



吉星機構有限公司
Crescendo
Corporation Berhad
(359750-D)
(Incorporated In Malaysia)



CREATING COMPLETE
COMMUNITIES

ANNUAL REPORT **2015**



19th

Annual General
Meeting

PLACE :

Junior Ballroom 1, DoubleTree by Hilton Hotel
Nos. 01-02, Menara Landmark, 12 Jalan Ngee Heng
80000 Johor Bahru, Johor Darul Takzim

TIME :

Monday, 27th July 2015 at 2.30 p.m.





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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of Crescendo Corporation Berhad will be held at Junior Ballroom 1, DoubleTree by Hilton Hotel, Nos. 01-02, Menara Landmark, 12 Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Monday, 27th July 2015 at 2.30 p.m. for the following purposes :-

AGENDA

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2015 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final single tier dividend of 5 sen per share in respect of the financial year ended 31 January 2015. **(Resolution 2)**
3. To approve the payment of Directors' fees totalling RM247,500 for the financial year ended 31 January 2015. **(Resolution 3)**
4. To re-appoint Mr. Yeo Jon Tian @ Eeyo Jon Thiam as a Director pursuant to Section 129(6) of the Companies Act, 1965. **(Resolution 4)**
5. To re-elect the following Directors retiring in accordance with Article 77 of the Articles of Association of the Company:-
 - (a) Mr. Gooi Seong Lim **(Resolution 5)**
 - (b) Mr. Gooi Seong Chneh **(Resolution 6)**
6. To re-appoint M/s Raki CS Tan & Ramanan as Auditors of the Company and to authorize 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 (excluding treasury shares) 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 Main Market 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:-

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

- (a) 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 22,848,681 representing 10% of the issued and paid-up share capital of the Company as at 22 May 2015;
- (b) 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 earnings and/or the share premium reserves of the Company as at 31 January 2015 of RM64,106,564 and RM19,109,566 respectively;
- (c) 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;
- (d) 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 - RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT subject to the passing of Resolution 4, Mr. Yeo Jon Tian @ Eeyo Jon Thiam, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."

(Resolution 10)

ORDINARY RESOLUTION IV - RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."

(Resolution 11)

NOTICE OF ANNUAL GENERAL MEETING

[Cont'd]

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 Nineteenth Annual General Meeting, the final single tier dividend of 5 sen per share in respect of the financial year ended 31 January 2015 will be paid on 28 August 2015 to depositors registered in the Record of Depositors on 12 August 2015.

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 12 August 2015 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)
KAN CHEE JING (MAICSA 7019764)
CHUA YOKE BEE (MAICSA 7014578)
Company Secretaries

Petaling Jaya
29 June 2015

NOTES:

- (1) A member whose name appears in the Record of Depositors as at 20 July 2015 shall be regarded as a member entitled to attend, speak and vote at the meeting.
- (2) Proxy -

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and 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. Where a member of the Company 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 ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

- (3) Resolution 8 -

This resolution, if approved, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the issued capital (excluding treasury shares) 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.

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

[3] Resolution 8 - (Cont'd)

The approval is a renewed general mandate and is sought to provide flexibility and to avoid delay and cost in convening a general meeting for such issuance of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last annual general meeting held on 25 July 2014 and which will lapse at the conclusion of the Nineteenth Annual General Meeting.

Should there be a decision to issue new shares after the authority is sought, the Company will make an announcement of the actual purpose and utilization of proceeds arising from such issuance of shares.

[4] Resolution 9 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 29 June 2015 which is enclosed together with this Annual Report.

[5] Resolutions 10 & 11 -

Both the Nominating Committee and the Board have assessed the independence of Mr. Yeo Jon Tian @ Eeyo Jon Thiam and Mr. Gan Kim Guan, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years, and recommended them to be retained as Independent Non-Executive Directors of the Company based on the following justifications -

- (a) They have fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, they would be able to provide independent judgement, objectivity and check and balance to the Board.
- (b) They perform their duties and responsibilities diligently and in the best interest of the Company without being subject to influence of the management.
- (c) They, having been with the Company for more than 9 years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations and attended the Board and Committee meetings for an informed and balanced decision making.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

[1] The following are the Directors standing for re-appointment or re-election at the Nineteenth Annual General Meeting:-

- (a) Re-appointment of Mr. Yeo Jon Tian @ Eeyo Jon Thiam as a Director pursuant to Section 129(6) of the Companies Act, 1965.
- (b) Re-election of the following Directors pursuant to Article 77 of the Articles of Association of the Company -
 - (i) Mr. Gooi Seong Lim
 - (ii) Mr. Gooi Seong Chneh

The profiles of the Directors standing for re-appointment or re-election as mentioned in paragraph above at the Nineteenth Annual General Meeting are set out on pages 16, 17 and 19 of this Annual Report.

[2] The statement relating to the general mandate for authority to issue shares is set out in the Notes to the Notice of the Nineteenth Annual General Meeting on pages 6 to 7 of this Annual Report.

CORPORATE INFORMATION



Board of Directors

GOOI SEONG LIM

Chairman and Managing Director

GOOI SEONG HEEN

Executive Director

GOOI SEONG CHNEH

Executive Director

GOOI SEONG GUM

Executive Director

GAN KIM GUAN

Senior Independent Non-Executive Director

YEO JON TIAN & EEOY JON THIAM

Independent Non-Executive Director

TAN AH LAI

Independent Non-Executive Director

CHEW CHING CHONG

Independent Non-Executive Director

AUDIT COMMITTEE

Gan Kim Guan (Chairman)
Yeo Jon Tian & Eeyo Jon Thiam
Tan Ah Lai
Chew Ching Chong

COMPANY SECRETARIES

Chong Fook Sin (MACS 00681)
Kan Chee Jing (MAICSA 7019764)
Chua Yoke Bee (f) (MAICSA 7014578)

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

Raki CS Tan & Ramanan
Firm No. AF 0190
Chartered Accountants
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 Market of Bursa Malaysia
Securities Berhad
Stock Short Name : CRESNDO
Stock Code : 6718



GROUP STRUCTURE

As at 31 January 2015



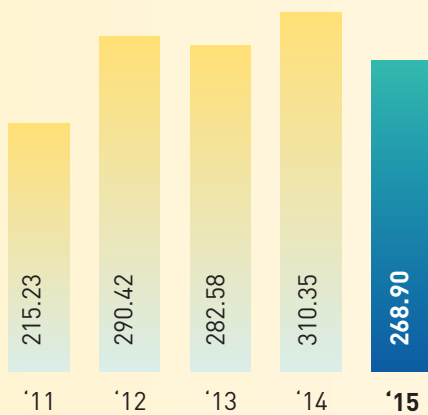
GROUP FINANCIAL HIGHLIGHTS

	2011	2012	2013	2014	2015	
STATEMENT OF COMPREHENSIVE INCOME (RM'MIL)						
Revenue	215.23	290.42	282.58	310.35	268.90	
EBITDA	54.49	91.01	83.18	162.65	161.60	
Profit before tax	50.77	87.81	79.98	159.01	155.70	
Profit after tax	39.44	66.06	59.61	126.65	124.54	
Net profit attributable to equity holders	36.41	63.52	55.62	121.05	119.69	
STATEMENT OF FINANCIAL POSITION (RM'MIL)						
Paid-up share capital	172.57	183.48	195.49	228.48	228.49	
Shareholders' equity	494.93	548.96	595.53	720.75	842.74	
Total assets	710.48	785.19	786.33	997.72	1,230.43	
Total borrowings	148.54	144.06	107.25	158.85	247.70	
FINANCIAL INDICATORS						
Return on shareholders' equity [Pre-tax]	%	10.3	16.0	13.4	22.1	18.5
Return on total assets [Pre-tax]	%	7.1	11.2	10.2	15.9	12.7
PE ratio	times	6.3	4.6	6.0	4.9	4.6
Gearing ratio	times	0.30	0.26	0.18	0.22	0.29
Interest cover	times	6.19	11.33	9.02	25.88	16.76
Earnings per share	Sen	23	36	29	57	53
Net assets per share	RM	2.87	3.01	3.07	3.17	3.70
Gross dividend per share	Sen	11	15	12	16	12
Gross dividend yield	%	7.6	9.0	6.9	5.7	5.0
Share price at financial year end	RM	1.45	1.66	1.73	2.82	2.42

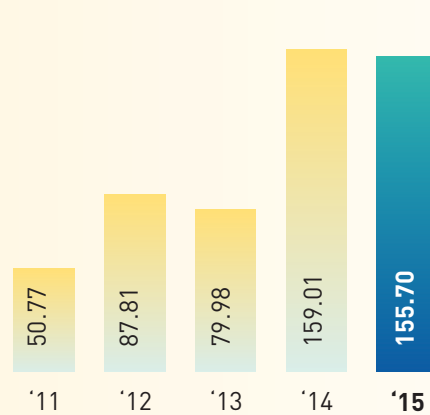
GROUP FINANCIAL HIGHLIGHTS

(Cont'd)

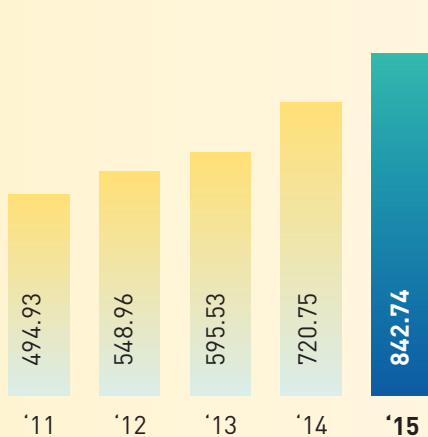
Revenue (RM million)



