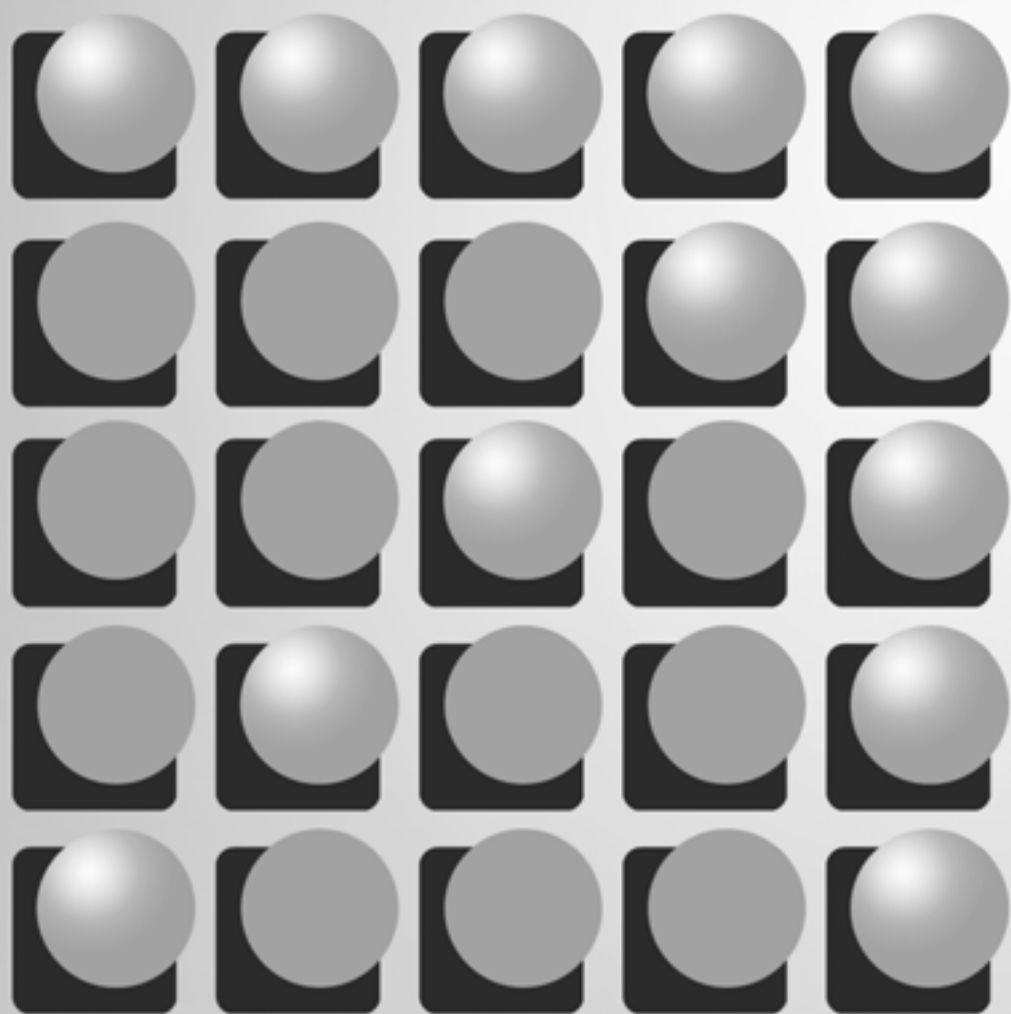


A Step Ahead, Always



Annual Report **2005**



GOLD IS BERHAD (515802-U)

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Chairman's Letter To Shareholders

Dear Shareholders,

When we look back at the year 2004 and the start of the year 2005, we will remember the period as one of low interest rates, a weak US Dollar and high oil, commodities and real estate prices. These are the factors that set the stage for stagflation but on the contrary 2004 was also a year of high growth and low inflation.

The management of Gold IS Berhad had adopted a cautious stance towards new investments as we expect the above inflationary elements to have an effect after a lag period of 6 to 9 months. We have changed our investment philosophy from one of "Creating something out of nothing" to one of "Conserving energy to succeed later". During the year we made no new investments but continued to support our existing ventures and disposed of investments that we were unable to grow any further such as our gymnasium business in the Sweat Club at Mid Valley Megamall. We have submitted and obtained planning approvals for our land on Jalan Tun Razak and will take advantage of the current high real estate prices and low interest rate environment to develop the property in the latter part of this year.

For the financial year ended 31 January 2005, the Group's revenue increased from RM106.0 million to RM157.5 million, an increase of 49% from the previous year. The Group's pretax profit was reduced to RM59.6 million from RM81.4 million in the previous year. Previous year results had included an exceptional gain of RM23.3 million from the disposal of investment in IJM Corporation Berhad ("IJM") by IGB Corporation Berhad ("IGB") and RM10.9 million from the disposal of GTB Holdings Limited, our real estate company in Beijing via Carney Investment Limited. If this exceptional gain had been excluded, the Group's pretax profit would have been increased by 26% in view of higher contributions from various business segments.

The total assets of the Group was RM857.0 million as at 31 January 2005 an increase of 6% from RM812.2 million from the previous year. Most of the increase was from the conversion of our warrants in IGB to ordinary shares. Our investment in the shares of IGB now stand at RM720.5 million up from RM652.0 million in the previous year. As for the investments in private equity there has been a drop from RM127.0 million in the previous year to RM 102.9 million as at 31 January 2005. The Group's gearing has increased to 14.4% from 8.5% last year.

02

Gold Is Berhad

(515802-U)

Annual Report

2005

PERFORMANCE REVIEW OF OUR INVESTMENTS

IGB Corporation Berhad (a listed real estate conglomerate)

For the financial year ended 31 December 2004, the IGB group's revenue stood at RM504.6 million, down 5% from RM532.2 million in the previous year. Pretax profit dropped 23% to RM141.7 million from RM 184.4 million in 2003. If the exceptional gain of RM79.0 million from the disposal of shares in IJM had been excluded, pretax profit would have increased by 34% in the light of higher contributions from the property management and hotel divisions.

In August 2004, the corporate exercise to inject Mid Valley City Sdn Bhd into Kris Components Berhad ("Kris") was completed and in April 2005 recently, IGB completed its capital distribution-in-specie of 77,669,000 ordinary shares in Kris to its shareholders. Our share of the distribution was 21,113,184 Kris shares. These shares will have to be placed out to meet the public shareholding spread of Kris by September 2005. The placement will give rise to an exceptional gain for Gold IS Berhad.

With interest rates continuing to remain low and real estate prices high, we remain confident that the IGB group will continue to perform well for the coming year.

PRIVATE EQUITY INVESTMENTS IN MALAYSIA

The total amount invested in shares of private companies in Malaysia as at 31 January 2005 was RM 43.7 million as compared to RM39.9 million in the previous year. With the completion of the disposal of Sweat Club at Mid Valley Megamall during the financial year, the amount invested will be reduced. A review of the performance of our investee companies are as follows:

Diversified Healthcare Services Sdn Bhd ("DHS") (a dermatological and healthcare company)

For the year under review, revenue continued to grow at a rate of 41% from RM58.5 million in the previous year to RM82.6 million. Pretax profit grew from RM6.4 million to RM8.7 million, an increase of 36%. With the continued launch of new products and the opening up of new markets, we are confident that this company will continue to grow its revenue and profits for the coming year.

Chairman's Letter To Shareholders (cont'd)

Ecosem Sdn Bhd (a semiconductor assembly, packaging and testing company)

For the financial year under review, Ecosem had not been able to meet its projected revenue as the semiconductor market had turned down by the second half of 2004 and being a new start up company, it had not been able to get the contracts as expected. Our share of losses in the company is RM0.8 million for the year.

Macro Kiosk Berhad (a mobile data communications technology enabling company)

For the financial year under review, revenue increased from RM6.0 million to RM24.4 million, an increase of 307% from the previous year. Pretax profit increased from RM0.7 million to RM2.3 million, an increase of 229%. We submitted our application to list the company on the MESDAQ market of Bursa Malaysia Securities Berhad on 30 August 2004 and we hope to have the company listed on the Exchange by the end of the year. Operations have been set up in Thailand, Singapore and China and we expect increased sales from these offices in the near future.

Macro Lynx Sdn Bhd (a broadband internet technology enabling company)

The company was restructured during the financial year and changed its name from Gold Information Systems Sdn Bhd to Macro Lynx Sdn Bhd. It continues to make a loss of RM0.7 million for the financial year ended 31 January 2005 from RM0.6 million in the previous year. With the change in focus to concentrate solely on broadband communications, we expect the company to do better this year.

PRIVATE EQUITY INVESTMENTS IN CHINA

With the disposal of GTB Holdings Limited via Carney Investment Limited in the previous financial year, the total amount invested in the shares of private companies in China was reduced from RM87.2 million to RM59.2 million as at 31 January 2005. All our investments were restructured under GoldChina Sdn Bhd. Revenue for the China group was RM 43.7 million from RM 34.6 million in the previous year. Pretax profit for the financial year ended 31 January 2005 was RM 5.4 million. Our fledging investment in Gold Water (Shanghai) Co Ltd, a company set up to design and fabricate water treatment systems made a loss for the year but we will continue to pursue contracts and opportunities in this area.

PROPERTY INVESTMENT

LA Residence Sdn Bhd

The company owns a 2-acre piece of land along Jalan Tun Razak, next to the Lembaga Tabung Haji building. During the year, we applied for planning permission to develop a mixed use commercial building consisting of service apartments and office suites, with a gross development area of approximately 1 million sq ft. It is likely that work will commence in the 3rd quarter of 2005. The rental income generated by this project should sustain our Group's objective to further grow our private equity businesses.

AWARDS AND RECOGNITIONS

For the second year running, IGB group was nominated by The EDGE Weekly as the top developer in 2004, recognizing IGB as the market leader in the Malaysian property development area.

HOE Pharmaceuticals Sdn Bhd, a subsidiary of DHS was given an award by the Ministry of International Trade and Industry ("MITI") in March 2005 for the best branding in Malaysia.

Macro Kiosk Berhad was also recognized for the "Most Enterprising Software Solutions" by Asean Communications and Multimedia ("ACM") in September 2004.

We take great pride in the fact that our investee companies are recognized as leaders in their respective areas.

Chairman's Letter To Shareholders (cont'd)

OUR PEOPLE

The number of employees of our subsidiary companies has increased to 857 from 646 last year. Every year our investee companies participate in a scholarship programme for the needy in Malaysia organized by Dato' Tan Chin Nam Foundation.

DIVIDEND

I am pleased to announce that the Board of Directors has recommended a first and final gross dividend in respect of the financial year ended 31 January 2005 of 2.5 sen per share on 320,632,830 ordinary shares, less income tax of 28%, amounting to RM5.8 million.

BOARD CHANGES

Dato' Syed Hamid bin Syed Hussain Alhabshee resigned as a Non-Independent Non-Executive Director on 15 July 2004. The Board and I extend our thanks and appreciation to Dato' Syed Hamid for his guidance, service and contribution to the Group. On behalf of the Board, I wish to extend a warm welcome to the newly appointed Director, Encik Harun bin Hashim Mohd to the Board.

ACKNOWLEDGEMENT & APPRECIATION

I would like to express my sincere thanks and appreciation to the management and staff for their hard work, support and dedication to the Group during the year, and to the relevant authorities for their support, cooperation and guidance. To our shareholders, business partners, customers and financiers, I thank you for your continuing support and confidence. Last but not least, I wish to record my thanks to my fellow Directors for their advice and support.

TAN LEI CHENG (MS)
Chairman & CEO

主席献词

敬爱的股东们：

回顾2004年以及踏入2005年的那一段日子，当时的利率曾创下历来最低点之一，美元走势疲弱，石油、商品和不动产的价格高涨，此情此景仍历历在目。这种种因素虽促成滞涨现象，反过来看，2004年仍是一个高成长、低通膨率的年头。

金诗投资管理公司的管理层对新的投资采取谨慎的姿态，因我们预计上述通膨要素在停滞六至九个月后，将发挥其影响力。我们已经把‘从零开始’的投资理念改为‘蓄势待发’。在此年度，我们并无注入新的投资，却继续扶持现有的投资企业，并脱售那些已无法再取得进一步增长的投资，例如我们位于谷中城商场内的Sweat Club健身中心。我们提出申请发展位于敦拉萨路的某段地皮，经已获得批准，并将把握目前不动产价格居高，利率偏低的时机，在今年稍后时发展房地产计划。

在截至2005年1月31日为止的财政年度内，本集团的收入从1.060亿令吉增加到1.575亿令吉，比前年增加了49%。公司的税前盈利则从前年的81.4百万令吉减少到59.6百万令吉。在前一年，我们经由IGB Corporation Berhad ("IGB") 脱售在IIM Corporation Berhad ("IIM") 的投资额赚取了23.3百万令吉，以及脱售Carney Investment Limited，其中包括我们设在北京的不动产公司GTB Holdings Limited，赚取了10.9百万令吉—这两笔特殊收益。若把这些特殊收益排除在外，本集团的税前盈利将增加26%，这都要归功于多项领域所付出的更大贡献。

本集团截至2005年1月31日为止的总资产值8.570亿令吉，比前年的8.122亿令吉增加了6%。资产的增加大部分源自于IGB公司的凭单转为普通股。我们投资于IGB的股份如今值7.205亿令吉，比前年的6.520亿令吉多。至于截至2005年1月31日为止的私人股本投资额，则从前年的1.270亿令吉下跌到1.029亿令吉。本集团的资本搭配比率也从去年的8.5%增加到14.4%。

我们的投资表现检讨

IGB Corporation Berhad (上市的不动产财团)

在截至2004年12月31日为止的财政年度内，IGB集团的收入达5.046亿令吉，比前年的5.322亿令吉滑落5%。税前盈利则从2003年的1.844亿令吉下跌到1.417亿令吉，降幅为23%。若把从脱售IIM股份赚取的79.0百万令吉这笔特殊收益排除在外，公司的税前盈利将增加34%，这都要归功于产业管理以及酒店业部门所付出的更大贡献。

在2004年8月份，公司成功把Mid Valley City Sdn Bhd纳入Kris Components Berhad ("Kris") 的旗下，而在不久前的2005年4月份，IGB完成了它的资本实物分派。将Kris的77,669,000份普通股分派给股东们。我们分派的股份为21,113,184份Kris的股票。这批股票最迟必须在2005年9月份被发售，以符合Kris的公共股权价差之要求。这项安排势必为金诗投资公司带来一笔特殊收益。

由于利率持续偏低，不动产价格则居高不下，我们仍然深信IGB集团在来年继续有不俗的表现。

在马来西亚的私人股本投资

截至2005年1月31日为止，本集团在马来西亚私人公司所投资的股份总额达43.7百万令吉，而前年则是39.9百万令吉。随著位于谷中城的Sweat Club于此财政年度内成功脱售，投资总额将会减少。本集团投资的公司之表现检讨如下：

Diversified Healthcare Services Sdn. Bhd. ("DHS") (皮肤病学与保健护理公司)

在受检讨年度内，公司的收入从前年的58.5百万令吉持续增加到82.6百万令吉，增长率为41%。税前盈利则从6.4百万令吉提高到8.7百万令吉，增幅为36%。随著公司不断推出新产品以及开拓新市场，我们深信它来年的收入和盈利将持续增长。

Ecosem Sdn. Bhd. (进行半导体装配、包装与测试的公司)

在受检讨年度内，Ecosem无法实现预期中的收入目标，因半导体市场在2004下半年走下坡，而这家新成立的公司也争取不到预期中的合约。这家公司导致本集团在此年度蒙受0.8百万令吉的亏损。

Macro Kiosk Berhad (备有手机信息通讯工艺功能的公司)

在受检讨年度内，公司的收入从前年的6.0百万令吉增加到24.4百万令吉，涨幅为307%。税前盈利从0.7百万令吉增加到2.3百万令吉，涨幅为229%。我们已于2004年8月30日提出申请，让公司在大马股票交易所有限公司的自动报价市场挂牌上市希望能在年底获得批准。公司已在泰国、新加坡和中国开设分行，预料这些海外新办事处的销售量会在近期内上升。

Macro Lynx Sdn. Bhd. (具有宽频互联网科技功能的公司)

公司在此财政年度内重组，并将旧的名字Gold Information Systems Sdn. Bhd. 改为Macro Lynx Sdn. Bhd.。在截至2005年1月31日为止的财政年度内，公司蒙受的亏损从前年的0.6百万令吉继续增加到0.7百万令吉。随著公司集中全力专攻宽频资讯市场，我们预料它今年的表现会有改善。

主席献词

在中国的私人股本投资

随著本集团于前一个财政年度脱售Carney Investment Limited及其子公司GTB Holdings Limited，截至2005年1月31日为止，集团在中国私人股份公司的总投资额已从87.2百万令吉减少到59.2百万令吉。我们的所有投资均在GoldChina Sdn. Bhd.下进行重组。中国集团的收入从前年的34.6百万令吉增加到43.7百万令吉。在截至2005年1月31日为止的财政年度内，税前盈利为5.4百万令吉。我们刚刚在金水(上海)水处理设备有限公司这家从事设计与制造净水器的公司所注入的投资，在此年度受亏损，唯我们将继续争取与本领域相关的合约与良机。

房地产投资

LA Residence Sdn. Bhd.

