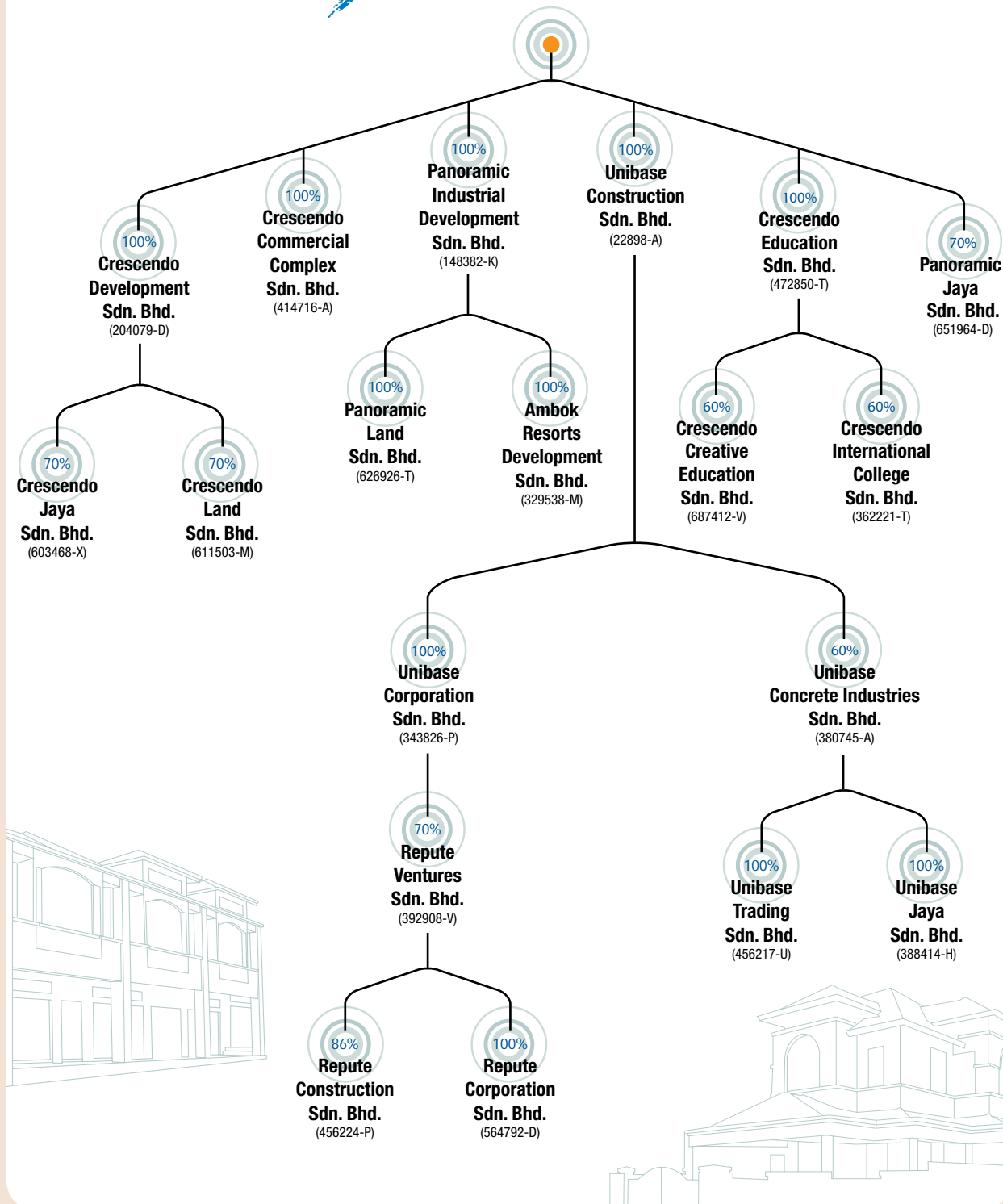


Group Structure

as at 31 January 2006

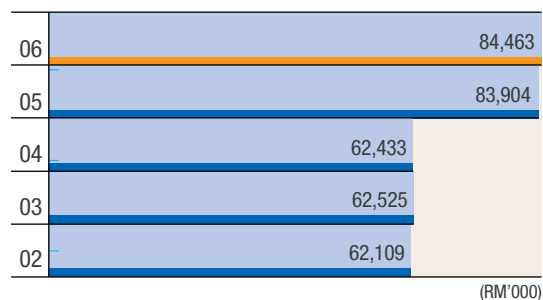


Group

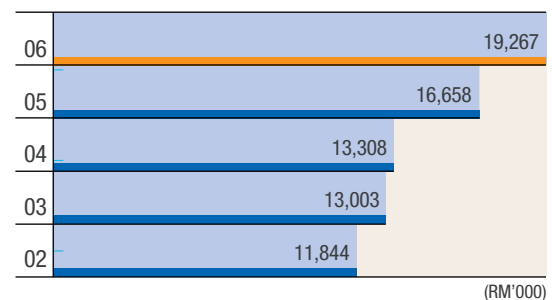
Financial Highlights

	2002	2003	2004	2005	2006
Income Statement (RM'000)					
Revenue	62,109	62,525	62,433	83,904	84,463
Profit before tax	17,747	17,286	17,642	23,083	25,534
Profit after tax	11,844	13,003	13,308	16,658	19,267
Dividend (%)	5.0	5.0	6.0	7.0	7.0
Balance Sheet (RM'000)					
Paid-up share capital	108,496	111,166	117,985	143,670	143,752
Shareholders' equity	220,222	232,399	247,253	296,850	308,587
Total assets	247,878	330,407	341,706	377,558	386,043
Per Share (Sen)					
Earnings	11	12	11	12	13
Net tangible assets	205	209	210	207	215
Weighted average number of shares in issue ('000)	108,496	109,296	113,649	135,804	141,573
Financial Ratio (%)					
Return on shareholders' equity (Pre-tax)	8.0	7.4	7.1	7.8	8.3
Return on total assets (Pre-tax)	7.2	5.2	5.2	6.1	6.6

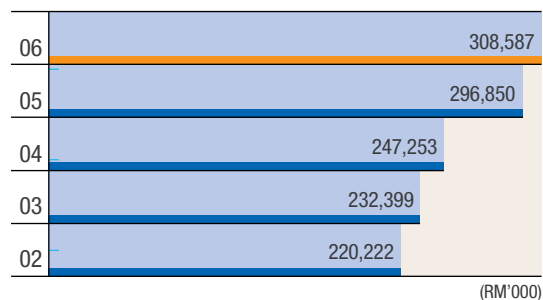
Revenue (RM'000)



Profit After Tax (RM'000)



Shareholders' Equity (RM'000)



Earnings Per Share (sen)



Statement On Corporate Governance

INTRODUCTION

The Board of Directors of CCB believes that good corporate governance is fundamental to the Group's continued success. To this, the Board is fully committed to its policy on managing the affairs of the Group with transparency, integrity and accountability by ensuring that a sound framework of corporate governance practices are in place at all levels of the Group's business thus discharging its principal responsibility towards protecting and enhancing long-term stakeholders' value and investors' interest consistent with the principles and best practices as enshrined in the Malaysian Code on Corporate Governance ("the Code").

The Board is pleased to present the following report on the application of principles and compliance with best practices as set out in the Code during the financial year ended 31 January 2006.

THE BOARD OF DIRECTORS

The Board has delegated specific responsibilities to five committees, namely, the Audit, Nomination, Remuneration, Risk Management and ESOS Committees, which operate within approved terms of reference. These Committees have the authority to examine particular issues according to their terms of reference and report to the Board their recommendations. The ultimate responsibility for final decision on all matters, however, lies with the Board.

The Board leads and controls the Group and is responsible for among other things, the review and adoption of a strategic plan for the Group, overseeing of business performance, ensuring the adoption of appropriate risk management system and ensuring the establishment of proper internal control system.

The Group acknowledges the importance of corporate governance in enhancing its business prosperity and corporate accountability with the objective of realising long term shareholders' value, whilst taking into account the interest of other stakeholders.

The Group will continue to endeavour to comply with all the key principles of the Code in an effort to observe a high standard of transparency, accountability and integrity. This is to sustain optimal governance with conscientious accountability for continuous effectiveness, efficiency and competitiveness of the Group.

Composition and Balance

The control environment sets the tone for the Group and it is driven by an effective Board of Directors consisting of competent individuals with appropriate specialist skills and knowledge to ensure capable management of the Group. The Board is responsible for overseeing the conduct and performance of the Group's businesses and provides an oversight to the Group's internal controls. The composition of independent and non-independent Directors is carefully considered to ensure that the Board is well balanced.

The Board comprises Loo Geok Eng (f), who is the Executive Chairman, Gooi Seong Lim who is the Managing Director, three (3) Executive Directors and two (2) Independent Directors (of which, one is appointed as the Senior Independent Director). Collectively the Directors bring a wide range of business, financial and technical experiences for an effective management of the Group's businesses. The Independent Directors fulfil their role by providing objective judgement and participation in the decision making process. A profile of each Director is presented on pages 9 to 12 of this Annual Report.

The Group practises a division of responsibilities between the Executive Chairman and the Group Managing Director and there is a balance of Executive and Independent Directors. The roles of the Chairman and Managing Director are separate and clearly defined and are held by two persons.

The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director has the overall responsibility over the day-to-day running of the business and implementation of Board policies and decisions.

The Board has initiated a process of evaluation carried out by the Remuneration Committee annually. The evaluation process includes assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director. Through the Nomination Committee, the Board will also annually review its required mix of skills and experiences and other qualities, including core competencies which Non-executive Directors should bring to the Board.

The Board has appointed Mr Gan Kim Guan to act as the Senior Independent Non-executive Director of the Board to whom concerns regarding the Group may be conveyed to.

The Board is satisfied that the current Board composition fairly represents the interest of minority shareholders in the Company.

Statement On Corporate Governance (cont'd)

Board Meetings

Board meetings are scheduled at least once every quarter, with additional meetings convened as and when required. During the financial year ended 31 January 2006, there were five (5) Board meetings. The Directors attended a majority of the Board meetings held during their tenure.

The composition of the Board and the attendance of each Director at the Board meetings held during the financial year are as follows: -

Name of Director	Status of Directorship	Attendance Of Meetings
Loo Geok Eng (f)	Executive Chairman	4 of 5
Gooi Seong Lim	Managing Director	5 of 5
Gooi Seong Heen	Executive Director	4 of 5
Gooi Seong Chneh	Executive Director	5 of 5
Gooi Seong Gum	Executive Director	5 of 5
Gan Kim Guan	Senior Independent Director	5 of 5
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Director	5 of 5
Datuk Haji Mohd Zamani bin Samah (Demised 29.12.2005)	Independent Chairman	4 of 5
Gooi Seow Mee (Retired 28.07.2005)	Executive Director	3 of 3
Mathew K. Mathai (Resigned on 19.07.2005)	Non-Executive Director	2 of 3

Appointment and election to the Board

There is in place a formal and transparent procedure for the appointment of new Directors to the Board. The proposed appointment of new member (s) of the Board as well as the proposed re-appointment/re-election of Directors seeking re-appointment/re-election at the Annual General Meeting ('AGM') are recommended by the Nomination Committee to the Board for its approval. The Nomination Committee of the Board was established on 27 March 2002 to identify, nominate and recommend the appointments of Directors to the Board and Committees of the Board.

Director's Training

All Directors have attended the Continuous Education Programme as required by Bursa Securities to keep abreast with relevant new regulatory development on a continuous basis. In addition, Board members keep abreast with the general economic, industry and technical development by their attendance at various seminars and conferences and further enhance their skills, knowledge and experience in order to fulfil their duties as Directors.

Information for the Board

The Chairman plays a key role to ensure that all Directors have full and timely access to information. All Directors are provided with an agenda and a set of comprehensive Board papers, issued with sufficient time prior to Board meetings to ensure that the Directors can appreciate the issues to be deliberated and where necessary, to obtain further explanation. The Board papers include updates on financial, operational and corporate developments of the Group.

Board papers are also presented with details on other issues that may require the Board's deliberation or decisions, policies, strategic issues which may affect the Group's business and factors imposing potential risks affecting the performance of the Group.

Other matters highlighted for the Board's decision include the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

Statement On Corporate Governance (cont'd)

In exercising their duties, the Directors have access to all information within the Group and to the advice and service of the Company Secretary, who is responsible for ensuring that Board meeting procedures are followed and all applicable rules and regulations are complied with.

In exercising their duties, the Directors whether as a Board Committee or in their individual capacity, in furtherance of their duties, may seek independent professional advice at the Company's expenses.

Board Committee

The Board has established the following Board Committees to assist the Board in the execution of its responsibilities. The number of meetings of the Board Committees held during the financial year were:

Audit Committee	4 meetings
Nomination Committee	3 meetings
Remuneration Committee	1 meeting

The terms of reference of each committee have been approved by the Board, the salient terms of reference and frequency of meetings are as follow: -

Audit Committee

- The terms of reference of the Audit Committee are set out under the Audit Committee Report on pages 26 to 29 of this Annual Report.
- The Audit Committee meets at least once every quarter.

Nomination Committee

- The terms of reference of the Nomination Committee are set out under the Nomination Committee Report on page 31 of this Annual Report.
- The Nomination Committee meets as and when required, and at least once a year.

Remuneration Committee

- The terms of reference of the Remuneration Committee are set out under the Remuneration Committee Report on page 30 of this Annual Report.
- The Remuneration Committee meets as and when required, and at least once a year.

Directors' Remuneration

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

The Remuneration Committee recommends to the Board, the framework of the Executive Director's remuneration and the remuneration package for each Executive Director. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of these Directors. Save that the fees of the Directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, the determination of the remuneration packages of Non-executive Directors (whether in addition to or in lieu of their fees as Directors), is a matter for the Board as a whole. Individual Director does not participate in decision regarding his/her own remuneration package.

The remuneration package of the Directors is as follows:

Basic salary

The basic salary (inclusive of statutory employer contributions to the Employee Provident Fund) for every Executive Director is recommended by the Remuneration Committee, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar positions in a selected group of comparable companies. The salary is reviewed annually.

Fees

The Board, based on the fixed sum as authorised by the Group's shareholders, determines fees payable to Directors after considering comparable industry rates and the level of responsibilities undertaken by them.

Statement On Corporate Governance (cont'd)

Bonus scheme

The Group operates a bonus scheme for all employees, including the Executive Directors. The criteria for the scheme is dependent on the level of profit achieved from certain aspects of the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors are reviewed by the Remuneration Committee and approved by the Board.

Directors' Share Option

The Group also rewards staff with share options under its Employee Share Option Scheme. The movement in Directors' share options during the financial year ended 31 January 2006 are set out on page 46 of this Annual Report.

A summary of the remuneration of the Directors for the year ended 31 January 2006, distinguishing between Executive and Non-executive Directors in aggregate, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive band of RM50,000 are set out as follows:

Aggregate Remuneration	Executive Directors (RM'000)	Non-executive Directors (RM'000)	Total (RM'000)
Fees	45	174	219
Salary & Other Emoluments	1,394	10	1,404

The number of Directors of the Company who served during the financial year and whose income from the Company falling within the following bands are:

Analysis of Remuneration	Executive Directors (RM'000)	Non-executive Directors (RM'000)
0 – RM50,000	-	1
RM50,001 – RM100,000	1	3
RM100,001 – RM150,000	1	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	2	-
Above RM300,001	2	-

INVESTORS AND SHAREHOLDERS RELATIONSHIP

As a public listed company, CCB acknowledges the need for transparency and disclosure in its business dealings.

The Group values its dialogue with shareholders and recognises that timely dissemination of relevant information is important. In this regard, it strictly adheres to the disclosure requirements of the Bursa Securities and the Malaysian Accounting Standards Board. The Annual Report is also an important channel of communication to reach shareholders and investors as it provides comprehensive information pertaining to the Group.

In addition, the Group recognises the need for an independent third party assessment of itself. In this regard, it conducts briefing to the Press on the results, performance and the potential of new developments of the Group. The briefings enable a direct and frank dialogue on the affairs of the Group with people who are highly focused on business affairs of corporations.

Statement On Corporate Governance (cont'd)

The AGM is the principal forum of dialogue with shareholders. Notice of AGM together with a copy of the Company's Annual Report is sent to shareholders at least twenty one (21) days prior to the meeting. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution. Much effort is undertaken by the Company to produce an Annual Report which is informative with facts and figures, and a statutory report with disclosures and explanatory notes.

At the AGM, the Board presents the progress and performance of the Group as contained in the Annual Report and shareholders are encouraged to participate and are given every opportunity to raise question or seek more information during the meeting. The Managing Director and Board members are available to respond to all shareholders' queries.

Apart from the AGM and Annual Reports, the financial highlights are disseminated on a quarterly basis to Bursa Securities. Other public information and significant items affecting the Group are reported through the Bursa Securities from time to time via announcements. Analyst briefing is carried out as and when the need arises.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial positions and future prospects in all their reports to shareholders, investors and regulatory authorities. This is done through the timely release of quarterly report. In addition, an annual assessment is provided in the Annual Report through the Chairman's Statement.

The Board is conscious of their responsibilities over the Group's financial statements. All results, prior to their release to the public, are tabled and scrutinised at the Audit Committee and Board meetings to ensure that it presents a balanced and understandable assessment of the Group's performance and prospects.

A Statement of Directors of their responsibilities in preparing the financial statements is set out in page 24 of this Annual Report.

Internal Control

The Board acknowledges that it is responsible for maintaining a sound system of internal control, which provides reasonable assessment of effective and efficient operations, financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. A Statement on Internal Control, which provides an overview of the state of internal control within the Group is set out on pages 22 to 23 of this Annual Report.

Relationship with the Auditors

Through the Audit Committee, the Group has established a good working relationship with its External Auditors. The Audit Committee has always maintained a professional relationship with the External Auditors. The Company's External Auditors are elected every year during the AGM.

The role of the Audit Committee in relation to the External Auditors is set out in page 26 to 29 of this Annual Report.

Corporate Social Responsibility

The Group is committed to be a responsible corporate citizen and firmly believes that the community is also a stakeholder. The Group is continuing its effort in landscaping the open spaces, parks and roads to beautify and green Desa Cemerlang and Taman Perindustrian Cemerlang to achieve a clean, green and healthy environment which have surpassed the standards required by local authorities.