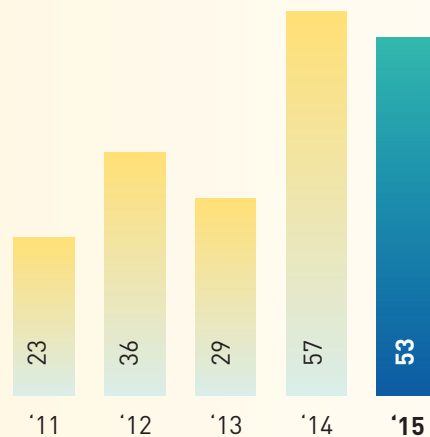
Profit before tax (RM million)



Shareholders' equity (RM million)



Earnings per share (Sen)







Primed for peak productivity

Our industrial developments are designed to spur productivity while taking into consideration factors like safety, security and accessibility

BOARD OF DIRECTORS



Gan Kim Guan
Senior Independent
Non-Executive
Director

Gooi Seong Heen
Executive Director

Gooi Seong Lim
Chairman and
Managing Director

Gooi Seong Chneh
Executive Director

Gooi Seong Gum
Executive Director

BOARD OF DIRECTORS

(Cont'd)



from left to right

Chew Ching Chong Independent Non-Executive Director
Yeo Jon Tian @ Eeyo Jon Thiam
Independent Non-Executive Director
Tan Ah Lai Independent Non-Executive Director



from left to right

Chong Fook Sin Company Secretary
Chua Yoke Bee Company Secretary
Kan Chee Jing Company Secretary

PROFILE OF DIRECTORS



GOOI SEONG LIM

Chairman and Managing Director

GOOI SEONG LIM, aged 66, a Malaysian, was appointed to the Board of Crescendo Corporation Berhad ("CCB") on 15 September 1995. He is currently the Chairman and Managing Director of CCB. He is also a member of the Remuneration Committee with effect from 27 March 2002. He graduated from the University of Toronto, Canada, with a Bachelor of Applied Science degree in Mechanical Engineering in 1972 and a Master's degree in Mechanical Engineering in 1975. 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 of Canadian nuclear reactors. From 1975 until to-date, he has been the Managing Director of Sharikat Kim Loong Sendirian Berhad ("SKL"), a company which owns a controlling stake

in CCB and Kim Loong Resources Berhad ("KLR"), a public company listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). 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 out 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 four (4) Board meetings held during the financial year 2015.

PROFILE OF DIRECTORS

(Cont'd)



GOOI SEONG HEEN

Executive Director

GOOI SEONG HEEN, aged 64, 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, a 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 out 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 four (4) Board meetings held during the financial year 2015.

GOOI SEONG CHNEH

Executive Director

GOOI SEONG CHNEH, aged 60, 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 the 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, a 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 Johor, Sabah & Sarawak 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 out 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 four (4) Board meetings held during the financial year 2015.

PROFILE OF DIRECTORS

[Cont'd]



GOOI SEONG GUM
Executive Director

GOOI SEONG GUM, aged 59, 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, a 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 out 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 four (4) Board meetings held during the financial year 2015.

GAN KIM GUAN
Senior Independent Non-Executive Director

GAN KIM GUAN, aged 52, 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 29 March 2001 and currently, he serves as the Chairman of the Audit Committee since 5 May 2001. He also sits as a member of both the Nominating and Remuneration Committees with effect from 27 March 2002. He was appointed as the Chairman of the Nominating Committee with effect from 31 December 2012. He has extensive experience in auditing, investigation, financial planning and financing related work. He is also a director of KLR.

Mr. Gan is a Chartered Accountants 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 four (4) Board meetings held during the financial year 2015.

PROFILE OF DIRECTORS

(Cont'd)



YEO JON TIAN @ EEYO JON THIAM

Independent Non-Executive Director

YEO JON TIAN @ EEYO JON THIAM, aged 74, 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 both Audit and Nominating Committees. He is the Chairman of Remuneration Committee 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 four (4) Board meetings held during the financial year 2015.

TAN AH LAI

Independent Non-Executive Director

TAN AH LAI, aged 46, a Malaysian, was appointed as an Independent Non-Executive Director of CCB and a member of the Audit Committee on 1 November 2007. He also sits as a member of both the Nominating and Remuneration Committees with effect from 26 February 2009. He is a fellow member of the ACCA, 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. In 2011, he incorporated his own consulting and accounting firm which provides accounting, tax and consultation services. He has extensive experience in financial and tax 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. He attended all the four (4) Board meetings held during the financial year 2015.

PROFILE OF DIRECTORS

[Cont'd]



CHEW CHING CHONG

Independent Non-Executive Director

CHEW CHING CHONG, aged 60, a Malaysian, was appointed as an Independent Non-Executive Director of CCB and a member of the Audit, Nominating and Remuneration Committees on 26 November 2013. He graduated with a Bachelor of Science (1st Class Hons) in Civil Engineering from University of Strathclyde Scotland, United Kingdom, in 1979. He is a fellow of Institution of Engineer Malaysia, a member of Institution of Civil Engineer United Kingdom & Australia, a Chartered & Professional Engineer of Institution of Malaysia, United Kingdom & Australia and a member of Asean Engineer & Association of Consultant Engineer, Malaysia. He started his career in 1980 as a Civil Engineer with an engineering consultancy firm and became a partner of the firm in 1987. Subsequently, he was appointed as the Managing Director in 2002, currently as Chairman of the firm employing 65 staff. He has acquired extensive experience in design practices, planning, management and implementation of many large and prestigious projects.

Mr. Chew 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 four (4) Board meeting held during the financial year 2015.

Family Relationship

Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum, are brothers.

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



“Dear Shareholders,

On behalf of the Board of Directors of Crescendo Corporation Berhad, I am pleased to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 January 2015. ”

FINANCIAL RESULTS

The Group recorded a decrease of approximately 13% in revenue and 2% in profit before tax to RM268.9 million and RM155.7 million respectively for the financial year 2015 as compared to RM310.4 million and RM159.0 million respectively recorded for the financial year 2014. The decrease in revenue was mainly caused by lower sales of industrial properties and concrete products. Despite the decrease in revenue, the profit only dropped marginally mainly due to higher fair value gain in investment properties of RM85.5 million as compared to RM45 million recorded in the financial year 2014.

DIVIDEND

The Board is pleased to recommend to the shareholders for approval a final single tier dividend of 5.0 sen per share (2014: 9.0 sen per share), for the financial year ended 31 January 2015, making a total single tier dividend of 12.0 sen per share (2014: 16.0 sen per share).

CHAIRMAN'S STATEMENT

(Cont'd)



REVIEW OF BUSINESS ACTIVITIES

Property development and construction operations continue to be the main driver of earnings for the Group recording 70% of the total turnover in the financial year 2015. The remaining 30% was contributed by the Group's concrete manufacturing, trading and management services.

Property Development and Construction

The property development and construction operations recorded an increase of 7% in revenue and a decrease of 16% in profit respectively. The revenue and profit recorded for the financial year 2015 are RM242.2 million and RM91.0 million respectively as compared to RM226.3 million and RM107.7 million for the financial year 2014.

The decrease in profit was mainly due to change in sales mix resulting from lower property sales of industrial properties which contribute higher margin as compared to residential properties.

We expect the property development and construction operations to remain as the main profit contributors for the Group in the financial year 2016.

Manufacturing and Trading

The manufacturing and trading operations have recorded a decrease of 15% and 41% in revenue and profit respectively mainly due to lower sales caused by market competition for concrete products and provision of doubtful debts. The revenue and profit are RM83.2 million and RM4.9 million respectively for the financial year 2015 as compared to RM97.6 million and RM8.3 million respectively for the financial year 2014.

We expect this sector to perform better in the financial year 2016 due to potential increase in export sales of our concrete products to Singapore.

OPERATIONAL HIGHLIGHTS

During the financial year 2015, our property development operation has secured new sales of approximately RM184 million mainly contributed by the industrial and commercial properties. The unrecognized revenue of RM77.5 million as at 31 January 2015 will be recognized in financial year 2016.

The Group has also been preparing the groundwork for the launch of three storey shop offices, double storey terrace and cluster houses, double storey semi-detached houses, three storey cluster houses and affordable homes at Bandar Cemerlang (BC), near Ulu Tiram. The initial launch for this project which is expected to be in third quarter of financial year 2016 will be landed properties which are still in demand and we are confident that the upcoming launches will be well received. The estimated GDV for the first phase is RM300 million.

The Group will also commence construction on the balance of the industrial land bank of approximately 60 acres at Taman Perindustrian Cemerlang (TPC) in the second half of FY2016 with an estimated GDV of RM400 million.

Tanjung Senibong, another mixed development project by our subsidiary company Crescendo Land Sdn Bhd (CLSB) is a water front project in a prime location within Iskandar Malaysia and very near to Johor Bahru. The main infra works have been completed. We expect to launch the first phase of affordable homes in the second half of financial year 2016 with a GDV of RM33 million.

