Goldis Berhad (515802-U)

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GOLDIS

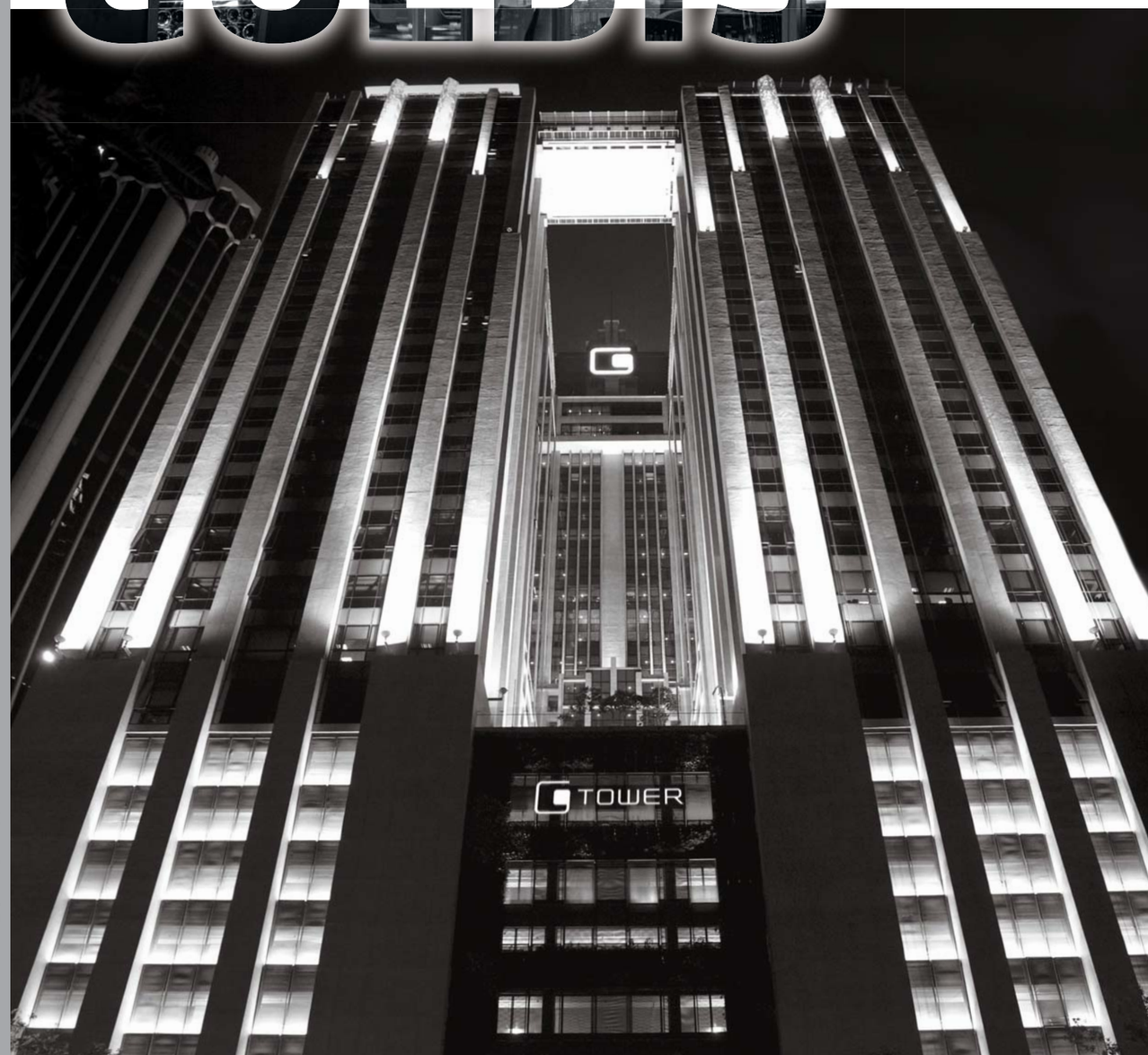
Goldis Berhad (515802-U)

2011 Anual Report

GOLDIS BERHAD
(515802-U)

WE INVEST IN ENTREPRENEURS
WHO GROW OUR COMPANIES

GOLDIS ANNUAL REPORT 2011



CONTENTS

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report for the financial year ended 31 January 2011.

OVERVIEW

In our first annual report I quoted Lao Tzu:

A big tree was once a small seed, a nine storey building started with a basket of earth, a journey of a thousand miles began with a first step.

This is the 9th year of operation of the private equity division of the Goldis Berhad ("Goldis") Group. We have lived through some interesting times of boom, doom and uncertainty. Our investments are in various stages of growth but we hope to close this chapter of our private equity journey by 2013. We have started taking steps to divest and exit some of our earlier investments while we continue to nurture the later ones.

FINANCIAL PERFORMANCE

For the financial year ended 31 January 2011, the Group's revenue increased 33% from RM198 million to RM264 million, contributed by various business segments particularly from the ICT, property and hotel segment. The Group's pre-tax profit decreased 18% from RM40 million to RM33 million mainly attributable to impairment loss on the assets of G Fish (Asia) Sdn Bhd (formerly known as Protech Yu (Asia) Sdn Bhd) and losses incurred by GTower Sdn Bhd but it was partially offset by an increase in the pharmaceutical segment and share of results of associate, IGB Corporation Berhad.

PERFORMANCE REVIEW OF OUR INVESTMENTS

IGB Corporation Berhad ("IGB"), a listed real estate conglomerate

For the financial year ended 31 December 2010, IGB Group's revenue increased 12% to RM719 million, from RM642 million the year before. The pre-tax profit increased 25% to RM278 million from RM222 million the year before. During the year, IGB has announced the sale of The Gardens Mall in Mid Valley City to KrisAssets Holdings Berhad ("KrisAssets"), its 75% subsidiary. This will consolidate all the retail assets of Mid Valley City into one entity streamlining operations and further separating the business of IGB into development and KrisAssets into asset holding.

PRIVATE EQUITY INVESTMENTS IN MALAYSIA

The total investment in private companies in Malaysia as at 31 January 2011 was RM81 million as compared to RM83 million last year. A review of the performance of our main investee companies are as follows:

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

HOEPharma Group recorded revenue of RM76 million and a pre-tax profit of RM18 million for the financial year ended 31 January 2011 as compared to the year before of RM69 million and RM11 million respectively. The Malaysia's ethical market contributed an additional RM7 million in revenue and better profitability under the new pricing structure of its current products coupled with continuous cost cutting measures taken by the HOEPharma Group.

On 7 April 2011, on behalf of the Board of Directors of Goldis, AmInvestment Bank Berhad announced that Goldis together with six individual shareholders of HOEPharma, had entered into a conditional Sale and Purchase Agreement ("SPA") with Taisho Pharmaceutical Co., Ltd to dispose its 6,252,000 ordinary shares of RM1.00 each in HOEPharma for a cash consideration of approximately RM289.2 million subject to the price adjustment provisions as set out in the SPA.

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

Macro Kiosk Group's revenue increased 39% from RM62 million to RM86 million. This was largely due to the expansion of its customer base and higher usage of Macro Kiosk's services by existing customers both in Malaysia and other countries where Macro Kiosk is present. The Group's pre-tax profit stayed at RM2 million as per last year despite higher revenue due to allowance for doubtful debts of RM1 million and impairment of intangible asset of RM2 million made during the year. Meanwhile, the operating profit increased to RM8 million as compared to RM5 million the year before.

Macro Lynx Sdn Bhd ("Macro Lynx"), a broadband solutions and service provider

Macro Lynx Group's revenue increased 63% from RM8 million to RM13 million. The Group pre-tax profit increased three times from RM1 million to RM3 million. The improved performance was due to continuous effort and aggressive marketing in providing comprehensive end-to-end broadband internet solutions to new and potential customers.

G Fish (Asia) Sdn Bhd (formerly known as Protech Yu (Asia) Sdn Bhd) ("G Fish"), an aquaculture company

G Fish Group continues to incur a loss of RM14 million as compared to RM4 million a year before due to impairment loss on assets of RM10 million during the year. However, we are confident that with our continuous effort to improve production and cost cutting measures taken by the G Fish Group, it will eventually contribute to Goldis in the long term.

PRIVATE EQUITY INVESTMENTS IN CHINA

The total investment in China as at 31 January 2011 was RM61 million compared to RM65 million the previous year. A review of the performance of our main investee companies are as follows:

Crest Spring (Shanghai) Co Ltd ("Crest Spring"), a water treatment company

Revenue for Crest Spring Group increased to RM10 million from RM6 million the previous year. The Crest Spring Group pre-tax profit dropped from RM3 million to RM2 million.

Tianjin Manax Natural Fibre Thin Film Co Ltd ("Tianjin Manax"), a paper manufacturing company

Tianjin Manax's revenue increased from RM53 million to RM61 million. However, the company continues to incur a loss of RM4 million as compared to RM8 million a year before. The losses were as a result of depreciation and amortisation of RM4 million and margin squeeze due to an increase in waste paper prices during the year.

PROPERTY INVESTMENT

GTower Sdn Bhd ("GTower"), the first green commercial building in Malaysia

During the year, GTower Group started operations and recorded revenue of RM23 million. As this was its first year of operations, the Group incurred a loss of RM22 million. The losses were mainly due to depreciation and amortisation of RM9 million and interest of RM11 million.

Being the first year of operation, we have achieved occupancy rate of 63% in offices and an average of 30% in the hotel.

GTower has been awarded the following:

- Singapore Government's Building & Construction Authority ("BCA") Green Mark Gold standard certification
- Malaysia's Green Building Index ("GBI") provisional certificate
- Multimedia Supercorridor ("MSC") Cybercentre status
- Malaysia Interior Design Awards 2010
- Hospitality Asia Platinum Awards ("HAPA") 2010-2012 Malaysia Series:
  * Winner - Best Independent Hotel
  * Top 5 - Best Boutique Hotel or Resort
  * Top 5 - Best Western Cuisine Chef
  * Top 10 - Most Unique F&B Concept for Bridge Bar
  * Top 10 - Best Executive Chef
  * Top 10 - Best Concierge
- Asia Pacific Hotel Awards 2011 in association with Bloomberg Television

OUR PEOPLE

For the financial year under review, the number of employees for the Group has increased to 977 from 842 last year. The Group is fortunate that we have teams of hardworking and dedicated employees who have met the challenges with courage and creativity. We will continue to recruit good talent to build capacity in preparation for growth in the future.

PROSPECTS

There is a time to sow and there is a time to reap. There is a time to invest and a time to divest. The next few years will see us divesting our earlier investments and putting funds aside for future investments. The gearing ratio of the Group remains healthy at 27% for the financial year ended 31 January 2011.

ACKNOWLEDGEMENTS 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 goes 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

概述

在我们第一个年度财务报告里，我引述了老子的观点："合抱之木，生于毫末；九层之台，起于累土；千里之行，始于足下"。

这是金诗集团旗下私人股权投资业务运作的第九个年头。兴衰变化不定的时期，我们都安然度过了。我们的各项投资都处于不同的增长阶段，不过，我们期望可在2013年为现有的私人股权投资业务挂上句号。我们开始逐步脱售和撤出一些早期的投资，同时，还会继续培育和支持那些后期的投资项目。

财务业绩

截至2011年1月31日财政年度，集团营业额从1亿9千800万令吉，上扬33%至2亿6千400万令吉，受益于各项业务，尤其是资讯通讯科技(ICT)、产业和酒店业务的贡献。

因受到G Fish (亚洲)私人有限公司(前身为宝特余(亚洲)私人有限公司)的资产损值和GTower私人有限公司的亏损影响，集团税前盈利从上财政年的4千万令吉，下跌18%至3千300万令吉。不过，制药业务盈利增长和来自联营公司IGB Corporation Berhad (怡保花园)的贡献，部分抵消了以上业务亏损的影响。

公司投资表现

IGB Corporation Berhad ("怡保花园")
上市地产集团

在截至2010年12月31日的财政年度，怡保花园的营业额从前财政年的6亿4千200万令吉，上升12%，至7亿1千900万令吉。税前盈利更从之前的2亿2千200万令吉，增长25%至2亿7千800万令吉。在这一年，怡保花园宣布脱售谷中城(Mid Valley City)内的The Gardens Mall广场予其持有75%股权的KrisAssets控股有限公司。这项股权脱售计划将整合谷中城所有零售产业于单一公司下简化运作，以及进一步区分怡保花园的业务为产业发展和KrisAssets为资产控股业务。

在马来西亚的私人股权投资

截至2011年1月31日为止，集团在大马私人企业的总投资额达8千100万令吉，去年同期总投资额为8千300万令吉。本集团所投资的主要公司表现如下：

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

截至2011年1月31日财政年度，HOEPharma集团取得7千600万令吉营业额，以及1千800万令吉税前盈利，高于2010财政年的6千900万令吉营业额及1千100万令吉税前盈利。HOEPharma集团在继续采取的成本削减措施和产品新价格结构下，大马市场额外贡献了700万令吉的营业额和更好的盈利。

在2011年4月7日，AmInvestment银行代表金诗集团董事局宣布，金诗集团连同HOEPharma集团六名独立股东，与日本大正制药公司签署买卖协议，脱售HOEPharma集团每股面值1令吉的6,252,000股票予后者，脱售价大約为2亿8千920万令吉，并将会根据买卖协议内的条约来调整价格。

Macro Kiosk有限公司("Macro Kiosk")
移动数据通讯技术供应商

Macro Kiosk集团营业额从去年的6千200万令吉，上升39%至8千600万令吉。这主要来自其扩展客户基础，以及大马和其他国家现有客户对Macro Kiosk服务的高使用率。尽管如此，其税前盈利则维持在200万令吉水平，因为面对100万令吉的呆账拨备和200万令吉的无形资产损值。营运盈利则从去年的500万令吉，增至800万令吉。

Macro Lynx私人有限公司("Macro Lynx")
宽频方案和服务供应商

Macro Lynx营业额从上财政年的800万令吉，增长63%至1千300万令吉。集团税前盈利更取得两倍增长，从100万，增至300万令吉。

由於公司不断努力向新客户和潜在客户促销其综合性端对端宽频互联网解决方案而取得奏效，成功改善公司的业绩表现。

G Fish (亚洲) 私人有限公司(前身为宝特余 (亚洲) 私人有限公司)，(“G Fish”)
水产养殖业公司

因受到1千万令吉的资产损值影响，G Fish在2011财政年继续面对1千400万令吉税前亏损，上财政年则面对400万令吉税前亏损。无论如何，我们相信只要继续努力提高生产和执行成本削减措施，长期下来，集团将可为金诗集团带来正面盈利贡献。

在中国的私人股权投资

截止2011年1月31日为止，在中国的总投资达6千100万令吉。去年同期投资总额为6千500万令吉。本集团在中国所投资的主要公司表现如下：

峰水(上海)水处理系统有限公司(“峰水”)
污水处理公司

峰水集团2011财政年营业额从去年的600万令吉，上扬至1千万令吉。集团税前盈利则从去年的300万令吉，下滑至200万令吉。

天津万利天然纤维薄膜有限公司(“天津万利”)
造纸公司

天津万利的营业额从去年的5千300万令吉，上升至6千100万令吉。不过，公司还继续面对亏损，从去年的800万令吉，减少至400万令吉。这亏损是基于该公司面对400万令吉的资产折旧及推销，以及废纸价格增长而导致赚幅收缩。

产业投资

GTower私人有限公司，马来西亚第一座绿色商业建筑物

过去一年，GTower集团开始运作，并取得2千300万令吉的营业额。由于是该集团的第一年运作，所以仍面对着2千200万令吉的亏损，主要原因是计算入900万令吉的折旧及摊销，以及1千100万令吉的利息。

作为首年业务运作，集团达到63%的办公室租用率，以及30%的酒店入住率。

GTower获得的奖项包括以下：

- 新加坡政府建设局(BCA)环保黄金标准认证
- 大马绿色建筑物指数(GBI)临时证书
- 多媒体超级走廊(MSC) 数码城市地位
- 大马室内设计奖2010
- 亚洲酒店业白金颁奖礼(HAPA)2010-2012大马系列:
  * 优胜者 - 最佳独立酒店奖
  * 前五名 - 最佳精品酒店或渡假胜地
  * 前五名 - 最佳西餐厨师
  * 前十名 - Bridge Bar获得最佳独特餐饮概念
  * 前十名 - 最佳行政主厨
  * 前十名 - 最佳礼宾部
- 彭博电视(Bloomberg)联办的2011年亚太区酒店奖

我们的队伍

在本财政年度内，本集团的员工人数从去年的842人增加至977人。本集团感到荣幸，因有一班勤奋和奉献精神的员工团队，凭着他们的勇气和创造力应对挑战。我们将会继续雇用优良人材，为集团未来增长作出准备。

前景展望

有播种的季节，也就有收成的时候。有投资的时刻，也就有脱售的时机。集团在未来数年将会陆续脱售早期的投资和把资金预留给未来投资。截至2011年1月31日为止，集团净负债比率仍维持在27%的健全水平。

鸣谢

本人借此机会向董事局成员深表真诚谢意，感谢他们的专业指导和贡献，为集团迈向卓越而奋斗。我也特别感谢公司管理层和员工们对集团的持续贡献与支持。最后，我也要感激所有股东、客户、商业伙伴、投资者、银行机构。以及有关当局所给予金诗集团的支持、指导和信任。

陈丽贞(MS)
主席兼首席执行员

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
Datuk Harun Bin Hashim Mohd

AUDIT COMMITTEE

Datuk Tan Kim Leong
(Chairman-Independent Director)

Encik Daud Mah Bin Abdullah
(Independent Director)

Mr Tan Boon Lee
(Non-Independent Director)

SECRETARIES

Ms Chow Lai Ping
Mr Leong Kok Chi

REGISTERED OFFICE

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

REGISTRAR

IGB Corporation Berhad
[Share Registration Department]
Level 32, The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : 603-2289 8989
Fax. No. : 603-2289 8802

PRINCIPAL BANKERS

AmBank (M) Berhad
Bank of China
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank (Malaysia) Berhad
Malayan Banking Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Berhad

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Jeyaratnam & Chong

STOCK EXCHANGE LISTING

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

DATE OF INCORPORATION

1 June 2000

WEBSITE

www.goldis.com

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of Goldis Berhad will be held at the Ampang Room, Mezzanine Floor, GTower, 199 Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 23 June 2011 at 11.30 a.m. for the following purposes:

1. To receive the audited financial statements for the financial year ended 31 January 2011 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**

2. To approve the payment of Directors' fees of RM114,000 for the financial year ended 31 January 2011. **Ordinary Resolution 2**

3. To declare a first and final dividend of 1.25 sen per share tax exempt for the financial year ended 31 January 2011. **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) Pauline Tan Suat Ming **Ordinary Resolution 4**
   (b) Datuk Harun Bin Hashim Mohd **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. To consider and if thought fit, to pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965: **Ordinary Resolution 7**

   That Datuk Tan Kim Leong, who retires pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting.

7. **Authority for Directors to Issue Shares** **Ordinary Resolution 8**

   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.

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

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

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

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

whichever occurs first;

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

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

NOTICE OF DIVIDEND ENTITLEMENT & PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a first and final dividend of 1.25 sen per share tax exempt in respect of the financial year ended 31 January 2011, if approved by shareholders, will be paid on 22 July 2011 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 1 July 2011.

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 1 July 2011 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
(MIA 11054)
Company Secretaries

Kuala Lumpur
1 June 2011

Notes:

1. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and to vote in his stead. A proxy may but need not be a member of the Company 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, Suite 28-03, Level 28, GTower, 199 Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting.*

Explanatory Notes

1. The re-appointment of Datuk Tan Kim Leong, a person over the age of 70 years as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Ordinary Resolution 7 has been passed by a majority of not less than three-fourth (3/4) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.

2. The proposed Ordinary Resolution 8, if passed, will renew the mandate to empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the 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.

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

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Tenth Annual General Meeting held on 24 June 2010 and which will lapse at the conclusion of the Eleventh Annual General Meeting.

3. The proposed Ordinary Resolution 9, if passed, will renew the shareholders' mandate for the share buy-back by the Company and will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued 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 1 June 2011, which is despatched together with the Company's Annual Report 2011.

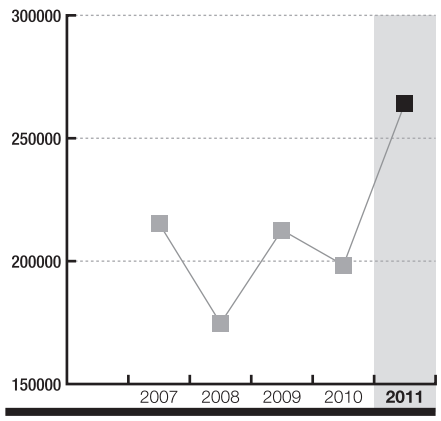
   As at the date of this Notice, the Company did not conduct any share buy-back pursuant to the mandate granted to the Directors at the Tenth Annual General Meeting held on 24 June 2010 and which will lapse at the conclusion of the Eleventh Annual General Meeting.

4. Profiles of Directors standing for re-election and re-appointment are set out on pages 13 to 15 of the Annual Report; while details of their interest in securities are set out on page 124 of the Annual Report.

