to the income statement during the financial period in which they are incurred.

The Group amortises all leasehold land in equal instalments based on the tenures of the leases. Other property, plant and equipment are depreciated on a straight-line basis to write-off the cost of the assets to their residual values over their estimated useful lives. The annual rates of depreciation are as follows:

Leasehold land	Over the lease period of 50 to 99 years
Buildings	2 - 20%
Plant and machinery	12%
Furniture, fixtures, fittings and equipment	8 - 20%
Motor vehicles	16 - 20%
Gymnasium and electrical equipment	20%
Renovation	10 - 20%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the income statement for the financial year in which the changes arise.

At each balance sheet date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount (see accounting policy F on impairment of assets).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statement.

D Intangible Assets

(a) Goodwill

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

D Intangible Assets (CONTINUED)

(a) Goodwill (continued)

Goodwill on acquisition of subsidiaries is included in the balance sheet as intangible assets. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity 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. The Group allocates goodwill to each business segment in each country in which it operates. See accounting policy F on impairment of assets.

Goodwill on acquisitions of jointly controlled entities and associates is included in investments in jointly controlled entities and associates, respectively. 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) It can be demonstrated that the intangible asset will generate probable future economic benefits;
(iii) Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(iv) 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 are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

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 accounting policy F on impairment of assets.

E Investments

Investments in subsidiaries, associates and jointly controlled entities are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy F on impairment of assets.

Long term investments are stated at cost, unless in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of investment, such a decline is recognised as an expense in the period in which the decline is identified.

Short term investments in marketable securities are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying value of marketable securities are credited/charged to the income statement.

On disposal of an investment, the difference between net disposal proceeds and its carrying value is charged or credited to the income statement.

F Impairment of Assets

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. An impairment loss is recognised for the amount by which the carrying value 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 level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statement and any subsequent increase in recoverable amount is recognised in the income statement.

G Inventories

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

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

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

H Trade Receivables

Trade receivables are carried at invoice amount less an allowance for doubtful debts. An allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off in the financial year when it is established that they are irrecoverable.

I Amounts Due From/(To) Customers On Construction Contracts

Where the amounts of construction contract costs incurred plus recognised profits (less recognised losses) exceed progress billings, the net balance is shown as amounts due from customers on construction contracts. Where the progress billings exceed the sum of construction contract costs incurred and recognised profits (less recognised losses), the net balance is shown as amounts due to customers on construction contracts.

J Cash And Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

K Borrowings

(a) Classification

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

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 balance sheet date.

(b) Capitalisation of borrowing cost

Interest cost on borrowings to finance the construction of property, plant and equipment during the period that is required to complete and prepare the asset for its intended use are capitalised as part of the cost of the asset.

All other borrowing costs are charged to the income statement.

L Hire-Purchase and Finance Leases

(a) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the lower of the fair value of the leased assets or the estimated present value of the underlying lease payments at the date of inception. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the lease principal outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease contracts is depreciated over the useful life of the asset in accordance with the annual depreciation rates set out in accounting policy C. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

(b) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement over the lease period.

M Income Taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associate or jointly controlled entity on distributions of retained earnings to companies in the Group.

Deferred tax is recognised 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 is not accounted for if it arises from the 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 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 on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates (or tax laws) that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, 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 tax assets and liabilities are offset when there is a legally enforceable right to offset and the Group intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

N Employee Benefits

(a) Short term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the equity holders of the Company after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

N Employee Benefits (CONTINUED)

(a) Short term employee benefits (continued)

Wages, salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(b) Post-employment benefits - 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 the employee service in the current and prior periods.

The Group's contribution to defined contribution plans, including the national defined contribution plan, the Employees' Provident Fund ("EPF") are charged to the income statement 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) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for the employees (including Directors) of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the income statement over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

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.

The Group has taken advantage of the transitional provision of FRS 2 in respect of equity instruments granted after 31 December 2004 and not vested as at 1 February 2006.

(d) 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 the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

O Share Capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(b) Share Issue Costs

Incremental external costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(c) Dividends

Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date.

P Contingent Liabilities

The Group does not recognise a contingent liability 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 circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the notes to the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137_{2004} and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118_{2004}.

Q Revenue Recognition

(a) Investment income

Dividend income is recognised when the Group's right to receive payment is established. Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Income arising from the disposal of investments is taken to the income statement upon disposal of investment.

(b) Income from sale of goods and services rendered

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue from sales of goods and services are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales taxes, returns and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met.

(c) 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.

When the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the contract costs incurred to-date to the estimated total costs for the contract. Cost incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as amounts due from/(to) customers on construction contracts within trade and other receivables on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract cost incurred that are likely to be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Q Revenue Recognition (CONTINUED)

(c) Construction contracts (continued)

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

R 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.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates. 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 statement.

(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:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) Income and expenses for each income statement are translated at the 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
(iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to exchange fluctuation reserve. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate at the date of the balance sheet.

S Deferred revenue

(a) Government grants

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the acquisition of assets are included in non-current liabilities as deferred income and are credited to the income statement over the expected lives of the related assets, on bases consistent with the depreciation of the related assets.

Government grants relating to costs are deferred and are recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

S Deferred revenue (CONTINUED)

(b) Others

Deferred revenue represents unutilised balance of short messaging services ("SMS") in respect of prepaid SMS sold to customers, unearned revenue from web-site maintenance contracts and advance subscription fees for usage of club facilities, which will be recognised in the income statement upon utilization or performance of services.

T Financial Instruments

(a) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

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.

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.

(b) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheets is disclosed in the individual accounting policy note associated with each item.

(c) Fair value estimation for disclosure purposes

The fair value of publicly traded financial instruments is based on quoted market prices at the balance sheet date.

In assessing the fair values of non-traded financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices are used if available or other techniques, such as estimated discounted value of future cash flows and the underlying net asset base of the instrument are used to determine fair values. In particular, the fair values of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rates available to the Group for similar financial instruments.

The carrying values of financial assets and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

U Segment Reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products and services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

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, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

1 General Information

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the Group's subsidiaries are investment holding, manufacturing of pharmaceuticals products, information and communication technology services, paper manufacturing, provision of engineering services for water treatment plants and related services and aquaculture.

The Group's associates and jointly-controlled entities are principally involved in investment holding, property investment and development, provision of water purification and waste water treatment services, intelligent facilities management services and mobile communication technology services.

There have been no significant changes in the nature of these activities during the financial year other than the commencement of the aquaculture operations.

The Company is a limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

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

Penthouse
Menara Tan & Tan
207, Jalan Tun Razak
50400 Kuala Lumpur

2 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, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are outlined below.

(a) Impairment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy D(a), and whenever events or changes in circumstances indicate that the goodwill may be impaired.

For the purposes of assessing impairment, goodwill is allocated to 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.

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash generating units or groups of cash-generating units, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of goodwill.

(b) Impairment of investments

Investment in subsidiaries, associates and jointly controlled entities are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, jointly controlled entitites and associates, which involves uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's test for impairment of investments.

(c) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(d) Construction contracts

The Group recognises contract revenue based on the stage of completion method. The stage of completion is measured by reference to the contract costs incurred to-date to the estimated total contract costs for the contract. When it is probable that the estimated total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Significant judgement is required in the estimation of total contract costs. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profits/(losses) recognised.

(e) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(f) Share based payments

The amount of expenses in relation to the equity-settled share based payments granted by Goldis Berhad to employees of the Group are determined by reference to the fair value of the share options at the date of grant. The Group revises the estimated number of share options granted that are expected to vest at each balance sheet date.

Certain judgements are required in the determination of the fair value of share options granted, which involves uncertainties and are significantly affected by assumptions used and judgements made regarding expected volatility, dividend yield, risk-free interest rates, estimated number of share options that are expected to vest, amongst others. Changes in assumptions could significantly affect the Group's determination of the fair value of share options granted to employees of the Group.

(g) Fair value of financial instruments for disclosure purposes

The estimated fair values of the Group's financial instruments where quoted market prices do not exist are derived using the discounted value of future cash flows or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect estimates and the resulting fair values.

3 Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks, including:

- foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates
- interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates
- cash flow risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value
- market risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market
- credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss
- liquidity risk (funding risk) – risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments

3 Financial Risk Management Objectives and Policies (CONTINUED)

The Group's overall financial risk management programme 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 and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Foreign currency exchange risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into with companies in currencies other than their functional currency. The Group mitigates its currency risk exposure by maintaining foreign currency bank accounts for the underlying foreign currency transactions, where possible. The exposures of the Group to currency fluctuations are kept at an acceptable level.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debts.

(c) Market risk

For key product purchases, the Group establishes good relationships with major suppliers and monitors the price levels consistently. Alternative sources of supply are always made available should the pricing of existing suppliers become unfavourable to the Group.

(d) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The Group has no significant concentrations of credit risk except that the majority of its deposits are placed with major financial institutions in countries in which the Group operates such as Malaysia and The People's Republic of China.

The Group trades with a large number of customers who are internationally dispersed, with a variety of end markets. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

(e) Liquidity and cash flow risks

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding requirements are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

4 Segment Reporting

The Group is organised into five main business segments:

(a) Healthcare
(b) Property investment and development
(c) Information and communication technology
(d) Paper manufacturing
(e) Water treatment services
(f) Others *

* Others comprise primarily the aquaculture operations and other operations of the Group, which are not of a sufficient size to be reported separately.