Meanwhile, the Group also intends to launch 30 units of three storey shop offices at Desa Cemerlang (DC) project in the financial year 2016.

CHAIRMAN'S STATEMENT

(Cont'd)



OUTLOOK AND PROSPECTS

The market condition is expected to remain uncertain in the near term in view of the various cooling measures implemented by the government, including tight credit control by banks, the effect of implementation of the Goods and Service Tax ("GST") in April 2015 and weak Ringgit.

The Group has well positioned itself to face these challenges as our ongoing projects are located strategically in the Economic Zone within Iskandar Malaysia offering a wide spectrum of products to our purchasers ranging from affordable homes to semi-detached houses, terrace and semi-detached factories to large detached factories and shop offices. The Group will be cautious in its launches to avoid holding high level of stock.

With a committed sales in hand and unrecognized revenue of RM81 million as at the date of this report for the property development operation, the Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2016.

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, suppliers and business associates for their co-operation and continued support.

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

Gooi Seong Lim

Chairman and Managing Director
Johor Bahru, Johor

Date: 29 May 2015



Enabling businesses to boom

We carefully analyse the specific needs of contemporary businesses to ensure that our commercial developments are ideal in every way.



SUSTAINABILITY AND CORPORATE RESPONSIBILITIES

The Group's corporate social responsibilities (CSR) supports the sustainability of the four components which are marketplace, the community, the workplace and the environment. The Group believes in the importance of maintaining the highest standards of quality in company products and employee conducts whilst safeguarding environmental and social values.

The Group places importance on its CSR and remains committed to care for the environment and employees, fostering strong relationships with business associates and supporting worthy community welfare causes as an integrated part of its business responsibilities and are mindful that we create value for all our stakeholders and enhancing the long-term sustainability of the Group.

MARKETPLACE

The Group is committed to provide quality products and services to our customers through our available resources. It also aims for continuous improvement towards building long term relationships with all its stakeholders.

Crescendo Corporation Berhad is a member to the International Real Estate Federation (FIABCI) and the Malaysian International Chamber of Commerce and Industry (MICCI). Two subsidiaries, Panoramic Industrial Development Sdn Bhd and Crescendo Development Sdn Bhd, are members to the Real Estate and Housing Developers' Association Malaysia (REHDA).

Another two subsidiaries namely Unibase Corporation Sdn Bhd and Unibase Construction Sdn Bhd have been accredited as ISO 9001:2008 (BS EN 9001: 2008) certified companies by TQCS International (Group) Pty Ltd. Another subsidiary, Repute Construction Sdn Bhd was accredited by Guardian Independent Certification Ltd for Project Management for Building Construction and Civil Engineering work. Unibase Concrete Industries Sdn Bhd has obtained its product certification licence for precast reinforced concrete square pile, small precast reinforced concrete square pile and precast concrete pipes with ogee joints.

Stakeholders Engagement

The Group considers its business associates, investors and analysts, customers, trading partners and communities as its primary stakeholders and understands their concerns

and is able to be transparent with them about the Group's efforts and progress.

Our website provides access to the information on the Group's financials and operations as well as the direction of the Group. It also allows an email link for stakeholders to provide feedback or enquiries in order for the Group to satisfy our stakeholders' needs as well as to improve on our products and services, if needed. Any updated investor relations information will then be made available in the corporate website.

HUMAN CAPITAL

The Group believes human capital is an important asset, hence constantly invests in them. The Group's workforce as at 31 January 2015 consist of a 334 personnel consisting of 95% Malaysian and 34% of female.

The Group has carried out various activities to improve the workforce knowledge, upgrade their skills and improve productivity, quality of life and foster a sense of belonging, such as:

- Engaging experts to share knowledge on variety issues that can benefit the employees on a personal and professional level;
- Conducting in-house training for the staff on human capital, safety, accounting, technical issues and management skills. Where specialist training is required, the staff are sent for external trainings;



SUSTAINABILITY AND CORPORATE RESPONSIBILITIES

(Cont'd)

- Various staff activities including festival celebrations and sporting events through the In-House Sports Club; and
- Subsidised company trips are organised annually to bring the staff and their family together to strengthen the bonds of friendship and instil a sense of belonging among the staff and to promote a caring work culture.

The Group is constantly and continuously building a learning culture in the organization in order that employees at all levels are equipped with the necessary knowledge, skills and exposure, and that not only they could be fully effective in their current jobs, but be prepared for their career progression and future assignments in support of the Group's objectives and business plan.

The Group also ensures that its employees' health, welfare and safety are not compromised at the workplace.

The Group also provides a harassment-free workplace regardless of race, sex and religion.

COMMUNITY

The Board of Directors strongly believes that in playing their role as a socially responsible corporate citizen, the Group creates business sustainability and enhances value for all its stakeholders.

Over the years, the Group has heeded the Government's call to build more affordable housing for the people. This is reflected in its townships which are all mixed development in nature, thus catering to all income groups.

Crescendo International College ("CIC"), the education arm of the Group, has a permanent campus at Desa Cemerlang, Ulu Tiram, Johor. The college provides GCE A Level, external degree programs and professional courses at affordable rates. More than 596 students had enrolled in CIC as at 31 January 2015. Discounts and partial scholarships are extended to the needy and deserving students to assist them in their education and accommodation are available within the campus for outstation students as part of our commitment towards training necessary human resource for the community.

The Group also made various contributions and donations amounting to approximately RM334,000 to worthy causes and organisations including governmental and non-governmental organisations to support their charitable causes in sports, cultural, social and welfare activities.

ENVIRONMENT SUSTAINABILITY

The Group complies strictly with the rules and directives set by the authorities in regards to environmental safety and protection. All unwanted wastes, materials and by-products resulting from the construction sites are either recycled or disposed properly.

The Group continues its effort in landscaping the open spaces, parks and roads to beautify and green Desa Cemerlang, Taman Perindustrian Cemerlang, Taman Dato Chellam and Nusa Cemerlang Industrial Park to promote better ambience and connection with nature.

The Statement has been reviewed and approved by the Board of Directors at a meeting held on 27 March 2015.



STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board of CRESCENDO CORPORATION BERHAD remains resolute in upholding the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to the Group in building sustainable business growth in order to safeguard stakeholders' interests as well as enhancing shareholders' value.

The Board is pleased to report on the manner in which the 8 principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 (Code) are applied to the affairs of the Group and the extent of compliance pursuant to Paragraph 15.25 of Chapter 15 and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

Principle 1 ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear functions reserved for the Board and those delegated to Management

The Board is aware and understand its roles and responsibilities in leading and controlling the Group. In order to deliver both fiduciary and leadership functions, the Board, amongst others, assumes the following key responsibilities as per Recommendation of the Code:

- Setting the objectives, goals and strategic plan for the Group with a view to maximizing shareholder value and promoting sustainability;
- Adopting and monitoring progress of the Group's strategy, budgets, plans and policies;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- To consider and approve reserved matters covering corporate policies, material investment and acquisition / disposal of assets;
- Identifying principal risks and ensure implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and

- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Generally, the Executive Directors are responsible for making and implementing operational and corporate decisions as well as developing, coordinating and implementing business and corporate strategies. Non-Executive Directors play key supporting roles, contributing knowledge and experience towards the formulation of policies and in the decision-making process. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied. Where a potential conflict of interest may arise, it is mandatory practice for the Director concerned to declare his interest and abstain from the decision-making process.

Roles and responsibilities of Board

The Directors with their diverse backgrounds and specialisation collectively bring in a wide range of experience, expertise and competencies to the Board that is important for the continued successful direction of the Group. The knowledge and expertise in various fields of the individual directors contribute to the enhancement of the effectiveness of the Board. Details of each individual director's skills and experiences are presented in the Board of Directors' Profile set out on pages 16 to 20 of this Annual Report.

The Board as at the date of this statement, consist of eight (8) members, comprising one (1) Executive Chairman and Managing Director, three (3) Executive Directors, one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

The Board complies with Paragraph 15.02 of the Listing Requirements which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever higher, are Independent Directors.

All of the Board members serve as directors in not more than five Boards of listed companies, to ensure they devote sufficient time to carry out their responsibilities.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness. The Board is of the opinion that the current size and composition of members are appropriate to commensurate the complexity of the Group's businesses and conducive for effective conduct of Board decision making.

STATEMENT ON CORPORATE GOVERNANCE

(Cont'd)

Board Corporate Governance Manual

The Board has formalised and adopted a Board Corporate Governance Manual ("Board CG Manual") which provides guidance to the Board in fulfilment of its roles, functions duties and responsibilities. The Board will review the Board CG Manual as and when required to ensure relevance and compliance with the regulations. Extracts of the Board CG Manual is now available at the Corporate's website at www.crescendo.com.my.

The Board CG Manual, covers amongst others, the following matters:

- Policies on CSR, Gender Equality and Sustainability
- Board Charter
- Role, Responsibilities and Power of the Board, Individual Directors, Chairman & Managing Director
- Role of Board Committees
- Role of Company Secretary
- Board & General Meetings
- Corporate Disclosure Policy
- Whistle-blowing Policy
- Code of Ethics and Conduct
- Corporate Integrity Policy – Anti Fraud Policy
- Risk Management Policy
- Investors Relations Policy

Access to Information and advice

The Executive Chairman and Managing Director has the primary responsibility for organising information necessary for the Board to deal with the agenda and ensuring all Directors have full and timely access to the information relevant to matters that will be deliberated at Board meetings.

