



building with passion

annual report 2008



**Crescendo Corporation Berhad.** (359750-D)


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Block C, Damansara Intan,  
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## 20 years of building excellence

For over two decades, Crescendo has been in the forefront of distinguished developments in prime commercial and residential areas in Malaysia. Our innovative and superior designs have set new standards valued by our customers.

## notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of Crescendo Corporation Berhad will be held at Jasmine Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 30th July 2008 at 9.30 a.m. for the following purposes :-

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2008 together with the Auditors' Report thereon. (resolution 1)
2. To declare a final dividend of 4 sen less 25% tax in respect of the financial year ended 31 January 2008. (resolution 2)
3. To re-appoint Loo Geok Eng as a Director pursuant to Section 129(6) of the Companies Act, 1965. (resolution 3)
4. To re-elect the following Directors retiring in accordance with Article 77 of the Articles of Association of the Company:-
 

Gooi Seong Gum (resolution 4)  
 Yeo Jon Tian @ Eeyo Jon Thiam (resolution 5)
5. To re-elect Tan Ah Lai retiring in accordance with Article 84 of the Articles of Association of the Company. (resolution 6)
6. To re-appoint CS Tan & Associates as Auditors of the Company and to authorise the Directors to fix their remuneration. (resolution 7)
7. As Special Business, to consider and if thought fit, to pass the following resolutions:-

### ORDINARY RESOLUTION I – AUTHORITY TO ISSUE SHARES

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may deem fit and that the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company. "

(resolution 8)

### ORDINARY RESOLUTION II – PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY BACK

"THAT, subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 1965 ("the Act"), the provisions of the Company's Memorandum and Articles of Association and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, approval be and is hereby given to renew the authority for the Company to purchase its own shares through Bursa Securities, subject to the following:-

1. the maximum number of shares which may be purchased by the Company (which includes the shares already purchased and held as treasury shares) shall be 15,507,133 representing 10% of the issued and paid-up share capital of the Company as at 16 June 2008;

## notice of annual general meeting (cont'd)

2. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the combined total of the audited retained profits and/or the share premium reserves of the Company as at 31 January 2008 of RM57,868,236 and RM15,517,033 respectively;
3. the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next Annual General Meeting or the expiry of the period within which the next Annual General Meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;
4. upon completion of the purchase by the Company of its own shares, the shares shall be dealt with in the following manner:-
  - (i) to cancel the shares so purchased; or
  - (ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares; or
  - (iii) to retain part of the shares so purchased as treasury shares and cancel the remainder,
 and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

(resolution 9)

### **ORDINARY RESOLUTION III – PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to renew the shareholders' mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 3.5 of the Circular dated 7 July 2008, provided that such transactions are made on an arm's length basis and on normal commercial terms and subject further to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) disclosure is made in the Annual Report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:-
  - (a) the type of the recurrent transactions made; and
  - (b) the relationships of the related parties involved in each type of recurrent transactions made with the Company,



## notice of annual general meeting (cont'd)

and such authority shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, such authority is renewed;
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the said Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(resolution 10)

8. To consider any other business for which due notice shall have been given.

### NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Twelfth Annual General Meeting, the final dividend of 4 sen less 25% tax in respect of the financial year ended 31 January 2008 will be paid on 22 August, 2008 to depositors registered in the Record of Depositors on 13 August 2008.

A depositor shall qualify for entitlement only in respect of:-

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 13 August 2008 in respect of ordinary transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

CHONG FOOK SIN (MACS 00681)  
NG KAM MAY (MAICSA 7020575)  
Company Secretaries

Petaling Jaya  
7 July 2008



## notice of annual general meeting (cont'd)

### NOTES:

#### (1) Proxy -

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. 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. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time set for holding the meeting. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.

#### (2) Resolution 8 -

This resolution, if passed, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the issued capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and unless revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting.

#### (3) Resolution 9 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Circular to Shareholders dated 7 July 2008 which is enclosed together with the Annual Report 2008.

#### (4) Resolution 10 -

The detailed text on this resolution on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is included in the Circular to Shareholders dated 7 July 2008 which is enclosed together with the Annual Report 2008.



Annual General Meeting 2007

## statement accompanying notice of annual general meeting

### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.28 (2) OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

(1) The following are the Directors standing for re-appointment or re-election at the Twelfth Annual General Meeting :-

(a) Re-appointment of Director pursuant to Section 129(6) of the Companies Act, 1965:-

Loo Geok Eng (f)

(b) Re-election of Directors pursuant to Article 77 of the Articles of Association of the Company:-

Gooi Seong Gum

Yeo Jon Tian @ Eeyo Jon Thiam

(c) Re-election of Director pursuant to Article 84 of the Articles of Association of the Company:-

Tan Ah Lai

(2) (a) There were five (5) Board of Directors' Meetings during the financial year ended 31 January 2008, all held at Lot 18.02, 18th Floor, Public Bank Tower, No. 19, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor except that held on 30 July 2007 at The Orchid / Olive Room, Lower Ground Floor of One World Hotel, First Avenue, off Dataran Bandar Utama, 47800 Petaling Jaya. The date and time of the Meetings were as follows:-

Date of Meeting	Time
Thursday, 29 March 2007	3.10 p.m.
Friday, 29 June 2007	10.30 a.m.
Monday, 30 July 2007	4.00 p.m.
Thursday, 27 September 2007	3.00 p.m.
Wednesday, 26 December 2007	12.15 p.m.

(b) Attendance of Directors at the Board Meetings held during the financial year ended 31 January 2008 are as follows -

Name of Director	Attendance at Meeting	Percentage of Attendance (%)
Loo Geok Eng (f)	4/5	80
Gooi Seong Lim	5/5	100
Gooi Seong Heen	5/5	100
Gooi Seong Chneh	5/5	100
Gooi Seong Gum	5/5	100
Gan Kim Guan	5/5	100
Yeo Jon Tian @ Eeyo Jon Thiam	5/5	100
Tan Ah Lai (Appointed on 1 November 2007)	1/1	100

(3) The Twelfth Annual General Meeting will be held at Jasmine Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 30th July 2008 at 9.30 a.m.

(4) The profile of Directors standing for re-appointment or re-election at the Twelfth Annual General Meeting are set out in pages 12 to 15 of this Annual Report.

## corporate profile



Nusa Cemerlang Industrial Park  
("NCIP") Site Office

### BOARD OF DIRECTORS

Loo Geok Eng (f)  
*Executive Chairman*

Gooi Seong Lim  
*Managing Director*

Gooi Seong Heen

Gooi Seong Chneh

Gooi Seong Gum

Gan Kim Guan

Yeo Jon Tian @ Eeyo Jon Thiam

Tan Ah Lai

### AUDIT COMMITTEE

Gan Kim Guan  
*Chairman*

Yeo Jon Tian @ Eeyo Jon Thiam

Tan Ah Lai

### COMPANY SECRETARIES

Chong Fook Sin  
(MACS 00681)

Ng Kam May (f)  
(MAICSA 7020575)

### REGISTERED OFFICE

Unit No. 203, 2nd Floor,  
Block C, Damansara Intan,  
No. 1, Jalan SS 20/27,  
47400 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel : 03 7118 2688  
Fax : 03 7118 2693

### REGISTRAR

Tacs Corporate Services Sdn. Bhd. (231621-U)  
Unit No. 203, 2nd Floor,  
Block C, Damansara Intan,  
No. 1, Jalan SS 20/27,  
47400 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel : 03 7118 2688  
Fax : 03 7118 2693

### AUDITORS

C S Tan & Associates  
Chartered Accountants  
Firm No. AF 1144  
Wisma TCS, No. 8M,  
Jalan Tun Abdul Razak (Susur 3),  
80200 Johor Bahru,  
Johor Darul Takzim.

### PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad (295400-W)  
HSBC Bank Malaysia Berhad (127776-V)

### STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad  
Stock Short Name : CRESNDO  
Stock Code : 6718

## board of directors



**Loo Geok Eng (f)**  
Executive Chairman

**Tan Ah Lai**  
Independent Non-  
Executive Director

**Gooi Seong Lim**  
Managing Director

**Gan Kim Guan**  
Senior Independent  
Non-Executive Director

**Gooi Seong Heen**  
Executive Director

## board of directors (cont'd)



**Gooi Seong Chneh**  
Executive Director

**Chong Fook Sin**  
Company Secretary

**Gooi Seong Gum**  
Executive Director

**Ng Kam May**  
Company Secretary

**Yeo Jon Tian @  
Eeyo Jon Thiam**  
Independent Non-  
Executive Director

## profile of directors



### MDM. LOO GEOK ENG

Aged 88, a Malaysian, was appointed to the Board of Directors ("the Board") as an Executive Director of Crescendo Corporation Berhad ("CCB") on 15 September 1995. She was redesignated as the Executive Chairman of CCB with effect from 30 March 2006. She is the founder of Sharikat Kim Loong Sendirian Berhad ("SKL"), an investment holding company which owns a controlling stake in CCB and Kim Loong Resources Berhad ("KLR"), a public company listed on Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") and has been the Director of SKL since 11 August 1967. Her experience includes that of oil palm and rubber estate management and property development. She also sits on the Board of KLR and several other private companies.

Madam Loo has no personal interest in any business arrangement involving CCB, except that she is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of her directorship and shareholding in SKL. She has not been convicted of any offences within the past 10 years. She attended four (4) out of the five (5) Board meetings held during the financial year 2008.



### MR. GOOI SEONG LIM

Aged 59, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently the Managing Director of CCB. He is also a member of the Remuneration Committee with effect from 27 March 2002. He graduated with a Bachelor of Applied Science degree in Mechanical Engineering in 1972 and obtained a Master's degree in Mechanical Engineering in 1975 both from the University of Toronto, Canada. From 1972 to 1975, he was an engineer of Spar Aerospace Ltd, an engineering company based in Toronto, Canada, specialising in the design and computer simulations of Canadian Communication Satellite and subsequently, with Atomic Energy of Canada Ltd based in Toronto, Canada, a quasi-government company specialising in the design, supply and construction of Canadian nuclear reactors. From 1975 until to-date, he has been the Managing Director of SKL, an investment holding company which owns a controlling stake in CCB and KLR. Since 1977, he has been a director of Kim Loong Palm Oil Sdn. Bhd. ("KLPO") which is involved in palm oil milling. The success of the Group owes much to his extensive involvement in construction and property development. He is the Executive Chairman of KLR and also sits on the Board of several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2008.



## profile of directors (cont'd)



### MR. GOOI SEONG HEEN

Aged 57, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB and is also a member of the Audit Committee until 1 November 2007. He graduated with a Bachelor of Applied Science degree in Chemical Engineering from the University of Toronto in 1972 and obtained a Master's degree in Business Administration from the University of Western Ontario, Canada in 1976. He served as an engineer with Esso Singapore Pte Ltd from 1973 to 1974. His experience embraces oil palm and rubber estate management, palm oil mill management and property development. From 1972, he has been a Director of SKL, an investment holding company which owns a controlling stake in CCB and KLR. Since 1977, he has been a director of KLPO Group which is involved in palm oil milling. He is the Managing Director of KLR and also a director of several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2008.



### MR. GOOI SEONG CHNEH

Aged 53, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director and Chief Executive Officer (construction operation) of CCB. He graduated with a Bachelor of Science degree from the University of Toronto, Canada in 1975 and obtained a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He is a member of Professional Engineers Association of Alberta, Canada. He was formerly a consultant with Campbell Engineering and Associates, Calgary, Canada for three (3) years from 1981 to 1983. He has extensive experience in construction site management and property development. His experience also includes oil palm and cocoa estate management. From 1976, he has been a Director of SKL, an investment holding company which owns a controlling stake in CCB and KLR. He has been responsible for the development and management of oil palm and cocoa estates in Sabah since 1985. He is also a director of KLR and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2008.



## profile of directors (cont'd)



### **MR. GOOI SEONG GUM**

Aged 52, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB. He graduated with a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He was an engineering consultant for Bobrowski & Partners, Calgary, Canada for one (1) year from 1982 to 1983. His experience covers oil palm and rubber estate management, property development and construction site management. From 1980, he has been a Director of SKL, an investment holding company which owns a controlling stake in CCB and KLR. Since 1983, he has been a director of KLPO Group which is involved in palm oil milling. He currently sits on the Board of KLR and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2008.



### **MR. GAN KIM GUAN**

Aged 45, a Malaysian, was appointed to the Board of CCB as an Independent Non-Executive Director on 29 March 2001. He is currently the Senior Independent Non-Executive Director of CCB. He was appointed as a member of the Audit Committee on 5 May 2001 and currently, he serves as the Chairman of the Audit Committee. He also sits as a member of both the Nominating and Remuneration Committees with effect from 27 March 2002. He is a partner of a firm of Chartered Accountants. He has extensive experience in auditing, investigation, financial planning and financing related work. He was previously involved in the Internal Audit Committee of the Malaysian Institute of Accountants. He is also a director of KLR.

Mr Gan is a member of The Association of Chartered Certified Accountants, and a Chartered Accountant of the Malaysian Institute of Accountants. He has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2008.

## profile of directors (cont'd)



### **MR. YEO JON TIAN @ EEYO JON THIAM**

Aged 67, a Malaysian, was appointed to the Board of CCB on 3 December 1996. He is currently an Independent Non-Executive Director of CCB and is also a member of Audit Committee. He is the Chairman of both Nominating and Remuneration Committees of CCB with effect from 27 March 2002. He commenced his planting career in 1960 with the Rubber Research Institute of Malay Smallholders' Advisory Service. He is an associate of the Incorporated Society of Planter since 1968. He has been actively involved in the plantation management of large-scale cultivation of rubber, oil palm and cocoa until 1990 when he became the General Manager of a property development company. He also sits on the board of several private companies.

Mr Yeo has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2008.



### **MR. TAN AH LAI**

Aged 39, a Malaysian, was appointed as an Independent Non-Executive Director of CCB and a member of the Audit Committee on 1 November 2007. He is a fellow member of the Association of Chartered Certified Accountants, UK and a Chartered Accountant of the Malaysian Institute of Accountants. He started his career as an Audit Assistant in a public accounting firm in 1994 and is presently the audit and tax director of the firm. He has considerable experience in auditing, investigation, due diligence work and financial and tax compliance related work. Currently, he is also a director of Guan Chong Berhad.

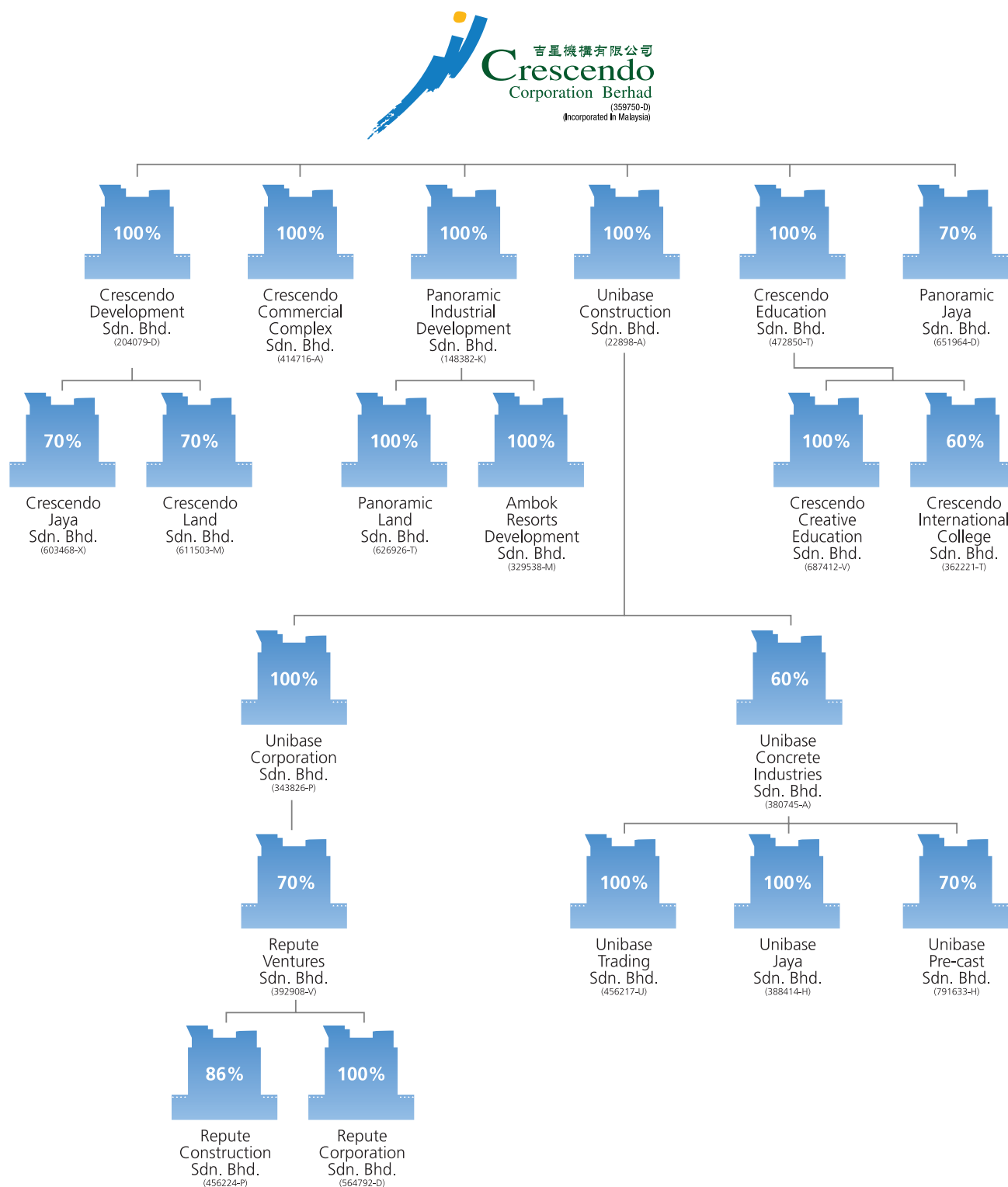
Mr Tan has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. Since his appointment on 1 November 2007, he attended one (1) Board meeting held during the financial year 2008.

### **Family Relationship**

Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum, who are brothers, are the children of Loo Geok Eng.

Save for the above, none of the other Directors is related.

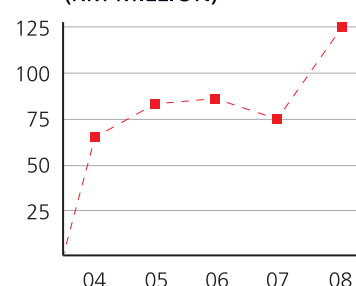
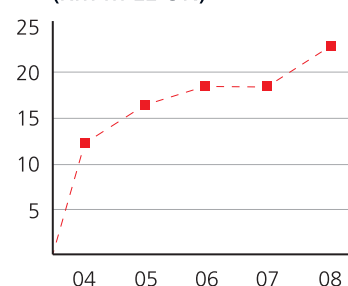
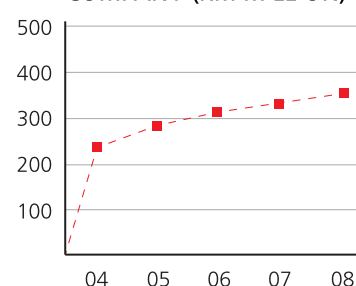
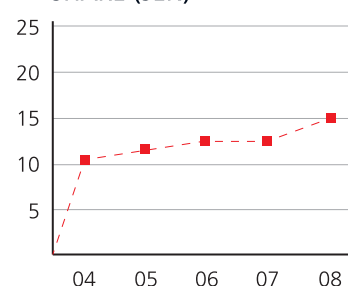
## group structure



## group financial highlights

## ANOTHER GREAT YEAR...

	2004	2005	2006	2007	2008
<b>Income Statement (RM'000)</b>					
Revenue	62,433	83,904	84,463	75,275	124,707
Profit before tax	17,642	23,083	25,534	25,208	32,233
Profit after tax	13,308	16,658	19,267	19,132	23,805
<b>Balance Sheet (RM'000)</b>					
Paid-up share capital	117,985	143,670	143,752	143,793	155,068
Equity attributable to equity holders of the company	247,253	296,850	308,587	319,440	350,732
Total assets	341,706	377,558	386,043	439,321	513,437
<b>Per Share Attributable To Equity Holders of the Company (Sen)</b>					
Earnings	11	12	13	13	15
Net tangible assets	210	207	215	222	226
Dividends	6	7	7	7	7
<b>Weighted average number of shares in issue ('000)</b>					
	113,649	135,804	141,573	141,357	150,802
<b>Financial Ratio (%)</b>					
Return on equity attributable to equity holders of the company (Pre-tax)	7.1	7.8	8.3	7.9	9.2
Return on total assets (Pre-tax)	5.2	6.1	6.6	5.7	6.3

REVENUE  
(RM'MILLION)PROFIT AFTER TAX  
(RM'MILLION)EQUITY ATTRIBUTABLE TO  
EQUITY HOLDERS OF THE  
COMPANY (RM'MILLION)EARNING PER  
SHARE (SEN)









# Impeccable corporate strengths

Reliability, integrity and strong records have lifted Crescendo to a position of prominence, recognition and public acclaim. Our commitment to continuously deliver projects with impeccable high standards has made Crescendo a household name.