4 Segment Reporting (CONTINUED)

(a) Analysis by business segment

	Healthcare RM	Property investment and development RM	Information and communication technology RM	Paper manufacturing RM	Water treatment services RM	Others RM	Group RM
2007							
Revenue	57,978,924	41,368,428	43,751,847	65,740,185	2,966,653	3,535,777	215,341,814
Results :							
Segment results							
Profits from operations	(4,925,550)	38,282,971	(8,614,410)	7,847,845	(4,738,837)	642,221	28,494,240
Finance costs							(8,163,276)
Share of results:							
- Associates							42,317,701
- Jointly-controlled entities							2,084,867
Profit before taxation							64,733,532
Taxation							681,584
Net profit for the financial year							65,415,116
Attributable to:							
Equity holders of the Company							67,178,437
Minority interests							(1,763,321)
Net profit for the financial year							65,415,116
Assets employed:							
Segment assets	73,819,075	140,532,682	46,609,416	68,873,870	42,181,676	5,347,955	377,364,674
Associates	-	763,767,898	-	-	1,966,250	36,461,435	802,195,583
Jointly-controlled entities	-	-	(608,755)	-	-	-	(608,755)
							1,178,951,502
Unallocated corporate assets							8,543,055
							1,187,494,557
Segment liabilities	43,316,775	31,936,605	19,650,126	58,507,402	41,565,281	496,925	195,473,114
Unallocated corporate liabilities							548,561
							196,021,675
Incurred for the year:							
Capital expenditure:							
- Property, plant and equipment	830,256	24,569,183	1,817,318	14,264,649	17,411,047	1,182,344	60,074,797
- Intangible assets:							
- Development costs	-	-	1,520,908	-	-	-	1,520,908
- Goodwill	-	-	207,550	-	-	-	207,550
- License	-	-	-	-	-	300,000	300,000
Depreciation	2,173,467	133,567	594,613	1,929,480	80,319	3,692	4,915,138

4 Segment Reporting (CONTINUED)

(a) Analysis by business segment (continued)

	Healthcare RM (Restated)	Property investment and development, and hotels RM (Restated)	Information and communication technology RM (Restated)	Paper manufacturing RM	Others RM (Restated)	Group RM (Restated)
2006						
Revenue	74,932,695	-	39,588,164	63,166,136	5,341,015	183,028,010
Results :						
Segment results						
Profits from operations	2,841,942	(4,518,815)	1,957,531	11,170,192	(1,167,585)	10,283,265
Finance costs						(6,912,826)
Share of results:						
- Associates	-	30,707,704	(27,502)	-	-	30,680,202
- Jointly-controlled entities	-	2,962,663	(9,643,806)	-	-	(6,681,143)
Profit before taxation						27,369,498
Taxation						7,092,610
Net profit for the financial year						34,462,108
Attributable to:						
Equity holders of the Company						31,685,628
Minority interests						2,776,480
Net profit for the financial year						34,462,108
Assets employed:						
Segment assets	81,006,022	83,750,010	49,432,078	62,456,189	37,210,640	313,854,939
Associates	-	740,503,363	882,679	-	-	741,386,042
Jointly-controlled entities	-	68,181,939	(134,931)	-	-	68,047,008
						1,123,287,989
Unallocated corporate assets						5,559,693
						1,128,847,682
Segment liabilities	43,917,287	74,244,313	29,413,393	57,377,241	32,433,908	237,386,142
Unallocated corporate liabilities						709,776
						238,095,918
Incurred for the year:						
Capital expenditure:						
- Property, plant and equipment	1,708,511	3,679,844	744,226	2,974,764	122,517	9,229,862
Depreciation	2,162,806	105,483	622,914	1,697,777	55,433	4,644,413

4 Segment Reporting (CONTINUED)

(b) Analysis by geographical location

	Revenue RM	Total segment assets RM	Capital expenditure RM
2007:			
Malaysia	146,634,976	269,427,471	28,399,100
People's Republic of China	68,706,838	109,702,673	30,322,823
Singapore	-	3,774,911	-
Hong Kong	-	3,002,674	1,352,874
	215,341,814	385,907,729	60,074,797
Associates		802,195,583	
Jointly-controlled entities		(608,755)	
Total assets		1,187,494,557	
2006:			
Malaysia	114,524,486	208,712,051	6,132,580
People's Republic of China	63,166,136	89,001,883	3,097,282
Singapore	5,337,388	18,697,495	-
Hong Kong	-	3,003,203	-
	183,028,010	319,414,632	9,229,862
Associates		741,386,042	
Jointly-controlled entities		68,047,008	
Total assets		1,128,847,682	

In determining the geographical segments of the Group, revenue is based on the country in which the customers are located. Total segment assets and capital expenditure incurred during the financial year are determined according to the country where the assets are located.

5 Acquisition of Subsidiaries

A Acquisition of subsidiaries during the financial year

During the financial year, the Group acquired the following subsidiaries:

(a) Ganyu Xin Cheng Sewage Treatment Co. Ltd

On 24 March 2006, the Group had, via its subsidiary, Jiang Su Gold Water Co. Ltd ("JSGW"), acquired 77.5% of the issued and paid-up share capital of Ganyu Xin Cheng Sewage Treatment Co. Ltd ("GY"), for a cash consideration of RM3,619,250.

However, the Directors have assessed that the Group had exercised control over GY effective from the date of incorporation of GY on 28 September 2004 as the Group had the power to exercise control over the financial and operating policies of GY so as to obtain benefits from its activities. Accordingly, GY is consolidated as a subsidiary effective from its date of incorporation.

The consolidation of GY has no material effect on the financial results and financial positions of the Group in prior financial years. Accordingly, the comparative Group income statement, balance sheet, statement of changes in equity and cash flow statements have not been restated.

(b) Other subsidiaries

(i) On 24 February 2006, the Company had purchased the entire issued and paid-up share capital in Plentiful Visions Sdn Bhd, comprising 2 ordinary shares of RM1.00 each, resulting in Plentiful Visions Sdn Bhd becoming a wholly-owned subsidiary of the Company. On 16 March 2006, Plentiful Visions Sdn Bhd changed its name to Protech Yu (Asia) Sdn Bhd.

On 20 March 2006, the Company together with its wholly-owned subsidiary, Goldis Yu Sdn Bhd, entered into a Shareholders Agreement with EPAQ Sdn Bhd and Fish Protech Malaysia Sdn Bhd in relation to the equity participation in Protech Yu (Asia) Sdn Bhd (formerly known as Plentiful Visions Sdn Bhd).

5 Acquisition of subsidiaries (continued)

A Acquisition of subsidiaries during the financial year (continued)

(b) Other subsidiaries (continued)

As at 31 January 2007, the Group had an effective equity interest of 70% in Protech Yu (Asia) Sdn Bhd (formerly known as Plentiful Visions Sdn Bhd).

(ii) On 15 March 2006, the Group had, via its subsidiary, Macro Kiosk Berhad, acquired 60% of the issued and paid-up share capital of Eluxion Media (M) Sdn Bhd, for a cash consideration of RM72,000.

(iii) On 12 April 2006, the Company had purchased the entire issued and paid-up share capital in Goldis Water Sdn Bhd (formerly known as Kinprin Sdn Bhd), comprising 2 ordinary shares of RM1.00 each, for a cash consideration of RM2.00.

(iv) On 19 April 2006, the Group had, via its subsidiary, Jiang Su Gold Water Co. Ltd, acquired 81% of the issued and paid-up share capital of Yantai Xin Cheng Wastewater Treatment Co. Ltd, for a cash consideration of RM2,364,863.

(v) On 15 August 2006, the Group had, via its 70% owned subsidiary, Protech Yu (Asia) Sdn Bhd (formerly known as Plentiful Visions Sdn Bhd), acquired the entire issued and paid-up share capital of Biogreen Organic Sdn Bhd, comprising 2 ordinary shares of RM1.00 each, for a cash consideration of RM2.00, and the entire issued and paid-up share capital of Langkah Motivasi (M) Sdn Bhd, comprising 2 ordinary shares of RM1.00 each, for a cash consideration of RM2.00, resulting in both companies becoming wholly-owned subsidiaries of Protech Yu (Asia) Sdn Bhd. On 4 September 2006, Biogreen Organic Sdn Bhd changed its name to Protech Yu Marketing Sdn Bhd and Langkah Motivasi (M) Sdn Bhd changed its name to Protech Yu Development Sdn Bhd.

(vi) On 17 November 2006, the Group had, via its subsidiary, Macro Kiosk Berhad, acquired the entire issued and paid-up share capital of Cinomobile Pte Ltd, comprising 2 ordinary shares of SGD1.00 each, for a cash consideration of SGD2.00.

(vii) On 22 November 2006, the Group had, via its wholly-owned subsidiary, Macro Lynx Sdn Bhd, acquired the entire issued and paid-up share capital in Quantum Intermerge Sdn Bhd, comprising 2 ordinary shares of RM1.00 each, for a cash consideration of RM2.00. On 4 January 2007, Quantum Intermerge Sdn Bhd changed its name to MVC Fiberlynx Sdn Bhd.

(viii) On 24 November 2006, the Group had, via its 70%-owned subsidiary, Protech Yu (Asia) Sdn Bhd (formerly known as Plentiful Visions Sdn Bhd), acquired the entire issued and paid-up share capital in Green Nature Equation Sdn Bhd, comprising 2 ordinary shares of RM1.00 each, for a cash consideration of RM2.00. On 27 December 2006, Green Nature Equation Sdn Bhd changed its name to Protech Yu Services Sdn Bhd.

The above acquisitions have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group as at the and of the current financial year.

B Acquisition of subsidiaries in the previous financial year

In the previous financial year, the Group acquired the following subsidiaries:

(i) On 28 December 2005, the Company exercised a call option granted by Ecosem Technologies Sdn Bhd to purchase the remaining 24,000,000 ordinary shares of RM1.00 each, representing 60% of the equity interest in Ecosem Sdn Bhd, for a cash consideration of RM2.

The effect of this acquisition on the financial results of the Group in the previous financial year was as follows:

	From date of acquisition to 31.1.2006 RM
Revenue	-
Cost of sales	-
Gross profit	-
Administrative expenses	(173,266)
Loss before taxation	(173,266)
Taxation	-
Net loss for the financial year	(173,266)

5 Acquisition of Subsidiaries (CONTINUED)

B Acquisition of subsidiaries in the previous financial year (continued)

The effect of the acquisition on the financial position of the Group at the end of the previous financial year was as follows:

	As at 31.1.2006 RM
Property, plant and equipment	19,389,025
Receivables, deposits and prepayments	235,375
Deposits, cash and bank balances	222,082
Payables and accruals	(5,730,824)
Bank borrowings	(3,070,604)
Bank overdrafts	(2,485,327)
Group's share of net assets	8,559,727
Less: Amount accounted for as a jointly-controlled entity at 28 December 2005	(5,373,512)
Less: Group's share of results had the Group not acquired the additional equity interest	(69,306)
Increase in Group net assets	3,116,909

Details of net assets acquired, reserve on consolidation and cash flow arising from the acquisition were as follows:

	At date of acquisition RM
Property, plant and equipment	19,554,113
Receivables, deposits and prepayments	235,376
Deposits, cash and bank balances	222,082
Payables and accruals	(5,722,647)
Bank borrowings	(3,070,604)
Bank overdrafts	(2,485,327)
Fair value of total net assets	8,732,993
Less: Amount accounted for as a jointly-controlled entity at 28 December 2005	(5,373,512)
Fair value of net assets acquired	3,359,481
Reserve on consolidation	(3,359,479)
Cost of acquisition	2
Purchase consideration paid	2
Less: Cash and cash equivalents of subsidiary acquired	(1,357,947)
Cash outflow on acquisition	(1,357,945)

(ii) On 26 August 2005, the Group had, via its subsidiary, Macro Kiosk Berhad, acquired the entire issued and paid-up capital in Macro Kiosk (HK) Limited, comprising 1 ordinary share of HKD1.00 each, for a cash consideration of HKD1.00. The acquisition had no significant effect on the financial results of the Group in the previous financial year and the financial position of the Group as at the end of the previous financial year.