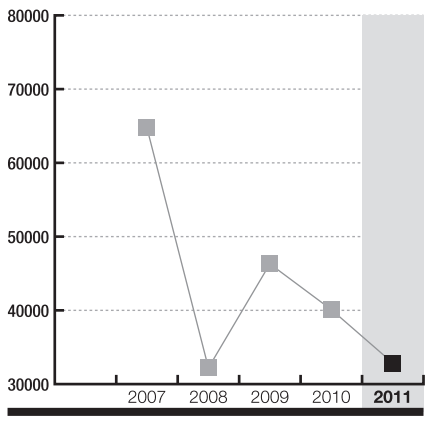
Financial year ended 31 January	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Revenue	215,342	174,728	212,662	198,389	264,222
Pre-tax Profits	64,734	32,203	46,302	40,099	32,854
Taxation	681	(256)	(3,506)	840	(6,342)
Net Profits	65,415	31,947	42,796	40,939	26,512
No of ordinary shares ('000)	321,049	323,334	323,390	486,712	609,681
Adjusted EPS (RM) *	0.11	0.05	0.07	0.06	0.04
Net Assets	991,473	1,018,944	1,123,828	1,163,909	1,192,895
Adjusted NA Per Share (RM) *	1.63	1.67	1.84	1.91	1.96
Total Borrowings	146,723	197,515	206,738	271,405	319,595
Gearing (times)	0.15	0.19	0.18	0.23	0.27

** The earnings and net assets per share for the FYE 2007-2010 have been adjusted using the enlarged share capital of FYE 2011.*

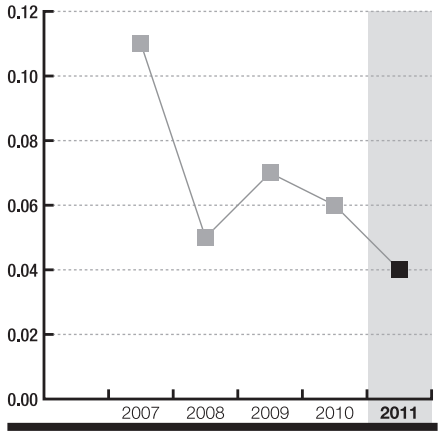
Revenue (RM'000)



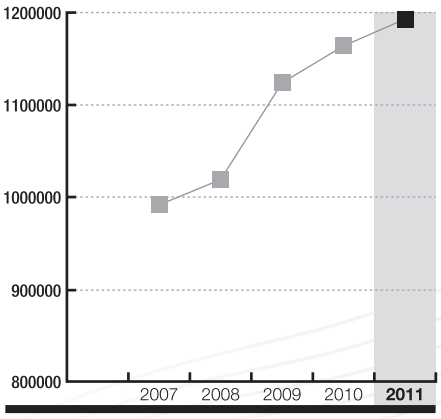
Pre-tax Profits (RM'000)



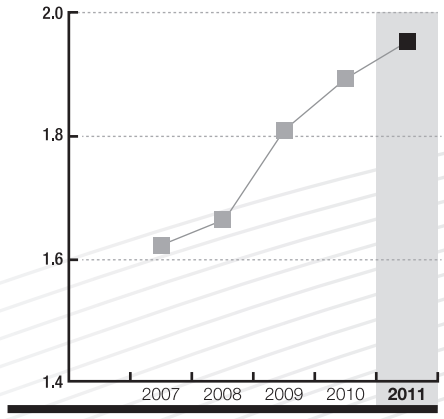
Adjusted EPS (RM)



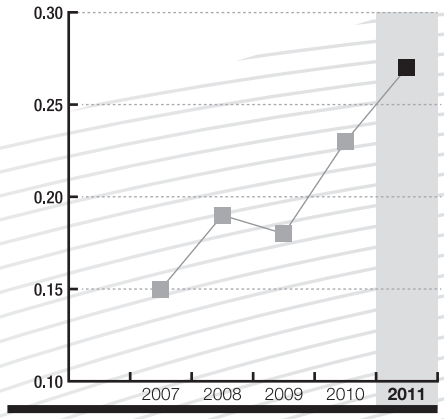
Net Assets (RM'000)



Adjusted NA Per Share (RM)



Gearing (times)

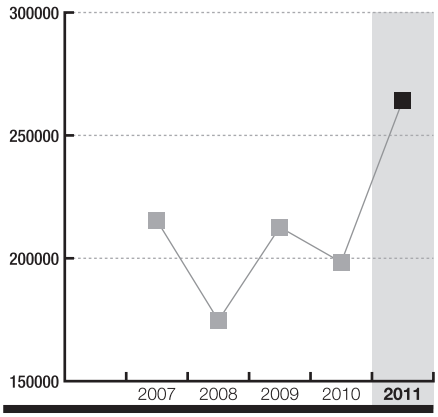


五年表现焦点

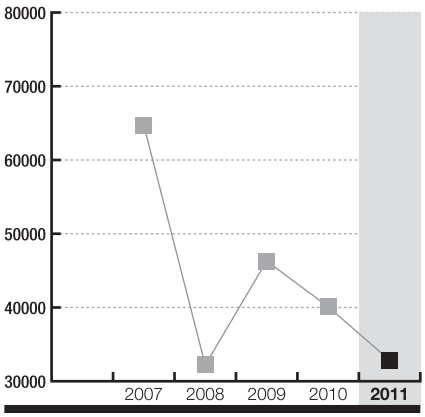
截至1月31日财政年	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
营收	215,342	174,728	212,662	198,389	264,222
税前盈利	64,734	32,203	46,302	40,099	32,854
税项	681	(256)	(3,506)	840	(6,342)
净盈利	65,415	31,947	42,796	40,939	26,512
股票数额 ('000)	321,049	323,334	323,390	486,712	609,681
调整后每股收益* (令吉)	0.11	0.05	0.07	0.06	0.04
净资产	991,473	1,018,944	1,123,828	1,163,909	1,192,895
调整后每股资产净额* (令吉)	1.63	1.67	1.84	1.91	1.96
总贷款	146,723	197,515	206,738	271,405	319,595
负债比率 (倍)	0.15	0.19	0.18	0.23	0.27

*2007-2010财政年的每股收益和每股资产净额，经调整使用2011财政年扩大后的股本计算。

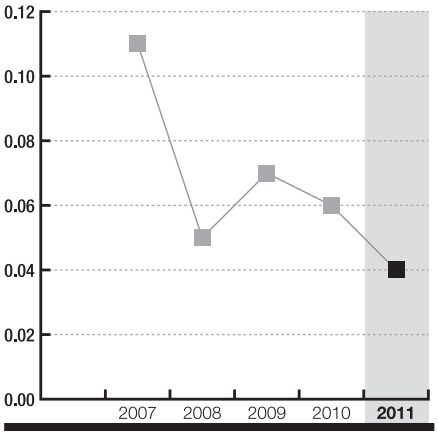
营收 ('000令吉)



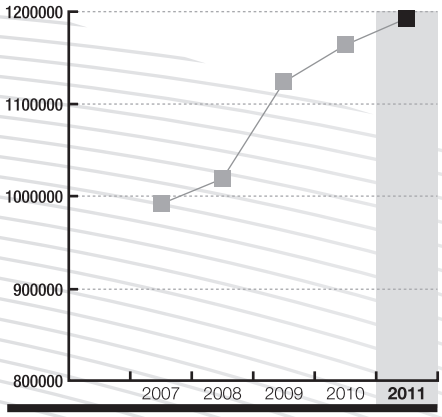
税前盈利 ('000令吉)



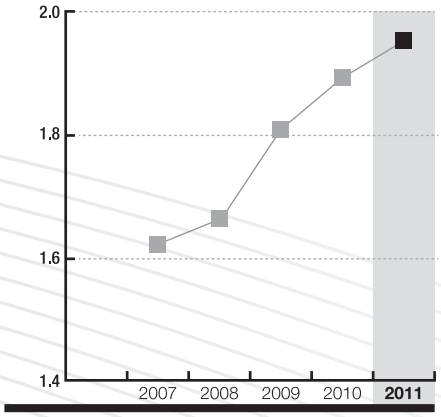
调整后每股收益 (令吉)



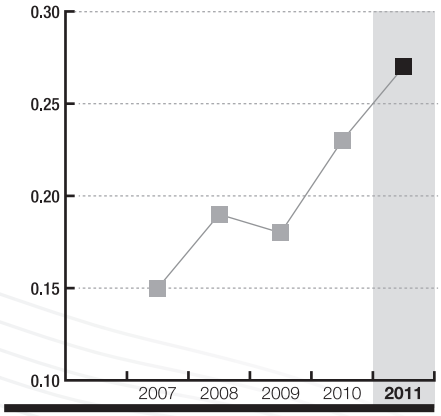
净资产 ('000令吉)



调整后每股资产净额 (令吉)



负债比率 (倍)



TAN LEI CHENG

(Non-Independent Executive Chairman & Chief Executive Officer)

Tan Lei Cheng, aged 54, 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 industry sector. She has 29 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 World Presidents' Organisation, Malaysia Chapter. She is also a member of Kuala Lumpur Business Club ("KLBC") Advisory Council. She is a director of IGB Corporation Berhad, KrisAssets Holdings Berhad, Macro Kiosk Berhad, Tan & Tan Developments Berhad and Dato' Tan Chin Nam Foundation.

She is a member of the 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, who is a substantial shareholder 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 71, a Malaysian, was appointed to the Board of the Company on 11 January 2002. Datuk Tan was the Executive Chairman of BDO Binder from 1982 to 2009. 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, MCIS Zurich Insurance Berhad, Yayasan Bursa Malaysia and Gul Technologies Singapore Ltd.

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

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 65, 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 substantial 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 47, 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 23 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, Tan & Tan Developments Berhad, Kenny Vale Homeowners Berhad, Laman Homeowners Berhad and Dato' Tan Chin Nam Foundation.

He is a member of the Audit, 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 who is a substantial shareholder 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 49, 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 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. He left The Boston Consulting Group in 1995 and set up a boutique fund management company called Kumpulan Sentiasa Cemerlang Sdn Bhd where he is a Director. He is also a director of KSC Capital Berhad.

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

DATUK HARUN BIN HASHIM MOHD

(Non-Independent Non-Executive Director)

Datuk Harun Bin Hashim Mohd, aged 61, 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 later joined Gunung Fibre Optik Sdn Bhd as an Executive Director until 2009.

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 nor major shareholders.

The Board of Directors of Goldis Berhad ("Goldis") recognized the importance of enhancing shareholder value through a sustainable business by maintaining high standards of corporate governance throughout the Group while discharging its duties and responsibilities in managing the business and affairs of the Group.

The Board is pleased to report to the shareholders on the manner that the Group has applied the principles and the extent of compliance with the Best Practice of good corporate governance as set out in Part I and Part II respectively of the Malaysian Code of Corporate Governance ("the Code").

The Board

(i) Board Balance

The Board has overall responsibility for the proper conduct of the company's business and provides entrepreneurial leadership to ensure that the Group's objectives and performance targets are met. 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. 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, effective monitoring of management, reviewing the adequacy and integrity of the Company's internal control systems, identifying principal risks and ensuring the implementation of appropriate systems to manage risks, business plans 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 Non-Executive Directors, all of whom are well qualified and outstanding individuals, are professionals in their own right and bring to the Board in-depth knowledge in their respective fields. They do not participate in the day to day management of Goldis affairs and do not engage in any business dealings or other relationship with Goldis to ensure they are capable of exercising judgement objectively and act in the best interest of Goldis. The Independent Non-Executive Directors are drawn from a range of business and other background. They are independent of management and free of any business or other relationship, and therefore are able to promote arm's-length oversight and at the same time bring independent thinking, views and judgment to bear in decision making. They also serve as a check and balance to carry sufficient weight in Board decisions.

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

Board meetings are conducted on a quarterly basis with matters addressed by way of circular resolutions and additional meetings held as and when necessary. The meetings are scheduled in advance before the end of the financial year to enable the Directors to plan accordingly to fit the Board meetings into their schedules. 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. Prior to each Board meeting, every director is given an agenda together with a set of Board papers that is well-structured and in concise format providing both quantitative and qualitative information to be deliberated. All issues raised, discussions, deliberations, decisions and conclusions including dissenting views made at Board meetings along with clear actions to be taken by responsible parties are recorded in the minutes. Where the Board is considering a matter which a Director has an interest, the relevant Director immediately discloses his interest and abstains from participating in any discussion or voting on the subject matter.

The Board met on four (4) occasions during the financial ended 31 January 2011. The members of the Board and their attendance at the meetings were as follows:-

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

The Directors have unrestricted access to information pertaining to the Groups' business and affairs to enable them to discharge their duties effectively. Any additional information requested by the Directors is promptly provided.

All Directors have access to further information which they may require in discharging their duties including seeking independent professional advice where necessary at the Company's expense. This information includes both verbal and written details. In addition, all Directors have access to the advice and services of the Company Secretaries.

(iii) Appointment and Re-election of Directors

Pursuant to Section 129 of the Companies Act, 1965, Directors who are or over the age of seventy (70) years shall retire at every Annual General Meeting and may offer themselves for re-appointment to hold office until the next Annual General Meeting.

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. Re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors.

(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.

(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.

Each individual Director abstains from the Board decision on his own remuneration package.

(c) Remuneration Package

Aggregate remuneration of Directors categorised into appropriate components for the financial year ended 31 January 2011 is as follows:

Category of Directors	Fees RM	Salary RM	Bonus RM	Benefits-in-kind RM	Total RM
Executive Director	12,000	672,448 *	92,990	7,200	784,638
Non-Executive Directors	102,000	-	-	-	102,000

* *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 2011 is as follows:

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

(v) Directors' Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme as prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Board recognizes the need to attend programmes and seminars to keep abreast with developments of new laws, regulations or best practices, or to be updated with new development in the market place.

The training programmes and seminars attended by the Directors during the financial year ended 31 January 2011 are set out below:

Courses:
- Global Leadership
- Go Green
- G.R.E.W. (Golf, Real Estate and Wine)
- How to Win Friends and Influence People in Business
- Dawn of the New Decade – Alternative Investments in Asia
- 2011 Budget and Accounting Standards Update
- Advance Negotiation: Street Smart Tactics
- Building Audit Committees for Tomorrow
- Investigative Audit and Forensic Accounting

THE BOARD COMMITTEES

Board Committees assist the Directors in the discharge of their duties and responsibilities. All Committees operate under Board approved terms of reference, which may be updated from time to time to keep abreast with developments in law and best practices in Corporate Governance. The Board has established four (4) Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and ESOS Committee.

(i) Audit Committee

Please refer to pages 27 to 30 of this Annual Report.

(ii) Nomination Committee

The Nomination Committee comprises entirely of Non-Executive Directors with the majority being Independent. The Nomination Committee's primary function is to consider and propose new nominees on the Board based on their skills, knowledge, expertise, experience, professionalism and integrity. The Nomination Committee also assess Directors on an on-going basis and propose re-election and re-appointment 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 required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors need to bring to the Board, performance of the Board as a whole, individual Directors and Board Committees. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions are documented.

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. During the financial year, the Remuneration Committee met 3 times. Amongst the items deliberated by the Remuneration Committee in 2010 were the directors' fees, annual bonus and salary increment of the employees and the remuneration structure of the Chairman/CEO. Deliberations also include the percentage of the Net Realised Profit to be given to the Chairman/CEO provided that a certain Compounded Annual Growth Rate ("CAGR") is achieved within specific time.

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

Apart from striving to meet its regulatory reporting requirements, Goldis is also fully committed to maintaining transparency and accountability to shareholders and investors as part of its good corporate governance policies and practice. 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's website at http://www.goldis.com is used as a forum to communicate with shareholders and investors and to provide information on the Groups' business activities. Announcements to Bursa Malaysia on corporate news, quarterly results and annual report, that contain current and historical information are also accessible to shareholders.

The Annual General Meeting (AGM) is the principal avenue for dialogue and interaction with the shareholders, where they may seek clarifications on the Group's performance, major developments of the Group as well as on the resolutions being proposed. 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 pages 25 and 26 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 auditors are invited to attend Audit Committee Meetings at least twice a year without executive board members present and will highlight to the Audit Committee significant matters requiring deliberation and attention.

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 24 June 2010 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 2011.

Employees' Share Option Scheme ("ESOS")

During the financial year ended 31 January 2011, 1,042,250 options were exercised pursuant to the ESOS which was approved by the shareholders at the Extraordinary General Meeting held on 21 December 2001.

Sanctions and/or Penalties

During the financial year ended 31 January 2011, the Group incurred the following penalties imposed by the following relevant regulatory bodies:-

- Macro Kiosk Berhad ("MKB") a 70% owned subsidiary of Goldis paid late charges on late contributions amounting to RM409.00 imposed by Kumpulan Wang Simpanan Pekerja ("KWSP");
- MKB paid a fine of RM50,000 imposed by the Court for non-compliance under Section 127(3) of the Communications and Multimedia Act, 1998.

Non-Audit Fees

Non-audit fees amounting to RM110,400 were paid to the external auditors for the services rendered in connection with the audit for the financial year ended 31 January 2011.

Material contracts

Other than disclosed in Note 41 of the Financial Statements, there were no other material contracts entered into by the Company and/or its subsidiaries which involved Directors' or major shareholders' interests either still subsisting at the end of the financial year ended 31 January 2011 or which were 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 29 March 2011.

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 2011 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 2011, 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 29 March 2011.

At Goldis Berhad ("Goldis"), we recognize the responsibilities we have towards our people, our customers, our suppliers, the communities to which we belong and the environment as a whole. We believe our reputation, together with the trust and confidence of those with whom we deal, to be one of our most valuable assets. In order to keep this reputation and trust, we maintain the highest ethical standards in carrying out our business activities.

EMPLOYEES

We are an investor in people and our employees are the core of our success and growth. Goldis finds, keeps and engages the highest calibre of employees and encourages their contribution and development. The Group believes that caring for its employees will contribute positively to the Group's long term profitability of the business and success through improved efficiency of the work processes.

Conducive Working Environment

The Group is committed to a working environment where there is mutual trust and where everyone is accountable for their own actions. We strive to instill a rewarding environment at the workplace by providing a fair and equitable remuneration package to employees that include comprehensive insurance policies, sick leave, panel doctors and medical benefits. Every opportunity is taken for staff of all levels to socialize and mingle through social gatherings and functions held such as birthday tea-parties, Chinese New Year Party and Christmas Party with the objective of strengthening the bond among staff and instill a sense of belonging. Mid Year Retreat is held annually for senior management to share the Group's direction and goals for better understanding in achieving the Group's objectives.

Training

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. The year under review saw the Group investing RM164,922.87 on training and development programmes to ensure employee proficiency and competency.

Health and Safety

We have a responsibility to each of our employees to create a safe and healthy environment in which to work. Preventive actions are taken to mitigate risks such as allocating First Aid Kit boxes in office premises and allowing employees to participate in evacuation drills conducted by the building management. In particular, our pharmaceuticals arm, HOEPharma Holdings Sdn Bhd ("HOEPharma"), regularly conducts safety meetings, fire drills and evacuations as well as audits in order to maintain an accident-free environment and to eliminate occupational heath hazards.

Workplace Diversity and Ethics

We respect our staff and expect all employees to treat each other, clients, suppliers and partners with dignity and we do not tolerate harassment, discrimination or bullying of any type within the workplace. The Group's aim is to ensure there are equal opportunities for all employees with no discrimination on account of race, age, gender, sexual orientation, disability and political or religious beliefs. In return, employees are expected to act with integrity and maintain high ethical standards.

ENVIRONMENT

The Goldis Group recognizes that it has responsibilities to the environment and we aim to take positive steps to address the environmental and social impacts of our business operations.

Green Building – GTower Sdn Bhd ("GTower")

Even before sustainable development became the buzzword in Malaysia, Goldis had the foresight in 2005 to incorporate the latest Green Building Technologies when it planned for a new corporate headquarters in Kuala Lumpur. With this in mind, GTower Sdn Bhd, our subsidiary started the construction of GTower in July 2006 and it was completed in December 2009. GTower is designed to be Malaysia's first Green building, fully certified by Singapore's BCA Green Mark Gold standard certification. GTower was also awarded the much coveted MSC Malaysia Cybercentre status, joining the ranks of KLCC, KL Sentral and Mid Valley City as having world class infra and info-structure.

The environmentally friendly design is evident right from the front entrance, which features vertical planting and a landscaped main entrance canopy. The planting continues right up to the landscaped rooftop. With a gross built-up of the entire place totaling 1.4 million sq ft, the air conditioning uses approximately 28 per cent less energy compared to properties of similar sizes, partly driven by reduced heat from the glazed windows and reusing waste heat. In addition, harvested rainwater is used to irrigate extensive green planting efforts around the building. In total, with all the energy savings features such as double glazed glass, energy efficient lighting, heat exchangers for hot water generation and motion sensors, GTower will enjoy approximately 23 per cent total energy savings.

GTower Hotel is also the first Fully Certified Green hotel. Among the key green features include the innovative use of harnessing waste energy from the air conditioning system to heat water for the pool and showers, and eco friendly pool which uses salt to ensure good water quality and use of energy efficient lighting. GTower Hotel won the Best Hospitality and Best Interior Builders Category at the Malaysia Interior Design Awards (MIDA) 2010. The hotel won based on innovative design and extensive use of green friendly and recycled materials for the Bridge Bar. The Bridge Bar is a strong evocation towards the building's green heart. With innovative use of aged 'chengal wood', discarded wine bottles and driftwood furniture, the Bridge Bar has become a key emotional touch point on the building's green features to visitors. There is organic composting which will eventually go toward a herb and spice garden for the building's Italian restaurant Tanzini and the mandatory standard applied to cleaning agents within the building ensures only bio-degradable and environmentally-friendly products are used.

With all this in place, the energy savings and lower carbon footprint of the building would be the equivalent of saving 18,000 trees per year.

GTower also established a Green Committee to oversee various aspects of building operations and among the green initiatives introduced include the following:-

- Housekeeping – A series of training video on recycling was produced to help educate external foreign staff on how to properly maintain a green building;

- GTower Hotel – The hotel hosted Andy Pag's stay for the Kuala Lumpur leg of his round the world journey called the 'BioTruck', an expedition committed to going green in November 2010; and

- Participation in industry wide speaking engagements – Throughout 2010, GTower had participated in numerous industry wide conferences and seminars on building and going green.

Sustainable Aquaculture – G Fish (Asia) Sdn Bhd (formerly known as Protech Yu (Asia) Sdn Bhd) ("G Fish")

On a worldwide scale, 52 per cent of fish in the ocean have become endangered while 40 per cent are on the verge of becoming endangered. Over fishing has also led to the depletion of certain species of fish such as cod which is now almost extinct. With more than three billion people relying on fish as a source of protein, G Fish, another subsidiary under our Goldis Group prides itself as the first Malaysian company to specialize in organically 'grown' fish using a land-based aquaculture technique called the Fish Protech Controlled Aquaculture System. The system is a proven aquaculture technology of rearing and breeding freshwater and marine fish in indoor tanks using a fully integrated, climate-controlled, water management system. The system produces organically farmed fish guaranteed free of chemicals, antibiotics and other pollutants. Fish reared using this technology is treated more humanely as the tanks are not overcrowded to reduce stress on the fish which may impede their growth. The system is environmentally-friendly as any waste water from the fish tanks is used to water beds of tomatoes and chillies nearby.

Waste Water Treatment - Crest Spring Pte Ltd ("Crest Spring")

Water crisis is one of the major issues that the world is facing and the Group feels that it has a responsibility to contribute towards water management. Crest Spring, our subsidiary is involved in the provision of engineering services for pure water and waste water treatment in various industries such as microelectronic, petrochemicals, power plants, municipal waste water, waste water recycle system and city water supply scheme in China. Through water concessions awarded by the China Government, Crest Spring owns and operates water treatment plants in GanYu County (JiangSu province), Dajijia District, Yantai Economic and Technical Development Zone (Shandong Province) and Zou Cheng, Jining City (Shandong Province). Waste water collected is treated and discharged back to the ecosystem.

Paper Manufacturing – Tianjin Manax Natural Fibre Thin Film Co Ltd ("Tianjin Manax")

Our subsidiary, Tianjin Manax, a corrugated paper manufacturing in China contributes to the environment by reducing the number of trees being cut, by using domestic waste paper instead of wood pulp from trees as raw material in its paper manufacturing process. Tianjin Manax also has the ability to recycle treated water into the production process, leading to higher fibre recovery which ultimately leads to near zero waste water discharge.

Mobile Messaging Technology Enabler – Macro Kiosk Berhad ("Macro Kiosk")

Macro Kiosk provides world-class mobile messaging connectivity and solutions to a large-scale customer base with instantaneous mobile messaging connectivity to more than 2 billion mobile subscribers around the world. Through its etracker, the latest state-of-the-art mobile messaging platform, the Company is able to reduce energy consumption and emission of carbon dioxide. The Company also reviews its supplier policy towards green initiatives.

COMMUNITY

Goldis aims to build stronger and healthier communities through education, graduate employment and social welfare.