## statement on corporate governance

### INTRODUCTION

The Malaysian Code on Corporate Governance [the "Code"] sets out the principles and best practices for directing and managing the business and affairs of the Group with transparency, integrity and accountability. The Code ensures 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 corporate accountability with the objective of realising long-term shareholders' value, whilst taking into account the interests of other stakeholders consistent with the principles and best practices as enshrined in the Code.

The Board of Directors is committed to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the performance of the Group.

The Board is pleased to report to the shareholders on the manner the Group has applied the principles of good corporate governance and the extent of compliance with the Best Practices of Good Governance as set out in the Code throughout the financial year ended 31 January 2008.

### THE BOARD OF DIRECTORS

#### Board Responsibilities

The Board retains full and effective control of the Group. It is responsible for among other things, the reviewing and adoption of strategic plan for the Group overseeing of business performance, ensuring the adoption of appropriate risk management systems and ensuring the establishment of proper internal control system.

The Board, together with the Audit Committee, reviews internal control and risk management systems within the organisation in ensuring the custody and effective and efficient utilisation of Group's assets.

The Group has a succession plan which inter alia includes appointing, training, fixing of compensation and replacing senior management of the Group, if required.

#### Composition and balance

The control environment is driven by an effective Board of Directors which consists of competent individuals with appropriate specialist skills and knowledge to ensure capable management of the Group. The composition of independent and non-independent Directors is carefully considered to ensure that the Board is well balanced and effectively manages the Group's businesses.

The Board as at 31 January 2008, consisted of eight directors:

- An Executive Chairman;
- A Managing Director;
- Three Executive Directors;
- A Senior Independent Non-Executive Director; and
- Two Independent Non-Executive Directors.

The presence of Independent Non-Executive Directors brings unbiased and independent views, advice and judgement to the decisions of the Board taking account of the interest of the Group, shareholders, employees, customers and suppliers. A profile of each Director is presented on pages 12 to 15 this Annual Report.

The Board has reviewed the size of the Board and has considered the current composition is optimum and effective given the scope, size and complexity of the business affairs of the Group and taking compliance of Independent Non-Executive Directors criteria set out under the Listing Requirements of Bursa Malaysia Securities Berhad into account.



## statement on corporate governance (cont'd)

The Board has appointed Gan Kim Guan to act as the Senior Independent Non-Executive Director of the Board to whom concerns regarding the Group may be conveyed. He may be contacted at 03-92871889 or e-mail : gankg@crescendo.com.my.

### Division of roles and responsibilities between Executive Chairman and Managing Director

The Board has appointed Loo Geok Eng, as its Executive Chairman, and Gooi Seong Lim, as the Managing Director. Both have many years of experience in managing the Group's core businesses.

The Group practises a separate and divided responsibilities between the Executive Chairman and the Managing Director and these two positions are held by two separate persons. As part of good governance, the Chairman is responsible for ensuring board effectiveness and conduct. She encourages a healthy debate on issues raised at meetings and gives every opportunity to directors who wish to speak out. Every Board resolution is then put to a vote which would reflect the collective decision of the Board and not individuals or an interest group.

The Group's Managing Director has the overall responsibility for the profitability and development of the Group. He is responsible for the stewardship of all the Group's assets, day to-day running of the business and implementation of Board decisions and clarifying matters relating to the Group's business to the Board. The Managing Director's in-depth and intimate knowledge of the Group's affairs contribute significantly towards the ability of the Group to achieve its goals and objectives.

### 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 2008, there were five (5) Board meetings. All Directors attended a majority of the Board meetings held during the financial year.

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

Name of Director	Status of Directorship	Attendance of Meeting
Loo Geok Eng	Executive Chairman	4 of 5
Gooi Seong Lim	Managing Director	5 of 5
Gooi Seong Heen	Executive Director	5 of 5
Gooi Seong Chneh	Executive Director	5 of 5
Gooi Seong Gum	Executive Director	5 of 5
Gan Kim Guan	Senior Independent Non-Executive Director	5 of 5
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Non-Executive Director	5 of 5
Tan Ah Lai	Independent Non-Executive Director	1 of 1



Desa Cemerlang Three Storey Shop Office



## statement on corporate governance (cont'd)

### Appointment and election to the Board

#### Appointment

The Board appoints its members through a formal and transparent process which is consistent with the Company's Articles of Association.

The 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 Board constantly reviews its effectiveness of the Board as a whole, the various Committees of the Board and the contributions of each director. All assessments and evaluations carried out by the Nominating Committee in discharging all its functions are properly documented.

New members of the Board are briefed by the Managing Director or Executive Directors to familiarise themselves with the operations of the Group. All newly appointed Directors are subject to re-election by the shareholders at the AGM following their appointment.

#### Re-election

The Company's Articles of Association provides that at least one-third (1/3) of the Board are subject to retirement by rotation at each AGM provided always that each Director shall retire at least once in every three years. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. This provides an opportunity for shareholders to renew their mandate. To assist shareholders in their decision, sufficient information such as personal profile and meeting attendance of each Director standing for election at the forthcoming AGM are shown in the Notice of AGM (Ordinary Resolution 4 and 5) on page 4.

Directors over seventy years old are required to submit themselves for re-appointment annually pursuant to Section 129(6), Companies Act, 1965. Director seeking re-appointment under this Section at the forthcoming AGM is shown in the Notice of AGM (Ordinary Resolution 3) on page 4.

### Director's Continuing Development

All existing Directors have completed the "Mandatory Accreditation Program" conducted by the Research Institute of Investment Analyst Malaysia (RIIAM) as prescribed by Listing Requirements of Bursa Malaysia Securities Berhad. They have also participated in various Continuous Education Programme to keep abreast with relevant new development on a continuous basis on the general regulatory, economic, industry and technical development to further enhance their skills, knowledge and experience in order to fulfil their duties as Directors.

During the year, the Directors have attended training on Updates on Financial Reporting Standards organised by the Group and facilitated by industry experts. Directors are also encouraged to attend seminars and/or conferences organised by relevant regulatory authorities, professional bodies and commercial entities providing training to further enhance their skills and knowledge as well as update themselves on new developments in the business environment.

During the financial year under review, the Directors collectively or individually attended a number of trainings and conferences as below:

- The Long Boom and Its Untold Opportunities
- MSWG 2006 Corporate Governance Scorecard & 2006 Dividend Survey
- Industrial Waste Seminar
- Crucial Updates on New Corporate Governance Requirements in Malaysia
- Seminar on Iskandar Development Region: CEO Briefing
- Improving Housing Delivery System
- The Revised Malaysian Code of Corporate Governance: The Challenges Ahead For Internal Auditors

## statement on corporate governance (cont'd)

- Hasil Tax Seminar 2007
- Tax Audit and Tax investigation
- A Critique of Tax Cases & Issues Arising
- Corporate Tax Planning and Updates on Public Rulings
- National Tax Conference 2007
- 2007 National Conference on Internal Auditing
- Property Developers and Contracts - Tax Compliance Issues

### Supply of Information to the Board

In exercising their duties, all Directors have the same right of access to all information within the Group and they have a duty to make further enquiries which they may require in discharging their duties. The Directors also have access to the advice and services of the Company Secretary, who is available to provide them with appropriate advice and services to ensure that Board meeting procedures are followed and all applicable rules and regulations are complied with. In addition and in furtherance of their duties, the Directors may seek independent professional advice at the Company's expenses.

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 businesses 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, 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.

The Chairman is primarily responsible for ensuring that sufficient information is provided to the Directors and they have full and timely access to information to assist them in their deliberations.

### Board Committees

To assist the Board in discharging its duties three committees, namely, the Audit, Nominating and Remuneration Committees were established. All Board Committees have their functions, written terms of reference and operating procedures clearly defined and have their Terms of Reference approved by the Board.

Each Committee submits reports of their respective proceedings and deliberations to the Board. Their respective Chairmen will report to the Board the outcome of the Committee meetings and such reports will be incorporated in the minutes of the Board meeting. The Board retains full responsibility for the direction and control of the Group.

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 Nominating Committee, the Board will also review its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to 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 Report of the Audit Committee on pages 34 to 37 of this Annual Report.
- The Audit Committee meets at least once every quarter.

## statement on corporate governance (cont'd)

### Remuneration Committee

- The terms of reference of the Remuneration Committee are set out under the Report of the Remuneration Committee on page 38 of this Annual Report;
- The Remuneration Committee meets as and when required, and at least once a year.

### Nominating Committee

- The terms of reference of the Nominating Committee are set out under the Report of the Nominating Committee on page 39 of this Annual Report
- The Nomination Committee meets as and when required, and at least once a year.

### Director's Remuneration

The remuneration of Directors is determined at levels which enable the Group to attract and retain Directors of calibre and relevant experience and expertise to manage the Group successfully. For Executive Directors, the remunerations are structured to link rewards to the Group and individual performances. 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 is responsible for setting the policy framework of the Executive Directors remuneration package and makes recommendations to the Board on the elements of the remuneration and other terms of appointment to the Board. The Executive Directors abstain from the deliberations and voting decision in respect of their remuneration. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of these Directors.

All Non-Executive Directors are paid director's remuneration for attending Board and Committee meetings. All director's are paid meeting allowance for attendance at each Board meeting.

Save that the fees of the Directors shall from time to time be determined by an ordinary resolution of the Company and shall 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 to decide as a whole.

A summary of the remuneration of the Directors for the year ended 31 January 2008, distinguishing between Executive and Non-Executive Directors, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive band of RM50,000, is set out as below.

#### a. Summary of Directors' Remuneration

Aggregate Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salary	1,221,996	-	1,221,996
Bonus	290,500	-	290,500
Fees	35,500	115,000	150,500
Meeting Allowances	12,000	5,500	17,500
Estimated monetary value of benefits-in-kind	57,166	-	57,166
Defined Contribution Plan	156,396	-	156,396
Share options granted under ESOS	6,745	-	6,745
Total	1,780,303	120,500	1,900,803

## statement on corporate governance (cont'd)

### b. Remuneration Band

Analysis of remuneration	Executive Directors	Non-Executive Directors
0 – RM50,000	-	1
RM50,001 – RM100,000	-	2
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	1	-
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	2	-
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	-	-
RM450,001 – RM500,000	1	-

## SHAREHOLDERS

### Dialogue between the Group and Investors

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 Bursa Malaysia Securities Berhad. 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 assessments of itself. In this regard, it conducts briefing to Investment/Financial Analysts and 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.

### AGM

The AGM is the principal forum of dialogue with shareholders. Notice of the 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.

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 questions or seek more information during the meeting. The Managing Director and Board members are available to respond to all shareholders' queries.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

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

Other avenues whereby shareholders and interested stakeholders have access to company data are through quarterly filing of financial data and access via the Company's website at [www.crescendo.com.my](http://www.crescendo.com.my).



Taman Dato Chellam Double Storey Terrace House



NCIP Semi Detached Factory Type SD81

## statement on corporate governance (cont'd)

### Annual Report

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on the business activities, the Group strives to improve the contents of the Annual Report in line with the developments in corporate governance practices. Much effort is undertaken by the Company to produce an Annual Report which is informative with facts and figures.

The Company's Annual Report can be obtained by accessing the Company's website at [www.crescendo.com.my](http://www.crescendo.com.my).

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors are responsible to present a balanced, clear and meaningful assessment of the Group's financial positions and future prospects. The Audit Committee assists in reviewing the information disclosed to ensure accuracy and adequacy.

A Statement on Directors Responsibilities in preparing the financial statements is set out in page 32 of this Annual Report.

#### Internal Control

The Board acknowledges that it is responsible for maintaining a sound system of internal control for the Group, 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 in pages 28 to 30 of this Annual Report.

#### Internal Audit Function

The Internal Audit Function has been undertaken by the Internal Audit Department ("IAD") of the Group's holding company, Sharikat Kim Loong Sendirian Berhad. The Board has chosen to outsource this audit function as it 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 Audit Committee reviews and approves the audit plan, which identifies the scope of work for the year.

The Head of IAD reports directly to the Audit Committee.

#### External Audit Function

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

The Group has maintained a close, transparent and professional relationship with its External Auditors i.e. Messrs CS Tan & Associates in seeking professional advice and ensuring compliance with the applicable accounting standards in Malaysia as well as the auditors' professional requirements. Messrs CS Tan & Associates reports to the shareholders of the Company on its opinions which are included as part of the Group's financial reports with respect to their audit on each year's statutory financial statements.



## statement on corporate governance (cont'd)



NCIP Detached Factories Type D138 and D108



### External Audit Function (cont'd)

The External Auditors also highlight to the Audit Committee and Board of Directors on matters that require Board's attention. A meeting was held between the External Auditors and members of the Audit Committee in the absence of the management during the financial year under review, in line with its previous terms of reference. Going forward, the Audit Committee will hold at least two [2] meetings a year with the External Auditors as promoted by the Amended Code on Corporate Governance and the amended Chapter 15 of the Listing Requirements of Bursa Malaysia Securities Berhad.

### Investor Relations

The Company also holds regular briefings for institutional investors to explain the Group's strategies and major developments, all within the legal and regulatory framework in respect of the release of information.

### Compliance to code

The Group has in all material respects complied with the Code of Corporate Governance throughout the financial year ended 31 January 2008.

## CONCLUSION

This Statement is made in accordance with a resolution of the Board dated 26 June 2008.



## statement on internal control

### 1.0 INTRODUCTION

The Listing Requirements of 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 Malaysia Securities Berhad. The Board recognises that the practice of good governance is an important continuous process. Set out below is the outline of the key elements of internal control for the financial year ended 31 January 2008.

### 2.0 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 to 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.

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 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 as an integral part of the system of internal control, there is an on going risk management process to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of the Group's businesses 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. Management has operated this process during the year under review up to the date of approval of this annual report.

### 3.0 KEY INTERNAL CONTROL PROCESSES

#### 3.1 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 and includes representatives from operations.

Heads of Operations are trained to lead the risk management functions of their respective operations. They have been trained to identify the risks relating to their area; the likelihood of these risks occurring; the consequences if they do occur; and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk register. The risk registers are eventually compiled to form the Group Risk Profile for reporting to the Risk Management Committee and also Audit Committee of the Board.

## statement on internal control (cont'd)

### 3.0 KEY INTERNAL CONTROL PROCESSES (CONT'D)

#### 3.1 Risk Management Framework (cont'd)

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.

Risk assessment and evaluation will form an integral part of the 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 significant risks. 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.

#### 3.2 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 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 is 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.

#### 3.3 Other Key Elements of Internal Control

The key elements of the procedures established by the Board which provide 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.
- 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.

## statement on internal control (cont'd)

### 3.3 Other Key Elements of Internal Control (cont'd)

- 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.
- Adequate insurance and physical safeguarding of major assets are in place to ensure these assets are sufficiently covered against any mishap that may result in material losses to the Group.
- All recurrent related party transactions are dealt with in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad. The Audit Committee and the Board review the recurrent related party transactions at the respective meetings of the Audit Committee and the Board.

There were no material internal control failures or reported weaknesses which resulted in material losses or contingencies or uncertainties that would require disclosure in the Group's Annual Report during the financial year.

### 4.0 REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.24 of the Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 January 2008 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

### 5.0 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.

This Statement is made in accordance with a resolution of the Board of Directors dated 26 June 2008.



Gated housing project in Desa Cemerlang



## additional compliance issues

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

- 1) **Utilisation of Proceeds**  
During the financial year, there were no proceed raised by the Company from any corporate proposals.
- 2) **Share Buy-Back**  
During the financial year the Company did not purchase any of its own shares. All treasury shares have been resold during the financial year.
- 3) **Options, Warrant or Convertible Securities**  
There were no options, warrant or convertible securities issued to any parties during the financial year other than those disclosed in the financial statements.
- 4) **American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme**  
During the financial year, the Company did not sponsor any ADR or GDR.
- 5) **Sanctions and/or Penalties**  
There was no sanction and/or material penalty imposed on the Company and/or its subsidiary companies, Directors or Management arising from breach of rules / guidelines / legislation by the relevant regulatory bodies.
- 6) **Non-audit fees**  
There was no non-audit fee paid and payable to the External Auditors Messrs CS Tan & Associates, during the financial year 2008.
- 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**  
Material contractors for the Company and its subsidiaries involving Directors either subsisting at the end of the financial year or entered into since the end of previous financial year are disclosed in Note 35 to the financial statements under "Significant Related Party Transactions" on page 109.
- 10) **Revaluation Policy**  
The Group's revaluation policy is stated in Note 3.3 (b) 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 35 to the Financial Statements.

### CONCLUSION

This Statement is made in accordance with a resolution of the Board dated 26 June 2008.

## 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 state of affairs of the Group and of the Company at the end of the financial year and their results, changes in equity and cash flows of the Group and of the Company for the financial year then ended. As required by the Act and the Listing Requirements of Bursa Securities, the Financial Statements have been prepared in accordance with the MASB Approved Accounting Standards for Entities Other than Private Entities 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 open 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 26 June 2008.



*Batching Plant at NCIP*



*NCIP Semi Detached Factory Type SD60A*

## corporate social responsibilities

The Group does not have any formal Corporate Social Responsibilities ("CSR") Policy to be its guiding principles. CSR activities are carried out based on the Group's values in guiding the decision making and operations.

### Marketplace

Two of our subsidiaries i.e., Unibase Corporation Sdn Bhd and Unibase Construction Sdn Bhd have been accredited to be an ISO9001:2000 (BS EN 9001: 2000) company by Moody International Certification Ltd.

### Workplace

The Group provides employment to about 230 people directly and sources most of its supplies locally thus offering business opportunities to local firms.

In order to enhance our staff's knowledge, the Group has conducted various in-house trainings for them. Where specialist training is required, the staff are sent for external training. During the year, the staff have attended various trainings in communication, legal, accounting, technical issues and management skills.

Through the In-House Sports Club various staff activities were carried out including festival celebrations and sporting events.

The Group also organised a partially subsidised company trip to Shanghai, China and Club Med, Cherating, Pahang for the staff and their family members.

In appreciating the contribution of our staff, business associates and partners, an annual dinner was organised at a five star hotel in Johor Bahru. One of the highlights of the annual dinner included the presentation of long service awards to our staff.

### Community

During the year, the Group made several contributions and donations amounting to approximately RM250,000 to the following causes and organizations.

- 9th Asia Pacific Wataboshi Music Festival
- 50th Merdeka Day Celebration to four government organising committees
- Tabung Rayuan Hari Pahlawan
- Flood victims in Kota Tinggi in early 2007.
- Persatuan Foochow Johor Bahru for Chingay celebration
- Various amounts of contributions were made to several non-governmental organizations for sports, culture and welfare activities during the year.
- Donations to schools for building funds and to Persatuan Ibu Bapa & Guru.

Education was also one of areas of the Group's funding. Crescendo International College ("CIC") in the heart of Johor Bahru city provided GCE A Level and professional courses at affordable rates. More than 600 students had enrolled in CIC as at 31 January 2008. Discounts and partial scholarships were extended to the needy and deserving students to assist them in their education as part of our commitment towards training necessary human resource for the community.

### Environment

The Group continues its effort in landscaping the open spaces, parks and roads to beautify and green Desa Cemerlang, Taman Perindustrian Cemerlang and Nusa Cemerlang Industrial Park.