公司在沿著敦拉萨路旁，毗邻朝圣基金会大厦之处，拥有2段地皮。在此年度，我们申请将该地段发展成一栋混合用途的商业大楼，由服务式公寓和其他办公室套房组成，总发展面积为一百万方尺左右。预料有关计划将在2005年第三个季度动工。此项计划所带来的租金，应足以维持公司的目标，以便进一步扩展我们的私人股本业务。

奖励与鸣谢

IGB集团已连续二度被EDGE财经周刊提名为2004年顶尖发展商，证明IGB在马来西亚房地产发展领域首屈一指的领导位，已经广受承认。

HOE Pharmaceuticals Sdn. Bhd. - DHS的一家子公司，于2005年3月荣获国际贸易及工业部(MITI)颁发最佳品牌奖。

Macro Kiosk Berhad亦在2004年9月份荣获东协通讯业与多媒体协会(ACM)颁发"最具进取心的软件解决方案"奖。

我们对所投资的公司纷纷受公认为各自领域的佼佼者而深感自豪。

我们的人才

我们附属公司的雇员人数，已从去年的646人增加到857人。我们所投资的公司每年都参加由拿督陈振南基金会赞助的奖学金计划，让马来西亚的清寒学子有机会深造。

股息

本人欣然宣布集团的董事会已建议为截至2005年1月31日为止的财政年度，派发第一份也是最后一份的总股息，即每股2.5仙的320,632,830份普通股，扣除28%所得税后，总计5.8百万令吉。

董事会的更动

Dato' Syed Hamid bin Syed Hussain Alhabshee已于2004年7月15日辞去非独立非执行董事的职位。董事会同仁以及本人谨此向Dato' Syed Hamid致谢，感激他的领导，以及对本集团付出的服务与贡献。本人代表全体董事热烈欢迎刚刚受委任的Harun bin Hashim Mohd先生加入董事会阵容。

鸣谢

本人谨此向领导层以及全体员工衷心致谢，感激大家在此年度对本集团付出的努力、支持和奉献，同时感谢有关当局给予的支持、合作与指导。在此亦不忘感谢所有股东、商业夥伴、顾客以及金融机构多年来不离不弃的支持和信任。最后，本人向诸位董事会同仁的忠告与支持表达万二分谢意。

陈丽贞女士
主席兼总执行长

Corporate Information

BOARD OF DIRECTORS

Executive Chairman & Chief Executive Officer

Ms Tan Lei Cheng

Senior Independent Non-Executive Director

Mr Tan Kim Leong

Independent Non- Executive Director

Encik Daud Mah bin Abdullah

Non-Independent Non-Executive Directors

Ms Pauline Tan Suat Ming

Mr Tan Boon Lee

Encik Harun bin Hashim Mohd

AUDIT COMMITTEE

Mr 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

Penthouse, Menara Tan & Tan

207 Jalan Tun Razak

50400 Kuala Lumpur

Tel. No. : 603-2163 1111

Fax. No. : 603-2163 7020

REGISTRAR

IGB Corporation Berhad
[Share Registration Department]

23rd Floor Menara IGB

No. 1 The Boulevard

Mid Valley City

Lingkaran Syed Putra

59200 Kuala Lumpur

Tel.No. : 603-2289 8989

Fax. No. : 603-2289 8899

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd

Bank of East Asia Limited

Hong Leong Bank Bhd

Public Bank Bhd

Malayan Banking Berhad

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Jeyaratnam & Chong

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Board (May 8, 2002)

Stock Code 5606

DATE OF INCORPORATION

1 June 2000

WEBSITE

www.goldis.com.my

Notice Of The Fifth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of Gold IS Berhad will be held at the Function Room, Mezzanine Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur on Wednesday, 22 June 2005 at 3.00 p.m. for the following purposes:

1. To receive the audited financial statements for the year ended 31 January 2005 together with the Reports of the Directors and Auditors thereon. Ordinary Resolution 1
2. To approve the payment of Directors' fees of RM90,864. Ordinary Resolution 2
3. To declare a first and final dividend of 2.5% less income tax for the year ended 31 January 2005. Ordinary Resolution 3
4. To re-elect the following Directors who retire in accordance with Article 98 of the Articles of Association of the Company:
 - (a) Ms. Tan Lei Cheng Ordinary Resolution 4
 - (b) Ms. Pauline Tan Suat Ming Ordinary Resolution 5
5. To re-elect Encik Harun Bin Hashim Mohd who retires in accordance with Article 104 of the Articles of Association of the Company. Ordinary Resolution 6
6. To re-appoint Messrs. PricewaterhouseCoopers as auditors and to authorise the Directors to fix their remuneration. Ordinary Resolution 7

As Special Business

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

7. Authority for Directors to Issue Shares

That, subject to the Companies Act, 1965 and the Articles of Association of the Company, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

Ordinary Resolution 8

8. Proposed Change of Name

That the name of the Company be changed from Gold IS Berhad to Goldis Berhad to be effective from the date provided in the Certificate of Incorporation on Change of Name of the Company as issued by the Companies Commission of Malaysia and that the Directors and/or Secretaries of the Company be and hereby authorized to carry out all necessary formalities to implement the change of name.

Special Resolution

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

Notice Of The Fifth Annual General Meeting (cont'd)

Notice of dividend entitlement & payment

NOTICE IS ALSO HEREBY GIVEN THAT a first and final dividend of 2.5% less 28% income tax in respect of the financial year ended 31 January 2005, if approved by shareholders, will be paid on 29 July 2005 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 5 July 2005.

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 5 July 2005 in respect of transfers.
- b. shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board
Chow Lai Ping
(MAICSA 0829388)

Leong Kok Chi
(MICPA 2918)
Company Secretaries

Kuala Lumpur
31 May 2005

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy, who need not be a member, to vote in his stead and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorized officer or attorney.
3. The Proxy Form shall be deposited at the Registered Office of the Company, Penthouse, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting.

Explanatory Notes on Special Business

Authority for Directors to Issue Shares

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

Proposed Change of Name

The proposed Special Resolution, if passed, and upon the issuance of the relevant certificate by the Companies Commission of Malaysia, will result in the change of name of the Company from Gold IS Berhad to Goldis Berhad. The rationale for the proposed change of name is to reflect the new corporate identity of the Company.

Statement Accompanying Notice Of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. The Directors who are standing for re-election, pursuant to Article 98 and 104 of the Articles of Association are:

Name of Directors	Date of Appointment	Shareholdings in the Company as at 31.1.2005			
		Direct	%	Indirect	%
Ms Tan Lei Cheng (Art. 98)	20.09.2000	1,945,907	0.61	Nil	
Ms Pauline Tan Suat Ming (Art. 98)	07.01.2002	120,833	0.04	88,172,735	27.50
Encik Harun bin Hashim Mohd (Art. 104)	14.12.2004	Nil		Nil	

Further details on the Directors standing for re-election at the Fifth Annual General Meeting are set out on pages 13 to 14 of this Annual Report.

2. There were 4 board meetings held during the financial year.

Attendance of the Directors standing for re-election at the Fifth Annual General Meeting are as follows:

Name of Directors	No. of meetings attended	22.3.2004	14.6.2004	20.9.2004	14.12.2004
Ms Tan Lei Cheng	4	✓	✓	✓	✓
Ms Pauline Tan Suat Ming	4	✓	✓	✓	✓
Encik Harun bin Hashim Mohd	N/A	Appointed on 14.12.2004			N/A

Details of the attendance of the other directors are set out on page 15 of this Annual Report.

3. Fifth Annual General Meeting of Gold IS Berhad

Date : Wednesday, 22 June 2005

Time : 3.00 p.m.

Venue : Function Room
Mezzanine Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur.

Three-Year Performance Highlights

Income Statements

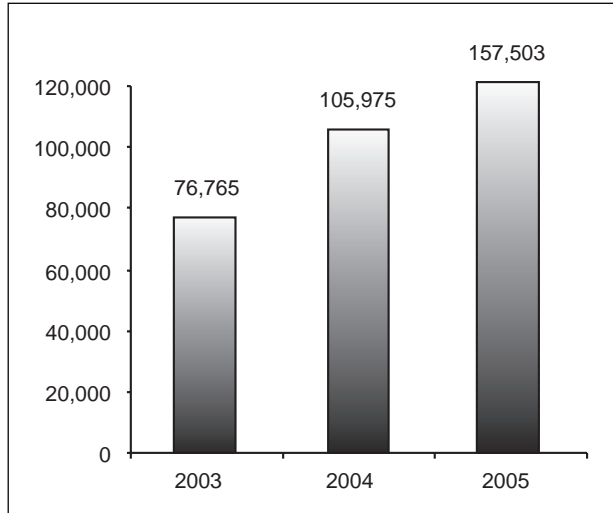
Financial Year Ended 31 January	2005 RM'000	2004 RM'000	2003 RM'000
Revenue	157,503	105,975	76,765
Profit from operations	16,379	16,149	7,831
Share of results of jointly controlled entities	3,487	2,099	4,833
Share of results of associates	39,687	63,183	38,038
Profit from ordinary activities before taxation	59,553	81,431	50,702
Taxation	(11,311)	(18,293)	(13,912)
Profit from ordinary activities after taxation	48,242	63,138	36,790
Minority interest	(3,794)	(2,208)	(1,361)
Net profit for the financial year	44,448	60,930	35,429

Balance Sheets

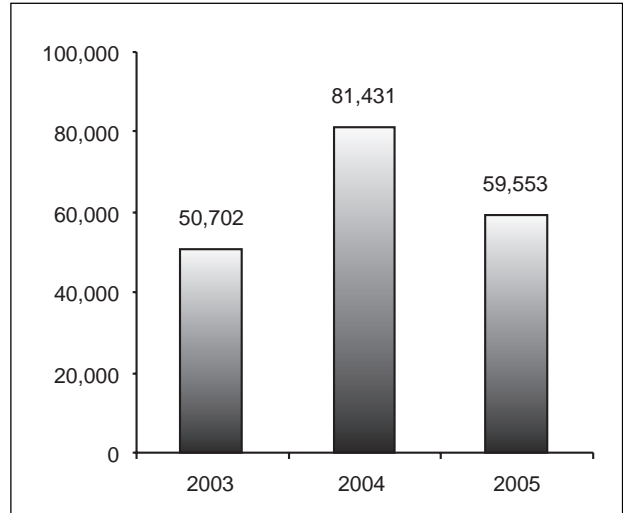
As at 31 January	2005 RM'000	2004 RM'000	2003 RM'000
Non-current assets			
Property, plant and equipment	89,232	89,709	79,486
Associates	720,468	652,657	645,645
Jointly controlled entities	73,885	69,850	60,072
Unquoted investments, at cost	1,905	1,643	2,448
Deferred tax assets	1,477	232	584
	886,967	814,091	788,235
Current assets	152,205	110,784	88,116
Less: Current liabilities	(159,797)	(97,716)	(103,722)
Net current assets / (liabilities)	(7,592)	13,068	(15,606)
Less: Non-current liabilities	(22,351)	(14,942)	(25,588)
	857,024	812,217	747,041
Capital and reserves			
Share capital	320,633	320,633	320,633
Reserves	520,572	481,294	420,022
Shareholders' equity	841,205	801,927	740,655
Minority interest	15,819	10,290	6,386
	857,024	812,217	747,041
Financial ratios as at 31 January	2005	2004	2003
Basic earnings per share (sen)	13.86	19.00	11.00
Diluted earnings per share (sen)	13.86	18.99	11.00
Dividends per ordinary share (sen)	2.5	2.0	-
Net tangible assets per share (RM)	2.6	2.5	2.3

Three-Year Performance Highlights (cont'd)