Other Information Pursuant To The Listing Requirements of Bursa Securities

In compliance with the Listing Requirements of Bursa Securities, the following information is provided:

1) Utilisation of Proceeds

During the financial year, there were no proceeds raised by the Company from any corporate proposals.

2) Share Buy-Back

During the financial year, the Company purchased a total of 284,700 units of its shares and these are currently held as treasury shares. The Company is seeking a renewal of shareholders' mandate for the Share Buy-Back at the forthcoming Annual General Meeting.

Statement On Corporate Governance (cont'd)

3) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued to any parties during the financial year other than those disclosed in the financial statements.

4) American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR.

5) Sanctions and/or Penalties

During the financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory authorities.

6) Non-audit fees

There are no non-audit fees paid and payable to the External Auditors, CS Tan & Associates, during the financial year.

7) Variation in results

There was no material variation between the results for the financial year and the unaudited results previously announced.

8) Profit Guarantee

No profit guarantee was given by the Company in respect of the financial year.

9) Material Contracts involving Directors and major shareholders' interest

There were no material contracts entered into by the Company and its subsidiaries involving Directors and/or major shareholders and/or related parties.

10) Revaluation Policy

The Group's revaluation policy is stated in Note 3 (c) to the Financial Statements.

11) Recurrent related-party transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 34 to the Financial Statements.

CONCLUSION

This Statement is made in accordance with a resolution of the Board dated 27 June 2006 .



Statement On Internal Control

1. INTRODUCTION

Paragraph 15.27(b) of the Listing Requirements of the Bursa Malaysia Securities Berhad requires the Board to make a statement in the Company's Annual Report about the state of its internal controls. The Malaysian Code on Corporate Governance requires all listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets.

Accordingly, the Board is pleased to set out below the Statement on Internal Control ('Statement') that was prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies issued by Bursa Securities. The Board recognises that the practice of good governance is an important continuous process. Set out below are the outline of the key elements of internal control for the financial year ended 31 January 2006.

2. BOARD RESPONSIBILITIES

The Board acknowledges its responsibilities for maintaining sound internal control systems to safeguard shareholders' interests and the Group's assets; and for reviewing the adequacy and integrity of these systems. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable rather than absolute assurance against material misstatement or loss. The process to identify, evaluate and manage the significant risks is a concerted and continuing effort throughout the financial year under review. This process is regularly reviewed by the Board.

The Board sets the policy on internal controls after conducting a proper assessment of operational and financial risks by considering the overall control environment of the organisation and an effective monitoring mechanism. The Group Managing Director and his management carry out the process of implementation and maintenance of the control systems. Except for insurable risks where insurance covers are purchased, other risks are reported on a general reporting basis to and managed by the respective Boards within the Group.

The Board confirms that the risk management process is an ongoing process to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of the Group's business and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risks and measures are taken to mitigate any weaknesses in the control environment.

3. KEY INTERNAL CONTROL PROCESSES

A. RISK MANAGEMENT FRAMEWORK

The Board has established an organisational structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit Committee to include monitoring of all internal controls on its behalf, with the assistance of the Internal Audit Department ("IAD").

The Group has put in place a Risk Management Committee ("RMC") that is chaired by the Managing Director and comprises Executive Directors, Heads of Divisions & Departments ("HODS") and includes representatives from operations. Heads of Operations are trained to lead the risk management function of their respective operations. The RMC is tasked to develop and maintain an effective risk management system in the Group. Reviews are to cover matters such as responses to major risks identified, changes to internal control systems and outputs from monitoring processes. The RMC reports to the Audit Committee on a regular basis.

The Group's risk management system was developed in 2002 internally. Risk assessment and evaluation will form an integral part of the annual strategic planning cycle. Having identified the risks involved in achieving strategic, financial and operational, and other business objectives, each operation is required to document actions to mitigate all identified significant risk. New areas will be introduced for assessment as the business risk profile changes.

Under this system, each section of the Group, will prepare a 'risk map' which will summarise risks, controls and processes for managing them with the means of assuring management that the controls and processes are effective. The RMC will also consider any risks to the Group's strategic objectives, which are not addressed by the operations. The risk maps and any proposed changes to the controls and processes are reported to the RMC. A summary is then furnished for consideration by the Audit Committee.

Statement On Internal Control (cont'd)

B. INTERNAL AUDIT FUNCTION

The Internal Audit Function has been undertaken by the IAD of the Group's holding company, Sharikat Kim Loong Sendirian Berhad. The Board has chosen to outsource this audit function as the Board is of the opinion that the operations of the Group by itself cannot support an effective IAD in terms of availability of appropriate skills and resources.

The IAD undertakes regular reviews of the Group's operations and their systems of internal control. They provide continuous improvement to the controls and risk management procedures. Internal audit findings are discussed at management level and actions are agreed in response to the Internal Auditors recommendations. The status of implementation of the agreed actions are followed up by the Internal Auditors to ensure that satisfactory control is maintained.

The IAD regularly reports on compliance with internal control and procedures to the Audit Committee. They also ensure that recommendations to improve control are being followed through by the management. The Audit Committee reviews all internal audit findings and management responses and the effectiveness of the risk management process. Significant risk issues are referred to the Board for consideration. The Board reviews the minutes of the Audit Committee meetings.

C. OTHER KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the procedures established by the Board which provides effective internal control include: -

- An organisational structure with clearly defined authority limits and reporting mechanism to higher levels of management and to the Board, which supports the maintenance of a strong control environment.
- A recruitment and promotion policy that ensures appropriate persons of calibre are selected to fill positions available.
- Specific responsibilities have been delegated to relevant Board Committees, all of which have formalised terms of reference. These committees have the authority to examine all matters within their scope and report to the Board with their recommendations.
- Regular site visits to the operations within the Group by members of the Board and senior management.
- Periodic management meetings are held to provide a forum where management undertakes overall responsibility for periodic reviews of the risk management system. The risk based decisions shall be made at the operating company level where knowledge and expertise reside. Executive Directors and managers responsible for the operations play an integral part in monitoring the effectiveness of risk management in their activities.
- The Finance Department monitors the active subsidiaries' performances through the monthly management accounts and ensure control accounts are reconciled with the subsidiary records
- The staff is provided with the necessary resources to enable the achievement of corporate objectives and ensuring the existence of an adequate system of internal control and carrying out risk management activities.
- Asset counts are done on a periodical basis and reconciled to the underlying records. All access to the assets and records of the Group are controlled to safeguard assets and reduce the risk against unauthorised access.

There were no material internal control failures nor reported weaknesses which resulted in material losses or contingencies during the financial year.

4. CONCLUSION

The Board is of the view that the system of internal control in place for the year under review and up to the date of issuance of the audited financial statements is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees and the Group's assets.

The External Auditors have reviewed this Statement on Internal Control pursuant to paragraph 15.24 of the Listing Requirements of Bursa Securities and have reported to the Board that it appropriately reflects the processes that the Board adopts in reviewing the adequacy and integrity of the system of internal control.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 June 2006.

Statement On Directors' Responsibilities

In Respect of The Audited Financial Statements

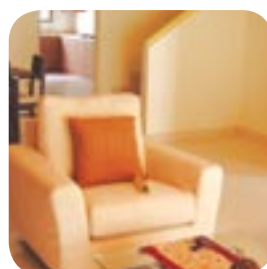
The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and their results and cash flows for the financial year then ended. As required by the Act and of the Listing Requirements of Bursa Securities, the Financial Statements have been prepared in accordance with the applicable approved accounting standard in Malaysia and the provisions of the Act.

Therefore, in preparing these financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Act. The Directors have overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 June 2006.





*The splendour of
Grandeur*





Audit Committee Report

MEMBERS

The Audit Committee comprises two (2) Independent Non-executive Directors and one (1) Executive Director as at the date of this report. The members are:

Chairman : Gan Kim Guan
(Senior Independent Non-executive Director & Member of the Malaysian Institute of Accountants)

Members : Yeo Jon Tian @ Eeyo Jon Thiam
(Independent Non-executive Director)

Gooi Seong Heen
(Executive Director)

Secretaries : Chong Fook Sin
Ng Kam May

THE ROLE OF THE AUDIT COMMITTEE

An independent Audit Committee assists, supports and implements the Board's responsibility to oversee the Company's operations in the following manner:-

- Provide a means for review of the Company's processes for producing financial data; and
- Its internal control and independence of the Company's External and Internal Auditors.

TERMS OF REFERENCE

The terms of reference of the Committee are as follows:

1. Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall be composed of no fewer than three (3) members, the majority of whom shall be Independent Directors as defined in the Listing Requirements of Bursa Securities.

The quorum shall be two (2) members, a majority of whom shall be Independent Directors. The Chairman of the Audit Committee shall be elected by the members of the Audit Committee from amongst their members and shall be an Independent Director.

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 3 years' working experience and:
 - he must have passed the examination specified in Part I of the 1st Schedule to the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II to the 1st Schedule of the Accountants Act 1967

The Company Secretary shall be the Secretary of the Committee.

2. Function of Audit Committee

The Audit Committee shall amongst others, discharge the following functions: -

- (i) To review the following and report the same to the Board;
 - a. with the External Auditors, the audit plan;
 - b. with the External Auditors, their evaluation of the system of internal controls;
 - c. with the External Auditors, the audit report;
 - d. the assistance given by employees of the Group to the External Auditors;

Audit

Committee Report (cont'd)

- e. the adequacy of the scope, functions and resources of the Internal Auditors and that they have the necessary authority to carry out their work;
 - f. the internal audit program, processes, the results of the internal audit or investigation undertaken and whether or not appropriate action has been taken on the recommendations of the Internal Auditors;
 - g. the quarterly reports and year end financial statements, prior to the approval by the Board, particularly on:
 - i) public announcement of results and dividend payments;
 - ii) any changes in or implementation of major accounting policies and practices;
 - iii) major judgemental areas/issues;
 - iv) significant and unusual events;
 - v) compliance with accounting standards; and
 - vi) compliance with stock exchange and other legal requirements.
 - h. any related party transaction and conflict of interest situations that may arise within the Group or the Company including any transaction, procedure or course of conduct that raises questions of management integrity
 - i. any letter of resignation from the External Auditors of the Company; and
 - j. whether there is reason (substantiated) to believe that the Company's External Auditors are not suitable for re-appointment.
- (ii) To recommend the nomination of a person or persons as External Auditors and their remuneration.

3. Rights of Audit Committee

The Audit Committee shall, in accordance with the procedures determined by the Board and at the cost of the Company: -

- a. have authority to investigate any matter within its Terms of Reference;
- b. have the resources which are required to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Group;
- d. have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any);
- e. be able to obtain independent professional advice; and
- f. be able to convene meetings with the External Auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

4. Meetings

During the financial year 2006, the Audit Committee held a total of four (4) meetings. The attendance by each member at the Committee meetings during the year is as follows:

Director	Total number of meetings held in the financial year during Director's tenure in office	Meetings attended by Directors
Gan Kim Guan	4	4
Yeo Jon Tian @ Eeyo Jon Thiam	4	4
Gooi Seong Heen	4	3

Audit

Committee Report (cont'd)

Details of meetings

- 4.1 To form a quorum in respect of a meeting of the Audit Committee, the majority of members present must be Independent Directors
- 4.2 A minimum of four (4) meetings per year are planned, although additional meetings may be called at any time at the Audit Committee Chairman's discretion. An agenda will be sent to all members of the Audit Committee and any other persons who may be required / invited to attend. Quarterly reports and annual financial statements are reviewed by the Audit Committee before presenting to the Board for approval.
- 4.3 In addition to the above, upon request of any member of the Audit Committee, the External Auditors and the Internal Auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider the matters brought to their attention.
- 4.4 Other Directors, representatives of the External Auditors, Accountant, Internal Auditors and other members of senior management or any other relevant employees within the Group may be invited to attend the meetings as determined by the Chairman.
- 4.5 The External Auditors have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee.
- 4.6 Other Directors and employees of the Group may only attend any particular Audit Committee meeting at the Committee's invitation.
- 4.7 The Audit Committee shall regulate its own procedures, in particular:
- the calling of meetings;
 - the notice to be given of such meeting;
 - the voting and proceedings of such meetings;
 - the keeping of the minutes; and
 - the custody, production and inspection of such minutes.

5. Activities During the Financial Year

The Audit Committee met at scheduled times; with due notices of meetings issued; and with agenda planned and itemised so that issues raised were deliberated and discussed in a focused and detailed manner.

During the financial year 2006, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference. The main activities undertaken by the Audit Committee were as follows:

- Reviewed with the External Auditors, their scope of work and annual audit plan and discussed results of their examinations and recommendations.
- Reviewed with the External Auditors, the audit report and internal control recommendations in respect of control weaknesses noted in the course of the audit that require appropriate actions and the Management's responses thereon.
- Reviewed the audited financial statements before recommending them to the Board for their approval.
- Reviewed the Company's compliance, in particular the quarterly reports with the Listing Requirements of Bursa Securities and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
- Reviewed the Internal Audit Department's ("IAD") resource requirement, programmes and plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries.
- Reviewed the internal audit reports presented by the IAD on findings, recommendations and management responses thereto and ensure that material findings are adequately addressed by management. Where required, members of the Audit Committee carried out ground visits to verify significant issues highlighted in the Internal Audit Report.
- Reviewed and recommended for the Board's approval the quarterly reports for announcement to the Bursa Securities in compliance with its Revamped Quarterly Reports pursuant to Listing Requirements.

Audit

Committee Report (cont'd)

- Reviewed and recommended to the Board's adoption of the draft statements included in the Annual Report namely the Audit Committee Report, Statement on Corporate Governance and Statement on Internal Control.
- Reviewed the disclosure on related party transactions entered by the Group and the Company and the appropriateness of such transactions before recommending to the Board for its approval.
- Reviewed the annual audited financial statements of the Group and the Company with the External Auditors prior to submission to the Board for approval. The review entails due compliance with the provisions of the Companies Act, 1965, Listing Requirements of Bursa Securities, applicable approved accounting standards in Malaysia as well as other legal and regulatory requirements.
- Reviewed the outcome of the risk management programme, including key risk identified, the potential impact and the likelihood of the risk occurring, existing controls which can mitigate the risks and action plans.

6. Internal Audit Function

The Internal Audit Function has been outsourced to the IAD of the Group's major shareholder and holding company, Sharikat Kim Loong Sendirian Berhad. The Board has chosen to outsource this audit function as the Board is of the opinion that the operations of the Group by itself cannot support an effective IAD in terms of availability of appropriate skills and resources.

The IAD carries out their audits according to the audit plan approved by the Audit Committee. Risk identification and assessment is carried out as part of the routine audit process, where audit emphasis is given on high and critical risk areas and compliance regulatory guidelines. When a major risk is identified, significant audit resources would be directed to investigate the weakness and to recommend corrective actions.

The main role of the IAD is to provide the Audit Committee with independent and objective reports on the effectiveness of the systems of internal control within the Group. The IAD is independent of the activities they audit and duties are performed with impartiality. The IAD has conducted the evaluation of the systems of internal control that encompasses the Group's governance, operations, and information systems. The internal audit reports were deliberated by the Audit Committee and recommendations were duly acted upon by management.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 June 2006.



Remuneration Committee Report

COMPOSITION OF MEMBERS

The Remuneration Committee comprises the following members: -

Chairman : Yeo Jon Tian @ Eeyo Jon Thiam

Members : Gan Kim Guan
Gooi Seong Lim
Mathew K Mathai (resigned on 19 July 2005)

Secretaries : Chong Fook Sin
Ng Kam May



TERMS OF REFERENCE

(1) Membership

The Remuneration Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise at least three (3) Directors, wholly or a majority of whom are Non-executive Directors.

The members of the Remuneration Committee shall elect the Chairman from amongst their members who shall be a Non-executive Director.

In order to form a quorum in respect of a meeting of the Remuneration Committee, the member present must be wholly or a majority of whom must be Non-executive Directors.

The Company Secretary shall be the Secretary of the Remuneration Committee.

(2) Frequency of Meeting

Meeting shall be held not less than once in a financial year.

(3) Authority

The Remuneration Committee is authorised to draw from outside advice as and when necessary in forming its recommendation to the Board on the remuneration of the Executive Directors in all its forms. Executive Directors should play no part in deciding on their own remuneration and should abstain from discussion of their own remuneration.

(4) Function of Remuneration Committee

The primary function of this Committee is to recommend to the Board the structure and level of remuneration of Executive Directors.

REPORTS AND MINUTES

(1) Reporting Procedures

The Company Secretary shall circulate the minutes of meetings of the Committee to all members of the Board

(2) Summary of Activities of the Remuneration Committee

The Committee met once during the financial year 2006. All members attended the meeting.

The Committee reviewed the current remuneration of the Executive Directors and recommended the levels of remuneration of Executive Directors for the financial year 2006.

Nomination Committee Report

COMPOSITION OF MEMBERS

The Nomination Committee comprises the following members: -

- Chairman** : Yeo Jon Tian @ Eeyo Jon Thiam
- Members** : Gan Kim Guan
Mathew K Mathai (Resigned on 19 July 2005)
- Secretaries** : Chong Fook Sin
Ng Kam May



TERMS OF REFERENCE

(1) Membership

The Committee shall be appointed by the Board from among the Directors of the Company and shall consist exclusively of Non-executive Directors, minimum two (2), a majority of whom are Independent Directors.

The members of the Nomination Committee shall elect the Chairman from among their members who shall be an Independent Director.

In order to form a quorum in respect of a meeting of the Nomination Committee, the member present must be wholly or a majority of whom must be Independent Directors.

The Company Secretary shall be the Secretary of the Nomination Committee.

(2) Frequency of Meeting

Meeting shall be held not less than once in a financial year.

(3) Authority

The Committee is to recommend new nominees for the Board and the Board Committee and to assess Directors on an on-going basis. The actual decision as to who shall be nominated should be the responsibility of the full board after considering the recommendation of the Committee.

(4) Function of Nomination Committee

The duties of the Nomination Committee shall be: -

- (i) to recommend to the Board, candidates for all directorship and in doing so, preference shall be given to shareholders or existing Board members and candidates proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any Director or shareholder may be considered.
- (ii) to recommend to the Board, directors to fill the seats in Board Committees.
- (iii) to review annually, on behalf of the Board, the required mix of skills, experience and other qualities, including core competencies, which Non-executive Directors should bring to the Board.
- (iv) to carry out annually, on behalf of the Board, the assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director

REPORT AND MINUTES

(1) Reporting Procedures

The Company Secretary shall circulate the minutes of the Nomination Committee to all members of the Board.