6 Disposal of a Subsidiary

On 1 December 2006, the Group had, via its 90%-owned subsidiary, GoldChina Sdn Bhd, disposed its entire issued and paid-up share capital in Tramex Pte Ltd, comprising 2 ordinary shares of SGD1.00 each and 5,000,000 preference shares of SGD0.05 each for a cash consideration of RM72,160,000. The disposal was completed on 31 January 2007.

Details of the disposal are as follows:

	At date of disposal RM
Jointly-controlled entities	64,372,439
Receivables	5,304,538
Payables	(13,650)
Net assets disposed	69,663,327
Currency translation differences	1,536,375
Net disposal proceeds	(72,160,000)
Gain on disposal	(960,298)

The net cash flows on disposal was determined as follows:

	At date of disposal RM
Total proceeds from disposal – cash consideration	72,160,000
Cash and cash equivalents of subsidiary disposed of	-
Net cash inflow on disposal*	72,160,000

* The purchaser had, on 4 January 2007, deposited the total cash consideration of RM72,160,000 into an Escrow Account in a licensed bank in The People's Republic of China, in accordance with the Share Purchase Agreement dated 1 December 2006. The balances will be transferred to GoldChina Sdn Bhd upon the transfer of shares to the purchaser, and is currently included in other receivables (Note 25).

7 Revenue

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Sale of goods and services	167,660,756	177,686,995	-	-
Gain on disposals of investments*	44,708,076	-	41,440,915	-
Construction contract revenue	2,966,653	5,337,388	-	-
Dividend income (gross)	6,329	3,627	11,173,700	10,191,903
Interest income	-	-	622,343	715,586
Management services	-	-	109,200	142,800
	215,341,814	183,028,010	53,346,158	11,050,289

* The gain on disposals of investments of the Group and of the Company comprise the gain on disposal of the Company's and its subsidiary's investments in Kris Assets Holdings Berhad, a subsidiary of the Company's associate, IGB Corporation Berhad.

8 Profit from Operations

The following items have been charged/(credited) in ariving at profit from operations:

	Group		Company	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Advertising and promotional expenses	23,497,897	26,891,030	-	-
Allowance for doubtful debts	8,682	1,291,323	-	-
Auditors' remuneration:				
- Current year	213,869	177,022	35,000	35,000
- Over/under accrual in prior years	(1,200)	300	-	1,000
- Non-audit fees	15,750	-	-	-
Directors' remuneration (Note 9)	836,185	1,614,459	836,185	1,614,459
Foreign exchange loss:				
- Unrealised	1,412,221	278,714	-	-
- Realised	125,100	62,758	-	-
Inventories				
- Written off	393,079	392,647	-	-
- Recognised as an expense	22,517,688	24,680,740	-	-
Property, plant and equipment:				
- Depreciation	4,915,138	4,644,413	74,352	34,614
- (Gain)/loss on disposals	(49,012)	35,797	-	-
- Written off	276,168	80,107	-	-
- Impairment	2,681,567	-	-	-
Rental expenses:				
- Equipment	13,530	13,950	-	-
- Premises	2,526,773	2,295,453	275,866	246,847
Research and development expenses	56,666	-	-	-
Employee benefits cost (Note 10)	23,406,008	20,067,313	1,781,921	1,578,626
Gain on disposal of investments	(44,708,076)	-	(41,440,945)	-
Gain on disposal of a subsidiary (Note 6)	(960,298)	-	-	-
Interest income (excluding interest income disclosed as revenue)	(1,075,985)	(194,055)	(1,030,289)	(187,366)
Rental income from rental of premises	(45,000)	(549,732)	-	-

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	
	2007 RM	**2006 RM (Restated)**	**2007 RM**	**2006 RM (Restated)**
Non-executive Director:				
- fees	85,000	85,000	85,000	85,000
- employees' share options	-	124,392	-	124,392
	85,000	209,392	85,000	209,392
Executive Director:				
- basic salaries, bonus and allowances	666,185	704,680	666,185	704,680
- defined contribution plan	75,000	84,648	75,000	84,648
- fees	10,000	10,000	10,000	10,000
- employees' share options	-	605,739	-	605,739
	751,185	1,405,067	751,185	1,405,067
	836,185	1,614,459	836,185	1,614,459

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and of the Company by way of the provision of other benefits amounted to RM7,800 (2006: RM7,800) and RM7,800 (2006: RM7,800) respectively.

9 Directors' Remuneration (CONTINUED)

The Executive Director and certain Non-Executive Directors of the Company have been granted options under the Employees' Share Option Scheme ("ESOS") on the same terms and conditions as those offered to other employees of the Group (Note 32) as follows:

			Number of options over ordinary shares of RM1.00 each			
Grant date	**Expiry date**	**Exercise price RM/share**	**At 1.2.2006**	**Granted**	**Exercised**	**At 31.1.2007**
29 September 2003	19 May 2007	1.00	500,000	-	-	500,000
28 July 2005	19 May 2007	1.17	1,700,000	-	-	1,700,000
5 October 2005	19 May 2007	1.15	1,000,000	-	-	1,000,000
			3,200,000	-	-	3,200,000

	2007	2006
Number of share options vested at balance sheet date	2,700,000	600,000

10 Employee Benefits Cost

	Group		Company	
	2007 RM	**2006 RM (Restated)**	**2007 RM**	**2006 RM (Restated)**
Wages, salaries and bonus	22,125,433	18,179,209	1,303,852	1,141,260
Defined contribution plan	1,011,092	1,673,067	237,929	222,329
Termination benefits	10,413	-	-	-
Employees' share options	259,070	215,037	240,140	215,037
	23,406,008	20,067,313	1,781,921	1,578,626
Number of employees	901	895	22	21

11 Finance Costs

	Group		Company	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Interest expenses on:				
- term loans	2,213,223	2,483,982	-	-
- revolving credits	6,864,305	4,005,421	584,477	1,611,140
- trust receipts/bankers' acceptances	185,413	249,796	-	-
- hire-purchase and finance lease	79,433	88,153	-	-
- bank overdrafts	49,625	64,354	-	-
- others	11,962	21,120	-	-
	9,403,961	6,912,826	584,477	1,611,140
Less interest capitalised into:				
- Property, plant and equipment (Note 15)	(1,240,685)	-	-	-
	8,163,276	6,912,826	584,477	1,611,140

12 Taxation

	Group		Company	
	2007 RM	2006 RM (Restated)	2007 RM	2006 RM
Current tax				
- Malaysian tax	1,076,831	(6,979,145)	990,021	667,530
- Foreign tax	41,666	150,774	-	-
	1,118,497	(6,828,371)	990,021	667,530
Deferred tax (Note 20)	(1,800,081)	(264,239)	-	-
	(681,584)	(7,092,610)	990,021	667,530
Current tax:				
Current tax	1,257,770	823,025	990,021	667,530
(Over)/under accrual in prior years	(139,273)	(7,651,396)	-	-
	1,118,497	(6,828,371)	990,021	667,530
Deferred tax:				
Origination and reversal of temporary differences	(1,800,081)	(264,239)	-	-
	(681,584)	(7,092,610)	990,021	667,530

The reconciliation between the effective tax rate and the Malaysian tax rate are as follows:

	Group		Company	
	2007 %	2006 % (Restated)	2007 %	2006 %
Malaysian tax rate	27	28	27	28
Tax effects of:				
- share of results of associates and jointly-controlled entities	(19)	(25)	-	-
- different tax rates in other countries	-	(9)	-	-
- change in tax rate	-	1	-	-
- expenses not deductible for tax purposes	18	5	-	2
- double deduction expenses	(5)	(21)	-	-
- income not subject to tax	(32)	(11)	(25)	(19)
- pioneer status tax exemption	-	(8)	-	-
- reinvestment allowance	(2)	-	-	-
- current year's tax losses and deductible temporary differences not recognised	5	43	-	-
- utilisation of previously unrecognised tax losses	7	(1)	-	-
- (over)/under accrual in prior years	-	(28)	-	-
Effective tax rate	(1)	(26)	2	11

Subject to the agreement by the tax authorities, as at 31 January 2007, one of the Group's subsidiary has unutilised reinvestment allowances, amounting to RM2,792,456 (2006: RM2,444,695) for which no credit has been recognised.

13 Earnings per Share

(a) Basic earnings per share

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

13 Earnings per Share (CONTINUED)

(a) Basic earnings per share (continued)

	Group 2007	Group 2006 (Restated)
Net profit attributable to ordinary equity holders of the Company	67,178,437	31,685,628
Weighted average number of ordinary shares in issue	320,982,123	320,684,638
Basic earnings per share (sen)	20.93	9.88

(b) Diluted earnings per share

For the diluted earnings per share calculation, 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 share options granted to employees.

In respect of share options granted to employees, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the share options calculation.

	Group 2007	Group 2006 (Restated)
Net profit attributable to ordinary equity holders of the Company	67,178,437	31,685,628
Weighted average number of ordinary shares in issue	320,982,123	320,684,638
Adjustments for exercise of ESOS	626,966	374,238
Weighted average number of ordinary shares for diluted earnings per share	321,609,089	321,058,876
Diluted earnings per share (sen)	20.89	9.87

14 Dividends

Dividends declared in respect of ordinary shares for the financial year are as follows:

	Group and Company 2007 Gross dividend per share Sen	2007 Amount of dividends, net of tax RM	2006 Gross dividend per share Sen	2006 Amount of dividends, net of tax RM
Final dividend, net of tax of 28% (2006: 28%)	1.5	3,466,291	2.5	5,771,391
Final dividend, tax exempt	1.0	3,209,528	-	-
	2.5	6,675,819	2.5	5,771,391

The Directors now recommend the payment of a first and final dividend in respect of the financial year ended 31 January 2007 of 0.5 sen per share less income tax of 26% and 1.5 sen per share tax exempt on 321,048,830 ordinary shares, amounting to RM6,003,613 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 27 July 2007 to shareholders registered on the Company's Register of Members at the close of business on 4 July 2007.