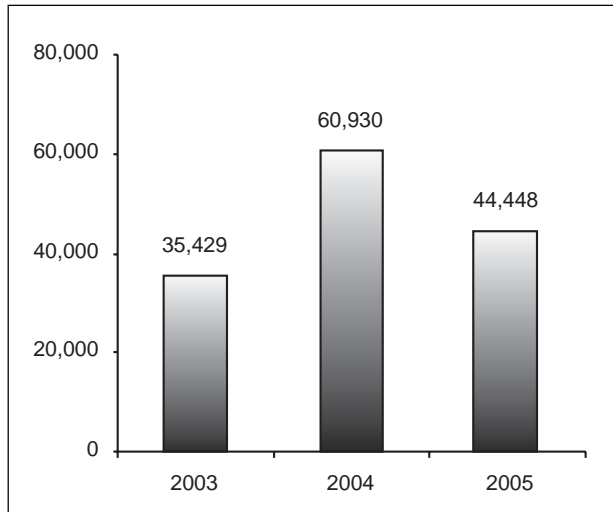
Revenue RM'000



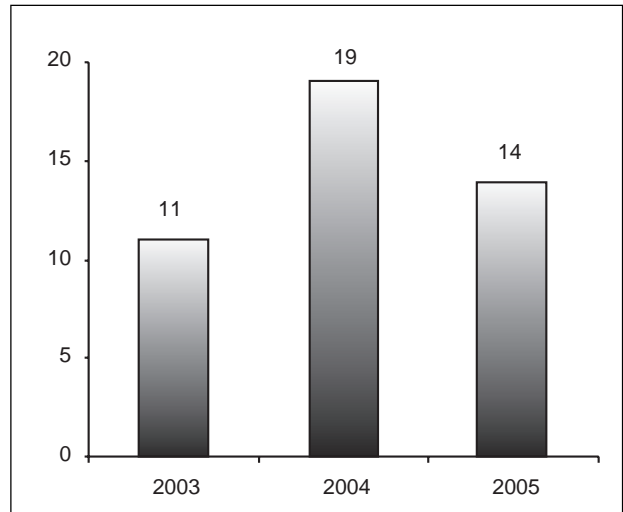
Profit before taxation RM'000



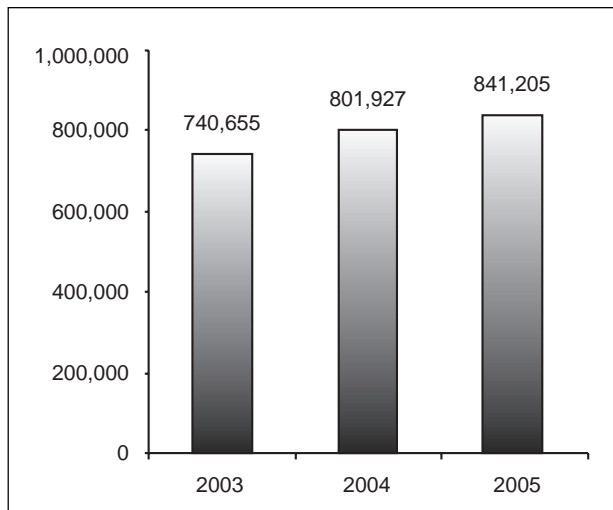
Profits attributable to shareholders



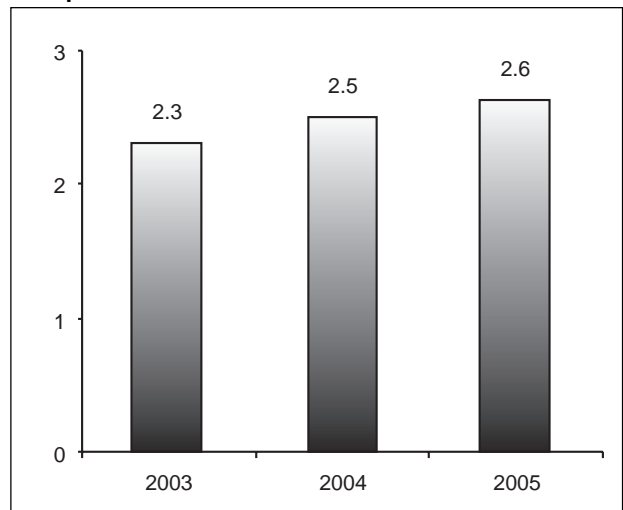
Basic EPS



Shareholders' Funds



NTA per share



Profile Of Board Of Directors

TAN LEI CHENG

(Non-Independent Executive Chairman & Chief Executive Officer)

Tan Lei Cheng, aged 48, a Malaysian, was appointed a director of Gold IS 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 Gold IS Berhad took over its listing on 8 May 2002, following the completion of the merger between the Company, Tan & Tan and IGB Corporation Berhad. She is the prime mover in identifying and developing projects that are in the growth industries sector. She has 25 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 director of IGB Corporation Berhad, Kris Components Berhad and Macro Kiosk Berhad.

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

She is a sister of Tan Boon Lee and a daughter of Dato' Tan Chin Nam, who is a major shareholder of Gold IS 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.

TAN KIM LEONG, J.P.

(Senior Independent Non-Executive Director)

Tan Kim Leong, aged 65, a Malaysian, was appointed to the Board of Gold IS Berhad on 11 January 2002. Mr Tan is the Executive Chairman of BDO Binder. He is a successful chartered accountant with 40 years of experience. 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 Berhad, Macro Kiosk Berhad and Gul Technologies Singapore Ltd.

He is the Senior Independent Director, Chairman of the Audit Committee and a member of the Remuneration, Nomination 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 59, a Malaysian, was appointed a director of the Company on 7 January 2002. Ms 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 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 and is a major shareholder. 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 41, 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 19 years 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, Kris Components Berhad and Macro Kiosk Berhad.

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

He is a brother of Tan Lei Cheng and a son of Dato' Tan Chin Nam, who is a major shareholder of Gold IS 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.

Profile of Board of Directors (cont'd)

DAUD MAH BIN ABDULLAH

(Independent Non-Executive Director)

Daud Mah bin Abdullah, aged 43, a Malaysian, was appointed a director of the Company on 15 January 2003. He holds a Bachelor of Science (Econs.) degree from the London School of Economics and Political Science and a Masters in Business Administration majoring in Finance from Wharton School, University of Pennsylvania. He is a member of the Institute of Chartered Accountants of England and Wales, and of the Malaysian Institute of Accountants.

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

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

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

HARUN BIN HASHIM MOHD

(Non-Independent Non-Executive Director)

Harun bin Hashim Mohd, aged 55, a Malaysian, was appointed to the Board of Gold IS Berhad on 14 December 2004 and is a representative of Permodalan Nasional Berhad.

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

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

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

Statement Of Corporate Governance

The Board of Directors is committed to ensure that good corporate governance is practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of Gold IS Berhad.

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

The Board

(i) Board Balance

The Board currently consists of six (6) members comprising one (1) Executive Director and five (5) Non-Executive Directors of whom two (2) are Independent Directors representing one third of the Board. The Directors with their sharp business acumen coupled with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise to lead and control the Group effectively. 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 Chief Executive Officer ("CEO") of the Company are held by the same person. The CEO develops the corporate objectives, which is then subsequently tabled and approved by the Board. The function of the Chairman that is currently held by the CEO is to ensure the orderly conduct and working of the Board, the management of the business and the implementation of such policies and strategies as approved by the Board. The Board has the overall responsibility for corporate governance, strategic direction and overseeing the investment and business of the Group.

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

The presence of Independent Non-Executive Directors in the Board provides objectivity and they have the necessary skill and experience to bring an independent judgement to bear on the issues of strategy, performance, resources including key appointments and standards of conduct. They are independent of management and the major shareholders. They provide independent views and judgement and also safeguard the interests of parties such as the minority shareholders.

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

(ii) Board Meetings and Supply of Information

The Board meets every quarter and additional meetings are convened as necessary. The meetings are held on a scheduled basis that is determined in advance. The agenda together with the Board papers for each meeting are circulated in advance of the meeting to the Board members.

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

Name of Director	Total Meetings Attended	Percentage of Attendance(%)
Ms Tan Lei Cheng	4/4	100
Mr Tan Kim Leong	3/4	75
Encik Daud Mah bin Abdullah	4/4	100
Ms Pauline Tan Suat Ming	4/4	100
Mr Tan Boon Lee	4/4	100
Dato' Syed Hamid bin Syed Hussain Alhabshee*	0/2	0
Encik Harun bin Hashim Mohd**	N/A	N/A

* Dato' Syed Hamid bin Syed Hussain Alhabshee resigned as a Director on 15 July 2004.

** Encik Harun bin Hashim Mohd was appointed as a Director on 14 December 2004.

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

Statement Of Corporate Governance (cont'd)

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

(iii) Appointment and Re-election of Directors

In accordance with the Company's Articles of Association, all Directors retire from office at least once in every three years and offer themselves for re-election.

(iv) Directors' Remuneration

(a) Remuneration Procedure

The Remuneration Committee proposes to the Board the remuneration of the Executive Director 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 Directors do not participate in the discussion and decision of their own remuneration.

(b) Remuneration Package

Aggregate remuneration of Directors categorised into appropriate components for the financial year ended 31 January 2005 is as follows:

Category of Directors	Fees & Allowances RM	Salary RM	Bonus RM	Benefits-in-kind RM	Total RM
Executive Director	10,000	458,000	176,400	4,200	648,600
Non-Executive Directors	80,864	-	-	-	80,864

The aggregate remuneration of Directors analysed into bands for the financial year ended 31 January 2005 is as follows:

Range of Remuneration	Executive Director	Non-Executive Directors
Below RM50,000	-	6
RM50,001 – RM100,000	-	-
RM100,001 – RM150,000	-	-
RM150,001 – RM400,000	-	-
RM400,001 – RM600,000	-	-
RM600,001 – RM650,000	1	-

Aggregate fees of the Non-Executive Directors also include those who had resigned during the financial year under review.

(v) Directors' Training

Every Director of the Company undergoes continuous training to equip himself/herself to effectively discharge his/her duties as a Director. The Company also provides presentation to new directors who are appointed to the Board, to ensure they have a comprehensive understanding of the operations of the Group and the Company. All the Directors have attended the Mandatory Accreditation Programme conducted by Bursatra Sdn Bhd.

As part of Bursa Malaysia's Continuing Education Programme for directors, all the Directors have also attended the requisite training programmes accredited by Bursa Malaysia Securities Berhad.

THE BOARD COMMITTEES

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

Statement Of Corporate Governance (cont'd)

(i) Audit Committee

Please refer to page 20 to 22.

(ii) Nomination Committee

The Nomination Committee's primary function is to propose new nominees on the Board and assess directors on an on-going basis. 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 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.

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

(iv) ESOS Committee

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

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

RELATIONSHIP WITH SHAREHOLDERS

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

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

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

The Annual General Meeting provides an open forum at which shareholders and investors are informed of the current developments with opportunities for shareholders to raise questions. 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 presents 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 Securities Berhad and Securities Commission.

Statement Of Corporate Governance (cont'd)

(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 19 of this Annual Report providing an overview of the state of internal control within the Group.

(iii) Relationship with the Auditors

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

ADDITIONAL COMPLIANCE INFORMATION

Material contracts

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

Non-audit fees

Non-audit fees of RM70,000 was paid to the external auditors, PricewaterhouseCoopers by our subsidiary for the financial year ended 31 January 2005.

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DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and Company as at 31 January 2005 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 2005, 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 dated 29 March 2005.

Statement Of Internal Control

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

For joint ventures and associated companies, its respective management has an existing monitoring function to assist them in ensuring the system of internal control is functioning as intended. The Management of Gold IS 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.

The Board confirms that 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.

The process is facilitated by the Internal Audit Department through the conduct of risk management training workshops, regular communication and consultation with Management, and periodic follow-up on the updating of risk profiles and the implementation of risk treatment measures by Management.

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.

Budget

The Annual Budgets are prepared by each operating company in the Group and are submitted to the Board for approval. They provide 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 analyses in accordance with its 5-year audit plan and annual audit plan as approved by the Audit Committee.

External Audit

The external auditors are engaged to express an opinion on the financial statements. They review and test the system of the internal control and the data contained in the financial statements to the extent necessary to express their audit opinion. Findings arising from the audit are discussed with Management and reported to the Audit Committee.

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 dated 29 March 2005.

Audit Committee Report

The Board is pleased to issue the following report on the Audit Committee and its activities during the financial year ended 31 January 2005.

Members and Meetings

Name	Membership status	Meetings Attended	% of Attendance
Tan Kim Leong (Chairman)	Senior Independent Non-Executive Director	5	100
Daud Mah bin Abdullah	Independent Non-Executive Director	5	100
Tan Boon Lee	Non-Independent Non-Executive Director	4	80

Terms of Reference of Audit Committee

A Objectives

The primary objectives of the Audit Committee are:

- (1) To ensure transparency, integrity and accountability in the Group's activities so as to safeguard the rights and interests of the shareholders.
- (2) To provide assistance to the Board in discharging its responsibilities relating to the Group's management of principal risks, internal control, financial reporting and compliance with the statutory and legal requirements.
- (3) To maintain regularly scheduled meetings, a direct line of communication between the Board, senior management, internal and external auditors.

B Membership

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

- (1) The members of the Audit Committee shall elect a chairman from among their number who shall be an independent director.
- (2) No alternate directors shall be appointed to the Committee.
- (3) At least one member of the Audit Committee:
 - (a) must be a member of the Malaysian Institute of Accountants ("MIA"); or
 - (b) if he is not a member of the MIA, he must have at least three (3) years of working experience and have passed the examination specified in Part I of the 1st Schedule of the Accountants Act, 1967; or he must be a member of one of the Associations of Accountants specified in Part II of the said Schedule; or
 - (c) has a degree/masters/doctorate in accounting or finance and at least three years' post qualification experience in accounting or finance; or
 - (d) at least seven (7) years of experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

The Board must review the term of office and performance of the Audit Committee and each of the members at least once every three years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.

Audit Committee Report (cont'd)

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 Committee. Where necessary, the Audit Committee meets with the external auditors without any executive members of the Audit Committee present except for the Company Secretary.

D Functions

The functions of the Audit Committee are:

- (1) To review and discuss the following with the external auditors,
 - (a) their audit plan;
 - (b) their evaluation of the internal control system;
 - (c) their audit report;
 - (d) the assistance given by the employees of the Company to them;
- (2) To review the following in respect of internal auditors,
 - (a) the adequacy of the scope and plan, functions and resources of the internal audit function and that it has the necessary authority to carry out its works;
 - (b) the internal audit programme, processes and results of the internal audit programme, processes or investigation undertaken and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - (c) the effectiveness of the internal control system;
 - (d) the major findings of internal audit and management's response;
- (3) To review the quarterly results and year end financial statements, prior to the submission to the Board for their approval, focusing particularly on:-
 - (a) going concern assumptions;
 - (b) changes in or implementation of major accounting policy changes;
 - (c) significant and unusual events; and
 - (d) compliance with accounting standards and other legal requirements;
- (4) To review any related party transaction and conflict of interest situation that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- (5) To consider and recommend the nomination and appointment, the audit fee and any questions of resignation, dismissal or re-appointment of the external auditors; and
- (6) Such other functions as may be agreed to by the Audit Committee and the Board.

Audit Committee Report (cont'd)

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

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

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

Activities Undertaken by Audit Committee

The activities of the Audit Committee during the financial year ended 31 January 2005 include the following:

- (a) Reviewed the audit plan of the external auditors;
- (b) Reviewed the audit plan of the internal auditors;
- (c) Reviewed the audited financial statements and recommended the same to the Board for approval;
- (d) Reviewed the quarterly financial results for announcement to Bursa Malaysia Securities Berhad and recommend the same to the Board for approval;
- (e) Reviewed the adequacy and integrity of the internal control system;
- (f) Reviewed the risk management programme to safeguard the companies' assets; and
- (g) Reviewed the related party transactions entered into by the Group.

Internal Audit Function

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

for the financial year ended 31 January 2005

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Directors' Report

for the financial year ended 31 January 2005

The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 January 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group's subsidiaries are the manufacturing of pharmaceutical and paper-related products and the provision of information technology services.

The Group's associates and jointly controlled entities are principally involved in investment holding, property investment, property management and manufacturing.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit after taxation	48,241,856	7,440,594
Minority interest	(3,793,556)	-
Net profit for the financial year	<u>44,448,300</u>	<u>7,440,594</u>

DIVIDEND

The dividend on ordinary shares paid or declared by the Group and Company since 31 January 2004 was as follows:

	RM
In respect of the financial year ended 31 January 2004, first and final dividend of 2.0 sen per share, less income tax of 28%, on 320,632,830 shares, paid on 30 August 2004	<u>4,617,113</u>

The Directors now recommend the payment of a first and final gross dividend in respect of the financial year ended 31 January 2005 of 2.5 sen per share on 320,632,830 ordinary shares, less income tax of 28%, amounting to RM5,771,391 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 29 July 2005 to shareholders registered on the Company's Register of Members at the close of business on 5 July 2005.