(2) Summary of Activities of the Nomination Committee

The Committee met three (3) times during the financial year 2006. All members attended the meeting.

The Committee reviewed the overall effectiveness of the Board and recommended for re-election members of the Board retiring at the AGM.

Chairman's Statement



I would like to take this opportunity to thank my fellow Board members for appointing me as the Chairman of the Group with effect from 30 March 2006.

On behalf of the Board of Directors of Crescendo Corporation Berhad, I am pleased to present to you the Annual Report and Audited Accounts for the financial year ended 31 January 2006.

FINANCIAL RESULTS

The Group recorded a 10.6% increase in profit before tax ("PBT") of RM2.5 million as compared to the previous financial year 2005. The revenue and PBT for the financial year 2006 are RM84.5 million and RM25.5 million respectively as compared to RM83.9 million and RM23.1 million respectively for the financial year 2005.

The increase in PBT is mainly due to increase in profit margin as a result of the change in sales mix of industrial and residential/commercial properties.

DIVIDEND

The Board is pleased to recommend for the financial year ended 31 January 2006 a final dividend of 4.0 sen per share, less 28% tax (2005: 4 sen per share, less 28% tax), making a total dividend of 7 sen per share, less 28% tax (2005: 7 sen per share, less 28% tax).

Chairman's Statement (cont'd)



CORPORATE DEVELOPMENTS

- (i) At an Extraordinary General Meeting ("EGM") held on 6 January 2005, the shareholders of the Company approved the acquisition by Panoramic Industrial Development Sdn Bhd ("PID"), a wholly owned subsidiary of the Company, of up to 341.8827 acres of land pursuant to a conditional Development Agreement and Option to Purchase Agreement with Bandar Nusajaya Development Sdn Bhd ("BNDSB"), a wholly owned subsidiary of UEM World Berhad. The said lands will be developed into an industrial park known as Nusa Cemerlang Industrial Park ("NCIP").

The acquisitions are in line with the Group's expansion plan for its core business of property development. The development of NCIP commenced in the financial year 2006 and is expected to contribute positively to the medium and long term profitability of the Group.

Both the Development Agreement and Option to Purchase Agreement became unconditional in December 2005.

- (ii) On 24 March 2005 PID further entered into a Sale and Purchase Agreement with BNDSB to acquire 40.61 acres of land adjacent to NCIP. This acquisition increased the size of NCIP from 341.8827 acres to 382.4927 acres.

The Sale and Purchase Agreement was completed in July 2005.

REVIEW OF BUSINESS ACTIVITIES

INDUSTRIAL PROPERTY DEVELOPMENT

Despite the decrease in the revenue from RM46 million in the financial year 2005 to RM33.7 million for the current financial year, the profit level remained at RM13.4 million in the financial year 2006. This is mainly due to changes in sales mix and sales of properties with higher profit margin.

The industrial property operation is expected to remain as the main profit contributor for the Group in the financial year 2007.

RESIDENTIAL AND COMMERCIAL DEVELOPMENT

The residential/commercial property operation recorded revenue of RM20.8 million in the financial year under review as compared to RM11 million in the previous financial year. The 89% increase in revenue of RM9.8 million arose mainly from sales of residential houses and commercial shop offices.

The profit margin of the residential/commercial properties sector improved from 15.5% in the financial year 2005 to 30.5% in the financial year 2006 due to higher sales of higher profit margin residential and commercial properties.

The residential and commercial development operations are expected to continue to contribute profit positively for the Group in the financial year 2007.

Chairman's Statement (cont'd)



CONSTRUCTION

The profit margin of construction operation for the financial year 2006 remained fairly consistent with the financial year 2005.

The Group is actively sourcing for new external contracts.

MANUFACTURE OF CONCRETE PRODUCTS

There is no significant change in the revenue of the manufacturing operation of concrete products. However, the profit has decreased from RM2.5 million in the financial year 2005 to RM2.2 million in the financial year 2006 mainly due to increase in raw material prices.

We expect the manufacturing operation of concrete products to perform better with the activation of the "Bandar Cemerlang" (proposed name) and NCIP projects.

DEVELOPMENT AND PROSPECTS

The Group expects the growth in property market and construction activity for Johor to be strong in the medium to long term in view of the government's plan to invest RM12.2 billion to develop South Johor Economic Region into a major economic hub under the 9th Malaysia Plan and the spill over effect from the Integrated Resort projects in Singapore.

In the medium to long term, the Group plans to develop the "Bandar Cemerlang" which is expected to generate strong cash inflows for the next 12 to 15 years. The Group expects to launch affordable double storey link houses during the initial phases of this project.

The Group expects to have good demand from both local and foreign investors as well as industrialists for the soon to be launched NCIP. This new development project is strategically located close to the Port of Tanjung Pelepas with exposure and access from the Linkedua Expressway and a network of major highways linking Johor Bahru, Pasir Gudang and Senai Airport. Foreign investors and industrialists, especially those from Singapore, will be interested in investing in the industrial properties of this project as a result of increasing attractiveness of Malaysia as a destination for foreign direct investment. This project is expected to contribute profits from the financial year 2008 onwards and will contribute positively to the medium and long term profitability of the Group.

For the financial year 2007, the Group will continue to construct shop offices, double storey terrace houses and detached factories in Desa Cemerlang and Taman Perindustrian Cemerlang. The completion of the interchange at Desa Cemerlang has further enhanced the attractiveness of the already well accepted residential garden and industrial park. Even though there is ample liquidity in the banking system which provides property buyers easy access to affordable financing, the Group is cautious in view of the current oversupply of residential properties in the surrounding area and the expected increase in interest rate in the short to medium term.

Based on the above factors and barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the financial year ending 31 January 2007.

Chairman's Statement (cont'd)

BOARD MATTERS

On behalf of the Board, I wish to express my deepest sympathy to the family members of our late Chairman, Datuk Haji Mohd. Zamani bin Samah, who passed away on 29th December 2005 and at the same time to register our appreciation to him for his past contributions to the Company.

Ms Gooi Seow Mee, Executive Director, retired on 28th July 2005 while Mr Mathew K. Mathai, Non-executive Director, resigned on 19th July 2005.

APPRECIATION

On behalf of the Board, I wish to express my appreciation to the Management and Staff for their loyal and dedicated services to the Group, and to various government authorities and agencies, bankers, valued customers and suppliers and business associates for their co-operation and continued support.

Finally, I would also like to thank my fellow Board members for their support and the shareholders for their confidence in the Board and Management of the Group.

Loo Geok Eng
Executive Chairman
Johor Bahru, Johor

27 June 2006



Penyata Pengerusi

Saya ingin mengambil peluang ini untuk mengucapkan ribuan terima kasih kepada ahli Lembaga Pengarah di atas perlantikan saya sebagai Pengerusi Kumpulan sejak 30 Mac 2006.

Bagi pihak Lembaga Pengarah Crescendo Corporation Berhad, saya dengan sukacitanya membentangkan Laporan Tahunan dan Akaun Teraudit bagi tahun kewangan 31 Januari 2006.

PRESTASI KEWANGAN

Kumpulan mencatatkan peningkatan 10.6% dalam keuntungan sebelum cukai ("PBT") sebanyak RM2.5 juta berbanding dengan tahun kewangan 2005. Jumlah hasil dan PBT bagi tahun kewangan 2006 masing-masing adalah sebanyak RM84.5 juta dan RM25.5 juta berbanding dengan RM83.9 juta dan RM23.1 juta bagi tahun kewangan 2005.

Peningkatan dalam PBT terutamanya disebabkan oleh peningkatan margin keuntungan, yang berpunca daripada perubahan dalam campuran jualan hartanah perindustrian dan perumahan/komersil.

DIVIDEN

Lembaga Pengarah dengan sukacitanya mencadangkan dividen akhir sebanyak 4.0 sen sesaham, tolak 28% cukai bagi tahun kewangan berakhir 31 Januari 2006 (2005 : 4 sen sesaham, tolak 28% cukai). Ini menjadikan jumlah dividen sebanyak 7 sen sesaham, tolak 28% cukai (2005 : 7 sen sesaham, tolak 28% cukai).



Penyata

Pengerusi (samb)

PERKEMBANGAN KORPORAT

- (i) Pada Mesyuarat Agung Luar Biasa ("EGM") yang diadakan pada 6 Januari 2005, para pemegang saham Syarikat telah meluluskan pengambilalihan tanah seluas 341.8827 ekar menurut Perjanjian Pembangunan dan Perjanjian Opsyen untuk Membeli bersyarat oleh Panoramic Industrial Development Sdn Bhd ("PID"), sebuah subsidiari milik penuh Syarikat, dengan Bandar Nusajaya Development Sdn Bhd ("BNDSB"), sebuah anak syarikat milik penuh UEM World Berhad. Tanah tersebut akan dimajukan menjadi taman perindustrian yang dikenali sebagai Taman Perindustrian Nusa Cemerlang ("NCIP").

Pengambilalihan ini adalah sejajar dengan rancangan perkembangan perniagaan teras Kumpulan dalam pembangunan hartanah. Kerja-kerja pembangunan NCIP telah bermula pada tahun kewangan 2006, dan dijangka memberi sumbangan secara positif kepada keuntungan jangka masa sederhana dan panjang Kumpulan.

Kedua-dua Perjanjian Pembangunan dan Perjanjian Opsyen untuk Membeli telah menjadi tanpa bersyarat pada bulan Disember 2005.

- (ii) Pada 24 Mac 2005, PID seterusnya memeterai Perjanjian Jual Beli dengan BNDSB untuk mengambilalih sebidang tanah seluas 40.61 ekar bersebelahan NCIP. Pengambilalihan ini menambahkan lagi keluasan NCIP daripada 341.8827 ekar kepada 382.4927 ekar.

Perjanjian Jual Beli telah disempurnakan pada bulan Julai 2005.

ULASAN AKTIVITI-AKTIVITI PERNIAGAAN

PEMBANGUNAN HARTANAH PERINDUSTRIAN

Walaupun jumlah hasil berkurangan daripada RM46 juta bagi tahun kewangan 2005 kepada RM33.7 juta bagi tahun kewangan semasa, tahap keuntungan masih kekal pada jumlah RM13.4 juta bagi tahun kewangan 2006. Ini disebabkan oleh perubahan dalam campuran jualan dan penjualan hartanah pada margin keuntungan yang lebih tinggi.

Perusahaan hartanah perindustrian dijangka akan terus kekal menyumbang secara positif kepada keuntungan bagi Kumpulan untuk tahun kewangan 2007.



Penyata

Pengerusi (samb)

PEMBANGUNAN PERUMAHAN DAN KOMERSIL

Perusahaan hartanah perumahan/komersil telah mencatat hasil sebanyak RM20.8 juta bagi tahun kewangan yang ditinjau, berbanding dengan RM11 juta bagi tahun kewangan sebelumnya. Peningkatan 89% dalam hasil sebanyak RM9.8 juta itu sebahagian besar disumbangkan oleh penjualan hartanah perumahan dan rumah kedai komersil.

Margin keuntungan bagi sektor perumahan/komersil meningkat daripada 15.5% bagi tahun kewangan 2005 kepada 30.5% bagi tahun kewangan 2006, disebabkan oleh pertambahan jualan hartanah perumahan dan komersil pada margin keuntungan yang lebih tinggi.

Operasi pembangunan perumahan dan komersil dijangka akan terus menjadi penyumbang utama kepada keuntungan Kumpulan bagi tahun kewangan 2007.

PEMBINAAN

Margin keuntungan bagi operasi pembinaan dalam tahun kewangan 2006 agak sejajar dengan margin keuntungan bagi tahun kewangan 2005.

Kumpulan kini sedang giat berusaha mendapatkan kontrak baru.

PEMBUATAN PRODUK-PRODUK KONKRIT

Tiada perubahan ketara dicatatkan dalam hasil perusahaan pembuatan produk-produk konkrit. Walaubagaimanapun, keuntungan telah berkurangan daripada RM2.5 juta bagi tahun kewangan 2005 kepada RM2.2 juta bagi tahun kewangan 2006, terutamanya disebabkan oleh peningkatan dalam harga bahan-bahan mentah.

Kami menjangkakan perusahaan pembuatan produk-produk konkrit akan menunjukkan prestasi yang lebih baik dengan pelancaran projek-projek Bandar Cemerlang (nama cadangan) dan NCIP.

PERKEMBANGAN DAN PROSPEK

Kumpulan meramalkan pertumbuhan pesat dalam pasaran hartanah dan aktiviti pembinaan bagi Negeri Johor untuk jangka masa sederhana dan panjang berdasarkan rancangan kerajaan untuk melabur sebanyak RM12.2 bilion bagi membangunkan Wilayah Ekonomi Johor Selatan (South Johor Economic Region) menjadi pusat ekonomi utama di bawah Rancangan Malaysia Ke-9 serta hasil sampingan yang dapat dinikmati dan dimanfaatkan daripada projek Resort Bersepadu yang dijalankan di Singapura.

Dalam tempoh jangka masa sederhana dan panjang, Kumpulan akan memajukan projek Bandar Cemerlang yang dijangka berupaya menjana aliran masuk wang tunai yang kukuh dalam tempoh 12 hingga 15 tahun yang akan datang. Kumpulan telah merancang untuk melancarkan rumah teres dua tingkat yang mampu dimiliki pada fasa permulaan projek ini.



Penyata

Pengerusi (samb)

Kumpulan menjangka akan mendapat sambutan yang baik daripada pelabur tempatan dan asing serta usahawan untuk projek NCIP yang akan dilancarkan tidak lama lagi. Projek pembangunan baru ini terletak secara strategik berhampiran dengan Pelabuhan Tanjung Pelepas dengan akses mudah daripada Linkedua Expressway dan rangkaian lebuh raya utama yang menghubungkan Johor Bahru, Pasir Gudang dan Lapangan Terbang Senai. Pelabur asing dan usahawan, terutamanya daripada Singapura, akan berminat untuk melabur dalam projek hartanah perindustrian ini hasil daripada daya tarikan Malaysia yang semakin kuat sebagai destinasi pelaburan langsung asing. Projek ini dijangka akan menyumbang keuntungan untuk tahun kewangan 2008 dan tahun-tahun seterusnya, dan juga akan memberi sumbangan positif kepada keuntungan jangka masa sederhana dan panjang Kumpulan.

Bagi tahun kewangan 2007, Kumpulan akan terus membina rumah kedai, rumah teres dua tingkat dan kilang sesebuah di Desa Cemerlang dan Taman Perindustrian Cemerlang. Penyempurnaan persimpangan utama di Desa Cemerlang telah menambahkan lagi daya tarikan taman perumahan dan perindustrian yang sememangnya telah mendapat sambutan baik. Walaupun terdapatnya kecairan yang tinggi dalam sistem perbankan yang menawarkan pembeli-pembeli hartanah akses mudah pembiayaan perumahan yang berpatutan, Kumpulan sentiasa berwaspada memandangkan terdapatnya penawaran berlebihan bagi hartanah perumahan di kawasan-kawasan yang berhampiran pada masa kini serta kadar faedah yang dijangka akan meningkatkan dalam jangka masa pendek dan sederhana.

Berdasarkan kepada faktor-faktor yang disebutkan di atas dan jika tiada sebarang peristiwa yang tidak diduga berlaku, Lembaga Pengarah menjangka prestasi Kumpulan yang memuaskan bagi tahun kewangan berakhir 31 Januari 2007.

PERKARA-PERKARA LAIN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan ucapan takziah kepada keluarga Allahyarham Datuk Haji Mohd Zamani bin Samah, bekas Pengerusi Kumpulan, yang telah meninggal dunia pada 29 Disember 2005. Kami juga ingin merakamkan setinggi-tinggi penghargaan kepada beliau di atas segala sumbangan yang diberikan kepada Kumpulan.

Cik Gooi Seow Mee, Pengarah Eksekutif, bersara pada 28 Julai 2005 sementara Encik Matthew K. Mathai, Pengarah Bukan-Eksekutif, meletakkan jawatan pada 19 Julai 2005.



Penyata

Pengerusi (samb)

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan kepada pihak Pengurusan dan semua Kakitangan-kakitangan di atas kesetiaan dan dedikasi mereka terhadap Kumpulan. Ucapan terima kasih juga ditujukan kepada jabatan-jabatan dan agensi kerajaan, bank-bank, para pelanggan serta rakan perniagaan di atas kerjasama dan sokongan mereka yang berterusan.

Akhir sekali, saya ingin mengucapkan terima kasih kepada rakan-rakan seperjuangan dalam Lembaga Pengarah di atas sokongan mereka, dan kepada para pemegang saham di atas keyakinan mereka terhadap Lembaga Pengarah dan Pengurusan Kumpulan.

Loo Geok Eng

Pengerusi

Johor Bahru, Johor

27 Jun 2006



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Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2006.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and in the provision of management services to companies in the Group and other related companies.

The subsidiary companies are principally engaged in property development, investment holding, building construction, property investment and management, trading and manufacturing of concrete products, civil engineering works, trading in building materials and providing educational services.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit after tax	19,267,420	6,610,136
Minority interests	(534,311)	-
Profit for the financial year	18,733,109	6,610,136

DIVIDENDS

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

	RM
In respect of the financial year ended 31 January 2005 as shown in the Directors' Report of that year, a final gross dividend of 4.0 sen per share on 141,752,440 ordinary shares, less tax, paid on 15 August 2005	4,082,470
In respect of the financial year ended 31 January 2006, interim gross dividend of 3.0 sen per share on 141,752,440 ordinary shares, less tax, paid on 12 December 2005	3,061,853
	7,144,323

The Directors recommend the payment of a final gross dividend of 4.0 sen per share less tax in respect of the financial year ended 31 January 2006, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND SHARE OPTIONS

During the financial year, the Company issued the following new ordinary shares which ranked pari passu in all respects with the existing ordinary shares of the Company:

- (i) 3,000 ordinary shares of RM1 each arising from the conversion of RM3,000 3% Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("ICULS") at the rate of RM1 nominal value of ICULS for one fully paid ordinary share; and

Directors'

Report (cont'd)

ISSUE OF SHARES AND SHARE OPTIONS (cont'd)

- (ii) 79,000 ordinary shares of RM1 each by virtue of the exercise of 53,000, 5,000 and 21,000 share options pursuant to the Company's Employees' Share Option Scheme at the exercise price of RM1.14, RM1 and RM1.03 per share respectively.