15 Property, Plant and Equipment

Group 2007	Freehold land RM	Long term leasehold land RM	Buildings RM	Plant and machinery RM	Furniture, fixtures, fittings and equipment RM	Motor vehicles RM	Gymnasium and electrical equipment RM	Renovation RM	Capital work-in -progress RM	Total RM
Cost										
At 1 February 2006	38,556,183	3,788,983	37,534,512	32,273,387	5,502,162	683,245	564,026	2,168,770	5,950,295	127,021,563
Additions	6,400,000	599,099	28,864	730,061	2,918,938	123,887	2,990	358,510	48,912,448	60,074,797
Acquisition of a subsidiary	-	-	-	-	22,749	-	-	10,800	-	33,549
Disposals	-	-	(4,568,357)	(46,570)	(82,715)	(165,157)	-	(7,499)	-	(4,870,298)
Written off	-	-	(98,364)	(283,274)	-	-	-	(68,766)	-	(450,404)
Reclassification	-	-	2,662,926	1,334,294	4,500	-	-	(4,500)	(3,997,220)	-
Currency translation differences	-	-	(355,122)	(497,036)	2,299	(19,367)	-	(1,530)	(97,100)	(967,856)
At 31 January 2007	44,956,183	4,388,082	35,204,459	33,510,862	8,367,933	622,608	567,016	2,455,785	50,768,423	180,841,351
Accumulated depreciation										
At 1 February 2006	-	44,000	2,645,531	7,031,777	2,088,027	293,970	356,846	843,802	-	13,303,953
Charge for the financial year	-	127,561	873,326	2,247,986	996,253	148,358	58,363	463,291	-	4,915,138
Disposals	-	-	(193,188)	(42,854)	(27,199)	(79,377)	-	(1,064)	-	(343,682)
Written off	-	-	(43,193)	(108,950)	-	-	-	(22,093)	-	(174,236)
Currency translation differences	-	-	(77,328)	(187,412)	(222)	(9,554)	-	(214)	-	(274,730)
At 31 January 2007	-	171,561	3,205,148	8,940,547	3,056,859	353,397	415,209	1,283,722	-	17,426,443
Accumulated impairment losses										
At 1 February 2006	-	-	-	-	20,507	-	-	-	-	20,507
Impairment losses for the financial year	-	-	133,869	1,972,929	574,769	-	-	-	-	2,681,567
At 31 January 2007	-	-	133,869	1,972,929	595,276	-	-	-	-	2,702,074
Net book value										
At 31 January 2007	44,956,183	4,216,521	31,865,442	22,597,386	4,715,798	269,211	151,807	1,172,063	50,768,423	160,712,834

15 Property, Plant and Equipment (CONTINUED)

Group 2006	Note	Freehold land RM	Long term leasehold land RM	Buildings RM	Plant and machinery RM	Furniture, fixtures, fittings and equipment RM	Motor vehicles RM	Gymnasium and electrical equipment RM	Renovation RM	Capital work-in -progress RM	Total RM
Cost											
At 1 February 2005		36,966,183	2,888,091	27,921,766	22,285,755	4,684,718	612,663	436,051	1,409,350	2,224,006	99,428,583
Additions		1,590,000	900,892	55,127	696,910	1,483,074	63,573	211,215	759,420	3,469,651	9,229,862
Acquisition of a subsidiary	5	-	-	9,458,057	9,520,057	575,999	-	-	-	-	19,554,113
Disposals		-	-	-	(392,352)	(59,052)	-	-	-	-	(451,404)
Written off		-	-	-	(48,864)	(1,183,463)	-	(83,240)	-	-	(1,315,567)
Currency translation differences		-	-	99,562	211,881	886	7,009	-	-	256,638	575,976
At 31 January 2006		38,556,183	3,788,983	37,534,512	32,273,387	5,502,162	683,245	564,026	2,168,770	5,950,295	127,021,563
Accumulated depreciation											
At 1 February 2005		-	33,000	1,808,569	4,987,498	2,376,601	133,072	398,571	438,740	-	10,176,051
Charge for the financial year		-	11,000	810,584	2,346,925	871,415	158,353	41,074	405,062	-	4,644,413
Disposals		-	-	-	(353,117)	(26,443)	-	-	-	-	(379,560)
Written off		-	-	-	(19,057)	(1,133,604)	-	(82,799)	-	-	(1,235,460)
Currency translation differences		-	-	26,378	69,528	58	2,545	-	-	-	98,509
At 31 January 2006		-	44,000	2,645,531	7,031,777	2,088,027	293,970	356,846	843,802	-	13,303,953
Accumulated impairment losses											
At 1 February 2005/ At 31 January 2006		-	-	-	-	20,507	-	-	-	-	20,507
Net book value											
At 31 January 2006		38,556,183	3,744,983	34,888,981	25,241,610	3,393,628	389,275	207,180	1,324,968	5,950,295	113,697,103

15 Property, Plant and Equipment (CONTINUED)

Net borrowing costs of RM1,240,685 (2006: Nil), incurred for financing the construction of a building of a subsidiary, were capitalised in capital work-in-progress during the financial year (Note 11).

Net book value of assets pledged as security for term loans, revolving credits, and trust receipts (Note 30) are as follows:

	Group	
	2007 RM	**2006 RM**
Freehold land	44,956,183	37,411,269
Capital work-in-progress	20,492,192	3,521,180
Long term leasehold land and building	26,161,513	24,561,484
Plant and machinery	10,209,903	10,571,384
	101,819,791	76,065,317

The net book value of plant and machinery under hire purchase and finance lease arrangements at the end of the financial year amounted to RM1,798,315 (2006: RM1,868,425).

	Furniture, fixtures, fittings and equipment RM
Company 2007	
Cost	
At 1 February 2006	335,277
Additions	43,024
At 31 January 2007	378,301
Accumulated depreciation	
At 1 February 2006	73,194
Charge for the financial year	74,352
At 31 January 2007	147,546
Net book value	
At 31 January 2007	230,755
Company 2006	
Cost	
At 1 February 2005	176,613
Additions	158,664
At 31 January 2006	335,277
Accumulated depreciation	
At 1 February 2005	38,580
Charge for the financial year	34,614
At 31 January 2006	73,194
Net book value	
At 31 January 2006	262,083

16 Intangible Assets

	Development costs RM	Goodwill RM	License RM	Total RM
Group				
Cost				
At 1 February 2006	-	-	-	-
Additions	1,520,908	207,550	300,000	2,028,458
At 31 January 2007	1,520,908	207,550	300,000	2,028,458
Accumulated depreciation				
At 1 February 2006/ At 31 January 2007	-	-	-	-
Net book value				
At 31 January 2007	1,520,908	207,550	300,000	2,028,458

Development costs principally comprise of expenditure on the development of new products where it is reasonably anticipated that the costs will be recovered through future commercial activities. The product development was completed at the financial year-end and accordingly, no amortisation has been charged to the income statement for the current financial year.

The license fee is in relation to fees paid for the technological know-how and management system in producing chemical and pollution free fishes. The license has no expiry date and accordingly, it is not subject to amortisation and will be tested annually for impairment.

Impairment tests for goodwill

The carrying amount of goodwill has been allocated to the cash-generating units ("CGUs") of Eluxion Media (M) Sdn Bhd ("EM"), which is within the segment of information and communication technology.

The recoverable amount of EM is determined based on value-in-use calculations, using pre-tax cash flow projections based on financial budgets approved by the Directors covering a five-year period.

The key assumptions used in the value-in-use calculations are as follows:

	%
Gross margin	45
Growth rate	10
Pre-tax discount rate	12

The Directors have determined the budgeted gross margin and the average growth rate based on past performance and its expectations of market development. The discount rate used is pre-tax and reflect specific risks relating to the segment.

17 Subsidiaries

	Company 2007 RM	2006 RM
Investment in subsidiaries, at cost		
Unquoted ordinary shares	39,519,695	38,496,390
Redeemable Convertible Unsecured Loan Stocks*	5,000,000	-
	44,519,695	38,496,390

* During the financial year, the Company subcribed to 5,000,000 units of Redeemable Convertible Unsecured Loan Stocks ("RCULS") issued by its wholly-owned subsidiary, Goldis Yu Sdn Bhd, at 100% of the nominal value of RM1.00 each. The RCULS bear interest of 4% per annum, payable anually in arrears, calculated on the basis of the actual number of days elapsed in a year of 365 days, with the last payment of interest to be made on the maturity date of the RCULS on 4 December 2009. All outstanding RCULS at the date of maturity will be redeemed by Goldis Yu Sdn Bhd at the aggregate nominal value of the RCULS.

17 Subsidiaries (CONTINUED)

The details of subsidiaries are as follows:

Name of company	Place of incorporation	Principal activities	Group's effective interest 2007 %	2006 %
Ecosem Sdn Bhd +	Malaysia	Curtailed operations	100.00	100.00
GoldChina Sdn Bhd	Malaysia	Investment holding	90.00	90.00
Goldis Tower Sdn Bhd	Malaysia	Property holding	100.00	100.00
Goldis Water Sdn Bhd (formerly known as Kinprin Sdn Bhd)	Malaysia	Investment holding	100.00	-
Goldis Yu Sdn Bhd	Malaysia	Money lending services	100.00	100
HOEPharma Holdings Sdn Bhd	Malaysia	Healthcare management services	78.15	78.15
iPanel Malaysia Sdn Bhd +	Malaysia	Sale of electronic products and intelligent facilities management system	82.50	82.50
Macro Kiosk Berhad	Malaysia	Mobile communications technology provider	70.00	70.00
Macro Lynx Sdn Bhd	Malaysia	Broadband web based solutions	100.00	100.00
Multistock Sdn Bhd	Malaysia	Investment trading and investment holding	100.00	100.00
Sweat Club Sdn Bhd	Malaysia	Development and management of fitness centres, trading of sports equipment and sports wear	100.00	100.00
Held by GoldChina Sdn Bhd				
Gold China (Shanghai) Co. Ltd +	The People's Republic of China	Management consultancy services	90.00	90.00
Gold Water Pte Ltd +	Singapore	Investment holding and provision of pure water and waste water treatment plants and related services	90.00	90.00
Manax Limited +	Hong Kong	Investment holding	90.00	90.00
Rowille Investment Co. Ltd +	Hong Kong	Investment holding	90.00	90.00
Tramex Pte Ltd +	Singapore	Investment holding	-	90.00
Held by Gold Water Pte Ltd				
Gold Water (Shanghai) Co. Ltd +	The People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services	90.00	90.00