RESERVES AND PROVISIONS

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

Directors' Report (cont'd)

for the financial year ended 31 January 2005

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 31 January 2002, for a period of five years, in accordance with the ESOS Bye-Laws.

No ESOS was granted during the financial year. The 500,000 share options granted to a Director are disclosed in Directors' interests in shares below.

The main features of the ESOS are set out in Note 28 to the financial statements.

DIRECTORS

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

Tan Lei Cheng	
Tan Kim Leong @ Tan Chong Min	
Pauline Tan Suat Ming	
Tan Boon Lee	
Daud Mah bin Abdullah @ Mah Siew Whye	
Harun bin Hashim Mohd	(appointed on 14.12.2004)
Dato' Syed Hamid bin Syed Hussain Alhabshee	(resigned on 15.7.2004)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's Employees' Share Option Scheme (see Note 28).

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 7 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' Report (cont'd)

for the financial year ended 31 January 2005

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM1.00 each			At 31.1.2005
	At 1.2.2004	Additions	Disposals	
Direct shareholdings in the Company				
Tan Lei Cheng	1,945,907	-	-	1,945,907
Tan Boon Lee	1,936,657	100,000	-	2,036,657
Pauline Tan Suat Ming	120,833	-	-	120,833
Indirect shareholdings in the Company				
Tan Lei Cheng	1,931,586	-	(1,931,586)	-
Pauline Tan Suat Ming	84,354,935	3,817,800	-	88,172,735

Pauline Tan Suat Ming is deemed to have an interest in the shares in the Company by virtue of her shareholdings in Tan Kim Yeow Sdn Bhd pursuant to Section 64 of the Companies Act, 1965.

	Number of options over ordinary shares of RM1.00 each *			At 31.1.2005
	At 1.2.2004	Granted	Exercised	
Share options in the Company				
Tan Lei Cheng	500,000	-	-	500,000

* These options shall expire in January 2007

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

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

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

Directors' Report (cont'd)

for the financial year ended 31 January 2005

- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and 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 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 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 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 Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 14 March 2005, Bursa Malaysia Depository Sdn Bhd had approved the application by IGB Corporation Berhad, an associate, for the transfer of Kris Components Berhad shares pursuant to the capital distribution-in-specie of 77,669,000 ordinary shares of RM1.00 each in Kris Components Berhad by IGB Corporation Berhad to its shareholders via a reduction of share premium account pursuant to Section 64 of the Companies Act, 1965.

On 6 April 2005, the Company and its wholly owned subsidiary, Multistock Sdn Bhd had received 21,113,184 ordinary shares of RM1.00 each representing 6.39% of the issued and paid-up share capital of Kris Components Berhad.

AUDITORS

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

Signed in accordance with a resolution of the Board of Directors dated 5 May 2005.

Tan Lei Cheng

Director

Tan Boon Lee

Director

Income Statements

for the financial year ended 31 January 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Revenue	5	157,502,815	105,974,757	9,264,277	14,332,030
Cost of sales		(83,802,932)	(50,795,452)	-	-
Gross profit		73,699,883	55,179,305	9,264,277	14,332,030
Other operating income		12,461,721	14,349,287	2,415,037	228,096
Selling and distribution expenses		(42,675,283)	(29,726,864)	-	-
Administrative expenses		(22,259,723)	(19,961,874)	(2,873,905)	(1,916,120)
Other operating expenses		(741,025)	(580,545)	-	-
Profit from operations	6	20,485,573	19,259,309	8,805,409	12,644,006
Finance costs	8	(4,107,039)	(3,110,283)	(299,034)	-
Share of results of jointly controlled entities		3,487,530	2,099,453	-	-
Share of results of associates		39,686,572	63,182,475	-	-
Profit from ordinary activities before taxation		59,552,636	81,430,954	8,506,375	12,644,006
Taxation:	9				
- Company and subsidiaries		644,622	(3,820,120)	(1,065,781)	(3,616,239)
- Jointly controlled entities		(1,509,079)	(360,000)	-	-
- Associates		(10,446,323)	(14,113,048)	-	-
		(11,310,780)	(18,293,168)	(1,065,781)	(3,616,239)
Profit from ordinary activities after taxation		48,241,856	63,137,786	7,440,594	9,027,767
Minority interest		(3,793,556)	(2,208,266)	-	-
Net profit for the financial year		44,448,300	60,929,520	7,440,594	9,027,767
Basic earnings per share (sen)					
- basic	10	13.86	19.00		
- diluted	10	13.86	18.99		
Dividend per ordinary share in respect of the financial year (sen)	11	2.5	2.0		

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Balance Sheets

as at 31 January 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Non-current assets					
Property, plant and equipment	12	89,232,025	89,708,909	138,033	65,773
Subsidiaries	13	-	-	16,281,388	15,785,622
Associates	14	720,467,729	652,656,728	605,257,855	559,509,876
Jointly controlled entities	15	73,885,219	69,850,466	16,000,000	14,200,000
Unquoted investments, at cost		1,904,663	1,643,033	-	-
Deferred tax assets	16	1,477,165	231,607	-	-
		886,966,801	814,090,743	637,677,276	589,561,271
Current assets					
Inventories	17	23,867,935	8,999,407	-	-
Quoted investments	18	61,333	236,958	-	-
Amounts due from subsidiaries	19	-	-	116,027,891	116,899,046
Amounts due from associates	20	57,600	153,607	57,600	153,607
Receivables, deposits and prepayments	21	97,465,411	72,510,244	126,275	26,961
Tax recoverable		3,301,800	995,389	1,020,223	465,394
Dividend receivable		-	-	-	450,144
Deposits, cash and bank balances	22	27,451,112	27,888,016	5,112,860	9,289,823
		152,205,191	110,783,621	122,344,849	127,284,975
Less: Current liabilities					
Payables and accruals	23	51,096,897	42,346,570	759,699	407,301
Amount due to a related company	24	39,226	-	-	-
Bank borrowings	25	99,201,321	53,486,942	40,000,000	-
Bank overdrafts	26	2,830,653	1,796,545	-	-
Current tax liabilities		6,629,310	85,830	-	-
		159,797,407	97,715,887	40,759,699	407,301
Net current (liabilities)/assets		(7,592,216)	13,067,734	81,585,150	126,877,674
Less: Non-current liabilities					
Deferred tax liabilities	16	-	826,200	-	-
Bank borrowings	25	21,604,435	13,823,367	-	-
Hire-purchase and finance lease payables	27	746,110	291,752	-	-
		22,350,545	14,941,319	-	-
		857,024,040	812,217,158	719,262,426	716,438,945
Capital and reserves					
Share capital	28	320,632,830	320,632,830	320,632,830	320,632,830
Share premium		385,316,192	385,316,192	385,316,192	385,316,192
Exchange fluctuation reserve		(3,424,666)	(2,858,180)	-	-
Reserve on consolidation		2,378,201	2,364,763	-	-
Capital reserve		2,343,241	2,343,241	-	-
Proposed dividend reserve	29	5,771,391	4,617,113	5,771,391	4,617,113
Retained earnings	29	128,188,238	89,511,329	7,542,013	5,872,810
Shareholders' equity		841,205,427	801,927,288	719,262,426	716,438,945
Minority interest		15,818,613	10,289,870	-	-
		857,024,040	812,217,158	719,262,426	716,438,945

The accounting policies on pages 34 to 40 and the notes on pages 41 to 74 form an integral part of these financial statements.

Statements Of Changes In Equity

for the financial year ended 31 January 2005

Group	Note	Issued and fully paid ordinary shares of RM1.00 each	Number of shares	Nominal value RM	Share premium RM	Non-distributable			Distributable			Total RM
						Exchange			Proposed			
						Share fluctuation reserve RM	Reserve on consolidation RM	Capital reserve RM	dividend reserve RM	Retained earnings RM		
At 1 February 2004		320,632,830	320,632,830	385,316,192	(2,858,180)	2,364,763	2,343,241	4,617,113	89,511,329	801,927,288		
Currency translation differences		-	-	-	(566,486)	-	-	-	-	(566,486)		
Reserve arising from acquisition of a subsidiary	4	-	-	-	-	13,438	-	-	-	13,438		
Net (loss)/gain not recognised in income statement		-	-	-	(566,486)	13,438	-	-	-	(553,048)		
Net profit for the financial year		-	-	-	-	-	-	-	44,448,300	44,448,300		
Dividend paid for the financial year ended 31 January 2004		-	-	-	-	-	-	(4,617,113)	-	(4,617,113)		
Proposed dividend for the financial year ended 31 January 2005		-	-	-	-	-	-	5,771,391	(5,771,391)	-		
At 31 January 2005		320,632,830	320,632,830	385,316,192	(3,424,666)	2,378,201	2,343,241	5,771,391	128,188,238	841,205,427		

The accounting policies on pages 34 to 40 and the notes on pages 41 to 74 form an integral part of these financial statements.

Statements Of Changes In Equity (cont'd)

for the financial year ended 31 January 2005

	Issued and fully paid ordinary shares of RM1.00 each		Non-distributable				Distributable		Total RM	
	Number of shares	Nominal value RM	Share premium RM	Exchange		Reserve on consolidation RM	Capital reserve RM	Proposed dividend reserve RM		Retained earnings RM
				fluctuation reserve RM	Reserve on consolidation RM					
Group										
At 1 February 2003	320,632,830	320,632,830	385,316,192	(2,869,276)	1,907,176	-	-	35,668,019	740,654,941	
Currency translation differences	-	-	-	(494,039)	-	-	-	-	(494,039)	
Capitalisation of reserves*	-	-	-	-	-	2,343,241	-	(2,343,241)	-	
Share of associate's reserves	-	-	-	672,635	-	-	-	-	672,635	
Net gain/(loss) not recognised in income statement	-	-	-	178,596	-	2,343,241	-	(2,343,241)	178,596	
Disposal of a subsidiary	-	-	-	(167,500)	457,587	-	-	-	290,087	
Net profit for the financial year	-	-	-	-	-	-	-	60,929,520	60,929,520	
Dividend paid for the financial year	-	-	-	-	-	-	-	(125,856)	(125,856)	
Proposed dividend for the financial year ended 31 January 2004	-	-	-	-	-	-	4,617,113	(4,617,113)	-	
At 31 January 2004	320,632,830	320,632,830	385,316,192	(2,858,180)	2,364,763	2,343,241	4,617,113	89,511,329	801,927,288	

* During the financial year ended 31 January 2004, a subsidiary increased its issued and paid up share capital by way of capitalisation of its entire retained earnings.

The accounting policies on pages 34 to 40 and the notes on pages 41 to 74 form an integral part of these financial statements.

Statements Of Changes In Equity (cont'd)

for the financial year ended 31 January 2005

Company	Issued and fully paid ordinary shares of RM1.00 each		Non- distributable		Distributable		Total RM
	Number of shares	Nominal value RM	Share premium RM	Proposed dividend reserve RM	Retained earnings RM		
At 1 February 2004	320,632,830	320,632,830	385,316,192	4,617,113	5,872,810	716,438,945	
Net profit for the financial year	-	-	-	-	7,440,594	7,440,594	
Dividend paid for the financial year ended 31 January 2004	-	-	-	(4,617,113)	-	(4,617,113)	
Proposed dividend for the financial year ended 31 January 2005	-	-	-	5,771,391	(5,771,391)	-	
At 31 January 2005	320,632,830	320,632,830	385,316,192	5,771,391	7,542,013	719,262,426	
At 1 February 2003	320,632,830	320,632,830	385,316,192	-	1,462,156	707,411,178	
Net profit for the financial year	-	-	-	-	9,027,767	9,027,767	
Proposed dividend for the financial year ended 31 January 2004	-	-	-	4,617,113	(4,617,113)	-	
At 31 January 2004	320,632,830	320,632,830	385,316,192	4,617,113	5,872,810	716,438,945	

The accounting policies on pages 34 to 40 and the notes on pages 41 to 74 form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 31 January 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Operating activities					
Cash receipts from customers		139,591,815	52,656,779	155,400	156,653
Cash paid to suppliers and employees		(150,882,622)	(22,188,397)	(2,784,957)	(1,700,645)
Cash from operations		(11,290,807)	30,468,382	(2,629,557)	(1,543,992)
Dividends received		7,444,241	9,836,209	7,307,473	9,052,993
Interests received		258,229	311,384	194,929	1,189,471
Interests paid		(4,107,039)	(3,110,283)	-	-
Income taxes paid		(832,641)	(4,982,470)	(211,550)	(488,250)
Net cash flow (used in)/from operating activities		(8,528,017)	32,523,222	4,661,295	8,210,222
Investing activities					
Acquisition of subsidiaries	4	(241,781)	-	(243,746)	(61,000)
Additional investment in					
- a jointly controlled entity		(1,800,000)	(7,800,000)	(1,800,000)	(7,800,000)
- associates		(45,261,839)	(1,854,479)	(45,000,000)	-
- unquoted investment		(261,630)	-	-	-
Proceeds from:					
- disposal of a subsidiary		-	22,053,658	-	-
- disposal of investments		5,200,695	-	2,220,108	-
- shares issued to minority interest		1,309,500	1,145,500	-	-
Repayment of advances from associates		96,007	-	96,007	-
Advances to associates		-	(150,243)	-	(150,243)
Repayment of advances from subsidiaries		-	-	713,643	-
Advances to subsidiaries		-	-	-	(4,204,930)
Advances to a related company		39,226	-	-	-
Advances to jointly controlled entities		(190,467)	(11,378,742)	(112,755)	-
Property, plant and equipment					
- additions		(2,930,562)	(10,115,885)	(94,402)	(29,390)
- disposals		4,344,053	307,230	-	-
Net cash flow used in investing activities		(39,696,798)	(7,792,961)	(44,221,145)	(12,245,563)
Financing activities					
Repayment of bank borrowings		(20,237,978)	(25,525,972)	-	-
Proceeds from bank borrowings		73,733,425	4,162,958	40,000,000	-
Deposits pledged as security for bank borrowings		(773,681)	(5,528,614)	(271,352)	(3,042,422)
Deposits pledged as security for bank borrowings which was withdrawn during the financial year		5,528,614	-	3,042,422	-
Payment of hire-purchase and finance lease liabilities		(838,951)	(842,264)	-	-
Dividend paid		(4,617,113)	(125,856)	(4,617,113)	-
Net cash flow from/(used in) financing activities		52,794,316	(27,859,748)	38,153,957	(3,042,422)
Net increase/(decrease) in cash and cash equivalents during the financial year		4,569,501	(3,129,487)	(1,405,893)	(7,077,763)
Currency translation differences		(1,285,580)	(1,244,329)	-	-
Cash and cash equivalents at the beginning of the financial year		20,562,857	24,936,673	6,247,401	13,325,164
Cash and cash equivalents at the end of the financial year	22	23,846,778	20,562,857	4,841,508	6,247,401

The accounting policies on pages 34 to 40 and the notes on pages 41 to 74 form an integral part of these financial statements.

Summary Of Significant Accounting Policies

for the financial year ended 31 January 2005

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of preparation

The financial statements of the Group and Company have been prepared under the historical cost convention and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia requires the use of 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 financial year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

(b) Basis of consolidation

The consolidated income statement and balance sheet include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date the control ceases. The results of the subsidiaries acquired or disposed during the financial year are included in the consolidated income statement from the date of their acquisition or up to the date of their disposal.