Education

The Group supports education on an on-going basis through the Dato' Tan Chin Nam Foundation by awarding scholarships to deserving Malaysian students for tertiary education. A total of RM91,244.51 worth of scholarships were awarded in 2010.

Graduate Employment

HOEPharma plays an active role in providing practical experience to pharmacy graduates through training attachment. In 2010, the Company took 10 trainees under its wings for a duration of between 3 to 6 weeks.

Social Welfare

We support the local communities in which we work through charitable contributions. During the year, our subsidiary, Elements Gym Sdn Bhd organised a donation drive among the Group for Agathians Shelter, an orphanage. HOEPharma also sponsored 2 children from Praise Emmanuel Children's Home through the Company's Sponsor a Child Program. The contribution in the form of monthly expenses includes tuition and school fees.

INTEGRITY AND ETHICS

Goldis Group expects that all of its business is conducted in compliance with high ethical standards of business practice. We apply these standards to all dealings with our customers, suppliers, business partners, banks, collaborative associates and stakeholders. We also expect all our associates to uphold the high ethical and moral standards we aspire to.

MARKET PLACE

The Group remains committed to the investment community, shareholders and stakeholders by operating with integrity, transparency and accountability. We strive to ensure that knowledge, material information and disclosures are timely disseminated to its shareholders and the general public to aid investors in their investment decisions. The Group's corporate website contains information on corporate and business activities. The Annual General Meeting is also a forum for dialogue with investors.

The Board is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. Its review covers financial, operational, 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 as well as to safeguard shareholders' investments and the Group's assets. It can only provide reasonable and not absolute assurance against material errors, misstatement, losses or fraud.

The Group's system of internal control mainly applies to its operating units, subsidiaries and does not cover associated company. In addition to the periodic review of internal control, letter of assurance are provided by the subsidiaries that are responsible for designing and implementing the internal controls to assert that the existing internal control systems are adequate and functioning effectively. 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. All risks and treatments were detailed in the Key Risk Registers which were constantly monitored and updated.

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 financial performance, business development, management and corporate issues.

Budget

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

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 29 March 2011.

The Board is pleased to issue the following report on the Audit Committee and its activities during the financial year ended 31 January 2011.

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 Boon Lee	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. All members of the Audit Committee should be non-executive directors. If membership for any reason falls below three (3) members, the Board shall within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

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

(2) No alternate director shall be appointed to the Audit Committee.

(3) All members should be financially literate and at least one 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. The Audit Committee should meet with the external auditors without executive board members present at least twice a year.

D Functions

The functions of the Audit Committee are:

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

(a) their audit plan;

(b) their evaluation of the internal 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;

(e) the appraisal or assessment of the performance of members of the internal audit function;

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

(a) going concern assumptions;

(b) changes in 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.

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

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

The quorum for a meeting shall be two (2) provided always that the majority of members present must be independent directors and any decision shall be by a simple majority. The Audit Committee Chairman shall not have a casting vote.

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

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

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 2011 were as follows:

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

(b) Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management response.

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

(d) Reviewed the internal audit reports which highlighted audit issues with recommendations and management's response.

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

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

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

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

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

(j) Met with the external auditors at least twice during the financial year without the presence of any executive Board member.

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 in-house Internal Audit Department and the Head of the Group Internal Audit Department reports and 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 Head of Group Internal Audit Department is responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Group. Internal audit costs amounting to RM247,800.00 were incurred for the internal audit function for the financial year ended 31 January 2011.

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

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 2011.

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, property 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 associate is principally involved in investment holding, property investment and development.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(loss) for the financial year	26,511,900	(6,680,136)
Attributable to:		
Owners of the parent	23,419,002	(6,680,136)
Non-controlling interest	3,092,898	-
Profit/(loss) for the financial year	26,511,900	(6,680,136)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors now recommend the payment of a first and final tax exempt dividend of 1.25 sen per share on 609,680,556 ordinary shares, amounting to RM7,621,007 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, to be paid on 22 July 2011 to shareholders registered on the Company's Register of Members at the close of business on 1 July 2011.

RESERVES AND PROVISIONS

All material transfers to or from reserves and 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 RM486,711,745 to RM609,680,556 by way of:

(i) the issuance of 1,042,250 ordinary shares of RM1.00 each for cash pursuant to the exercise of the Employees' Share Option Scheme ("ESOS") at exercise prices ranging from RM1.00 to RM1.16 per option. The premium arising from the exercise of ESOS of RM13,440 has been credited to Share Premium; and

(ii) the bonus issue of 121,926,561 new ordinary shares of RM1.00 each to be credited as fully paid-up, on the basis of one (1) bonus share for every four (4) existing shares held via capitalisation of share premium account amounting to RM121,926,561.

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, expired on 19 May 2007, in accordance with the ESOS Bye-Laws.

The Company's ESOS Committee and the Board of Directors have approved an extension of the ESOS for a further period of five (5) years from 20 May 2007 to 19 May 2012, to allow for additional time for the eligible employees and Directors to exercise the remaining unexercised options and to continue to motivate and reward existing employees of the Company.

The extended ESOS is implemented in accordance with the terms of the amended Bye-Laws of the Company which was approved at the Extraordinary General Meeting on 22 June 2005. 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 35 (c) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia vide their letter dated 1 April 2011 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
Datuk 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.

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 10 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, options over ordinary shares and Irredeemable Convertible Non-Cumulative Preference Shares ("ICPS") in the Company and its related corporations are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.2.2010	Additions	Disposals	At 31.1.2011
Direct shareholdings in the Company				
Tan Lei Cheng	6,068,860	2,267,215	-	8,336,075
Tan Boon Lee	3,054,985	763,746	-	3,818,731
Pauline Tan Suat Ming	580,749	176,437	-	757,186
Datuk Tan Kim Leong @ Tan Chong Min	200,000	175,000	-	375,000
Daud Mah bin Abdullah @ Mah Siew Whye	75,000	93,750	(75,000)	93,750
Indirect shareholdings in the Company				
Tan Lei Cheng	2,912,379	728,094	-	3,640,473
Pauline Tan Suat Ming	134,494,102	33,623,523	-	168,117,625

Tan Lei Cheng is deemed to have an interest in the shares in the Company by virtue of her shareholdings in Dasar Mutiara (M) Sdn Bhd pursuant to Section 6A of the Companies Act, 1965, and by virtue of her daughter, Chong Chui Fern's shareholdings in the Company pursuant to Section 122A of the Companies Act, 1965.

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 1.2.2010	Granted	Exercised	At 31.1.2011
Share options in the Company				
Tan Lei Cheng	600,000	-	(600,000)	-
Pauline Tan Suat Ming	25,000	6,250	(31,250)	-
Datuk Tan Kim Leong @ Tan Chong Min	100,000	-	(100,000)	-
Daud Mah bin Abdullah @ Mah Siew Whye	75,000	-	(75,000)	-

	Number of ICPS with a par value of RM0.05 each at an issue price of RM1.00 each			
	At 1.2.2010	Additions	Disposals	At 31.1.2011
ICPS in a subsidiary, GTower Sdn Bhd				
Tan Lei Cheng	2,250,000	-	-	2,250,000
Tan Boon Lee	3,000,000	-	-	3,000,000
Pauline Tan Suat Ming	2,500,000	-	-	2,500,000

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

(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; and

(c) the Group is able to meet all its obligations in the next twelve months and there are no uncertainties that the Group is able to continue as a going concern.

SIGNIFICANT EVENTS POST REPORTING DATE

Goldis Berhad together with six (6) individual shareholders of HOEPharma Holdings Sdn Bhd namely, Khoo Joo Lee, Hum Hoe Mei, Lee Boon Kian, Kwek Eng Lam, Woon Kim Toon and Soh Thian Boon (collectively known as the "Vendors") had on 7 April 2011 entered into a conditional Sale and Purchase Agreement ("SPA") with Taisho Pharmaceutical Co. Ltd ("Taisho") to dispose Vendors' 8,000,000 ordinary shares of RM1.00 each in HOEPharma Holdings Sdn Bhd ("Sale Shares"), representing 100% of the existing issued and paid-up ordinary share capital of HOEPharma Holdings Sdn Bhd, to Taisho for a total cash consideration of RM370.0 million subject to the purchase price adjustment provisions as set out in the SPA ("Total Consideration").

SIGNIFICANT EVENTS POST REPORTING DATE (CONT'D)

The Proposed Disposal is conditional upon the following conditions being fulfilled on or before the expiry date, being four (4) months from and excluding the date of the SPA, or such later date as the Vendors and Taisho (collectively referred to as the "Parties") agree in writing ("Conditions Fulfillment Period"):

(i) in respect of each Vendor which is a body corporate, the approval of the shareholders of such Vendor in general meeting being obtained for the sale of the respective Sale Shares by such Vendor pursuant to the terms of the SPA (if required).

(ii) The obligation of Taisho to procure approval of the Japanese Ministry of Finance pursuant to provisions of the Foreign Exchange and Foreign Trade Act (Gaikoku Kawase Oyobi Gaikoku Bōeki Hō) that regulates the manufacture of products containing narcotics or psychotropic ingredients, or the expiration of any applicable waiting period in connection therewith.

The Proposed Disposal shall become unconditional on the date when all the conditions referred to in (i) and (ii) have been fulfilled ("Unconditional Date").

AUDITORS

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

Signed in accordance with a resolution of the Board of Directors dated 9 May 2011.

TAN LEI CHENG
DIRECTOR

TAN BOON LEE
DIRECTOR

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Revenue	7	264,222,326	198,389,462	12,474,871	3,080,295
Cost of sales	8	(182,792,466)	(129,361,071)	-	-
Gross profit		81,429,860	69,028,391	12,474,871	3,080,295
Other income	9	1,352,222	2,035,622	40	7,501
Selling and distribution expenses		(32,640,922)	(28,231,315)	-	-
Administrative expenses		(55,549,807)	(45,232,986)	(7,074,466)	(5,190,207)
Other expenses	9	(57,144)	(373,955)	(9,635,159)	(10,221,480)
Other (losses)/gains	12	(4,419,794)	(1,416,745)	(368,469)	428,166
Operating loss	9	(9,885,585)	(4,190,988)	(4,603,183)	(11,895,725)
Finance income	13	655,444	579,643	260,949	269,038
Finance costs	13	(15,557,625)	(6,029,224)	(1,159,152)	(242,344)
Finance (costs)/income		(14,902,181)	(5,449,581)	(898,203)	26,694
Share of results of an associate		57,642,053	49,739,925	-	-
Profit/(loss) before taxation		32,854,287	40,099,356	(5,501,386)	(11,869,031)
Taxation	14	(6,342,387)	840,019	(1,178,750)	96,998
Profit/(loss) for the financial year		26,511,900	40,939,375	(6,680,136)	(11,772,033)
Attributable to:					
Owners of the parent		23,419,002	38,965,876	(6,680,136)	(11,772,033)
Non-controlling interest		3,092,898	1,973,499	-	-
Profit/(loss) for the financial year		26,511,900	40,939,375	(6,680,136)	(11,772,033)
Earnings per share attributable to equity holders of the Company					
- basic (sen)	15	3.85	6.41		
- diluted (sen)	15	3.84	6.40		

The accounting policies on pages 47 to 63 and the notes on pages 64 to 116 form an integral part of these financial statements.

Statements of Comprehensive Income

for the financial year ended 31 January 2011

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit/(loss) for the financial year	26,511,900	40,939,375	(6,680,136)	(11,772,033)
Other comprehensive income/(loss):				
Available-for-sale financial assets	2,456,994	-	2,419,905	-
Currency translation differences	92,010	(2,052,413)	-	-
Other comprehensive income/(loss) for the financial year, net of tax	2,549,004	(2,052,413)	2,419,905	-
Total comprehensive income/(loss) for the financial year	29,060,904	38,886,962	(4,260,231)	(11,722,033)
Attributable to:				
Owners of the parent	25,954,689	36,906,460		
Non-controlling interest	3,106,215	1,980,502		
Total comprehensive income for the financial year	29,060,904	38,886,962		

The accounting policies on pages 47 to 63 and the notes on pages 64 to 116 form an integral part of these financial statements.

as at 31 January 2011

	Note	Group 2011 RM	Group 2010 RM (Restated)	Group 2009 RM (Restated)	Company 2011 RM	Company 2010 RM (Restated)	Company 2009 RM (Restated)
ASSETS							
NON-CURRENT ASSETS							
Property, plant and equipment	16	450,117,640	430,510,942	345,943,791	450,165	249,264	239,998
Investment properties	17	4,743,239	4,844,159	4,945,079	-	-	-
Prepaid leasehold rentals	18	-	-	-	-	-	-
Intangible assets	19	4,736,583	10,879,951	11,311,065	-	-	-
Subsidiaries:	20						
- Investment in subsidiaries		-	-	-	46,485,626	46,978,930	67,079,030
- Advances to subsidiaries		-	-	-	96,450,726	98,753,598	67,369,233
- Financial guarantee contract		-	-	-	86,031	-	-
Associate	21	957,418,992	909,975,430	874,614,717	614,993,546	615,153,100	615,153,100
Available-for-sale financial assets	22	1,245,501	-	-	-	-	-
Unquoted investments	22	-	1,306,991	1,304,003	-	-	-
Trade receivable	28	-	-	5,452,368	-	-	-
Deferred tax assets	23	1,232,304	3,641,296	2,682,503	-	-	-
		1,419,494,259	1,361,158,769	1,246,253,526	758,466,094	761,134,892	749,841,361
CURRENT ASSETS							
Assets held-for-sale		-	-	1,250,035	-	-	-
Inventories	25	18,604,160	13,296,736	17,946,285	-	-	-
Available-for-sale financial assets	22	10,634,812	-	-	10,158,278	-	-
Financial assets at fair value through profit or loss	24	3,029,145	-	-	3,029,145	-	-
Quoted investments	24	-	3,053,696	3,004,215	-	2,992,363	2,942,882
Amount owing from an associate	27	61,798	48,737	35,949	61,798	48,737	35,949
Trade and other receivables	28	79,134,667	69,056,571	73,461,985	235,330	134,118	100,836
Tax recoverable		2,478,250	2,120,638	2,082,126	1,600,973	308,800	111,628
Deposits, cash and bank balances	29	65,256,160	76,115,810	67,748,785	1,361,706	11,947,051	11,491,949
		179,198,992	163,692,188	165,529,380	16,447,230	15,431,069	14,683,244
TOTAL ASSETS		1,598,693,251	1,524,850,957	1,411,782,906	774,913,324	776,565,961	764,524,605

	Note	Group 2011 RM	Group 2010 RM (Restated)	Group 2009 RM (Restated)	Company 2011 RM	Company 2010 RM (Restated)	Company 2009 RM (Restated)
EQUITY AND LIABILITIES							
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
Share capital	35	609,680,556	486,711,745	323,389,830	609,680,556	486,711,745	323,389,830
Irredeemable Convertible Non-Cumulative Preference Shares	35	3,500,000	3,500,000	3,500,000	-	-	-
Share premium	36	169,343,696	290,945,787	452,695,351	102,796,096	224,398,187	386,147,751
Exchange fluctuation reserve		1,076,899	998,206	3,057,622	-	-	-
Share options reserve		117,264	291,814	495,184	117,264	291,814	495,184
Available-for-sale reserve	37	3,765,838	-	-	3,350,637	-	-
Retained earnings	38	386,829,378	363,191,526	324,225,650	32,140,279	38,601,565	50,373,598
		1,174,313,631	1,145,639,078	1,107,363,637	748,084,832	750,003,311	760,406,363
Non-controlling interests		18,581,264	18,270,133	16,464,431	-	-	-
TOTAL EQUITY		1,192,894,895	1,163,909,211	1,123,828,068	748,084,832	750,003,311	760,406,363
LIABILITIES							
NON-CURRENT LIABILITIES							
Deferred tax liabilities	23	144,037	68,391	118,227	85,108	-	-
Hire-purchase and finance lease payables	33	295,826	402,008	319,052	-	-	-
Interest-bearing bank borrowings	34	97,730,438	9,846,854	10,799,445	-	-	-
Deferred revenue	32	9,351,920	11,721,490	12,596,492	-	-	-
		107,522,221	22,038,743	23,833,216	85,108	-	-
CURRENT LIABILITIES							
Liabilities directly associated with assets held-for-sale		-	-	35,504	-	-	-
Trade and other payables	30	71,869,848	76,254,145	66,861,439	478,258	231,921	184,156
Advances from subsidiaries	26	-	-	-	10,029,095	30,729	3,934,086
Financial guarantee contract	31	-	-	-	86,031	-	-
Deferred revenue	32	2,753,824	1,371,677	1,321,892	-	-	-
Current tax liabilities		2,083,860	121,148	283,118	-	-	-
Hire-purchase and finance lease payables	33	405,315	440,474	1,012,296	-	-	-
Interest-bearing bank borrowings	34	221,163,288	260,715,559	194,607,373	16,150,000	26,300,000	-
		298,276,135	338,903,003	264,121,622	26,743,384	26,562,650	4,118,242
TOTAL LIABILITIES		405,798,356	360,941,746	287,954,838	26,828,492	26,562,650	4,118,242
TOTAL EQUITY AND LIABILITIES		1,598,693,251	1,524,850,957	1,411,782,906	774,913,324	776,565,961	764,524,605

The accounting policies on pages 47 to 63 and the notes on pages 64 to 116 form an integral part of these financial statements.

Statements of Changes in Equity

for the financial year ended 31 January 2011

Group	Note	Attributable to owners of the parent									
		Share capital RM	Irredeemable Convertible Non-Cumulative Preference Shares ("ICPS") RM	Share premium RM	Exchange fluctuation reserve RM	Available-for-sale reserve RM	Share options reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 February 2010											
As previously reported		486,711,745	3,500,000	290,945,787	998,206	-	291,814	363,191,526	1,145,639,078	18,270,133	1,163,909,211
Effects of adoption of FRS 139	44	-	-	-	-	1,308,844	-	218,850	1,527,694	-	1,527,694
As restated		486,711,745	3,500,000	290,945,787	998,206	1,308,844	291,814	363,410,376	1,147,166,772	18,270,133	1,165,436,905
Comprehensive income											
Profit for the financial year		-	-	-	-	-	-	23,419,002	23,419,002	3,092,898	26,511,900
Other comprehensive income											
Available-for-sale financial assets		-	-	-	-	2,456,994	-	-	2,456,994	-	2,456,994
Currency translation differences		-	-	-	78,693	-	-	-	78,693	13,317	92,010
Total other comprehensive income		-	-	-	78,693	2,456,994	-	-	2,535,687	13,317	2,549,004
Total comprehensive income for the financial year		-	-	-	78,693	2,456,994	-	23,419,002	25,954,689	3,106,215	29,060,904
Transaction with owners											
Employees' share option scheme											
- value of employee services		-	-	-	-	-	136,480	-	136,480	-	136,480
Issuance of shares											
- Bonus issue	35	121,926,561	-	(121,926,561)	-	-	-	-	-	-	-
- ESOS	35	1,042,250	-	324,470	-	-	(311,030)	-	1,055,690	-	1,055,690
Arising from acquisition of subsidiaries		-	-	-	-	-	-	-	-	(2,707,684)	(2,707,684)
Final dividends paid by subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(87,400)	(87,400)
Transaction with owners		122,968,811	-	(121,602,091)	-	-	(174,550)	-	1,192,170	(2,795,084)	(1,602,914)
At 31 January 2011		609,680,556	3,500,000	169,343,696	1,076,899	3,765,838	117,264	386,829,378	1,174,313,631	18,581,264	1,192,894,895

		Attributable to owners of the parent									
Group	**Note**	**Share capital RM**	**Irredeemable Convertible Non-Cumulative Preference Shares ("ICPS") RM**	**Share premium RM**	**Exchange fluctuation reserve RM**	**Available-for-sale reserve RM**	**Share options reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 February 2009		323,389,830	3,500,000	452,695,351	3,057,622	-	495,184	324,225,650	1,107,363,637	16,464,431	1,123,828,068
Comprehensive income											
Profit for the financial year		-	-	-	-	-	-	38,965,876	38,965,876	1,973,499	40,939,375
Other comprehensive income											
Currency translation differences		-	-	-	(2,059,416)	-	-	-	(2,059,416)	7,003	(2,052,413)
Total comprehensive income/(loss) for the financial year		-	-	-	(2,059,416)	-	-	38,965,876	36,906,460	1,980,502	38,886,962
Transaction with owners											
Employees' share option scheme											
- value of employee services		-	-	-	-	-	90,981	-	90,981	-	90,981
Issuance of shares											
- Bonus issue	35	162,194,915	-	(162,194,915)	-	-	-	-	-	-	-
- ESOS	35	1,127,000	-	445,351	-	-	(294,351)	-	1,278,000	-	1,278,000
Final dividends paid by subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(174,800)	(174,800)
Transaction with owners		163,321,915	-	(161,749,564)	-	-	(203,370)	-	1,368,981	(174,800)	1,194,181
At 31 January 2010		486,711,745	3,500,000	290,945,787	998,206	-	291,814	363,191,526	1,145,639,078	18,270,133	1,163,909,211

		Non-distributable				Distributable	
Company	**Note**	**Share capital RM**	**Share premium RM**	**Share options reserve RM**	**Available-for-sale reserve RM**	**Retained earnings RM**	**Total RM**
At 1 February 2010:							
As previously reported		486,711,745	224,398,187	291,814	-	38,601,565	750,003,311
Effects of adoption of FRS 139	44	-	-	-	930,732	218,850	1,149,582
As restated		486,711,745	224,398,187	291,814	930,732	38,820,415	751,152,893
Comprehensive loss							
Net loss for the financial year		-	-	-	-	(6,680,136)	(6,680,136)
Other comprehensive income							
Available-for-sale financial assets		-	-	-	2,419,905	-	2,419,905
Total comprehensive income/(loss) for the financial year		-	-	-	2,419,905	(6,680,136)	(4,260,231)
Transactions with owners							
Employees' share option scheme							
- value of employee services		-	-	136,480	-	-	136,480
Issuance of shares							
- Bonus issue	35	121,926,561	(121,926,561)	-	-	-	-
- ESOS	35	1,042,250	324,470	(311,030)	-	-	1,055,690
Total transactions with owners		122,968,811	(121,602,091)	(174,550)	-	-	1,192,170
At 31 January 2011		609,680,556	102,796,096	117,264	3,350,637	32,140,279	748,084,832

		Non-distributable			Distributable	
Company	**Note**	**Share capital RM**	**Share premium RM**	**Share options reserve RM**	**Retained earnings RM**	**Total RM**
At 1 February 2009		323,389,830	386,147,751	495,184	50,373,598	760,406,363
Comprehensive loss						
Net loss for the financial year		-	-	-	(11,772,033)	(11,772,033)
Total comprehensive loss for the financial year		-	-	-	(11,772,033)	(11,772,033)
Transactions with owners						
Employees' share option scheme						
- value of employee services		-	-	90,981	-	90,981
Issuance of shares						
- Bonus issue	35	162,194,915	(162,194,915)	-	-	-
- ESOS	35	1,127,000	445,351	(294,351)	-	1,278,000
Total transactions with owners		163,321,915	(161,749,564)	(203,370)	-	1,368,981
At 31 January 2010		486,711,745	224,398,187	291,814	38,601,565	750,003,311

The accounting policies on pages 47 to 63 and the notes on pages 64 to 116 form an integral part of these financial statements.