17 Subsidiaries (CONTINUED)

Name of company	Place of incorporation	Principal activities	Group's effective interest 2007 %	Group's effective interest 2006 %
Held by Gold Water (Shanghai) Co. Ltd				
Jiang Su Gold Water Co Ltd +	The People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services	81.00	-
Held by Jiang Su Gold Water Co Ltd				
Ganyu Xin Cheng Sewage Treatment Co. Ltd +	The People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services	62.78	-
Yantai Xin Cheng Wastewater Treatment Co. Ltd +	The People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services	60.75	-
Held by Manax Limited				
Tianjin Manax Natural Fibre Thin Film Co. Ltd +	The People's Republic of China	Paper manufacturing	72.00	72.00
Held by Goldis Yu Sdn Bhd				
Protech Yu (Asia) Sdn Bhd (formerly known as Plentiful Visions Sdn Bhd)	Malaysia	Aquaculture	70.00	-
Held by Protech Yu (Asia) Sdn Bhd (formerly known as Plentiful Visions Sdn Bhd)				
Protech Yu Development Sdn Bhd (formerly known as Langkah Motivasi (M) Sdn Bhd)	Malaysia	Dormant	70.00	-
Protech Yu Marketing (formerly known as Biogreen Organic Sdn Bhd)	Malaysia	Dormant	70.00	-
Protech Yu Services (formerly known as Green Nature Equation Sdn Bhd)	Malaysia	Dormant	70.00	-
Held by HOEPharma Holdings Sdn Bhd				
Diversified Healthcare Services (Hong Kong) Ltd +	Hong Kong	Healthcare management services	78.15	78.15
Ecofen Marketing Sdn Bhd	Malaysia	Sale of audiology products	78.15	78.15
HOE Pharmaceuticals Sdn Bhd	Malaysia	Manufacturer of pharmaceutical products	78.15	78.15
Living Tree Pharmacy Sdn Bhd	Malaysia	Dormant	78.15	78.15
Novalac (Malaysia) Sdn Bhd	Malaysia	Sale of baby products	78.15	78.15

17 Subsidiaries (CONTINUED)

Name of company	Place of incorporation	Principal activities	Group's effective interest 2007 %	2006 %
Held by Macro Kiosk Berhad				
Macro Mobile Services Sdn Bhd+	Malaysia	Mobile communications technology provider	70.00	70.00
Macro Kiosk (HK) Ltd +	Hong Kong	Mobile communications technology provider	70.00	70.00
Macro Kiosk Ltd +	Thailand	Mobile communications technology provider	70.00	70.00
Macro Kiosk Pte Ltd +	Singapore	Mobile communications technology provider	70.00	70.00
Eluxion Media (M) Sdn Bhd	Malaysia	Interactive media	42.00	-
Cinomobile Pte Ltd +	Singapore	Dormant	70.00	-
Held by Macro Lynx Sdn Bhd				
MVC Fiberlynx Sdn Bhd (formerly known as Quantum Intermerge Sdn Bhd)	Malaysia	Dormant	100.00	-

+ Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia.

18 Associates

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Investments, at cost:				
Quoted ordinary shares in Malaysia	666,011,215	640,971,311	594,851,458	604,509,876
Unquoted ordinary shares outside Malaysia	6,348,930	882,679	882,679	882,679
	672,360,145	641,853,990	595,734,137	605,392,555
Add: Group's share of post-acquisition results and reserves	129,835,438	99,532,052	-	-
	802,195,583	741,386,042	595,734,137	605,392,555
Share of net assets	802,195,583	741,386,042		
Market value:				
- Quoted ordinary shares in Malaysia	713,015,838	479,509,576	663,127,803	446,250,886

18 Associates (CONTINUED)

The following amounts represent the Group's share of assets and liabilities of the associates:

	Group 2007 RM	Group 2006 RM
Non-current assets	855,267,275	754,468,778
Current assets	322,746,823	343,236,680
Current liabilities	(158,223,871)	(113,430,238)
Non-current liabilities	(217,594,644)	(242,889,178)
Share of net assets	802,195,583	741,386,042

The Group's share of revenue and expenses of the associates is as follows:

	Group 2007 RM	Group 2006 RM
Revenue	204,747,342	168,298,313
Operating expenses including taxation	(162,429,641)	(137,618,111)
Net profit for the financial year	42,317,701	30,680,202

The details of associates are as follows:

Name of company	Place of incorporation	Principal activities	Group's effective interest 2007 %	Group's effective interest 2006 %
IGB Corporation Berhad	Malaysia	Investment holding and property development	27.04	27.12
iPanel Pte Ltd +	Singapore	Sale of electronic products and intelligent facilities management system	30.00	30.00
Enersave Water Sdn Bhd +	Malaysia	Provision of engineering services for water purification and waste water treatment services	34.50	-

+Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia.

Capital commitments and contingent liabilities relating to associates are disclosed in Note 36 and Note 37 to the financial statements.

19 Jointly-controlled Entities

	Group 2007 RM	Group 2006 RM
Share of net (liabilities)/assets of jointly-controlled entities	(608,755)	68,047,008

The details of the jointly-controlled entities are as follows:

Name of company	Place of incorporation	Principal activities	Group's effective interest 2007 %	Group's effective interest 2006 %
Beijing Jili Plaza Development Co Ltd +	The People's Republic of China	Property investment	-	45
Macro Kiosk Technologies (Beijing) Co. Limited +	The People's Republic of China	Mobile telecommunications, technology services and mobile data solutions	35	35

+Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia.

The following amounts represent the Group's share of assets and liabilities of the jointly-controlled entities:

	Group 2007 RM	Group 2006 RM
Non current assets	129,026	76,024,741
Current assets	165,856	45,894,933
Current liabilities	(903,637)	(34,583,841)
Non-current liabilities	-	(19,288,825)
Share of net (liabilities)/assets	(608,755)	68,047,008

The Group's share of the revenue and expenses of the jointly-controlled entities are as follows:

	Group 2007 RM	Group 2006 RM
Revenue	20,339,949	21,265,769
Operating expenses including taxation	(18,255,082)	(27,946,912)
Net profit/(loss) for the financial year	2,084,867	(6,681,143)

20 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 balance sheet:

	Group 2007 RM	Group 2006 RM
Deferred tax assets	3,629,081	1,741,404
Deferred tax liabilities	(87,596)	-
	3,541,485	1,741,404

20 Deferred Tax (CONTINUED)

The movement in deferred tax assets and liabilities of the Group during the financial year are as follows:

	Group	
	2007 RM	**2006 RM**
At 1 February	1,741,404	1,477,165
Charged/(Credited) to income statement:		
- property, plant and equipment	318,756	332,756
- intangibles	(410,645)	-
- capital allowance	1,853,576	(114,185)
- tax losses	(148,936)	126,357
- accruals	187,330	(80,689)
	1,800,081	264,239
At 31 January	3,541,485	1,741,404

The movements in deferred tax assets and liabilities during the financial year (prior to offsetting of balances) are as follows:

	Group	
	2007 RM	**2006 RM**
Subject to income tax:		
Deferred tax assets (before offsetting)		
- property, plant and equipment	1,226,520	873,963
- tax losses	2,453,439	748,798
- accruals	430,359	243,029
	4,110,318	1,865,790
Offsetting	(481,237)	(124,386)
Deferred tax assets (after offsetting)	3,629,081	1,741,404
Deferred tax liabilities (before offsetting)		
- property, plant and equipment	(158,188)	(124,386)
- accruals	(410,645)	-
	(568,833)	(124,386)
Offsetting	481,237	124,386
Deferred tax liabilities (after offsetting)	(87,596)	-

The amount of deductible temporary differences and unused tax losses (all of which have no expiry) for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group	
	2007 RM	**2006 RM**
Deductible temporary differences	851,441	4,913,178
Tax losses	24,484,500	25,523,320
	25,335,941	30,436,498
Deferred tax assets not recognised	5,947,621	8,427,468

21 Inventories

	Group 2007 RM	Group 2006 RM
At cost:		
Raw materials	4,738,106	3,261,793
Work-in-progress	1,584,783	321,287
Finished goods	7,702,712	9,074,774
	14,025,601	12,657,854

22 Quoted Investments

	Group 2007 RM	Group 2006 RM
At cost:		
Quoted shares in Malaysia	455,466	455,466
Less: Allowance for diminution in value	(394,133)	(394,133)
	61,333	61,333
Market value of quoted shares in Malaysia (Note 40)	160,796	128,173

23 Amounts due from Subsidiaries

The amounts due from subsidiaries are denominated in Ringgit Malaysia. They represent unsecured advances with no fixed terms of repayment and bear interest at rates ranging from 2% to 4% (2006: 2% to 4%) per annum.

24 Amount due from an Associate

The amount due from an associate is denominated in Ringgit Malaysia and is unsecured, interest free and has no fixed terms of repayment.

25 Trade and Other Receivables

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Trade receivables	80,616,094	100,567,962	-	-
Less: Allowance for doubtful debts	(2,617,718)	(2,609,036)	-	-
	77,998,376	97,958,926	-	-
Amounts due from customers on construction contracts (Note 26)	58,597	3,551,884	-	-
Deposits	894,254	283,206	5,450	5,000
Prepayments	1,749,194	636,438	-	-
Other receivables*	92,807,241	22,933,750	17,192	30,694
Less: Allowance for doubtful debts	(1,429,507)	(1,429,507)	-	-
	91,377,734	21,504,243	17,192	30,694
	172,078,155	123,934,697	22,642	35,694

* Included in other receivables is the total cash consideration of RM72,160,000 deposited into an Escrow Account in a licensed bank in The People's Republic of China on 4 January 2007 by the purchaser of Tramex Pte Ltd, in accordance with the Share Purchase Agreement dated 1 December 2006 (Note 6). The balances will be transferred to GoldChina Sdn Bhd's bank account upon the transfer of shares to the purchaser.

25 Trade and Other Receivables (CONTINUED)

The currency exposure profile of trade receivables is as follows:

	Group	
	2007 RM	2006 RM
Ringgit Malaysia	36,065,016	36,894,698
US Dollar	8,579,483	23,659,914
Singapore Dollar	1,745,807	4,354,903
Chinese Renminbi	23,481,960	30,142,239
Hong Kong Dollar	2,848,331	1,838,249
Euro	4,761,944	1,737,948
Brunei Dollar	411,160	260,970
Thai Baht	1,434,547	1,506,460
New Zealand Dollar	-	172,581
Indonesian Rupiah	937,595	-
Vietnam Dong	350,251	-
	80,616,094	100,567,962

Credit terms of trade receivables range from 30 to 89 days (2006: 30 to 89 days).