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 advice and services of the Company Secretaries, who are 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. If necessary, the services of other senior management will be arranged to brief and help the Directors to clear any doubt or concern.

All Directors are provided with an agenda and a set of comprehensive Board papers, issued within sufficient time prior to Board meetings to ensure that the Directors can appreciate the issues to be deliberated on, 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. Senior management staff and external advisors may be invited to attend Board meetings, to advise and provide the Board with detailed explanations and clarifications whenever necessary on matters that are tabled.

The Board papers prepared for the quarterly scheduled meetings include, among others, the following:

- Minutes of previous Board meeting
- Minutes of the Board Committee's meeting
- Reports on matters arising
- Quarterly financial report
- Report on operations

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.

Independent Professional Advice

The Directors, whether acting as a full Board member or in their individual capacity, in the furtherance of their duties, may obtain independent professional advice at the Company's expense, in the event that circumstances warrant the same. The Company has placed internal procedures for the application and appointment for the services.

Company Secretaries

The Company Secretaries are entrusted to record the Board's deliberations, in terms of issues discussed, and the conclusions and the minutes of the previous Board meeting is distributed to the directors prior to the Board meeting for their perusal before confirmation of the minutes at the commencement of the following Board meeting. The directors may comment or request clarification before the minutes are tabled for confirmation and signed by the Chairman of the meeting as a correct record of the proceedings of the meeting.

All Directors have direct access to the advice and services of the Company Secretaries whether as a full Board or in their individual capacity, in discharging their duties.

STATEMENT ON CORPORATE GOVERNANCE

[Cont'd]

Company Secretaries (Cont'd)

The Board is regularly updated by the Company Secretaries on new changes to the legislations and Listing Requirements and the resultant implications to the Company and the Board in discharging their duties and responsibilities.

In delivering the above duties and responsibilities, the Board is supported by suitably qualified and competent Company Secretaries who are members of professional bodies such as the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) or the Malaysian Association of Company Secretaries (MACS).

The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Principle 2 STRENGTHEN COMPOSITION

BOARD COMMITTEES

In order to assist in the execution of Board's responsibilities for the Group, certain functions have been delegated by the Board to Board Committees. Clearly defined terms of reference have been given to these Committees to enable them to operate effectively. However, these Committees do not have any executive powers. The Chairman of the respective Committees reports to the Board the outcome of the Committee meetings and such reports are incorporated in the Board papers (except the power of the Audit Committee to report to Bursa Securities in circumstances described in the Audit Committee Report).

The Board periodically reviews the Committees' terms of reference.

a. Audit Committee

The Audit Committee serves as a focal point of communication between Directors, External Auditors, Internal Auditors and the Senior Management on matters pertaining to financial accounting, reporting and controls. The Committee also assists the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing of the Group. It is also the Board's principal agent in ensuring independence of the Company's External Auditors and the adequacy of disclosures to shareholders. The Committee has full access to the auditors both internal and external, who in turn, have access at all times to the Chairman of the Audit Committee.

In line with good corporate governance practices, none of the Executive Directors are members of the Audit Committee.

The terms of reference of the Audit Committee together with the Report of the Audit Committee are disclosed on pages 48 to 51 of this Annual Report. The activities of the Audit Committee during the year ended 31 January 2015 are also set out in the Report of the Audit Committee.

b. Remuneration Committee

The Remuneration Committee is responsible for recommending the remuneration framework and the remuneration packages of the Executive Chairman and Managing Director and Executive Directors to the Board, so as to ensure that rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors with those of shareholders. The Committee also ensures that the level of remuneration for Executive Directors are linked to their level of responsibilities and contribution to the effective functioning of the Company. None of the Executive Directors participated in any way in determining their individual remuneration.

The Board as a whole determines the remuneration packages of Independent Non-Executive Directors with the Directors concerned abstaining from discussions in respect of their individual remuneration. In deciding on an appropriate level of fees for each Independent Non-Executive Director, the Board has considered the responsibility level and time commitment required in attending both the scheduled and special Board meetings, deliberation time required for Board papers, as well as the number of Board Committees involved.

The terms of reference of the Remuneration Committee are set out under the Report of the Remuneration Committee on page 52 of this Annual Report.

c. Nominating Committee

The Nominating Committee is empowered by the Board through clearly defined terms of reference to ensure that there are appropriate procedures in place for the nomination, selection, training and evaluation of Directors. The Nominating Committee assesses the effectiveness of the Board as a whole and each of the Board Committees as well as the contribution of each individual Director, including the Independent Non-Executive Directors and the Executive Chairman and Managing Director on an annual basis. All assessments and evaluations carried out by the Nominating Committee in discharging its duties are documented in the minutes of meetings.

STATEMENT ON CORPORATE GOVERNANCE

(Cont'd)

c. Nominating Committee (Cont'd)

The Board, through the Nominating Committee's annual appraisal process, believes that it possesses the required mix of skills, experience and other qualities including core competencies brought by Independent Non-Executive Directors which enables it to discharge its duties in an effective manner. Furthermore, the Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board.

The Board wishes to highlight that although Mr. Gan Kim Guan and Mr. Yeo Jon Tian @ Eeyo Jon Thiam have served as Independent Non-Executive Directors for more than 9 (nine) years. The Board, as recommended by the Nominating Committee, is fully satisfied that they have demonstrated complete independence in character and judgement both in their designated role and as a Board member and is of the opinion that they continue to bring independent view of the Company's affairs to the Board notwithstanding their length of service. The Board believes that their in-depth knowledge of the Group's businesses and their extensive expertise continue to provide invaluable contribution to the Board. As such, the Board recommends that they be retained as Independent Non-Executive Directors and would be seeking shareholders' approval for the same at the forthcoming annual general meeting ("AGM").

The Board appoints its members through a selection process. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability to discharge responsibilities as expected from them. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.

The terms of reference of the Nominating Committee are set out under the Report of the Nominating Committee on page 53 of this Annual Report.

BOARD DIVERSITY

The Board is aware of the gender diversity policy and target as set out in Recommendation 2.2 of the Code. When appointing a Director, the Nominating Committee and the Board will always evaluate and match the criteria of the candidate to the Board based on experience, skill, competency, knowledge and potential contribution, whilst the Recommendation 2.2 of the Code will also be given due consideration for boardroom diversity.

Female representation will be considered when suitable candidates are identified.

DIVERSITY

The Board is committed to provide fair and equal opportunities within the Group and acknowledges the importance of boardroom and workplace diversity as well as the employment of employees who possess the necessary skills and right personal attributes. The Group is committed to workplace diversity and that the workplace is fair, accessible, flexible and free from all kinds of discrimination.

DIRECTORS' REMUNERATION

The remuneration policy of the Company is based on the philosophy to enable the Company to attract and retain Directors of calibre and relevant experience and expertise to manage the Group successfully. For an Executive Director, the remuneration will depend on the achievement of goals including targets and personal achievement and is linked to Group and individual performance. In the case of a Non-Executive Director, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned. All Independent Non-Executive Directors are paid director's fees for serving as Directors on the Board and its Committees. All Directors are paid a meeting allowance for attendance at each Board meeting.

a. The level and make up of Remuneration

The remuneration package of the Executive Directors is reviewed by the Remuneration Committee for consideration of the Board. The remuneration of all Non-Executive Directors is reviewed by the Board, based on their experience and expertise and the level of responsibilities of the Directors concerned as well as the condition of the industry.

b. Procedure

The Remuneration Committee recommends to the Board the remuneration package of the Executive Directors. The Executive Directors do not participate in decisions regarding their own remuneration packages. The Board as a whole determines the remunerations of Non-Executive Directors with individual directors abstaining from making decisions in respect of their individual remunerations. The directors' fees are approved at the AGM by shareholders.

c. Disclosure

A summary of the remuneration of the Directors for the year ended 31 January 2015, 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:

STATEMENT ON CORPORATE GOVERNANCE

[Cont'd]

c. Disclosure (Cont'd)

i. Summary of Directors' Remuneration

Aggregate Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Salary	2,430,720	-	2,430,720
Bonus	1,140,480	-	1,140,480
Fees	20,000	247,500	267,500
Meetings Allowance	8,000	8,000	16,000
Estimated monetary value of benefit-in-kind	59,266	-	59,266
Defined contribution plan	464,270	-	464,270
Total	4,122,736	255,500	4,378,236

ii. Remuneration Band

Executive Directors

RM950,001 – RM1,000,000

3

RM1,150,001 – RM1,200,000

1

Non-Executive Directors

RM50,001 – RM100,000

4

Principle 3 REINFORCE INDEPENDENCE

Independent Non-Executive Directors

The presence of Independent Non-Executive Directors provides a pivotal role in corporate accountability. The role of the Independent Non-Executive Directors is particularly important as they provide independent and objective views, advice and judgement and ensure strategies proposed by the management are thoroughly discussed and evaluated, and that the long-term interests of stakeholders are considered. The Independent Non-Executive Directors do not participate in the operation of the Company in order to uphold their objectivity and fulfil their responsibility to provide check and balance to the Board.