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
OPERATING ACTIVITIES					
Cash receipts from customers		254,454,601	207,201,803	-	-
Cash paid to suppliers and employees		(243,370,544)	(165,034,378)	(13,893,454)	(29,919,630)
Cash generated from/(used in) operations		11,084,057	42,167,425	(13,893,454)	(29,919,630)
Dividends received		10,038,937	-	10,045,773	625,200
Interests received		655,444	579,643	260,949	269,039
Interests paid		(15,557,625)	(6,029,224)	(1,081,862)	(162,987)
Tax refund		844,940	428,519	144,243	-
Taxation paid		(3,097,589)	(903,274)	(2,530,058)	(205,837)
Net cash flow from/(used in) operating activities		3,968,164	36,243,089	(7,054,409)	(29,394,215)
INVESTING ACTIVITIES					
Subscription of shares in new subsidiaries	5	(30,382)	(7,302,079)	-	-
Acquisition of shares from minority in subsidiaries	5	(1,508,248)	(2,000,000)	-	(575,000)
Additional investments in quoted investments		(6,648,087)	-	(6,648,087)	(49,482)
Proceeds from:					
- Disposal of subsidiaries		-	19,361	-	-
- Disposal of an associate		-	12,861,090	-	-
- Disposal of quoted investments		20,880	185,963	-	428,166
Property, plant and equipment:					
- Additions		(58,856,344)	(92,053,520)	(302,440)	(143,645)
- Disposals		23,176	192,991	-	3,073
Interest paid capitalised in property, plant and equipment		-	(5,315,790)	-	-
Acquisition of software		-	(1,971,172)	-	-
Acquisition of technological know-how		-	(412,000)	-	-
Proceeds from redemption of RCULS		-	-	-	25,000,000
Repayment of advances from subsidiaries		-	-	23,944,175	22,201,283
Advances to subsidiaries		-	-	(21,417,213)	(44,580,290)
Loan from a subsidiary		-	-	10,000,000	-
Advances to an associate		(42,595)	(28,549)	(42,595)	(28,549)
Repayment of advances from an associate		29,534	15,761	29,534	15,761
Net cash flow (used in)/from investing activities		(67,012,066)	(95,807,944)	5,563,374	2,271,317

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
FINANCING ACTIVITIES					
Proceeds from issuance of shares arising from exercise of ESOS		1,055,690	1,278,000	1,055,690	1,278,000
Proceeds from bank borrowings		224,050,830	121,677,900	122,600,000	26,300,000
Repayment to bank borrowings		(171,296,565)	(53,098,357)	(132,750,000)	-
Deposits pledged as securities for bank borrowings		2,912,090	11,336,368	-	(300,000)
Payments of hire-purchase and finance lease liabilities		(645,168)	(1,174,078)	-	-
Dividends paid by a subsidiary to non-controlling interest		(87,400)	(174,800)	-	-
Net cash flow from/(used in) financing activities		55,989,477	79,845,033	(9,094,310)	27,278,000
Net increase/(decrease) in cash and cash equivalents during the financial year		(7,054,425)	20,280,178	(10,585,345)	155,102
Currency translation differences		(844,950)	(952,347)	-	-
Cash and cash equivalents at beginning of the financial year		71,678,178	52,350,347	11,647,051	11,491,949
Cash and cash equivalents at end of the financial year	29	63,778,803	71,678,178	1,061,706	11,647,051

The accounting policies on pages 47 to 63 and the notes on pages 64 to 116 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 Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements have been prepared under the historical cost convention, as modified by the available-for-sale financial assets and financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with Financial Reporting Standards 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 3 to the financial statements.

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

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 February 2010 are as follows:

- FRS 7 "Financial Instruments: Disclosures" and the related Amendments
- FRS 8 "Operating Segments"
- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 123 "Borrowing Costs"
- FRS 139 "Financial Instruments: Recognition and Measurement" and the related Amendments
- Amendment to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
- Amendment to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations"
- Amendments to FRS 132 "Financial Instruments: Presentation" and FRS 101 (revised) "Presentation of Financial Statements" - Puttable financial instruments and obligations arising on liquidation
- IC Interpretation 9 "Reassessment of Embedded Derivatives" and the related Amendments
- IC Interpretation 10 "Interim Financial Reporting and Impairment"
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions"
- Improvements to FRSs (2009)

A summary of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and Company is set out in Note 44.

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

The Group will apply the following new standards, amendments to standards and interpretations from annual period beginning on 1 February 2011:

- The revised FRS 3 "Business combinations" (effective prospectively from 1 July 2010) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. These changes will impact the amount of goodwill recognised, reported results in the period that an acquisition occurs and future reported results.

A BASIS OF PREPARATION (CONT'D)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted (Cont'd)

The Group will apply the following new standards, amendments to standards and interpretations from annual period beginning on 1 February 2011: (Cont'd)

- The revised FRS 124 "Related party disclosures" (effective from 1 January 2012) removes the exemption to disclose transactions between government-related entities and the government, and all other government-related entities. The following new disclosures are now required for government related entities:
  - The name of the government and the nature of their relationship;
  - The nature and amount of each individually significant transactions; and
  - The extent of any collectively significant transactions, qualitatively or quantitatively.

- The revised FRS 127 "Consolidated and separate financial statements" (applies prospectively to transactions with non-controlling interests from 1 July 2010) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. When this standard is effective, all earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. These changes will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

- Amendment to FRS 2 "'Share-based payment: Group cash-settled share-based payment transactions" (effective from 1 January 2011) clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendments also incorporate guidance previously included in IC Interpretation 8 "Scope of FRS 2" and IC Interpretation 11 "FRS 2 – group and treasury share transactions", which shall be withdrawn upon application of this amendment. *The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

  The Group has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this amendment on the financial statements of the Group and Company.

- Amendment to FRS 132 "Financial instruments: Presentation" on classification of rights issues (effective from 1 March 2010) addresses accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity instruments instead of as derivative liabilities, regardless of the currency in which the exercise price is denominated. Currently, these issues are accounted for as derivative liabilities. *The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

- IC Interpretation 4 "Determining whether an arrangement contains a lease" (effective from 1 January 2011) requires the Group to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 "Leases" should be applied to the lease element of the arrangement.*The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

A BASIS OF PREPARATION (CONT'D)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted (Cont'd)

The Group will apply the following new standards, amendments to standards and interpretations from annual period beginning on 1 February 2011: (Cont'd)

- IC Interpretation 12 "Service concession arrangements" (effective from 1 July 2010) applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. Depending on the contractual terms, this interpretation requires the operator to recognise a financial asset if it has an unconditional contractual right to receive cash or an intangible asset if it receives a right (license) to charge users of the public service. Some contractual terms may give rise to both a financial asset and an intangible asset.

  The Group has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this interpretation on the financial statements of the Group and Company.

- IC Interpretation 16 "Hedges of a net investment in a foreign operation" (effective from 1 July 2010) clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency, not presentation currency, and hedging instruments may be held by any entity in the group. The requirements of FRS 121 *"The effects of changes in foreign exchange rates" do apply to the hedged item. The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

- IC Interpretation 17 "Distribution of non-cash assets to owners" (effective from 1 July 2010) provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. FRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. *The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

- IC Interpretation 18 "Transfers of assets from customers" (effective prospectively for assets received on or after 1 January 2011) provides guidance where an entity receives from a customer an item of property, plant and equipment (or cash to acquire such an asset) that the entity must then use to connect the customer to a network or to provide the customer with services. Where the transferred item meets the definition of an asset, the asset is recognised as an item of property, plant and equipment at its fair value. Revenue is recognised for each separate service performed in accordance with the recognition criteria of FRS 118 "Revenue". *The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

- IC Interpretation 19 "Extinguishing financial liabilities with equity instruments" (effective from 1 July 2011) provides clarification when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. A gain or loss, being the difference between the carrying value of the financial liability and the fair value of the equity instruments issued, shall be recognised in profit or loss. Entities are no longer permitted to reclassify the carrying value of the existing financial liability into equity with no gain or loss recognised in profit or loss. *The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

Improvements to FRSs:

- FRS 2 (effective from 1 July 2010) clarifies that contributions of a business on formation of a joint venture and common control transactions are outside the scope of FRS 2. *The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

- FRS 3 (effective from 1 January 2011)

  - Clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by FRS.

A BASIS OF PREPARATION (CONT'D)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted (Cont'd)

The Group will apply the following new standards, amendments to standards and interpretations from annual period beginning on 1 February 2011: (Cont'd)

Improvements to FRSs: (Cont'd)

- FRS 3 (effective from 1 January 2011) (Cont'd)

  - Clarifies that the amendments to FRS 7, FRS 132 and FRS 139 that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of FRS 3 (2010). Those contingent consideration arrangements are to be accounted for in accordance with the guidance in FRS 3 (2005).

- FRS 5 "Non-current assets held for sale and discontinued operations" (effective from 1 July 2010) clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. *The amendment to this standard is not anticipated to have a material impact on the Group's financial statements.*

- FRS 101 "Presentation of financial statements" (effective from 1 January 2011) clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. T*he amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

- FRS 138 "Intangible Assets" (effective from 1 July 2010) clarifies that a group of complementary intangible assets acquired in a business combination may be recognised as a single asset if each asset has similar useful lives. *The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

- IC Interpretation 9 (effective from 1 July 2010) clarifies that this interpretation does not apply to embedded derivatives in contracts acquired in a business combination, businesses under common control or the formation of a joint venture. *The amendment to this standard is not anticipated to have material impact on the Group's financial statements.*

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.

B ECONOMIC ENTITIES IN THE GROUP (CONT'D)

(a) Subsidiaries (Cont'd)

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) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired.

(c) Associates

Associates are those corporation, partnership or other entity 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.

Investment 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 associate 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.

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.

Depreciation on assets under construction commences where the assets are ready for their intended use. Leasehold land classified as finance lease (see accounting policy Note P(a) on finance leases) is amortised in equal instalments over the period of the respective leases that range from 35 to 97 years. 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, as summarised below:

Buildings	20 to 50 years
Plant and machinery	8 to 10 years
Hatchery	8 years
Furniture, fixtures, fittings and equipment	3 to 12.5 years
Motor vehicles	5 years
Gymnasium and electrical equipment	5 years
Renovation	5 to 10 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting 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 reporting date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount (see accounting policy G on impairment of non-financial 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 and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill on acquisition of subsidiaries is included in the statement of financial position 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, identified according to operating segment. See accounting policy G on impairment of non-financial assets.

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

D INTANGIBLE ASSETS

(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 5 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 G on impairment of non-financial assets.

(c) Licenses, rights and technological know-how

Acquired licenses, rights and technological know-how are shown at cost. Licenses, rights and technological know-how have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the acquired licenses, rights and technological know-how over their estimated useful lives, as summarised below:

Licenses and technological know-how	10 to 50 years
Rights to operate as a mobile gateway provider	10 years

(d) Software

Acquired software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. This cost is amortised over the estimated useful life of 3 years. Costs associated with developing and maintaining software programmes are recognised as an expense when incurred.

E INVESTMENTS

Investments in subsidiaries and associates 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 G on impairment of non-financial assets.

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

F INVESTMENT PROPERTIES

Investment properties, comprising office buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less any accumulated depreciation and impairment losses. Investment properties are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives of 50 years.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statement of financial position). The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the year of the retirement or disposal.

G IMPAIRMENT OF NON-FINANCIAL 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 amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest 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.

H FINANCIAL ASSETS

(a) Classification

The Group has changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 February 2010.

Previously, investments in non-current investments are shown at cost; marketable securities (within current assets) are carried at the lower of cost and market value; and trade receivables are carried at invoiced amount. The Group has applied the new policy according to the transitional provision of FRS 139 by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of the current financial year. Comparative for financial instruments have not been adjusted and therefore the corresponding balances are not comparable. Refer to Note 44 for the impact of this change in accounting policy.

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

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing if in the near term.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and bank balances' in the statement of financial position (Notes 28 and 29).

H FINANCIAL ASSETS (CONT'D)

(a) Classification (Cont'd)

Available-for-sale financial assets

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

(b) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(c) Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses (see accounting policy Note H(d)) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

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

(d) Subsequent measurement - Impairment of financial assets

Assets carried at amortised cost

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

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

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

H FINANCIAL ASSETS (CONT'D)

(d) Subsequent measurement - Impairment of financial assets (Cont'd)

Assets carried at amortised cost (Cont'd)

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include: (Cont'd)

- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (i) adverse changes in the payment status of borrowers in the portfolio; and
  - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

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

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

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

Assets classified as available-for-sale

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

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

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

Change in accounting policy

The Group has changed its accounting policy for impairment of investments upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 February 2010.

Previously, for investments in non-current investments, allowance for diminution in value was made where, in the opinion of the Directors, there was a decline other than temporary in the value of such investments. Where there had been a decline other than temporary in the value of an investment, such a decline was recognised in profit or loss in the period in which the decline was identified. Marketable securities (within current assets) were carried at the lower of cost and market value. Changes in the carrying amount of marketable securities were credited/charged to profit or loss.

H FINANCIAL ASSETS (CONT'D)

(d) Subsequent measurement - Impairment of financial assets (Cont'd)

Change in accounting policy (Cont'd)

The Group has applied the new policy according to the transitional provisions by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of the current financial year. Comparative for financial instruments have not been adjusted and therefore the corresponding balances are not comparable. Refer to Note 44 for the impact of this change in accounting policy.

(e) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

I FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with FRS 137 "Provisions, contingent liabilities and contingent assets" and the amount initially recognised less cumulative amortisation, where appropriate.

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

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

Change in accounting policy

The Group has changed its accounting policy for financial guarantee contracts upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 January 2010. Previously, financial guarantee contracts were not recognised in the financial statement. The Group has applied the new policy according to the transitional provision by recognising and measuring financial guarantee contracts as at 1 February 2010 and adjusting opening retained earnings or, if appropriate, another category of equity, and cost of investment in subsidiaries. Comparatives for financial instruments have not been adjusted and therefore the corresponding balances are not comparable. Refer to Note 44 for the impact of this change in accounting policy.

J NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as assets held for sale and are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use and the sale is considered highly probable.

K OFFSETTING FINANCIAL INSTRUMENTS

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

L 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.

M AMOUNTS DUE FROM/(TO) CUSTOMERS ON LONG-TERM CONTRACTS

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

N CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, 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 statement of financial position.

O BORROWINGS

(a) Classification

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying assets.

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 end of reporting period.

(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 statement of comprehensive income.

O BORROWINGS (CONT'D)

(c) Change in accounting policy

The Group has changed its accounting policy for borrowing costs upon adoption of FRS 123 "Borrowing costs" on 1 February 2010. The Group has applied the new accounting policy according to the transitional provision.

The new policy is applied to qualifying assets for which commencement date for capitalisation is on 1 February 2010. Previously, borrowing costs were immediately expensed when incurred.

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

P LEASES

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

(a) Finance leases

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

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest 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 profit or loss 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 leases is depreciated over the shorter of the lease term and its useful life.

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

(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 (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are recognised in profit or loss when incurred.

<u>Change in accounting policy</u>

Following the adoption of the improvement to FRS 117 "Leases", leasehold land in which the Group has substantially all the risks and rewards incidental to ownership has been reclassified retrospectively from operating lease to finance lease. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Refer to Note 44 for the impact of this change in accounting policy.

Q INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

R 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.

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.

R EMPLOYEE BENEFITS (CONT'D)

(c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees (including Directors) as consideration for equity instrument (options) of the Group. The fair value of the 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 reporting 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.

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

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.

S 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 reporting date. A dividend declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

T CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group does not recognise a contingent asset and 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. However, contingent liabilities do not include financial guarantee contracts.

T CONTINGENT ASSETS AND CONTINGENT LIABILITIES (CONT'D)

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

U 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 statement of comprehensive income 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) Hotel revenue

Hotel revenue represents income derived from room rental and sales of food and beverages. Room rental income is accrued on a daily basis on customer-occupied room. Sales of food and beverages are recognised upon delivery to customers. Hotel revenue is recognised net of sales tax and discounts.

(d) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements unless collectability is in doubt, in which case the recognition of such income is suspended. Other rent related and car park income is recognised upon services being rendered.

V 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 statement of comprehensive income.

V FOREIGN CURRENCIES (CONT'D)

(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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses for each statement of comprehensive income or 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 other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is sold, a proportionate share of such exchange differences is reclassified to profit or loss as part of the gain or loss on sale.

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

W 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 revenue and are credited to the income statement over the expected lives of the related assets, on basis consistent with the depreciation of the related assets.

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

(b) Others

Deferred revenue represents unutilised balance of short messaging services ("SMS") in respect of prepaid SMS sold to customers and unearned revenue from web-site maintenance contracts, which will be recognised in the income statement upon expiry, utilisation or performance of services.

X SEGMENT REPORTING

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

Change of accounting policy

The Group has adopted FRS 8 "Operating segments" from 1 February 2010. FRS 8 replaces FRS 114 "Segment reporting" and is applied retrospectively. The adoption of FRS 8 did not result in any changes in the operating segments previously reported. Accordingly, there is no change in the allocation of goodwill to groups of cash-generating units on a segment level.

1 GENERAL INFORMATION

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, property 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 are principally involved in investment holding, property investment and development.

There have been no significant changes in the nature of these activities during the financial year.

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 9 May 2011.

2 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
- 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
- price risk – risk that the value of a financial instrument will fluctuate due to changes in equity prices
- 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
- liquidity risk (funding risk) – risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments

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.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Financial Risk Factors

(a) Foreign currency exchange risk

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

Currency exposure arising from the net assets of the Groups' foreign operations is managed through borrowings denominated in the relevant foreign currencies.

(b) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates exposes the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group currently maintain approximately 56% of its borrowings in fixed rate instruments. The Group is not exposed to fair value interest rate risk as its borrowings are carried at amortised cost rather than fair value.

(c) Credit risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customers which accounts exceed the stipulated credit terms. The Group 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 trades with a large number of customers who are internationally dispersed, with a variety of end markets.

The Group also seeks to invest cash assets safely and profitably. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential loss. The Group's cash and cash equivalents and short term deposits are placed with creditworthy financial institutions and the risks arising therefrom are minimised in view of financial strength of these financial institutions.

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.

At the Company level, credit risk arises from amounts due from subsidiaries. The Company's exposure to bad debts is not significant since the subsidiaries did not have historical default risk. The Company also manages its credit risks by performing regular reviews of the ageing profile of amounts due from subsidiaries.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Financial Risk Factors (Cont'd)

(c) Credit risk (Cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 28. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 28.

(d) Price risk

The Group is exposed to debt and equity securities price risk because of investments held by the Group and classified on the statements of financial position either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investment in debt and equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

If the prices for debt and equity securities listed in Bursa Malaysia Securities Berhad ("Bursa Malaysia") and New York Stock Exchange change by 15% with all other variables including tax rates held constant, the effects on profit after taxation and other components of equity would have been as follows:

	Increase/(Decrease)	
	Profit for the financial year RM	**Equity RM**
Group		
Listed in Bursa Malaysia	-	71,480
Listed in New York Stock Exchange	454,372	-
Company		
Listed in New York Stock Exchange	454,372	-

(e) Liquidity and cash flow risks

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to scale its commitments when they fall due.

Cash flows forecasting is performed in the operating entities of the Group and aggregated for Group purposes. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 34) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal ratio targets.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Financial Risk Factors (Cont'd)

(e) Liquidity and cash flow risks (Cont'd)

Generally, surplus cash held by the operating entities over the above balance required for working capital management are invested in interest bearing accounts, money market deposits and marketable securities, choosing instruments with appropriate maturities sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Less than 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	Over 5 years RM
Group				
At 31 January 2011				
Trade and other payables	71,869,848	-	-	-
Interest-bearing bank borrowings	221,163,288	2,116,416	93,716,725	1,897,297
Hire-purchase and finance lease payables	405,315	185,279	110,547	-
	293,438,451	2,301,695	93,827,272	1,897,297
Company				
At 31 January 2011				
Trade and other payables	478,258	-	-	-
Amounts due to subsidiaries	10,029,095	-	-	-
Interest-bearing bank borrowings	16,150,000	-	-	-
	26,657,353	-	-	-

The future contractual interest rate cash flow of the Group and Company are as follows:

	Less than 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	Over 5 years RM
Group				
At 31 January 2011				
Interest expenses on:				
- interest-bearing borrowings	15,662,706	5,083,199	4,994,403	74,374
- hire-purchase and finance lease payables	16,264	10,669	15,298	-
	15,678,970	5,093,868	5,009,701	74,374

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Financial Risk Factors (Cont'd)

(e) Liquidity and cash flow risks (Cont'd)

The future contractual interest rate cash flow of the Group and Company are as follows: (Cont'd)

	Less than 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	Over 5 years RM
Company				
At 31 January 2011				
Interest expenses on:				
- interest-bearing borrowings	718,675	-	-	-

(ii) Capital risk management

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total interest bearing bank borrowings divided by total equity. Total debt is calculated as total interest-bearing bank borrowings and hire-purchase and finance lease payables (including short term and long term borrowings) as shown in the statements of financial position. The Group's strategy in 2011, which was unchanged for 2010, was to maintain gearing ratio below 30%. The gearing ratio as at 31 January 2011 were as follows:

	2011 RM
Group	
Total debt	319,594,867
Total equity	1,192,894,895
Gearing ratio	27%
Company	
Total debt	16,150,000
Total equity	748,084,832
Gearing ratio	2%

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's result and financial position 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 in 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 and associates are reviewed for impairment annually in accordance with its accounting policy E or 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 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) 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.