SHARE BUY-BACK AND TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at the Ninth Annual General Meeting held on 28 July 2005, approved the Company's plan to repurchase its own shares up to a maximum of 14,375,244 ordinary shares of RM1 each representing approximately 10% of the total issued and paid up share capital on the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors of the Company are committed to enhancing the shareholders' value and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 284,700 of its issued share capital from the open market on the Bursa Securities for RM264,529. The average price paid for the shares repurchased was approximately RM0.93 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS") which came into effect on 26 June 2002 for a period of 5 years. The ESOS is governed by the By-Laws which was approved by the Securities Commission and shareholders on 28 November 2001 and 8 February 2002 respectively.

The main features of the ESOS are:

- (i) The total number of new ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid up ordinary shares of the Company, such that not more than 50% of the shares available under ESOS is allocated in aggregate, to directors and senior management.
- (ii) Not more than 10% shares available under ESOS is allocated to any individual director or employee who, either singly or collectively through his / her associates, holds 20% or more in the issued and paid up capital of the Company.
- (iii) Only staff and executive directors of the Group are eligible to participate in the scheme. Executive directors are those involved in the day-to-day management and on the payroll of the Group.
- (iv) The option price under the ESOS is the five (5) days weighted average market price of the shares of the Company at the time the option is granted, subject to a discount of not more than ten percent (10%) which the Company may at its discretion decide to give, or the par value of the shares of the Company of RM1, whichever is the higher.
- (v) The options granted will be valid up to the expiry of the ESOS on 25 June 2007.
- (vi) An option holder may, in a particular year, exercise up to such maximum number of shares as specified in the option certificate in accordance with By-Law 7.4. The percentage of options exercisable in each of the year during the period of ESOS is as follows:

Size of share options holdings	Number of share options granted and unexercised as at 31 January 2006	Percentage of options exercisable in financial year	
		2007 %	2008 %
Below 10,000	345,000	100%	-
10,000 to less than 50,000	1,452,000	95%	5%
50,000 to less than 100,000	936,000	87%	13%
100,000 and above	2,358,000	75%	25%
	5,091,000		

Directors'

Report (cont'd)

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

- (vii) The persons to whom the options are granted have no right to participate by virtue of the options in any shares issue of any other company within the Group.
- (viii) Eligible employees are those who have been employed for at least three calendar months of continuous service, after the probation period, and is confirmed in service in any company within the Group.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted option to subscribe for less than 100,000 ordinary shares of RM1 each. During the financial year, none of the employee has been granted more than 100,000 share options.

DIRECTORS

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

Loo Geok Eng (f)	
Gooi Seong Lim	
Gooi Seong Heen	
Gooi Seong Chneh	
Gooi Seong Gum	
Gan Kim Guan	
Yeo Jon Tian @ Eeyo Jon Thiam	
Datuk Haji Mohd. Zamani bin Samah	(Deceased on 29.12.2005)
Gooi Seow Mee (f)	(Retired on 28.7.2005)
Mathew K. Mathai	(Resigned on 19.7.2005)

In accordance with Article 77 of the Articles of Association, GOOI SEONG CHNEH and YEO JON TIAN @ EEYO JON THIAM are required to retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

LOO GEOK ENG (f) retires pursuant to Section 129(2) of the Companies Act, 1965 and resolution will be proposed for her re-appointment as Directors under the provisions of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those disclosed in 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.

Except for the share options granted under the ESOS, neither during nor at the end of the financial year, was the Company a party to any arrangement 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.

Directors'

Report (cont'd)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the Directors who held office at the end of the financial year had, according to the Register of Directors' Shareholdings, any interest in the shares, debentures and options over the shares in the Company and its related corporations except as stated below:

Number of ordinary shares of RM1 each in the Company				
	At 1.2.2005	Bought / Converted	Sold	At 31.1.2006
Loo Geok Eng (f)				
- direct interest	1,721,827	-	-	1,721,827
- indirect interest	94,374,123	-	-	94,374,123
Gooi Seong Lim				
- direct interest	1,787,836	-	-	1,787,836
- indirect interest	94,374,123	-	-	94,374,123
Gooi Seong Heen				
- direct interest	2,142,835	-	-	2,142,835
- indirect interest	94,374,123	-	-	94,374,123
Gooi Seong Chneh				
- direct interest	1,895,836	79,000	-	1,974,836
- indirect interest	94,374,123	-	-	94,374,123
Gooi Seong Gum				
- direct interest	1,835,437	-	-	1,835,437
- indirect interest	94,374,123	-	-	94,374,123
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	-	21,500	-	21,500

Number of ICULS at nominal value of RM1 each in the Company				
	At 1.2.2005	Bought	Converted	At 31.1.2006
Loo Geok Eng (f)				
- indirect interest	8,000,000	-	-	8,000,000
Gooi Seong Lim				
- indirect interest	8,000,000	-	-	8,000,000
Gooi Seong Heen				
- indirect interest	8,000,000	-	-	8,000,000
Gooi Seong Chneh				
- indirect interest	8,000,000	-	-	8,000,000
Gooi Seong Gum				
- indirect interest	8,000,000	-	-	8,000,000

Directors' Report

(cont'd)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Number of options under ESOS over ordinary shares of RM1 each in the Company

	At 1.2.2005	Granted	Exercised	At 31.1.2006
Loo Geok Eng (f)	165,000	21,000	-	186,000
Gooi Seong Lim	329,000	-	-	329,000
Gooi Seong Heen	207,000	-	-	207,000
Gooi Seong Chneh	165,000	21,000	(79,000)	107,000
Gooi Seong Gum	287,000	21,000	-	308,000

Number of ordinary shares of RM1 each in related corporations

	At 1.2.2005	Bought	Sold	At 31.1.2006
Kim Loong Resources Berhad				
Loo Geok Eng (f)	410,000	246,000	-	656,000
Gooi Seong Lim	220,000	232,000	-	452,000
Gooi Seong Heen	170,000	202,000	-	372,000
Gooi Seong Chneh	170,000	165,600	-	335,600
Gooi Seong Gum	155,000	93,000	-	248,000
Crescendo Overseas Corporation Sdn. Bhd.				
Gooi Seong Lim	9,800	-	-	9,800
Gooi Seong Heen	9,800	-	-	9,800
Gooi Seong Chneh	9,800	-	-	9,800
Gooi Seong Gum	9,800	-	-	9,800
Panoramic Housing Development Sdn. Bhd.				
Gooi Seong Lim	4,560	-	-	4,560
Gooi Seong Heen	4,560	-	-	4,560
Gooi Seong Chneh	4,560	-	-	4,560
Gooi Seong Gum	4,560	-	-	4,560

Number of options under ESOS over ordinary shares of RM1 each in related corporation

	At 1.2.2005	Granted	Exercised	At 31.1.2006
Kim Loong Resources Berhad				
Loo Geok Eng (f)	-	318,000	-	318,000
Gooi Seong Lim	-	318,000	-	318,000
Gooi Seong Heen	-	318,000	-	318,000
Gooi Seong Chneh	-	318,000	(63,600)	254,400
Gooi Seong Gum	-	318,000	-	318,000

Directors'

Report (cont'd)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

	Number of warrants in related corporation		
	At 1.2.2005	Alloted	At 31.1.2006
Kim Loong Resources Berhad			
Loo Geok Eng (f)			
- direct interest	-	164,000	164,000
- indirect interest	-	30,852,400	30,852,400
Gooi Seong Lim			
- direct interest	-	88,000	88,000
- indirect interest	-	31,007,600	31,007,600
Gooi Seong Heen			
- direct interest	-	68,000	68,000
- indirect interest	-	31,007,600	31,007,600
Gooi Seong Chneh			
- direct interest	-	68,000	68,000
- indirect interest	-	31,007,600	31,007,600
Gooi Seong Gum			
- direct interest	-	62,000	62,000
- indirect interest	-	31,007,600	31,007,600

	Number of ordinary shares of RM100 each in Sharikat Kim Loong Sendirian Berhad (Holding company)		
	At 1.2.2005	Bought	At 31.1.2006
Loo Geok Eng (f)			
- direct interest	1,250	-	1,250
Gooi Seong Lim			
- direct interest	17,500	-	17,500
- indirect interest	11,250	-	11,250
Gooi Seong Heen			
- direct interest	17,500	-	17,500
- indirect interest	11,250	-	11,250
Gooi Seong Chneh			
- direct interest	17,500	-	17,500
- indirect interest	11,250	-	11,250
Gooi Seong Gum			
- direct interest	17,500	-	17,500
- indirect interest	11,250	-	11,250

By virtue of their interests in the holding company, Loo Geok Eng (f), Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum, are also deemed to have interests in the shares in the Company and its related corporations to the extent the holding company has an interest.

No debentures have been issued by its related corporations.

Directors' Report (cont'd)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

- (i) 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 had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

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

- (i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

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

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

- (i) any charge on the assets of the Group or the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or the Company that 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 that would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year ended 31 January 2006 were not substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

HOLDING AND ULTIMATE HOLDING COMPANY

The Directors regard Sharikat Kim Loong Sendirian Berhad, a company incorporated in Malaysia, as the Company's holding and ultimate holding company.

AUDITORS

The auditors, Messrs. C S TAN & ASSOCIATES, Chartered Accountants, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors

GOOI SEONG LIM
Director

GOOI SEONG GUM
Director

Dated: 19 May 2006

Statement by

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

We, GOOI SEONG LIM and GOOI SEONG GUM, being two of the Directors of CRESCENDO CORPORATION BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 51 to 92 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2006 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors

GOOI SEONG LIM
Director

GOOI SEONG GUM
Director

Dated: 19 May 2006

Statutory

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

I, GOOI SEONG LIM, being the Director primarily responsible for the financial management of CRESCENDO CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 51 to 92 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.

Subscribed and solemnly declared by the)
abovenamed GOOI SEONG LIM)
at Johor Bahru in the State of Johor)
this 19 May 2006)

GOOI SEONG LIM
Director

Before me,

Commissioner for Oaths

Report of the Auditors

to the Members of Crescendo Corporation Berhad

We have audited the financial statements of CRESCENDO CORPORATION BERHAD set out on pages 51 to 92. 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 the 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 applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 January 2006 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary companies 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 have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Companies Act, 1965.

C S TAN & ASSOCIATES

Firm Number: AF 1144
Chartered Accountants

Dated: 19 May 2006

TAN CHEE SENG

Approval Number: 1732 / 11 / 07 (J)

Balance Sheets

as at 31 January 2006

		GROUP		COMPANY	
	Note	2006 RM	2005 RM	2006 RM	2005 RM
NON CURRENT ASSETS					
Property, plant and equipment	4	54,795,444	54,858,532	755,618	720,737
Investment in subsidiaries	5	-	-	126,065,279	126,065,279
Investments	6	9,948,778	9,729,094	-	-
Land held for property development	7	224,311,989	216,373,752	-	-
Deferred tax assets	8	594,000	71,000	-	-
		289,650,211	281,032,378	126,820,897	126,786,016
CURRENT ASSETS					
Property development costs	7	36,598,217	26,821,587	-	-
Inventories	9	18,967,923	14,902,060	-	-
Due from customers on contracts	10	5,490,637	2,749,443	-	-
Tax recoverable		2,271,501	3,003,965	287,623	1,495,747
Receivables	11	26,985,590	36,098,994	40,546,026	38,945,962
Deposits with licensed banks	12	432,146	521,692	-	-
Cash and bank balances	13	5,646,722	12,428,421	80,681	2,933
		96,392,736	96,526,162	40,914,330	40,444,642
CURRENT LIABILITIES					
Payables	14	18,433,395	27,731,195	2,492,495	1,123,905
Short term borrowings					
- secured	15	20,781,872	5,939,623	-	49,355
Provision for tax		2,279,769	1,494,783	-	-
		41,495,036	35,165,601	2,492,495	1,173,260
Net Current Assets		54,897,700	61,360,561	38,421,835	39,271,382
NON CURRENT LIABILITIES					
Hire purchase payable	16	-	21,872	-	-
Deferred tax liabilities	8	3,675,341	4,424,661	69,000	172,000
Irredeemable convertible unsecured loan stocks (ICULS)	17	8,814,490	8,817,490	8,814,490	8,817,490
Term loan					
- secured	18	19,670,000	29,160,000	-	-
		32,159,831	42,424,023	8,883,490	8,989,490
		312,388,080	299,968,916	156,359,242	157,067,908
CAPITAL AND RESERVES					
Share capital	19	143,752,440	143,670,440	143,752,440	143,670,440
Reserves		164,835,026	153,180,173	12,606,802	13,397,468
Shareholders' equity		308,587,466	296,850,613	156,359,242	157,067,908
Minority interests		3,800,614	3,118,303	-	-
		312,388,080	299,968,916	156,359,242	157,067,908

Income Statements

for the financial year ended 31 January 2006

	Note	GROUP		COMPANY	
		2006 RM	2005 RM	2006 RM	2005 RM
REVENUE	25	84,462,892	83,904,395	14,622,226	15,128,310
Cost of sales	25	(53,291,095)	(54,151,527)	-	-
Gross profit		31,171,797	29,752,868	14,622,226	15,128,310
Other operating income		3,285,121	2,853,031	839,989	677,564
Administration expenses		(9,582,293)	(9,092,846)	(6,122,679)	(5,671,831)
Other operating expenses		(24,689)	-	-	-
(Loss) / Gain on disposal of investments		(16,845)	316,274	-	-
Reversal / (Diminution) in value of shares		801,240	(520,738)	-	-
Profit from operations	26	25,634,331	23,308,589	9,339,536	10,134,043
Finance cost	27	(100,048)	(225,866)	-	(37,161)
Profit before tax		25,534,283	23,082,723	9,339,536	10,096,882
Tax	30	(6,266,863)	(6,424,588)	(2,729,400)	(2,937,556)
Profit after tax		19,267,420	16,658,135	6,610,136	7,159,326
Minority interests		(534,311)	(601,135)	-	-
Profit for the financial year		18,733,109	16,057,000	6,610,136	7,159,326
Earnings per share (sen)	31				
- basic		13.2	11.8		
- diluted		12.6	11.2		
Dividends per share (sen)	32	7.0	7.0		

Consolidated Statement of Changes in Equity

for the financial year ended 31 January 2006

	Note	Non-distributable				Distributable		Total RM
		Share Capital RM	Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Reserve on Consolidation RM	Retained Profits RM	
2005								
Balance as at 1.2.2004		117,985,150	14,469,295	(765,302)	-	28,973,700	86,590,141	247,252,984
Profit for the year		-	-	-	-	-	16,057,000	16,057,000
Issue of shares / ICULS								
- Exercise of share option	19(b)	531,000	55,720	-	-	-	-	586,720
- Conversion from ICULS	17	25,154,290	-	-	-	-	-	25,154,290
Purchase of treasury shares		-	-	(1,269,627)	-	-	-	(1,269,627)
Net gain not recognised in the income statements								
- Surplus on revaluation, net of tax	20	-	-	-	15,703,483	-	-	15,703,483
Dividend paid for year ended:								
- 31 January 2004		-	-	-	-	-	(3,571,257)	(3,571,257)
- 31 January 2005		-	-	-	-	-	(3,062,980)	(3,062,980)
Balance as at 31.1.2005		143,670,440	14,525,015	(2,034,929)	15,703,483	28,973,700	96,012,904	296,850,613

	Note	Non-distributable				Distributable		Total RM
		Share Capital RM	Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Reserve on Consolidation RM	Retained Profits RM	
2006								
Balance as at 1.2.2005		143,670,440	14,525,015	(2,034,929)	15,703,483	28,973,700	96,012,904	296,850,613
Profit for the year		-	-	-	-	-	18,733,109	18,733,109
Issue of shares / ICULS								
- Exercise of share option	19(b)	79,000	8,050	-	-	-	-	87,050
- Conversion from ICULS	17	3,000	-	-	-	-	-	3,000
Purchase of treasury shares	19(a)	-	-	(264,529)	-	-	-	(264,529)
Net gains not recognised in the income statements								
- Reversal of prior year overprovision in respect of deferred tax		-	-	-	322,546	-	-	322,546
- Realisation of revaluation surplus, net of tax	20	-	-	-	(1,685,835)	-	1,685,835	-
		-	-	-	(1,363,289)	-	1,685,835	322,546
Dividend paid for year ended:								
- 31 January 2005		-	-	-	-	-	(4,082,470)	(4,082,470)
- 31 January 2006		-	-	-	-	-	(3,061,853)	(3,061,853)
Balance as at 31.1.2006		143,752,440	14,533,065	(2,299,458)	14,340,194	28,973,700	109,287,525	308,587,466

Company Statement

of Changes in Equity

for the financial year ended 31 January 2006

		Non-distributable		Distributable		
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Retained Profits RM	Total RM
2005						
Balance as at 1.2.2004		117,985,150	14,469,295	(765,302)	382,293	132,071,436
Profit for the year		-	-	-	7,159,326	7,159,326
Issue of shares / ICULS						
- Exercise of share option	19(b)	531,000	55,720	-	-	586,720
- Conversion from ICULS	17	25,154,290	-	-	-	25,154,290
Purchase of treasury shares		-	-	(1,269,627)	-	(1,269,627)
Dividend paid for year ended:						
- 31 January 2004		-	-	-	(3,571,257)	(3,571,257)
- 31 January 2005		-	-	-	(3,062,980)	(3,062,980)
Balance as at 31.1.2005		143,670,440	14,525,015	(2,034,929)	907,382	157,067,908
2006						
Balance as at 1.2.2005		143,670,440	14,525,015	(2,034,929)	907,382	157,067,908
Profit for the year		-	-	-	6,610,136	6,610,136
Issue of shares / ICULS						
- Exercise of share option	19(b)	79,000	8,050	-	-	87,050
- Conversion from ICULS	17	3,000	-	-	-	3,000
Purchase of treasury shares	19(a)	-	-	(264,529)	-	(264,529)
Dividend paid for year ended:						
- 31 January 2005		-	-	-	(4,082,470)	(4,082,470)
- 31 January 2006		-	-	-	(3,061,853)	(3,061,853)
Balance as at 31.1.2006		143,752,440	14,533,065	(2,299,458)	373,195	156,359,242