Tenure of Independent Directors

The Board noted the Code recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. The Nominating Committee and the Board have deliberated on the recommendation and hold the view that the ability of an Independent Director to exercise independent judgement is not affected by the length of his service as an Independent Director. The suitability and ability of Independent Director to carry out his roles and responsibilities effectively are very much a function of his calibre, experience and personal qualities. Restriction on tenure may cause loss of experience and expertise that are important contributors to the efficient working of the Board.

Pursuant to Recommendation 3.3 of the MCCG 2012 and notwithstanding their long tenure in office, the Board is unanimous in its opinion that Mr. Gan Kim Guan and Mr. Yeo Jon Tian @ Eeyo Jon Thiam, who have served on the Board as an Independent Directors, exceeding a cumulative term of nine (9) years, continues to fulfill the criteria and definition of an Independent Director as set out under Paragraph 1.01 of Listing Requirements. Their independence has not been compromised or impaired in any way after having noted the following considerations during the review and assessment of their independence:

STATEMENT ON CORPORATE GOVERNANCE

(Cont'd)

Tenure of Independent Directors (Cont'd)

- (a) They have fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, they would be able to provide independent judgement, objectivity and check and balance to the Board.
- (b) They perform their duties and responsibilities diligently and in the best interest of the Company without being subject to influence of the management.
- (c) They, having been with the Company for more than 9 years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations and attended the Board and Committee meetings for an informed and balanced decision making.

In this respect, the Board has approved the continuation of Mr. Gan Kim Guan and Mr. Yeo Jon Tian @ Eeyo Jon Thiam, as Independent Directors of the Company. The Board believes that it is in the best position to identify, evaluate and determine whether any Independent Director can continue acting in the best interests of the Company and bringing independent and professional judgement to board deliberations. Accordingly the Board strongly recommends retaining Mr. Gan Kim Guan and Mr. Yeo Jon Tian @ Eeyo Jon Thiam, as Independent Non-Executive Directors and will be tabling Ordinary Resolutions to shareholders at the 2015 AGM for the said purpose.

Roles of the Chairman, Managing Director and Senior Independent Non-Executive Director

Mr. Gooi Seong Lim is essentially functioning as Managing Director and Chairman of the Board. The Board is mindful that the convergence of the two roles is not in compliance with best practice, but took into consideration the fact that he has a controlling shareholding and there is an advantage of shareholder leadership with natural alignment. In respect of potential conflict of interest, the Board is comfortable that there is no undue risk involved as all related party transactions are strictly dealt with in accordance with the Listing Requirements of Bursa Securities. This arrangement is a temporary measure until a suitable candidate is found.

The Code Recommendations state that the Chairman must be of a Non-Executive member of the Board. However, the Nominating Committee has assessed, reviewed and determined that the chairmanship of Mr. Gooi Seong Lim remains based on the following justifications/aspects contributed by him, as a member of the Board -

- His vast experience in managing the operations of the Group's property development and construction which would enable him to provide the Board with a diverse set of experience, expertise and skills to better manage and run the Group;
- He has exercised his due care in the interest of the Company and shareholders during his tenure as an Executive Chairman and Managing Director of the Company; and
- He has provided objectivity in decision making and ensured effective check and balance in the proceedings of the Board.
- He has shown tremendous commitment and played an integral role in stewardship

The Senior Independent Non-Executive Director provides an additional communication channel between the directors and the shareholders. The Board has identified Mr. Gan Kim Guan to act as the Senior Independent Non-Executive Director to whom concerns regarding the Group may be conveyed by shareholders or other stakeholders. He may be contacted at 03-92871889 or e-mail: gankg@crescendo.com.my. At all times, shareholders may contact the Company Secretaries for information on the Company.

Independent directors and balance of power

In relation to the Recommendation 3.5 of the Code that the Board must comprise a majority of Independent Directors where the chairman of the Board is not an independent director, the Board is of the opinion that current number of Independent Directors is sufficient to ensure balance of power and authority on the Board.

The Board is also satisfied with the Board's composition in respect of representation of minority shareholders by the Independent Non-Executive Directors.

Principle 4 FOSTER COMMITMENT

Board Meetings

The Board normally meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. Due notice of issue to be discussed, deliberated and conclusions arrived are recorded in discharging their duties and responsibilities.

STATEMENT ON CORPORATE GOVERNANCE

[Cont'd]

Board Meetings (Cont'd)

During the financial year, the Board met on four (4) occasions where it deliberated upon and considered a variety of matters including approving the Group's financial results, strategic and investment decisions as well as financial and operating performance of its subsidiary companies.

The agenda for each Board meeting and papers relating to the agenda are sent to all Directors at least seven (7) days before the meeting, in order to provide sufficient time for the Directors to review the Board papers and seek clarifications, if any.

All proceedings at the Board meetings are recorded by way of minutes and signed by the Chairman of the respective meeting.

The number of meetings attended by each Director is as follows:

Name of Director	Status of Directorship	Number of Board Meetings Attended	Percentage (%)
Gooi Seong Lim	Chairman and Managing Director	4	100
Gooi Seong Heen	Executive Director	4	100
Gooi Seong Chneh	Executive Director	4	100
Gooi Seong Gum	Executive Director	4	100
Gan Kim Guan	Senior Independent Non-Executive Director	4	100
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Non-Executive Director	4	100
Tan Ah Lai	Independent Non-Executive Director	4	100
Chew Ching Chong	Independent Non-Executive Director	4	100

Directors Training

All Directors have completed the "Mandatory Accreditation Programme for Directors of Public Listed Companies" pursuant to Paragraph 15.08 of the Listing Requirements of Bursa Securities.

The Board has discussed training programmes proposed for the Director's attendance. Directors are also encouraged to participate in seminars and/or conferences organised by relevant regulatory authorities, professional bodies and commercial entities providing training. This is part of their Continuous Education Programme to keep abreast with relevant new developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfil their duties as Directors.

Directors also receive briefing from External Auditors on updates in financial reporting and new accounting standards affecting the Group, bankers on available financial instruments and suppliers/contractors on their products.

STATEMENT ON CORPORATE GOVERNANCE

(Cont'd)

Directors Training (Cont'd)

During the financial year under review, the Directors have attended the following training programme/ courses and/or conferences listed below:

Name	Organiser	Topic / Title	Date
Gooi Seong Lim	Hwang Investment Management	Gallop into 2014 with HwangIM	18-Feb-14
	Credit Suisse	1st Credit Suisse Family Business Series (Succession of family leadership and business leadership)	6-Mar-14
	OCBC Bank	OCBC 2014 Economic Outlook and Product Updates	21-Mar-14
	Credit Suisse	Credit Suisse Global Megatrends Conference 2014	30-Apr-14
	In House Training - Crescendo International College	PricewaterhouseCoopers Goods and Service Tax Awareness Briefing	25-Aug-14
		Goods and Service Tax Awareness Training	10-Sep-14
		Goods and Service Tax Specific Training (Feasibility & Contract, Marketing and Human Resources)	1-Oct-14
Gooi Seong Heen	Hwang Investment Management	Gallop into 2014 with HwangIM	18-Feb-14
	OCBC Bank	OCBC Global Economic & Business Forum 2014	15-Aug-14
	In House Training - Crescendo International College	PricewaterhouseCoopers Goods and Service Tax Awareness Briefing	25-Aug-14
		Goods and Service Tax Awareness Training	10-Sep-14
		Goods and Service Tax Specific Training (Feasibility & Contract, Marketing and Human Resources)	1-Oct-14
Gooi Seong Chneh	Hwang Investment Management	Gallop into 2014 with HwangIM	18-Feb-14
	Credit Suisse	1st Credit Suisse Family Business Series (Succession of family leadership and business leadership)	6-Mar-14
	In House Training - Crescendo International College	PricewaterhouseCoopers Goods and Service Tax Awareness Briefing	25-Aug-14
		Goods and Service Tax Awareness Training	10-Sep-14
		Goods and Service Tax Specific Training (Feasibility & Contract, Marketing and Human Resources)	1-Oct-14
Gooi Seong Gum	Hwang Investment Management	Gallop into 2014 with HwangIM	18-Feb-14
	Credit Suisse	1st Credit Suisse Family Business Series (Succession of family leadership and business leadership)	6-Mar-14
	In House Training - Crescendo International College	PricewaterhouseCoopers Goods and Service Tax Awareness Briefing	25-Aug-14
		Goods and Service Tax Awareness Training	10-Sep-14
		Goods and Service Tax Specific Training (Feasibility & Contract, Marketing and Human Resources)	1-Oct-14

STATEMENT ON CORPORATE GOVERNANCE

[Cont'd]

Directors Training (Cont'd)