## report of the audit committee

### MEMBERS

The Audit Committee presently comprises three (3) Directors of the Board, all of whom are Independent Non-Executive Director. The members are:

Chairman : **Gan Kim Guan**

Member : **Yeo Jon Tian @ Eeyo Jon Thiam**

**Tan Ah Lai**  
(Appointed on 1 November 2007)

**Gooi Seong Heen**  
(Resigned on 1 November 2007)

Pursuant to the Malaysian Code of Corporate Governance (Revised 2007) which came into effect in October 2007, Gooi Seong Heen resigned as member of the Audit Committee with effect from 1 November 2007.

### TERMS OF REFERENCE OF THE AUDIT COMMITTEE

#### 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. All the members must be Non-executive Directors, with a majority of them being Independent Directors as defined in Chapter 1 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

At least one member of the Committee:

- i. must be a member of the Malaysian Institute of Accountants ("MIA"); or
- ii. if he is not a member of the MIA, he must have at least 3 years' working experience and:
  - (a) he must have passed the examinations specified in Part 1 of the 1st Schedule to the Accountants Act, 1967; or
  - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule to the Accountants Act, 1967.
- iii. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

Both Gan Kim Guan, the Chairman of the Audit Committee, and Tan Ah Lai, member of the Audit Committee, are Independent Non-Executive Directors and fellow members of the Association of Chartered Certified Accountants and members of the MIA. The Company is therefore in compliance with paragraph 15.10(1)(c)(i) of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Company Secretary shall be the Secretary of the Committee.



## report of the audit committee (cont'd)

### 2. Attendance At Meetings

Other directors and employees of the Company may only attend any particular Committee meeting at the Committee's invitation.

### 3. Frequency and Procedures of Meetings

i. Meetings shall be held not less than four times a financial year.

ii. The Committee shall regulate its own procedures, in particular:

- (a) the calling of meetings;
- (b) the notice to be given of such meeting;
- (c) the voting and proceedings of such meeting;
- (d) the keeping of the minutes; and
- (e) the custody, production and inspection of such minutes.

During the financial year 2008, the Audit Committee held a total of four (4) meetings. The attendance by each member at the Committee meetings during the year was as follows:

Member	Total number of meetings held in the financial year during member's tenure in office	Meetings attended by members
Gan Kim Guan	4	4
Yeo Jon Tian @ Eeyo Jon Thiam	4	4
Tan Ah Lai	1	1
Gooi Seong Heen	3	3

### 4. Functions of Audit Committee

The Committee shall amongst others, discharge the following functions:

- i. to review the following and report the on same to the Board;
  - (a) with the External Auditors, the audit plan;
  - (b) with the External Auditors, their evaluation of the system of internal control;
  - (c) with the External Auditors, the audit report;
  - (d) the assistance given by employees of the Group to the External Auditors;
  - (e) the adequacy of the scope, functions, competency 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;

## report of the audit committee (cont'd)

### 4. Functions of Audit Committee (cont'd)

- (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, particularly on:
  - any changes in or implementation of major accounting policies;
  - significant and unusual events; and
  - compliance with accounting standards and other legal requirements.
- (h) any related party transactions and conflict of interest situations that may arise within the Company or Group 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 (supported by grounds) 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 the external audit fee.

### 5. Rights of the Audit Committee

The 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, the Internal Auditors or both, without the attendance of other directors and employees of the Company, whenever deemed necessary.

### 6. Reporting Procedures

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

## SUMMARY OF 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 2008, 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.

## report of the audit committee (cont'd)

### SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

- 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 required appropriate actions and the Management's responses thereon.
- 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 Malaysia Securities Berhad, applicable approved accounting standards in Malaysia as well as other legal and regulatory requirements.
- Reviewed the Company's compliance, in particular the quarterly reports with the Listing Requirements of Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
- Reviewed the Internal Audit Department's ("IAD") resource requirements, 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 ensured that material findings were adequately addressed by management.
- Reviewed and recommended for the Board's approval the quarterly reports for announcement to the Bursa Malaysia Securities Berhad in compliance with the approved accounting standards and adhered to other legal and regulatory requirements.
- Reviewed and recommended adoption of the various statements included in the Annual Report to the Board.
- 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 outcome of the risk management programme, including key risks identified, the potential impacts and the likelihood of the risks occurring, existing controls which can mitigate the risks and action plans.
- Reviewed the list of eligible employees and the allocation of options to be offered to them in accordance with the By-laws of the Employees' Share Option Scheme.

### INTERNAL AUDIT FUNCTION

The Internal Audit function has been outsourced to 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 carries out their audits according to the audit plan approved by the Audit Committee. Risk identification and assessment are 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 system of internal control within the Group. The IAD has conducted the evaluation of the system of internal control that encompassed 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 26 June 2008.

## report of the remuneration committee

### COMPOSITION OF MEMBERS

#### (1) **Members**

The Remuneration Committee comprises the following members:

Chairman : Yeo Jon Tian @ Eeyo Jon Thiam

Members : Gan Kim Guan  
Gooi Seong Lim

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 members 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**

Meetings 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

### SUMMARY OF ACTIVITIES OF THE REMUNERATION COMMITTEE

The Committee met twice during the financial year 2008. All members attended the meeting.

The main activities undertaken by the Committee during the year under review were as follows:

a) Reviewed the structure of the remuneration package for each of the Executive Directors; and

b) Reviewed the incentive / variable performance bonuses for the Executive Chairman, Managing Director and Executive Directors.

## report of the nominating committee

### COMPOSITION OF MEMBERS

#### (1) **Members**

The Nominating Committee comprises the following members:

Chairman : Yeo Jon Tian @ Eeyo Jon Thiam

Members : Gan Kim Guan

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 a minimum two (2) Non-Executive Directors, a majority of whom are Independent Directors.

The members of the Nominating 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 Nominating Committee, the members present must be wholly or a majority of whom must be Independent Directors.

The Company Secretary shall be the Secretary of the Nominating 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 ongoing 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 Nominating Committee**

The duties of the Nominating Committee shall be:

- (i) to recommend to the Board, candidates for all directorships 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 Nominating Committee to all members of the Board.

### SUMMARY OF ACTIVITIES OF THE NOMINATING COMMITTEE

The Committee met twice during the financial year 2008. All members attended the meeting.

The main activities undertaken by the Committee during the year under review were as follows:

- a) Reviewed the composition and the required mix of skills, experience and other qualities of the Board;
- b) Reviewed the nomination of a new director; and
- c) Reviewed the re-appointment of a director who retired under Section 129(2) of the Companies Act, 1965 and re-election of directors retiring at the AGM under Article 77 and 84 of the Articles of Association.







# Continuously delivering on commitments

With these strengths, we build with passion for success, prominence and enhancement of our shareholders' values.



## chairman's statement



“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 2008.”



NCIP Semi Detached Factory Type SD60B

### FINANCIAL RESULTS

The Group recorded a revenue and profit before tax of RM124.7 million and RM32.2 million respectively for the financial year 2008 as compared to RM75.3 million and RM25.2 million respectively recorded in the financial year 2007. The increase in revenue and profit is mainly contributed by the industrial property operations.

### DIVIDEND

The Board is pleased to recommend for the financial year ended 31 January 2008 a final dividend of 4.0 sen per share, less 25% tax (2007: 4 sen per share, less 27% tax), making a total dividend of 7 sen per share, made up of 3 sen less 26% tax and 4 sen less 25% tax (2007: 3 sen less 28% tax and 4 sen less 27% tax).

### CORPORATE ACHIEVEMENTS AND DEVELOPMENTS

#### 1. Proposed Rights Issue with Warrants

The Company has proposed to carry out a renounceable Rights Issue of up to RM79,666,015 of 3.75% 7-year Irredeemable Convertible Unsecured Loan Stock ("ICULS") at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS

## chairman's statement (cont'd)

### 1. Proposed Rights Issue with Warrants (cont'd)

together with one free detachable RM1.00 nominal value of ICULS together with one free detachable warrant for every two existing ordinary shares of RM1.00 each held in the Company.

SC had vide its letters dated 8 May 2008 and 23 June 2008 approved the proposed renounceable Rights Issue and the revision to the issue size of the proposed renounceable rights issue from RM79,383,465 to RM79,666,015 due to granting of additional options under the Company's ESOS in May 2008.

This exercise will enable the Company to raise immediate funds to finance the development of Nusa Cemerlang Industrial Park ("NCIP") and to purchase raw materials such as steel and other building materials at the early stage of the NCIP development thus reducing the Group's exposure to the risk of escalating construction cost. It will also raise additional working capital for the Group via the exercise of the Warrants. The issuance of the ICULS minimizes the dilution effect on the earnings per share of the Company which would otherwise arise from a full equity issue while providing an opportunity for the shareholders of the Company to further increase their equity participation in the Company at the predetermined price of RM1.00 over the tenure of the ICULS and Warrants.

The above proposal is subject to shareholders' approval at the Extraordinary General Meeting to be convened on 30 July 2008.

### 2. Official launching of Nusa Cemerlang Industrial Park

Nusa Cemerlang Industrial Park ("NCIP") was officially launched on 5 January 2008. This 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, are interested in investing in the industrial properties of this project in view of the spiraling property prices in Singapore and to take advantage of the various Iskandar Malaysia (formerly known as Iskandar Development Region) incentives. To date, 93 units of detached and semi-detached factories with Gross Development Value ("GDV") of RM200 million has been launched with the most recent launching comprising 41 units of factories made in February 2008. 45 units of factories with GDV of RM99.8 million have been sold to-date.

## REVIEW OF BUSINESS ACTIVITIES

### INDUSTRIAL PROPERTY DEVELOPMENT

The industrial property operations recorded a revenue and profit of RM55.6 million and RM17.2 million respectively in the financial year 2008 as compared to RM12 million and RM6.5 million in the previous financial year.

The substantial increase in revenue of RM43.7 million is mainly due to the newly launched NCIP project which offers detached and semi-detached factories of various sizes. The profit margin has dropped from 54.2% to 30.9% mainly due to higher land, infrastructure, building materials and construction costs.



Official Launching of NCIP

## chairman's statement (cont'd)



*Concrete culvert pipes from  
our Batching Plant*



*NCIP Semi Detached Factory Type SD80*

### REVIEW OF BUSINESS ACTIVITIES (CONT'D)

#### INDUSTRIAL PROPERTY DEVELOPMENT (cont'd)

With the various positive developments in Iskandar Malaysia, it is anticipated that the NCIP project will continue to perform well. We expect the industrial development operations to remain as the main profit contributor for the Group in the financial year 2009.

#### RESIDENTIAL AND COMMERCIAL DEVELOPMENT

The profit margin of the residential/commercial property operation improved from 30.7% to 37.1% as compared to the financial year 2007 despite the tough business environment created by residential property stock overhang and sharp escalation in construction cost. With a higher proportion of commercial property sales which has a higher profit margin as compared to the residential properties, this operation recorded a revenue and profit of RM29.4 million and RM10.9 million respectively in the financial year 2008 as compared to RM40.4 million and RM12.4 million respectively in the previous financial year.

The Group remains bullish on the demand for its commercial properties as the Group has sold all their previous launches but anticipates its residential property sales to remain soft in view of the current overhang situation in residential sub-sector in the financial year 2009.

#### CONSTRUCTION

The revenue from the construction operation increased from RM68.3 million in financial year 2007 to RM74 million in the financial year 2008. However, there was a slight drop in the profit margin of construction operation for the financial year 2008 as compared to the financial year 2007 as a result of rising building material costs.

#### MANUFACTURE OF CONCRETE PRODUCTS

The manufacturing of concrete products recorded a revenue and profit before tax of RM34.5 million and RM1.4 million respectively in the financial year 2008 as compared to RM22.9 million and RM0.7 million respectively in the financial year 2007. The increase in revenue is mainly due to the commencement of the new plant operating at NCIP.

We expect the performance of this operation to improve further with the faster development of the NCIP project and also from the sales of export grade concrete piles and precast concrete products for local and Singapore markets.

### DEVELOPMENT AND PROSPECTS

Despite a slowdown in US economy due to subprime mortgage turmoil, high oil price and rising commodity prices, Malaysia is expected to weather the array of challenges and generate sustainable economic growth in 2008. Key factors supportive of local growth include favourable Asian growth and trade, stable demand in electrical and electronic sector, high commodity prices and strong domestic demand arising from public sector salary revisions, ongoing implementation of the 9th Malaysia Plan ("9MP") and the extension of Visit Malaysia Year to August 2008.

The positive changes in Government's policy and fiscal incentives for Iskandar Malaysia, which covers 2,217 square kilometers of land in South Johor and is the key engine of growth identified under the 9MP, has attracted large foreign direct investments into this region. World class logistics infrastructures are already in place in Iskandar Malaysia. Despite the expected increase in land price in Iskandar



## chairman's statement (cont'd)

### DEVELOPMENT AND PROSPECTS (CONT'D)

Malaysia in the next two to three years, it will still be at huge discounts to regional peers' as the property price is rising from a low base. Significant relocation of Singaporean medium industries to NCIP will take place at a fast pace because of lower operating cost due to cheaper labour and utility cost and easier management control in view of NCIP's proximity to their home base in Singapore.

For the financial year 2009, the Group will focus on industrial and commercial property developments. As for the residential property sector, currently there is an overhang situation due to oversupply. However, we expect this situation to improve in one to two years time in view of the various developments within Iskandar Malaysia and the scheduled opening of Singapore's two Integrated Resorts in 2010. These developments will create more employment opportunities for the Johor Bahru residents and for those coming to Johor Bahru from the other states. This large population of young employed will be ready to purchase their residential homes in the Iskandar Malaysia area. The Group is currently positioning for the expected surge in demand in residential property by carrying out the necessary infrastructure works at Bandar Cemerlang so that we will be able to launch this project in two years time.

Furthermore, from 1 January 2008 onwards Malaysians are allowed to withdraw the entire amount from EPF Account II for mortgage servicing of a property purchase. This new measure could potentially unleash a total of RM9 billion into the residential real estate market. This change to the EPF withdrawal ratio and amount bodes well for property transactions and prices. The rising withdrawal ratios for Account II will finally lead to a rising home ownership ratio in Malaysia. To this end, the most direct impact would be a sustainable, buoyant real estate market in Malaysia.



*Desa Cemerlang Double Storey Terrace House*



*NCIP Semi Detached Factory Type D136*



*Desa Cemerlang Double Storey Shop Office under construction*

Based on the above factors and barring any unforeseen circumstances, the Board is optimistic of better Group performance for the financial year ending 31 January 2009.

### BOARD MATTERS

The Board appointed Mr. Tan Ah Lai as Independent Non-executive Director on 1 November 2007. I welcome Mr. Tan to the Board.

### 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  
Chairman

Johor Bahru, Johor  
Date: 26 June 2008

## penyata pengerusi

*“Bagi pihak Lembaga Pengarah Crescendo Corporation Berhad, saya dengan sukacitanya membentangkan kepada anda Laporan Tahunan dan Akaun Teraudit bagi tahun kewangan berakhir 31 Januari 2008.”*

### KEPUTUSAN KEWANGAN

Kumpulan telah mencatatkan hasil serta untung sebelum cukai, masing-masing sebanyak RM124.7 juta dan RM32.2 juta bagi tahun kewangan 2008 berbanding dengan masing-masing sebanyak RM75.3 juta dan RM25.2 juta yang tercatat pada tahun kewangan 2007. Peningkatan dalam hasil serta untung ini sebahagian besarnya disumbang oleh operasi harta tanah industri.

### DIVIDEN

Lembaga dengan sukacitanya mengesyorkan dividen akhir sebanyak 4.0 sen sesaham, kurang 25% cukai bagi tahun kewangan berakhir 31 Januari 2008 (2007: 4 sen sesaham, kurang 27% cukai), menjadikan jumlah dividen sebanyak 7 sen sesaham, yang terdiri daripada 3 sen kurang 26% cukai dan 4 sen kurang 25% cukai (2007: 3 sen kurang 28% cukai dan 4 sen kurang 27% cukai).

### PENCAPAIAN DAN PEMBANGUNAN KORPORAT

#### 1. Cadangan Terbitan Hak dengan Waran

Syarikat telah mencadangkan Terbitan Hak boleh ditolak, sehingga RM79,666,015 bagi 3.75% 7-tahun Stok Pinjaman Tak Bercagar Boleh Tukar Tak Boleh Tebus ("ICULS") pada 100% nilai nominalnya atas dasar RM1.00 nilai nominal ICULS beserta dengan satu waran boleh cerai percuma untuk setiap dua saham biasa yang sedia ada bernilai RM1.00 sesaham yang dipegang di dalam Syarikat.

Menerusi surat bertarikh 8 Mei 2008 dan 23 Jun 2008, SC telah meluluskan cadangan Terbitan Hak boleh ditolak serta penyemakan terhadap saiz penerbitan bagi cadangan terbitan hak boleh ditolak dari RM79,383,465 ke RM79,666,015 disebabkan oleh pemberian opsyen tambahan di bawah ESOS Syarikat pada Mei 2008.



Desa Cemerlang Double Storey Terrace House



NCIP Semi Detached Factory Type SD40

## penyata pengerusi (samb.)

### PENCAPAIAN DAN PEMBANGUNAN KORPORAT (samb.)

#### 1. Cadangan Terbitan Hak dengan Waran (samb.)

Pelaksanaan ini akan membolehkan Syarikat mendapat dana segera bagi membiayai pembangunan Taman Perindustrian Nusa Cemerlang ("NCIP") serta membeli bahan mentah seperti keluli dan bahan binaan lain di peringkat permulaan pembangunan NCIP, dengan itu mengurangkan pendedahan Kumpulan kepada risiko kenaikan kos pembinaan. Ia juga akan mewujudkan modal kerja tambahan untuk Kumpulan menerusi pelaksanaan Waran. Penerbitan ICULS akan meminimumkan kesan pencairan ke atas perolehan sesaham Syarikat yang mana jika tidak, ia akan timbul dari terbitan penuh ekuiti, sambil memberi peluang kepada para pemegang saham Syarikat menambah penyertaan ekuiti mereka di dalam Syarikat pada harga pratentu RM1.00 sepanjang tempoh ICULS dan Waran.

Cadangan di atas adalah tertakluk kepada kelulusan para pemegang saham di Mesyuarat Agung Luar Biasa yang akan diadakan pada 30 Julai 2008.

#### 2. Pelancaran rasmi Taman Perindustrian Nusa Cemerlang

Taman Perindustrian Nusa Cemerlang ("NCIP") telah dilancarkan secara rasmi pada 5 Januari 2008. Projek ini terletak di lokasi yang strategik berhampiran Pelabuhan Tanjung Pelepas dengan pendedahan serta akses daripada Lebuhraya Ekspres Linkedua serta rangkaian jaringan lebuhraya utama yang menghubungkan Johor Bahru, Pasir Gudang dan Lapangan Terbang Senai. Para pelabur serta usahawan asing, terutamanya mereka daripada Singapura, berminat untuk melabur di dalam harta tanah industri, yakni dalam projek ini memandangkan harga harta tanah yang terus meningkat di Singapura di samping memanfaatkan pelbagai faedah daripada insentif Iskandar Malaysia (dahulunya dikenali sebagai Kawasan Pembangunan Iskandar). Sehingga kini, 93 unit kilang sesebuah dan berkembar dua dengan Nilai Pembangunan Kasar ("GDV") sebanyak RM200 juta telahpun dilancarkan di mana pelancaran yang terbaru merangkumi 41 unit kilang pada Februari 2008. 45 unit kilang dengan GDV berjumlah RM99.8 juta telahpun dijual sehingga kini.



Taman Perindustrian Cemerlang Detached Factory



Workers hostel for Taman Perindustrian Cemerlang factories



## penyata pengerusi (samb.)

### ULASAN AKTIVITI PERNIAGAAN

#### PEMBANGUNAN HARTA TANAH INDUSTRI

Operasi harta tanah industri telah mencatatkan hasil serta keuntungan masing-masing sebanyak RM55.6 juta dan RM17.2 juta pada tahun kewangan 2008 berbanding dengan RM12 juta dan RM6.5 juta pada tahun kewangan sebelumnya.