At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are incorporated in the consolidated financial statements. The difference between the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiaries acquired at the date of acquisition is reflected as goodwill or reserve on consolidation and are taken to reserves in the year of acquisition.

Consolidated financial statements reflect external transactions only. All inter company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

The net gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with the balance of goodwill and exchange fluctuation differences which were not previously recognised in the consolidated income statement.

(c) Subsidiaries

Subsidiaries are those corporations in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiaries is stated at cost. 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 Note (h) on impairment of asset.

Summary Of Significant Accounting Policies (cont'd)

for the financial year ended 31 January 2005

(d) Associates

Associates are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising in the income statement, the Group's share of the results of associates for the financial year. The Group's investments in associates are carried in the balance sheet at an amount that reflects its share of the net assets of the associates. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

At the date of acquisition, the fair values of the associates' net assets are determined and these values are incorporated in the consolidated financial statements. The differences between the cost of acquisition and the Group's share of the fair value of the identifiable net assets of the associates acquired at the date of acquisition is reflected as goodwill or reserve on consolidation and are stated at cost.

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 of impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

(e) Jointly controlled entities

Jointly controlled entities are entities over which there is contractually agreed sharing of control by the Group with one or more parties. The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting.

The Group's share of results of the jointly controlled entities included in the consolidated financial statements is accounted for using the equity method of accounting. The Group's investments in jointly controlled entities are carried in the balance sheet at an amount that reflects its share of the net assets of the jointly controlled entities.

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

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated as it is deemed to have an infinite useful life. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Summary Of Significant Accounting Policies (cont'd)

for the financial year ended 31 January 2005

(f) Property, plant and equipment (cont'd)

Depreciation on all other property, plant and equipment is calculated so as to write off the cost on a straight line basis to their residual value over the expected useful lives of the assets concerned. The annual rates of the depreciation are as follows:

	%
Leasehold land	Over the lease period of 99 years
Building	2 -10
Plant and machinery	12
Furniture, fixtures, fittings and equipment	10 - 20
Motor vehicles	20
Gymnasium and electrical equipment	12.5
Renovation	10

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed to the income statement.

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

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 Note (h) on impairment of assets.

(g) Investments

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

Short-term investments in quoted shares are stated at lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount of investments are credited/charged to the income statement.

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

(h) Impairment of assets

Property, plant and equipment, investment in subsidiaries and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identified cash flows.

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

Summary Of Significant Accounting Policies (cont'd)

for the financial year ended 31 January 2005

(i) Inventories

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, and net realisable value.

The cost of work in progress and finished goods comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads.

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

(j) Trade receivables

Trade receivables are carried at invoice amount less allowance for doubtful debts. Bad debts are written off in the financial year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year end.

(k) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, bank overdrafts and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Borrowings

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred.

Borrowing costs directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of these assets until such time that the assets are ready for their intended use or sale. All other borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(m) Hire-purchase and finance leases

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

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or 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 on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset. Where there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its estimated useful life.

(n) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include 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, and real property gains taxes payable on disposal of properties.

Summary Of Significant Accounting Policies (cont'd)

for the financial year ended 31 January 2005

(n) Income taxes (cont'd)

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that 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 not recognised if the temporary differences arise from goodwill or reserve on consolidation or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or reserve on consolidation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and the Group intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(o) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group's contributions 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.

(p) Share capital

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

Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date but as an appropriation from retained earnings to a "proposed dividend reserve". Upon the dividend becoming payable, it will be accounted for as a liability.

Summary Of Significant Accounting Policies (cont'd)

for the financial year ended 31 January 2005

(q) Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by 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.

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

(r) Revenue recognition

(i) Investment income

Dividend income is recognised when the shareholders' right to receive payment is established. Interest income is recognised as it accrues unless collectability is in doubt, in which case the recognition of such income is suspended. Income arising from the disposal of investments is taken to the income statement upon disposal of investment.

(ii) Income from sale of goods and services rendered

Income from sale of goods and services rendered 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.

(s) Foreign currencies

Transactions in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the transaction dates or at contracted rates, where applicable. At balance sheet date, monetary assets and liabilities resulting from foreign currency transactions are translated into Ringgit Malaysia at rates of exchange ruling at that date or at contracted rates, where applicable. Exchange differences are dealt with through the income statement.

In the Group financial statements, assets and liabilities and results of operations of foreign subsidiaries are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. Exchange differences on translation are dealt with through the exchange fluctuation reserve. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Group and are translated at the exchange rate ruling at the date of the transaction.

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	2005 RM	2004 RM
1 US Dollar	3.800	3.800
1 Singapore Dollar	2.322	2.244
1 Chinese Renminbi	0.459	0.459
1 Pound Sterling	7.166	6.933
1 Hong Kong Dollar	0.487	0.489
1 Australian Dollar	2.941	2.901
1 Euro	4.957	4.741
1 Brunei Dollar	2.322	2.278
1 Thai Baht	0.099	N/A

Summary Of Significant Accounting Policies (cont'd)

for the financial year ended 31 January 2005

(t) Financial instruments

(i) Description

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

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

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

(ii) Financial instruments recognised on the balance sheet

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

(iii) Fair value estimation for disclosure purposes

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

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

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

(u) Segment reporting

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

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

Notes To The Financial Statements

for the financial year ended 31 January 2005

1 General information

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group's subsidiaries are the manufacturing of pharmaceutical and paper-related products and the provision of information technology services.

The Group's associates and jointly controlled entities are principally involved in investment holding, property investment, property management and manufacturing.

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 Board of Bursa Malaysia Securities Berhad.

The number of employees in the Group and Company at the end of the financial year amounted to 937 (2004: 646) and 15 (2004: 13) respectively.

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

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

Certain comparative figures have been reclassified to align with the current year's presentation.

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

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

2 Financial risk management objectives and policies (cont'd)

The Group's overall financial risk management policies focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Foreign currency exchange risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by subsidiaries in currencies other than their functional currency. The exposure of the Group to currency fluctuations of Ringgit Malaysia to the US Dollar is minimal as long as Ringgit Malaysia continues to be pegged against that currency. The Group mitigates its other currency risk exposure by maintaining foreign currency bank accounts for the underlying foreign currency transactions. The receivables and payables in these subsidiaries are maintained in the same currency, to the extent possible. This provides a natural hedge against foreign currency movements.

(b) Interest rate risk

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

(c) Market risk

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

(d) Credit risk

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

The Group has no significant concentrations of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia and China. In addition, the Group has given guarantees to subsidiaries for banking facilities. The Directors are of the view that such credit risk is minimal in view of the stability of the subsidiaries' financial position.

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

(e) Liquidity and cash flow risks

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

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

3 Segment reporting

The Group is organised on a worldwide basis into five main business segments:

- Healthcare
- Property investment and development, and hotels
- Information technology and communication
- Paper manufacturing
- Others*

* Others comprise primarily of construction activities and other operations of the Group neither of which are of a sufficient size to be reported separately.

(a) Analysis by business segment

	Healthcare RM	Property investment and development and hotels RM	Information technology and communication RM	Paper manufacturing RM	Others RM	Group RM
2005						
Revenue	87,580,233	-	26,213,527	41,076,124	2,632,931	157,502,815
Results:						
Segment results	12,657,416	1,100,668	1,492,090	4,032,409	1,202,990	20,485,573
Profits from operations						20,485,573
Finance costs						(4,107,039)
Share of results:						
- Associates	-	39,716,072	(29,500)	-	-	39,686,572
- Jointly controlled entities	-	4,288,533	(801,003)	-	-	3,487,530
Profit from ordinary activities before taxation						59,552,636
Taxation						(11,310,780)
Profit from ordinary activities after taxation						48,241,856
Minority interest						(3,793,556)
Net profit for the financial year						44,448,300
Assets employed:						
Segment assets	86,909,560	68,149,241	18,185,462	56,234,364	10,561,452	240,040,079
Associates	-	719,719,750	747,979	-	-	720,467,729
Jointly controlled entities	-	59,288,212	14,597,007	-	-	73,885,219
Unallocated corporate assets						4,778,965
						1,039,171,992
Segment liabilities	46,164,783	50,848,189	9,899,240	60,658,612	7,947,818	175,518,642
Unallocated corporate liabilities						6,629,310
						182,147,952
Capital expenditure	2,722,815	547,690	564,991	2,802,857	261,145	6,899,498
Depreciation	2,817,548	90,061	496,222	1,694,181	18,637	5,116,649

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

3 Segment reporting (cont'd)

(b) Analysis by business segment (cont'd)

	Healthcare RM	Property investment and development and hotels RM	Information technology and communication RM	Paper manufacturing RM	Others RM	Group RM
2004						
Revenue	63,661,351	83,287	7,612,509	30,059,928	4,557,682	105,974,757
Results :						
Segment results	6,548,494	32,446	152,724	916,487	721,451	8,371,602
Gain on disposal of a subsidiary	-	10,887,707	-	-	-	10,887,707
Profit from operations						19,259,309
Finance costs						(3,110,283)
Share of results:						
- Associates	-	63,182,475	-	-	-	63,182,475
- Jointly controlled entities	-	2,619,455	(520,002)	-	-	2,099,453
Profit from ordinary activities before taxation						81,430,954
Taxation						(18,293,168)
Profit from ordinary activities after taxation						63,137,786
Minority interest						(2,208,266)
Net profit for the financial year						60,929,520
Assets employed:						
Segment assets	67,833,658	73,141,086	8,029,306	45,791,717	6,998,926	201,794,693
Associates	-	652,656,728	-	-	-	652,656,728
Jointly controlled entities	-	56,252,457	13,598,009	-	-	69,850,466
Unallocated corporate assets						572,477
						924,874,364
Segment liabilities	38,327,616	14,049,422	3,597,755	52,635,755	3,134,628	111,745,176
Unallocated corporate liabilities						912,030
						112,657,206
Capital expenditure	2,015,132	4,535,496	715,451	7,924,171	-	15,190,250
Depreciation	2,652,152	11,486	433,724	1,039,222	-	4,136,584
Impairment losses	-	-	20,507	-	-	20,507

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

3 Segment reporting (cont'd)

(c) Analysis by geographical location

2005	Revenue RM	Total assets employed RM	Capital expenditure RM
Malaysia	113,798,935	153,049,756	3,835,497
People's Republic of China	41,076,124	54,118,182	2,802,856
Singapore	2,627,756	33,802,635	261,145
Hong Kong	-	3,848,471	-
	157,502,815	244,819,044	6,899,498
Associates		720,467,729	
Jointly controlled entities		73,885,219	
Total assets		1,039,171,992	
2004			
Malaysia	71,362,764	138,809,031	2,759,973
People's Republic of China	30,059,928	44,746,405	7,924,171
Singapore	4,552,065	16,116,000	4,506,106
Hong Kong	-	2,695,734	-
	105,974,757	202,367,170	15,190,250
Associates		652,656,728	
Jointly controlled entities		69,850,466	
Total assets		924,874,364	

4 Acquisition of subsidiary

- (a) On 8 October 2004, the Company entered into a Shares Sale Agreement with Ecosem Sdn Bhd, a jointly controlled entity, for the acquisition of 510,000 ordinary shares of RM1.00 each representing 51% equity interest in iPanel Malaysia Sdn Bhd for a total purchase consideration of RM495,767.

The effect of this acquisition on the financial results of the Group during the financial year ended 31 January 2005 is as follows:

	From date of acquisition to 31 January 2005 RM
Sales	18,269
Cost of sales	(67,472)
Loss from operations	(49,203)
Taxation	-
Loss from ordinary activities after taxation	(49,203)
Minority interest	24,109
Net loss for the financial year	(25,094)

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

4 Acquisition of subsidiary (cont'd)

The effect of acquisition on the financial position of the Group as at 31 January 2005 is as follows:

	31 January 2005
	RM
Property, plant and equipment	15,394
Receivables, deposits and prepayments	932,577
Cash and bank balances	2,826
Payables	(800)
Net assets	949,997
Minority interest	(490,000)
Group's share of net assets	459,997

Details of net assets acquired, goodwill and cash flow arising from the acquisition are as follows:

	At date of acquisition
	RM
Receivables, deposits and prepayments	1,000,000
Cash and bank balances	1,965
Payables	(2,760)
Fair value of total net assets	999,205
Minority interest	(490,000)
Share of fair value of net assets acquired	509,205
Reserve on consolidation	(13,438)
Cost of acquisition	495,767
Group	
Purchase consideration discharged by cash	495,767
Less : Cash and cash equivalent of subsidiary acquired	(1,965)
Less : Set off against amount due from a jointly controlled entity	(252,021)
Cash outflow of the Group on acquisition	241,781
Company	
Purchase consideration discharged by cash	495,767
Less : Set off against amount due from a jointly controlled entity	(252,021)
Cash outflow of the Company on acquisition	243,746

- (b) In the previous financial year, the Group via Macro Kiosk Berhad acquired the entire issued and paid-up share capital of Macro Kiosk International Sdn Bhd comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2. This acquisition had no material effect on the financial results and financial position of the Group as the subsidiary acquired had not commenced operations.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

5 Revenue

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Sale of goods and services	157,497,640	105,885,853	-	-
Dividend income (gross)	5,175	5,616	8,266,389	13,198,800
Interest income	-	83,288	842,488	972,930
Management services	-	-	155,400	160,300
	157,502,815	105,974,757	9,264,277	14,332,030

6 Profit from operations

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

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Property, plant and equipment:				
- depreciation	5,116,649	4,136,584	22,142	11,486
- (gain)/loss on disposal	(3,942,923)	184,471	-	-
- write off	34,349	318,794	-	-
- impairment loss	-	20,507	-	-
Allowance for diminution in value of investment	83,800	-	-	-
Auditors' remuneration				
- current year	183,587	116,865	25,000	25,000
- over accrual in prior year	(6,271)	(5,821)	-	-
- non-audit fee	70,000	-	70,000	-
Rental of premises	2,951,991	2,611,389	236,675	261,821
Staff costs (including Directors' remuneration)	16,592,357	14,772,305	1,618,940	879,127
Defined contribution plan	1,771,980	1,057,190	174,919	99,930
Foreign exchange (gains)/losses				
- unrealised	(1,220,567)	1,119,698	-	-
- realised	2,444	(3,128,612)	-	-
Inventories:				
- write down	10,475	85,411	-	-
- write off	350	450,187	-	-
Research and development	46,457	973,567	-	-
Allowance for doubtful debts	1,317,713	2,179,507	-	-
Gain on disposal of investments	(5,108,870)	(11,429,643)	(2,220,108)	-
Interest income (excluding interest income disclosed as revenue)	(258,229)	(483,940)	(194,929)	(228,096)
Rental income from rental of premises	(575,232)	(99,500)	-	-

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

7 Directors' remuneration

The aggregate amount of emoluments received/receivable by Directors of the Group and Company during the financial year was as follows:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Non-executive Directors:				
- fees	80,864	59,188	80,864	59,188
Executive Directors:				
- basic salaries, bonus and allowances	802,618	303,360	634,400	303,360
- defined contribution plan	96,096	36,432	76,128	36,432
- fees	10,000	7,500	10,000	7,500
	989,578	406,480	801,392	406,480

The estimated monetary value of benefits-in-kind provided to the Directors of the Group and Company by way of provision of other benefits amounted to RM5,400 (2004: RM4,200) and RM4,200 (2004: RM4,200) respectively.