4 SEGMENT REPORTING

The Group is organised into seven main business segments:

(a) Pharmaceutical
(b) Property investment and development
(c) Information and communication technology
(d) Paper manufacturing
(e) Waste water treatment services
(f) Aquaculture
(g) Hotel
(h) Others *

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

4 SEGMENT REPORTING (CONT'D)

(a) *Analysis by business segment*

	Pharmaceutical RM	Property investment and development RM	Information and communication technology RM	Paper manufacturing RM	Waste water treatment services RM	Aquaculture RM	Hotel RM	Others RM	Group RM
2011									
Total segment revenue	92,615,796	37,909,156	110,187,670	60,935,616	11,303,572	1,132,361	5,588,132	1,060,503	320,732,806
Inter-segment revenue	(16,128,987)	(23,199,076)	(11,763,475)	-	(4,520,208)	(392,970)	-	(505,764)	(56,510,480)
Revenue from external customers	76,486,809	14,710,080	98,424,195	60,935,616	6,783,364	739,391	5,588,132	554,739	264,222,326
Adjusted earnings before interest, taxation, depreciation and amortisation	21,156,272	5,082,189	12,328,740	2,543,845	4,153,829	(3,578,292)	(10,890,343)	(672,573)	30,123,667
Depreciation and amortisation	(2,252,930)	(12,714,195)	(4,663,504)	(3,887,433)	(1,837,689)	(477,496)	(941,275)	(121,257)	(26,895,779)
Impairment of intangible assets	-	-	(2,281,799)	-	-	(1,734,796)	-	-	(4,016,595)
Impairment of property, plant and equipment	-	-	-	-	-	(8,441,434)	-	-	(8,441,434)
Finance costs	(643,651)	(11,345,333)	(220,934)	(2,799,615)	(341,115)	(206,977)	-	-	(15,557,625)
Share of results of an associate	-	57,642,053	-	-	-	-	-	-	57,642,053
Profit/(loss) before taxation	18,259,691	38,664,714	5,162,503	(4,143,203)	1,975,025	(14,438,995)	(11,831,618)	(793,830)	32,854,287
Taxation									(6,342,387)
Profit after taxation									26,511,900

4 SEGMENT REPORTING (CONT'D)

(a) *Analysis by business segment (Cont'd)*

	Note	Pharmaceutical RM	Property investment and development RM	Information and communication technology RM	Paper manufacturing RM	Waste water treatment services RM	Aquaculture RM	Hotel RM	Others RM	Group RM
2011										
Other information:										
Assets										
Segment assets		86,347,551	349,689,479	64,878,159	75,163,370	47,485,933	3,268,010	8,644,428	2,086,775	637,563,705
Associate		-	957,418,992	-	-	-	-	-	-	957,418,992
Deferred tax assets		577,519	-	654,785	-	-	-	-	-	1,232,304
		86,925,070	1,307,108,471	65,532,944	75,163,370	47,485,933	3,268,010	8,644,428	2,086,775	1,596,215,001
Tax recoverable		-	1,610,960	38,205	174,807	-	-	-	654,278	2,478,250
Total assets		86,925,070	1,308,719,431	65,571,149	75,338,177	47,485,933	3,268,010	8,644,428	2,741,053	1,598,693,251
Liabilities										
Segment liabilities		34,303,322	253,644,832	33,612,520	54,387,783	10,772,144	5,182,500	1,129,873	10,537,485	403,570,459
Deferred tax liabilities		-	85,108	58,929	-	-	-	-	-	144,037
		34,303,322	253,729,940	33,671,449	54,387,783	10,772,144	5,182,500	1,129,873	10,537,485	403,714,496
Current tax liabilities		1,835,347	-	168,502	-	80,011	-	-	-	2,083,860
Total liabilities		36,138,669	253,729,940	33,839,951	54,387,783	10,852,155	5,182,500	1,129,873	10,537,485	405,798,356
Incurred for the year:										
Capital expenditure:										
- Property, plant and equipment	16	2,298,777	34,831,477	2,259,243	99,295	11,227,633	687,320	6,679,505	1,276,921	59,360,171

4 SEGMENT REPORTING (CONT'D)

(a) *Analysis by business segment (Cont'd)*

	Pharmaceutical RM	Property investment and development RM	Information and communication technology RM	Paper manufacturing RM	Waste water treatment services RM	Aquaculture RM	Hotel RM	Others RM	Group RM
2010									
Total segment revenue	71,319,525	3,080,295	77,266,689	53,275,195	6,779,271	1,681,958	-	508,227	213,911,160
Inter-segment revenue	(2,626,282)	(3,080,295)	(7,798,067)	-	(451,202)	(1,063,758)	-	(502,094)	(15,521,698)
Revenue from external customers	68,693,243	-	69,468,622	53,275,195	6,328,069	618,200	-	6,133	198,389,462
Adjusted earnings before interest, taxation, depreciation and amortisation	14,196,140	(10,300,705)	7,312,125	1,153,347	3,964,691	(3,260,807)	-	(3,505,605)	9,559,186
Depreciation and amortisation	(2,218,965)	(217,348)	(3,290,782)	(3,744,733)	(79,809)	(311,502)	-	-	(9,863,139)
Impairment of intangible assets	-	-	(1,394,474)	-	-	-	-	-	(1,394,474)
Impairment of property, plant and equipment	-	(100,000)	(160,000)	(1,652,918)	-	-	-	-	(1,912,918)
Finance costs	(765,012)	(248,129)	(241,656)	(3,952,758)	(628,116)	(193,553)	-	-	(6,029,224)
Share of results of an associate	-	49,739,925	-	-	-	-	-	-	49,739,925
Profit/(loss) before taxation	11,212,163	38,873,743	2,225,213	(8,197,062)	3,256,766	(3,765,862)	-	(3,505,605)	40,099,356
Taxation									840,019
Profit after taxation									40,939,375

4 SEGMENT REPORTING (CONT'D)

(a) *Analysis by business segment (Cont'd)*

	Note	Pharmaceutical RM	Property investment and development RM	Information and communication technology RM	Paper manufacturing RM	Waste water treatment services RM	Aquaculture RM	Hotel RM	Others RM	Group RM
2010										
Other information:										
Assets										
Segment assets		81,175,531	319,184,908	54,873,817	83,008,338	56,342,127	14,350,112	-	178,760	609,113,593
Associate		-	909,975,430	-	-	-	-	-	-	909,975,430
Deferred tax assets		2,633,893	-	1,007,403	-	-	-	-	-	3,641,296
		83,809,424	1,229,160,338	55,881,220	83,008,338	56,342,127	14,350,112	-	178,760	1,522,730,319
Tax recoverable		463,396	322,840	-	231,985	-	-	-	1,102,417	2,120,638
Total assets		84,272,820	1,229,483,178	55,881,220	83,240,323	56,342,127	14,350,112	-	1,281,177	1,524,850,957
Liabilities										
Segment liabilities		37,722,366	210,473,536	26,744,558	57,828,141	22,243,103	5,724,109	-	16,394	360,752,207
Deferred tax liabilities		-	-	68,391	-	-	-	-	-	68,391
		37,722,366	210,473,536	26,812,949	57,828,141	22,243,103	5,724,109	-	16,394	360,820,598
Current tax liabilities		-	-	83,105	-	38,043	-	-	-	121,148
Total liabilities		37,722,366	210,473,536	26,896,054	57,828,141	22,281,146	5,724,109	-	16,394	360,941,746
Incurred for the year:										
Capital expenditure:										
- Property, plant and equipment	16	1,728,943	90,022,238	1,585,357	3,624,999	856,502	945,179	-	-	98,763,218
-Technological know-how		-	-	-	-	-	412,000	-	-	412,000
- Software		-	-	1,971,172	-	-	-	-	-	1,971,172

4 SEGMENT REPORTING (CONT'D)

(b) *Analysis by geographical location*

	Revenue RM	Total segment assets RM	Capital expenditure RM
2011			
Malaysia	139,546,628	502,271,922	47,864,010
The People's Republic of China	67,866,182	122,882,769	11,433,010
Singapore	9,741,684	1,205,275	19,453
Hong Kong	8,276,384	2,458,351	20,631
Thailand	17,029,682	6,274,620	6,732
Vietnam	4,876,209	1,890,276	-
Taiwan	1,149,063	1,704,591	11,860
Others	15,736,494	2,586,455	4,475
	264,222,326	641,274,259	59,360,171
Associate		957,418,992	
Total assets		1,598,693,251	
2010			
Malaysia	94,651,818	527,978,116	94,138,912
The People's Republic of China	59,814,062	71,023,553	4,543,238
Singapore	7,502,736	4,025,885	6,588
Hong Kong	1,933,069	3,283,282	4,239
Thailand	8,942,368	4,161,458	4,972
Vietnam	4,299,090	1,314,003	-
Taiwan	7,169,545	2,354,645	50,183
Others	14,076,774	734,585	15,086
	198,389,462	614,875,527	98,763,218
Associate		909,975,430	
Total assets		1,524,850,957	

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/incorporation of subsidiaries during the financial year

(a) On 23 August 2010, the Group had, via its 90% owned subsidiary, Jiang Su Crest Spring Co. Ltd, acquired additional 2,250,000 ordinary shares of RMB1.00 each in Ganyu Xin Cheng Sewage Treatment Co. Ltd ("Ganyu"), representing additional 22.5% of its equity interest, for a total purchase consideration of RMB1,710,598 (equivalent to RM807,402).

On 31 August 2010, the Group had, via its wholly owned subsidiary, Crest Spring (Shanghai) Co. Ltd, acquired additional 1,900,000 ordinary shares of RMB1.00 each in Jiang Su Crest Spring Co. Ltd ("Jiang Su"), representing additional 9.5% of its equity interest, for a total purchase consideration of RMB1,484,843 (equivalent to RM700,846). This has effectively increased the Group's effective equity interest in Jiang Su from 90% to 99.5%, Ganyu from 69.75% to 99.5%, and Yantai Xin Cheng Sewage Wastewater Treatment Co. Ltd ("Yantai") from 92.5% to 99.63%

The additional interests in the abovementioned entities have been accounted for as transactions with minority interest. A total negative goodwill of RM1,206,346 has been recognised during the financial year arising from these transactions.

5 ACQUISITION OF SUBSIDIARIES (CONT'D)

A Acquisition/incorporation of subsidiaries during the financial year (Cont'd)

(b) On 9 November 2010, the Group had via its 70% owned subsidiary, Macro Kiosk Berhad, incorporated a new subsidiary, Macro Kiosk (Australia) Pty Ltd, with an issued and paid-up share capital of AUD10,000 (equivalent of RM30,380) comprising 10,000 ordinary shares of AUD1.00 each.

(c) On 2 December 2010, the Group had, via its 70% owned subsidiary, Macro Kiosk Berhad, acquired the entire issued and paid-up share capital in Trillion Summit Sdn Bhd, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00. On 13 December 2010, Trillion Summit Sdn Bhd changed its name to Macro Simnergy Sdn Bhd.

The acquisition/incorporation of subsidiaries in note (a) to (c) above, have no significant effect on the financial results of the Group in the current financial year and the financial position of the Group at the end of the current financial year.

B Acquisition of subsidiaries during the previous financial year

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

(a) On 21 April 2009, the Group had, via its wholly-owned subsidiary, GTower Sdn Bhd, acquired the entire issued and paid-up share capital in Bioenergy Creations Sdn Bhd, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00. On 8 June 2009, Bioenergy Creations Sdn Bhd changed its name to Elements Gym Sdn Bhd.

(b) On 19 May 2009, the Group had, via its wholly-owned subsidiary, Goldis Water Pte Ltd, incorporated a new subsidiary named ZouCheng XinCheng Waste Water Co. Ltd in The People's Republic of China, by way of subscription of registered capital for a cash consideration of USD2.1 million (equivalent of RM7,249,305).

(c) On 10 March 2009, the Group had, via its 70% owned subsidiary, Macro Kiosk Berhad acquired additional 40% equity interest in Eluxion Media (M) Sdn Bhd comprising 48,000 ordinary shares of RM1.00 each for an aggregate cash consideration of RM1.00. The acquisition did not give rise to any goodwill as the company has previously absorbed minority's share of losses in Eluxion Media (M) Sdn Bhd.

(d) On 7 July 2009, the Group had, via its 70% owned subsidiary, Macro Kiosk Berhad, incorporated a new subsidiary named Macro Kiosk (Guangzhou) Technologies Co. Ltd in The People's Republic of China, by way of subscription of registered capital for a cash consideration RMB100,000 (equivalent to RM52,770).

(e) On 2 October 2009, the Company had acquired additional 300,000 ordinary shares of RM1.00 each and via its wholly-owned subsidiary, Goldis Yu Sdn Bhd acquired additional 700,000 ordinary shares of RM1.00 each in G Fish (Asia) Sdn Bhd (formerly known as Protech Yu Asia Sdn Bhd) ("G Fish"), representing additional 15% of the equity interest of G Fish, for a total purchase consideration of RM1,000,000.

On 28 December 2009, the Company had acquired additional 275,000 ordinary shares of RM1.00 each in and via its wholly-owned subsidiary, Goldis Yu Sdn Bhd acquired additional 725,000 ordinary shares of RM1.00 each in G Fish, representing additional 5% of the equity interest of G Fish, for a total purchase consideration of RM1,000,000. These have effectively increased the Group's interest in G Fish from 70% to 90%.

(f) On 26 January 2010, the Group had, via its wholly-owned subsidiary, GTower Sdn Bhd, acquired the entire issued and paid-up share capital in Fantastic Venue Sdn Bhd, comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00. On 10 March 2010, Fantastic Venue Sdn Bhd changed its name to G City Club Hotel Sdn Bhd.

The acquisitions stated in note (a) to (f) above 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 SUBSIDIARY

Disposal of subsidiary during the previous financial year

On 17 April 2009, the Group had, via its 69.28% owned subsidiary, Macro Kiosk Limited, disposed its entire issued and paid-up share capital in Macro Publications Limited, comprising of 8,000 ordinary shares of Thai Baht 25.00 each, for a cash consideration of Thai Baht 200,000 (equivalent to RM19,361). The gain on disposal amounted to RM569,476.

7 REVENUE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Sale of goods	77,226,200	69,311,443	-	-
Rendering of services	166,962,919	129,071,886	-	-
Hotel room revenue	5,588,135	-	-	-
Rental income from office buildings	14,221,605	-	-	-
Dividend income (gross)	223,467	6,133	10,045,773	625,200
Interest income on advances to subsidiaries				
- loans to subsidiaries	-	-	1,919,098	1,509,205
- RCULS	-	-	-	495,890
Management services	-	-	510,000	450,000
	264,222,326	198,389,462	12,474,871	3,080,295

8 COST OF SALES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Changes in inventories of finished goods and work in progress	(1,503,520)	(1,652,281)	-	-
Raw materials and consumables used	45,246,277	41,661,646	-	-
Cost of goods sold	35,491,074	26,711,821	-	-
Depreciation of property, plant and equipment (Note 16)	9,155,694	3,110,366	-	-
Costs of interactive services rendered	55,700,631	39,722,806	-	-
Employee benefits cost (Note 11)	8,246,212	3,030,035	-	-
Repair and maintenance	990,168	710,450	-	-
Consultancy and technical fees	3,074,673	826,749	-	-
Utilities	7,102,839	6,340,892	-	-
Operating lease payments	405,679	361,339	-	-
Impairment of intangible assets	4,016,595	1,394,474	-	-
Impairment of property, plant and equipment	8,441,434	1,912,918	-	-
Amortisation of intangible assets	1,926,182	1,645,735	-	-
Inventories written off	1,861,474	3,437,125	-	-
Other expenses	2,637,054	146,996	-	-
	182,792,466	129,361,071	-	-

9 OPERATING LOSS

(a) Other income

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Rental income	484,506	516,916	-	-
Insurance compensation	182,843	207,021	-	-
Deposits forfeited	105,379	30,659	-	-
Quit rent reimbursement	133,956	147,666	-	-
Government grants income	148,624	233,518	-	-
Leaseline income	135,675	86,918	-	-
Sale of scrap	53,314	434,536	-	-
Dividend income of available-for-sale financial asset	10,272	6,222	-	-
Penalties on workers	3,226	47,441	-	-
Subsidy received	-	53,456	-	-
Miscellaneous income	94,427	271,269	40	7,501
	1,352,222	2,035,622	40	7,501

(b) Other expenses

Bad debts written off	57,144	373,955	-	-
Impairment of advances to subsidiaries	-	-	9,211,856	9,546,480
Impairment of investment in subsidiaries	-	-	423,303	675,000
	57,144	373,955	9,635,159	10,221,480

(c) Other than as disclosed in Note 7 and 8 above, the following items have been charged/(credited) in arriving at operating loss:

Advertising and promotional expenses	11,793,959	10,097,093	39,954	9,275
Impairment of trade and other receivables	438,748	5,893,321	-	-
Amortisation of investment properties	100,920	100,920	-	-
Auditors' remuneration:				
- PricewaterhouseCoopers Malaysia				
- current year	292,000	239,650	45,000	45,000
- under accrual in prior years	503	17,436	-	-
- Other auditors of subsidiaries				
- current year	118,609	119,719	-	-
- under accrual in prior years	2,160	-	-	-
Directors' remuneration (Note 10)	879,438	991,335	879,438	991,335
Property, plant and equipment:				
- depreciation (Note 16)	15,712,983	5,006,118	97,132	90,954
- written off (Note 16)	405,576	123,411	-	40,352
Rental expenses:				
- equipment	206,231	11,913	-	-
- premises	1,876,868	2,216,381	2,277,793	322,570
Research and development expenses	216,200	215,723	-	-
Employee benefits cost (Note 11)	32,227,347	28,367,644	1,835,998	2,048,912

10 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 and Company	
	2011	2010
	RM	RM
Non-executive Directors:		
- fees	102,000	102,000
Executive Director:		
- basic salaries and bonus	677,790	686,202
- defined contribution plan	87,648	116,138
- fees	12,000	12,000
- employees' share options	-	74,995
	777,438	889,335
	879,438	991,335

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 RM7,200 (2010: RM7,200) and RM7,200 (2010: RM7,200) respectively.

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 35) as follows:

			Number of options over ordinary shares of RM1.00 each			
Grant date	Expiry date*	Exercise price RM/share	At 1.2.2010	Granted	Exercised	At 31.1.2011
28 July 2005	19 May 2012	1.00	600,000	-	(600,000)	-
5 October 2005	19 May 2012	1.00	200,000	6,250	(206,250)	-
			800,000	6,250	(806,250)	-

	2011	2010
Number of share options vested at the reporting date	120,000	560,000

* The duration of the ESOS has been extended for a further period of five (5) years from 20 May 2007 as disclosed in Note 35.

11 EMPLOYEE BENEFITS COST

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Wages, salaries and bonus	36,414,836	28,329,688	1,491,606	1,801,306
Defined contribution plan	4,044,103	3,199,307	207,912	231,620
Employees' share options	136,480	15,986	136,480	15,986
Termination benefits	-	91,159	-	-
	40,595,419	31,636,140	1,835,998	2,048,912
Less: Employee benefits cost capitalised into:				
- property, plant and equipment (Note 16)	(121,860)	-	-	-
- long-term contract cost	-	(238,461)	-	-
	40,473,559	31,397,679	1,835,998	2,048,912

12 OTHER (LOSSES)/GAINS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Foreign exchange (loss)/gain:				
- unrealised	(3,706,747)	(1,335,392)	(284,261)	-
- realised	(2,140,482)	612,412	(298,614)	192,722
Negative goodwill on acquisition of subsidiaries from minority shareholders	1,199,436	-	-	-
Gain on disposals of property, plant and equipment	13,604	19,437	11	-
Gain on disposal of subsidiaries	-	569,476	-	-
Loss on disposal of an associate	-	(1,518,122)	-	-
Gain on disposal of financial assets at fair value through profit or loss	54,094	-	54,094	-
Gain on disposal of available-for-sale financial assets	-	235,444	-	235,444
Fair value gains of financial assets at fair value through profit or loss (Note 24)	160,301	-	160,301	-
	(4,419,794)	(1,416,745)	(368,469)	428,166

13 FINANCE INCOME AND COSTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest expenses on:				
- term loans	12,110,014	4,772,261	-	-
- revolving credits	3,245,724	6,388,058	992,528	226,490
- trust receipts/bankers' acceptances	-	81,488	-	-
- hire-purchase and finance lease	20,201	60,632	-	-
- bank overdrafts	10,492	11,052	-	-
- advances from a subsidiary	-	-	106,889	-
- commitment fees	171,194	31,523	59,735	15,854
	15,557,625	11,345,014	1,159,152	242,344

13 FINANCE INCOME AND COSTS (CONT'D)

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Less: Interest capitalised into:				
- property, plant and equipment (Note 16)	-	(5,315,790)	-	-
Total finance costs	15,557,625	6,029,224	1,159,152	242,344
Finance income:				
- interest income on deposits with licensed banks	476,077	316,701	81,582	6,096
- interest income on available-for-sale financial assets	179,367	262,942	179,367	262,942
Total finance income	655,444	579,643	260,949	269,038
Net finance costs/(income)	14,902,181	5,449,581	898,203	(26,694)

14 TAXATION

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current tax:				
- Malaysian tax	3,346,981	(56,902)	1,093,642	(96,998)
- Foreign tax	510,768	225,512	-	-
	3,857,749	168,610	1,093,642	(96,998)
Deferred tax (Note 23)	2,484,638	(1,008,629)	85,108	-
	6,342,387	(840,019)	1,178,750	(96,998)
Current tax:				
Current year	3,965,404	226,042	1,093,642	-
Over accrual in prior years	(107,657)	(57,432)	-	(96,998)
	3,857,747	168,610	1,093,642	(96,998)
Deferred tax:				
Origination and reversal of temporary differences	2,779,330	(438,383)	85,108	-
Over accrual in prior years	(294,690)	(570,246)	-	-
Tax expense/(credit)	6,342,387	(840,019)	1,178,750	(96,998)

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

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Malaysian tax rate	25	25	(25)	(25)
Tax effects of:				
- share of results of an associate and a jointly-controlled entity	(34)	(31)	-	-
- expenses not deductible for tax purposes	10	13	50	23
- double deduction expenses	(4)	(1)	-	-
- income not subject to tax	(7)	(7)	(4)	(3)
- current year's tax losses and deductible temporary differences not recognised	33	10	(1)	5
- utilisation of previously unrecognised tax losses	(3)	(10)	-	-
- over accrual of current tax in prior years	(1)	(1)	-	(1)
- over accrual of deferred tax in prior years	(1)	-	(2)	-
- effect of higher tax rate in subsidiaries	2	-	-	-
- deductible temporary difference previously not recognised	(1)	-	-	-
Effective tax rate	19	(2)	18	(1)

15 EARNINGS PER SHARE

(a) Basic earnings per share

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.

	Group	
	2011	**2010**
	RM	**RM**
Profit attributable to ordinary equity holders of the Company (RM)	23,419,002	38,965,876
Weighted average number of ordinary shares in issue	609,037,993	608,299,953
Basic earnings per share (sen)	3.85	6.41

Basic earnings per share for last financial year was restated due to bonus issue in this financial year.