Peningkatan hasil yang cukup besar sebanyak RM43.7 juta ini sebahagian besarnya disebabkan oleh projek NCIP yang baru sahaja dilancarkan di mana ia menawarkan kilang sesebuah dan berkembar dua dalam pelbagai saiz. Margin untung telah berkurangan daripada 54.2% kepada 30.9% yang banyak berpunca daripada kos tanah, infrastruktur, bahan binaan serta kos pembinaan yang lebih tinggi.

Dengan pelbagai kemajuan positif di Iskandar Malaysia, projek NCIP diramalkan akan terus menunjukkan prestasi yang cemerlang. Kami menjangkakan operasi pembangunan perindustrian akan kekal sebagai penyumbang untung utama buat Kumpulan pada tahun kewangan 2009.

#### PEMBANGUNAN PERUMAHAN DAN KOMERSIL

Margin untung bagi operasi harta tanah perumahan/komersil telah meningkat daripada 30.7% kepada 37.1% berbanding dengan tahun kewangan 2007 biarpun persekitaran perniagaan adalah sukar kerana dicetuskan oleh lebih stok harta tanah perumahan serta kenaikan mendadak dalam kos pembinaan. Dengan kadar jualan lebih tinggi bagi harta tanah komersil yang mempunyai margin keuntungan yang lebih besar berbanding dengan harta tanah perumahan, operasi ini telah mencatatkan hasil serta untung, masing-masing sebanyak RM29.4 juta dan RM10.9 juta bagi tahun kewangan 2008 berbanding dengan masing-masing sebanyak RM40.4 juta dan RM12.4 juta bagi tahun kewangan terdahulu.

Kumpulan kekal bulis berdasarkan permintaan terhadap harta tanah komersilnya, di mana Kumpulan telahpun menjual kesemua unit yang dilancarkannya sebelum ini, namun ia meramalkan jualan harta tanah perumahannya akan kekal lemah memandangkan situasi semasa yang berlebihan dalam subsektor perumahan bagi tahun kewangan 2009.

#### PEMBINAAN

Hasil daripada operasi pembinaan telah meningkat daripada RM68.3 juta bagi tahun kewangan 2007 kepada RM74 juta pada tahun kewangan 2008. Namun demikian, terdapat sedikit pengurangan dalam margin untung bagi operasi pembinaan bagi tahun kewangan 2008 berbanding dengan tahun kewangan 2007 akibat daripada peningkatan kos bahan binaan.

#### PENGILANGAN PRODUK KONKRIT

Pengilangan produk konkrit telah mencatatkan hasil serta untung sebelum cukai, masing-masing sebanyak RM34.5 juta dan RM1.4 juta pada tahun kewangan 2008 berbanding dengan masing-masing sebanyak RM22.9 juta dan RM0.7 juta pada tahun kewangan 2007. Peningkatan hasil ini sebahagian besarnya berpunca daripada bermulanya operasi loji baru di NCIP.

Kami menjangkakan prestasi operasi ini akan bertambah baik dengan pembangunan projek NCIP yang lebih pantas serta daripada jualan longgokan konkrit gred eksport dan produk konkrit precast untuk pasaran tempatan dan Singapura.

### PEMBANGUNAN DAN PROSPEK

Biarpun berlaku kelembapan dalam ekonomi US yang disebabkan oleh masalah gadai janji subprima, harga minyak yang tinggi serta harga komoditi yang kian meningkat, Malaysia dijangka dapat menangkis pelbagai bentuk cabaran serta menjaga pertumbuhan ekonomi yang mapan bagi 2008. Faktor-faktor utama yang menyokong pertumbuhan di dalam negara termasuklah pertumbuhan dan perdagangan Asia yang memberangsangkan, permintaan yang stabil dalam sektor elektrik dan elektronik, harga komoditi yang tinggi serta permintaan domestik yang teguh yang berpunca daripada semakan semula gaji sektor awam, pelaksanaan berterusan Rancangan Malaysia ke-9 ("RMK9") serta pelanjutan tempoh Tahun Melawat Malaysia sehingga Ogos 2008.

## penyata pengerusi (samb.)

### PEMBANGUNAN DAN PROSPEK (SAMB.)

Perubahan positif dalam dasar Kerajaan serta insentif fiskal bagi Iskandar Malaysia yang meliputi kawasan seluas 2,217 kilometer persegi di Johor Selatan dan merupakan jentera pertumbuhan utama yang dikenal pasti di bawah RMK9, telah menarik pelaburan langsung asing yang besar ke rantau ini. Infrastruktur logistik bertaraf dunia telah pun tersedia di Iskandar Malaysia. Sungguhpun harga tanah dijangka meningkat di Iskandar Malaysia dalam tempoh dua hingga tiga tahun akan datang, ia masih lagi pada diskaun yang besar buat rakan serantau kerana harga harta tanah ini meningkat dari asas yang rendah. Penempatan industri sederhana Singapura ke NCIP akan berlaku dengan pantas disebabkan oleh kos pengendalian yang lebih rendah, berpunca dari harga buruh dan kos utiliti yang lebih murah serta kawalan pengurusan yang lebih mudah memandangkan hampirnya NCIP dengan ibu pejabat mereka di Singapura.

Bagi tahun kewangan 2009, Kumpulan akan memberi tumpuan terhadap pembangunan harta tanah industri dan perdagangan. Bagi sektor harta tanah perumahan pula, buat masa ini ia sedang berhadapan dengan situasi lebih yang disebabkan oleh penawaran berlebihan. Sungguhpun demikian, kami menjangkakan situasi ini akan pulih dalam tempoh satu hingga dua tahun lagi memandangkan terdapat pelbagai pembangunan di Iskandar Malaysia serta pembukaan yang dijadualkan bagi dua buah Pusat Peranginan Bersepadu di Singapura pada 2010.

Kemajuan tersebut akan mencipta lebih banyak peluang pekerjaan untuk warga Johor Bahru dan mereka yang datang ke Johor Bahru dari negeri-negeri lain. Jumlah besar pekerja muda akan bersedia untuk membeli rumah kediaman mereka di kawasan Iskandar Malaysia. Kumpulan kini sedang bersiap sedia untuk berhadapan dengan jangkaan peningkatan permintaan terhadap harta tanah perumahan dengan melaksanakan kerja-kerja infrastruktur yang perlu di Bandar Cemerlang agar kami dapat melancarkan projek ini dalam tempoh dua tahun lagi.

Selain itu, bermula dari 1 Januari 2008, warga Malaysia dibenarkan mengeluarkan seluruh amaun di dalam Akaun II KWSP untuk membayar gadai janji bagi pembelian harta tanah. Langkah baru ini berpotensi mengalirkan sejumlah RM9 bilion ke dalam pasaran harta tanah perumahan. Perubahan dalam nisbah dan amaun pengeluaran KWSP ini memberikan petanda baik bagi urus niaga dan harga harta tanah. Kenaikan nisbah pengeluaran untuk Akaun II akhirnya akan membawa kepada peningkatan nisbah pemilikan rumah di Malaysia. Oleh kerana itu, kesan paling langsung merupakan pasaran harta tanah yang mapan dan memberangsangkan di Malaysia.

Berdasarkan faktor-faktor di atas dan sekiranya tiada perkara di luar jangkaan yang berlaku, Lembaga Pengarah berkeyakinan prestasi Kumpulan akan lebih baik bagi tahun kewangan berakhir 31 Januari 2009.

### PERKARA BERKAITAN LEMBAGA PENGARAH

Lembaga Pengarah telah melantik Encik Tan Ah Lai sebagai Pengarah Bukan Eksekutif Bebas pada 1 November 2007. Saya mengalu-alukan kehadiran Encik Tan ke Lembaga Pengarah.

### PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan kepada pihak Pengurusan dan Kakitangan di atas kesetiaan serta khidmat mereka yang penuh dedikasi kepada Kumpulan, serta kepada pelbagai badan dan agensi kerajaan, pihak bank, para pelanggan dan pembekal yang amat dihargai serta rakan niaga di atas kerjasama dan sokongan mereka yang berterusan.

Akhir kata, saya ingin mengucapkan terima kasih kepada ahli Lembaga Pengarah di atas sokongan mereka dan juga kepada para pemegang saham di atas keyakinan mereka terhadap Lembaga Pengarah dan pihak Pengurusan Kumpulan.

Loo Geok Eng

Pengerusi  
Johor Bahru, Johor

Tarikh: 26 Jun 2008

## 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 2008.

### 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 attributable to :		
Equity holders of the Company	22,866,466	65,239,115
Minority interests	938,549	-
Net profit for the year	<u>23,805,015</u>	<u>65,239,115</u>

### 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 2007 as shown in the Directors' Report of that year, a final gross dividend of 4.0 sen per share on 154,149,840 ordinary shares, less tax, paid on 16 August 2007	4,501,175
In respect of the financial year ended 31 January 2008, interim gross dividend of 3.0 sen per share on 155,057,330 ordinary shares, less tax, paid on 21 December 2007	3,442,273
	<u>7,943,448</u>

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 2008, 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.

## directors' report (cont'd)

### ISSUE OF SHARES, SHARE OPTIONS AND DEBENTURES

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) 8,774,090 new ordinary shares of RM1 each arising from the conversion of RM8,774,090 3% Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("ICULS") at the rate of RM1 nominal value of ICULS for one fully paid ordinary share. The said ICULS was matured on 25 August 2007.
- (ii) 2,501,400 ordinary shares of RM1 each by virtue of the exercise of 1,234,000, 234,000, 125,000, 432,000, 396,000 and 80,400 share options pursuant to the Company's Employees' Share Option Scheme at the exercise price of RM1.14, RM1.00, RM1.20, RM1.03, RM1.00 and RM1.24 per share respectively.

The Company did not issue any debenture during the financial year.

### SHARE BUY-BACK AND TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at the Eleventh Annual General Meeting held on 30 July 2007, approved the Company's plan to repurchase its own shares up to a maximum of 14,561,164 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 resold the entire 2,408,000 treasury shares in the open market on the Bursa Securities for a consideration of RM3,271,311. The average price sold for the treasury shares was approximately RM1.36 per share. The proceeds from the re-sale have been utilised for working capital purposes. No treasury shares was being held as at 31 January 2008.

### 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. On 29 March 2007, the Directors had approved to extend the ESOS period for another 5 years from 25 June 2007.

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.

## directors' report (cont'd)

### EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

- (v) The options granted will be valid up to the extended expiry date of the ESOS on 25 June 2012.
- (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 employees' entitlements to the options are vested as soon as they become exercisable. The percentage of options exercisable in each of the year during the period of ESOS is as follows :

Options issued in :	Number of share options granted and unexercised as at 31 January 2008	Percentage of options exercisable in financial year			
		2009 %	2010 %	2011 %	2012 %
2002	2,344,000	100	-	-	-
2003	59,000	100	-	-	-
2004	280,000	100	-	-	-
2005	156,000	100	-	-	-
2006	107,000	100	-	-	-
2007	762,600	65	21	11	3
	<u>3,708,600</u>				

- (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.

During the financial year, the Company issued 901,000 new options to eligible employees. 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 200,000 ordinary shares of RM1 each. During the financial year, none of the employee has been granted more than 200,000 share options.

Details of options granted to Directors are disclosed in the section on Directors' Interests In Shares And Debentures in this report.

### 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  
 Tan Ah Lai (Appointed on 1.11.2007)

## directors' report (cont'd)

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 Director under the provisions of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

In accordance with Article 84 of the Company's Articles of Association, TAN AH LAI who was appointed during the financial year, is required to retire from the Board at the forthcoming Annual General Meeting, and being eligible, offers himself for re-election.

In accordance with Article 77 of the Company's Articles of Association, GOOI SEONG GUM 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.

### 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' 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			
	As at 1.2.2007	Bought / Converted	Sold	As at 31.1.2008
Loo Geok Eng (f)				
- direct interest	1,721,827	-	-	1,721,827
- indirect interest	94,374,123	8,106,000	(3,145,423)	99,334,700
Gooi Seong Lim				
- direct interest	1,787,836	490,000	-	2,277,836
- indirect interest	94,444,123	8,106,000	(3,145,423)	99,404,700
Gooi Seong Heen				
- direct interest	2,142,835	-	-	2,142,835
- indirect interest	94,408,123	8,106,000	(3,145,423)	99,368,700
Gooi Seong Chneh				
- direct interest	1,974,836	-	-	1,974,836
- indirect interest	94,374,123	8,106,000	(3,145,423)	99,334,700
Gooi Seong Gum				
- direct interest	1,835,437	-	-	1,835,437
- indirect interest	94,374,123	8,106,000	(3,145,423)	99,334,700
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	21,500	-	-	21,500



## directors' report (cont'd)

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

	Number of ICULS at nominal value of RM1 each in the Company			
	As at 1.2.2007	Bought	Converted	As at 31.1.2008
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)	-

	Number of options under ESOS over ordinary shares of RM1 each in the Company			
	As at 1.2.2007	Granted	Exercised	As at 31.1.2008
Loo Geok Eng (f)	186,000	21,000	-	207,000
Gooi Seong Lim	350,000	-	(350,000)	-
Gooi Seong Heen	228,000	-	-	228,000
Gooi Seong Chneh	107,000	21,000	-	128,000
Gooi Seong Gum	308,000	21,000	-	329,000

	Number of ordinary shares of RM1 each in related corporations			
	As at 1.2.2007	Bought / Exercised	Sold	As at 31.1.2008
<b>Kim Loong Resources Berhad</b>				
Loo Geok Eng (f)	756,000	1,372,000	-	2,128,000
Gooi Seong Lim	452,000	296,000	-	748,000
Gooi Seong Heen	372,000	256,000	-	628,000
Gooi Seong Chneh	335,600	212,400	-	548,000
Gooi Seong Gum	248,000	270,000	-	518,000
<b>Crescendo Overseas Corporation Sdn. Bhd.</b>				
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
<b>Panoramic Housing Development Sdn. Bhd.</b>				
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

## directors' report (cont'd)

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

	Number of options under ESOS over ordinary shares of RM1 each in related corporation			As at 31.1.2008
	As at 1.2.2007	Granted	Exercised	
<b>Kim Loong Resources Berhad</b>				
Loo Geok Eng (f)	342,000	-	(208,000)	134,000
Gooi Seong Lim	342,000	-	(208,000)	134,000
Gooi Seong Heen	342,000	-	(208,000)	134,000
Gooi Seong Chneh	278,400	-	(144,400)	134,000
Gooi Seong Gum	342,000	-	(208,000)	134,000

	Number of warrants in related corporation			As at 31.1.2008
	As at 1.2.2007	Alloted	Exercised	
<b>Kim Loong Resources Berhad</b>				
Loo Geok Eng (f)				
- direct interest	164,000	-	(164,000)	-
- indirect interest	30,852,400	-	( 30,850,800)	1,600
Gooi Seong Lim				
- direct interest	88,000	-	(88,000)	-
- indirect interest	31,007,600	-	( 31,006,000)	1,600
Gooi Seong Heen				
- direct interest	68,000	-	(48,000)	20,000
- indirect interest	31,007,600	-	( 31,006,000)	1,600
Gooi Seong Chneh				
- direct interest	68,000	-	(68,000)	-
- indirect interest	31,007,600	-	( 31,006,000)	1,600
Gooi Seong Gum				
- direct interest	62,000	-	(62,000)	-
- indirect interest	31,007,600	-	( 31,006,000)	1,600

	Number of ordinary shares of RM100 each in Sharikat Kim Loong Sendirian Berhad (Holding company)			As at 31.1.2008
	As at 1.2.2007	Bought	Sold	
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

## directors' report (cont'd)

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

	Number of ordinary shares of RM100 each in Sharikat Kim Loong Sendirian Berhad (Holding company)			
	As at 1.2.2007	Bought	Sold	As at 31.1.2008
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.

### 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.

## directors' report (cont'd)

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

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 2008 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

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GOOI SEONG LIM  
Director

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GOOI SEONG GUM  
Director

Dated : 27 May 2008

## 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 60 to 113 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2008 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.

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**GOOI SEONG LIM**  
Director

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**GOOI SEONG GUM**  
Director

Dated : 27 May 2008

## STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, GOOI SEONG GUM, 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 60 to 113 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 GUM (   
at Johor Bahru in the State of Johor (   
Darul Takzim on 27 May 2008 (

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**GOOI SEONG GUM**  
Director

Before me,

Commissioner for Oaths

## report of the auditors

to the members of Crescendo Corporation Berhad (359750-D)  
(incorporated in malaysia)

We have audited the financial statements of CRESCENDO CORPORATION BERHAD set out on pages 60 to 113. 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 MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities 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 2008 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; 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

CHOO MIN LEE  
Approval Number : 2835 / 08 / 09 (J)  
Partner

Johor Bahru

Dated : 27 May 2008



## balance sheets

as at 31 january 2008

		GROUP		COMPANY	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	55,479,663	57,349,488	619,712	664,935
Investment in subsidiaries	5	-	-	126,165,277	126,165,277
Investments	6	2,623,770	3,199,940	-	-
Land held for property development	7	294,686,503	259,744,169	-	-
Deferred tax assets	8	4,906,000	4,799,000	-	-
		357,695,936	325,092,597	126,784,989	126,830,212
<b>Current assets</b>					
Property development costs	7	55,274,445	53,620,352	-	-
Inventories	9	43,591,572	30,659,444	-	-
Due from customers on contracts	10	6,066,189	4,154,789	-	-
Tax recoverable		1,131,880	2,116,550	-	373,760
Receivables	11	40,802,207	22,068,377	103,763,755	43,679,328
Cash and bank balances	12	8,875,268	1,608,479	223,683	8,735
		155,741,561	114,227,991	103,987,438	44,061,823
<b>TOTAL ASSETS</b>		<b>513,437,497</b>	<b>439,320,588</b>	<b>230,772,427</b>	<b>170,892,035</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	13	155,068,330	143,792,840	155,068,330	143,792,840
Share premium	13	15,517,033	14,533,065	15,517,033	14,533,065
Treasury shares	13	-	(2,552,999)	-	(2,552,999)
Revaluation reserve	14	14,932,829	13,589,032	-	-
Share option reserve	15	69,537	18,830	69,537	18,830
Retained profits	16	165,144,483	150,059,354	57,868,236	572,569
		350,732,212	319,440,122	228,523,136	156,364,305
<b>Minority interests</b>		<b>5,577,843</b>	<b>4,195,964</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>356,310,055</b>	<b>323,636,086</b>	<b>228,523,136</b>	<b>156,364,305</b>

## balance sheets

as at 31 january 2008 (cont'd)

		GROUP		COMPANY	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
<b>Non-current liabilities</b>					
Bank borrowings (secured)	17	84,748,830	18,956,626	-	-
Irredeemable convertible unsecured loan stocks	19	-	8,774,090	-	8,774,090
Deferred tax liabilities	8	2,655,433	4,310,682	76,000	65,000
Other payable	20	11,000,000	12,000,000	-	-
		98,404,263	44,041,398	76,000	8,839,090
<b>Current liabilities</b>					
Payables	21	31,740,531	25,432,026	1,793,894	1,011,726
Bank borrowings (secured)	17	24,091,448	42,897,146	369,207	4,676,914
Provision for tax		2,891,200	3,313,932	10,190	-
		58,723,179	71,643,104	2,173,291	5,688,640
<b>Total liabilities</b>		<b>157,127,442</b>	<b>115,684,502</b>	<b>2,249,291</b>	<b>14,527,730</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>513,437,497</b>	<b>439,320,588</b>	<b>230,772,427</b>	<b>170,892,035</b>

## income statements

for the financial year ended 31 january 2008

		GROUP		COMPANY	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
Revenue	26	124,706,555	75,275,344	95,308,391	16,015,483
Cost of sales	26	(82,649,253)	(46,717,627)	-	-
Gross profit		42,057,302	28,557,717	95,308,391	16,015,483
Other operating income		3,958,040	4,583,410	830,688	1,056,429
Administration expenses		(12,244,806)	(10,822,891)	(7,531,008)	(6,690,249)
Other operating expenses		(38,127)	(188,416)	-	-
Gain on disposal of investments		111,033	4,237,973	-	-
Finance cost	27	(1,609,963)	(1,159,667)	(89,214)	(133,628)
Profit before tax	28	32,233,479	25,208,126	88,518,857	10,248,035
Tax	31	(8,428,464)	(6,076,592)	(23,279,742)	(2,921,936)
Net profit for the year		23,805,015	19,131,534	65,239,115	7,326,099
Attributable to :					
Equity holders of the Company		22,866,466	18,924,854	65,239,115	7,326,099
Minority interests		938,549	206,680	-	-
		23,805,015	19,131,534	65,239,115	7,326,099
Earnings per share attributable to equity holders of the Company (sen) :					
Basic, for profit for the year	32	15.2	13.4		
Diluted, for profit for the year	32	15.1	12.7		