An Executive Director of the Company has been granted options under the Employees' Share Option Scheme as disclosed in Note 28.

8 Finance costs

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Interest expenses on:				
- term loans	2,103,812	2,274,544	-	-
- revolving credit	1,387,997	516,982	299,034	-
- trust receipts/bankers' acceptances	348,156	129,640	-	-
- hire-purchase and finance lease	121,249	110,137	-	-
- bank overdrafts	104,014	78,980	-	-
- others	41,811	-	-	-
	4,107,039	3,110,283	299,034	-

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

9 Taxation

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Current tax				
- Malaysian tax	11,712,115	15,689,803	1,065,781	3,616,239
- foreign tax	1,670,423	3,347,770	-	-
Deferred tax (Note 16)	(2,071,758)	(744,405)	-	-
	11,310,780	18,293,168	1,065,781	3,616,239
Current tax:				
Current tax	13,205,384	19,440,398	900,371	3,616,239
Under/(Over) accrual in prior year	177,154	(402,825)	165,410	-
Deferred tax:				
Origination and reversal of temporary differences	(2,071,758)	334,571	-	-
Under/(Over) accrual in prior year	-	(1,078,976)	-	-
	11,310,780	18,293,168	1,065,781	3,616,239

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

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Malaysian tax rate	28	28	28	28
Tax effects of:				
- different tax rates in other countries	(2)	(6)	-	-
- expenses not deductible for tax purposes	11	9	-	1
- expenses subject to double deduction	(8)	(1)	-	-
- income not subject to tax	(6)	(7)	(17)	-
- pioneer status tax exemption	(2)			
- current year's tax losses and deductible temporary differences not recognised	1	-	-	-
- utilisation of previously unrecognised tax losses	(4)	-	-	-
- under/(over) accrual in prior year	1	(1)	2	-
Effective tax rate	19	22	13	29

Subject to the agreement by the tax authorities, as at 31 January 2005, one of the Group's subsidiary has unutilised reinvestment allowances, amounting to RM2,444,840 (2004: RM2,444,840) for which no credit has been recognised.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

10 Earnings per share

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2005	2004
Net profit for the financial year (RM)	44,448,300	60,929,520
Weighted average number of ordinary shares in issue	320,632,830	320,632,830
Basic earnings per share (sen)	13.86	19.00

(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 assessing the dilution in earnings per share arising from the issue of options, a calculation is done to determine the number of shares that could have been acquired at market price. 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 in the calculation of the diluted earnings per share from the issue of the options.

	Group	
	2005	2004
Net profit for the financial year (RM)	44,448,300	60,929,520
Weighted average number of ordinary shares in issue	320,632,830	320,632,830
Adjustments for share options	150,750	166,667
Weighted average number of ordinary shares for diluted earnings per share	320,783,580	320,799,497
Diluted earnings per share (sen)	13.86	18.99

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

11 Dividend in respect of ordinary shares

Dividend declared or proposed in respect of ordinary shares for the financial year are as follows:

	Group and Company			
	2005		2004	
	Gross dividend per share sen	Amount of dividend, net of tax RM	Gross dividend per share sen	Amount of dividend, net of tax RM
Final dividend	2.5	5,771,391	2.0	4,617,113

At the forthcoming Annual General Meeting on 22 June 2005, a first and final gross dividend in respect of the financial year ended 31 January 2005 of 2.5 sen per share (2004 : 2.0 sen per share), less income tax of 28%, amounting to RM5,771,391 will be proposed for shareholders' approval. These financial statements reflect this first and final dividend as an appropriation from retained earnings into a proposed dividend reserve.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

12 Property, plant and equipment

Group 2005	Freehold land		Long term leasehold land		Building	Plant and machinery	Furniture fixtures, fittings and equipment		Motor vehicles	Gymnasium and electrical equipment	Renovation	Capital work-in-progress	Total
	RM	RM	RM	RM			RM	RM					
Cost													
At 1 February 2004	36,966,183	2,888,091	24,592,063	11,592,388	7,053,582	327,479	1,831,462	1,074,923	10,546,701	96,872,872			
Additions	-	-	-	2,825,640	729,141	285,184	-	334,427	2,725,106	6,899,498			
Disposals	-	-	-	(7,000)	(2,990,714)	-	(1,234,526)	-	-	(4,232,240)			
Write off	-	-	-	-	(107,291)	-	(160,885)	-	-	(268,176)			
Reclassification	-	-	3,173,074	7,874,727	-	-	-	-	(11,047,801)	-			
Currency translation differences	-	-	156,629	-	-	-	-	-	-	-			156,629
At 31 January 2005	36,966,183	2,888,091	27,921,766	22,285,755	4,684,718	612,663	436,051	1,409,350	2,224,006	99,428,583			
Accumulated depreciation													
At 1 February 2004	-	22,000	1,087,305	2,813,845	2,174,974	6,335	842,836	196,161	-	7,143,456			
Charge for the financial year	-	11,000	719,436	2,174,030	1,408,151	126,382	435,152	242,498	-	5,116,649			
Disposals	-	-	-	(525)	(1,130,388)	-	(721,867)	-	-	(1,852,780)			
Write off	-	-	-	-	(76,277)	-	(157,550)	-	-	(233,827)			
Currency translation differences	-	-	1,828	148	141	355	-	81	-	2,553			
At 31 January 2005	-	33,000	1,808,569	4,987,498	2,376,601	133,072	398,571	438,740	-	10,176,051			
Accumulated Impairment losses													
At 1 February 2004/	-	-	-	-	-	-	-	-	-	-			
At 31 January 2005	-	-	-	-	20,507	-	-	-	-	20,507			
Net book value													
At 31 January 2005	36,966,183	2,855,091	26,113,197	17,298,257	2,287,610	479,591	37,480	970,610	2,224,006	89,232,025			

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

12 Property, plant and equipment (cont'd)

Group 2004	Freehold land		Long term leasehold land		Building		Plant and machinery		Furniture fixtures, fittings and equipment		Motor vehicles		Gymnasium and electrical equipment		Renovation		Capital work-in-progress		Total RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Cost																			
At 1 February 2003	36,966,183	2,888,091	19,813,846	10,888,295	6,020,851	312,993	1,698,471	686,977	3,611,878	82,887,585									
Additions	-	-	4,804,839	810,049	1,308,197	523,711	132,991	675,640	6,934,823	15,190,250									
Disposals	-	-	(26,622)	(102,156)	(30,330)	(509,225)	-	-	-	(668,333)									
Write off	-	-	-	(3,800)	(245,136)	-	-	(287,694)	-	(536,630)									
At 31 January 2004	36,966,183	2,888,091	24,592,063	11,592,388	7,053,582	327,479	1,831,462	1,074,923	10,546,701	96,872,872									
Accumulated depreciation																			
At 1 February 2003	-	11,000	541,621	1,330,636	954,782	54,482	420,821	87,998	-	3,401,340									
Charge for the financial year	-	11,000	569,644	1,488,709	1,345,507	89,513	422,015	210,196	-	4,136,584									
Disposals	-	-	(23,960)	(5,044)	(9,968)	(137,660)	-	-	-	(176,632)									
Write off	-	-	-	(456)	(115,347)	-	-	(102,033)	-	(217,836)									
At 31 January 2004	-	22,000	1,087,305	2,813,845	2,174,974	6,335	842,836	196,161	-	7,143,456									
Accumulated Impairment losses																			
At 1 February 2003	-	-	-	-	-	-	-	-	-	-									
Impairment loss for the financial year	-	-	-	-	20,507	-	-	-	-	20,507									
At 31 January 2004	-	-	-	-	20,507	-	-	-	-	20,507									
Net book value																			
At 31 January 2004	36,966,183	2,866,091	23,504,758	8,778,543	4,858,101	321,144	988,626	878,762	10,546,701	89,708,909									

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

12 Property, plant and equipment (cont'd)

	Group	
	2005 RM	2004 RM
Net book value of assets pledged as security for a term loan (Note 25)		
- long term leasehold land and building	22,279,942	17,682,731
- plant and machinery	10,784,690	3,837,562
	33,064,632	21,520,293

The net book value of plant and machinery under hire purchase and finance lease arrangements at the end of the financial year amounted to RM1,663,106 (2004: RM2,559,030).

Company	Computer RM	Furniture, fixtures, fittings and equipment RM	Total RM
2005			
Cost			
At 1 February 2004	40,470	41,741	82,211
Additions	33,046	61,356	94,402
At 31 January 2005	73,516	103,097	176,613
Accumulated depreciation			
At 1 February 2004	9,440	6,998	16,438
Charge for the financial year	11,683	10,459	22,142
At 31 January 2005	21,123	17,457	38,580
Net book value			
At 31 January 2005	52,393	85,640	138,033
Company 2004			
Cost			
At 1 February 2003	26,745	26,076	52,821
Additions	13,725	15,665	29,390
At 31 January 2004	40,470	41,741	82,211
Accumulated depreciation			
At 1 February 2003	2,823	2,129	4,952
Charge for the financial year	6,617	4,869	11,486
At 31 January 2004	9,440	6,998	16,438
Net book value			
At 31 January 2004	31,030	34,743	65,773

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

13 Subsidiaries

	Company	
	2005 RM	2004 RM
Unquoted shares, at cost	16,281,388	15,785,622

The details of subsidiaries are as follows:

Name of company	Place of incorporation	Principal activities	Group's effective interest	
			2005 %	2004 %
Diversified Healthcare Services Sdn Bhd	Malaysia	Healthcare management services	78.15	78.15
Macro Lynx Sdn Bhd (formerly known as Gold Information Systems Sdn Bhd)	Malaysia	Broadband web based solutions	100.00	100.00
LA Residence Sdn Bhd	Malaysia	Property holding	100.00	100.00
Multistock Sdn Bhd	Malaysia	Investment trading	100.00	100.00
GoldChina Sdn Bhd	Malaysia	Investment holding	90.00	90.00
Sweat Club Sdn Bhd	Malaysia	Development and management of fitness centres, trading of sports equipment and sports wear	100.00	100.00
Macro Kiosk Berhad	Malaysia	Mobile communications technology provider	70.00	70.00
iPanel Malaysia Sdn Bhd +	Malaysia	Sale of electronic products and intelligent facilities management system	51.00	-
Held by Diversified Healthcare Services Sdn Bhd				
Ecofen Marketing Sdn Bhd	Malaysia	Sale of audiology products	78.15	78.15
HOE Pharmaceuticals Sdn Bhd	Malaysia	Manufacturer of pharmaceutical products	78.15	78.15

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

13 Subsidiaries (cont'd)

Name of company	Place of incorporation	Principal activities	Group's effective interest	
			2005 %	2004 %
Living Tree Pharmacy Sdn Bhd	Malaysia	Retailer of pharmaceutical products and herbal medicine. The company ceased operations during the year	78.15	78.15
Diversified Healthcare Services (Hong Kong) Ltd +	Hong Kong	Healthcare management services	78.15	78.15
Langkah Motivasi (M) Sdn Bhd	Malaysia	Dormant	78.15	78.15
Novalac (Malaysia) Sdn Bhd (formerly known as HOE Baby Products Sdn Bhd)	Malaysia	Sale of baby products	78.15	78.15
Held by Macro Lynx Sdn Bhd (formerly known as Gold Information Systems Sdn Bhd)				
Hibits Sdn Bhd	Malaysia	Dormant	100.00	100.00
Held by Macro Kiosk Berhad				
Macro Kiosk International Sdn Bhd+	Malaysia	Dormant	70.00	70.00
Macro Kiosk Pte Ltd +	Singapore	Mobile communications technology provider	70.00	-
Macro Kiosk Ltd +	Thailand	Mobile communications technology provider	70.00	-

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

13 Subsidiaries (cont'd)

Name of company	Place of incorporation	Principal activities	Group's effective interest	
			2005 %	2004 %
Held by GoldChina Sdn Bhd				
Rowille Investment Co. Ltd +	Hong Kong	Investment holding	90.00	90.00
Tramex Pte Ltd +	Singapore	Investment holding	90.00	90.00
Gold China (Shanghai) Co. Ltd +	People's Republic of China	Management consultancy services	90.00	-
Gold Water Pte Ltd +	Singapore	Investment holding and provision of pure water and waste water treatment plants and related services	90.00	90.00
Manax Limited +	Hong Kong	Investment holding	90.00	90.00
Held by Gold Water Pte Ltd				
Gold Water (Shanghai) Co. Ltd +	People's Republic of China	Provision of engineering services for pure water and waste water treatment plants and related services.	90.00	-
Held by Manax Limited				
Tianjin Manax Natural Fibre Thin Film Co. Ltd +	People's Republic of China	Paper manufacturing	72.00	72.00

+ Not audited by PricewaterhouseCoopers

- On 10 February 2004, the Group via its subsidiary, Macro Kiosk Berhad ("MKB") incorporated a 100% subsidiary in Singapore under the name of Macro Kiosk Pte Ltd ("MKPL"), with a paid-up capital of 2 ordinary shares of SD\$1.00 nominal value. Subsequently, on 20 August 2004, MKPL has increased its paid-up capital to SD\$100,000 by capitalising the sum of SD\$99,998 being part of the amount due to MKB.
- On 29 April 2004, the Group via its subsidiary, Gold Water Pte Ltd incorporated a 100% subsidiary in Shanghai under the name of Gold Water (Shanghai) Co Ltd, with a paid up capital of USD500,000.
- On 26 August 2004, the Group via its subsidiary, GoldChina Sdn Bhd incorporated a 100% subsidiary in Shanghai known as Gold China (Shanghai) Co. Ltd., with a paid up capital of USD140,000.
- On 8 October 2004, the Company entered into a Shares Sale Agreement with Ecossem Sdn Bhd, a jointly controlled entity, for the acquisition of 510,000 ordinary shares of RM1.00 each representing 51% equity interest in iPanel Malaysia Sdn Bhd for a total purchase consideration of RM495,767.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

13 Subsidiaries (cont'd)

(e) On 7 January 2005, the Group via its subsidiary, Macro Kiosk Berhad invested 490,000 Baht in Macro Kiosk Ltd, a company incorporated under the Civil and Commercial Code of Thailand. The registered capital of the Company is 1,000,000 Baht, made up of 4,900 "B" shares of 100 Baht each and 5,100 "A" shares of 100 Baht each. The Company subscribed for 4,900 B shares, at par (490,000 Baht), where every "B" share carries 1 vote, which gives the "B" Shareholders 98.967% voting rights. The other shareholders from Thailand have subscribed for 5,100 "A" shares also at par where every 100 "A" Shares carries 1 vote, which gives the "A" Shareholders a total of 51 votes or 1.033% of the votes and a non-cumulative dividend of 2.5 Baht per annum.