(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	
	2011	**2010**
	RM	**RM**
Profit attributable to ordinary equity holders of the Company (RM)	23,419,002	38,965,876
Weighted average number of ordinary shares in issue	609,037,993	608,299,953
Adjustment for exercise of ESOS	269,026	273,646
Weighted average number of ordinary shares for diluted earnings per share	609,307,019	608,573,599
Diluted earnings per share (sen)	3.84	6.40

16 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	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	Hatchery RM	Capital work-in-progress RM	Total RM
2011											
Cost											
At 1 February 2010:											
As previously stated	54,031,149	-	53,017,670	90,358,371	19,104,061	1,298,410	-	3,545,835	598,723	242,568,064	464,522,283
Effect of adoption of improvement to FRS 117 (Note 44)	-	14,255,041	-	-	-	-	-	-	-	-	14,255,041
As restated	54,031,149	14,255,041	53,017,670	90,358,371	19,104,061	1,298,410	-	3,545,835	598,723	242,568,064	478,777,324
Additions	-	-	30,319,725	1,011,308	14,826,571	103,000	1,131,240	498,678	12,498	11,457,151	59,360,171
Disposals	-	-	-	(568,492)	(259,434)	(32,397)	-	(421,664)	-	-	(1,281,987)
Written off	-	-	-	(153,114)	(185,364)	(4,336)	-	-	-	(299,871)	(642,685)
Reclassification	-	-	177,435,224	6,613,067	57,467,143	-	-	-	-	(241,515,434)	-
Currency translation differences	-	(753,168)	(1,657,877)	(5,020,968)	(149,239)	(62,643)	-	(8,359)	-	(58,502)	(7,710,756)
At 31 January 2011	54,031,149	13,501,873	259,114,742	92,240,172	90,803,738	1,302,034	1,131,240	3,614,490	611,221	12,151,408	528,502,067
Accumulated depreciation											
At 1 February 2010:											
As previously stated	-	-	7,893,144	22,088,348	6,356,029	732,005	-	2,398,753	149,625	-	39,617,904
Effect of adoption of improvement to FRS 117 (Note 44)	-	1,108,719	-	-	-	-	-	-	-	-	1,108,719
As restated	-	1,108,719	7,893,144	22,088,348	6,356,029	732,005	-	2,398,753	149,625	-	40,726,623
Charge for the financial year	-	207,133	6,746,695	5,765,816	11,344,078	190,497	112,922	426,695	74,841	-	24,868,677
Disposals	-	-	-	(566,568)	(251,775)	(32,397)	-	(421,664)	-	-	(1,272,404)
Written off	-	-	-	(53,060)	(179,713)	(4,336)	-	-	-	-	(237,109)
Reclassification	-	-	(26,879)	21,315	5,564	-	-	-	-	-	-
Currency translation differences	-	(65,679)	(366,990)	(1,145,931)	(52,098)	(48,886)	-	(2,969)	-	-	(1,682,553)
At 31 January 2011	-	1,250,173	14,245,970	26,109,920	17,222,085	836,883	112,922	2,400,815	224,466	-	62,403,234
Accumulated impairment losses											
At 1 February 2010	-	-	133,869	6,810,614	595,276	-	-	-	-	-	7,539,759
Charge for the financial year	274,967	-	-	8,166,467	-	-	-	-	-	-	8,441,434
At 31 January 2011	274,967	-	133,869	14,977,081	595,276	-	-	-	-	-	15,981,193
Net book value											
At 31 January 2011	53,756,182	12,251,700	244,734,903	51,153,171	72,986,377	465,151	1,018,318	1,213,675	386,755	12,151,408	450,117,640

16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM	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	Hatchery RM	Capital work-in-progress RM	Total RM
2010											
Cost											
At 1 February 2009:											
As previously stated	53,472,304	-	50,794,622	80,202,240	13,435,788	1,213,649	250,000	3,502,991	593,416	167,418,571	370,883,581
Effect of adoption of improvement to FRS 117 (Note 44)	-	14,819,856	-	-	-	-	-	-	-	-	14,819,856
As restated	53,472,304	14,819,856	50,794,622	80,202,240	13,435,788	1,213,649	250,000	3,502,991	593,416	167,418,571	385,703,437
Additions	107,127	-	3,354,789	2,040,769	5,451,692	257,707	-	179,763	5,307	87,366,064	98,763,218
Disposals	-	-	-	(2,030)	(48,319)	(104,392)	(250,000)	(53,750)	-	-	(458,491)
Written off	-	-	-	-	(179,897)	(18,739)	-	(92,253)	-	-	(290,889)
Reclassification	-	-	110,000	11,276,208	448,729	-	-	-	-	(11,834,937)	-
Reclassification from assets held-for-sale	451,718	-	-	-	-	-	-	-	-	-	451,718
Currency translation differences	-	(564,815)	(1,241,741)	(3,158,816)	(3,932)	(49,815)	-	9,084	-	(381,634)	(5,391,669)
At 31 January 2010	54,031,149	14,255,041	53,017,670	90,358,371	19,104,061	1,298,410	-	3,545,835	598,723	242,568,064	478,777,324
Accumulated depreciation											
At 1 February 2009:											
As previously stated	-	-	6,814,316	19,146,249	4,582,646	657,231	8,333	1,937,915	74,865	-	33,221,555
Effect of adoption of improvement to FRS 117 (Note 44)	-	811,250	-	-	-	-	-	-	-	-	811,250
As restated	-	811,250	6,814,316	19,146,249	4,582,646	657,231	8,333	1,937,915	74,865	-	34,032,805
Charge for the financial year	-	338,184	1,211,039	3,742,169	2,046,006	196,153	33,334	474,839	74,760	-	8,116,484
Disposals	-	-	-	(1,285)	(37,593)	(104,392)	(41,667)	-	-	-	(184,937)
Written off	-	-	-	-	(135,479)	(16,865)	-	(15,134)	-	-	(167,478)
Currency translation differences	-	(40,715)	(132,211)	(798,785)	(99,551)	(122)	-	1,133	-	-	(1,070,251)
At 31 January 2010	-	1,108,719	7,893,144	22,088,348	6,356,029	732,005	-	2,398,753	149,625	-	40,726,623
Accumulated impairment losses											
At 1 February 2009	-	-	133,869	4,997,696	595,276	-	-	-	-	-	5,726,841
Charge for the financial year	-	-	-	1,812,918	-	-	100,000	-	-	-	1,912,918
Disposal	-	-	-	-	-	-	(100,000)	-	-	-	(100,000)
At 31 January 2010	-	-	133,869	6,810,614	595,276	-	-	-	-	-	7,539,759
Net book value											
At 31 January 2010	54,031,149	13,146,322	44,990,657	61,459,409	12,152,756	566,405	-	1,147,082	449,098	242,568,064	430,510,942

16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

In the previous financial year, net borrowing costs of RM5,315,790 were incurred for financing the construction of buildings of subsidiaries of the Group, which was capitalised in capital work-in-progress (Note 13).

Employee benefit costs of RM121,860 (2010: RMNil), incurred for the construction of buildings and plant and machinery of a subsidiary of the Group, 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 34) are as follows:

	Group	
	2011	2010
	RM	RM
Freehold land	53,756,182	53,822,210
Buildings	215,963,778	22,506,981
Plant and machinery	32,289,852	46,035,618
Capital work-in-progress	-	242,214,925
	302,009,812	364,579,734

The net book value of motor vehicles and plant and machinery under hire-purchase and finance lease arrangements at the end of the financial year amounted to RM1,604,005 (2010: RM1,770,867).

	Furniture, fixtures, fittings and equipment	
Company	2011	2010
	RM	RM
Cost		
At 1 February	503,726	543,550
Additions	302,440	143,645
Disposals	-	(16,015)
Written off	-	(167,454)
Transfer to related company	(4,418)	-
At 31 January	801,748	503,726
Accumulated depreciation		
At 1 February	254,462	303,552
Charge for the financial year	97,132	90,954
Disposals	-	(12,942)
Written off	-	(127,102)
Transfer to related company	(11)	-
At 31 January	351,583	254,462
Net book value		
At 31 January	450,165	249,264

17 INVESTMENT PROPERTIES

	Group	
	2011 RM	2010 RM
Buildings		
Cost		
At 1 February/31 January	5,045,999	5,045,999
Accumulated amortisation		
At 1 February	201,840	100,920
Charge for the year	100,920	100,920
At 31 January	302,760	201,840
Net book value		
At 31 January	4,743,239	4,844,159

The investment properties of a subsidiary were pledged as security for term loan (Note 34). The fair value of the investment properties were estimated at RM6,060,467 (2010: RM5,755,279) based on the Directors' valuation and assessment of recent transaction of properties of a similar nature and location.

18 PREPAID LEASEHOLD RENTALS

	Group	
	2011 RM	2010 RM
Cost		
At 1 February:		
As previously stated	14,255,041	14,819,856
Effect of adoption of improvement to FRS 117 (Note 44)	(14,255,041)	(14,819,856)
As restated	-	-
Currency translation differences	-	-
At 31 January	-	-
Accumulated amortisation		
At 1 February:		
As previously stated	1,108,719	811,250
Effect of adoption of improvement to FRS 117 (Note 44)	(1,108,719)	(811,250)
As restated	-	-
Charge for the financial year	-	-
Currency translation differences	-	-
At 31 January	-	-
Net book value		
At 31 January	-	-

19 INTANGIBLE ASSETS

Group	Development costs RM	License RM	Goodwill RM	Technological know-how RM	Acquired rights RM	Software RM	Total RM
Cost							
At 1 February 2010	1,520,908	400,000	3,236,649	1,770,200	6,377,596	2,054,172	15,359,525
Currency translation differences	-	-	(86,091)	-	(153,208)	-	(239,299)
At 31 January 2011	1,520,908	400,000	3,150,558	1,770,200	6,224,388	2,054,172	15,120,226
Accumulated amortisation							
At 1 February 2010	912,546	11,746	-	-	1,705,951	454,857	3,085,100
Charge for the financial year	304,182	21,000	-	35,404	880,872	684,724	1,926,182
Currency translation differences	-	-	-	-	(27,588)	-	(27,588)
At 31 January 2011	1,216,728	32,746	-	35,404	2,559,235	1,139,581	4,983,694
Accumulated impairment losses							
At 1 February 2010	-	-	-	-	1,394,474	-	1,394,474
Charge for the financial year	-	-	-	1,734,796	2,281,799	-	4,016,595
Currency translation differences	-	-	-	-	(11,120)	-	(11,120)
At 31 January 2011	-	-	-	1,734,796	3,665,153	-	5,399,949
Net book value							
At 31 January 2011	304,180	367,254	3,150,558	-	-	914,591	4,736,583
At 31 January 2010	608,362	388,254	3,236,649	1,770,200	3,277,171	1,599,315	10,879,951

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 development costs was amortised over its useful life of 5 years.

When any indicators of impairment are identified, property, plant and equipment and intangible assets are reviewed for impairment based on each cash-generating unit ("CGU"). The carrying value of these CGUs was compared to the recoverable amount of the CGUs, which was based on the higher of value-in-use and fair value less costs to sell. Impairment review was carried out on the following CGUs that recorded losses during the financial year:

Impairment of technological know-how

The Group acquired technological know-how to provide a full range of certification and licensing services in developing and producing chemical and pollution free fishes in the aquaculture reporting segment.

19 INTANGIBLE ASSETS (CONT'D)

Impairment of technological know-how (Cont'd)

The recoverable amount was determined based on fair value less costs to sell using the investment method (i.e. farm leasing) reflecting receipt of rentals, expected future rentals, current market yield and maintenance requirements. The Group uses assumptions that are mainly based on market conditions existing at each reporting date.

Arising from the above assessment, the carrying amounts of the following assets relating to subsidiaries involved in aquaculture activities of the Group and of the Company have been impaired during the financial year:

	Group RM	Company RM
Investment in subsidiaries	-	423,303
Advances to subsidiaries	-	9,211,856
Property, plant and equipment	8,441,434	-
Intangible assets	1,734,796	-
	10,176,230	9,635,159

Impairment tests for acquired rights

Included in the information and communication technology operating segment is an entity with rights to operate as a mobile gateway provider to telecommunication companies in China. During the financial year, the Board of Directors have reviewed the business model and decided that the business is not feasible and accordingly, the carrying amount of the acquired rights has been fully impaired. An impairment charge of RM2.28 million (2010: RM1.39 million) has been recognised in the current financial year.

Impairment tests for goodwill

The carrying amount of goodwill allocated to the Group's cash-generating units ("CGUs") is as follows:

	Group	
	2011 RM	2010 RM
Paper manufacturing	492,909	492,909
Information and communication technology	1,063,122	1,063,122
Waste water treatment services	1,594,527	1,680,618
	3,150,558	3,236,649

The recoverable amount of the paper manufacturing CGU is determined based on fair value less cost to sell. During the financial year, a valuation of the paper manufacturing CGU's property, plant and equipment was carried out by an external independent qualified valuer. The valuation was arrived at by the replacement cost basis for all property, plant and equipment except for land, in which the Comparison Method of Valuation is adopted, where reference were made to sales transactions as well as selling prices of similar properties in the location. Based on this valuation, the recoverable amount of RM85,670,444 exceeded the carrying amount of the paper manufacturing CGU by RM10,332,267.

The recoverable amount of the information and communication technology and waste water treatment services CGUs are determined based on value-in-use calculations, using pre-tax cash flow projections based on financial budgets approved by the Directors. The growth rate does not exceed the long term average growth rate for the relevant CGUs.

19 INTANGIBLE ASSETS (CONT'D)

Impairment tests for goodwill (Cont'd)

The key assumption used in the value-in-use calculations in 2011 for the CGU's are as follows:

CGU	Basis of cash flow projections	Gross margin %	Growth rate %	Pre-tax discount rate %
Information and communication technology (other than China)	5 years discounted cash flows	19.00 - 20.00	12.00	13.97
Waste water treatment services	Discounted cash flows over the remaining concession period	46.00	4.25	10.23

The key assumptions used in the value-in-use calculations in 2010 for the CGUs are as follows:

CGU	Basis of cash flow projections	Gross margin %	Growth rate %	Pre-tax discount rate %
Paper manufacturing	10 years discounted cash flows	10.79	-	13.60
Information and communication technology	5 years discounted cash flows	14.00 - 24.00	2.00 - 10.00	8.92
Waste water treatment services	Discounted cash flows over the remaining concession period	37.00	-	8.48

The Directors have determined the budgeted gross margin and the average growth rate based on expected performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Based on the impairment test, no impairment is required for goodwill attributable to the CGUs.

20 SUBSIDIARIES

	Company	
	2011 RM	2010 RM (Restated)
Investment in subsidiaries, at cost		
Unquoted ordinary shares	49,983,929	50,053,930
Less: Accumulated impairment losses	(3,498,303)	(3,075,000)
	46,485,626	46,978,930
Advances to subsidiaries (Note 26)	125,700,430	118,791,446
Less: Provision for impairment of advances to subsidiaries	(29,249,704)	(20,037,848)
	96,450,726	98,753,598
Financial guarantee contract to a subsidiary (Note 31)	86,031	-
Total	143,022,383	145,732,528

20 SUBSIDIARIES (CONT'D)

The details of subsidiaries are as follows:

Name of company	Place of incorporation	Principal activities	Group's effective interest 2011 %	2010 %
Ecosem Sdn Bhd	Malaysia	Ceased operations	100.00	100.00
GoldChina Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Goldis Capital Sdn Bhd	Malaysia	Dormant	100.00	100.00
GTower Sdn Bhd	Malaysia	Property investment holding	100.00	100.00
Goldis Water Sdn Bhd	Malaysia	Investment holding	100.00	100.00
Goldis Yu Sdn Bhd	Malaysia	Money lending services	100.00	100.00
HOEPharma Holdings Sdn Bhd	Malaysia	Healthcare management services	78.15	78.15
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 (In Members' Voluntary Winding-Up)	Malaysia	Ceased operations	100.00	100.00
Held by GoldChina Sdn Bhd				
GoldChina Pte Ltd +	Singapore	Dormant	100.00	100.00
Crest Spring Pte Ltd +	Singapore	Investment holding	100.00	100.00
Manax Limited +	Hong Kong	Investment holding	100.00	100.00
Held by Crest Spring Pte Ltd				
Crest Spring (Shanghai) Co. Ltd +	The People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services	100.00	100.00
Held by Crest Spring (Shanghai) Co. Ltd				
Jiang Su Crest Spring Co. Ltd +	The People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services	99.50	90.00

20 SUBSIDIARIES (CONT'D)

The details of subsidiaries are as follows: (Cont'd)

Name of company	Place of incorporation	Principal activities	Group's effective interest 2011 %	2010 %
Held by Jiang Su Crest Spring 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	99.50	69.75
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	99.63	92.50
Held by Manax Limited				
Tianjin Manax Natural Fibre Thin Film Co. Ltd +	The People's Republic of China	Paper manufacturing	80.00	80.00
Held by Goldis Water Sdn Bhd				
Goldis Water Pte Ltd +	Singapore	Investment holding	100.00	100.00
Held by Goldis Water Pte Ltd				
ZouCheng XinCheng Waste Water Co. Ltd +	The People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services	100.00	100.00
Held by Goldis Yu Sdn Bhd				
G Fish (Asia) Sdn Bhd (formerly known as Protech Yu (Asia) Sdn Bhd)	Malaysia	Aquaculture	90.00	90.00
Held by G Fish (Asia) Sdn Bhd (formerly known as Protech Yu (Asia) Sdn Bhd)				
OM3 Fish Development Sdn Bhd	Malaysia	Aquaculture farms development and construction	90.00	90.00
OM3 Fish (Asia) Sdn Bhd	Malaysia	Marketing and sale of aquaculture products	90.00	90.00
OM3 Fish Services Sdn Bhd	Malaysia	Aquaculture operation and provision of management services	90.00	97.00

20 SUBSIDIARIES (CONT'D)

The details of subsidiaries are as follows: (Cont'd)

Name of company	Place of incorporation	Principal activities	Group's effective interest 2011 %	Group's effective interest 2010 %
Held by HOEPharma Holdings Sdn Bhd				
HOEPharma (HK) Limited +	Hong Kong	Healthcare management services	78.15	78.15
HOE Pharmaceuticals Sdn Bhd	Malaysia	Manufacturer of pharmaceutical products	78.15	78.15
Genesis Pharma Sdn Bhd	Malaysia	Retailing of pharmaceutical products and herbal medicines	78.15	78.15
Intact Pharma Sdn Bhd	Malaysia	Provision of management services for marketing of liquid preparations and pharmaceuticals products	78.15	78.15
Held by Macro Kiosk Berhad				
Cinomobile Pte Ltd +	Singapore	Mobile communications services	70.00	70.00
Eluxion Media (M) Sdn Bhd	Malaysia	Ceased operations	70.00	70.00
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	69.28	69.28
Macro Kiosk Pte Ltd +	Singapore	Mobile communications technology provider	70.00	70.00
Macro Kiosk Co. Ltd +	Taiwan	Dormant	70.00	70.00
PT Permata Cipta Rejeki +	Indonesia	Mobile communications technology provider	70.00	70.00
Toprole Network Sdn Bhd	Malaysia	Mobile communications technology provider	70.00	70.00
IGM Mobile (China) Limited +	Hong Kong	Mobile communications technology provider	70.00	70.00
Macro Kiosk Joint Stock Company +	Vietnam	Mobile communications technology provider	70.00	70.00

20 SUBSIDIARIES (CONT'D)

The details of subsidiaries are as follows: (Cont'd)

Name of company	Place of incorporation	Principal activities	Group's effective interest 2011 %	2010 %
Held by Macro Kiosk Berhad (Cont'd)				
Macro Kiosk (Guangzhou) Technologies Co. Ltd +	The People's Republic of China	Mobile communications technology provider	70.00	70.00
Macro Simnergy Sdn Bhd (formerly known as Trillion Summit Sdn Bhd)	Malaysia	Dormant	70.00	-
Macro Kiosk (Australia) Pty Ltd	Australia	Dormant	70.00	-
Held by Macro Lynx Sdn Bhd				
MVC Fiberlynx Sdn Bhd	Malaysia	Broadband web based solutions	100.00	100.00
Mines Fiberlynx Sdn Bhd	Malaysia	Broadband web based solutions	100.00	100.00
Held by GTower Sdn Bhd				
Elements Gym Sdn Bhd	Malaysia	Gym operator	100.00	100.00
G City Club Hotel Sdn Bhd	Malaysia	Hotel operator	100.00	100.00
Sonata Vision Sdn Bhd	Malaysia	Provision of related services and operating of food and beverage outlets	100.00	100.00

+ *Audited by a firm other than PricewaterhouseCoopers, Malaysia.*

Impairment tests for investments in subsidiaries

Investments in subsidiaries are assessed at each reporting date for indication that the investment may be impaired. Where such indication exists, the recoverable amount of the identified cost of investment is determined based on the higher of value-in-use calculations and fair value less costs to sell.

During the financial year, investments in subsidiaries involved in aquaculture activities were reviewed for impairment using fair value less costs to sell basis based on investment method as described in Note 19.

21 ASSOCIATE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Quoted ordinary shares in Malaysia, at cost	676,505,830	676,665,384	614,993,546	615,153,100
Add: Group's share of post-acquisition results and reserves	280,913,162	233,310,046	-	-
	957,418,992	909,975,430	614,993,546	615,153,100
Share of net assets	957,418,992	909,975,430		
Market value:				
- Quoted ordinary shares in Malaysia	851,349,174	726,859,436	808,460,355	691,837,636

At the end of the reporting date, the Group's cost of investment in quoted shares of an associate exceeded the Group's share of post-acquisition results and reserves. However, the Directors are of the opinion that no impairment on investment in associate is necessary as the net tangible assets of the associate are accounted for using the cost model. Had the net tangible assets of the associate been accounted for using the fair valuation model, the Group's share of net assets in the associate would be higher than the cost of investment in the associate.

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

	Group	
	2011 RM	2010 RM
Non-current assets	1,036,352,070	1,010,185,744
Current assets	316,464,437	310,388,792
Current liabilities	(203,714,109)	(142,748,494)
Non-current liabilities	(191,683,406)	(267,850,612)
Share of net assets	957,418,992	909,975,430

The Group's share of revenue and expenses of the associate are as follows:

	Group	
	2011 RM	2010 RM
Revenue	198,609,242	178,246,418
Operating expenses including taxation	(140,967,189)	(128,506,493)
Profit for the financial year	57,642,053	49,739,925

The details of the associate is as follows:

Name of company	Place of incorporation	Principal activities	Group's effective interest	
			2011 %	2010 %
IGB Corporation Berhad	Malaysia	Investment holding and property development	27.64	27.51

As at 31 January 2011, 82,700,000 and 37,800,000 (2010: 82,700,000 and 37,800,000) ordinary shares in the associate were pledged as security for revolving credits (Note 34) of the Group and of the Company respectively.

22 AVAILABLE-FOR-SALE FINANCIAL ASSETS/UNQUOTED INVESTMENTS

	Group		Company	
	Available-for-sale financial assets	Unquoted investments	Available-for-sale financial assets	Unquoted investments
	2011 RM	2010 RM	2011 RM	2010 RM
Non-current				
At 1 February	1,306,991	1,304,003	-	-
Disposals	(20,880)	-	-	-
Currency translation differences	(40,610)	2,988	-	-
At 31 January	1,245,501	1,306,991	-	-
Current				
At 1 February	-	-	-	-
Effects of adoption of FRS 139 (Note 44)	1,529,731	-	1,090,286	-
Additions	6,648,087	-	6,648,087	-
Fair value gains recognised in other comprehensive income	2,456,994	-	2,419,905	-
At 31 January	10,634,812	-	10,158,278	-
Total	11,880,313	1,306,991	10,158,278	-

Analysed as follows:

Non-current				
Unquoted shares outside Malaysia	1,011,181	1,031,991	-	-
Quoted investment funds outside Malaysia	234,320	275,000	-	-
	1,245,501	1,306,991	-	-
Current				
Quoted shares in Malaysia	10,634,812	-	10,158,278	-

None of these financial assets is impaired.

23 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.