## consolidated statements of changes in equity

for the financial year ended 31 january 2008

2007	Note	Attributable to equity holders of the Company							Minority Interests	Total Equity
		Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Other Reserve	Retained Profits	Total		
		RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1.2.2006		143,752,440	14,533,065	(2,299,458)	14,340,194	28,973,700	109,287,525	308,587,466	3,800,614	312,388,080
As previously stated										
Effects of adopting FR53	15	-	-	-	-	(28,973,700)	28,973,700	-	-	-
		143,752,440	14,533,065	(2,299,458)	14,340,194	-	138,261,225	308,587,466	3,800,614	312,388,080
Adjustment of prior year underprovision of deferred tax	14	-	-	-	(751,162)	-	-	(751,162)	-	(751,162)
Net expenses recognised directly in equity		-	-	-	(751,162)	-	-	(751,162)	-	(751,162)
Net profit for the year		-	-	-	-	-	18,924,854	18,924,854	206,680	19,131,534
Total recognised income and expenses for the year		-	-	-	(751,162)	-	18,924,854	18,173,692	206,680	18,380,372
Dividends	33	-	-	-	-	-	(7,126,725)	(7,126,725)	-	(7,126,725)
Issue of shares										
- Conversion from ICULS	19	40,400	-	-	-	-	-	40,400	-	40,400
Purchase of treasury shares	13(a)	-	-	(253,541)	-	-	-	(253,541)	-	(253,541)
Share-based payment expenses under ESOS	29	-	-	-	-	18,830	-	18,830	-	18,830
Minority interest's share of loss set off against their advances		-	-	-	-	-	-	-	188,670	188,670
Balance as at 31.1.2007		143,792,840	14,533,065	(2,552,999)	13,589,032	18,830	150,059,354	319,440,122	4,195,964	323,636,086

## consolidated statements of changes in equity

for the financial year ended 31 january 2008 (cont'd)

2008	Note	Attributable to equity holders of the Company						Minority Interests	Total Equity
		Share Capital	Share Premium	Treasury Shares	Non-distributable	Distributable	Total		
		RM	RM	RM	Reserve	Share Option Reserve	Retained Profits	RM	RM
Balance as at 1.2.2007		143,792,840	14,533,065	(2,552,999)	13,589,032	18,830	150,059,354	319,440,122	4,195,964 323,636,086
Realisation of revaluation surplus, net of tax	14	-	-	-	(162,111)	-	162,111	-	-
Reduction in deferred tax arising from change in tax rate	14	-	-	-	1,505,908	-	-	1,505,908	1,505,908
Net income recognised directly in equity		-	-	-	1,343,797	-	162,111	1,505,908	1,505,908
Net profit for the year		-	-	-	-	-	22,866,466	938,549	23,805,015
Total recognised income and expenses for the year		-	-	-	1,343,797	-	23,028,577	24,372,374	938,549 25,310,923
Dividends	33	-	-	-	-	-	(7,943,448)	(7,943,448)	- (7,943,448)
Issue of shares									
- Conversion from ICULS	19	8,774,090	-	-	-	-	-	8,774,090	- 8,774,090
- Exercise of ESOS	13	2,501,400	230,015	-	-	-	-	2,731,415	- 2,731,415
Sale of treasury shares	13(a)	-	718,312	2,552,999	-	-	-	3,271,311	- 3,271,311
Share-based payment expenses under ESOS	29	-	-	-	-	86,348	-	86,348	- 86,348
Transfer of reserve arising from exercise of ESOS		-	35,641	-	-	(35,641)	-	-	-
Issue of shares to minority interests		-	-	-	-	-	-	-	660,000 660,000
Minority interest's share of loss set off against their advances		-	-	-	-	-	-	(216,670)	(216,670)
Balance as at 31.1.2008		155,068,330	15,517,033	-	14,932,829	69,537	165,144,483	350,732,212	5,577,843 356,310,055

## company statement of changes in equity

for the financial year ended 31 january 2008

			<div>← Non-distributable →</div>			
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Share Option Reserve RM	Distributable Retained Profits RM
						Total RM
2007						
Balance as at 1.2.2006		143,752,440	14,533,065	(2,299,458)	-	373,195
156,359,242						
Net profit for the year, representing total recognised income and expenses for the year		-	-	-	-	7,326,099
7,326,099						
Dividends	33	-	-	-	-	(7,126,725)
(7,126,725)						
Issue of shares						
- Conversion from ICULS	19	40,400	-	-	-	-
40,400						
Purchase of treasury shares	13	-	-	(253,541)	-	-
(253,541)						
Share-based payment expenses under ESOS	29	-		-	18,830	-
18,830						
Balance as at 31.1.2007		143,792,840	14,533,065	(2,552,999)	18,830	572,569
156,364,305						
2008						
Balance as at 1.2.2007		143,792,840	14,533,065	(2,552,999)	18,830	572,569
156,364,305						
Net profit for the year, representing total recognised income and expenses for the year		-	-	-	-	65,239,115
65,239,115						
Dividends	33	-	-	-	-	(7,943,448)
(7,943,448)						
Issue of shares						
- Conversion from ICULS	19	8,774,090	-	-	-	-
8,774,090						
- Exercise of ESOS	13	2,501,400	230,015	-	-	-
2,731,415						
Re-sale of treasury shares	13	-	718,312	2,552,999	-	-
3,271,311						
Transfer of reserve arising from exercise of ESOS		-	35,641	-	(35,641)	-
-						
Share-based payment expenses under ESOS	29	-	-	-	86,348	-
86,348						
Balance as at 31.1.2008		155,068,330	15,517,033	-	69,537	57,868,236
228,523,136						



## consolidated cash flow statement

### for the financial year ended 31 january 2008

	Note	2008 RM	2007 RM
<b>Cash flows from operating activities</b>			
Cash receipts from customers		109,752,491	82,227,111
Dividends received		280,924	240,108
Cash paid to suppliers and employees		(131,394,128)	(97,605,143)
Cash used in operations		(21,360,713)	(15,137,924)
Deposit interest received		33,868	14,709
Interest paid		(4,029,988)	(3,054,132)
Tax paid		(8,122,866)	(9,208,300)
Net cash used in operating activities		(33,479,699)	(27,385,647)
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	A	(6,058,144)	(2,919,893)
(Pledge) / Withdrawal of fixed deposits		(201,422)	264,263
Proceeds from disposal of investments		960,817	11,759,968
Proceeds from disposal of plant and equipment		368,031	85,549
Net cash effect on acquisition of subsidiary company	B	-	-
Net cash (used in) / from investing activities		(4,930,718)	9,189,887
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		2,731,415	-
Proceeds from issuance of shares to minority interests		660,000	120,000
Resale / (Acquisition) of treasury shares		3,271,311	(253,541)
Proceeds from term loans		74,569,710	8,000,000
Proceeds from short term borrowings		854,000	8,000,000
Repayment of hire purchase liabilities		(117,843)	(51,709)
Repayment of term loan		(8,760,000)	(8,760,000)
Repayment of short term borrowings		(10,200,000)	-
Dividend paid		(7,943,448)	(7,126,725)
Net cash from / (used in) financing activities		55,065,145	(71,975)
Net increase / (decrease) in cash and cash equivalents		16,654,728	(18,267,735)
Cash and cash equivalents at the beginning of the financial year		(12,453,130)	5,814,605
Cash and cash equivalents at the end of the financial year	34	4,201,598	(12,453,130)

## consolidated cash flow statement

for the financial year ended 31 january 2008 (cont'd)

### Note to Consolidated Cash Flow Statement

#### A Acquisition of property, plant and equipment

	2008 RM	2007 RM
Property, plant and equipment acquired	6,288,144	3,069,893
Less : Financed by hire purchase arrangement	(230,000)	(150,000)
Cash paid	6,058,144	2,919,893

#### B Net cash effect on acquisition of subsidiary company

The effect of the acquisition of subsidiary on the financial position of the Group is as follows :

	2008 RM	2007 RM
Current assets	140,000	-
Goodwill on consolidation	-	-
Total consideration	140,000	-
Less : Cash and cash equivalents acquired	(140,000)	-
Net cash effect	-	-

## company cash flow statement

for the financial year ended 31 january 2008

	Note	2008 RM	2007 RM
<b>Cash flows from operating activities</b>			
Cash receipts from customers		9,553,421	7,848,003
Dividend received from subsidiary companies		87,484,906	9,148,420
Cash paid to suppliers and employees		(6,176,818)	(7,060,099)
Cash generated from operations		90,861,509	9,936,324
Interest received		6,214	-
Interest paid		(89,214)	(133,628)
Tax paid		(22,884,792)	(3,012,074)
Net cash from operating activities		67,893,717	6,790,622
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(206,073)	(143,161)
Acquisition of shares in a subsidiary company		-	(99,998)
Net cash used in investing activities		(206,073)	(243,159)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		2,731,415	-
Resale / (Acquisition) of treasury shares		3,271,311	(253,541)
Repayment to holding company		(45,436)	-
Advance to subsidiary companies		(60,952,753)	(4,309,011)
Advance (to) / from related companies		(226,078)	392,954
Dividend paid		(7,943,448)	(7,126,725)
Net cash used in financing activities		(63,164,989)	(11,296,323)
Net increase / (decrease) in cash and cash equivalents		4,522,655	(4,748,860)
Cash and cash equivalents at the beginning of the financial year		(4,668,179)	80,681
Cash and cash equivalents at the end of the financial year	34	(145,524)	(4,668,179)

## notes to the financial statements

### for the financial year ended 31 january 2008

#### 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 27 May 2008.

#### 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 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 activity 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 primary interest rate risk relates to interest bearing debts. The Group manages its interest rate exposure by maintaining as far as practical, a mix of fixed and floating rate borrowings.

##### 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 2008 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 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 MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

The financial statements of the Group and the Company are presented in Ringgit Malaysia (RM).

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

#### 3.2 Adoption of new and revised financial reporting standards

The Group and the Company adopted the following new FRS which is relevant to its operations for the current financial year:

FRS 124	Related Party Disclosures
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The adoption of the above FRS does not have financial impact on the Group and the Company.

The Group and the Company has not elected for early adoption of the following FRSs relevant to the current operations of the Group and the Company, which were issued but not yet effective for the financial year ended 31 January 2008 :

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 139	Financial Instruments : Recognition and Measurement

The impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in FRS 139.

The initial application of the other FRSs and amendments to FRSs are not expected to have any material impact on the financial statements of the Group and the Company.

#### 3.3 Summary of significant accounting policies

##### (a) 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 3.3(s). 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.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 3.3 Summary of significant accounting policies (cont'd)

##### (a) Subsidiary companies and basis of consolidation (cont'd)

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. Inter-company transactions, balances and unrealised gains or losses are eliminated on consolidation.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The carrying amount is reviewed annually and the policy for the recognition and measurement of impairment losses on goodwill is in accordance with Note 3.3(s).

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

##### (b) Property, plant and equipment

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

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.3(s).

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 has unlimited useful life and therefore 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 life 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



## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 3.3 Summary of significant accounting policies (cont'd)

##### (b) Property, plant and equipment (cont'd)

Asset under construction are stated at cost incurred to balance sheet date and no depreciation is provided on these assets until they are completed and available for use.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

##### (c) 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.

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

##### (d) Property development activities

###### i. Land held for property development

Land held for property development consists of land on which no significant development activities have 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 (except for a freehold land which was revalued in 2005 before this land was classified to land held for property development) less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.3(s).

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 reclassified as property development costs (under current assets) when development activities have commenced and where it can be demonstrated that 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.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 3.3 Summary of significant accounting policies (cont'd)

##### (d) Property development activities (cont'd)

###### ii. Property development costs (cont'd)

Where the financial outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised in the income statement by using the stage of completion method; the stage of completion is measured by reference to the proportion that property development costs incurred for work performed and surveyed to date bear to the estimated total property development costs.

Where the financial 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 properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are 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.

##### (e) 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.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

##### (f) 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 measured by reference to the proportion of contract costs incurred for work performed and surveyed to date to the estimated total contract costs.

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 as expenses in the period in which they are incurred.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 3.3 Summary of significant accounting policies (cont'd)

##### (f) Construction contracts (cont'd)

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 or 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.

##### (g) 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.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

##### (h) 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.

##### (i) Payables

Payables are stated at 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.

##### (j) 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.

##### (k) Interest bearing borrowings

Interest bearing borrowings are initially stated based on the proceeds received or the amount of drawdown. Transaction costs are charged to the income statement. In subsequent periods, borrowings are stated at amount of drawdown less repayment after deducting interest charges.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 3.3 Summary of significant accounting policies (cont'd)

##### (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.

##### (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

The Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Contributions to the defined contribution plan are charged to the income statement in the period in which they relate. Once the contributions have been paid, the Group has no further payment obligations.

###### iii. Equity compensation benefits

The Crescendo Corporation Berhad's Employees' Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

##### (n) Revenue recognition

Sales are recognised net of sales taxes and discounts and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Sale of development properties is recognised on the percentage of completion method (based on work performed and surveyed). Allowance is made for any foreseeable losses.

Income from long term contracts is recognised on the percentage of completion method (based on work performed and surveyed) 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.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 3.3 Summary of significant accounting policies (cont'd)

##### (n) Revenue recognition (cont'd)

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 basis and takes into the account the effective yield on the assets.

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

Revenue from services rendered is recognised net of tax and discounts as and when service is performed.

##### (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) Borrowing costs

Borrowing costs incurred on borrowings related to property development cost are added on to these costs 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.

All other borrowing costs are recognised in income statement in the period in which they are incurred.

##### (q) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash in hand, cash at bank and unpledged deposits which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

##### (r) 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	2008 RM	2007 RM
1 US Dollar	3.24	3.50
1 Singapore Dollar	2.28	2.28

##### (s) Impairment of non-financial assets

The carrying amounts of assets, other than construction contract assets, property development costs, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 3.3 Summary of significant accounting policies (cont'd)

##### (s) Impairment of non-financial assets (con'td)

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

##### (t) Financial instruments

###### i. Recognition of financial instruments

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

###### 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.



## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 3.4 Significant accounting estimates and judgements

(a) **Judgements**

In the process of preparing these financial statements, there were no significant judgements made in applying the accounting policies of the management which may have significant effects of the amounts recognised in the financial statements.

(b) **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. **Property development**

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed and surveyed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

ii. **Construction contracts**

The Group recognises contract revenue based on percentage of completion method. The stage of completion is measured by reference to the contract costs incurred for work performed and surveyed to date to the estimated total costs for the contract.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue (for contracts other than fixed price contracts) and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group relied on past experience and work of specialists.

iii. **Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying amount of recognised deferred tax assets arising from unused tax losses and unabsorbed capital allowances of the Group was RM634,000 (2007 : RM527,000). The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses and unabsorbed capital allowances of the Group was RM756,000 (2007 : RM679,200).

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 4. PROPERTY, PLANT AND EQUIPMENT

	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
<b>Group</b>					
<b>As at 31 January 2008</b>					
<b>Cost or Valuation</b>					
As at 1.2.2007					
At cost	1,698,336	4,977,249	2,929,903	5,924,092	15,529,580
At valuation	50,240,357	-	-	-	50,240,357
Additions	51,938,693	4,977,249	2,929,903	5,924,092	65,769,937
Disposal / Write off	1,787,025	1,475,273	483,703	2,542,143	6,288,144
	(497,602)	(8,060)	(37,888)	(86,120)	(629,670)
Transfer to land held for property development {Note 7(a)}	(5,651,000)	-	-	-	(5,651,000)
As at 31.1.2008	47,577,116	6,444,462	3,375,718	8,380,115	65,777,411
Representing :					
At cost	3,483,765	6,444,462	3,375,718	8,380,115	21,684,060
At valuation	44,093,351	-	-	-	44,093,351
As at 31.1.2008	47,577,116	6,444,462	3,375,718	8,380,115	65,777,411
<b>Accumulated depreciation</b>					
As at 1.2.2007	145,317	2,278,828	1,845,712	4,150,592	8,420,449
Depreciation charge for the year :	107,243	644,035	260,304	895,164	1,906,746
Recognised in income statement (Note 28)	105,435	566,601	260,304	797,105	1,729,445
Capitalised in construction costs (Note 10)	1,808	77,434	-	98,059	177,301
Disposal / Write off	-	(605)	(21,665)	(7,177)	(29,447)
As at 31.1.2008	252,560	2,922,258	2,084,351	5,038,579	10,297,748
<b>Net carrying amount</b>					
At cost	3,225,565	3,522,204	1,291,367	3,341,536	11,380,672
At valuation	44,098,991	-	-	-	44,098,991
As at 31.1.2008	47,324,556	3,522,204	1,291,367	3,341,536	55,479,663
Net carrying amount of assets under restriction of title due to bank borrowings	4,047,795	-	-	-	4,047,795

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
<b>Group (cont'd)</b>					
<b>As at 31 January 2007</b>					
<b>Cost or Valuation</b>					
As at 1.2.2006					
At cost	155,929	3,416,398	2,497,367	5,653,971	11,723,665
At valuation	50,216,382	-	-	-	50,216,382
	50,372,311	3,416,398	2,497,367	5,653,971	61,940,047
Additions	624,544	1,560,851	450,998	433,500	3,069,893
Disposal / Write off	-	-	(18,462)	(163,379)	(181,841)
Transfer from land held for property development	941,838	-	-	-	941,838
<b>As at 31.1.2007</b>	<b>51,938,693</b>	<b>4,977,249</b>	<b>2,929,903</b>	<b>5,924,092</b>	<b>65,769,937</b>
<b>Representing :</b>					
At cost	1,698,336	4,977,249	2,929,903	5,924,092	15,529,580
At valuation	50,240,357	-	-	-	50,240,357
<b>As at 31.1.2007</b>	<b>51,938,693</b>	<b>4,977,249</b>	<b>2,929,903</b>	<b>5,924,092</b>	<b>65,769,937</b>
<b>Accumulated depreciation</b>					
As at 1.2.2006	100,754	1,843,057	1,634,274	3,566,518	7,144,603
Depreciation charge for the year :	44,563	435,771	223,172	701,622	1,405,128
Recognised in income statement (Note 28)	42,755	363,142	223,172	649,698	1,278,767
Capitalised in construction costs (Note 10)	1,808	72,629	-	51,924	126,361
Disposal / Write off	-	-	(11,734)	(117,548)	(129,282)
<b>As at 31.1.2007</b>	<b>145,317</b>	<b>2,278,828</b>	<b>1,845,712</b>	<b>4,150,592</b>	<b>8,420,449</b>
<b>Net carrying amount</b>					
At cost	1,553,019	2,698,421	1,084,191	1,773,500	7,109,131
At valuation	50,240,357	-	-	-	50,240,357
<b>As at 31.1.2007</b>	<b>51,793,376</b>	<b>2,698,421</b>	<b>1,084,191</b>	<b>1,773,500</b>	<b>57,349,488</b>
Net carrying amount of assets under restriction of title due to bank borrowings	3,664,462	-	-	-	3,664,462

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Properties of the Group :

	Freehold land RM	Buildings RM	Total RM
<b>As at 31 January 2008</b>			
<b>Cost or Valuation</b>			
As at 1.2.2007			
At cost	1,046,901	651,435	1,698,336
At valuation	50,240,357	-	50,240,357
	51,287,258	651,435	51,938,693
Additions	143,547	1,643,478	1,787,025
Transfer to land held for property development	(5,651,000)	-	(5,651,000)
Disposal / Write off	(497,602)	-	(497,602)
<b>As at 31.1.2008</b>	<b>45,282,203</b>	<b>2,294,913</b>	<b>47,577,116</b>
<b>Representing :</b>			
At cost	1,188,852	2,294,913	3,483,765
At valuation	44,093,351	-	44,093,351
<b>As at 31.1.2008</b>	<b>45,282,203</b>	<b>2,294,913</b>	<b>47,577,116</b>
<b>Accumulated depreciation</b>			
As at 1.2.2007	-	145,317	145,317
Depreciation charge for the year :	-	107,243	107,243
Recognised in income statement	-	105,435	105,435
Capitalised in construction costs	-	1,808	1,808
<b>As at 31.1.2008</b>	<b>-</b>	<b>252,560</b>	<b>252,560</b>
<b>Net carrying amount</b>			
At cost	1,188,852	2,042,353	3,231,205
At valuation	44,093,351	-	44,093,351
<b>As at 31.1.2008</b>	<b>45,282,203</b>	<b>2,042,353</b>	<b>47,324,556</b>