Name	Organiser	Topic / Title	Date
Gan Kim Guan	The Malaysian Institute Of Accountants (MIA)	Audit Committee Workshop Series 3: Oversight of Financial Reporting and Compliance	7-Aug-14
		Audit Committee Workshop Series 4: Enhancing Audit Quality: Role of Audit Committee	7-Aug-14
	Lembaga Hasil Dalam Negeri & Chartered Tax Institute of Malaysia	National Tax Conference	12 & 13 Aug-14
	Bursa Malaysia & Minority Shareholder Watchdog Group	Appreciation and Application of ASEAN Corporate Governance Scorecard	7-Oct-14
	ICLIF & Bursa Malaysia	Nominating Committee Program 2 : Effective Board Evaluation	9-Oct-14
	The Institute Of Internal Auditors Malaysia (IIAM)	2014 National Conference on Internal Auditing Embracing Change	13 & 14 Oct-14
	Chartered Tax Institute of Malaysia	2015 Budget Seminar	29-Oct-14
	MIA	Ethical Challenges in Today's World	19-Dec-14
Yeo Jon Tian @ Eeyo Jon Thiam	In House Training - Crescendo International College	Goods and Service Tax Awareness Training	10-Sep-14
Tan Ah Lai	The Ministry of Finance (MOF)	Goods & Services Tax (GST)	10-Sep-14
	Bursa Malaysia	Nominating Committee Programme 2: Effective Board Evaluation	9-Oct-14
	IIAM	2014 National Conference on Internal Auditing Embracing Change	13 & 14 Oct-14
	Chartered Tax Institute of Malaysia (CITM)	2015 Budget Seminar	29-Oct-14
Chew Ching Chong	MIA	Audit Committee Workshop Series 3: Oversight of Financial Reporting and Compliance	7-Aug-14
		Audit Committee Workshop Series 4: Enhancing Audit Quality: Role of Audit Committee	7-Aug-14
	In House Training - Crescendo International College	Goods and Service Tax Awareness Training	10-Sep-14

New Appointment, Re-appointment and Re-election of Directors

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

The Nominating Committee established by the Board is responsible for proposing and assessing new nominee(s) to the Board and Board Committee membership and thereupon submitting their recommendation to the Board for decision. As part of the appointment process, the potential candidate must disclose his existing directorships as well as any other commitments so as to determine whether he has adequate time to perform his duties.

STATEMENT ON CORPORATE GOVERNANCE

(Cont'd)

New Appointment, Re-appointment and Re-election of Directors (Cont'd)

Individual director's assessments were conducted with the objective to improve the Board effectiveness and to enhance the director's awareness on the key areas that need to be addressed. The performance indicators for individual director include their interactive contributions, quality of input and understanding of their roles were performed by the Nominating Committee. Their evaluation results were tabled to the Board to deliberate areas for improvement.

All newly appointed Directors are subject to re-election by the shareholders at the AGM following their appointment.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The Company's Articles of Association provide that at least one-third (1/3) of the Board is required to retire 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 in accordance with the Articles of Association. 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 re-appointment or re-election at the forthcoming AGM are shown in the Notice of AGM (Ordinary Resolutions 4, 5 & 6) on page 4 and the profile of Directors on pages 16, 17 and 19.

Principle 5 UPHOLD INTEGRITY IN FINANCIAL REPORTING

Internal Control

The Board acknowledges that it is responsible for the Group's system of internal controls which is to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. It involves key management of each business unit to meet the Group's particular needs, manage risks to which it is exposed, the effective and efficient conduct of operations, financial controls and compliance with laws and regulations as well as with internal procedures and guidelines to provide reasonable but not absolute assurance against misstatement or loss.

The review on the systems of internal control is set out under the Statement on Risk Management & Internal Control as set out in pages 44 to 47 of this Annual Report.

Financial Reporting

The Audit Committee is tasked with assisting the Board in maintaining a sound system of internal control across the Group. Accurate and reliable financial statements are a key outcome of a sound system of internal control and towards this end, the Audit Committee considers the following on a regular basis:

- Changes in accounting policies, practices and implementation thereof
- Significant adjustment arising from external audit process
- Qualification of the external auditor's report (if any)
- Going concern assumption
- Adequacy and appropriateness of disclosures

The Audit Committee also meets with the external auditors without the presence of Management, and this is a forum at which the external auditors may raise, among other matters, any concern they may have on the compliance aspect of the financial statements.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. All accounting standards which the Board considers to be applicable have been adopted, subject to any explanation for material departures disclosed in the notes to the financial statements.

The Group Financial Controller (GFC) updates the Audit Committee regularly on the Group's financial performance and highlights key issues in connection with the preparation of the results, including the adoption of new accounting standards/policies. The GFC is responsible for ensuring that the Group is aware of impending changes to the accounting standards and also the relevant regulatory requirements, recognises the implication of those changes and complies with the requirements.

STATEMENT ON CORPORATE GOVERNANCE

[Cont'd]

Financial Reporting (Cont'd)

The Company's financial statements are prepared in accordance with the requirements of the Companies Act, 1965 and Financial Reporting Standards in Malaysia. The Board is responsible to ensure that the financial statements give a true and fair view and balanced and understandable assessment of the state of affairs of the Company and of the Group. The Audit Committee assists the Board to ensure accuracy and adequacy of all information for disclosure and compliance with accounting standards.

The Board presents a balanced and meaningful assessment of the Group's financial performance and prospects to the shareholders, investors and regulatory authorities, primarily through the quarterly and annual financial statements and Chairman's Statement in the Annual Report.

External Auditors

The Board through the establishment of the Audit Committee, has established a good working relationship with its External Auditors i.e., Messrs Raki CS Tan & Ramanan. The Group also maintains a transparent and professional relationship with its External Auditors in seeking professional advice and ensuring compliance with the applicable Financial Reporting Standards in Malaysia. Messrs Raki CS Tan & Ramanan report to the shareholders of the Company on their opinion which are included as part of the Group's Annual Report with respect to their audit on each year's statutory financial statements. The Company's External Auditors are appointed every year during the AGM.

The External Auditors are invited to attend the Audit Committee meetings and annual general meetings and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of their audit report.

The Board has adopted a policy in relation to the provision of non-audit services by the Company's External Auditors to ensure that it is not in conflict with the role of the External Auditors or their independence. The Audit Committee is responsible to review all the non-audit services provided by the External Auditors and the aggregate amount of fees paid to them. Details of the amounts paid to the External Auditors for non-audit services performed during the year are set out in the Additional Compliance Information of this Annual Report.

The Audit Committee is also aware on the recommendation of the Code to have policies and procedures to assess the suitability and independence of External Auditors. Considering the expertise and existing business knowledge of the current External Auditors and the location of the Company and its subsidiaries, the Audit Committee is of the opinion that the current External auditors are still suitable for re-appointment. While assessing the independence of the External Auditors, the Audit Committee is satisfied and agreed with the representation by the External Auditors in their Audit Planning Memorandum for the audit of the financial year ended 31 January 2015, that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practise) of the Malaysian Institute of Accountants. Furthermore, during the financial year ended 31 January 2015, the external auditors were not engaged for any other significant services other than the statutory audit.

The Board is satisfied based on advice from the Audit Committee that the provision of these non-audit services does not in any way compromise on their independence. In addition, the Audit Committee has obtained a written assurance from the External Auditors confirming that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Principle 6 RECOGNISE AND MANAGE RISK

Risk Management Framework

The Board recognises that risk management is an integral part of the Group's business operations and is important for the achievement of its business objectives. The Group has established a Risk Management Committee ("RMC") that is chaired by the Managing Director and its members comprise the Executive Directors, Heads of Divisions & Departments ("HODS") and staff from key operations. They have also been trained to identify the risks relating to their areas; 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 RMC and the Audit Committee.

Ongoing risk management education and training is provided at Management and staff level by members of the RMC.

STATEMENT ON CORPORATE GOVERNANCE

(Cont'd)

Internal Audit function

The Group's internal audit function is performed by the Internal Audit Department of the Group's holding company, Sharikat Kim Loong Sendirian Berhad ("Internal Auditors") which acts independently from the activities and operations of the Group till 31 January 2015. With effect from 1 February 2015, The Company has set up its own Internal Audit Department (Internal Auditors). The Internal Audit department acts independently from the activities and operations of the Group. The internal audit team reports to the Group Head of Internal Audit and the Audit Committee.

The main purpose of the Internal Auditors are:

- To review effectiveness of the Group's systems of internal controls.
- Assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system for the Board as well as to assist in drafting the Statement of Risk Management and Internal Control in the annual report;
- Support the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritized action plan to further enhance the internal control system;
- Identify the key business processes within the Group and Company that internal audit should focus on;
- Allocate necessary resources to selected areas of audit in order to provide management and the Audit Committee an effective and efficient level of internal audit coverage; and
- Coordinate risk identification and risk management processes and activities.

The Internal Auditors adopts a risk based auditing approach by focusing on identified high risk areas for compliance with control policies and procedures, identifying business risk which have not been appropriately addressed and evaluating the adequacy and integrity of controls and statutory requirements based on an internal audit plan agreed annually with the Audit Committee and report on the systems of financials and operations control on a quarterly basis to the Audit Committee. Submission of the audit results to the Management and the Audit Committee would ensure that the Management is compliant with the internal control systems and implementing continuous improvement.

During the financial year under review, the Internal Auditors carried out periodic internal audit reviews in accordance with the approved internal audit plan to monitor compliance with the Group's procedures and to review the adequacy and effectiveness of the Group's system of risk management and internal control. The results of these reviews have been presented to the Audit Committee at their scheduled meetings. Follow up reviews were also conducted to ensure that the recommendations for improvement have been implemented by Management on a timely basis.

The Internal Auditors communicate and report directly to the Audit Committee on their activities based on the approved Annual Internal Audit Plan to ensure their independent status within the Group. The total cost incurred in respect of the internal audit function during the financial year was approximately RM141,000.