Consolidated Cash Flow Statement

for the financial year ended 31 January 2006

	Note	2006 RM	2005 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		94,574,429	73,320,239
Cash paid to suppliers and employees		(91,363,928)	(67,858,645)
Cash generated from operations		3,210,501	5,461,594
Dividends received		372,599	357,715
Deposit interest received		110,315	338,487
Interest paid		(2,533,098)	(2,767,563)
Tax paid		(5,699,187)	(998,522)
Net cash (used in) / from operating activities		(4,538,870)	2,391,711
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	A	(2,434,148)	(1,666,948)
Acquisition of subsidiary company	B	-	-
Fixed deposits pledged		(8,452)	(243,061)
Acquisition of investments		-	(34,587)
Proceeds from disposal of investments		541,842	4,499,305
Proceeds from disposal of plant and equipment		1,552,171	136,065
Net cash (used in) / from investing activities		(348,587)	2,690,774
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase payable		(50,268)	(59,300)
Hire purchase interest		(3,036)	(4,194)
Proceeds from issuance of shares		87,050	586,720
Proceeds from issuance of shares to minority shareholders in subsidiary		-	90,000
Advance from holding company		2,221	5,953
Repayment to related companies		-	(1,664,996)
Acquisition of treasury shares		(264,529)	(1,269,627)
Dividend paid		(7,144,323)	(6,634,237)
Proceeds from revolving credit		12,000,000	-
Repayment of bank loan		(6,570,000)	-
Net cash used in financing activities		(1,942,885)	(8,949,681)
Net decrease in cash and cash equivalents		(6,830,342)	(3,867,196)
Cash and cash equivalents at the beginning of the financial year		12,644,947	16,512,143
Cash and cash equivalents at the end of the financial year	33	5,814,605	12,644,947

Consolidated Cash Flow Statement

for the financial year ended 31 January 2006 (cont'd)

NOTE TO CONSOLIDATED CASH FLOW STATEMENT

A Acquisition of property, plant and equipment

	2006 RM	2005 RM
Property, plant and equipment acquired	2,434,148	1,766,948
Less: Hire purchase financing	-	(100,000)
Cash paid	2,434,148	1,666,948

B Acquisition of subsidiary company

The effect of the acquisition of subsidiary on the financial position during the financial years 2005 and 2006 are as follows:

	2006 RM	2005 RM
Current assets	2	4
Minority interest	-	-
Net assets acquired	2	4
Less: Cash and cash equivalents of subsidiary acquired	(2)	(4)
Cash outflow on acquisition	-	-

Company

Cash Flow Statement for the financial year ended 31 January 2006

	Note	2006 RM	2005 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		15,394,467	15,765,244
Cash paid to suppliers and employees		(5,849,660)	(5,695,979)
Cash generated from operations		9,544,807	10,069,265
Deposit interest received		12,155	10,005
Interest paid		-	(37,161)
Tax paid		(1,624,276)	(2,647,049)
Net cash from operating activities		7,932,686	7,395,060
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment	4	(254,430)	(387,499)
Acquisition of subsidiary company		-	(4)
Additional investment in existing subsidiary company		-	(209,996)
Net cash used in investing activities		(254,430)	(597,499)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance to holding company		(1,948)	(521)
Advance to subsidiaries		(91,842)	(467,359)
Advance (to) / from related company		(135,561)	47,354
Proceeds from issuance of shares and share premium		87,050	586,720
Acquisition of treasury shares		(264,529)	(1,269,627)
Dividend paid		(7,144,323)	(6,634,237)
Net cash used in financing activities		(7,551,153)	(7,737,670)
Net increase / (decrease) in cash and cash equivalents		127,103	(940,109)
Cash and cash equivalents at the beginning of the financial year		(46,422)	893,687
Cash and cash equivalents at the end of the financial year	33	80,681	(46,422)

Notes to the Financial Statements

for the financial year ended 31 January 2006

1. GENERAL INFORMATION

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

(b) The address of the registered office of the Company is as follows:

Unit No. 203, 2nd Floor,
Block C, Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.

(c) The address of the principal place of business of the Company is as follows:

Lot 18.02, 18th Floor, Public Bank Tower,
No 19, Jalan Wong Ah Fook,
80000 Johor Bahru,
Johor Darul Takzim.

(d) **Authorisation for issue of financial statements**

These financial statements were authorised for issue by the Board of Directors on 19 May 2006.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's businesses. The Group does not trade in financial instruments.

The main areas which may give rise to financial risks of the Group are:

Foreign currency exchange risk

The Group is not materially exposed to foreign currency exchange risk as all the Group's transactions and balances are denominated in Ringgit Malaysia except for the investments in securities quoted outside Malaysia.

Credit risk

The credit risk in the property development activity is negligible as sales are to purchasers who obtain financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as provided for in the sale and purchase agreements. For those sales on cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered after full payments are made.

Credit risk other than property development arises because substantial sales are made on deferred credit terms. Credit risk is controlled by careful selection of customers, setting credit limits and limiting the period of credit.

Market risk

The Group's principal exposure to market risk arises mainly from the changes in debt and equity prices. The Group does not face significant exposure to the risk from changes in debt and equity prices as the exposure on quoted investments is not significant.

Interest rate risk

The Group's policy is to borrow principally on fixed rate but to retain a proportion of floating rate debt. The objectives for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Liquidity and cash flow risks

The Group seeks to achieve a balance between cash outflows and cash inflows. Borrowings are arranged so as not to go beyond the Group's ability to repay or refinance.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention (except for those disclosed in the summary of significant accounting policies) and comply with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

The cash flow statements of the Group and of the Company are prepared using the direct method.

(b) Subsidiary companies and basis of consolidation

Investment in subsidiary companies is stated at cost less impairment losses, if any. The carrying amount is reviewed annually and the policy for the recognition and measurement of impairment losses is in accordance with Note 3(t). A company is considered as a subsidiary when the Company owns directly or indirectly more than one half of the voting power of that company or the Company controls the composition of the board of directors or equivalent governing body.

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The results of the subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statements from the date of their acquisition or up to the date of their disposal. Intercompany transactions and balances are eliminated on consolidation.

Goodwill or reserve arising on consolidation represents the difference between the acquisition cost of shares in the subsidiary companies and the fair value of the attributable net assets acquired as at the date of acquisition. The carrying amount is reviewed annually and the policy for the recognition and measurement of impairment losses on goodwill is in accordance with Note 3(t).

(c) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(t).

Freehold land is stated at valuation less impairment losses, if any. The Group had adopted the policy of revaluing their freehold land on a regular basis at least once in every five years by an independent valuer on an open market value basis. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

Freehold land is not depreciated. Depreciation of other property, plant and equipment is calculated to write off the cost of the assets on a straight line basis over the estimated useful lives of the assets as follows:

	No. of years
Buildings	10
Plant and machinery	5 - 10
Equipment, furniture & fittings and renovation	5 - 10
Motor vehicles	5 - 10

(d) Investments

Quoted and unquoted investments and golf club membership are stated at cost. Allowance is made for diminution in value where, in the opinion of the Directors, there is a decline other than temporary in value of the investments. When there is a reversal of decline in value of these investments, the reversal, is credited to the income statement. Such reversal shall be limited to the extent of previous decline in value for the same assets. Where there has been a decline other than temporary in the value of the investment, such a decline is recognised as an expense in the period in which the decline is identified.

Marketable securities are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increase or decrease in the carrying amount of marketable securities are credited or charged to the income statement.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Investments (cont'd)

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

(e) Property development activities

i. Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(t).

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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

ii. Property development costs

Property development costs comprise cost associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Where the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

Where the outcome of the development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; property development costs on the development units sold are recognised when incurred.

Irrespective of whether the outcome of a development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(f) Inventories

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

Cost of raw materials include all expenses which relate to bringing the inventories to their present location and condition and their costs are determined on a first-in, first-out basis.

Cost of finished goods constitute the average cost of production which includes materials, labour and manufacturing overheads.

Cost of completed properties for sale is determined on specific identification basis and includes land cost, construction cost and related infrastructure expenditure.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period; the stage of completion is determined based on work done certified by architects or customers.

When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; contract costs are recognised when incurred.

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

The aggregate of the costs incurred and the profit / loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on construction contracts under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on construction contracts under current liabilities.

(h) 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 and real property gains tax payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

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

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

(i) Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

(j) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Group and the Company.

(k) ICULS

As permitted under the transitional provision of MASB 24: Financial Instruments: Disclosure and Presentation, the ICULS which were issued before the effective date of MASB 24, are classified in accordance with the predominant nature of the ICULS of either equity or liability.

(l) Hire purchase transactions

Assets acquired under hire purchase arrangements are capitalised in the financial statements and the corresponding obligations are recorded as liability. Finance charges are allocated to the income statement over the duration of the agreement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Employee benefits

i. Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

iii. Equity compensation benefits

The Employees' Share Options Scheme ("ESOS") allows the Group's employees to acquire ordinary shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

(n) Revenue recognition

Sales are recognised upon delivery of finished goods and customer acceptance or performance of services, net of sales taxes and discounts, and after eliminating sales within the Group.

Sale of development properties is recognised on the percentage of completion method (based on architects' certificates, where applicable). Allowance is made for any foreseeable losses.

Sale of completed properties is recognised on the execution and completion of sale and purchase agreement.

Income from long term contracts is recognised on the percentage of completion method (based on architects' certificates, where applicable) where the outcome of the contracts can be reasonably estimated. Allowance is made for anticipated losses on individual contracts where costs incurred to date plus estimated costs to completion exceed contract sums.

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest income is recognised on a time proportion and takes into the account the effective yield on the assets.

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

(o) Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits in the period in which the obligations to pay is established.

(p) Interest capitalisation

Interest incurred on borrowings related to property development cost is capitalised during the financial year when activities to plan, develop and construct the assets are undertaken. Capitalisation ceases when the assets are ready for their intended use.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, unpledged deposits and net of bank overdraft.

(r) Financial instruments

i. Recognition of financial instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instruments.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Financial instruments (cont'd)

ii. Fair value estimation for disclosure purposes

The fair value of quoted securities is based on the quoted market prices at the balance sheet date.

In assessing the fair value of non-traded financial instruments, the Group makes assumptions that are based on market conditions existing at the balance sheet date. Estimated discounted value of future cash flows is used to determine the fair value of the financial instruments. 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.

The carrying amounts for financial instruments with a maturity period of less than one year are assumed to approximate their fair values.

(s) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are accounted for at exchange rates ruling at the transaction dates. Exchange differences arising from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities are charged to the income statement.

The principal closing rates used in translation of foreign currencies amounts were as follows:

Foreign currency	2006 RM	2005 RM
1 US Dollar	3.75	3.80
1 Singapore Dollar	2.31	2.32

(t) Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

	Properties RM	Plant and machinery RM	Equipment, furniture & renovation RM	Motor vehicles RM	Total RM
GROUP					
Net Book Value					
At 1 February 2005	51,511,037	937,303	655,163	1,755,029	54,858,532
Additions	22,974	1,006,653	420,473	984,048	2,434,148
Disposals	(1,247,971)	-	(1,365)	(13,335)	(1,262,671)
Write-off	-	(10,111)	(1,491)	-	(11,602)
Depreciation charge:					
Recognised in income statement (Note 26)	(12,675)	(294,938)	(209,687)	(567,735)	(1,085,035)
Capitalised in construction costs (Note 10)	(1,808)	(65,566)	-	(70,554)	(137,928)
	(14,483)	(360,504)	(209,687)	(638,289)	(1,222,963)
At 31 January 2006	50,271,557	1,573,341	863,093	2,087,453	54,795,444
At 31 January 2006					
Cost	155,929	3,416,398	2,497,367	5,653,971	11,723,665
Valuation	50,216,382	-	-	-	50,216,382
Accumulated depreciation	(100,754)	(1,843,057)	(1,634,274)	(3,566,518)	(7,144,603)
Net book value	50,271,557	1,573,341	863,093	2,087,453	54,795,444
At 31 January 2005					
Cost	143,849	2,509,998	2,125,725	5,114,123	9,893,695
Valuation	51,453,459	-	-	-	51,453,459
Accumulated depreciation	(86,271)	(1,572,695)	(1,470,562)	(3,359,094)	(6,488,622)
Net book value	51,511,037	937,303	655,163	1,755,029	54,858,532
Depreciation charge for the year 2005:					
Recognised in income statement (Note 26)	(12,260)	(232,537)	(226,802)	(528,099)	(999,698)
Capitalised in construction costs (Note 10)	(1,808)	(59,078)	-	(83,510)	(144,396)
	(14,068)	(291,615)	(226,802)	(611,609)	(1,144,094)

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Information on properties is as follows:

	Freehold land RM	Buildings RM	Total RM
Net Book Value			
At 1 February 2005	51,453,459	57,578	51,511,037
Additions	21,785	1,189	22,974
Disposals	(1,247,971)	-	(1,247,971)
Depreciation charge:			
Recognised in income statement	-	(12,675)	(12,675)
Capitalised in construction costs	-	(1,808)	(1,808)
	-	(14,483)	(14,483)
At 31 January 2006	50,227,273	44,284	50,271,557
At 31 January 2006			
Cost	10,891	145,038	155,929
Valuation	50,216,382	-	50,216,382
Accumulated depreciation	-	(100,754)	(100,754)
Net book value	50,227,273	44,284	50,271,557
At 31 January 2005			
Cost	-	143,849	143,849
Valuation	51,453,459	-	51,453,459
Accumulated depreciation	-	(86,271)	(86,271)
Net book value	51,453,459	57,578	51,511,037

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
COMPANY			
Net Book Value			
At 1 February 2005	234,372	486,365	720,737
Additions	254,430	-	254,430
Write-off	(3)	-	(3)
Depreciation charge	(92,811)	(126,735)	(219,546)
At 31 January 2006	395,988	359,630	755,618
At 31 January 2006			
Cost	532,645	748,144	1,280,789
Accumulated depreciation	(136,657)	(388,514)	(525,171)
Net book value	395,988	359,630	755,618
At 31 January 2005			
Cost	278,218	748,144	1,026,362
Accumulated depreciation	(43,846)	(261,779)	(305,625)
Net book value	234,372	486,365	720,737
Depreciation charge for the year 2005	15,452	103,981	119,433

Valuation of freehold land was carried out on 24 January 2005 by the qualified valuer using the comparison method to reflect its fair value.

	GROUP	
	2006 RM	2005 RM
Net book value of revalued freehold land, had these assets been carried at cost	29,473,824	35,891,672

Certain parcels of freehold land of the subsidiary companies are registered in the name of a related company, Kim Loong Plantations Sdn. Bhd. and the holding company. The said subsidiaries are the beneficial owners for the freehold land.

The freehold land of one of the subsidiary companies is pledged to a licensed bank as collateral for the banking facilities granted to the Company and a subsidiary company.

Included in the Group's property, plant and equipment are assets acquired under hire purchase financing with net book value of RM87,180 (2005: RM113,334).

The cost of fully depreciated plant and equipment of the Group and of the Company but still in use amounts to RM2,669,868 (2005: RM1,989,995) and RM120,298 (2005: Nil) respectively.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

5. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2006 RM	2005 RM
Unquoted shares, at cost	126,065,279	126,065,279

The subsidiary companies which are incorporated in Malaysia are as follows:

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2006 %	2005 %
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holding	8,820,002	100	100
Ambok Resorts Development Sdn. Bhd.	Resort development	100,000	100	100
Panoramic Land Sdn. Bhd.	Dormant	2	100	100
Panoramic Jaya Sdn. Bhd.	Property development	300,000	70	70
Crescendo Development Sdn. Bhd.	Property development	45,430,000	100	100
Crescendo Jaya Sdn. Bhd.	Property development	250,000	70	70
Crescendo Land Sdn. Bhd.	Dormant	120	70	70
Unibase Construction Sdn. Bhd.	Buildings construction and investment holding	750,000	100	100
Unibase Corporation Sdn. Bhd.	Buildings construction	750,000	100	100
Repute Ventures Sdn. Bhd.	Investment holding	100,000	70	70
Repute Construction Sdn. Bhd.	Buildings construction	750,100	60	60
Repute Corporation Sdn. Bhd.	Buildings construction	2	70	70
Unibase Concrete Industries Sdn. Bhd.	Trading and manufacturing of concrete products	500,000	60	60
Unibase Jaya Sdn. Bhd.	Civil engineering works	750,000	60	60
Unibase Trading Sdn. Bhd.	Trading of building materials	100,000	60	60
Crescendo Education Sdn. Bhd.	Investment holding	2	100	100
Crescendo International College Sdn. Bhd.	Providing educational services	200,000	60	60
Crescendo Creative Education Sdn. Bhd.	Providing educational services	2	100	-
Crescendo Commercial Complex Sdn. Bhd.	Property investment	6	100	100

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

6. INVESTMENTS

		GROUP	
		2006 RM	2005 RM
Securities quoted in Malaysia, at cost		11,441,131	11,441,131
Less: Diminution in value of investments		(4,091,865)	(4,893,106)
		7,349,266	6,548,025
Securities quoted outside Malaysia, at cost		1,608,730	1,726,001
Total quoted securities, net of diminution in value of investments	(A)	8,957,996	8,274,026
Market value of quoted securities			
In Malaysia		7,349,266	6,548,025
Outside Malaysia		3,855,811	3,289,287
		11,205,077	9,837,312
Unquoted securities at cost			
In Malaysia		392,856	2,300,477
Outside Malaysia		537,926	662,591
		930,782	2,963,068
Less: Write off		-	(1,568,000)
	(B)	930,782	1,395,068
Golf club membership	(C)	60,000	60,000
Total investments, net of diminution in value of investments {(A)+(B)+(C)}		9,948,778	9,729,094

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

7. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	GROUP	
	2006 RM	2005 RM
Freehold land		
At 1 February	171,764,124	165,585,916
Land acquired during the financial year	12,145,697	9,280,000
Cost incurred during the financial year	2,983,338	3,079,248
Reclassification to development costs	-	(419,930)
Transfer to property development costs	(3,549,392)	(5,761,110)
At 31 January	183,343,767	171,764,124
Leasehold land		
At 1 February	19,756,411	19,756,411
Transfer from property development cost	(95,183)	-
At 31 January	19,661,228	19,756,411
Development costs		
At 1 February	24,853,217	27,855,398
Cost incurred during the financial year	37,931,453	33,667,493
Reclassification from freehold land	-	419,930
Transfer to property development costs	(41,477,676)	(37,089,604)
At 31 January	21,306,994	24,853,217
	224,311,989	216,373,752

Freehold land with net book value of RM8,785,273 (2005: RM7,141,984) owned by a subsidiary company, Panoramic Jaya Sdn. Bhd., are registered in the name of a shareholder of the subsidiary company, Chellam Investment Sdn. Bhd. The said subsidiary is the beneficial owner for the freehold land.