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Properties of the Group :

	Freehold land RM	Buildings RM	Total RM
<b>As at 31 January 2007</b>			
<b>Cost or Valuation</b>			
As at 1.2.2006			
At cost	10,891	145,038	155,929
At valuation	50,216,382	-	50,216,382
	50,227,273	145,038	50,372,311
Additions	118,147	506,397	624,544
Transfer from land held for property development	941,838	-	941,838
	51,287,258	651,435	51,938,693
<b>As at 31.1.2007</b>			
Representing :			
At cost	1,046,901	651,435	1,698,336
At valuation	50,240,357	-	50,240,357
	51,287,258	651,435	51,938,693
<b>Accumulated depreciation</b>			
As at 1.2.2006	-	100,754	100,754
Depreciation charge for the year :	-	44,563	44,563
Recognised in income statement	-	42,755	42,755
Capitalised in construction costs	-	1,808	1,808
	-	145,317	145,317
<b>As at 31.1.2007</b>			
<b>Net carrying amount</b>			
At cost	1,046,901	506,118	1,553,019
At valuation	50,240,357	-	50,240,357
	51,287,258	506,118	51,793,376
<b>As at 31.1.2007</b>			

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
<b>Company</b>			
<b>As at 31 January 2008</b>			
<b>Cost</b>			
As at 1.2.2007	619,226	803,144	1,422,370
Additions	206,073	-	206,073
Disposal / Write off	(9,531)	-	(9,531)
As at 31.1.2008	815,768	803,144	1,618,912
<b>Accumulated depreciation</b>			
As at 1.2.2007	241,269	516,166	757,435
Depreciation charge for the year :			
Recognised in income statement	113,515	137,735	251,250
Disposal / Write off	(9,485)	-	(9,485)
As at 31.1.2008	345,299	653,901	999,200
<b>Net carrying amount</b>	470,469	149,243	619,712
<b>As at 31 January 2007</b>			
<b>Cost</b>			
As at 1.2.2006	532,645	748,144	1,280,789
Additions	88,161	55,000	143,161
Disposal / Write off	(1,580)	-	(1,580)
As at 31.1.2007	619,226	803,144	1,422,370
<b>Accumulated depreciation</b>			
As at 1.2.2006	136,657	388,514	525,171
Depreciation charge for the year :			
Recognised in income statement	105,492	127,652	233,144
Disposal / Write off	(880)	-	(880)
As at 31.1.2007	241,269	516,166	757,435
<b>Net carrying amount</b>	377,957	286,978	664,935



## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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	
	2008 RM	2007 RM
Net book value of revalued freehold land, had these assets been carried at cost	25,182,022	29,560,506

Certain parcels of freehold land of the subsidiary companies with net carrying amount of RM45,226,763 (2007 : RM45,580,818) are registered in the name of the vendors. The said subsidiaries are the beneficial owners of the freehold land.

Included in the Group's property, plant and equipment are assets acquired under hire purchase financing with net book value of RM320,692 (2007 : RM132,500).

Included in the Group's properties are assets under construction amounted to RM489,955 (2007 : RMNil).

#### 5. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2008 RM	2007 RM
Unquoted shares, at cost	126,165,277	126,165,277

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

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2008 %	2007 %
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.	Property development	120	70	70

## notes to the financial statements

for the financial year ended 31 january 2008 (cont'd)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2008 %	2007 %
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	2,000,000	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
Unibase Pre-cast Sdn. Bhd.	Fabrication, trading and marketing of concrete products	200,000	42	-
Crescendo Education Sdn. Bhd.	Investment holding	100,000	100	100
Crescendo International College Sdn. Bhd.	Providing educational services	500,000	60	60
Crescendo Creative Education Sdn. Bhd.	Providing educational services	2	100	100
Crescendo Commercial Complex Sdn. Bhd.	Property investment	6	100	100

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 6. INVESTMENTS

		2008 RM	GROUP 2007 RM
Securities quoted in Malaysia, at cost		2,552,924	3,962,243
Less : diminution in value of investments		(453,625)	(1,659,433)
Total quoted securities, net of diminution in value of investments	(A)	2,099,299	2,302,810
Market value of quoted securities In Malaysia		2,099,299	2,302,810
Unquoted securities at cost			
In Malaysia		-	334,784
Outside Malaysia		464,471	502,346
	(B)	464,471	837,130
Golf club membership	(C)	60,000	60,000
Total investments, net of diminution in value of investments	{{(A)+(B)+(C)}}	2,623,770	3,199,940

#### 7. PROPERTY DEVELOPMENT ACTIVITIES

##### (a) Land held for property development

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
<b>Group</b>				
<b>As at 31 January 2008</b>				
<b>Cost</b>				
As at 1 February 2007	185,210,775	37,973,281	36,560,113	259,744,169
Cost incurred during the year	17,030,995	764,170	16,886,505	34,681,670
Transfer to property development costs (Note 7(b))	(3,403,211)	-	(1,987,125)	(5,390,336)
Transfer from property, plant and equipment	5,651,000	-	-	5,651,000
As at 31 January 2008	204,489,559	38,737,451	51,459,493	294,686,503

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 7. PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

##### (a) Land held for property development (cont'd)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
<b>Group</b>				
<b>As at 31 January 2007</b>				
<b>Cost</b>				
As at 1 February 2006	183,343,767	19,661,228	21,306,994	224,311,989
Cost incurred during the year	10,895,953	18,312,053	17,782,400	46,990,406
Transfer to property development costs (Note 7(b))	(8,533,342)	-	(2,083,046)	(10,616,388)
Transfer to property, plant and equipment	(495,603)	-	(446,235)	(941,838)
<b>As at 31 January 2007</b>	<b>185,210,775</b>	<b>37,973,281</b>	<b>36,560,113</b>	<b>259,744,169</b>

	2008 RM	Group 2007 RM
Carrying amount of assets under restriction of title due to bank borrowings	<b>145,687,195</b>	143,547,316

Included in land held for property development costs incurred during the financial year is interest expenses amounting to RM2,574,058 (2007 : RM1,848,181) (Note 27).

Included in freehold land is an amount of RM5,651,000 (2007 : RMNil) which was revalued before it was transferred to land held for property development. The valuation was carried out on 24 January 2005 by the qualified valuer using the comparison method to reflect its fair value. The net book value of the said land at valuation had it been stated at cost would have been RM5,176,466 (2007 : RMNil).

##### (b) Property development costs

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
<b>Group</b>				
<b>As at 31 January 2008</b>				
<b>Cumulative property development costs</b>				
As at 1 February 2007	11,606,764	488,838	55,803,688	67,899,290
Cost incurred during the year	107,306	-	55,805,342	55,912,648
Transfer from land held for property development (Note 7(a))	3,403,211	-	1,987,125	5,390,336
Reversal of completed projects	(784,255)	(488,838)	(15,825,674)	(17,098,767)
Unsold units transferred to inventories	(1,456,260)	-	(21,264,462)	(22,720,722)
<b>As at 31 January 2008</b>	<b>12,876,766</b>	<b>-</b>	<b>76,506,019</b>	<b>89,382,785</b>

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 7. PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

##### (b) Property development costs (cont'd)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
<b>Group</b>				
<b>As at 31 January 2008 (cont'd)</b>				
<b>Cumulative costs recognised in income statement</b>				
As at 1 February 2007	(213,344)	(317,745)	(13,747,849)	(14,278,938)
Recognised during the year	(3,830,577)	(171,093)	(32,926,499)	(36,928,169)
Reversal of completed projects	784,255	488,838	15,825,674	17,098,767
As at 31 January 2008	(3,259,666)	-	(30,848,674)	(34,108,340)
<b>Property development costs as at 31 January 2008</b>	<b>9,617,100</b>	<b>-</b>	<b>45,657,345</b>	<b>55,274,445</b>
<b>Group</b>				
<b>As at 31 January 2007</b>				
<b>Cumulative property development costs</b>				
As at 1 February 2006	4,691,499	488,838	43,450,100	48,630,437
Cost incurred during the year	-	-	49,257,728	49,257,728
Transfer from land held for property development (Note 7(a))	8,533,342	-	2,083,046	10,616,388
Reversal of completed projects	(853,177)	-	(18,718,401)	(19,571,578)
Unsold units transferred to inventories	(764,900)	-	(20,268,785)	(21,033,685)
As at 31 January 2007	11,606,764	488,838	55,803,688	67,899,290
<b>Cumulative costs recognised in income statement</b>				
As at 1 February 2006	(318,266)	-	(11,713,955)	(12,032,221)
Recognised during the year	(748,255)	(317,745)	(20,752,295)	(21,818,295)
Reversal of completed projects	853,177	-	18,718,401	19,571,578
As at 31 January 2007	(213,344)	(317,745)	(13,747,849)	(14,278,938)
<b>Property development costs as at 31 January 2007</b>	<b>11,393,420</b>	<b>171,093</b>	<b>42,055,839</b>	<b>53,620,352</b>

Included in property development costs incurred during the financial year is interest expenses amounting to RM124,587 (2007 : RMNil) (Note 27).

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 7. PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

A subsidiary company, Panoramic Industrial Development Sdn. Bhd. ("PID") entered into a Development And Option To Purchase Agreement 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 option to purchase the said land and / or any of its sublots arising from a subdivision is valid for a period of seven years from 1 December 2005 with a commitment to acquire a minimum of 150 acres of the said land. As at 31 January 2008, the remaining unexercised committed portion is 125 acres and the remaining unexercised non-committed portion is 164.6411 acres with maximum purchase considerations of up to approximately RM51.3 million and RM94.1 million respectively.

Certain parcels of the freehold land and leasehold land included in land held for property development and property development costs with carrying amount of RM64,206,348 (2007 : RM52,623,609) are registered in the name of the vendors. The subsidiary companies are the beneficial owners of the said 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.

#### 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	
	2008 RM	2007 RM	2008 RM	2007 RM
Disclosed as :				
Deferred tax assets	4,906,000	4,799,000	-	-
Deferred tax liabilities	(2,655,433)	(4,310,682)	(76,000)	(65,000)
	2,250,567	488,318	(76,000)	(65,000)
As at 1 February	488,318	(3,081,341)	(65,000)	(69,000)
(Charged) / Credited to income statement (Note 31)				
- property, plant and equipment	43,427	(15,400)	(11,000)	4,000
- land held for property development	99,914	118,221	-	-
- unrealised foreign exchange	10,000	36,000	-	-
- unrealised profit	-	3,891,000	-	-
- tax losses	103,000	291,000	-	-
	256,341	4,320,821	(11,000)	4,000
Credited / (Charged) to equity				
- property, plant and equipment	1,505,908	(751,162)	-	-
As at 31 January	2,250,567	488,318	(76,000)	(65,000)



## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 8. DEFERRED TAX (CONT'D)

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>Subject to income tax (cont'd)</b>				
Deferred tax assets (before offsetting)				
Property, plant and equipment	8,000	4,000	-	-
Tax losses	626,000	523,000	-	-
Unrealised profits	4,272,000	4,272,000	-	-
Unrealised foreign exchange	13,000	3,000	-	-
	4,919,000	4,802,000	-	-
Offsetting	(13,000)	(3,000)	-	-
Deferred tax assets (after offsetting)	4,906,000	4,799,000	-	-
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(564,900)	(321,400)	(76,000)	(65,000)
Land held for property development	(2,103,533)	(2,203,447)	-	-
	(2,668,433)	(2,524,847)	(76,000)	(65,000)
Offsetting	13,000	3,000	-	-
Deferred tax liabilities (after offsetting)	(2,655,433)	(2,521,847)	(76,000)	(65,000)
<b>Subject to real property gains tax</b>				
Deferred tax liabilities				
Property, plant and equipment	-	(1,788,835)	-	-
	(2,655,433)	(4,310,682)	(76,000)	(65,000)

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 particular companies 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 26% (2007 : 27%).

Deferred tax arising from temporary differences subject to real property gains tax are calculated based on tax rate of Nil% (2007 : 5%).

Deferred tax assets have not been recognised in respect of the following temporary differences :

	GROUP	
	2008 RM	2007 RM
Excess of capital allowance over depreciation	-	145,000
Unused tax losses	756,000	534,200

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 9. INVENTORIES

	2008 RM	GROUP 2007 RM
<b>At Cost</b>		
Raw materials	1,235,812	289,675
Finished goods	2,090,838	376,906
Completed properties for sale	40,264,922	29,992,863
	<b>43,591,572</b>	<b>30,659,444</b>

None of the inventories is stated at net realisable value.

#### 10. DUE FROM CUSTOMERS ON CONTRACTS

	2008 RM	GROUP 2007 RM
Contract in progress		
- accumulated contract cost	308,456,658	232,530,595
- recognised profits less recognised losses	20,756,814	15,245,584
	<b>329,213,472</b>	<b>247,776,179</b>
Less : Progress billings	<b>(323,147,283)</b>	<b>(243,621,390)</b>
Due from customers on contracts	<b>6,066,189</b>	<b>4,154,789</b>

There is no amount due to customers for the financial years 2008 and 2007.

	2008 RM	GROUP 2007 RM
Contract in progress included the following items incurred during the financial year :		
Depreciation of property, plant and equipment	177,301	126,361
Hire of equipment	926,517	398,664
Employee benefits expense (Note 29)	649,427	396,257

Included in the Group's progress billings is an amount of RM10,158,157 (2007 : RM8,231,286) being retention sums receivable by the Group.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 11. RECEIVABLES

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade receivables	32,894,387	15,400,160	-	-
Other receivables, deposits and prepayments	7,623,766	5,849,004	348,353	287,709
Amounts owing by related companies (Note 22)	284,054	819,213	32	160,650
Amounts owing by subsidiary companies (Note 23)	-	-	103,415,370	43,230,969
	<b>40,802,207</b>	<b>22,068,377</b>	<b>103,763,755</b>	<b>43,679,328</b>

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. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash on hand and at banks	8,595,301	1,553,091	223,683	8,735
Cash at bank in Housing Development Account	78,545	55,388	-	-
Deposits with licensed banks	201,422	-	-	-
	<b>8,875,268</b>	<b>1,608,479</b>	<b>223,683</b>	<b>8,735</b>

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.

The Group's fixed deposits are pledged to licensed banks as security for the bank borrowings (Note 17) and the banker's guarantees issued to suppliers.

Included in the Group's fixed deposits is an amount of RM45,000 (2007 : RMNil) registered in the names of a Director of the Company and a director of the subsidiary company, and held in trust for and on behalf of the subsidiary company.

The weighted average interest rate of deposits with licensed banks that was effective during the financial year 2008 was 3.3% (2007 : Nil) per annum for the Group.

Fixed deposits have an average maturity of 88 days (2007 : Nil) from the end of the financial year.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 13. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of ordinary shares of RM1 each		Amount		
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Share premium RM	Treasury shares RM
As at 1.2.2006	143,752,440	(2,158,100)	143,752,440	14,533,065	(2,299,458)
Ordinary shares issued during the year :					
- ICULS conversion	40,400	-	40,400	-	-
Purchase of treasury shares	-	(249,900)	-	-	(253,541)
As at 31.1.2007	143,792,840	(2,408,000)	143,792,840	14,533,065	(2,552,999)
As at 1.2.2007	143,792,840	(2,408,000)	143,792,840	14,533,065	(2,552,999)
Ordinary shares issued during the year :					
- ICULS conversion	8,774,090	-	8,774,090	-	-
- Exercise of share option	2,501,400	-	2,501,400	230,015	-
Resale of treasury shares	-	2,408,000	-	718,312	2,552,999
Transfer of reserve arising from exercise of ESOS	-	-	-	35,641	-
As at 31.1.2008	155,068,330	-	155,068,330	15,517,033	-

	Number of ordinary shares of RM1 each		Amount	
	2008	2007	2008 RM	2007 RM
<b>Authorised share capital</b>				
As at 1 February / 31 January	500,000,000	500,000,000	500,000,000	500,000,000

#### (a) Treasury shares

During the financial year, the Company resold the entire 2,408,000 treasury shares in the open market on the Bursa Malaysia Securities Berhad for the consideration of RM3,271,311. The average price sold for the treasury shares was approximately RM1.36 per share. The proceeds from the re-sale have been utilised for working capital purposes. No treasury shares was being held as at 31 January 2008.

Of the total 155,068,330 (2007 : 143,792,840) issued and fully paid ordinary shares as at 31 January 2008, none of the shares (2007 : 2,408,000) are held as treasury shares by the Company. As at 31 January 2007, the number of outstanding ordinary shares in issue after setting off treasury shares is 141,384,840.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 13. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (CONT'D)

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

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movement in, share options during the year :

	Outstanding as at 1 February '000	Number of Share Options Movement during the year				Outstanding as at 31 January '000	Exercisable as at 31 January '000
		Granted '000	Exercised '000	Forfeited '000	Expired '000		
<b>2008</b>							
2002 Options	3,588	-	(1,234)	(10)	-	2,344	2,344
2003 Options	293	-	(234)	-	-	59	59
2004 Options	410	-	(125)	(5)	-	280	280
2005 Options	588	-	(432)	-	-	156	156
2006 Options	503	-	(396)	-	-	107	107
2007 Options	-	901	(80)	(58)	-	763	323
	5,382	901	(2,501)	(73)	-	3,709	3,269
WAEP	1.11	1.24	1.09	1.22	-	1.15	1.14
<b>2007</b>							
2002 Options	3,744	-	-	(156)	-	3,588	3,588
2003 Options	304	-	-	(11)	-	293	293
2004 Options	426	-	-	(16)	-	410	410
2005 Options	617	-	-	(29)	-	588	588
2006 Options	-	523	-	(20)	-	503	503
	5,091	523	-	(232)	-	5,382	5,382
WAEP	1.12	1.00	-	1.11	-	1.11	1.11

(i) Details of share options outstanding at the end of the year :

	Exercise price RM	Exercisable period
<b>2008</b>		
2002 Options	1.14	4.7.2002 - 25.6.2012
2003 Options	1.00	2.4.2003 - 25.6.2012
2004 Options	1.20	10.5.2004 - 25.6.2012
2005 Options	1.03	23.3.2005 - 25.6.2012
2006 Options	1.00	29.3.2006 - 25.6.2012
2007 Options	1.24	29.3.2007 - 25.6.2012

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 13. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (CONT'D)

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

##### (i) Details of share options outstanding at the end of the year (cont'd) :

	Exercise price RM	Exercisable period
<b>2007</b>		
2002 Options	1.14	4.7.2002 - 25.6.2012
2003 Options	1.00	2.4.2003 - 25.6.2012
2004 Options	1.20	10.5.2004 - 25.6.2012
2005 Options	1.03	23.3.2005 - 25.6.2012
2006 Options	1.00	29.3.2006 - 25.6.2012

##### (ii) Share options exercised during the year

The options exercised during the financial year 2008 resulted in the issuance of 2,501,400 (2007 : Nil) ordinary shares at an average price of RM1.09 (2007 : Nil). The related weighted average share price at the date of exercise was RM1.62 (2007 : Nil).