The Internal Auditors assisted the Audit Committee in discharging its duties and responsibilities with respect to adequacy and integrity of internal control within the Group and undertook the following activities in accordance with the approved Audit Plan:

- Carrying out the internal auditing of the Group subsidiaries.
- Facilitating the improvement of business processes within the Group.
- Establishing a follow up process in monitoring the implementation of audit recommendation by Management.
- Monitoring the effectiveness of the Group's risk management systems by reviewing the implementation of the risk assessment action plans by Management.
- Conducting investigation audits or special assignment from time to time as requested by Management.

Further information on the Group's state of internal control is presented in the Statement on Risk Management and Internal Control.

STATEMENT ON CORPORATE GOVERNANCE

[Cont'd]

Principle 7

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Board has developed and adopted, in its Board CG Manual, a policy stipulating the authorised channels and personnel through which/whom certain information of the Group shall be approved and disclosed to internal and external stakeholders.

The Corporate Disclosure policy regulates the review and release of information to the stock exchange as well as through the Company's website, facilitating timely and accurate disclosure of the Company's affairs.

Communication channel

The Board recognizes the importance of information technology for effective dissemination of information.

The Company's website has become a key communication channel for the Company to reach its shareholders and general public. The website has a number of sections provide up-to-date information on Group's activities, Board Charter, financial results, announcements released to Bursa Securities, annual reports and company profile, announcements to Bursa Securities, corporate presentations and other information on the Company can be found on the Company's website at www.crescendo.com.my to further enhance investors and shareholders communication.

Principle 8

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Dialogue between the Group and Investors

The Board adheres to the disclosure requirements of Bursa Securities and ensures timely release of the financial results on a quarterly basis in order to provide its shareholders with an overview of the Group's financial and operational performance. In addition, it communicates with its shareholders, institutional and potential investors through various announcements made during the year.

This Annual Report is also an important channel of communication to reach shareholders and investors as it provides comprehensive information pertaining to the Group.

A press conference is normally held after the AGM and/or Extraordinary General Meeting of the Company to provide the media the opportunity of receiving an update from the Board and to address any queries or areas of interest by the media.

In addition, the Group recognises the need for independent third party assessment of itself. In this regard, the Executive Chairman and Managing Director and key senior management of the Group also conduct dialogue sessions or briefings with Investment/Financial Analysts and the Press on the results, performance and the potential of new developments of the Group. These briefings enable a direct and frank dialogue on the affairs of the Group.

Other avenues whereby shareholders and interested stakeholders have access to Company data are through quarterly filing of financial data at Bursa Securities and via the Company's website at www.crescendo.com.my which they can access for information about the Group.

AGM

The AGM is the principal forum of dialogue with shareholders. In accordance with the Company's Articles of Association, Notice of AGM together with a copy of the Company's Annual Report is sent to shareholders at least twenty one (21) days prior to the meeting. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution.

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 Executive Chairman and 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. Shareholders can also leave written questions for the Board to respond. The Shares Registrar is available to attend to matters relating to shareholders' interests.

Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity.

STATEMENT ON CORPORATE GOVERNANCE

(Cont'd)

Poll Voting

The Company has always made the necessary preparation for poll voting for all resolutions tabled at the AGM and EGM. The Company will explore the suitability and feasibility of employing electronic means for poll voting as set out in Recommendation 8.2 of the Code.

The Company has in place a procedure to draw shareholders' attention to their rights to demand poll voting in respect of resolutions put before the shareholders at general meetings. In addition, the Company will conduct poll voting in respect of certain shareholders' resolutions as required by the Listing Requirements.

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.

The Company's Annual Report can be accessed at the Company's website at www.crescendo.com.my.

Bursa Securities also provides facilities for the Company to electronically publish all its announcements, including full version of its quarterly results announcements and Annual Report at its website at www.bursamalaysia.com.

Compliance Statement

The Company has committed to achieving high standard of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

This statement has been reviewed and approved by the Board of Directors at a meeting held on 27 March 2015.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Board is required under paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors are required by the Companies Act, 1965 (the Act) to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the financial year end and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent; and
- prepared the annual financial statements in accordance with applicable Financial Reporting Standards in Malaysia, the requirements of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible for ensuring that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy at any time the financial position of each company and which enable them to ensure that the financial statements comply with the requirements of the Act.

The Directors consider that, in preparing the financial statements of CRESCENDO CORPORATION BERHAD for the financial year ended 31 January 2015, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates.

The Directors also consider that all applicable Financial Reporting Standards in Malaysia have been complied with and confirm that the financial statements have been prepared on a going concern basis.

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statements is made in accordance with a resolution of the Board dated 27 March 2015.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Listing Requirements of Bursa Securities, the following information is provided:

Utilisation of Proceeds from Corporate Proposals

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

Share Buy-Back

During the financial year, the Company repurchased a total of 250,000 shares. As at 31 January 2015, the Company held a total of 1,015,000 treasury shares. Other details of the share buy back are disclosed in Note 16(b) to the Financial Statements. The Company is seeking a renewal of shareholders' mandate for the Share Buy-Back at the forthcoming AGM.

Options or Convertible Securities

There were no options or convertible securities issued to any parties during the financial year, other than those disclosed in Note 16 to the Financial Statements.

Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year.

Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management by any regulatory bodies during financial year.

Non-audit fees

Non-audit fee paid and payable to the External Auditors, Messrs Raki CS Tan & Ramanan, during the financial year 2015 was RM3,000.

Variation in results

There was no material variation between the results for the financial year ended 31 January 2015 and the unaudited results previously announced.

Profit Guarantee

The Company did not give any profit guarantee during the financial year.

Material Contracts Involving Directors and Major Shareholders' Interest

There were no material contracts for the Company and its subsidiaries involving Directors and major shareholders' interest either subsisting at the end of the financial year or entered into since the end of the previous year.

Recurrent Related Party Transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 32 to the Financial Statements. The Group did not seek for shareholders' mandate for recurrent related party transactions at the last AGM as the aggregate value of transactions was not expected to exceed the threshold prescribed under the Listing Requirements of Bursa Securities.

This Statement is made in accordance with a resolution of the Board dated 27 March 2015.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

This Statement on Risk Management & Internal Control is made pursuant to the Malaysian Code on Corporate Governance 2012 ("the Code") and Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market with regards to the Group's state of internal control.

The Board of Directors ("the Board") of CRESCENDO CORPORATION BERHAD ("CCB" or "the Company") is pleased to present below its Statement on Risk Management & Internal Control as a Group for the financial year under review, prepared in accordance with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Companies' ("the Guidelines") issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities and taking into consideration the recommendations underling Principle 6 of the Malaysian Code on Corporate Governance 2012.

BOARD RESPONSIBILITIES

The Board affirms its overall responsibilities for the Group's system of risk management and internal control, and for reviewing the adequacy and integrity of the Group's risk management and internal control system. The Board's responsibility in relation to the system of risk management & internal control embedded in all aspects of the Group's activities which encompasses all subsidiaries of the Company.

The Board has received assurance from the Executive Chairman and Managing Director and the Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

However, as there are inherent limitations in any system of risk management and internal control, such system put into effect by Management can only manage but not eliminate all risk that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system can only provide reasonable assurance and not 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 Executive Chairman and Managing Director and his management carried 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 and managed by the respective Committees within the Group.

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The responsibility for reviewing the adequacy and integrity of the risk management and internal control system has been delegated by the Board to the Audit Committee. On a periodic basis, the Audit Committee assesses the adequacy and integrity of the risk management and internal control system through independent reviews conducted and reports it received from the Internal Auditors, the External Auditors and Management. Significant risk management and internal control matters were brought to the attention of the Audit Committee.

The Audit Committee then in turn reports such matters to the Board, if the Audit Committee deems such matters warrant the Board's attention.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(Cont'd)

Key elements of the Group's risk management and internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below:

i. Control Environment

• Policies & Procedures

Clearly defined policies and procedures are in place and are undergoing constant improvements to ensure that they continue to support the Group's business activities as the Group continues to grow.

• Operations Review and Monitoring

Operations of the Group are constantly monitored with up-to-date reports being presented by the Management. Variances are carefully analysed and corrective actions are taken where necessary. Detailed reports on performance review with steps to be taken are presented to Executive Directors periodically.

The Executive Directors, General Managers and Deputy General Manager regularly visit the Group's business units. During the visits, the head of business unit report on the progress and performance, discuss and resolve the business unit's operational and key management issues.

• Organisation Structure and Authorisation Procedures

The Group maintains a formal organisational structure with clear lines of reporting to the Board, Committees and Senior Management with defined roles and responsibilities, authority limits, review and approval procedures and proper segregation of duties which supports the maintenance of a strong control environment.

Specific responsibilities have been delegated to relevant Committees authorised to examine all matters within their scope and report to the Executive Directors/Managing Director/Executive Chairman/Board with their recommendations.

• Human Capital Policy

Comprehensive and rigorous guidelines on the employment, performance appraisal and training program and retention of employees are in place, to ensure that the Group has a team of employees

who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.

Emphasis is being placed on enhancing the quality and ability of employees through training and development. Employees' competencies are assessed annually through the annual appraisal system and subsequently, further development and training requirements are highlighted for Heads of Departments and business units for follow up.

• Management Style

The Board relies on the experience of the Executive Chairman and Managing Director, Executive Directors and the respective business units' management teams to run and manage the operations and businesses of the Group in an effective and efficient manner.

The Executive Chairman and Managing Directors and management adopt a "hands on" approach in managing the businesses of the Group. This enables the timely identification and resolution of any significant issues arising.