26 Amounts due from Customers on Construction Contracts

	Group	
	2007 RM	2006 RM
Aggregate costs incurred to-date	58,597	3,551,884
Attributable profits less recognised losses	-	-
	58,597	3,551,884
Less: Progress billings on contracts	-	-
Amounts due from customers on construction contracts (included in trade and other receivables (Note 25)	58,597	3,551,884

27 Cash and Cash Equivalents

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Deposits with licensed banks	6,807,980	14,390,673	1,020,138	9,379,808
Cash and bank balances	19,711,595	47,163,279	1,531,451	15,741,521
Deposits, cash and bank balances	26,519,575	61,553,952	2,551,589	25,121,329
Less: Bank overdrafts (Note 30)	(2,431,443)	(5,179,297)	-	-
	24,088,132	56,374,655	2,551,589	25,121,329
Less: Deposits pledged as securities for term loans	(5,787,844)	(1,413,511)	-	(537,237)
	18,300,288	54,961,144	2,551,589	24,584,092

27 Cash and Cash Equivalents (CONTINUED)

The currency exposure profile of cash and cash equivalents is as follows:

	Group		Company	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Chinese Renminbi	13,293,044	15,080,581	-	-
Euro	27,830	29,081	-	-
Hong Kong Dollar	207,023	758,500	-	-
Ringgit Malaysia	2,652,137	30,948,703	2,551,589	24,584,092
Singapore Dollar	211,303	247,204	-	-
Thai Baht	425,426	156,968	-	-
US Dollar	1,483,525	7,740,107	-	-
	18,300,288	54,961,144	2,551,589	24,584,092

Bank balances are deposits held at call with licensed banks and earn no interest.

Included in the deposits, cash and bank balances of the Group and of the Company are deposits amounting to RM5,787,844 (2006: RM1,413,511) and RM Nil (2006: RM537,237) respectively which have been placed in licensed banks as securities for secured interest-bearing bank borrowings of the Group and of the Company (Note 30), and is not available for use by the Group and the Company.

Fixed deposits with licensed banks have an average maturity period of 30 days (2006: 30 days).

	Group and Company	
	2007 %	**2006 %**
Interest rates during the financial year		
Deposits with licensed banks	2.75-5.03	2.55-3.10
Weighted average effective interest rate as at 31 January		
Deposits with licensed banks	4.63	2.68

28 Trade and Other Payables

	Group		Company	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Trade payables	22,908,142	10,425,402	-	-
Other payables	12,798,901	13,941,371	303,550	-
Accruals	9,847,899	13,548,549	165,000	144,936
Deposit received	-	3,740,932	-	-
Hire-purchase and finance lease payables (Note 31)	342,983	789,165	-	-
	45,897,925	42,445,419	468,550	144,936

28 Trade and Other Payables (CONTINUED)

The currency exposure profile of trade payables is as follows:

	Group	
	2007 RM	**2006 RM**
Chinese Renminbi	5,374,374	1,086,817
Euro	662,900	34,842
Great British Pound	2,278	-
Hong Kong Dollar	128,177	-
Ringgit Malaysia	16,390,489	7,706,418
Singapore Dollar	141,598	11,027
Thai Baht	172,342	1,508,898
US Dollar	35,984	77,400
	22,908,142	10,425,402

Credit term of trade payables is 60 days (2006: 60 days).

29 Deferred revenue

	Group		Company	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Current				
Prepaid web-site maintenance fees	321,644	129,414	-	-
Prepaid short messaging services fees	251,687	139,867	-	-
Prepaid membership subscription fees	96,438	69,324	-	-
	669,769	338,605	-	-
Non-current				
Government grant	2,525,600	-	-	-

30 Interest-bearing Bank Borrowings

		Group		Company	
	Note	**2007 RM**	**2006 RM**	**2007 RM**	**2006 RM**
Current					
Secured:					
- Revolving credits	(a)	68,382,163	110,042,240	-	40,000,000
- Term loans	(b)	32,971,705	28,519,073	-	-
- Trust receipts	(c)	1,618,000	116,336	-	-
		102,971,868	138,677,649	-	40,000,000
Unsecured:					
- Revolving credits		37,918,160	39,052,390	-	-
- Trust receipts		2,805,540	-	-	-
- Bankers' acceptances		-	2,449,406	-	-
- Bank overdrafts	27	2,431,443	5,179,297	-	-
		43,155,143	46,681,093	-	-
		146,127,011	185,358,742	-	40,000,000
Non-current					
Secured:					
- Term loans	(b)	-	8,986,827	-	-
Total					
- Revolving credits	(a)	106,300,323	149,094,630	-	40,000,000
- Term loans	(b)	32,971,705	37,505,900	-	-
- Trust receipts		4,423,540	116,336	-	-
- Bankers' acceptances		-	2,449,406	-	-
- Bank overdrafts	27	2,431,443	5,179,297	-	-
		146,127,011	194,345,569	-	40,000,000

30 Interest-bearing Bank Borrowings (CONTINUED)

The currency exposure profile of bank borrowings is as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Chinese Renminbi	58,910,028	42,366,591	-	-
Ringgit Malaysia	51,070,598	103,250,547	-	40,000,000
US Dollar	36,146,385	48,728,431	-	-
	146,127,011	194,345,569	-	40,000,000

The interest rates per annum during the financial year and the weighted average effective interest rates per annum as at balance sheet date of the Group and of the Company for the above bank borrowings are as follows:

	Group		Company	
	2007 %	2006 %	2007 %	2006 %
Interest rates during the financial year:				
Revolving credits:				
- unsecured	4.38 - 6.00	4.38 – 6.00	-	-
- secured	2.89 - 5.77	2.89 – 5.77	-	4.04 -4.05
Term loans:				
- secured	5.95 - 6.91	5.95 – 6.91	-	-
Trust receipts				
- secured	3.95	6.85 – 7.10	-	-
Bankers' acceptances				
- unsecured	3.22	2.95 – 4.05	-	-
Bank overdrafts				
- unsecured	7.55 - 8.25	7.00 – 7.75	-	
Weighted average effective interest rate as at 31 January:				
Revolving credits:				
- unsecured	5.84	4.78	-	-
- secured	5.24	4.53	-	4.05
Term loans:				
- secured	6.29	6.47	-	-
Trust receipts				
- secured	4.11	7.02	-	-
Bankers' acceptances				
- unsecured	2.95	3.56	-	-
Bank overdrafts				
- unsecured	8.12	7.34	-	

(a) Revolving credits

The revolving credits of the Group are secured by way of:

(i) A lien-holder's caveat over the freehold land of a subsidiary together with the building to be constructed thereon (Note 15);

(ii) A fixed charge on a long term leasehold land and building of a subsidiary (Note 15);

(iii) Fixed deposits amounting to RM5,787,844 placed in licensed banks (Note 27); and

(iv) 104,900,000 ordinary shares of an associate.

30 Interest-bearing Bank Borrowings (CONTINUED)

(b) Term loans

The repayment terms of the term loans are as follows:

	Group 2007 RM	Group 2006 RM
Current		
Payable within 12 months	32,971,705	28,519,073
Non-current		
Payable between 1 to 2 years	-	8,986,827
	32,971,705	37,505,900

The term loans of certain subsidiaries are secured by means of a fixed charge on a long term leasehold land and building, and plant and machinery of the subsidiaries (Note 15).

(c) Trust receipts

The trust receipts of a subsidiary are secured by means of a fixed charge on a long term leasehold land and building, and plant and machinery of the subsidiary (Note 15) and corporate guarantee by the Company.

31 Hire-purchase and Finance Lease Payables

	Group 2007 RM	Group 2006 RM
Hire-purchase and finance lease liabilities		
Minimum payments:		
- Payable within 1 year	374,963	861,549
- Payable between 1 and 5 years	274,606	285,456
	649,569	1,147,005
Less: Future finance charges	(53,777)	(101,291)
Present value of liabilities	595,792	1,045,714
Present value of liabilities:		
- Payable within 1 year (Note 28)	342,983	789,165
- Payable between 1 and 5 years	252,809	256,549
	595,792	1,045,714

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default.

32 Share Capital

	Group and Company 2007 Number of shares	Group and Company 2007 Nominal value RM
Ordinary shares of RM1.00 each:		
Authorised	1,000,000,000	1,000,000,000
Issued and fully paid:		
At 1 February	320,942,830	320,942,830
Issuance of shares under the Employees' Share Option Scheme	106,000	106,000
At 31 January	321,048,830	321,048,830

32 Share Capital (CONTINUED)

During the financial year, the Company increased its issued and paid-up share capital from RM320,942,830 to RM321,048,830 by way of the issuance of 106,000 ordinary shares of RM1.00 each pursuant to the exercise of the Employees' Share Option Scheme ("ESOS"), at an exercise price of RM1.17 per option. The premium arising from the exercise of ESOS of RM18,020 has been credited to the Share Premium account.

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

Employees' Share Option Scheme ("ESOS")

The Company's ESOS was approved by the shareholders at the Extraordinary General Meeting held on 21 December 2001 and became effective on 20 May 2002, for a period of five years, in accordance with the ESOS Bye-Laws.

The main features of the ESOS are as follows:

(i) Eligible persons are employees and Directors of the Company and its subsidiaries who fall within the categories determined by the Company and must have been confirmed and served for at least two years in the employment of Goldis Group or the former Tan & Tan Group but subsequently employed by and on the payroll of any company comprised in the Goldis Group, as the case may be, on or prior to the date of offer.

(ii) The total number of new shares to be offered under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at the time of the offer during the existence of the ESOS.

(iii) The subscription price for each new share may be set at a discount of not more than 10% from the five-day weighted average price of the shares at the time the option is granted or any subscription price in accordance with any guidelines, rules and regulations of the relevant authorities governing the ESOS at the time of the offer. Notwithstanding this, the subscription price shall in no event be less than the nominal value of the shares.

(iv) No option shall be granted for less than 100 shares nor more than the maximum allowable allotment.

(v) The number of shares under option or the subscription price or both, so far as the options remain unexercised, shall be adjusted following any variation in the issued share capital of the Company by way of capitalisation of profits or reserves, rights issue, reduction, subdivision or consolidation of capital.

(vi) Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(vii) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company within the Group.

At an Extraordinary General Meeting held on 22 June 2005, the ESOS Bye-Laws were amended to approve the grant of options to Non-Executive Directors. On that date, the Directors were authorised to offer and grant options to the following Non-Executive Directors:

Datuk Tan Kim Leong @ Tan Chong Min
Pauline Tan Suat Ming
Tan Boon Lee
Daud Mah bin Abdullah @ Mah Siew Whye

On 29 June 2006, the Company granted 200,000 new ESOS to eligible employees, at an exercise price of RM1.17 per option.