Certain parcels of the subsidiary's freehold land are pledged to a licensed bank as collateral for the term loan granted to the subsidiary company, Crescendo Development Sdn. Bhd. The net book value of the said land held for property development under restriction on title due to the term loan is RM125,478,330 (2005: RM122,760,073) (Note 18).

Interest expense on borrowings directly related to the acquisitions of land has been capitalised as part of the additions of the Group during the financial year which amounted to RM2,403,846 (2005: RM2,545,891).

Certain parcels of the freehold land are pledged to a licensed bank as collaterals for the banking facilities granted to the Company and two subsidiary companies, Panoramic Industrial Development Sdn. Bhd. and Crescendo Development Sdn. Bhd. (Note 15).

Included in development costs is an amount of RM2 million (2005: RM2 million) being payment made to secure the right to develop eight parcels of the freehold land totalling 341.8827 acres in Mukim of Pulau, District of Johor Bahru into an industrial park by a subsidiary company, Panoramic Industrial Development Sdn. Bhd. {Note 40(a)}

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

7. PROPERTY DEVELOPMENT ACTIVITIES (con't)

(b) Property development costs

	2006 RM	2005 RM
Freehold land		
At 1 February	3,076,284	175,365
Transfer from land held for property development	3,549,392	5,761,110
Less: Transfer to cost of sales	(1,615,561)	(549,922)
Less: Transfer to inventories	(636,882)	(2,310,269)
At 31 January	4,373,233	3,076,284
Leasehold land		
At 1 February	1,160,704	5,031,202
Transfer to property development costs	95,183	-
Less: Transfer to cost of sales	(767,049)	(3,870,498)
At 31 January	488,838	1,160,704
Development costs		
At 1 February	22,584,599	6,570,134
Cost incurred during the financial year	126,820	9,592,001
Transfer from land held for property development	41,477,676	37,089,604
Less: Transfer to cost of sales	(24,071,428)	(26,341,254)
Less: Transfer to inventories	(8,381,521)	(4,325,886)
At 31 January	31,736,146	22,584,599
	36,598,217	26,821,587

Certain parcels of the freehold land are registered in the name of the holding company, Sharikat Kim Loong Sendirian Berhad. Two subsidiary companies, Panoramic Industrial Development Sdn. Bhd. and Crescendo Development Sdn. Bhd. are the beneficial owners for the said freehold land.

Land and development expenditure pertaining to those portions of property development project in which development works are expected to complete within the normal operating cycle of one to two years are classified as current assets.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

8. 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		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Disclosed as:				
Deferred tax assets	594,000	71,000	-	-
Deferred tax liabilities	(3,675,341)	(4,424,661)	(69,000)	(172,000)
	(3,081,341)	(4,353,661)	(69,000)	(172,000)
At 1 February	(4,353,661)	(4,328,656)	(172,000)	30,000
(Charged) / Credited to income statement (Note 30)				
- property, plant and equipment	(71,000)	55,000	(39,000)	(60,000)
- revaluation surplus on land	547,774	-	-	-
- unrealised foreign exchange	(33,000)	-	-	-
- unrealised profit	361,000	(377,000)	-	-
- tax losses	145,000	11,000	-	-
- accrued interest income	-	-	142,000	(142,000)
	949,774	(311,000)	103,000	(202,000)
Charged to equity				
- revaluation surplus on land	322,546	285,995	-	-
At 31 January	(3,081,341)	(4,353,661)	(69,000)	(172,000)

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

8. DEFERRED TAX (cont'd)

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Subject to income tax				
Deferred tax assets (before offsetting)				
Property, plant and equipment	3,000	-	-	-
Unrealised profits	381,000	20,000	-	-
Tax losses	232,000	87,000	-	-
	616,000	107,000	-	-
Offsetting	(22,000)	(36,000)	-	-
Deferred tax assets (after offsetting)	594,000	71,000	-	-
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(305,000)	(231,000)	(69,000)	(30,000)
Revaluation surplus on land	(2,321,668)	(2,856,000)	-	-
Unrealised foreign exchange	(33,000)	-	-	-
Accrued interest income	-	-	-	(142,000)
	(2,659,668)	(3,087,000)	(69,000)	(172,000)
Offsetting	22,000	36,000	-	-
Deferred tax liabilities (after offsetting)	(2,637,668)	(3,051,000)	(69,000)	(172,000)
Subject to real property gains tax				
Deferred tax liabilities				
Property, plant and equipment	(1,037,673)	(1,373,661)	-	-
	(3,675,341)	(4,424,661)	(69,000)	(172,000)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through the future available profits is probable. The Directors are of the opinion that the Group will be able to generate sufficient profit in the foreseeable future to fully utilise the deferred tax assets.

Deferred tax assets and liabilities arising from temporary differences subject to income tax are calculated based on income tax rate of 28% (2005: 28%).

Deferred tax arising from temporary differences subject to real property gains tax are calculated based on tax rate of 5% (2005: 5%).

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

	GROUP	
	2006 RM	2005 RM
Deductible temporary differences	260,000	302,000
Tax losses	506,490	506,687

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

9. INVENTORIES

	GROUP	
	2006 RM	2005 RM
At cost		
Raw materials	129,099	141,212
Finished goods for culvert pipe	433,589	167,881
Completed properties for sale	18,405,235	14,592,967
	18,967,923	14,902,060

10. DUE FROM CUSTOMERS ON CONTRACTS

	GROUP	
	2006 RM	2005 RM
Contract in progress		
- accumulated contract cost	253,022,955	222,057,106
- accumulated attributable profits	22,069,333	20,888,783
	275,092,288	242,945,889
Less: Progress billings	(269,601,651)	(240,196,446)
Due from customers on contracts	5,490,637	2,749,443
There is no amount due to customers for the financial years 2006 and 2005.		
Contract in progress included the following items incurred during the financial year:		
Depreciation of property, plant and equipment	137,928	144,396
Hire of equipment	483,467	278,819
Staff costs (Note 28)	415,007	449,115

Included in the Group's progress billings is an amount of RM7,517,466 (2005: RM6,834,999) being retention sums receivable by the Group.

11. RECEIVABLES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Trade receivables	19,018,807	27,043,134	-	-
Other receivables, deposits and prepayments	6,158,633	5,734,956	276,778	189,611
Amounts owing by related companies (Note 22)	1,808,150	3,320,904	167,035	32,905
Amounts owing by subsidiary companies (Note 23)	-	-	40,102,213	38,723,446
	26,985,590	36,098,994	40,546,026	38,945,962

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

11. RECEIVABLES (cont'd)

The Group and the Company's normal trade credit terms range from 14 to 60 days. Other credit terms are assessed and approved on a case by case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or group of debtors.

12. DEPOSITS WITH LICENSED BANKS

Included in the Group's deposits with licensed banks is an amount of RM264,263 (2005: RM255,811) pledged to a licensed bank as security for the banker's guarantee issued to government agencies.

The weighted average interest rate of deposits with licensed banks that was effective during the financial year was 3% (2005: 3%) per annum for the Group.

Deposits have an average maturity of 19 days (2005: 30 days) from the end of the financial year for the Group.

13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Cash and bank balances	4,318,843	12,235,320	80,681	2,933
Cash at bank in Housing Development Account	1,327,879	193,101	-	-
	5,646,722	12,428,421	80,681	2,933

Cash at bank in Housing Development Account represents monies maintained in accordance with Section 7A of the Housing Development (Control and Licensing) Act, 1966 and the utilisation is in accordance with the Housing Developers (Housing Development Account) Regulations 1991.

14. PAYABLES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Trade payables	10,528,383	17,020,607	-	-
Other payables and accruals (Note 21)	7,725,213	10,505,544	1,158,360	1,073,316
Amounts owing to related companies (Note 22)	6,198	33,664	1,430	2,861
Amounts owing to subsidiary companies (Note 23)	-	-	1,286,925	-
Amount owing to the holding company (Note 24)	173,601	171,380	45,780	47,728
	18,433,395	27,731,195	2,492,495	1,123,905

The normal trade credit terms to the Group range from 30 to 90 days.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

15. SHORT TERM BORROWINGS - SECURED

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Bank overdraft	-	49,355	-	49,355
Hire purchase payable (Note 16)	21,872	50,268	-	-
Term loan (Note 18)	8,760,000	5,840,000	-	-
Revolving credit	12,000,000	-	-	-
	20,781,872	5,939,623	-	49,355

The Company's overdraft facility is secured by way of a lien-holder's caveat over certain parcels of the subsidiaries' landbanks included in land held for property development and certain parcels of the freehold land of a subsidiary company.

The subsidiary companies' banking facilities are secured by way of a lien-holder's caveat and fixed charges over certain parcels of the subsidiaries' landbanks included in property, plant and equipment and land held for property development {Note 7(a)}.

The weighted average effective interest rates are as follows:

	GROUP % p.a.		COMPANY % p.a.	
	2006	2005	2006	2005
Bank overdrafts	7.51	7.49	-	7.49
Revolving credits	4.39	-	-	-

At the end of the financial year, the Group has unutilised overdraft and revolving credit facilities of RM19,000,000 (2005: RM19,000,000) and RMNil (2005: RM12,000,000) respectively.

16. HIRE PURCHASE PAYABLE

	GROUP	
	2006 RM	2005 RM
Payable within one year	22,202	53,298
Payable between one and two years	-	22,208
	22,202	75,506
Less: Finance charges	(330)	(3,366)
	21,872	72,140
Representing hire purchase payable:		
Due within 12 months (Note 15)	21,872	50,268
Due after 12 months	-	21,872
	21,872	72,140

Effective interest rate of hire purchase for the financial year is 6.21% (2005: 6.8%).

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

17. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS - UNSECURED

On 26 August 2002, the Company issued RM43,398,000 of five year 3% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of RM1 each to its shareholders, based on a renounceable rights issue on the basis of RM2 nominal value of the loan stocks for every five (5) existing ordinary shares held, for cash to part finance the acquisition of lands by its subsidiary company, Crescendo Development Sdn. Bhd.

The details of the ICULS are as follows:

- (i) The ICULS bear interest at 3% per annum payable annually on 31 January calculated in respect of the period commencing from the date of the issue of ICULS on 26 August 2002.
- (ii) The ICULS are convertible at any time from the date of issuance to the maturity date on 25 August 2007 into new ordinary shares of the Company at the conversion rate of one ICULS for one ordinary share of RM1 each.
- (iii) The ICULS will not be redeemable for cash. All outstanding ICULS will be convertible into new ordinary shares of RM1 each on the maturity date.
- (iv) The new ordinary shares allotted and issued upon conversion of the ICULS will be considered as fully paid up and will rank pari passu in all respects with the existing ordinary shares of the Company.

	GROUP/COMPANY	
	2006 RM	2005 RM
3% Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("ICULS")		
At 1 February	8,817,490	33,971,780
Amount converted into the ordinary shares during the financial year	(3,000)	(25,154,290)
At 31 January	8,814,490	8,817,490

Interest expense on the ICULS amounting to RM264,567 (2005: RM264,658) has been capitalised as part of land cost of the subsidiary company, Crescendo Development Sdn. Bhd.

18. TERM LOAN - SECURED

	GROUP	
	2006 RM	2005 RM
7 years term loan		
Current (Note 15)	8,760,000	5,840,000
Non current	19,670,000	29,160,000
	28,430,000	35,000,000
Repayment of term loan:		
Payable within one year	8,760,000	5,840,000
Payable between one to two years	8,760,000	8,760,000
Payable between two to five years	10,910,000	20,400,000
	28,430,000	35,000,000

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

18. TERM LOAN - SECURED (cont'd)

The term loan of the subsidiary company, Crescendo Development Sdn. Bhd., is secured by way of first party first and second fixed charges up to RM35 million over certain parcels of the freehold land of the subsidiary company included in the land held for property development {Note 7(a)}.

The said term loan bears interest at a fixed rate of 6.5% per annum from first to seventh year and is repayable over 48 monthly instalments commencing from June 2005.

19. SHARE CAPITAL

	GROUP/COMPANY	
	2006 RM	2005 RM
Authorised:		
500,000,000 ordinary shares of RM1 each	500,000,000	500,000,000
Issued and fully paid:		
At 1 February	143,670,440	117,985,150
Shares issued pursuant to ESOS	79,000	531,000
Shares issued upon conversion of ICULS	3,000	25,154,290
At 31 January	143,752,440	143,670,440

(a) Treasury shares

During the financial year, the Company repurchased 284,700 of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM264,529. The average price paid for the shares repurchased was approximately RM0.93 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased has been sold as at 31 January 2006.

Of the total 143,752,440 (2005: 143,670,440) issued and fully paid ordinary shares as at 31 January 2006, 2,158,100 (2005: 1,873,400) are held as treasury shares by the Company. As at 31 January 2006, the number of outstanding ordinary shares in issue after setting off treasury shares is 141,594,340 (2005: 141,797,040).

(b) Employees' Share Option Scheme ("ESOS")

The ESOS is governed by the By-Laws which was approved by the Securities Commission and shareholders on 28 November 2001 and 8 February 2002 respectively. The Company implemented the ESOS on 26 June 2002 for a period of 5 years.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

19. SHARE CAPITAL (cont'd)

(b) Employees' Share Option Scheme ("ESOS") (cont'd)

The movements during the financial year in the share option scheme of the Company are as follows:

			Number of Share Options				
Grant date	Expiry date	Exercise price per share RM	At 1 February '000	Granted '000	Exercised '000	Lapsed '000	At 31 January '000
2006							
4.7.2002	25.6.2007	1.14	4,242	-	(53)	(445)	3,744
2.4.2003	25.6.2007	1.00	309	-	(5)	-	304
10.5.2004	25.6.2007	1.20	426	-	-	-	426
23.3.2005	25.6.2007	1.03	-	728	(21)	(90)	617
			4,977	728	(79)	(535)	5,091
2005							
4.7.2002	25.6.2007	1.14	4,930	-	(398)	(290)	4,242
2.4.2003	25.6.2007	1.00	462	-	(133)	(20)	309
10.5.2004	25.6.2007	1.20	-	454	-	(28)	426
			5,392	454	(531)	(338)	4,977

Details of share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follows:

Exercise date	Exercise price per share RM	Fair value of ordinary shares RM	Number of share options	Considerations received RM
2006				
February ~ April	1.14	1.03	53,000	60,420
February ~ April	1.00	1.03	5,000	5,000
February ~ April	1.03	1.03	21,000	21,630
			79,000	87,050
Less: Par value of ordinary shares				(79,000)
Share premium				8,050
2005				
February ~ April	1.14	1.15 ~ 1.20	395,000	450,300
February ~ April	1.00	1.15 ~ 1.20	124,000	124,000
February ~ April	1.14	1.19 ~ 1.20	3,000	3,420
May ~ July	1.00	1.19 ~ 1.20	9,000	9,000
			531,000	586,720
Less: Par value of ordinary shares				(531,000)
Share premium				55,720

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

20. REVALUATION RESERVE

	GROUP	
	2006 RM	2005 RM
At 1 February	15,703,483	-
Reserve arising from revaluation, net of deferred tax	-	15,703,483
Reversal of prior year overprovision in respect of deferred tax	322,546	-
Realisation of revaluation surplus	(1,685,835)	-
At 31 January	14,340,194	15,703,483

	GROUP	
	2006 RM	2005 RM
Representing:		
Surplus arising from revaluation of freehold land	17,699,535	19,610,598
Less: Deferred tax on revaluation surplus	(3,359,341)	(3,907,115)
Revaluation reserve net of deferred tax	14,340,194	15,703,483

This reserve represents the cumulative surplus, net of deferred tax effects, arising from the revaluation of freehold land above its cost.

21. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Other payables	1,371,420	1,399,545	20,803	-
Deposits and other prepayments from property buyers	1,446,150	1,844,419	-	-
Accruals				
- Accrued development or contract costs for work done but not billed by contractors	2,657,512	4,880,783	-	-
- Accrued operating expenditure	2,250,131	2,380,797	1,137,557	1,073,316
	7,725,213	10,505,544	1,158,360	1,073,316

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

22. AMOUNTS OWING BY / (TO) RELATED COMPANIES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Amounts owing by related companies:				
Panoramic Housing Development Sdn. Bhd.	822,019	2,663,726	73,828	26,269
Crescendo Technologies Sdn. Bhd.	9,500	9,500	-	-
Unigolf Sdn. Bhd.	20,000	16,000	-	-
Desa Okidville Sdn. Bhd.	19,000	-	-	-
Okidville Holding Sdn. Bhd.	19,000	-	-	-
Panoramic Plaza Sdn. Bhd.	816,529	631,678	44,638	6,636
Kim Loong Resources Berhad	4,435	-	4,435	-
Kim Loong Technologies Sdn. Bhd.	7,388	-	7,388	-
Palm Nutraceuticals Sdn. Bhd.	36,746	-	36,746	-
Kim Loong Palm Oil Mills Sdn. Bhd.	53,533	-	-	-
	1,808,150	3,320,904	167,035	32,905
Amounts owing to related companies:				
Kim Loong Plantations Sdn. Bhd.	-	(3,772)	-	-
Kim Loong Palm Oil Mills Sdn. Bhd.	(3,958)	(29,892)	(1,430)	(2,861)
Aerogolf Sdn. Bhd.	(2,240)	-	-	-
	(6,198)	(33,664)	(1,430)	(2,861)

The amount owing by / (to) related companies are non-interest bearing, unsecured and have no fixed terms of repayment.

Related companies refer to fellow subsidiary companies of Sharikat Kim Loong Sendirian Berhad, the holding company of the Company.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

23. AMOUNTS OWING BY / (TO) SUBSIDIARY COMPANIES

Included in the amounts owing by subsidiary companies are RM8,814,490 (2005: RM8,817,490) and RM13,081,422 (2005: RM11,155,794) which bear effective interest of 3% (2005: 3%) and 7% (2005: 7%) per annum respectively. All other balances are non-interest bearing, unsecured and have no fixed terms of repayment.