23 DEFERRED TAX (CONT'D)

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Deferred tax assets				
- deferred tax assets to be recovered after more than 12 months	654,786	-	-	-
- deferred tax assets to be recovered within 12 months	577,518	3,641,296	-	-
	1,232,304	3,641,296	-	-
Deferred tax liabilities				
- deferred tax liabilities to be recovered after more than 12 months	-	-	-	-
- deferred tax liabilities to be recovered within 12 months	(144,037)	(68,391)	(85,108)	-
	(144,037)	(68,391)	(85,108)	-
Deferred tax assets/(liabilities) (net)	1,088,267	3,572,905	(85,108)	-

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At 1 February	3,572,905	2,564,276	-	-
(Charged)/credited to income statement (Note 14):				
- property, plant and equipment	(172,358)	154,318	(45,846)	-
- tax losses	(2,288,932)	(390,351)	(39,262)	-
- accruals	(222,372)	983,367	-	-
- others	199,024	261,295	-	-
	(2,484,638)	1,008,629	(85,108)	-
At 31 January	1,088,267	3,572,905	(85,108)	-

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Subject to income tax:				
Deferred tax assets (before offsetting)				
- property, plant and equipment	687,615	667,993	-	4,528
- tax losses	1,106,695	3,395,627	-	39,262
- accruals	1,090,905	1,313,277	-	-
- others	185,319	19,805	-	-
	3,070,534	5,396,702	-	43,790
Offsetting	(1,838,230)	(1,755,406)	-	(43,790)
Deferred tax assets (after offsetting)	1,232,304	3,641,296	-	-

23 DEFERRED TAX (CONT'D)

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	(1,982,267)	(1,790,287)	(85,108)	(43,790)
- others	-	(33,510)	-	-
	(1,982,267)	(1,823,797)	(85,108)	(43,790)
Offsetting	1,838,230	1,755,406	-	43,790
Deferred tax liabilities (after offsetting)	(144,037)	(68,391)	(85,108)	-

The amount of deductible temporary differences, unutilised capital allowances, unutilised reinvestment allowances and unused tax losses (all of which have no expiry) for which no deferred tax asset is recognised in the statement of financial position are as follows:

	Group	
	2011 RM	2010 RM
Deductible temporary differences	8,461,689	613,493
Capital allowances	14,930,744	2,429,431
Tax losses	46,967,952	27,059,657
	70,360,385	30,102,581
Deferred tax assets not recognised at 25% (2010: 25%)	17,590,096	7,525,645

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/QUOTED INVESTMENTS

	Group		Company	
	Financial assets at fair value through profit or loss	Quoted investments	Financial assets at fair value through profit or loss	Quoted investments
	2011 RM	2010 RM	2011 RM	2010 RM
Quoted bonds outside Malaysia	3,029,145	2,832,809	3,029,145	2,832,809
Quoted shares in Malaysia	-	61,333	-	-
Quoted warrants in Malaysia	-	159,554	-	159,554
	3,029,145	3,053,696	3,029,145	2,992,363

Financial assets at fair value through profit or loss are presented within investing activities as in the statements of cash flows.

The fair values of bonds are based on their current bid prices in an active market.

25 INVENTORIES

	Group	
	2011	2010
	RM	RM
At cost:		
Raw materials	5,425,357	4,618,905
Work-in-progress	555,983	623,717
Finished goods	10,064,059	6,970,458
Hotel operating supplies	323,229	-
	16,368,628	12,213,080
At net realisable value:		
Finished goods	2,235,532	1,083,656
	18,604,160	13,296,736

26 ADVANCES TO/(FROM) SUBSIDIARIES

The advances to/(from) subsidiaries are unsecured and have no fixed terms of repayment. Included in advances from subsidiaries at the financial year end was advances of RM10,000,000 that bear interest rate at 3.2% per annum. All other advances from subsidiaries at financial year end are interest free. Advances to subsidiaries in the previous financial year was advances of RM42,062,660 that bear interest rate at 4% per annum.

The advances to subsidiaries have been reclassified to conform with the disclosure and presentation in the current financial year so as to reflect a fair presentation of the financial position of the Company.

27 AMOUNT OWING FROM AN ASSOCIATE

The amount owing from an associate is denominated in Ringgit Malaysia, unsecured, interest free and repayable on demand.

28 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade receivables	75,832,167	62,324,429	-	-
Less: Provision for impairment of trade receivables	(10,870,840)	(11,927,480)	-	-
	64,961,327	50,396,949	-	-
Other receivables	6,841,662	9,550,703	53,942	47,677
Less: Provision for impairment of other receivables	(4,429,543)	(3,603,316)	-	-
	2,412,119	5,947,387	53,942	47,677
Deposits	2,003,169	4,509,445	7,350	86,441
Prepayments	9,758,052	8,202,790	174,038	-
	11,761,221	12,712,235	181,388	86,441
Total current	79,134,667	69,056,571	235,330	134,118

28 TRADE AND OTHER RECEIVABLES (CONT'D)

As at 31 January 2011, the remaining sale consideration of USD830,756 (equivalent to RM2,996,537) (2010: equivalent to RM2,996,537) due from the purchaser of Rowille Investment Co. Ltd, a former subsidiary of the Company was included in other receivables of the Group. This amount was fully provided for in the previous financial year.

Credit terms of trade receivables range from 7 to 120 days (2010: 7 to 120 days).

As at 31 January 2011, trade receivables of RM10,076,886 were past due but not impaired. These relate to a number of independent customers. No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery. The ageing of these trade receivables is as follows:

	Group 2011 RM
Current receivables past due:	
Less than 30 days	3,790,332
31 to 60 days	3,836,480
61 to 90 days	1,520,929
91 to 180 days	565,882
More than 180 days	363,263
	10,076,886

As at 31 January 2011, trade receivables of RM28,891,865 were impaired and provided for. The amount of the impairment is RM10,870,840 as of 31 January 2011 (2010: RM11,927,480). The individually impaired receivables mainly relate to retailers or distributors, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	Group 2011 RM
Less than 90 days	12,707,957
91 to 180 days	4,650,908
181 to 365 days	28,248
More than 365 days	11,504,752
	28,891,865

The carrying amounts of the Group's and the Company's trade and other receivables approximate their fair values.

28 TRADE AND OTHER RECEIVABLES (CONT'D)

Movement on the provision for impairment of trade and other receivables is as follows:

	Group	
	Trade receivables 2011 RM	Other receivables 2011 RM
At 1 February	11,927,480	3,603,316
Provision for receivables impairment	515,869	1,179,036
Receivables written off during the year as uncollected	(380,201)	(34,251)
Unused amounts reversed	(991,750)	(264,407)
Currency translation differences	(200,558)	(54,151)
At 31 January	10,870,840	4,429,543

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group and the Company do not hold any collateral as security.

29 CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Deposits with licensed banks	12,869,783	7,470,097	310,711	303,037
Short term investments with licensed bank	686,968	10,928,433	686,968	10,928,433
Cash and bank balances	51,699,409	57,717,280	364,027	715,581
Deposits, cash and bank balances	65,256,160	76,115,810	1,361,706	11,947,051
Less: Bank overdrafts (Note 34)	(187,357)	(177,065)	-	-
	65,068,803	75,938,745	1,361,706	11,947,051
Less: Deposits pledged as securities for borrowings	(1,290,000)	(4,260,567)	(300,000)	(300,000)
Cash and cash equivalents	63,778,803	71,678,178	1,061,706	11,647,051

29 CASH AND CASH EQUIVALENTS (CONT'D)

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 RM1,290,000 (2010: RM4,260,567) and RM300,000 (2010: RM300,000) respectively which have been placed in licensed banks as securities for secured interest-bearing bank borrowings of the Group and of the Company (Note 34), and is not available for use by the Group and the Company.

Included in the short term investments with licensed bank of the Group and of the Company are US Dollar liquidity fund amounting to USD224,867 (equivalent to RM686,968) (2010: equivalent to RM2,370,813) which benchmarks against seven day USD LIBID and carries at no interest.

Fixed deposits with licensed banks of the Group and the Company have an average maturity period of 12 days (2010: 98 days) and 24 days (2010: 24 days).

Short term investments with licensed bank of the Group and the Company have nil maturity period (2010: 26 days).

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Interest rates during the financial year				
Deposits with licensed banks	0.21 - 2.88	2.00 – 3.03	2.00 – 2.75	2.00
Short term investments with licensed bank	0.05 – 4.98	0.14 – 29.63	0.05 – 4.98	0.14 – 29.63
Weighted average effective interest rate as at 31 January				
Deposits with licensed banks	2.43	3.43	2.75	2.00
Short term investments with licensed bank	-	0.19	-	0.19

30 TRADE AND OTHER PAYABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade payables	23,030,281	20,848,443	-	-
Other payables	10,615,900	28,317,443	9,309	36,045
Accruals	30,671,959	23,542,005	468,949	195,876
Deposits received	7,551,708	3,546,254	-	-
	71,869,848	76,254,145	478,258	231,921

Included in other payables of the Group is amount payable for the construction of a building of RM799,078 (2010: RM10,624,185) and retention sum of RM4,737,593 (2010: RM8,861,421).

Credit term of trade payables ranged from 30 to 90 days (2010: 30 to 90 days).

31 FINANCIAL GUARANTEE CONTRACT

	Company	
	2011 RM	2010 RM
At 1 February	-	-
Effect of adoption of FRS 139 (Note 44(iii))	86,031	-
At 31 January	86,031	-

The financial guarantee contract is the fair value of corporate guarantee given by the Company to its subsidiary on the interest-bearing bank borrowings of a subsidiary.

32 DEFERRED REVENUE

	Group	
	2011 RM	2010 RM
Current:		
Prepaid web-site maintenance fees	1,219,451	980,119
Prepaid short messaging services fees	99,443	391,558
Prepaid car park revenue	32,450	-
Prepaid lease rental	1,301,949	-
Prepaid gym subscription and personal training	100,531	-
	2,753,824	1,371,677
Non-current:		
Government grants	9,351,920	11,721,490
Total	12,105,744	13,093,167

Government grants relate to grants received by the Group from the Government of The People's Republic of China to construct its waste water treatment system and to subsidise the purchase of a leasehold land in China.

33 HIRE-PURCHASE AND FINANCE LEASE PAYABLES

	Group	
	2011 RM	2010 RM
Minimum payments:		
- Payable within 1 year	421,577	456,616
- Payable between 1 and 5 years	321,795	425,222
	743,372	881,838
Less: Future finance charges	(42,231)	(39,356)
Present value of liabilities	701,141	842,482
Present value of liabilities:		
Current		
- Payable within 1 year	405,315	440,474
Non-current		
- Payable between 1 and 5 years	295,826	402,008
	701,141	842,482

33 HIRE-PURCHASE AND FINANCE LEASE PAYABLES (CONT'D)

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

The interest rates for the financial year ranged from 0.99% to 3.75% (2010: 1.45% to 3.80%) per annum. As at 31 January 2011, the effective interest rate applicable to the hire-purchase and finance lease payables was 2.41% (2010: 3.44%) per annum.

34 INTEREST-BEARING BANK BORROWINGS

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
Current					
Secured:					
- Revolving credits	(a)	166,621,640	202,468,183	16,150,000	26,300,000
- Term loans	(b)	34,689,216	36,877,916	-	-
		201,310,856	239,346,099	16,150,000	26,300,000
Unsecured:					
- Bankers' acceptances		6,165,075	2,692,395	-	-
- Bank overdrafts	29	187,357	177,065	-	-
- Revolving credits	(a)	13,500,000	18,500,000	-	-
		19,852,432	21,369,460	-	-
		221,163,288	260,715,559	16,150,000	26,300,000
Non-current					
Secured:					
- Term loans	(b)	97,730,438	9,846,854	-	-
Total					
- Bankers' acceptances		6,165,075	2,692,395	-	-
- Bank overdrafts	29	187,357	177,065	-	-
- Revolving credits	(a)	180,121,640	220,968,183	16,150,000	26,300,000
- Term loans	(b)	132,419,654	46,724,770	-	-
		318,893,726	270,562,413	16,150,000	26,300,000

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

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Interest rates during the financial year:				
Revolving credits				
- unsecured	2.84 – 4.83	2.71 – 5.10	-	-
- secured	1.35 – 5.30	2.52 – 6.20	3.48 – 4.37	3.48 – 3.60
Term loans				
- secured	3.11 – 6.43	2.82 – 5.58	-	-
Bankers' acceptances				
- unsecured	2.82 – 3.66	2.45 – 3.37	-	-
Bank overdrafts				
- unsecured	6.45 – 7.20	6.45 – 6.90	-	-

34 INTEREST-BEARING BANK BORROWINGS (CONT'D)

The interest rates per annum during the financial year and the weighted average effective interest rates per annum as the end of reporting date of the Group and of the Company for the above bank borrowings are as follows: (Cont'd)

	Group		Company	
	2011	2010	2011	2010
	%	%	%	%
Weighted average effective interest rate as at 31 January:				
Revolving credits				
- unsecured	4.00	3.17	-	-
- secured	4.57	3.50	4.39	3.59
Term loans				
- secured	5.48	5.02	-	-
Bankers' acceptances				
- unsecured	3.54	2.48	-	-
Bank overdrafts				
- unsecured	7.20	6.45	-	-

Contractual terms of borrowings

	Contractual interest rate (per annum)	Total carrying amount	Maturity profile			
			<1 year	1-2 years	2-5 years	>5 years
		RM	RM	RM	RM	RM
Group						
31 January 2011						
Secured						
Revolving credit	COF+1.10%	57,100,000	57,100,000	-	-	-
	COF+1.25%	1,460,000	1,460,000	-	-	-
	LIBOR+1.10%	18,061,640	18,061,640	-	-	-
	5.30%	90,000,000	90,000,000	-	-	-
Term loans	COF+0.75%	6,647,377	950,016	950,016	2,850,048	1,897,297
	COF+1.25%	3,199,477	1,166,400	1,166,400	866,677	-
	BLR x 110%	32,572,800	32,572,800	-	-	-
	5.30%	90,000,000	-	-	90,000,000	-
Unsecured						
Bankers' acceptance	COF+0.5%	3,530,000	3,530,000	-	-	-
	COF+0.55%	1,284,000	1,284,000	-	-	-
	COF+0.7%	1,351,075	1,351,075	-	-	-
Bank overdrafts	BLR+0.9%	187,357	187,357	-	-	-
Revolving credits	COF+0.7%	9,000,000	9,000,000	-	-	-
	COF+1.5%	4,500,000	4,500,000	-	-	-
		318,893,726	221,163,288	2,116,416	93,716,725	1,897,297

34 INTEREST-BEARING BANK BORROWINGS (CONT'D)

Contractual terms of borrowings (Cont'd)

	Contractual interest rate (per annum)	Total carrying amount RM	Maturity profile <1 year RM	1-2 years RM	2-5 years RM	>5 years RM
Group						
At 31 January 2010						
Secured						
Revolving credit	COF+1.10%	146,300,000	146,300,000	-	-	-
	COF+1.15%	40,000,000	40,000,000	-	-	-
	COF+1.25%	1,460,000	1,460,000	-	-	-
	LIBOR+1.10%	14,708,183	14,708,183	-	-	-
Term loans	COF+0.75%	7,597,393	950,016	950,016	2,850,048	2,847,313
	COF+1.25%	3,199,477	-	1,166,400	1,166,400	866,677
	BLR x 110%	33,425,000	33,425,000	-	-	-
	4.78%	2,502,900	2,502,900	-	-	-
Unsecured						
Bankers' acceptance	COF+0.5%	938,000	938,000	-	-	-
	COF+0.55%	1,754,395	1,754,395	-	-	-
Bank overdrafts	BLR+0.9%	177,065	177,065	-	-	-
Revolving credits	COF+0.6%	5,000,000	5,000,000	-	-	-
	COF+0.7%	9,000,000	9,000,000	-	-	-
	COF+1.5%	4,500,000	4,500,000	-	-	-
		270,562,413	260,715,559	2,116,416	4,016,448	3,713,990

	Contractual interest rate (per annum)	Total carrying amount RM	Maturity profile 1 year RM
Company			
At 31 January 2011			
Secured			
Revolving credit	COF+1.10%	16,150,000	16,150,000
At 31 January 2010			
Secured			
Revolving credit	COF+1.10%	26,300,000	26,300,000

34 INTEREST-BEARING BANK BORROWINGS (CONT'D)

(a) Revolving credits

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

(i) Fixed charge on the freehold land of a subsidiary together with the 30 storey commercial building constructed thereon (Note 16);

(ii) Fixed charge on 5 pieces of freehold agriculture lands of a subsidiary together with the buildings constructed thereon (Note 16);

(iii) 82,700,000 ordinary shares of an associate (Note 21) pledged; and

The revolving credit of the Company is secured by way of:

(i) 37,800,000 ordinary shares of an associate (Note 21) pledged; and

(ii) Fixed deposits amounting to RM300,000 placed with a licensed bank (Note 29).

(b) Term loans

The term loans of certain subsidiaries are secured by way of:

(i) Fixed charge on the buildings and plant and machinery of a subsidiary (Note 16);

(ii) Fixed charge on the freehold land of a subsidiary together with the 30 storey commercial building constructed thereon (Note 16);

(iii) Fixed charge on 5 pieces of freehold agriculture lands of a subsidiary together with the buildings constructed thereon (Note 16); and

(iv) A lien-holder's caveat over the investments properties of a subsidiary (Note 17).

Fixed deposits amounting to RM1,290,000 (2010: RM4,260,567) was placed with a licensed bank as security for the Group's revolving credits and term loans (Note 29).

The Group and Company have the following undrawn borrowing facilities:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Floating rate:				
- expiring within one year	75,291,003	36,350,752	33,850,000	23,700,000
- expiring more than one year	300,523	300,523	-	-
	75,591,526	36,651,275	33,850,000	23,700,000

The facilities expiring within one year are annual facilities subject to review at various dates. The other facilities have been arranged to help finance the working capital of the Group and Company.

35 SHARE CAPITAL

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Authorised				
Ordinary shares of RM1.00 each:				
At beginning and end of the financial year	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Irredeemable Convertible Non-Cumulative Preference Shares ("ICPS") of RM0.05 each:				
At beginning and end of the financial year	3,500,000	3,500,000	-	-
Issued and fully paid				
Ordinary shares of RM1.00 each:				
At 1 February	486,711,745	323,389,830	486,711,745	323,389,830
Issuance of shares under the Employees' Share Option Scheme (Note 35(a))	1,042,250	1,127,000	1,042,250	1,127,000
Bonus issue during the financial year (Note 35(a))	121,926,561	162,194,915	121,926,561	162,194,915
At 31 January	609,680,556	486,711,745	609,680,556	486,711,745
Irredeemable Convertible Non-Cumulative Preference Shares ("ICPS") of RM0.05 each:				
At beginning and end of the financial year	3,500,000	3,500,000	-	-

(a) Ordinary shares of RM1.00 each

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM486,711,745 to RM609,680,556 by way of:

(i) the issuance of 1,042,250 ordinary shares of RM1.00 each pursuant to the exercise of the Employees' Share Option Scheme ("ESOS") at exercise prices ranging from RM1.00 to RM1.16 per option. The premium arising from the exercise of ESOS of RM13,440 has been credited to the Share Premium (Note 36); and

(ii) the bonus issue of 121,926,561 new ordinary shares of RM1.00 each to be credited as fully paid-up, on the basis of one (1) bonus share for every four (4) existing shares held via capitalisation of share premium account amounting to RM121,926,561 (Note 36).

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

(b) Irredeemable Convertible Non-Cumulative Preference Shares ("ICPS") of RM0.05 each

On 12 December 2007, the proposed issuance of 70 million ICPS with a par value of RM0.05 each at an issue price of RM1.00 each by GTower Sdn Bhd ("GTSB"), a wholly-owned subsidiary, was approved by the shareholders at the Extraordinary General Meeting of the Company. The purpose of the issuance of ICPS is to part finance the construction of GTower, a property investment project undertaken by GTSB. The ICPS was fully subscribed in the previous financial year as follows:

(i) 50% of the total subscription amount of RM70,000,000 have been subscribed and paid on 11 March 2008; and

(ii) the remaining 50% of the subscription amount was paid on 03 November 2008.

35 SHARE CAPITAL (CONT'D)

(b) Irredeemable Convertible Non-Cumulative Preference Shares ("ICPS") of RM0.05 each (Cont'd)

The main features of the ICPS are as follows:

(i) The ICPS shall be irredeemable;

(ii) The holders of the ICPS shall have the right to receive an annual preferential dividend not exceeding 20% of the distributable profit of GTSB. The declaration of the dividend is at the discretion of the Board of Directors of GTSB. Where there is no distributable profit, the entitlement to the preferential dividend shall not be accumulated.

(iii) Each ICPS holder shall have the right at any time commencing from the first (1st) day of each of the sixty first (61st) month from the date of issue of the Certificate of Practical Completion ("CPC") in respect of GTower or such other earlier date as mutually agreed between the parties to convert the ICPS into new ordinary shares of RM1.00 each in GTSB at the conversion ratio of 20:1.

An ICPS holder may only convert the ICPS held by him in whole and not in part;

(iv) Each ICPS holder shall be conferred the right upon winding up to receive, in priority to the holders of any other shares in the capital of GTSB, the repayment in full of amounts paid up on the ICPS, but not the right to any further participation in the profits, assets and distribution and/or offer of additional securities of GTSB.

(v) With respect to the payment of dividends that have been declared and amounts payable upon the liquidation of GTSB, the holders of the ICPS will rank in priority to the equity holder of GTSB.

(vi) The ICPS will carry no right to vote at any general meeting of GTSB except with regards to any proposal to wind-up GTSB or when the ICPS dividend or part thereof is in arrears for more than 12 months. In these circumstances, the holders of the ICPS will be entitled to vote together with the holders of the shares of GTSB and to one vote for each ICPS held.

(c) 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, expired on 19 May 2007, in accordance with the ESOS Bye-Laws.

The Company's ESOS Committee and the Board of Directors had approved an extension of the ESOS for a further period of five (5) years from 20 May 2007 to 19 May 2012, to allow for additional time for the eligible employees and Directors to exercise the remaining unexercised options and to continue to motivate and reward existing employees of the Company.

The extended ESOS is implemented in accordance with the terms of the amended Bye-Laws of the Company which was approved at the Extraordinary General Meeting on 22 June 2005.

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.

35 SHARE CAPITAL (CONT'D)

(c) Employees' Share Option Scheme ("ESOS") (Cont'd)

The main features of the ESOS are as follows: (Cont'd)

(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

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 1.2.2010**	**Granted**	**Exercised**	**At 31.1.2011**
29 September 2003	19 May 2012	1.00	-	-	-	-
28 July 2005	19 May 2012	1.00	648,000	-	(648,000)	-
5 October 2005	19 May 2012	1.00	200,000	6,250	(206,250)	-
2 February 2007	19 May 2012	1.00	100,500	2,250	(100,500)	2,250
1 June 2007	19 May 2012	1.16 #	39,000	9,750	(4,000)	44,750
23 April 2010	19 May 2012	1.00 #	-	510,000	(83,500)	426,500
			987,500	528,250	(1,042,250)	473,500

* The duration of the ESOS has been extended for a further period of five (5) years from 20 May 2007.

\# The exercise price of ESOS was revised during the financial year following the issuance of bonus shares.

	2011	**2010**
Number of share options vested at the reporting date	145,000	650,300

35 SHARE CAPITAL (CONT'D)

(c) Employees' Share Option Scheme ("ESOS") (Cont'd)

Share options outstanding at the end of the reporting period have the following expiry date and exercise prices:

Expiry date	Exercise price RM/share	Unit of shares 2011	Unit of shares 2010
19 May 2012	1.00	428,750	948,500
19 May 2012	1.45	-	39,000
19 May 2012	1.16	44,750	-
		473,500	987,500

Option price was adjusted due to bonus issue during current financial year.