Set out below are details of options over ordinary shares of the Company granted under the ESOS:

			Number of options over ordinary shares of RM1.00 each			
Grant date	**Expiry date**	**Exercise price RM/share**	**At 1.2.2006**	**Granted**	**Exercised**	**At 31.1.2007**
29 September 2003	19 May 2007	1.00	500,000	-	-	500,000
28 July 2005	19 May 2007	1.17	2,400,000	-	(96,000)	2,304,000
5 October 2005	19 May 2007	1.15	1,000,000	-	-	1,000,000
29 June 2006	19 May 2007	1.17	-	200,000	(10,000)	190,000
			3,900,000	200,000	(106,000)	3,994,000

	2007	**2006**
Number of share options vested at balance sheet date	3,368,000	732,000

32 Share Capital (CONTINUED)

Details relating to options exercised during the financial year are as follows:

Exercise date	Quoted price of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued 2007
8 May 2006	1.50	1.17	10,000
4 August 2006	1.40	1.17	30,000
7 November 2006	1.45	1.17	66,000
			106,000

	Group and Company 2007 RM	2006 RM
Ordinary share capital, at par	106,000	310,000
Share premium (Note 33)	18,020	52,700
Proceeds received on exercise of share options	124,020	362,700
Fair value at exercise date of shares issued	152,700	372,000

The weighted average fair value of options granted during the year, determined using the binomial valuation model, was RM0.06 per option (2006: RM0.32 per option). The significant inputs into the model are as follows:

	2007	2006
Valuation assumptions:		
Expected volatility	44.13	52.34
Expected dividend yield	1.44%	1.44%
Expected option life	1 year	2 years
Weighted average share price at date of grant	1.30	1.26
Risk free interest rate (per annum)	3.94	2.95

The expected volatility is based on the statistical analysis of historical daily share prices over the previous 2 years.

The impact on the prior and current year's financial statements of the Group and the Company arising from new shares options granted during the financial year and the share options previously granted are disclosed in Note 35 to the financial statements.

Subsequent to the financial year end, on 8 February 2007 and 7 March 2007, the Directors have approved the offer of 140,000 share options at an exercise price of RM1.49 per option, and 20,000 share options at an exercise price of RM1.59 per option, to eligible employees of the Group. The options will expire on 19 May 2007.

33 Share Premium

	Group and Company 2007 RM	2006 RM
At 1 January	385,368,892	385,316,192
Arising from the exercise of ESOS (Note 32)	18,020	52,700
At 31 December	385,386,912	385,368,892

34 Retained Earnings

The Company has sufficient tax exempt income and tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends of approximately RM9,200,000 (2006: RM13,300,000 (restated)) out of its retained earnings as at 31 January 2007. The extent of the retained earnings not covered at that date amounted to RM252,800,000 (2006: RM146,600,000 (restated)).

35 Changes in Accounting Policies

The list of new accounting standards, amendments to published standards and interpretations to existing standards that are effective for the Group's and for the Company's financial years beginning on or after 1 February 2006 is set out in accounting policy Note A on basis of preparation.

The following describes the impact of the new standards, amendments and interpretations on the financial statements of the Group and of the Company.

(a) Irrelevant or immaterial effect on financial statements

The adoption of FRS 1, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136, 138, 140, the 'asset ceiling' amendment to FRS 119_{2004} and ICs did not have a material impact on the financial statements of the Group and of the Company.

(b) FRS 101 "Presentation of Financial Statements"

The adoption of the revised FRS 101 has affected the presentation of the following items:

(i) Minority interest

Minority interest is now presented within total equity in the consolidated balance sheet and as an allocation from net profit for the financial year in the consolidated income statement. The movement of minority interest is now presented in the consolidated statement of changes in equity. The presentation of the comparative financial statements of the Group has been restated to conform with the current year's presentation.

(ii) Share of results in associates and jointly controlled entities

Share of results in associates and jointly controlled entities are now shown net of income tax expense. The presentation of the comparative financial statements of the Group has been restated to conform with the current year's presentation.

(c) FRS 2 "Share-based Payment"

The adoption of FRS 2 has resulted in a change in the accounting policy for share-based payment arising from share options granted by the Company to employees (including Directors) of the Group.

Prior to 1 February 2006, no compensation expense was recognised in the income statement for share options granted to employees of the Group. Upon the adoption of FRS 2, the Group and the Company recognise the fair value of such share options as an expense in the income statement over the vesting periods of the grants, with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date.

The Group had applied the transitional provisions of FRS 2 in relation to share options granted after 31 December 2004 and had vested as at 1 February 2006.

The Group will apply this new accounting policy to share options granted to employees after 31 December 2004 and which had not vested as at 1 February 2006 and to share options granted subsequent to 1 February 2006.

The effect of the change in accounting policy on the Group's and the Company's financial statements for the current and prior years are set out in Note 35(f) to Note 35(i).

35 Changes in Accounting Policies (CONTINUED)

(d) FRS 3 “Business Combinations”, FRS 136 “Impairment of Assets” and FRS 138 “Intangible Assets”

The adoptions of FRS 3, FRS 136 and FRS 138 have resulted in a change in the accounting policy for goodwill prospectively from 1 February 2006.

Prior to 1 February 2006,

(i) The difference between the cost of acquisition over the Group’s share of the fair values of the identifiable net assets of the subsidiaries acquired at the date of acquisition is reflected as goodwill or reserve on consolidation and are taken to reserves in the year of acquisition.

(ii) The differences between the cost of acquisition and the Group’s share of the fair values of the identifiable net assets of the associates acquired at the date of acquisition is reflected as goodwill or reserve on consolidation and are stated at cost and included as part of the carrying value of the associates.

Upon the adoption of these new standards, goodwill will be carried at cost less accumulated impairment losses and will be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any identified impairment loss will be recognised in the income statement immediately and will not be reversed.

Any excess of the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, will be recognised immediately in the income statement.

Upon the adoption of these new standards, the carrying values of reserves on consolidation as at 1 February 2006 arising from the acquisition of subsidiaries and associates had been transferred to opening retained earnings.

The effects of the change in accounting policy on the Group’s financial statements for the current year are disclosed in Note 35(i).

(e) FRS 116 “Property, plant and equipment”

With the adoption of FRS 116, the residual values and useful lives of assets are reviewed, and adjusted as appropriate, at each balance sheet date. Any revision in depreciation rate will be accounted for as a change in estimates.

There is no revision in depreciation rates following the Group’s reassessment of the residual values and useful lives of the property, plant and equipment in the current financial year.

(f) Restatement of the income statements for the financial year ended 31 January 2006

Group	As previously reported 31.1.2006 RM	Changes in accounting policies FRS 101 (Note 35(b)) RM	FRS 2 (Note 35(c)) RM	As restated 31.1.2007 RM
Administrative expenses	(19,624,637)	-	(945,168)	(20,569,805)
Share of results of associates	46,986,916	(16,306,714)	-	30,680,202
Share of results of jointly-controlled entities	(5,076,496)	(1,604,647)	-	(6,681,143)
Profit before taxation	46,226,027	(17,911,361)	(945,168)	27,369,498
Taxation	(10,818,751)	17,911,361	-	7,092,610
Minority interests	(2,776,480)	2,776,480	-	-
Net profit for the financial year	32,630,796	2,776,480	(945,168)	34,462,108
Earnings per share attributable to ordinary equity holders of the Company				
-basic (sen)	10.18	-	-	9.88
-diluted (sen)	10.16	-	-	9.87

35 Changes in Accounting Policies (CONTINUED)

(f) Restatement of the income statements for the financial year ended 31 January 2006 (continued)

Company	As previously reported 31.1.2006 RM	Change in accounting policy FRS 2 (Note 35(c)) RM	As restated 31.1.2007 RM
Administrative expenses	(3,578,476)	(854,308)	(4,432,784)
Profit before taxation	6,048,039	(854,308)	5,193,731
Net profit for the financial year	5,380,509	(854,308)	4,526,201

(g) Restatement of balance sheet and reserves at 31 January 2006

	As previously reported RM	Change in accounting policy FRS 2 (Note 35(c)) RM	As restated RM
Group			
Share option reserve	-	945,168	945,168
Retained earnings	160,819,034	(945,168)	159,873,866
Company			
Share option reserve	-	854,308	854,308
Retained earnings	12,922,522	(854,308)	12,068,214

(h) Effects of changes in accounting policies on the income statements for the financial year ended 31 January 2007

	Changes in accounting policies		
Group	FRS 101 (Note 34(b)) RM	FRS 2 (Note 35(c)) RM	Total RM
Administrative expenses	-	259,070	259,070
Share of results of associates	(15,501,419)	-	(15,501,419)
Share of results of jointly-controlled entities	(1,260,251)	-	(1,260,251)
Taxation	16,761,670	-	16,761,670

Company	Change in accounting policy FRS 2 (Note 35(c)) RM	As restated RM
Administrative expenses	259,070	259,070

35 Changes in Accounting Policies (CONTINUED)

(i) Effects of changes in accounting policies on the balance sheets and reserves as at 31 January 2007

	Changes in accounting policies		
Group	**FRS 2 (Note 35(c)) RM**	**FRS 3 (Note 35(d)) RM**	**Total RM**
Associates	-	35,436,942	35,436,942
Reserve on consolidation	-	5,762,680	5,762,680
Share option reserve	259,070	-	259,070
Retained earnings	-	(41,199,622)	(41,199,622)

	Change in accounting policy	
Company	**FRS 2 (Note 35(c)) RM**	**Total RM**
Share option reserve	240,140	240,140

36 Capital Commitments

Capital commitments, approved and contracted for:

	Group	
	2007 RM	**2006 RM**
- purchase of land	8,000,000	14,400,000
- property, plant and equipment	102,400,000	-
	110,400,000	14,400,000
Share of an associate's capital commitments	218,541,717	171,714,890

37 Contingent Liabilities

	Company	
	2007 RM	**2006 RM**
Guarantees issued to banks for banking facilities extended to subsidiaries	146,000,000	147,000,000
Share of an associate's contingent liabilities	30,178,289	26,622,348

38 Significant Related Party Disclosures

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 attainable in transactions with unrelated parties.