##### (iii) Fair value of share options granted during the year

The fair value of share options granted during the year was estimated using Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows :

	2008	2007
Fair value of share options at the following grant dates (RM)		
29 March 2007	0.14	-
29 March 2006	-	0.05
Weighted average share price (RM)	1.43	1.00
Weighted average exercise price (RM)	1.24	1.00
Expected volatility (%)	16.83	14.10
Expected life (years)	4.51	1.84
Risk free rate (%)	3.45	4.18
Expected dividend yield (%)	7.00	7.00

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

#### 14. REVALUATION RESERVE

	2008 RM	GROUP 2007 RM
As at 1 February	13,589,032	14,340,194
Reversal of prior year underprovision	-	(751,162)
Realisation of revaluation surplus	(162,111)	-
Reduction in deferred tax arising from change in tax rate	1,505,908	-
As at 31 January	14,932,829	13,589,032

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 14. REVALUATION RESERVE (CONT'D)

	2008 RM	GROUP 2007 RM
Representing :		
Surplus arising from revaluation of freehold land	17,036,362	17,581,314
Less : Deferred tax on revaluation surplus	(2,103,533)	(3,992,282)
Revaluation reserve net of deferred tax	14,932,829	13,589,032

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

#### 15. OTHER RESERVES

	Reserve on consolidation RM	Share option reserve RM	Total RM
<b>Group</b>			
As at 1.2.2006	28,973,700	-	28,973,700
Effects of adopting FRS 3	(28,973,700)	-	(28,973,700)
	-	-	-
Share based payment expenses (Note 29)	-	18,830	18,830
As at 31.1.2007	-	18,830	18,830
As at 1.2.2007	-	18,830	18,830
Share based payment expenses (Note 29)	-	86,348	86,348
Transfer of reserve arising from exercise of ESOS	-	(35,641)	(35,641)
As at 31.1.2008	-	69,537	69,537
<b>Company</b>			
As at 1.2.2006		-	-
Share based payment expenses (Note 29)		18,830	18,830
As at 31.1.2007		18,830	18,830
As at 1.2.2007		18,830	18,830
Share based payment expenses (Note 29)		86,348	86,348
Transfer of reserve arising from exercise of ESOS		(35,641)	(35,641)
As at 31.1.2008		69,537	69,537



## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 15. OTHER RESERVES (CONT'D)

The nature and purpose of each category of reserve are as follows :

##### (a) Reserve on consolidation

The Group's reserve on consolidation arising from acquisition of subsidiaries in year 1997 was previously recognised in equity. In accordance with the transitional provisions of FRS 3, the said reserve as at 1 February 2006 was derecognised with a corresponding increase in retained profits.

##### (b) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

#### 16. RETAINED PROFITS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 January 2008, subject to agreement with the tax authorities, the Company has sufficient Section 108 balance to pay all franked dividends from its retained earnings.

#### 17. BANK BORROWINGS (SECURED)

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>(a) Total Borrowings</b>				
<b>Short term borrowings</b>				
Secured :				
Bank overdrafts	4,472,248	14,061,609	369,207	4,676,914
Banker acceptance	854,000	-	-	-
Hire purchase liabilities (Note 18)	121,866	75,537	-	-
Revolving credit	9,800,000	20,000,000	-	-
Term loan {Note 17(b)}	8,843,334	8,760,000	-	-
	<b>24,091,448</b>	<b>42,897,146</b>	<b>369,207</b>	<b>4,676,914</b>
<b>Long term borrowings</b>				
Secured :				
Hire purchase liabilities (Note 18)	112,454	46,626	-	-
Term loans {Note 17(b)}	84,636,376	18,910,000	-	-
	<b>84,748,830</b>	<b>18,956,626</b>	<b>-</b>	<b>-</b>

## notes to the financial statements

for the financial year ended 31 january 2008 (cont'd)

### 17. BANK BORROWINGS (SECURED)

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
(a) Total borrowings (cont'd)				
<b>Total borrowings</b>				
Bank overdrafts	4,472,248	14,061,609	369,207	4,676,914
Banker acceptance	854,000	-	-	-
Hire purchase liabilities (Note 18)	234,320	122,163	-	-
Revolving credit	9,800,000	20,000,000	-	-
Term loans {Note 17(b)}	93,479,710	27,670,000	-	-
	<b>108,840,278</b>	<b>61,853,772</b>	<b>369,207</b>	<b>4,676,914</b>
<b>Maturity of borrowings</b>				
Within one year	24,091,448	42,897,146	369,207	4,676,914
More than 1 year and less than 5 years	83,996,830	18,956,626	-	-
More than 5 years	752,000	-	-	-
	<b>108,840,278</b>	<b>61,853,772</b>	<b>369,207</b>	<b>4,676,914</b>
(b) Term loans				
Term loan I	10,910,000	19,670,000	-	-
Term loan II	5,000,000	5,000,000	-	-
Term loan III	3,000,000	3,000,000	-	-
Term loan IV	10,000,000	-	-	-
Term loan V	35,000,000	-	-	-
Term loan VI	29,569,710	-	-	-
	<b>93,479,710</b>	<b>27,670,000</b>	<b>-</b>	<b>-</b>
Current	8,843,334	8,760,000	-	-
Non-current	84,636,376	18,910,000	-	-
	<b>93,479,710</b>	<b>27,670,000</b>	<b>-</b>	<b>-</b>

The principal amounts of term loans are repayable by :

	Tenure of repayment	Commencement of instalments
Term loan I	48 months	June 2005
Term loan II	48 months	February 2009
Term loan III	36 months	January 2009
Term loan IV	48 months	May 2009
Term loan V	42 months	March 2009
Term loan VI	Bullet payment	To be settled in December 2012

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 17. BANK BORROWINGS (SECURED) (CONT'D)

The weighted average effective interest rates for borrowings are as follows :

	GROUP % per annum		COMPANY % per annum	
	2008 RM	2007 RM	2008 RM	2007 RM
Bank overdrafts	7.98	8.00	8.00	8.00
Revolving credit	5.19	4.83	-	-
Banker acceptance	3.63	-	-	-
Term loans	5.41	6.48	-	-

The unutilised banking facilities are as follows :

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Bank overdrafts	21,028,000	10,938,000	4,630,000	323,000
Revolving credit	11,700,000	-	-	-
Banker acceptance	2,146,000	1,000,000	-	-
Term loans	20,430,000	10,000,000	-	-
	<b>55,304,000</b>	<b>21,938,000</b>	<b>4,630,000</b>	<b>323,000</b>

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

#### 18. HIRE PURCHASE LIABILITIES

	GROUP	
	2008 RM	2007 RM
Payable within one year	129,665	81,780
Payable between one and two years	116,100	47,705
	<b>245,765</b>	<b>129,485</b>
Less : Finance charges	(11,445)	(7,322)
	<b>234,320</b>	<b>122,163</b>
Representing hire purchase liabilities :		
Due within 12 months {Note 17(a)}	121,866	75,537
Due after 12 months {Note 17(a)}	112,454	46,626
	<b>234,320</b>	<b>122,163</b>

Effective interest rate of hire purchase for the financial year is 5.24% (2007 : 6.77%) per annum.

## notes to the financial statements

### for the financial year ended 31 January 2008 (cont'd)

#### 19. 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	
	2008 RM	2007 RM
<b>3% Irredeemable Convertible Unsecured Loan Stocks 2002/2007</b>		
As at 1 February	8,774,090	8,814,490
Amount converted into the ordinary shares during the financial year	(8,774,090)	(40,400)
As at 31 January	-	8,774,090

Interest expense on the ICULS amounting to RM11,275 (2007 : RM263,223) has been capitalised as part of land cost of the subsidiary company, Crescendo Development Sdn. Bhd.

#### 20. OTHER PAYABLE

	GROUP	
	2008 RM	2007 RM
Current (Note 24)	1,000,000	1,000,000
Non-current	11,000,000	12,000,000
	12,000,000	13,000,000
Repayment of other payable :		
Payable within one year	1,000,000	1,000,000
Payable between one to five years	8,000,000	7,000,000
Payable after five years	3,000,000	5,000,000
	12,000,000	13,000,000

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 20. OTHER PAYABLE (CONT'D)

This amount is payable to the State Government of Johor Darul Takzim pursuant to the Privatisation cum Development Agreement dated 30 August 2006 entered into by a subsidiary company. The amount is non-interest bearing and payable over a period of seven years from the date of agreement, 30 August 2006.

#### 21. PAYABLES

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables	16,963,358	17,384,829	-	-
Other payables & accruals (Note 24)	14,506,685	7,424,061	1,641,814	578,291
Amounts owing to related companies (Note 22)	68,889	431,355	1,303	387,999
Amounts owing to subsidiary companies (Note 23)	-	-	105,612	-
Amount owing to the holding company (Note 25)	201,599	191,781	45,165	45,436
	<b>31,740,531</b>	<b>25,432,026</b>	<b>1,793,894</b>	<b>1,011,726</b>

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

#### 22. AMOUNTS OWING BY / (TO) RELATED COMPANIES

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>Amounts owing by related companies</b>				
- Trade in nature	283,822	818,944	-	160,650
- Non trade	232	269	32	-
	<b>284,054</b>	<b>819,213</b>	<b>32</b>	<b>160,650</b>
<b>Amounts owing (to) related companies</b>				
- Trade in nature	(9,978)	(18,987)	-	-
- Non trade	(58,911)	(412,368)	(1,303)	(387,999)
	<b>(68,889)</b>	<b>(431,355)</b>	<b>(1,303)</b>	<b>(387,999)</b>

The amounts 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 2008 (cont'd)

#### 23. AMOUNTS OWING BY / (TO) SUBSIDIARY COMPANIES

	2008 RM	GROUP 2007 RM
<b>Amounts owing by subsidiary companies</b>		
- Trade in nature	2,329,402	4,207,754
- Non trade	101,085,968	39,023,215
	<b>103,415,370</b>	<b>43,230,969</b>
<b>Amounts owing (to) subsidiary companies</b>		
- Non trade	(105,612)	-

Included in the amounts owing by subsidiary companies are RMNil (2007 : RM8,774,090) and RM11,512,798 (2007 : RM9,971,143) which bear effective interest of Nil% (2007 : 3.0%) and 7.75% (2007 : 7.67%) per annum respectively. All other balances are non-interest bearing, unsecured and have no fixed terms of repayment.

#### 24. OTHER PAYABLES AND ACCRUALS

	2008 RM	GROUP 2007 RM	COMPANY 2008 RM	2007 RM
Other payables	3,917,132	2,655,296	105,054	55,061
Deposits and other prepayments from property buyers	324,200	720,121	-	-
Accruals				
- Accrued development or contract costs for work done but not billed by contractors	6,778,120	2,670,104	-	-
- Accrued operating expenditure	3,487,233	1,378,540	1,536,760	523,230
	<b>14,506,685</b>	<b>7,424,061</b>	<b>1,641,814</b>	<b>578,291</b>

Included in the Group's other payables is an amount of RM1,000,000 (2007 : RM1,000,000) payable to the State Government of Johor Darul Takzim due by a subsidiary company.

#### 25. AMOUNT OWING TO HOLDING COMPANY

Included in the Group's amount owing to holding company is RM194,958 (2007 : RM183,136) which is trade in nature. The remaining balance is non-interest bearing, unsecured and has no fixed terms of repayment.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 26. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>Revenue</b>				
Sales of industrial properties	55,622,514	11,949,000	-	-
Sales of residential / commercial properties	29,355,136	40,353,657	-	-
Construction revenue	10,579,232	3,079,685	-	-
Sales of building materials	27,322,131	17,685,181	-	-
Management services and others	1,827,542	2,207,821	7,823,485	6,867,063
Gross dividend from subsidiary companies	-	-	87,484,906	9,148,420
	<b>124,706,555</b>	<b>75,275,344</b>	<b>95,308,391</b>	<b>16,015,483</b>
<b>Cost of sales</b>				
Cost of industrial properties	33,480,905	3,663,238	-	-
Cost of residential / commercial properties	14,386,552	20,626,373	-	-
Construction cost	9,091,012	5,283,823	-	-
Cost of building materials	24,848,900	16,424,249	-	-
Management services and others	841,884	719,944	-	-
	<b>82,649,253</b>	<b>46,717,627</b>	<b>-</b>	<b>-</b>

#### 27. FINANCE COST

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest expenses on :				
Bank borrowings	4,285,586	2,739,928	89,214	133,628
Hire purchase	11,747	4,569	-	-
ICULS	11,275	263,351	11,275	263,223
Interest income from subsidiary	-	-	(11,275)	(263,223)
	<b>4,308,608</b>	<b>3,007,848</b>	<b>89,214</b>	<b>133,628</b>
Less : Interest expenses capitalised in assets :				
- Land held for property development {Note 7(a)}	(2,574,058)	(1,848,181)	-	-
- Property development costs {Note 7(b)}	(124,587)	-	-	-
	<b>1,609,963</b>	<b>1,159,667</b>	<b>89,214</b>	<b>133,628</b>

Borrowing costs capitalised in the assets during the financial year arose from ICULS and is based on a capitalisation rate of 3.0% (2007 : 3.0%) per annum.



## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 28. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
The following items have been charged / (credited) in arriving at profit before tax :				
Asset expensed off	37,278	20,245	12,753	4,322
Auditors' remuneration				
- current year	87,300	83,700	21,000	20,000
- prior year underprovision	3,500	500	1,000	-
Bad debts written off	62,372	-	-	-
Depreciation of property, plant and equipment	1,729,445	1,278,767	251,250	233,144
Employee benefits expense (Note 29)	8,537,936	6,768,005	5,508,603	4,760,086
Foreign exchange loss :				
- realised	196	-	-	-
- unrealised	35,600	157,014	-	-
Loss on disposal of plant and equipment	226,262	6,813	-	-
Non-executive Directors' remuneration (Note 30)	120,500	110,000	120,500	110,000
Plant and equipment written off	8,560	5,081	46	700
Rental expenses	400,519	405,134	235,992	235,992
Gain on disposal of plant and equipment	(2,630)	(44,885)	-	-
Gain on disposal of investments	(111,033)	(4,237,973)	-	-
Gross dividends from quoted investments	(280,924)	(240,108)	-	-
Gross dividends from subsidiary companies	-	-	(87,484,906)	(9,148,420)
Interest income from :				
- deposits	(40,082)	(14,709)	(6,214)	-
- subsidiary companies	-	-	(810,077)	(1,054,589)
- others	(36,606)	(86,086)	(1,277)	(1,794)
Reversal of diminution in value of shares	(311,489)	(934,543)	-	-
Rental income	(2,475,368)	(1,903,950)	-	-
Profit from existing continuing operations	32,204,295	25,208,126		
Profit from newly acquired subsidiary company	29,184	-		
	32,233,479	25,208,126		

#### 29. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Wages and salaries	8,182,280	6,410,847	4,845,456	4,242,875
Defined contribution plan - EPF	853,070	684,850	545,976	472,330
Social security cost - SOCSO	65,665	49,735	30,823	26,051
Share options granted under ESOS (Note 15)	86,348	18,830	86,348	18,830
Less : Amount capitalised in cost of construction contracts (Note 10)	(649,427)	(396,257)	-	-
	8,537,936	6,768,005	5,508,603	4,760,086

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,723,137 (2007 : RM1,720,571) and RM1,723,137 (2007 : RM1,720,571) respectively as further disclosed in Note 30.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 30. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>Executive Directors :</b>				
Fees	35,500	38,000	35,500	38,000
Salaries and other emoluments	1,524,496	1,524,500	1,524,496	1,524,500
Defined contribution plan - EPF	156,396	156,450	156,396	156,450
Share options granted under ESOS	6,745	1,621	6,745	1,621
	1,723,137	1,720,571	1,723,137	1,720,571
Estimated money value of benefits-in-kind	57,166	66,290	57,166	66,290
	1,780,303	1,786,861	1,780,303	1,786,861
<b>Non-executive Directors :</b>				
Fees	115,000	105,000	115,000	105,000
Other emoluments	5,500	5,000	5,500	5,000
	120,500	110,000	120,500	110,000
Total Directors' remuneration	1,900,803	1,896,861	1,900,803	1,896,861

#### 31. TAX

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>Current tax</b>				
Current year	8,755,624	9,032,527	23,196,000	2,914,600
Prior years (over) / under provision	(70,819)	1,364,886	72,742	11,336
	8,684,805	10,397,413	23,268,742	2,925,936
<b>Deferred tax (Note 8)</b>				
Relating to origination and reversal of temporary differences	(2,300)	(3,253,600)	14,000	8,000
Relating to changes in tax rates	(207,536)	(78,917)	(2,000)	(2,000)
Prior years overprovision	(28,200)	(953,000)	(1,000)	(10,000)
Realisation of revaluation surplus	(18,305)	(35,304)	-	-
	(256,341)	(4,320,821)	11,000	(4,000)
	8,428,464	6,076,592	23,279,742	2,921,936

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 31. 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	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before tax	32,233,479	25,208,126	88,518,857	10,248,035
Tax at Malaysian statutory tax rate of 26% (2007 : 27%)	8,380,705	6,806,194	23,014,903	2,766,969
Effect of tax rate of 20% for subsidiary companies with paid up capital of RM2,500,000 and below	(110,193)	(112,726)	-	-
Effect of changes in tax rates	(207,536)	(78,917)	(2,000)	(2,000)
Expenses not deductible for tax purposes	613,575	533,335	195,097	155,631
Income not subject to tax	(138,270)	(1,441,228)	-	-
Utilisation of previously unrecognised deferred tax assets	(58,000)	(8,000)	-	-
Deferred tax asset not recognised in the income statement	65,507	1,352	-	-
Realisation of revaluation surplus	(18,305)	(35,304)	-	-
(Over) / Under provision in prior years				
- Current tax	(70,819)	1,364,886	72,742	11,336
- Deferred tax	(28,200)	(953,000)	(1,000)	(10,000)
Tax expense for the financial year	8,428,464	6,076,592	23,279,742	2,921,936

#### 32. EARNINGS PER SHARE

##### (a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	GROUP	
	2008	2007
Profit for the year (RM)	22,866,466	18,924,854
Weighted average number of ordinary shares in issue		
As at 1 February	143,792,840	143,752,440
Treasury shares	-	(2,408,000)
Effect of :		
- conversion of ICULS	5,284,543	12,409
- share options exercised	1,724,648	-
As at 31 January	150,802,031	141,356,849
Basic earnings per share (sen)	15.2	13.4

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 32. EARNINGS PER SHARE (CONT'D)

##### (b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the effects of dilutive potential ordinary shares from ICULS and share options granted to employees.

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	
	2008	2007
Profit for the year (RM)	22,866,466	18,924,854
After tax effect of interest on ICULS (RM)	-	192,153
Adjusted net profit for the financial year (RM)	22,866,466	19,117,007
Weighted average number of ordinary shares in issue	150,802,031	141,356,849
Effect of dilution :		
- ICULS	-	8,774,090
- share options	697,793	-
Adjusted weighted average number of ordinary shares	151,499,824	150,130,939
Diluted earnings per share (sen)	15.1	12.7

#### 33. DIVIDENDS

	Dividends in respect of Year			Dividends Recognised in Year	
	2008 RM	2007 RM	2006 RM	2008 RM	2007 RM
<b>Recognised during the year :</b>					
Final dividend for 2006 :					
4% less tax 28%, on 141,441,840 ordinary shares (2.88 sen per ordinary share)	-	-	4,073,525	-	4,073,525
Interim dividend for 2007 :					
3% less tax 28%, on 141,351,840 ordinary shares (2.16 sen per ordinary share)	-	3,053,200	-	-	3,053,200
Final dividend for 2007 :					
4% less tax 27%, on 154,149,840 ordinary shares (2.92 sen per ordinary share)	-	4,501,175	-	4,501,175	-

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 33. DIVIDENDS (CONT'D)

	Dividends in respect of Year			Dividends Recognised in Year	
	2008 RM	2007 RM	2006 RM	2008 RM	2007 RM
Interim dividend for 2008 : 3% less tax 26%, on 155,057,330 ordinary shares (2.22 sen per ordinary share)	3,442,273	-	-	3,442,273	-
Proposed for approval at AGM (not recognised as at 31 January) :					
Final dividend for 2008 : 4% less tax 25%, on 155,068,330 ordinary shares (3 sen per ordinary share)	4,652,050	-	-	-	-
	<b>8,094,323</b>	<b>7,554,375</b>	<b>4,073,525</b>	<b>7,943,448</b>	<b>7,126,725</b>

At the forthcoming Annual General Meeting, a final gross dividend of 4.0 sen per share (2007 : 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 2009 when approved by shareholders. The proposed final dividend of RM4,652,050 is subject to change in proportion to changes in the Company's paid up capital, if any.