24. AMOUNT OWING TO HOLDING COMPANY

The amounts owing to holding company is non-interest bearing, unsecured and has no fixed terms of repayment.

25. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Revenue				
Sales of industrial properties	33,703,974	46,077,135	-	-
Sales of residential / commercial properties	20,768,202	10,959,094	-	-
Construction revenue	8,625,665	5,168,811	-	-
Sales of concrete products	17,369,537	17,900,435	-	-
Management services and others	3,995,514	3,798,920	6,113,426	5,492,754
Gross dividend from subsidiary companies	-	-	8,508,800	9,635,556
	84,462,892	83,904,395	14,622,226	15,128,310
Cost of sales				
Cost of industrial properties	18,646,073	27,990,232	-	-
Cost of residential / commercial properties	10,076,255	6,796,006	-	-
Construction cost	9,282,701	3,449,414	-	-
Cost of concrete products	14,789,114	14,967,689	-	-
Management services and others	496,952	948,186	-	-
	53,291,095	54,151,527	-	-

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

26. PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
The following items have been charged / (credited) in arriving at profit from operations:				
Auditors' remuneration				
- current year	85,000	80,300	20,000	18,000
- prior year underprovision	1,500	1,700	2,000	2,000
Depreciation of property, plant and equipment	1,085,035	999,698	219,546	119,433
Hire of equipment	-	281,119	-	-
Incorporation fees	1,810	4,500	-	-
Plant and equipment written off	11,602	47,049	3	-
Rental of premises	294,762	300,696	188,394	45,600
Rental of motor vehicle	9,480	18,960	9,480	18,960
Staff costs (Note 28)	6,081,978	5,540,951	4,339,765	4,219,329
Non-executive Directors' remuneration (Note 29)	183,500	283,500	183,500	283,500
(Reversal) / Diminution in value of shares	(801,240)	520,738	-	-
Gain on disposal of plant and equipment	(289,500)	(7,185)	-	-
Gross dividends from quoted investments	(372,599)	(357,715)	-	-
Gross dividends from subsidiary companies	-	-	(8,508,800)	(9,635,556)
Deposits interest received	(93,216)	(338,487)	(12,155)	(10,005)
Other interest received	(283,639)	(252,282)	(827,789)	(507,515)
Rental income	(1,524,341)	(1,366,236)	-	-
Realised gain in foreign exchange	(132)	-	-	-
Unrealised foreign exchange loss / (gain)	24,821	(82,739)	-	-
Profit from existing continuing operations	25,638,588	23,419,858		
Loss from newly acquired subsidiary companies	(4,257)	(111,269)		
	25,634,331	23,308,589		

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

27. FINANCE COST

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Interest expenses on:				
Bank overdraft	34	85,275	-	37,161
Hire purchase	3,036	4,194	-	-
ICULS	264,567	264,658	264,567	264,658
Revolving credit	96,978	136,397	-	-
Term loan	2,139,279	2,281,233	-	-
Interest income from subsidiary	-	-	(264,567)	(264,658)
	2,503,894	2,771,757	-	37,161
Less interest expenses capitalised in assets:				
- Land held for property development {Note 7(a)}	(2,403,846)	(2,545,891)	-	-
	100,048	225,866	-	37,161

Borrowing costs capitalised in the assets during the financial year arose from ICULS and is based on a capitalisation rate of 3.0% (2005: 3.0%) per annum.

28. STAFF COSTS

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Wages and salaries	5,777,041	5,408,573	3,826,236	3,823,932
Defined contribution plan - EPF	674,916	546,650	488,874	376,938
Social security cost - SOCSO	45,028	34,843	24,655	18,459
Less: Amount capitalised in cost of construction contracts (Note 10)	(415,007)	(449,115)	-	-
	6,081,978	5,540,951	4,339,765	4,219,329

Included in staff costs of the Group and of the Company are Executive Directors' remuneration amounting to RM1,439,078 (2005: RM1,620,228) and RM1,439,078 (2005: RM1,620,228) respectively as further disclosed in Note 29.

The numbers of staff (including Executive Directors) in the Group and in the Company at the end of the financial year were 141 (2005: 160) and 65 (2005: 71) respectively.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

29. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Executive Directors:				
Fees	45,500	38,000	45,500	38,000
Salaries and other emoluments	1,245,300	1,439,200	1,245,300	1,439,200
Defined contribution plan - EPF	148,278	143,028	148,278	143,028
	1,439,078	1,620,228	1,439,078	1,620,228
Non-executive Directors:				
Fees	173,500	272,000	173,500	272,000
Other emoluments	10,000	11,500	10,000	11,500
	183,500	283,500	183,500	283,500
	1,622,578	1,903,728	1,622,578	1,903,728

Executive Directors of the Company have been granted the following number of options under the Employees' Share Option Scheme on the same terms and conditions as those offered to other employees of the Group:

	2006	2005
At 1 February	1,366,000	1,690,000
Granted	84,000	42,000
Exercised	(79,000)	(366,000)
Cancelled	(234,000)	-
At 31 January	1,137,000	1,366,000

30. TAX

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Income tax				
Current year	7,263,936	6,294,589	2,694,000	2,700,400
Prior years (over) / under provision	(47,299)	(645,548)	138,400	35,156
Deferred tax (Note 8)				
Relating to origination and reversal of temporary differences	(470,442)	502,000	26,000	172,000
Prior years (over) / under provision	(479,332)	273,547	(129,000)	30,000
	6,266,863	6,424,588	2,729,400	2,937,556

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

30. TAX (cont'd)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Profit before tax	25,534,283	23,082,723	9,339,536	10,096,882
Tax at Malaysian statutory tax rate of 28% (2005: 28%)	7,149,599	6,463,162	2,615,070	2,827,127
Effect of tax rate of 20% for subsidiary companies with paid up capital of RM2,500,000 and below	(120,595)	(157,844)	-	-
Expenses not deductible for tax purposes	274,456	654,010	104,930	45,273
Income not subject to tax	(342,849)	(189,493)	-	-
Utilisation of reinvestment allowance in a subsidiary company	(153,117)	-	-	-
Deferred tax asset not recognised in the income statement	(14,000)	26,754	-	-
(Over) / Under provision in prior years				
- income tax	(47,299)	(645,548)	138,400	35,156
- deferred tax	(479,332)	273,547	(129,000)	30,000
Tax expense for the financial year	6,266,863	6,424,588	2,729,400	2,937,556

The estimated tax credit available under Section 108(6) of the Income Tax Act, 1967, which is subject to agreement by the Inland Revenue Board, is sufficient to frank in full the Company's retained profits as at 31 January 2006 if paid out as dividends.

31. 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	
	2006	2005
Profit for the financial year (RM)	18,733,109	16,057,000
Weighted average number of ordinary shares in issue		
As at 1 February	143,670,440	113,649,016
Treasury shares	(2,158,100)	(1,097,400)
Effect of:		
- conversion of ICULS	2,852	22,837,365
- share options exercised	57,573	414,784
As at 31 January	141,572,765	135,803,765
Basic earnings per share (sen)	13.2	11.8

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

31. EARNINGS PER SHARE (cont'd)

(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 Company has one category of dilutive potential ordinary shares arising from conversion of ICULS.

In the diluted earnings per share calculation, the ICULS is assumed to have been converted into ordinary shares and net profit for the period is adjusted for the associated interest expense net of tax effect.

	GROUP	
	2006	2005
Profit for the financial year (RM)	18,733,109	16,057,000
After tax effect of interest on ICULS (RM)	190,393	190,458
Adjusted net profit for the financial year (RM)	18,923,502	16,247,458
Weighted average number of ordinary shares in issue	141,572,765	135,803,765
Effect of dilution from conversion of ICULS	8,814,490	8,817,490
Adjusted weighted average number of ordinary shares	150,387,255	144,621,255
Diluted earnings per share (sen)	12.6	11.2

The share options are anti-dilutive and are ignored in the calculation of diluted earnings per share.

32. DIVIDENDS

Dividends declared or proposed in respect of the financial years ended 31 January 2006 and 2005 are as follows:

	2006		2005	
	Gross dividend per share Sen	Amount of dividend, less tax RM	Gross dividend per share Sen	Amount of dividend, less tax RM
Interim dividend paid	3.0	3,061,853	3.0	3,062,980
Proposed / Paid final dividend	4.0	4,077,917	4.0	4,082,470
	7.0	7,139,770	7.0	7,145,450

At the forthcoming Annual General Meeting, a final gross dividend of 4.0 sen per share (2005: 4.0 sen per share) less tax will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 January 2007 when approved by shareholders. The proposed final dividend of RM4,077,917 is subject to change in proportion to changes in the Company's paid up capital, if any.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following Balance Sheet amounts:

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Deposits with licensed banks	432,146	521,692	-	-
Cash and bank balances	5,646,722	12,428,421	80,681	2,933
Bank overdraft	-	(49,355)	-	(49,355)
	6,078,868	12,900,758	80,681	(46,422)
Less: Fixed deposits pledged (Note 12)	(264,263)	(255,811)	-	-
	5,814,605	12,644,947	80,681	(46,422)

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
With holding company:				
Sharikat Kim Loong Sendirian Berhad				
Internal audit fees	160,000	148,000	45,000	41,000
Rental payment	18,000	18,000	-	-
Purchase of property, plant and equipment	150,016	-	150,016	-
With subsidiary companies:				
Panoramic Industrial Development Sdn. Bhd.				
Management fee	-	-	(256,400)	(1,640,925)
Gross dividend income	-	-	(1,499,400)	(2,205,000)
Crescendo Development Sdn. Bhd.				
Management fee	-	-	(2,890,167)	(1,385,422)
Interest income	-	-	(264,567)	(264,658)
Purchase of property, plant and equipment	-	-	-	81,922
Gross dividend income	-	-	(3,634,400)	-
Unibase Construction Sdn. Bhd.				
Management fee	-	-	(434,061)	(718,221)
Gross dividend income	-	-	(3,375,000)	(7,430,556)
Unibase Corporation Sdn. Bhd.				
Management fee	-	-	(1,813,921)	(1,445,924)
Purchase of property, plant and equipment	-	-	-	28,633
Repute Construction Sdn. Bhd.				
Management fee	-	-	6,300	(6,300)
Unibase Trading Sdn. Bhd.				
Management fee	-	-	(44,647)	(44,638)
Panoramic Jaya Sdn. Bhd.				
Management fee	-	-	(20,239)	-
Interest income	-	-	(826,875)	(506,388)

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
With fellow subsidiaries of the holding company:				
Panoramic Housing Development Sdn. Bhd.				
Rental payment	69,000	45,600	45,600	45,600
Progress billings	(4,428,540)	(3,978,647)	-	-
Management fee	(347,250)	(197,700)	(347,250)	(197,700)
Purchase of property	(460,000)	-	-	-
Panoramic Plaza Sdn. Bhd.				
Progress billings	(4,109,616)	(1,079,781)	-	-
Management fee	(272,757)	(6,320)	(272,757)	(6,320)
Kim Loong Palm Oil Mills Sdn. Bhd.				
Sales of goods	(261,498)	(56,210)	-	-
Rental income	(6,000)	(6,000)	-	-
Unigolf Sdn. Bhd.				
Rental income	(48,000)	(48,000)	-	-
Aerogolf Sdn Bhd				
Purchases of goods	12,410	10,569	2,532	-
Desa Okidville Sdn. Bhd.				
Sales of goods	(71,541)	(15,242)	-	-
Kim Loong Evergrow Sdn. Bhd.				
Purchases of goods	51,380	19,710	-	-
Okidville Holdings Sdn. Bhd.				
Sales of goods	(64,074)	(7,103)	-	-

The Directors are of the opinion that the transactions have been entered into in the normal course of business which are negotiated at arm's length and subject to normal commercial terms.

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

35. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
(i) Bank guarantees				
Issued by a licensed bank in favour of third parties				
- Secured	5,062,145	4,243,080	579,765	579,765
- Unsecured	3,750	11,000	-	-
Amounts utilised are as follows:				
- Secured	5,062,145	4,243,080	579,765	579,765
- Unsecured	3,750	11,000	-	-
(ii) Corporate guarantees - unsecured				
Issued to bank for facilities granted to subsidiary companies			61,000,000	61,000,000
Issued to third parties for supplies of goods and services to a subsidiary company			4,900,000	4,900,000
Amounts utilised:				
Issued to bank for facilities granted to subsidiary companies			40,430,000	35,000,000
Issued to third parties for supplies of goods and services to a subsidiary company			906,242	4,900,000

The bank guarantees are secured by:

- (i) Deposits with licensed banks of RM264,263 (2005: RM255,811) which are registered under the name of a subsidiary company, Repute Construction Sdn. Bhd.;
- (ii) A fixed and floating charge over the present and future assets of a subsidiary company, Unibase Trading Sdn. Bhd, and a corporate guarantee of the Company.

36. CAPITAL COMMITMENTS

	GROUP	
	2006 RM	2005 RM
Amount approved and contracted for		
- property, plant and equipment	799,500	-

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

37. SEGMENTAL INFORMATION

(a) Primary reporting format - business segments

	Industrial properties development				Residential / commercial properties development				Construction activities				Manufacture of concrete products				Management services and others				Consolidated			
	2006		2005		2006		2005		2006		2005		2006		2005		2006		2005		2006		2005	
	RM		RM		RM		RM		RM		RM		RM		RM		RM		RM		RM		RM	
Revenue																								
Total revenue	33,703,974		46,077,135		20,768,202		10,959,094		45,047,162		43,393,295		21,197,584		18,696,834		9,448,649		9,040,350		130,165,571		128,166,708	
Inter-segment sales	-		-		-		-		(36,421,497)		(38,224,484)		(3,828,047)		(796,399)		(5,453,135)		(5,241,430)		(45,702,679)		(44,262,313)	
External sales	33,703,974		46,077,135		20,768,202		10,959,094		8,625,665		5,168,811		17,369,537		17,900,435		3,995,514		3,798,920		84,462,892		83,904,395	
Results																								
Segment results	13,504,183		13,598,015		6,340,326		1,205,261		2,968,227		2,675,102		2,072,942		2,482,680		4,622,660		4,795,198		29,508,338		24,756,256	
Inter-segment eliminations	(94,134)		(88,943)		-		494,212		(1,456,995)		892,037		94,134		88,943		(247,384)		(506,388)		(1,704,379)		879,861	
Segment results (external)	13,410,049		13,509,072		6,340,326		1,699,473		1,511,232		3,567,139		2,167,076		2,571,623		4,375,276		4,288,810		27,803,959		25,636,117	
Unallocated corporate expenses																					(2,169,628)		(2,327,528)	
Profit from operations																					25,634,331		23,308,589	
Finance cost																					(100,048)		(225,866)	
Profit before tax																					25,534,283		23,082,723	
Tax																					(6,266,863)		(6,424,588)	
Profit after tax																					19,267,420		16,658,135	
Minority interests																					(534,311)		(601,135)	
Profit for the financial year																					18,733,109		16,057,000	
Other Information																								
Segment assets	160,727,231		163,739,182		194,614,443		176,872,235		13,296,595		18,671,606		8,832,585		9,155,532		8,572,093		9,119,985		386,042,947		377,558,540	
Segment liabilities	16,044,149		16,812,008		42,072,493		36,169,875		10,158,029		17,979,458		3,436,188		4,443,849		1,944,008		2,184,434		73,654,867		77,589,624	
Capital expenditure	657,312		105,610		45,218		555,646		39,297		153,198		1,397,445		455,555		294,876		496,939		2,434,148		1,766,948	
Depreciation	156,654		218,360		44,656		91,271		278,620		311,265		468,961		328,425		274,072		194,773		1,222,963		1,144,094	

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

37. SEGMENTAL INFORMATION (cont'd)

(b) Secondary reporting - Geographical segments

No segmental reporting by geographical segment is provided as the Group operates only in Malaysia.

38. ACQUISITION OF SUBSIDIARY COMPANY

The effect of the acquisition of subsidiary on the financial results of the Group during the financial year ended 31 January 2006 is shown below:

	RM
Revenue	-
Cost of sales	-
Gross loss	-
Administration expenses	(4,257)
Loss from operations	(4,257)
Finance cost	-
Loss before tax	(4,257)
Tax	-
Loss for the financial year	(4,257)

39. FINANCIAL INSTRUMENTS

Fair values

Recognised financial instruments

The carrying amounts of financial assets and liabilities of the Group and the Company at the balance sheet date approximate their fair values except for:

	GROUP		COMPANY	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
2006				
Financial assets				
Quoted shares	8,957,996	11,205,077	-	-
Unquoted shares	930,782	*	-	-
Financial liabilities				
ICULS	8,814,490	7,227,882	8,814,490	7,227,882
Term loan	28,430,000	28,022,000	-	-

Notes to the Financial Statements

for the financial year ended 31 January 2006 (cont'd)

39. FINANCIAL INSTRUMENTS (cont'd)

Fair values (cont'd)

Recognised financial instruments (cont'd)

	GROUP		COMPANY	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
2005				
Financial assets				
Quoted shares	8,274,026	9,837,312	-	-
Unquoted shares	1,455,068	*	-	-
Financial liabilities				
ICULS	8,817,490	11,286,387	8,817,490	11,286,387
Long term loan	35,000,000	35,000,000	-	-

The fair value of quoted shares and ICULS are determined by reference to the stock exchange quoted market bid prices at the close of the business on the balance sheet date.

* It was not practical within the constraints of timeliness and cost to estimate their fair values reliably.

40. SIGNIFICANT EVENTS

- (a) On 31 May 2004, a subsidiary company, Panoramic Industrial Development Sdn. Bhd. ("PID") entered into a Conditional Development And Option To Purchase Agreement with Bandar Nusajaya Development Sdn. Bhd. ("BNDSB") as agent of Nusajaya Heights Sdn. Bhd. for a total consideration of RM2,000,000 to secure the rights to develop eight parcels of freehold land totalling 341.8827 acres in Mukim of Pulai, District of Johor Bahru into an industrial park. The said agreement granted PID the right to acquire a minimum of 150 acres of the said land within seven years from the development date for an aggregate purchase consideration up to approximately RM59.93 million. PID is also granted an option to purchase the remaining 191.8827 acres of the said land for an aggregate purchase consideration of up to approximately RM109.74 million.

The above proposed acquisition was approved by the Foreign Investment Committee and the shareholders of the Company on 25 September 2004 and 6 January 2005 respectively.