14 Associates

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Investments, at cost:				
Quoted in Malaysia				
- Ordinary shares	640,971,311	576,856,451	604,509,876	541,381,455
- Warrants	-	-	-	-
- Irredeemable Cumulative Preference Shares	-	18,853,021	-	18,128,421
Unquoted ordinary shares outside Malaysia	747,979	-	747,979	-
	641,719,290	595,709,472	605,257,855	559,509,876
Add: Group's share of post-acquisition profits and reserves	78,748,439	56,947,256	-	-
	720,467,729	652,656,728	605,257,855	559,509,876

	Group	
	2005 RM	2004 RM
Analysis of associates is as follows:		
Share of net assets	755,904,671	688,093,670
Less: Reserve on consolidation	(35,436,942)	(35,436,942)
	720,467,729	652,656,728
Market value :		
- Ordinary shares	507,033,343	436,829,152
- Warrants	-	27,300,250
- Irredeemable Cumulative Preference Shares	-	18,174,251

During the financial year, the Group converted a total of 19,082,521 Irredeemable Cumulative Preference Shares ("ICPS") to ordinary shares of IGB at the conversion price of RM1.33 per ordinary IGB Corporation Berhad ("IGB") Share.

The Group exercised a total of 45,000,000 Warrants at an exercise price of RM1.00 each on the basis of one new IGB share with one warrant attached for every four existing IGB shares held.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

14 Associates (cont'd)

Although, at balance sheet date, the Group's cost of investment in quoted shares of an associate exceeded its market value, the associate is profitable and its attributable net tangible assets is above the cost of investment. As such, the Directors are of the opinion that no impairment loss is necessary.

	2005 RM	2004 RM
Share of capital commitments - property, plant and equipment	103,832,033	108,525
Share of contingent liabilities	142,207,664	128,114,775

The details of associates are as follows:

Name of company	Place of incorporation	Principal activities	Group's effective interest	
			2005 %	2004 %
IGB Corporation Berhad	Malaysia	Investment holding and property development	28.02	28.94
iPanel Pte Ltd +	Singapore	Sale of electronic products and intelligent facilities management system	30.00	-

+ Not audited by PricewaterhouseCoopers

On 8 October 2004, the Company entered into a Shares Sale Agreement with Ecosem Sdn Bhd, a jointly controlled entity, for the acquisition of 136,500 ordinary shares of SD\$1.00 each representing 30% equity interest in iPanel Pte Ltd.

15 Jointly controlled entities

	Company	
	2005 RM	2004 RM
Unquoted shares, at cost	16,000,000	14,200,000
	Group	
	2005 RM	2004 RM
Share of net assets of jointly controlled entities	73,885,219	69,850,466

The Company and certain subsidiaries have interest in jointly controlled entities to undertake the development of various projects.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

15 Jointly controlled entities (cont'd)

The details of jointly controlled entities are as follows:

Name of company	Place of incorporation	Principal activities	Group's effective interest	
			2005 %	2004 %
Beijing Jili Plaza Development Co Ltd +	People's Republic of China	Property investment	45.00	45.00
Ecosem Sdn Bhd +	Malaysia	Investment holding and research, development, assembly, packaging and testing of semiconductor chips and manufacture of digital power products	40.00	40.00

+ Not audited by PricewaterhouseCoopers

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

	Group	
	2005 RM	2004 RM
Property, plant and equipment	90,845,012	87,801,618
Investment	1,230,678	1,135,329
Current assets	29,349,321	25,212,138
Current liabilities	(26,030,478)	(40,300,298)
Non-current liabilities	(21,509,314)	(3,998,321)
Net assets	73,885,219	69,850,466

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

	Group	
	2005 RM	2004 RM
Revenue	20,771,302	19,093,898
Expenses	(17,283,772)	(16,994,445)
Profit from ordinary activities before taxation	3,487,530	2,099,453
Taxation	(1,509,079)	(360,000)
Profit from ordinary activities after taxation	1,978,451	1,739,453

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

16 Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group	
	2005 RM	2004 RM
Deferred tax assets	(1,477,165)	(231,607)
Deferred tax liability:	-	826,200
	(1,477,165)	594,593
At 1 February	594,593	260,022
Charged/(Credited) to income statement:		
- property, plant and equipment	(1,369,677)	79,619
- tax losses	(234,432)	26,181
- accruals	(467,649)	228,771
	(2,071,758)	334,571
At 31 January	(1,477,165)	594,593

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

	Group	
	2005 RM	2004 RM
Subject to income tax:		
Deferred tax assets (before offsetting)		
- property, plant and equipment	(566,073)	(20,962)
- tax losses	(622,441)	(388,009)
- accruals	(489,390)	(45,649)
	(1,677,904)	(454,620)
Offsetting	200,739	223,013
Deferred tax assets (after offsetting)	(1,477,165)	(231,607)
Deferred tax liabilities (before offsetting)		
- property, plant and equipment	149,254	973,820
- accruals	51,485	75,393
	200,739	1,049,213
Offsetting	(200,739)	(223,013)
Deferred tax liabilities (after offsetting)	-	826,200

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

16 Deferred tax (cont'd)

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

	Group	
	2005 RM	2004 RM
Deductible temporary differences	4,909,000	3,566,515
Tax losses	5,996,000	5,860,833
	10,905,000	9,427,348
Deferred tax assets not recognised at 28%	3,053,400	2,639,657

17 Inventories

	Group	
	2005 RM	2004 RM
At cost:		
Raw materials	8,345,358	4,435,711
Work-in-progress	9,470,163	215,925
Finished goods	6,052,414	4,347,771
	23,867,935	8,999,407

18 Quoted investments

	Group	
	2005 RM	2004 RM
At cost:		
Quoted shares in Malaysia	455,466	547,291
Less: Allowance for diminution in value	(394,133)	(310,333)
	61,333	236,958
Market value of quoted shares in Malaysia	109,564	289,923

19 Amounts due from subsidiaries

The amounts due from subsidiaries are denominated in Ringgit Malaysia. They represent unsecured advances with no fixed terms of repayment and bear interest ranging from 2% to 4% (2004: 2% to 4%) per annum.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

20 Amounts due from associates

The amounts due from associates are denominated in Ringgit Malaysia and are unsecured, interest free and have no fixed terms of repayment.

21 Receivables, deposits and prepayments

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade receivables	73,605,745	55,699,920	-	-
Less: Allowance for doubtful debts	(2,067,713)	(750,000)	-	-
	71,538,032	54,949,920	-	-
Deposits	1,137,326	406,982	6,550	3,750
Prepayments	299,082	1,277,567	-	-
Amount due from a jointly controlled entity	16,514,050	15,850,346	112,755	-
Other receivables	9,406,428	1,454,936	6,970	23,211
Less: Allowance for doubtful debts	(1,429,507)	(1,429,507)	-	-
	7,976,921	25,429	6,970	23,211
	97,465,411	72,510,244	126,275	26,961
The currency exposure profile of trade receivables is as follows:				
- Ringgit Malaysia	28,172,669	11,796,597		
- US Dollar	24,085,267	20,797,984		
- Singapore Dollar	2,078,138	1,786,558		
- Chinese Renminbi	14,612,106	14,653,938		
- Pound Sterling	635,509	2,223,716		
- Hong Kong Dollar	3,803,524	4,031,607		
- Euro	195,068	377,182		
- Brunei Dollar	23,464	32,338		
	73,605,745	55,699,920		

Credit terms of trade receivables range from 30 to 90 days (2004: 30 to 90 days).

Amount due from a jointly controlled entity represents unsecured advances which is interest free and has no fixed terms of repayment.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

22 Cash and cash equivalents

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Deposits with licensed banks	4,823,358	12,419,371	3,586,299	9,286,826
Bank and cash balances	22,627,754	15,468,645	1,526,561	2,997
Deposits, cash and bank balances	27,451,112	27,888,016	5,112,860	9,289,823
Less:				
- Deposits pledged	(773,681)	(5,528,614)	(271,352)	(3,042,422)
- Bank overdrafts (Note 26)	(2,830,653)	(1,796,545)	-	-
	23,846,778	20,562,857	4,841,508	6,247,401
The currency exposure profile of cash and cash equivalents is as follow:				
- Ringgit Malaysia	7,889,903	6,362,510	4,841,508	6,247,401
- US Dollar	4,591,577	8,299,073	-	-
- Singapore Dollar	845,535	40,054	-	-
- Chinese Renminbi	10,346,114	5,553,201	-	-
- Hong Kong Dollar	122,027	277,823	-	-
- Thai Baht	48,363	-	-	-
- Euro	3,259	30,196	-	-
	23,846,778	20,562,857	4,841,508	6,247,401

Deposits of the Group and Company have an average maturity of 30 days (2004: 30 days). Bank balances are deposits held at call with banks except for deposits of the Group and Company amounting to RM773,681 (2004: RM5,528,614) and RM271,352 (2004: RM3,042,422), respectively, which are pledged to secure the revolving credit as disclosed in Note 25 to the financial statements.

	Group and Company	
	2005 RM	2004 RM
Weighted average effective interest rates		
Deposits with licensed banks	2.8	2.8
Interest rates during the financial year		
Deposits with licensed banks	2.8	2.8

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

23 Payables and accruals

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade payables	11,705,161	13,880,370	-	-
Other payables	13,312,066	14,640,726	312,300	382,301
Amount due to a jointly controlled entity	10,047,724	8,818,897	-	-
Accruals	13,444,729	2,693,308	447,399	25,000
Deposits received	1,968,849	1,567,671	-	-
Hire-purchase and finance lease payables (Note 27)	618,368	745,598	-	-
	51,096,897	42,346,570	759,699	407,301
The currency exposure profile of trade payables is as follows:				
- Ringgit Malaysia	9,099,891	4,771,826	-	-
- US Dollar	1,329,941	4,026,795	-	-
- Chinese Renminbi	1,113,482	4,811,888	-	-
- Singapore Dollar	161,847	159,483	-	-
- Euro	-	110,378	-	-
	11,705,161	13,880,370	-	-

Credit terms of trade payables is 60 days (2004: 60 days).

Amount due to a jointly controlled entity represents unsecured advances, which is interest free and has no fixed terms of repayment.

24 Amount due to a related company

The amount due to a related company are denominated in Ringgit Malaysia and is unsecured, interest free and has no fixed terms of repayment.

25 Bank borrowings

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Current					
Secured:					
- Revolving credit	(a)	45,600,646	3,893,340	40,000,000	-
- Term loans	(b)	18,834,642	20,696,628	-	-
		64,435,288	24,589,968	40,000,000	-

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

25 Bank borrowings (cont'd)

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Unsecured:					
- Revolving credit		24,739,160	24,832,544	-	-
- Trust receipts/Bankers' acceptances		10,026,873	4,064,430	-	-
		34,766,033	28,896,974	-	-
		99,201,321	53,486,942	40,000,000	-
Non-current					
Secured:					
- Term loans	(b)	21,604,435	13,823,367	-	-
Total					
- Revolving credit		70,339,806	28,725,884	40,000,000	-
- Term loans	(b)	40,439,077	34,519,995	-	-
- Trust receipts/Bankers' acceptances		10,026,873	4,064,430	-	-
		120,805,756	67,310,309	40,000,000	-
The currency exposure profit of bank borrowings is as follow:					
Ringgit Malaysia		60,492,010	17,583,935	40,000,000	-
US Dollar		27,296,392	26,725,884	-	-
Chinese Renminbi		33,017,354	23,000,490	-	-
		120,805,756	67,310,309	40,000,000	-

(a) Revolving credit

The Group's revolving credit is secured by fixed deposit held by the Company and a subsidiary (Note 22) and the investment in an associate of 161,036,000 ordinary shares held by the Group, of which 90,036,000 ordinary shares are secured over the Company's revolving credit.

(b) Term loans

The repayment terms of the term loans are as follows:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Current				
Payable within 12 months	18,834,642	20,696,628	-	-
Non-current				
Payable between 1 to 2 years	10,467,751	8,668,857	-	-
Payable between 2 to 5 years	11,136,684	5,154,510	-	-
	21,604,435	13,823,367	-	-
	40,439,077	34,519,995	-	-

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

25 Bank borrowings (cont'd)

The term loans are secured by means of a fixed charge on a long term leasehold land and building and plant and machinery of the subsidiaries (Note 12).

	Group		Company	
	2005 %	2004 %	2005 %	2004 %
Weighted average effective interest rates:				
Term loans:				
- secured	6.60	4.90	-	-
Revolving credits:				
- unsecured	4.40	4.10	-	-
- secured	3.50	3.40	-	-
Trust receipts	6.00	6.00	-	-
Bankers' acceptances	3.60	4.16	-	-
Interest rates during the financial year:				
Term loans:				
- secured	5.70 - 6.91	5.31 - 5.75	-	-
Revolving credits:				
- unsecured	3.40 - 4.40	3.35 - 4.65	-	-
- secured	3.50 - 5.30	2.62 - 2.85	4.03 - 4.06	-
Trust receipts	6.00	6.00	-	-
Bankers' acceptances	3.97	4.13	-	-

26 Bank overdrafts

The interest rates for the financial year was 6.80% to 7.20% (2004: 7.25% to 7.65%) per annum for the Group. As at 31 January 2005, the effective interest rate applicable to bank overdraft was at 6.80% (2004: 7.42%) per annum.

All bank overdrafts are unsecured and denominated in Ringgit Malaysia.

27 Hire-purchase and finance lease payables

	Group	
	2005 RM	2004 RM
Hire-purchase and finance lease liabilities		
Minimum payments:		
- Not later than 1 year	686,720	841,542
- Later than 1 year not later than 5 years	827,949	330,458
	1,514,669	1,172,000
Less: Future finance charges	(150,191)	(134,650)
Present value of liabilities	1,364,478	1,037,350

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

27 Hire-purchase and finance lease payables (cont'd)

	Group	
	2005	2004
	RM	RM
Present value of liabilities:		
- Not later than 1 year (Note 23)	618,368	745,598
- Later than 1 year not later than 5 years	746,110	291,752
	1,364,478	1,037,350

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

28 Share capital

	Group and Company	
	2005	2004
	RM	RM
Ordinary shares of RM1.00 each:		
Authorised	1,000,000,000	1,000,000,000
Issued and fully paid	320,632,830	320,632,830

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 31 January 2002, for a period of five years, in accordance with the ESOS Bye-Laws.

The main features of the ESOS are as follows:

- (i) Eligible persons are employees and Executive 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 Gold IS Group or the former Tan & Tan Group but subsequently employed by and on the payroll of any company comprised in the Gold IS 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 1,000 shares nor more than the maximum allowable allotment.
- (v) The number of shares under option or the subscription price or both, so far as the options remain unexercised, shall be adjusted following any variation in the issued share capital of the Company by way of capitalisation of profit or reserves, rights issue, reduction, subdivision or consolidation of capital.

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

28 Share capital (cont'd)

(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.

Grant date	Expiry date	Exercise price RM/share	Number of shares			
			At 1.2.2004	Granted	Exercised	At 31.1.2005
29 September 2003	31 January 2007	1.00	500,000	-	-	500,000
					2005	2004
Number of share options vested at balance sheet date					500,000	500,000

29 Retained earnings and proposed dividend reserve

There are sufficient Section 108 tax credits to frank all the proposed dividend reserve and RM12,686,079 (2004: RM2,055,185) of the retained earnings of the Company as at 31 January 2005 if paid out as dividends.

30 Disposal of subsidiary

In the previous financial year, a wholly-owned subsidiary, Tramex Pte Ltd dispose off its entire shareholding of 5,555 ordinary shares of HKD1.00 each in Carney Investment Limited (Carney) to Bai Qiang Hong Pte Ltd, a related party by virtue of its 44.5% substantial shareholding in Carney and a company controlled by a jointly controlled entity's partner, for a consideration of approximately RM26,576,875. Carney Investment Limited's principal assets are investment in an associate, GTB Holdings Limited.