#### 34. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Deposits with licensed banks	201,422	-	-	-
Cash and bank balances	8,673,846	1,608,479	223,683	8,735
Bank overdrafts {Note 17(a)}	(4,472,248)	(14,061,609)	(369,207)	(4,676,914)
	<b>4,403,020</b>	<b>(12,453,130)</b>	<b>(145,524)</b>	<b>(4,668,179)</b>
Less : Fixed deposits pledged (Note 12)	(201,422)	-	-	-
	<b>4,201,598</b>	<b>(12,453,130)</b>	<b>(145,524)</b>	<b>(4,668,179)</b>

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 35. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company have the following significant related party transactions during the financial year :

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>With holding company</b>				
Professional services	173,000	167,800	45,000	45,000
Rental expenses	-	15,000	-	-
<b>With subsidiary companies</b>				
Management fees	-	-	(7,796,485)	(6,160,956)
Interest income	-	-	(821,352)	(1,317,812)
<b>With fellow subsidiaries of the holding company</b>				
Management fees	(27,000)	(694,197)	(27,000)	(694,197)
Purchases of goods	82,290	87,006	720	4,635
Purchases of property, plant and equipment	65,000	55,000	-	55,000
Progress billings	(30,000)	(2,018,741)	-	-
Rental expenses	61,800	67,200	45,600	45,600
Rental income	(54,000)	(54,000)	-	-
Sales of goods	(301,069)	(427,389)	-	-
<b>With a related party</b>				
Sale of property	(5,000,000)	-	-	-

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.

#### (b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the financial year was as follows :

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Short-term employee benefits	1,858,838	1,864,945	1,623,907	1,630,411
Post employment benefits :				
Defined contribution plan - EPF	181,340	182,214	156,396	156,450
	2,040,178	2,047,159	1,780,303	1,786,861

Included in the total key management personnel are :

	GROUP		COMPANY	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors' remuneration (Note 30)	1,780,303	1,786,861	1,780,303	1,786,861

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 36. CAPITAL COMMITMENT

	2008 RM	GROUP 2007 RM
Amount contracted but not provided for		
- development land	51,275,013	51,733,547
- property, plant and equipment	625,954	-
	<b>51,900,967</b>	<b>51,733,547</b>

The commitment disclosed under the development land represents the maximum purchase consideration as at the balance sheet date for the remaining unexercised committed portion of 125 acres (2007 : 126 acres) of land pursuant to the Development Agreement as disclosed in Note 7.

#### 37. CONTINGENT LIABILITIES

	2008 RM	GROUP 2007 RM	COMPANY 2008 RM	2007 RM
(i) Bank guarantees				
Issued by licensed banks in favour of third parties				
- Secured	3,284,100	4,261,230	18,000	25,100
- Unsecured	2,500	2,750	-	-
Amounts utilised are as follows :				
- Secured	3,152,412	4,256,138	18,000	25,100
- Unsecured	2,500	2,750	-	-

The bank guarantees are secured by :

- (i) A subsidiary company's fixed deposits of RM45,000 (2007 : Nil); and
- (ii) A fixed and floating charge over the present and future assets of a subsidiary company and corporate guarantee of the subsidiary company and the Company.

	2008 RM	COMPANY 2007 RM
(ii) Corporate guarantees - unsecured		
Issued to bank for facilities granted to subsidiary companies	183,000,000	84,000,000
Issued to third parties for supplies of goods and services to a subsidiary company	4,800,000	4,900,000
Amounts utilised :		
Issued to bank for facilities granted to subsidiary companies	108,236,751	57,054,695
Issued to third parties for supplies of goods and services to a subsidiary company	1,994,439	975,200



## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 38. ACQUISITION OF SUBSIDIARY COMPANY

The effect of the acquisition of subsidiary company on the financial results of the Group during the financial year is shown below :

	GROUP 2008 RM	2007 RM
Revenue	795,962	-
Cost of sales	(754,473)	-
Gross profit	41,489	-
Other operating income	2,251	-
Administration expenses	(14,557)	-
Finance costs	-	-
Profit before tax	29,183	-
Tax	(7,400)	-
Net profit for the financial year	21,783	-

The effect of the acquisition of subsidiary company on the financial position at the end of the financial year is as follows :

	GROUP 2008 RM	2007 RM
Non-current assets	89,773	-
Current assets	562,449	-
Current liabilities	(424,739)	-
Non-current liabilities	(5,700)	-
Increase in Group's net assets	221,783	-

#### 39. SEGMENTAL INFORMATION

##### (a) Business Segments

The Group comprises the following main business segments :

- (i) Industrial properties development - the development of industrial properties and letting of undeveloped and unsold properties.
- (ii) Residential / commercial properties development - the development of residential and commercial properties, and letting of undeveloped and unsold properties.
- (iii) Construction activities - building construction and civil engineering works.
- (iv) Manufacturing and trading - manufacturing and trading of building materials.
- (v) Management services and others - providing management services, investment holding, property investment and management and providing educational services.

##### (b) Geographical segments

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

##### (c) Allocation basis and transfer pricing

Segments results, assets and liabilities include item directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer pricing between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 39. SEGMENTAL INFORMATION (CONT'D)

##### Business Segments

	Industrial properties development		Residential / commercial properties development		Construction activities		Manufacturing and trading		Management services and others		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Revenue</b>												
Total revenue	55,622,514	11,949,000	29,355,136	40,353,657	74,015,473	68,282,543	34,490,838	22,903,296	9,624,027	8,368,777	203,107,988	151,857,273
Inter-segment sales	-	-	-	-	(63,436,241)	(65,202,858)	(7,168,707)	(5,218,115)	(7,796,485)	(6,160,956)	(78,401,433)	(76,581,929)
External sales	55,622,514	11,949,000	29,355,136	40,353,657	10,579,232	3,079,685	27,322,131	17,685,181	1,827,542	2,207,821	124,706,555	75,275,344
<b>Results</b>												
Segment results	17,175,712	6,537,401	10,905,097	12,434,859	3,686,324	3,773,913	1,417,325	660,378	3,863,779	3,682,800	37,048,237	27,089,351
Inter-segment eliminations	(145,422)	(83,035)	-	-	(1,053,574)	(3,259,216)	145,422	83,035	(285,140)	(284,074)	(1,338,714)	(3,543,290)
Segment results (external)	17,030,290	6,454,366	10,905,097	12,434,859	2,632,750	514,697	1,562,747	743,413	3,578,639	3,398,726	35,709,523	23,546,061
Unallocated expenses											(2,531,733)	(2,436,007)
Other investment income											665,652	5,255,610
Finance income											-	2,129
Finance cost											(1,609,963)	(1,159,667)
Profit before tax											32,233,479	25,208,126
Tax											(8,428,464)	(6,076,592)
Profit after tax											23,805,015	19,131,534
<b>Other Information</b>												
Segment assets	217,192,256	155,968,647	247,567,587	251,453,579	11,240,395	8,312,360	23,970,485	10,436,182	13,466,774	13,149,820	513,437,497	439,320,588
Segment liabilities	81,947,039	31,196,116	44,966,788	56,275,317	16,400,471	16,699,953	10,920,558	4,269,431	2,892,586	7,243,685	157,127,442	115,684,502
Capital expenditure	449,932	114,101	2,751	62,148	630,449	611,887	4,947,714	2,095,038	257,298	186,719	6,288,144	3,069,893
Depreciation	205,370	195,680	38,292	65,462	311,022	284,059	1,060,948	580,992	291,114	278,935	1,906,746	1,405,128

## notes to the financial statements

### for the financial year ended 31 january 2008 (cont'd)

#### 40. FINANCIAL INSTRUMENTS

##### Fair values

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
<b>2008</b>				
<b>Financial assets</b>				
Unquoted shares and golf club membership	524,471	*	-	-
<b>Financial liabilities</b>				
Other payable	(11,000,000)	(8,233,000)	-	-
<b>2007</b>				
<b>Financial assets</b>				
Unquoted shares and golf club membership	897,130	*	-	-
<b>Financial liabilities</b>				
ICULS	(8,774,090)	(7,808,940)	(8,774,090)	(7,808,940)
Other payable	(12,000,000)	(8,502,000)	-	-

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 practicable within the constraints of timeliness and cost to estimate their fair values reliably.

#### 41. SIGNIFICANT EVENT

On 13 December 2007, Unibase Concrete Industries Sdn. Bhd. ("UCISB"), a 60% owned subsidiary of Unibase Construction Sdn. Bhd. which in turn a wholly owned subsidiary of the Company, had acquired a new subsidiary, Unibase Pre-cast Sdn. Bhd. ("UPCSB"). The issued and paid up share capital of UPCS is RM200,000 divided into 200,000 ordinary shares of RM1 each. UPCS is currently a 70% owned subsidiary of UCISB and UPCS is principally involved in fabrication, marketing and trading of concrete products.

#### 42. EVENTS AFTER BALANCE SHEET DATE

- (a) The Company has submitted an application to the Securities Commission ("SC") for a proposed renounceable Rights Issue of up to RM79,383,465 of 3.75% 7-year Irredeemable Convertible Unsecured Loan Stock ("ICULS") at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS together with one free detachable warrant for every two existing ordinary shares of RM1 each held in the Company.

SC had vide its letter dated 8 May 2008 approved the proposed renounceable Rights Issue subject to the providing of information and certain documents in relation to the ICULS and warrants to the SC, confirmation to SC that all necessary approvals have been obtained and compliance of the Company with all the relevant requirements of the Guidelines on the Offerings of Equity and Equity-Linked Securities.

An Extraordinary General Meeting for approval of the proposal will be convened on a later date.

- (b) Subsequent to the balance sheet, the Company repurchased 166,000 of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for the consideration of RM183,792. The average price paid for the shares repurchased was approximately RM1.11 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.

## analysis of shareholdings

as at 16 June 2008

Authorised Share Capital	: RM500,000,000.00
Issued & Fully Paid Up Capital	: RM155,071,330.00
Class of Share	: Ordinary shares of RM1.00 each fully paid
Voting Right	: 1 vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS (As per Record of Depositors)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
less than 100 shares	12	0.18	409	0.00
100 to 1,000 shares	3,688	55.23	3,653,361	2.36
1,001 to 10,000 shares	2,449	36.67	9,733,453	6.28
10,001 to 100,000 shares	482	7.22	13,174,500	8.51
100,001 to less than 5% of issued shares	46	0.69	29,451,907	19.02
5% and above of issued shares	1	0.01	98,833,700	63.83
Total	6,678	100.00	154,847,330Ω	100.00

Ω less 224,000 shares bought back and retained as treasury shares

### THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholder	No. of Shares Held	% of Issued Capital
1. Sharikat Kim Loong Sendirian Berhad	98,833,700	63.83
2. Amanah Raya Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Public Smallcap Fund	3,963,400	2.56
3. Amanah Raya Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Public Far-East Property & Resorts Fund	3,677,800	2.38
4. Permodalan Nasional Berhad	2,417,200	1.56
5. Gooi Seow Mee	1,964,036	1.27
6. Gooi Seong Heen	1,958,835	1.26
7. Malaysia Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Gooi Seong Gum (10-00040-000)	1,835,437	1.19
8. Gooi Seong Chneh	1,773,836	1.15
9. Gooi Seong Lim	1,721,836	1.11
10. Loo Geok Eng	1,721,827	1.11
11. Cheong Kwan Choong	700,000	0.45
12. Shoptra Jaya (M) Sdn. Bhd.	560,000	0.36
13. BHLB Trustee Berhad - Exempt an for Phillip Capital Management Sdn Bhd (2)	518,800	0.33
14. Sharikat Kim Loong Sendirian Berhad	501,000	0.32
15. Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Gooi Seong Lim (E-JBU)	416,000	0.27
16. Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Heng Peng Heng	373,000	0.24
17. Loh Lai Kim	357,000	0.23
18. Ng Teng Song	271,500	0.18
19. Ng Quek Peng	223,000	0.14
20. Tang Hee Wa @ Tang Choon Bak	219,400	0.14
21. Chong Fui Fong	215,100	0.14

## analysis of shareholdings as at 16 June 2008 (cont'd)

### THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors) (cont'd)

Name of Shareholder	No. of Shares Held	% of Issued Capital
22. Teo Kwee Hock	207,000	0.13
23. Gooi Seong Chneh	201,000	0.13
24. Kang Bee Lean	201,000	0.13
25. Cheong Chong Lok	200,000	0.13
26. HSBC Nominees (Tempatan) Sdn Bhd - RBS Coutts HK for Julian Suresh Candiah	200,000	0.13
27. Cheong Chong Lok & Sons Sdn Bhd	194,000	0.13
28. Pang Chee Chiang	175,000	0.11
29. Lim Khuan Eng	169,500	0.11
30. Lim Chiang How	169,000	0.11
Total	125,939,207	81.33

The thirty largest shareholders 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).

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

Name of Substantial Shareholder	No. of Shares Held or Beneficially Interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	99,334,700	-	64.15	-
Loo Geok Eng	1,721,827	99,334,700*	1.11	64.15
Gooi Seong Lim	2,277,836 <sup>α</sup>	99,404,700#	1.47	64.20
Gooi Seong Heen	2,142,835 <sup>β</sup>	99,368,700 <sup>€</sup>	1.38	64.17
Gooi Seong Chneh	1,974,836	99,334,700*	1.28	64.15
Gooi Seong Gum	1,835,437 <sup>δ</sup>	99,334,700*	1.19	64.15
Gooi Seow Mee	1,964,036	99,334,700*	1.27	64.15

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

Name of Director	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Loo Geok Eng	1,721,827	1.11	99,334,700*	64.15
Gooi Seong Lim	2,277,836 <sup>α</sup>	1.47	99,404,700#	64.20
Gooi Seong Heen	2,142,835 <sup>β</sup>	1.38	99,368,700 <sup>€</sup>	64.17
Gooi Seong Chneh	1,974,836	1.28	99,334,700*	64.15
Gooi Seong Gum	1,835,437 <sup>δ</sup>	1.19	99,334,700*	64.15
Yeo Jon Tian @ Eeyo Jon Thiam	21,500	0.01	-	-
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

## analysis of shareholdings

as at 16 June 2008 (cont'd)

### DIRECTORS' SHAREHOLDINGS (As per Register of Directors' Shareholdings) (cont'd)

Notes:

- \* Deemed interests by virtue of their interests in Sharikat Kim Loong Sendirian Berhad ("SKL").
- α 416,000 shares are held in bare trust by Public Nominees (Tempatan) Sdn. Bhd.
- # Deemed interest by virtue of his substantial interest in SKL which holds 99,334,700 shares and his spouse, Lim Phaik Ean, who holds 70,000 shares.
- β 128,000 and 56,000 shares are held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.
- € Deemed interest by virtue of his substantial interest in SKL which holds 99,334,700 shares and his spouse, Looi Kok Yean, who holds 34,000 shares.
- δ All 1,835,437 shares are held in bare trust by Malaysia Nominees (Tempatan) Sendirian Berhad.

## particulars of properties

Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation)	Land Area (Acres)	Net Book Value RM'000
<b>Properties Held by Panoramic Industrial Development Sdn. Bhd.</b>					
1. Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Mixed Industrial and commercial plots (development-in-progress)	Freehold	18/11/1996	46.99 (a)	6,153
	Industrial plots (completed)	Freehold (12 years)	18/11/1996	0.95 (a)	867
	Hawker centre (completed)	Freehold (12 years)	18/11/1996	2.11 (a)	1,606
	Vacant land approved for residential, commercial and industrial development	Leasehold - 999 years commencing from 28.10.1912	18/11/1996	61.26 (a)	21,610
2. Nusa Cemerlang Industrial Park Mukim of Pulau, Johor Bahru, Johor.	Approved industrial plots (development-in-progress)	Freehold	22/07/2005 to 04/01/2008	375.24 (a), (b)	84,725
<b>Properties Held by Crescendo Development Sdn. Bhd.</b>					
3. Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Industrial plots (development-in-progress)	Freehold	18/11/1996	50.97 (a)	9,934
	Industrial plots (completed)	Freehold (1 to 9 years)	18/11/1996	13.71 (a)	14,704
4. Desa Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Residential and commercial plots (development-in-progress)	Freehold	18/11/1996	106.03 (a)	38,070
	Residential plots (completed)	Freehold (1 to 2 years)	18/11/1996	13.43 (a)	20,493
5. Bandar Cemerlang - Lot Nos. PTD 31034 to 31035 and 31037, Mukim and District of Kota Tinggi, Johor.  - Lot Nos. PTD 105758 to 105762, 105765 and 105771 to 105772, Mukim of Terbau, Johor Bahru, Johor.	Vacant agriculture land	Freehold	26/06/2001	1,390.22	151,836
6. Lot Nos. PTD 197069 to 197071, Mukim of Plentong, Johor Bahru, Johor.	Vacant land approved for industrial development	Freehold	(24/01/2005)	9.98	5,971
<b>Properties Held by Panoramic Jaya Sdn. Bhd.</b>					
7. Taman Dato Chellam Mukim of Terbau, Johor Bahru, Johor.	Mixed residential and commercial plots (vacant)	Freehold	12/05/2004	36.46 (a)	11,024
	Residential plots (completed)	Freehold (4 years)	12/05/2004	0.89	2,595



## particulars of properties (cont'd)

Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation)	Land Area (Acres)	Net Book Value RM'000
<b>Properties Held by Ambok Resorts Development Sdn. Bhd.</b>					
8. Lot Nos. 2, 58, 60, 116, 325, 349, 607, 608, 609, 716, 717, 747, 748, 749, 750, 960 and 1331, Mukim of Tanjung Surat, Kota Tinggi, Johor.	Oil palm estate (zoned for resort development) (c)	Freehold	(24/01/2005)	794.43	38,706
<b>Properties Held by Crescendo Jaya Sdn. Bhd.</b>					
9. Lot Nos. PTD 190809, 190814 and 190825, Mukim of Plentong, Johor Bahru, Johor.	Mixed residential and commercial plots (vacant)	Freehold	30/12/2002	5.24	1,134
<b>Properties Held by Crescendo Land Sdn. Bhd.</b>					
10. Lot Nos. PTD 156625, 156626 and 156627, Mukim of Plentong, Johor Bahru, Johor.	Vacant agriculture land	Leasehold - 99 years	30/08/2006	221.58 (d)	19,505
<b>Properties Held by Crescendo Education Sdn. Bhd.</b>					
11. Lot No. PTD 177258, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for commercial building / private college	Freehold	18/11/1996	7.42	2,877
<b>Properties Held by Crescendo Commercial Complex Sdn. Bhd.</b>					
12. Lot No. PTD 113438, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for commercial buildings	Freehold	(24/01/2005)	8.50	3,644
<b>Properties Held by Unibase Concrete Industries Sdn Bhd</b>					
13. Factory Building PTD 154126, Mukim of Pulai, Johor Bahru, Johor.	Ready mix and concrete plant (e)	(1 year)	31/05/2007	Not applicable	1,189
<b>Properties Held by Repute Construction Sdn. Bhd.</b>					
14. 5A & 5B, Jalan Kekabu 11, Desa Cemerlang, 81800 Ulu Tiram, Johor.	Office Building	Freehold (2 years)	25/07/2005	0.04	383

### Notes:

- (a) Gross land are based upon land titles held by Panoramic Industrial Development Sdn Bhd, Crescendo Development Sdn Bhd and Panoramic Jaya Sdn Bhd as at 31 January 2008. The conversion factor from gross to net saleable freehold and leasehold area are as follows:

Property No.	Conversion Factor
1	0.6992 for freehold land and 0.6706 for leasehold land
2	0.9203
3	0.7002
4	0.5297
7	0.7741

The conversion factor is derived 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).

- (b) Out of 375.24 acres, 280.50 acres are under development right with option to purchase.  
(c) 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.  
(d) The land is pending for alienation.  
(e) The building is sited on rented land held by a related company.

# 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 Twelfth Annual General Meeting of the Company to be held at Jasmine Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 30 July 2008 at 9.30 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: Loo Geok Eng		
4.	Re-election of Director: Gooi Seong Gum		
5.	Re-election of Director: Yeo Jon Tian @ Eeyo Jon Thiam		
6.	Re-election of Director: Tan Ah Lai		
7.	Re-appointment of Auditors		
8.	Authority to issue shares		
9.	Proposed Renewal of Authority for Share Buy-Back		
10.	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 \_\_\_\_\_ 2008

\_\_\_\_\_  
Signature of Member(s)

Number of Shares held	
-----------------------	--

## 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 set 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

Please fold here

STAMP

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

Please fold here