The Development And Option To Purchase Agreement has become unconditional on 1 December 2005 and the Development Date has also been fixed on the same day.

- (b) On 24 March 2005, PID entered into another Sale and Purchase Agreement with BNDSB to acquire a parcel of freehold land of 40.61 acres adjacent to the eight parcels of land as stated in Note 40(a) above for a total consideration of RM11,498,315. The said transaction was completed on 22 July 2005.
- (c) On 6 April 2005, a subsidiary company, Crescendo Education Sdn. Bhd. incorporated a wholly owned subsidiary company, Crescendo Creative Education Sdn. Bhd. ("CCESB"). The intended principal activity of CCESB is the business of provision of pre-primary education. Currently the company has not commenced operations.

Analysis

Of Shareholdings

as at 6 June 2006

Authorised Share Capital : RM500,000,000.00
 Issued & Fully Paid Up Capital : RM143,756,440.00
 Class of Share : Ordinary shares of RM1.00 each fully paid
 Voting Right : 1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
less than 100 shares	11	0.17	445	0.00
100 to 1,000 shares	4,353	66.70	4,331,485	3.06
1,001 to 10,000 shares	1,843	28.24	6,640,380	4.69
10,001 to 100,000 shares	280	4.29	7,444,600	5.26
100,001 to less than 5% of issued shares	29	0.45	6,319,800	4.47
5% and above of issued shares	10	0.15	116,729,930	82.52
Total	6,526	100.00	141,466,640	100.00

* less 2,289,800 shares bought back and retained as treasury shares

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholders	No. of Shares Held	% of Issued Capital*
1. Sharikat Kim Loong Sendirian Berhad	90,833,700	64.21
2. Permodalan Nasional Berhad	7,684,000	5.43
3. Lembaga Tabung Haji	4,025,000	2.85
4. Panoramic Housing Development Sdn. Bhd.	3,145,423	2.22
5. Gooi Seow Mee	1,964,036	1.39
6. Gooi Seong Heen	1,958,835	1.38
7. Malaysia Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Gooi Seong Gum (10-00040-000)	1,835,437	1.30
8. Gooi Seong Lim	1,787,836	1.26
9. Gooi Seong Chneh	1,773,836	1.25
10. Loo Geok Eng	1,721,827	1.22
11. Citigroup Nominees (Asing) Sdn. Bhd. - UBS AG Singapore For Eternal Profits Trading Limited	790,000	0.56
12. Shoptra Jaya (M) Sdn. Bhd	425,000	0.30
13. Teo Guan Kok & Co. Sdn. Bhd.	415,400	0.29
14. Sharikat Kim Loong Sendirian Berhad	395,000	0.28
15. Ke-Zan Nominees (Asing) Sdn. Bhd. - Kim Eng Securities Pte. Ltd. for Horizon Growth Fund N.V.	310,700	0.22
16. ECM Libra Securities Nominees (Tempatan) Sdn. Bhd. - ECM Libra Partners Sdn Bhd for Yeap Gek @ Yeap Poh Chim (Pledged)	270,000	0.19
17. Puen Tak Hong	267,600	0.19
18. Ng Quek Peng	223,000	0.16
19. Shoon Poo Wing @ Song Poh Wing	210,000	0.15
20. Gooi Seong Chneh	201,000	0.14
21. HDM Nominees (Asing) - UOB Kay Hian Pte Ltd for Goh Tiong Yong	200,000	0.14
22. JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Siew Lai	200,000	0.14
23. Tsen Keng Yam	200,000	0.14
24. Poon A Chang @ Poon A Cheong	199,700	0.14

Analysis

Of Shareholdings (cont'd)

Name of Shareholders	No. of Shares Held	% of Issued Capital*
25. Lim Chiang How	169,000	0.12
26. Chong Fui Fong	155,700	0.11
27. Kang Bee Lean	155,000	0.11
28. Chong Chi Bin	150,000	0.11
29. Tan Pang Kuan	150,000	0.11
30. Pang Chee Chiang	142,000	0.10
Total	121,959,030	86.21

The thirty largest shareholder refer to the securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the shares from different securities accounts belonging to the same depositor).

* less 2,289,800 shares bought back and retained as treasury shares

SUBSTANTIAL SHAREHOLDERS (excluding bare trustees) (As per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares Held or Beneficially Interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	91,228,700	-	64.49	-
Permodalan Nasional Berhad	7,684,000	-	5.43	-
Loo Geok Eng	1,721,827	94,374,123*	1.22	66.71
Gooi Seong Lim	1,787,836	94,374,123*	1.26	66.71
Gooi Seong Heen	2,142,835**	94,374,123*	1.51	66.71
Gooi Seong Chneh	1,974,836	94,374,123*	1.40	66.71
Gooi Seong Gum	1,835,437***	94,374,123*	1.30	66.71
Gooi Seow Mee	1,964,036	94,374,123*	1.39	66.71

DIRECTORS' SHAREHOLDINGS (As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Loo Geok Eng	1,721,827	1.22	94,374,123*	66.71
Gooi Seong Lim	1,787,836	1.26	94,374,123*	66.71
Gooi Seong Heen	2,142,835**	1.51	94,374,123*	66.71
Gooi Seong Chneh	1,974,836	1.40	94,374,123*	66.71
Gooi Seong Gum	1,835,437***	1.30	94,374,123*	66.71
Yeo Jon Tian @ Eeyo Jon Thiam	21,500	0.02	-	-
Gan Kim Guan	-	-	-	-

Note:

* Deemed interests by virtue of their interests in Panoramic Housing Development Sdn. Bhd. (3,145,423 shares) and Sharikat Kim Loong Sendirian Berhad (91,228,700 shares).

** 128,000 and 56,000 shares are held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.

*** 1,835,437 shares are held in bare trust by Malaysia Nominees (Tempatan) Sendirian Berhad.

Analysis Of 3% Irredeemable Unsecured Loan Stocks 2002/2007 ("ICULS") Holders

as at 6 June 2006

Nominal Amount of ICULS	:	RM43,398,000.00
Conversion Price	:	At the par value of the ordinary shares of RM1.00 each
Conversion Period	:	26 August, 2002 to 26 August, 2007
Conversion Method	:	By authorising the deposited ICULS to be debited from the Securities Account of the ICULS Holder with an aggregate nominal value at least equivalent to the Conversion Price
Redeemability	:	Not redeemable for cash. Any outstanding ICULS will be converted into new ordinary shares of RM1.00 each on the Maturity Date.
Coupon Rate	:	3.0% per annum and payable on arrears annually during the 5 years on the ICULS remaining outstanding. The last interest payment shall be made on the Maturity Date.
ICULS converted during the year ended 31 January, 2006	:	3000

DISTRIBUTION OF ICULS HOLDINGS

Size of ICULS Holdings (RM)	No of ICULS Holders	% of ICULS Holders	Nominal Amount of ICULS (RM)	% of ICULS
Less than 100 ICULS	2	0.58	65	0.00
100 to 1,000 ICULS	213	61.92	190,300	2.16
1,001 to 10,000 ICULS	117	34.01	365,325	4.15
10,001 to 100,000 ICULS	11	3.20	254,800	2.89
100,001 to less than 5% of ICULS	0	0.00	0	0.00
5% and above of ICULS	1	0.29	8,000,000	90.80
Total	344	100.00	8,810,490	100.00

THIRTY LARGEST ICULS HOLDERS (As per Register of ICULS Holders)

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
1. Sharikat Kim Loong Sendirian Berhad	8,000,000	90.80
2. Chan Cheok Onn	40,000	0.45
3. Wong Ta Nooy @ Wong Keng Yong	40,000	0.45
4. Pang Chee Chiang	33,000	0.37
5. Ah Moi @ Teo Hui Bee	31,000	0.35
6. Tio Swee In	20,000	0.23
7. Choong Chiew Nget	18,000	0.20
8. Khew Yit Len	16,000	0.18
9. Lai San Chai	16,000	0.18
10. Lee Tong Sing	16,000	0.18
11. RC Nominees (Tempatan) Sdn. Bhd. - Pang Chee Chiang (SBB KT)	14,000	0.16
12. Lee Fook Wing	10,800	0.12
13. Ong Peck Choo	10,000	0.11
14. Teo Kiyuee	10,000	0.11
15. Wee Choo Phua	10,000	0.11
16. Foh Chong @ Sons Sdn. Bhd.	9,000	0.10
17. Pang Sang Loo	9,000	0.10
18. RC Nominees (Tempatan) Sdn. Bhd. - Choong Yuen Yoong (SBB KT)	8,000	0.09
19. TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Loh Hang Pai @ Low Heng Fong	8,000	0.09
20. Goh Poh Choo	7,000	0.08

Analysis Of 3% Irredeemable Unsecured Loan Stocks 2002/2007 ("ICULS") Holders

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
21. Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tee Eng Leong (GMS)	7,000	0.08
22. Hoong Ching Lai @ Ong Eng Kim	6,000	0.07
23. Chellam Holdings Sdn. Bhd.	5,000	0.06
24. Choo Kong Bung	5,000	0.06
25. Choo Kong Thien	5,000	0.06
26. Choong Chiew Nget	5,000	0.06
27. Fong Swee Chong	5,000	0.06
28. Lau Khiok Hui	5,000	0.06
29. Low Seng Kee	5,000	0.06
30. Mok Yee Mooi @ Mok Mei Hoong	5,000	0.06
Total	8,378,800	95.09

DIRECTORS' INTEREST IN ICULS (As per Register of Directors' ICULS Holdings)

Name of Directors	Direct Interest ICULS Holdings (RM)	%	Indirect Interest ICULS Holdings (RM)	%
Loo Geok Eng	-	-	8,000,000*	90.80
Gooi Seong Lim	-	-	8,000,000*	90.80
Gooi Seong Heen	-	-	8,000,000*	90.80
Gooi Seong Chneh	-	-	8,000,000*	90.80
Gooi Seong Gum	-	-	8,000,000*	90.80
Yeo Jon Tian @ Eeyo Jon Thiam	-	-	-	-
Gan Kim Guan	-	-	-	-

Note:

- * Deemed interest by virtue of their interest in Sharikat Kim Loong Sendirian Berhad.

Particulars Of Properties

Description & Location	Existing Use (Status of Development)	Tenure / (Age of Building)	Date of Acquisition	Land Area (Acres)	Net Book Value RM'000
Properties Held by PID					
1. Lot No. 340 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Vacant land approved for residential, commercial and industrial development	Leasehold - 999 years commencing from 28.10.1912	18/11/1996	61.26	21,390
2. Lot Nos. PTD 91814 & 91815 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (completed)	Freehold (10 years)	18/11/1996	0.95 (1)	867
3. Lot Nos. PTD 89358 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Hawker centre (completed)	Freehold (10 years)	18/11/1996	2.11 (1)	1,606
4. Lot Nos. PTD 89526, 91803, 91807, 91875, 91877, 91879, 91882 to 91907, 115788 to 115789, 115801 to 115802 all within Taman Perindustrian Cemerlang, Ulu Tiram, Johor Darul Takzim.	Mixed Industrial and commercial plots (development-in-progress)	Freehold	18/11/1996	46.99 (1)	6,270
5. Lot Nos. PTD 153634 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (development - in-progress)	Leasehold - 999 years commencing from 28.10.1912	18/11/1996	1.52 (1)	489
6. Lot Nos. PTD 89720 and 89725 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (completed)	Freehold (2 years)	18/11/1996	0.32	452
7. Lot No. PTD 123297 Mukim of Pulai, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (development - in-progress)	Freehold	22/7/2005	40.61	12,167
8. Lot Nos. PTD 123292, 123293, 123294, 123296, 123298, 123299, 123300 & 123304 Mukim of Pulai, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (development - in-progress)	Freehold	01/12/2005	341.88 (2)	3,218

Particulars

Of Properties (cont'd)

	Description & Location	Existing Use (Status of Development)	Tenure / (Age of Building)	Date of Acquisition	Land Area (Acres)	Net Book Value RM'000
Properties Held by CDSB						
9.	Lot Nos. PTD 115193, 153758, 153768 to 153769, 153771 to 153772, 166519, 166524, 166527 & 166528 . Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (completed)	Freehold (1-6 years)	18/11/1996	11.48 (1)	11,891
10.	Lot Nos. PTD 115183, 115191, 115196, 115244, 115309, 115409, 115419 to 115420, 115511, 153761 to 153765, 153767, 153776, 153778, 153780 to 153804, 153809 to 153810, 153812 to 153821, 153823 to 153824, 166516, 166518, 166530, 166532 & 177194 to 177199 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (development-in-progress)	Freehold	18/11/1996	66.91	12,793
11.	Lot Nos. PTD 113502 to 113598, 113943, 114901, 154057 to 154196, 162725 to 162726, 177256 to 177257, 177263, 177309 to 177336, 177351 to 177352, 177356 to 177357, 177363 to 177364, 177366 to 177368, 177371, 177374 to 177375, 177377 to 177392, 177398, 177401, 177406 to 177416, 177418 to 177421, 177424 to 177430, 177432 to 177433, 177439 to 177440, 177448 to 177451, 177454, 177456 to 177460, 177463 to 177466, 177471 to 177473, 177476, 177479 to 177482, 177485 to 177494, 177496 to 177508, 177510 to 177520, 177522 to 177541, 177543 to 177546, 177548 to 177549, 177551 to 177556, 177558 to 177569, 177571 177658 and 177660 to 177749. Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Residential plots (development-in-progress)	Freehold	18/11/1996	135.92 (1)	46,997

Particulars

Of Properties (cont'd)

	Description & Location	Existing Use (Status of Development)	Tenure / (Age of Building)	Date of Acquisition	Land Area (Acres)	Net Book Value RM'000
12.	Lot Nos. 147, 681 & 1468, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Vacant agriculture land	Freehold	06/01/1999	9.98	5,651
13.	Lot Nos. 577 & 1788 Mukim and District of Kota Tinggi, Johor Bahru, Lot nos. 804 & 806, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.	Vacant agriculture land	Freehold	26/06/2001	1,390.22	147,975
Properties Held by PJSB						
14.	Lot Nos. PTD 77812 to 77814, 77817 to 77820, 77822 to 77829, 77831 to 77834, 77838 to 77839, 77841 to 77842, 77844 to 77857, 77897 to 77925, 77928 to 77975, 78244 to 78277 and 78279 to 78280. Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.	Mixed residential and commercial plots (vacant)	Freehold	12/05/2004	36.44 (1)	8,785
15.	Lot Nos. PTD 78023 to 78024, 78026 to 78027, 78030, 78032 to 78038, 78040 to 78048, 78050 to 78054 and 78056. Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.	Residential plots (completed)	Freehold (2 years)	12/05/2004	1.15 (1)	3,294
Properties Held by Ambok						
16.	Lot 960, 1331, 349, 2, 608, 325, 607, 58, 60, 750, 748, 749, 717, 716, 747, 609 & 116, Mukim Tanjung Surat, District of Kota Tinggi, Johor Darul Takzim.	Oil palm estate (zoned for resort development)	Freehold	18/11/1996 (3)	804.68	38,997
Properties Held by CJSB						
17.	Lot Nos. 1492, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Agricultural land	Freehold	20/12/2002	5.24	1,124

Particulars

Of Properties (cont'd)

Description & Location	Existing Use (Status of Development)	Tenure / (Age of Building)	Date of Acquisition	Land Area (Acres)	Net Book Value RM'000
Properties Held by Unibase Concrete					
18. Factory Building No.1, Jalan Mahir 1, Taman Perindustrian Cemerlang, 81800 District of Ulu Tiram, Johor Darul Takzim.	Readymix concrete plant	(9 years)	18/11/1996 (4)	Not applicable	44
Properties Held by CE					
19. PTD 154264 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Vacant land for commercial buildings	Freehold	10/01/1999	4.11	1,935
Properties Held by CCC					
20. PTD 113438 Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Vacant land for commercial buildings	Freehold	10/01/1999	8.50	3,644
Total				2,970.25	329,589

Notes : -

- Gross land are based upon land titles held by PID, CDSB and PJSB as at 31 January, 2006. For PID, the conversion factor from gross to net saleable freehold and leasehold industrial land area are 0.6992 and 0.6706 respectively and for CDSB, the conversion factors from gross to net saleable industrial and residential / commercial land area are 0.6997 and 0.5297 respectively and for PJSB, the conversion factor from gross to net saleable industrial and residential / commercial land area is 0.9787. The conversion factor which is used to compute net saleable land from the gross saleable land is based on pre-computation areas of all sub-divided lots as stated in qualifying titles (as per approval letters from Pengarah Tanah dan Galian Johor) over the total land areas acquired (as per sale and purchase agreement). The net saleable land area in respect of the gross land area of 46.99 acres under PID is approximately 32.85 acres.
- Development right with option to purchase.
- The oil palm estate which is an unconverted development land zoned for tourism is currently planted with oil palm trees which are due for replanting.
- The building is sited on the freehold land Lot No. PTD 91877 held by PID.

FORM OF PROXY



I/We, _____
of _____
being (a) member(s) of the abovenamed Company do hereby appoint _____
of _____
or failing whom, _____ of _____
or failing whom, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company to be held at The Tiara Rini Ballroom of The Royale Bintang Damansara, 6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 28 July 2006 at 10.00 a.m and at any adjournment thereof in the manner as indicated below:-

No.	Resolution	For	Against
1.	Adoption of Reports and Audited Financial Statements		
2.	Declaration of final dividend		
3.	Re-appointment of Director: Mdm. Loo Geok Eng		
4.	Re-election of Director: Mr. Gooi Seong Chneh		
5.	Re-election of Director: Mr. Yeo Jon Tian @ Eeyo Jon Thiam		
6.	Re-appointment of Auditors		
7.	Authority to issue shares		
8.	Proposed Renewal of Authority for Share Buy-Back		
9.	Proposed Renewal of Shareholders' Mandate		

(Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

Signed this _____ day of _____ day 2006

Signature of Member(s)

Number of Shares held	
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NOTES:

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him.

To be valid, this Form duly completed must be deposited at the registered office of the Company at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the meeting.

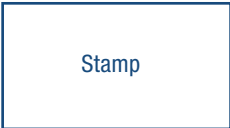
Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with shares of the Company standing to the credit of the said securities account.

If the appointor is a corporation, this Form must be executed under its common seal or under the hand of the attorney.

Please fold this flap for sealing

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The Secretary
CRESCENDO CORPORATION BERHAD
Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya.

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