The effect of the disposal on the Group's results in the previous financial year was as follows:

	2004 RM
Operating expenses	(73,578)
Share of results of associates	8,969,463
Gain on disposal of a subsidiary	10,887,707
Profit before taxation	19,783,592
Taxation	(2,973,527)
Profit after taxation	16,810,065

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

30 Disposal of subsidiary (cont'd)

The cash flow attributable to Carney Investment Limited in the previous financial year was as follows:

	2004
	RM
Operating activities	202,646
Investing activities	(612,184)
Financing activities	409,335
Net cash flow on disposal	<u>22,053,658</u>
Total cash flows	<u>22,053,455</u>

The net cash flow on disposal is determined as follows:

	At date of disposal
	RM
Total proceeds from disposal	26,576,875
Less: Purchase consideration discharged by property, plant and equipment	<u>(4,504,365)</u>
Net disposal proceeds	22,072,510
Cash and cash equivalent of subsidiary disposed of	<u>(18,852)</u>
Net cash inflow on disposal	<u>22,053,658</u>

The effect of disposal on the financial position of the Group in the previous financial year was as follows:

	At date of disposal
	RM
Associate	35,357,888
Receivables, deposits and prepayments	6,931,798
Cash and bank balances	18,852
Payables and accruals	(26,907,269)
Minority interest	<u>(2,188)</u>
Group's share of net assets	15,399,081
Reclassification from shareholders' equity:	
- goodwill previously written off to reserves	457,587
- exchange fluctuation difference	<u>(167,500)</u>
Total proceeds from disposal	<u>26,576,875</u>
Gain on disposal of a subsidiary	<u>10,887,707</u>

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

31 Capital commitments

Capital commitments not provided for in the financial statements are as follows:

	Group and Company	
	2005 RM	2004 RM
Authorised and contracted for:		
- purchase of land	15,990,000	-
- renovation	597,877	-
- purchase of machineries	-	1,196,580
	16,587,877	1,196,580

32 Contingent liabilities

	Company	
	2005 RM	2004 RM
Guarantees issued to banks for banking facilities extended to subsidiaries	93,600,000	47,425,844

33 Significant related party disclosures

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

<u>Related party</u>	<u>Relationship</u>
IGB Corporation Berhad	Associate

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

	Group	
	2005 RM	2004 RM
Related companies (Subsidiaries of IGB Corporation Berhad)		
- Mid Valley City Management Services Sdn Bhd Rental of premises	1,341,864	1,376,848
- Mid Valley City Sdn Bhd Sale of services	131,000	-
- IGB Properties Sdn Bhd Rental of premises	348,730	50,006
- Tan & Tan Realty Sdn Bhd Rental of premises	342,788	261,821

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

33 Significant related party disclosures (cont'd)

As at 31 January 2005, there are no individual significant outstanding balances arising from the above related party transactions (other than normal trade transactions) during the financial year.

34 Significant non-cash transactions

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

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Acquisition of property, plant and equipment by means of hire-purchase and finance lease	1,166,079	570,000	-	-
Purchase consideration of investment in a subsidiary and an associate set off against amount due from a jointly controlled entity	1,000,000	-	1,000,000	-
Capitalisation of amount due from subsidiaries	-	-	-	12,084,000
Sale proceeds from disposal of Carney, a subsidiary, discharged by property, plant and equipment	-	4,506,365	-	-

35 Fair value of financial instruments for disclosure purposes

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

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

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

35 Fair value of financial instruments for disclosure purposes (cont'd)

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

	Note	2005		2004	
		Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial assets					
Unquoted investments		1,904,663	*	1,643,033	*
Quoted investments	18	61,333	109,564	236,958	289,923
Financial liabilities					
Bank borrowings:					
- Term loans	25	21,604,435	22,752,420	13,823,367	14,443,553
Hire-purchase and finance lease payables	27	1,364,478	1,336,692	1,037,350	1,028,030

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

36 Significant events during the financial year

Proposed Listing of Macro Kiosk Berhad (formerly known as Macro Kiosk Sdn Bhd), a 70% subsidiary of Gold IS Berhad, on Malaysian Exchange of Securities Dealing and Automated Quotation Berhad ("MESDAQ") market of Bursa Malaysia Securities Berhad.

On 30 August 2004, Macro Kiosk Berhad (formerly known as Macro Kiosk Sdn Bhd) had submitted an application to the Securities Commission to seek an admission and the listing of a quotation of the entire enlarged issued and paid up share capital of the company of RM20,400,000 comprising 204,000,000 ordinary shares of RM0.10 each on the Official List of the MESDAQ market which involved the following proposals:

- Proposed Share Split by way of sub-division of its existing ordinary shares of RM1.00 each into ordinary shares of RM0.10 each. Pursuant thereto, the existing authorised, issued and paid up share capital of the company will be revised from RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each to RM5,000,000 comprising 50,000,000 ordinary shares of RM0.10 each ("MKB Shares");
- Proposed Special Issue of such number of MKB Shares to Commerce International Merchant Bank Berhad ("CIMB") equivalent to RM1,000,000 in part settlement of the advisory fee payable to CIMB amounting to RM1,000,000. Assuming at an indicative issue price of RM1.10 per shares, CIMB shall be entitled to approximately 909,000 new MKB Shares;
- Proposed Public Issue of 17,091,000 new MKB Shares at an indicative issue price of RM1.10 per MKB Share, payable in full on application, to the eligible Directors and employees of MKB and Gold IS Berhad, the holding company of MKB, Malaysian public and identified investors in conjunction with the proposed listing; and

Notes To The Financial Statements (cont'd)

for the financial year ended 31 January 2005

36 Significant events during the financial year (cont'd)

- (d) Proposed Bonus Issue of 136,000,000 new MKB Shares on the basis of two (2) MKB Shares for every one (1) MKB Share held after the Proposed Special Issue and Proposed Public Issue but prior to the completion of the Proposed Listing.

As at 31 January 2005, the company is still awaiting for approval from the Securities Commission for the proposed listing in the MESDAQ market.

37 Significant event subsequent to the balance sheet date

On 14 March 2005, Bursa Malaysia Depository Sdn Bhd had approved the application by IGB Corporation Berhad, an associate, for the transfer of Kris Components Berhad shares pursuant to the capital distribution-in-specie of 77,669,000 ordinary shares of RM1.00 each in Kris Components Berhad by IGB Corporation Berhad to its shareholders via a reduction of share premium account pursuant to Section 64 of the Companies Act, 1965.

On 6 April 2005, the Company and its wholly owned subsidiary, Multistock Sdn Bhd had received 21,113,184 ordinary shares of RM1.00 each representing 6.39% of the issued and paid-up share capital of Kris Components Berhad.

38 Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 5 May 2005.

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 Gold IS Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 28 to 74 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 January 2005 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of Companies Act, 1965.

Signed in accordance with a resolution of the Board of Directors dated 5 May 2005.

Tan Lei Cheng

Director

Tan Boon Lee

Director

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Leong Kok Chi, the officer primarily responsible for the financial management of Gold IS Berhad, do solemnly and sincerely declare that the financial statements set out on pages 28 to 74 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 5 May 2005, before me.

Ngui Kee Heong

Commissioner for Oaths

Kuala Lumpur

Report Of The Auditors

to the members of Gold IS Berhad

We have audited the financial statements set out on pages 28 to 74. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :

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

(ii) the state of affairs of the Group and Company as at 31 January 2005 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

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

The names of the subsidiaries of which we have not acted as auditors are indicated in note 13 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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

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

PricewaterhouseCoopers
(AF: 1146)
Chartered Accountants

Shirley Goh
(1778/08/06(J))
Partner of the firm

5 May 2005

List Of Properties

as at 31 January 2005

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 commercial land for development of a 40 storey office building	N/A	36,966	100	31/1/2002
Lot 10, Jalan Sultan Mohd 6 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan Malaysia	99 years commencing 30 March 1994	2.40 acres	2 storey building comprising office, laboratory and factory	4	17,263	78.15	31/1/2002
Lot W-31-02 Yang-Wang-Kong Road North Shi-Ge-Zhuang Town Wuqing District Tianjin People's Republic of China	50 years commencing 22 July 1994	16.47 acres	3 single storey office building, 3 factories and a single storey ancilliary building	11	7,112	72	31/1/2002
Residential properties							
Unit 4-05, Level 13 Lanes 1 to 4 Xinzhong Street Gong Ti Bei Lu Dong Cheng District Beijing 100027 People's Republic of China	70 years commencing 28 April 2001	0.063 acres / 256.09 m2	Service Apartment unit	2	1,594	90	27/1/2004
Unit 4-05, Level 6 Lanes 1 to 4 Xinzhong Street Gong Ti Bei Lu Dong Cheng District Beijing 100027 People's Republic of China	70 years commencing 28 April 2001	0.063 acres / 256.09 m2	Service Apartment unit	2	1,553	90	27/1/2004
Unit 4-06, Level 6 Lanes 1 to 4 Xinzhong Street Gong Ti Bei Lu Dong Cheng District Beijing 100027 People's Republic of China	70 years commencing 28 April 2001	0.059 acres / 240.55 m2	Service Apartment unit	2	1,446	90	27/1/2004

N/A = not applicable

Analysis Of Shareholdings

as at 22 April 2005

SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000.00
Issued and Paid-Up Share Capital	:	RM320,632,830.00
Type of shares	:	Ordinary shares of RM1.00 each

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	%	No. of Shares	%
Less than 100	14	0.26	559	0.00
100 to 1,000	2,259	42.30	2,231,756	0.70
1,001 to 10,000	2,669	49.97	10,135,563	3.16
10,001 to 100,000	310	5.80	8,945,474	2.79
100,001 to less than 5% of issued capital	84	1.57	169,186,914	52.77
5% and above of issued shares	5	0.09	130,132,564	40.59
	Total	5,341	320,632,830	100.00

THIRTY LARGEST SHAREHOLDERS

No	Name	Shares Held	%
1.	Permodalan Nasional Berhad	41,929,000	13.08
2.	Wah Seong (Malaya) Trading Co. Sdn Bhd	26,089,356	8.14
3.	Tan Kim Yeow Sendirian Berhad	24,414,208	7.61
4.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tan Chin Nam Sdn Bhd	20,500,000	6.39
5.	Tan Chin Nam Sdn Bhd	17,200,000	5.36
6.	HSBC Nominees (Asing) Sdn Bhd - HPBS SG for Kenderlay Ltd	12,524,000	3.91
7.	MIDF SISMA Nominees (Asing) Sdn Bhd Pledged securities account for Far East Equity Ltd	10,361,000	3.23
8.	MIDF SISMA Nominees (Asing) Sdn Bhd Pledged securities account for Scorpio Ventures Ltd	9,770,000	3.05
9.	Public Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Chin Nam Sdn Bhd	7,200,000	2.25
10.	Wah Seong (Malaya) Trading Co. Sdn Bhd	6,935,000	2.16
11.	Ke-Zan Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd for Tan Kim Yeow Sendirian Berhad	6,178,200	1.93

Analysis Of Shareholdings (cont'd)

as at 22 April 2005

THIRTY LARGEST SHAREHOLDERS

No	Name	Shares Held	%
12.	Employees Provident Fund Board	5,649,000	1.76
13.	Wah Seong Enterprises Sdn Bhd	5,647,071	1.76
14.	AMMB Nominees (Tempatan) Sdn Bhd, AmBank Berhad for Wah Seong (Malaya) Trading Co. Sdn Bhd	5,500,000	1.72
15.	BBL Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Chin Nam	5,470,377	1.71
16.	HK 28 Limited	5,177,510	1.61
17.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Chin Nam Sdn Bhd	5,000,000	1.56
18.	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Smallcap Fund	4,803,700	1.50
19.	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Ripley Services Limited	4,331,300	1.35
20.	Dato' Tan Chin Nam	4,222,000	1.32
21.	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Timbarra Services Limited	4,117,500	1.28
22.	Tan Chin Nam Sdn Bhd	4,067,939	1.27
23.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	3,444,000	1.07
24.	Lembaga Tabung Angkatan Tentera	3,212,000	1.00
25.	Scanstell Sdn Bhd	3,078,000	0.96
26.	Mayban Nominees (Asing) Sdn Bhd DBS Bank for Ripley Services Limited	2,921,900	0.91
27.	Dato' Tan Chin Nam	2,818,800	0.88
28.	Classlant Sdn Bhd	2,467,000	0.77
29.	Tentang Emas Sdn Bhd	2,447,000	0.76
30.	AMMB Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for HLG Penny Stock Fund	2,393,200	0.75

Analysis Of Shareholdings (cont'd)

as at 22 April 2005

SUBSTANTIAL SHAREHOLDERS AS AT 22 APRIL 2005

(excluding bare trustees)

	NUMBER OF SHARES HELD			
	Direct	%	Indirect	%
Permodalan Nasional Berhad	41,929,000	13.08	-	-
Dato' Tan Chin Nam	12,506,177	3.90	116,448,466	36.32
Tan Chin Nam Sdn Bhd	57,114,139	17.81	59,334,327	18.51
Tan Kim Yeow Sdn Bhd	32,146,408	10.03	56,256,327	17.54
Wah Seong (M) Trading Co Sdn Bhd	43,839,156	13.67	12,417,171	3.87
Robert Tan Chung Meng	745,787	0.23	88,402,735	27.57
Tony Tan@Choon Keat	-	-	88,402,735	27.57
Pauline Tan Suat Ming	120,833	0.04	88,402,735	27.57
Yayasan Pelaburan Bumiputra	-	-	41,929,000	13.08

DIRECTORS' SHAREHOLDINGS

	NUMBER OF SHARES HELD			
	Direct	%	Indirect	%
Tan Lei Cheng	1,945,907	0.61	-	-
Pauline Tan Suat Ming	120,833	0.04	88,402,735	27.57
Tan Boon Lee	2,036,657	0.64	-	-
Tan Kim Leong	-	-	-	-
Daud Mah bin Abdullah	-	-	-	-
Harun bin Hashim Mohd	-	-	-	-

GOLD IS BERHAD
(515802-U)

PROXY FORM

No. of ordinary shares held

I/We _____

of _____

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

_____ of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fifth Annual General Meeting of the Company to be held at the Function Room, Mezzanine Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur on Wednesday, 22 June 2005 at 3.00 p.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

No.	Resolution	For	Against
1	Adoption of Financial Statements and Reports		
2	Payment of Directors' fees		
3	Declaration of First & Final Dividend		
4	Re-election of Ms. Tan Lei Cheng		
5	Re-election of Ms. Pauline Tan Suat Ming		
6	Re-election of Encik Harun Bin Hashim Mohd		
7	Re-appointment of Messrs PricewaterhouseCoopers		
8	Authorization for Directors to issue shares		
9	Proposed Change of Name		

Signature/Common Seal of shareholder _____ Date : _____

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy, who need not be a member, to vote in his stead and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if the appointer is a corporation, either under its common seal or under the hand of a duly authorized officer or attorney.
3. The Proxy Form shall be deposited at the Registered Office of the Company, Penthouse, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the meeting.

Then fold here

AFFIX STAMP

The Company Secretary
Gold IS Berhad (515802-U)
Penthouse, Menara Tan & Tan
207 Jalan Tun Razak,
50400 Kuala Lumpur

1st fold here

GOLD IS BERHAD (515802-U)

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