Related party	Relationship
IGB Corporation Berhad	Associate

38 Significant Related Party Disclosures (CONTINUED)

The significant related party transactions during the financial year are as follows:

	Group	
	2007 RM	2006 RM
Related parties (subsidiaries of IGB Corporation Berhad)		
Rental of premises:		
- Mid Valley City Management Services Sdn Bhd	114,925	305,563
- IGB Properties Sdn Bhd	461,389	372,930
- Tan & Tan Realty Sdn Bhd	582,491	395,544
Sale of property, plant and equipment:		
- Mid Valley City Sdn Bhd	-	1,200,000
Sales of services:		
- TTD Sdn Bhd	122,941	111,183
Contract sale:		
- Ensignia Sdn Bhd	859,500	-

As at 31 January 2007, there are no individually significant outstanding balances arising from the above related party transactions (other than normal trade transactions) during the financial year.

39 Significant Non-cash Transactions

The significant non-cash transactions during the financial year are as follows:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Acquisition of property, plant and equipment by means of hire-purchase and finance lease arrangements	-	298,939	-	-

40 Fair Value of Financial Instruments for Disclosure Purposes

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the net present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

40 Fair Value of Financial Instruments for Disclosure Purposes (CONTINUED)

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values except as set out below:

		2007		2006	
Group	**Note**	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Financial assets					
Quoted investments	22	61,333	160,796	61,333	128,173
Unquoted investments		1,900,104	*	1,908,083	*
Financial liabilities					
Bank borrowings:					
- Term loans (non-current)	30	-	-	8,986,827	9,063,662
Hire-purchase and finance lease payables	31	595,792	613,233	1,045,714	1,044,775
Company					
Financial assets					
Redeemable Convertible Unsecured Loan Stocks	17	5,000,000	4,879,063	-	-

* It is not practicable to estimate the fair value of the Group's unquoted investments because of the lack of reference market prices and the inability to estimate fair value without incurring excessive costs. However, the carrying amounts recorded are not anticipated to differ significantly from their fair values at the balance sheet date.

41 Significant Event Subsequent to the Balance Sheet Date

On 19 April 2007, the Company announced that the ESOS would be extended for a further period of five (5) years from 20 May 2007 to 19 May 2012.

42 Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 8 May 2007.

Statement by **DIRECTORS**

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Lei Cheng and Tan Boon Lee, two of the Directors of Goldis Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 32 to 86 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2007 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

Signed in accordance with a resolution of the Board of Directors dated 8 May 2007.

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 32 to 86 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 8 May 2007, before me.

Commissioner for Oaths
Kuala Lumpur

Report of the **AUDITORS**

to the members of Goldis Berhad

We have audited the financial statements set out on pages 32 to 86. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities so as to give a true and fair view of:

   (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

   (ii) the state of affairs of the Group and of the Company as at 31 January 2007 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 17 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

PricewaterhouseCoopers
(AF: 1146)
Chartered Accountants

Soo Hoo Khoon Yean
(2682/10/07 (J))
Partner of the firm

Kuala Lumpur
8 May 2007

List of **PROPERTIES**

as at 31 January 2007

Location	Tenure	Land Area	Description	Age of Building Years	Net Book Value RM'000	% Owned By the Group	Date of acquisition
Properties held by the company and its subsidiaries							
Commercial Properties							
Lot 320, Jalan Tun Razak 50400 Kuala Lumpur Malaysia	Freehold	1.95 acres	Approved development for a 30 storey commercial building	N/A	65,448	100	31/1/2002
Lot 10, Jalan Sultan Mohd 6 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan Malaysia	99 years commencing 30 March 1994	2.40 acres	2 storey building comprising office, laboratory and factory	6	16,620	78.15	31/1/2002
Lot W-31-02, Yang-Wang-Kong Road North Shi-Ge-Zhuang Town Wuqing District, Tianjin People's Republic of China	50 years commencing 22 July 1994	16.47 acres	3 single storey office building, 3 factories and a single storey ancilliary building	13	9,542	72.00	31/1/2002

N/A: not applicable

Analysis of **SHAREHOLDINGS**
as at 24 April 2007

SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000
Issued and Paid-up Share Capital	:	RM321,878,830
Type of shares	:	Ordinary shares of RM1.00 each

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	23	0.55	570	0.00
100 to 1,000	1,797	42.71	1,768,869	0.55
1,001 to 10,000	2,013	47.85	7,730,240	2.40
10,001 to 100,000	289	6.87	8,981,173	2.79
100,001 to less than 5% of issued capital	79	1.88	143,337,914	44.53
5% and above of issued shares	6	0.14	160,060,064	49.73
Total	4,207	100.00	321,878,830	100.00

THIRTY LARGEST SHAREHOLDERS

No.	Name	Shares Held	%
1	Permodalan Nasional Berhad	41,929,000	13.03
2	Wah Seong (Malaya) Trading Co. Sdn Bhd	32,989,356	10.25
3	Tan Chin Nam Sendirian Berhad	26,213,200	8.14
4	Tan Kim Yeow Sendirian Berhad	24,414,208	7.58
5	HSBC Nominees (Asing) Sdn Bhd Exempt an for Credit Suisse (SG BR-TST-Asing)	17,314,300	5.38
6	Tan Chin Nam Sendirian Berhad	17,200,000	5.34
7	HSBC Nominees (Asing) Sdn Bhd HPBS SG for Kenderlay Ltd	12,524,000	3.89
8	MIDF SISMA Nominees (Asing) Sdn Bhd Pledged securities account for Far East Equity Ltd	10,361,000	3.22
9	MIDF SISMA Nominees (Asing) Sdn Bhd Pledged securities account for Scorpio Ventures Ltd	9,770,000	3.04
10	Public Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Chin Nam Sendirian Berhad	8,200,000	2.55
11	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Ripley Services Limited	7,253,200	2.25
12	Wah Seong (Malaya) Trading Co. Sdn Bhd	6,935,000	2.15
13	Ke-Zan Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd for Tan Kim Yeow Sendirian Berhad	6,178,200	1.92
14	Wah Seong Enterprises Sdn Bhd	5,647,071	1.75
15	BBL Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato Tan Chin Nam	5,470,377	1.70

No.	Name	Shares Held	%
16	HK 28 Limited	5,177,510	1.61
17	Tan Chin Nam	4,222,000	1.31
18	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Timbarra Services Limited	3,919,700	1.22
19	Scanstell Sdn Bhd	3,078,000	0.96
20	Tan Chin Nam Sendirian Berhad	2,967,939	0.92
21	Tan Chin Nam	2,818,800	0.88
22	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund KG33 for AIM Asia Pacific Growth Fund	2,574,800	0.80
23	Classlant Sdn Bhd	2,487,000	0.77
24	Tentang Emas Sdn Bhd	2,447,000	0.76
25	Citigroup Nominees (Asing) Sdn Bhd Bear Stearns Securities Corp For Third Avenue Real Estate Opportunities Fund LP	2,405,300	0.75
26	BBL Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Chin Nam Sdn Bhd	2,300,000	0.71
27	Tan Lei Cheng	2,245,907	0.70
28	Wah Seong Enterprises Sdn Bhd	2,003,100	0.62
29	BBL Nominees (Tempatan) Sdn Bhd Pledged securities account for Wah Seong Trading (M) Sdn Bhd	2,000,000	0.62
30	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged securities account for A.A. Anthony Securities Sdn Bhd	2,000,000	0.62

SUBSTANTIAL SHAREHOLDERS
(excluding bare trustees)

	Number of Shares Held			
	Direct	**%**	**Indirect**	**%**
Tan Chin Nam Sdn Bhd	57,114,139	17.74	60,594,327 *	18.83
Permodalan Nasional Berhad	41,929,000	13.03	-	-
Wah Seong (Malaya) Trading Co. Sdn Bhd	45,099,156	14.01	12,417,171 *	3.86
Tan Kim Yeow Sdn Bhd	32,146,408	9.99	57,516,327 *	17.87
Dato' Tan Chin Nam	12,511,177	3.89	117,708,466 *	36.57
Robert Tan Chung Meng	745,787	0.23	89,662,735 *	27.86
Pauline Tan Suat Ming	120,833	0.04	89,662,735 *	27.86
Tony Tan @ Choon Keat	-	-	89,662,735 *	27.86
Yayasan Pelaburan Bumiputera	-	-	41,929,000 *	13.03
Lee Hing Development Limited	-	-	21,330,810 *	6.63
Tan Boon Seng	704,220	0.22	21,330,810 *	6.63

Note:

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

DIRECTORS' SHAREHOLDINGS

	Number of Shares Held			
	Direct	**%**	**Indirect**	**%**
Tan Lei Cheng	2,245,907	0.70	-	-
Datuk Tan Kim Leong @ Tan Chong Min	-	-	-	-
Pauline Tan Suat Ming	120,833	0.04	89,662,735 *	27.86
Tan Boon Lee	2,036,657	0.63	-	-
Daud Mah bin Abdullah @ Mah Siew Whye	-	-	-	-
Harun bin Hashim Mohd	-	-	-	-

Note:

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

No. of ordinary shares held

GOLDIS BERHAD
(515802-U)

PROXY FORM

I/We ____

of ____

being a member(s) of Goldis Berhad, hereby appoint ____

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 Seventh Annual General Meeting of the Company to be held at Seri Angsana, 2nd Floor, Sidewalk Cafe, MiCasa All Suite Hotel, 368B, Jalan 1/68F, Off Jalan Tun Razak, 50400 Kuala Lumpur on Wednesday, 27 June 2007 at 2.30 p.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

Resolution		For	Against
Ordinary Resolution 1	Receipt of Financial Statements and Reports		
Ordinary Resolution 2	Payment of Directors' fees		
Ordinary Resolution 3	Declaration of First & Final Dividend		
Ordinary Resolution 4	Re-election of Ms Tan Lei Cheng		
Ordinary Resolution 5	Re-election of Mr Tan Boon Lee		
Ordinary Resolution 6	Re-appointment of Messrs PricewaterhouseCoopers		
Ordinary Resolution 7	Authorization for Directors to issue shares		
Ordinary Resolution 8	Proposed Renewal of Shareholders' Mandate for the Company to Purchase its Own Shares		
Special Resolution 1	Proposed Amendments to the Articles of Association of the Company		

Signature/Common Seal of Shareholder ______________________________ Date : ______________

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy, who need not be a member, to vote in his stead and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. 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 under its common seal or under the hand of a duly authorised officer or attorney.

3. The Proxy Form shall be deposited at the Registered Office of the Company, Penthouse, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting.

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AFFIX STAMP

The Company Secretary
Goldis Berhad
Penthouse, Menara Tan & Tan
207, Jalan Tun Razak
50400 Kuala Lumpur

1st fold here

www.goldis.com.my

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50400 Kuala Lumpur, Malaysia.
Tel : 603 - 2163 1111 Fax : 603 - 2163 7020