The weighted average fair value of options granted during the financial year, determined using the binomial valuation model, range from RM0.24 to RM0.33 (2010: RM0.10 to RM0.25) per option. The significant inputs into the model are as follows:

	2011	2010
Valuation assumptions:		
Expected volatility	32.10	36.19
Expected dividend yield	0.60%	4.77%
Expected option life	2.5 years	2.5 years
Weighted average share price at date of grant	1.20	1.12
Risk free interest rate (per annum)	4.58%	4.26%

The expected volatility was based on the statistical analysis of historical daily share prices over the previous 2.5 years.

36 SHARE PREMIUM

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
At 1 February	290,945,787	452,695,351	224,398,187	386,147,751
Arising from exercise of ESOS (Note 35(a))	324,470	445,351	324,470	445,351
Arising from bonus issue (Note 35(a))	(121,926,561)	(162,194,915)	(121,926,561)	(162,194,915)
At 31 January	169,343,696	290,945,787	102,796,096	224,398,187

37 AVAILABLE-FOR-SALE RESERVE

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
At 1 February		-	-	-	-
Effects of adoption of FRS 139	44	1,308,844	-	930,732	-
Revaluation - gross	22	2,456,994	-	2,419,905	-
At 31 January		3,765,838	-	3,350,637	-

38 RETAINED EARNINGS

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of the shareholders.

Companies with Section 108 credits as at 31 January 2008 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007. As at 31 January 2011, subject to agreement of the tax authorities, the Company has sufficient tax credit balance under Section 108(6) of the Income Tax Act, 1967 to frank payment of dividends amounting to RM2,591,631 (2010: RM2,591,631) out of its retained earnings as at 31 January 2011. The Company also has tax exempt profits as at 31 January 2011 amounting to RM14,466,965 (2010: RM14,466,965) available for distribution as tax exempt dividends to shareholders.

39 NON-CANCELLABLE LEASE COMMITMENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Lease receivable:				
- Not later than one year	27,978,657	7,385,895	-	-
- Later than one year and not later than five years	35,265,034	11,525,018	-	-
At 31 January	63,243,691	18,910,913	-	-
Lease payable:				
- Not later than one year	980,457	736,872	1,709,320	2,279,093
- Later than one year and not later than five years	673,344	405,583	1,566,877	3,276,196
At 31 January	1,653,801	1,142,455	3,276,197	5,555,289

40 CAPITAL COMMITMENTS

	Group	
	2011 RM	2010 RM
Approved and contracted for:		
- Property, plant and equipment	43,071,247	78,330,280
Approved but not contracted for:		
- Property, plant and equipment	3,091,228	977,200
	46,162,475	79,307,480

41 SIGNIFICANT RELATED PARTY DISCLOSURES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Key management personnel of the Company are the Executive Director and senior management of the Company.

41 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

Key management compensation is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Wages, salaries and bonus	4,624,723	3,783,524	1,187,453	1,131,637
Defined contribution plan	566,920	488,522	150,024	169,646
Employees' share options	24,758	52,996	24,758	52,996
Fee	12,000	12,000	12,000	12,000
	5,228,401	4,337,042	1,374,235	1,366,279
Estimated monetary value of benefits-in-kind	14,400	14,400	7,200	7,200

Included in the key management compensation is Executive Director's remuneration as disclosed in Note 10 to the financial statements.

Key management personnel of the Group and of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (Note 35(c)) as follows:

			Number of options over ordinary shares of RM1.00 each			
Grant date	Expiry date*	Exercise price RM/ share	At 1.2.2010	Granted	Exercised	At 31.1.2011
Financial year ended 31 January 2011						
28 July 2005	19 May 2012	1.00	600,000	-	(600,000)	-
2 February 2007	19 May 2012	1.00	12,000	-	(12,000)	-
23 April 2010	19 May 2012	1.00 #	-	115,000	(40,000)	75,000
			612,000	115,000	(652,000)	75,000

			Number of options over ordinary shares of RM1.00 each			
Grant date	Expiry date*	Exercise price RM/ share	At 1.2.2009	Granted	Exercised	At 31.1.2010
Financial year ended 31 January 2010						
29 September 2003	19 May 2012	1.00	100,000	-	(100,000)	-
28 July 2005	19 May 2012	1.00	1,200,000	200,000	(800,000)	600,000
2 February 2007	19 May 2012	1.00	24,000	12,000	(24,000)	12,000
			1,324,000	212,000	(924,000)	612,000

* The duration of the ESOS has been extended for a further period of five (5) years from 20 May 2007.

\# The exercise price of ESOS was revised during the financial year following the issuance of bonus shares.

41 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions agreed with the related parties.

Related party	Relationship
IGB Corporation Berhad	Associate
Jeyaratnam & Chong	A company related to a Director

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Related parties (subsidiaries of IGB Corporation Berhad)				
Rental of premises:				
- Tan & Tan Realty Sdn Bhd	326,360	735,474	-	322,570
- TDD Sdn Bhd	100,335	-	-	-
Sale of services:				
- TTD Sdn Bhd	102,337	40,066	-	-
- Mid Valley City Hotel Sdn Bhd	371,316	137,350	-	-
Professional fees payable to a company related to a Director:				
- Jeyaratnam & Chong	70,232	183,618	13,735	92,503
Transactions with associate				
IGB Corporation Berhad				
- Rental of premises	674,080	485,303	-	-
- Sale of services	42,524	78,926	-	-
- Dividend income	-	-	9,533,731	-

	Company	
	2011 RM	2010 RM
Transactions with subsidiaries		
Interest income from:		
- Marco Kiosk Berhad	465,984	235,752
- GTower Sdn Bhd	700,488	-
- Macro Lynx Sdn Bhd	3,320	-
- Multistock Sdn Bhd	470,558	819,099
- G Fish (Asia) Sdn Bhd (formerly known as Protech Yu (Asia) Sdn Bhd)	66,833	79,430
- OM3 Fish Services Sdn Bhd	211,915	293,935
- Goldis Yu Sdn Bhd	-	8,713
- HOEPharma Holdings Sdn Bhd	-	67,894
- HOE Pharmaceuticals Sdn Bhd	-	4,382

As at 31 January 2011, there are no individually significant outstanding balances arising from the above related party transactions (other than normal trade transactions) during the financial year.

42 SIGNIFICANT NON-CASH TRANSACTIONS

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

	Group	
	2011 RM	2010 RM
Acquisition of property, plant and equipment by means of hire-purchase and finance lease arrangements	503,827	685,212
Acquisition of property, plant and equipment reclassified from amount owing from customer under construction contract	-	708,696
Acquisition of subsidiary's ordinary shares by capitalisation of amount owing from subsidiary	-	4,999,990

43 SIGNIFICANT EVENTS POST REPORTING DATE

Goldis Berhad together with six (6) individual shareholders of HOEPharma Holdings Sdn Bhd namely, Khoo Joo Lee, Hum Hoe Mei, Lee Boon Kian, Kwek Eng Lam, Woon Kim Toon and Soh Thian Boon (collectively known as the "Vendors") had on 7 April 2011 entered into a conditional Sale and Purchase Agreement ("SPA") with Taisho Pharmaceutical Co. Ltd ("Taisho") to dispose Vendors' 8,000,000 ordinary shares of RM1.00 each in HOEPharma Holdings Sdn Bhd ("Sale Shares"), representing 100% of the existing issued and paid-up ordinary share capital of HOEPharma Holdings Sdn Bhd, to Taisho for a total cash consideration of RM370.0 million subject to the purchase price adjustment provisions as set out in the SPA ("Total Consideration").

The Proposed Disposal is conditional upon the following conditions being fulfilled on or before the expiry date, being four (4) months from and excluding the date of the SPA, or such later date as the Vendors and Taisho (collectively referred to as the "Parties") agree in writing ("Conditions Fulfillment Period"):

(i) in respect of each Vendor which is a body corporate, the approval of the shareholders of such Vendor in general meeting being obtained for the sale of the respective Sale Shares by such Vendor pursuant to the terms of the SPA (if required).

(ii) The obligation of Taisho to procure approval of the Japanese Ministry of Finance pursuant to provisions of the Foreign Exchange and Foreign Trade Act (Gaikoku Kawase Oyobi Gaikoku Bōeki Hō) that regulates the manufacture of products containing narcotics or psychotropic ingredients, or the expiration of any applicable waiting period in connection therewith.

The Proposed Disposal shall become unconditional on the date when all the conditions referred to in (i) and (ii) have been fulfilled ("Unconditional Date").

44 CHANGES IN ACCOUNTING POLICIES

(a) During the financial year, the Group changed the following accounting policies upon adoption of new account standards, amendments and improvements to published standards and interpretations:
- Prepaid leasehold rentals
- Financial assets

44 CHANGES IN ACCOUNTING POLICIES (CONT'D)

The following Notes (i) to (iv) disclose the impacts of such changes on the financial statements of the Group and Company.

(i) Impact on the Group's statements of financial position

	As previously reported RM	FRS 117 RM	FRS 139 RM	As restated RM
As at 31 January 2009				
Property, plant and equipment	331,935,185	14,008,606	-	345,943,791
Prepaid leasehold rentals	14,008,606	(14,008,606)	-	-
As at 31 January 2010				
Property, plant and equipment	417,364,620	13,146,322	-	430,510,942
Prepaid leasehold rentals	13,146,322	(13,146,322)	-	-
Unquoted investments	1,306,991	-	(1,306,991)	-
Available-for-sale financial assets:				
- non-current	-	-	1,306,991	1,306,991
- current	-	-	1,529,731	1,529,731
Quoted investments	3,053,696	-	(3,053,696)	-
Financial assets at fair value through profit or loss	-	-	3,051,659	3,051,659
Retained earnings	(363,191,526)	-	(218,850)	(363,410,376)
Available-for-sale reserve	-	-	(1,308,844)	(1,308,844)

	Increase/(Decrease) as at 31 January 2011 FRS 139 RM
Available-for-sale financial assets	2,456,994
Financial assets at fair value through profit or loss	160,301
Available-for-sale reserve	2,456,994
Retained earnings	160,301

(ii) Impact on the Group's statements of comprehensive income

	For the financial year ended 31 January 2010		
	As previously reported RM	FRS 117 RM	As restated RM
Depreciation of property, plant and equipment	7,778,300	338,184	8,116,484
Amortisation of prepaid leasehold rentals	338,184	(338,184)	-

44 CHANGES IN ACCOUNTING POLICIES (CONT'D)

The following Notes (i) to (iv) disclose the impacts of such changes on the financial statements of the Group and Company. (Cont'd)

(ii) Impact on the Group's statements of comprehensive income (Cont'd)

	Increase/(Decrease) for the financial year ended 31 January 2011 FRS 139 RM
Other comprehensive income:	
Fair value gains on financial assets at fair value through profit or loss	160,301
Earnings per share attributable to equity holders of the Company	
- basic (sen)	0.03
- diluted (sen)	0.03

(iii) Impact on the Company's statement of financial position

	As previously reported RM	FRS 139 RM	As restated RM
As at 31 January 2010			
Quoted investments	2,992,363	(2,992,363)	-
Available-for-sale financial assets	-	1,090,286	1,090,286
Financial assets at fair value through profit or loss	-	3,055,572	3,055,572
Subsidiaries:			
- advances to subsidiaries	-	98,722,869	98,722,869
- financial guarantee contract to a subsidiary	-	86,031	86,031
Amounts owing from subsidiaries	98,722,869	(98,722,869)	-
Financial guarantee contract	-	(86,031)	(86,031)
Available-for-sale reserve	-	(930,732)	(930,732)
Retained earnings	(38,601,565)	(218,850)	(38,820,415)

	Increase/(Decrease) as at 31 January 2011 FRS 139 RM
Available-for-sale financial assets	2,419,905
Financial assets at fair value through profit or loss	160,301
Available-for-sale reserve	2,419,905
Retained earnings	160,301

44 CHANGES IN ACCOUNTING POLICIES (CONT'D)

The following Notes (i) to (iv) disclose the impacts of such changes on the financial statements of the Group and Company. (Cont'd)

(iv) Impact on the Company's statement of comprehensive income

	Increase/(Decrease) for the financial year ended 31 January 2011 FRS 139 RM
Other comprehensive income:	
- Fair value gains on financial assets at fair value through profit or loss	160,301

(b) Certain comparatives were reclassified or restated to better reflect the substance of the balances and to conform with current year's presentation.

The financial effects arising from the reclassifications were as follows:

	As previously reported RM	Effects of reclassification RM	As restated RM
Group			
As at 31 January 2010			
Inventories	19,698,872	(6,402,136)	13,296,736
Prepayments	1,800,654	6,402,136	8,202,790

45 DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	Group 2011 RM	Company 2011 RM
Total retained profits of the Company and its subsidiaries:		
- Realised	63,765,823	32,349,347
- Unrealised	6,584,982	(209,068)
	70,350,805	32,140,279
Total share of retained profits from associates		
- Realised	338,822,301	-
- Unrealised	(22,472,197)	-
	386,700,909	32,140,279
Less: Consolidation adjustments	128,469	-
Total retained profits	386,829,378	32,140,279

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 37 to 117 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 2011 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.

The information set out in Note 45 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed in accordance with a resolution of the Board of Directors dated 9 May 2011.

TAN LEI CHENG
DIRECTOR

TAN BOON LEE
DIRECTOR

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 37 to 117 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 9 May 2011, before me.

COMMISSIONER FOR OATHS
Kuala Lumpur

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Goldis Berhad on pages 37 to 116, which comprise the statement of financial position as at 31 January 2011 of the Group and of the Company, and the statement of income, comprehensive income, changes in equity and cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 45.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statement that give a true and fair view in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 January 2011 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 20 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 on page 117 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SOO HOO KHOON YEAN
(No. 2682/10/11 (J))
Chartered Accountant

Kuala Lumpur
9 May 2011

as at 31 January 2011

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							
199 Jalan Tun Razak Kuala Lumpur Malaysia	Freehold	1.95 acres	Approved development for a 30 storey commercial building	N/A	258,007	100	31/1/2002
Lot No 3981, Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban	Freehold	6.72 acres	1 double storey office building,1 double storey facility building, 2 single storey factory building	N/A	9,693	100	19/12/2002
Lot 297 and 521 to 528, Mukim Buloh Telor, Daerah Hulu Selangor, Negeri Selangor Darul Ehsan, Malaysia.	Freehold	7.97 acres	Agriculture land for fish farming	N/A	3,395	90	24/9/2007
Lot 10, Jalan Sultan Mohd 6 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan Malaysia	99 years commencing 1 July 2006	2.40 acres	2 storey building comprising office, laboratory and factory	15	13,433	78.15	01/09/1996
B-3A-01 to B-3A-07 Dataran 32 No.2 Jalan 19/1 46300 Petaling Jaya Selangor Darul Ehsan	99 years commencing 7 September 2007	0.09 acres	7 storey shop-offices	3	8,460	78.15	01/02/2008
DaJiJia Western District of Yantai Economic and Technical Development Zone ShanDong Province People's Republic of China	24 years commencing 16 June 2008	11.86 acres	Industrial land with 3 storey office building and waste water treatment plant	3	4,097	99.63	16/6/2008
East Xiao Sha Village Qing Kou Town Ganyu County Lian Yu Gang City Jiang Su Province People's Republic of China	24 years commencing 28 September 2004	12.36 acres	Industrial land with 3 storey office building and waste water treatment plant	7	3,944	99.50	28/9/2004
Lot W-26, Yang-Wang-Kong Road North Shi-Ge-Zhuang Town Wuqing District Tianjin People's Republic of China	50 years commencing 28 June 2007	16.47 acres	Industrial land with 3 single storey office building, 3 factories and a single storey ancilliary building	4	16,948	80.00	06/9/2007

N/A: not applicable

Analysis of Shareholdings

as at 20 April 2011

SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000
Issued and Paid-up Share Capital	:	RM609,759,306
Type of shares	:	Ordinary shares of RM1.00 each

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	102	3.10	2,728	0.00
100 to 1,000	71	2.15	37,493	0.00
1,001 to 10,000	2,635	79.92	9,030,768	1.48
10,001 to 100,000	397	12.04	11,079,426	1.82
100,001 to less than 5% of issued capital	87	2.64	253,772,995	41.62
5% and above of issued shares	5	0.15	335,835,896	55.08
Total	3,297	100.00	609,759,306	100.00

THIRTY LARGEST SHAREHOLDERS

No.	Name	Number of Shares Held	%
1	Tan Chin Nam Sdn Bhd	81,964,083	13.44
2	Permodalan Nasional Berhad	78,616,875	12.89
3	HSBC Nominees (Asing) Sdn Bhd Exempt an for Credit Suisse	66,217,006	10.86
4	Wah Seong (Malaya) Trading Co. Sdn Bhd	63,261,292	10.37
5	Tan Kim Yeow Sendirian Berhad	45,776,640	7.51
6	Citigroup Nominees (Asing) Sdn Bhd Exempt an for Citibank NA, Singapore	25,730,625	4.22
7	Affin Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Far East Equity Ltd	19,426,875	3.19
8	Cimsec Nominees (Asing) Sdn Bhd Exempt an for CIMB Securities (Singapore) Pte Ltd	18,554,300	3.04
9	Public Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Chin Nam Sdn Bhd	15,375,000	2.52
10	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Ripley Services Limited	14,388,750	2.36
11	Wah Seong (Malaya) Trading Co. Sdn Bhd	13,003,125	2.13

THIRTY LARGEST SHAREHOLDERS (Cont'd)

No.	Name	Number of Shares Held	%
12	OSK Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd for Tan Kim Yeow Sendirian Berhad	11,584,125	1.90
13	Wah Seong Enterprises Sdn Bhd	10,588,257	1.74
14	BBL Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Chin Nam	10,256,956	1.68
15	BBL Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Chin Nam Sdn Bhd	9,562,500	1.57
16	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Timbarra Services Limited	8,751,375	1.44
17	Tan Lei Cheng	8,336,075	1.37
18	Dato' Tan Chin Nam	7,916,250	1.30
19	Scanstell Sdn Bhd	5,771,250	0.95
20	Dato' Tan Chin Nam	5,363,550	0.88
21	Classlant Sdn Bhd	4,663,125	0.76
22	Tentang Emas Sdn Bhd	4,588,125	0.75
23	Richard Teh Lip Heong	4,440,000	0.73
24	Wah Seong Enterprises Sdn Bhd	3,755,812	0.62
25	BBL Nominees (Tempatan) Sdn Bhd Pledged securities account for Wah Seong (Malaya) Trading Co. Sdn Bhd	3,750,000	0.61
26	Dasar Mutiara (M) Sdn Bhd	3,621,723	0.59
27	Tan Boon Lee	3,505,606	0.57
28	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Wah Seong (Malaya) Trading Co. Sdn Bhd	3,375,000	0.55
29	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	3,016,125	0.49
30	Tan Kim Yeow Sendirian Berhad	2,913,750	0.48

SUBSTANTIAL SHAREHOLDERS

(excluding bare trustees)

	Number of Shares Held			
	Direct	**%**	**Indirect**	**%**
Tan Chin Nam Sdn Bhd	107,089,083	17.56	113,614,360 *	18.63
Permodalan Nasional Berhad	78,616,875	12.89	-	-
Wah Seong (Malaya) Trading Co. Sdn Bhd	84,560,916	13.87	23,282,194 *	3.82
Tan Kim Yeow Sendirian Berhad	60,274,515	9.88	107,843,110 *	17.69
Robert Tan Chung Meng	1,398,350	0.23	168,117,625 *	27.57
Pauline Tan Suat Ming	757,186	0.12	168,117,625 *	27.57
Tony Tan @ Choon Keat	-	-	168,117,625 *	27.57
Yayasan Pelaburan Bumiputera	-	-	78,616,875 *	12.89
Lee Hing Development Limited	-	-	63,852,631 *	10.47
Tan Boon Seng	1,320,412	0.22	63,852,631 *	10.47
Wang Tak Company Ltd	54,144,800	8.88	-	-
HSBC Holdings plc	-	-	62,315,625 *	10.22

Note:

** Deemed interest pursuant to Sections 6A and 122A of the Companies Act, 1965.*

STATEMENT OF DIRECTORS' INTERESTS IN THE COMPANY AND RELATED CORPORATION

The Company

	Ordinary Shares of RM1.00 each				Options over Ordinary Shares of RM1.00 each
	Direct	**%**	**Indirect**	**%**	**No. of Options**
Tan Lei Cheng	8,336,075	1.37	3,640,473*	0.60	-
Datuk Tan Kim Leong @ Tan Chong Min	375,000	0.06	-	-	-
Pauline Tan Suat Ming	757,186	0.12	168,117,625*	27.57	-
Tan Boon Lee	3,818,731	0.63	-	-	-
Daud Mah Bin Abdullah @ Mah Siew Whye	93,750	0.02	-	-	-
Datuk Harun Bin Hashim Mohd	-	-	-	-	-

Note:

** Deemed interest pursuant to Sections 6A and 122A of the Companies Act, 1965.*

GTower Sdn Bhd

	Number of irredeemable convertible non-cumulative preference shares ("ICPS") with a par value of RM0.05 each at an issue price of RM1.00 each	
	Direct	**%**
Tan Lei Cheng	2,250,000	3.21
Pauline Tan Suat Ming	2,500,000	3.57
Tan Boon Lee	3,000,000	4.29

GOLDIS BERHAD
(515802-U)
(Incorporated in Malaysia)

PROXY FORM

No. of ordinary shares held

I/We _____ NRIC No./Company No. _____

of _____

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

NRIC No. _____ of _____

_____

and/or _____ NRIC No. _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at the Ampang Room, Mezzanine Floor, GTower, 199 Jalan Tun Razak, 50400 Kuala Lumpur on Thursday, 23 June 2011 at 11.30 a.m. and at any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxy are as follows:

First Proxy %

Second Proxy _____ %

_____ %

My/our proxy is to vote as indicated below:

Ordinary Resolutions		First Proxy		Second Proxy	
		For	Against	For	Against
1	Receipt of Financial Statements and Reports				
2	Payment of Directors' fees				
3	Declaration of First and Final Dividend				
4	Re-election of Ms Pauline Tan Suat Ming				
5	Re-election of Datuk Harun Bin Hashim Mohd				
6	Re-appointment of Messrs PricewaterhouseCoopers				
7	Re-appointment of Datuk Tan Kim Leong				
8	Authorization for Directors to issue shares				
9	Proposed Renewal of Shareholders' Mandate for the Company to Purchase its Own Shares				

Please indicate the manner in which you may wish your votes to be cast with an "X" in the appropriate spaces above. Unless voting instructions are specified therein, the proxy will vote or abstain from voting as he/she thinks fit.

Signature/Common Seal of Shareholder _____ Tel. No. : _____

Dated this _____ day of _____ 2011

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and to vote in his stead. A proxy may but need not be a member of the Company 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 authorised officer or attorney.
3. The Proxy Form shall be deposited at the Registered Office of the Company, Suite 28-03, Level 28, GTower, 199 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
Suite 28-03, Level 28, GTower
199, Jalan Tun Razak
50400 Kuala Lumpur

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