• Quality Control

Strong emphasis is placed on ensuring that the Group adheres to health, safety and environmental regulations as required by the various authorities.

• Other Key Elements of Internal Control

Other key elements of procedures established by the Board which provide effective internal control include:

- The Finance Department monitors the activities and performance of the subsidiaries through the monthly management accounts and ensures control accounts are reconciled with the subsidiaries records.
- 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.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

[Cont'd]

i. Control Environment (Cont'd)

• Other Key Elements of Internal Control (Cont'd)

- Proposals for major capital expenditures of the Group are reviewed and approved by the Executive Directors.
- Regular Board and management meetings to assess performance of business units.
- All recurrent related party transactions are dealt with in accordance with the Listing Requirements of Bursa Securities. The Audit Committee and the Board review the recurrent related party transactions at the respective meetings of the Audit Committee and the Board.

ii. Risk Management Framework

The Board recognises that risk management is an integral part of the Group's business operations and is important for the achievement of its business objectives. The Group has established a Risk Management Committee ("RMC") that is chaired by the Managing Director and its members comprising the Executive Directors, Heads of Divisions & Departments ("HODS") and staff from key operations. They have also been trained to identify the risks relating to their areas; 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 RMC and the Audit Committee.

Ongoing risk management education and training is provided at Management and staff level by members of the RMC.

Market Risk Management

Market risks refer to the risks resulting from economic and regulatory conditions.

The Group expansion into new area and activities is a risk. Such expansion entails added risks given their different operating and economic environments. Nevertheless, the Group continues to monitor the identified market risks whilst it continues to complete its expansion project.

The Group manages foreign exchange exposures by monitoring its movement and enters into forward foreign exchange contracts and cross currency swap contracts when there is a need. Borrowings are kept to an acceptable level.

The Group's businesses are governed by relevant laws, regulations, standards and licenses. The Group manages the regulatory risks by implementing appropriate policies, procedures, guidelines, and contracts management, as well as maintaining regular communication with the authorities to ensure compliance at all times.

Credit and Liquidity Risk Management

These risks arise from the inability to recover debts in a timely manner which may adversely affect the Group's profitability, cash flows and funding. The Group minimises such exposures by assessing the creditworthiness of potential customers, close monitoring of collections and overdue debts, and effective credit utilisation to keep leverage at a comfortable level.

Operational Risk Management

Operational risks arise from the execution of a company's business including risks of systems and equipment failure, overcapacity situations, inadequate skilled workforce and adverse climatic conditions. The Group strictly adheres to policies, procedures, quality controls and best practices to ensure that all systems and equipment are functional. To manage overcapacity issues, the Group constantly reviews its business plans and seeks alternative uses for excess capacity.

The Group had in place remuneration schemes to attract and retain its workforce to meet existing and future needs. To cope with the adverse climatic conditions affecting the Group's operations, the Group strictly follows the requirements of the operations manual and employs good practices.

iii. Internal Audit Function

The roles, responsibilities and activities of the Internal Audit functions are described and detailed on page 39 under Statement on Corporate Governance of this Annual Report.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(Cont'd)

iii. Internal Audit Function (Cont'd)

There were neither major weaknesses in the system identified during the year, nor any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. Those areas of non-compliance with the procedures and policies and those which require improvements as highlighted by the Internal Auditors during the period have been, or are being addressed.

iv. Information and Communication

Information critical to meeting Group's business objectives are communicated through established reporting lines across the Group. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and resolution on a timely basis.

v. Review and Monitoring Process

The Group's management teams carry out monthly monitoring and review of the Group's operations and performance, including financial results and forecasts for all business operations within the Group.

In addition to the above, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues as and when necessary. The Board monitors the Group's performance by reviewing its quarterly results and operations, and examines the announcement to Bursa Malaysia Securities Berhad. These are usually reviewed by the Audit Committee before they are tabled to the Board for approval.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2015. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants.

The External Auditors have opined 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 effectiveness of the risk management and internal control system of the Group.

RPG 5 does not require the External Auditors to and they did not consider whether this statement covers all risks and controls or to form an opinion on the effectiveness of the Group's risk management and internal control system.

CONCLUSION

The Board is of the view that the system of internal control in place throughout the year under review is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators, employees and the Group and to facilitate the expansion of its operations. Additionally, the Board regards the risks faced by the Group are within acceptable levels to the business environment within which the Group operates.

There were no material losses or fraud during the current financial year as a result of internal control failures and the Board and Management are continuously taking measures to improve and strengthen the internal control framework and environment of the Group.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 March 2015.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors of CRESCENDO CORPORATION BERHAD is pleased to present the Report of the Audit Committee which lays out the activities held throughout the financial year ended 31 January 2015 and in compliance with Paragraph 15.15 (1) of the Listing Requirements of Bursa Securities.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee presently comprises four (4) Directors of the Board, all of whom are Independent Non-Executive Directors.

The members are:

Chairman	: Gan Kim Guan
Members	: Yeo Jon Tian @ Eeyo Jon Thiam Tan Ah Lai Chew Ching Chong
Secretaries	: Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

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 not be 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 Securities. 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 amongst their members and shall be an Independent Director.

At least one member of the Committee:

- must be a member of the Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of the MIA, he must have at least 3 years' working experience and:
 - he must have passed the examinations specified in Part 1 of the 1st Schedule to the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part 11 of the 1st Schedule to the Accountants Act, 1967.
- fulfills such other requirements as prescribed or approved by Bursa Securities.

Mr. Gan Kim Guan, the Chairman of the Audit Committee is a member of MIA and Mr. Tan Ah Lai, another member of the Audit Committee is a Fellow of the Association of Chartered Certified Accountants and a member of MIA. The Company has therefore complied with Paragraph 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

2. Attendance At Meetings

The Group Financial Controller, Financial Controller, Senior Finance Manager, the Internal Auditors and representative of the External Auditors normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee, specific to the relevant meeting. However, the Committee should meet with the External Auditors without executive Board members present at least twice a year.

The Company Secretaries shall be the Secretaries of the Committee, responsible for drawing up the agenda with the concurrence of the Chairman and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

3. Frequency and Procedures of Meetings

- Meetings shall be held not less than four times a financial year.
- The Committee shall regulate its own procedures, in particular:
 - the calling of meetings;
 - the notice to be given of such meetings;
 - the voting and proceedings of such meetings;
 - the keeping of the minutes; and
 - the custody, production and inspection of such minutes.

During the financial year 2015, the Audit Committee held a total of four 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	Meeting attended by member
Gan Kim Guan	4	4
Yeo Jon Tian @ Eeyo Jon Thiam	4	4
Tan Ah Lai	4	4
Chew Ching Chong	4	4

REPORT OF THE AUDIT COMMITTEE

(Cont'd)

3. Frequency and Procedures of Meetings (Cont'd)

The details of training attended by the above members are tabulated below.

Name	Organiser	Topic / Title	Date
Gan Kim Guan	The Malaysian Institute Of Accountants (MIA)	Audit Committee Workshop Series 3: Oversight of Financial Reporting and Compliance	7-Aug-14
		Audit Committee Workshop Series 4: Enhancing Audit Quality: Role of Audit Committee	7-Aug-14
	Lembaga Hasil Dalam Negeri & Chartered Tax Institute of Malaysia	National Tax Conference	12 & 13 Aug-14
	Bursa Malaysia & Minority Shareholder Watchdog Group	Appreciation and Application of ASEAN Corporate Governance Scorecard	7-Oct-14
	ICLIF & Bursa Malaysia	Nominating Committee Program 2 : Effective Board Evaluation	9-Oct-14
	The Institute Of Internal Auditors Malaysia (IIAM)	2014 National Conference on Internal Auditing Embracing Change	13 & 14 Oct-14
	Chartered Tax Institute of Malaysia	2015 Budget Seminar	29-Oct-14
	MIA	Ethical Challenges in Today's World	19-Dec-14
Yeo Jon Tian @ Eeyo Jon Thiam	In House Training - Crescendo International College	Goods and Service Tax Awareness Training	10-Sep-14
Tan Ah Lai	The Ministry of Finance (MOF)	Goods & Services Tax (GST)	10-Sep-14
	Bursa Malaysia	Nominating Committee Programme 2: Effective Board Evaluation	9-Oct-14
	IIAM	2014 National Conference on Internal Auditing Embracing Change	13 & 14 Oct-14
	Chartered Tax Institute of Malaysia (CITM)	2015 Budget Seminar	29-Oct-14
Chew Ching Chong	MIA	Audit Committee Workshop Series 3: Oversight of Financial Reporting and Compliance	7-Aug-14
		Audit Committee Workshop Series 4: Enhancing Audit Quality: Role of Audit Committee	7-Aug-14
	In House Training - Crescendo International College	Goods and Service Tax Awareness Training	10-Sep-14

REPORT OF THE AUDIT COMMITTEE

[Cont'd]

4. Functions

The Committee shall amongst others, discharge the following functions:

- i. To review the following and report on the same to the Board: -
 - a. with the External Auditors, the audit plan;
 - b. with the External Auditors, their evaluation of the system of internal 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;
 - g. any major findings of internal investigations and management's response;
 - h. 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;
 - major judgemental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumption;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements.
 - i. to discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management, where necessary);
 - j. the External Auditor's management letter and management's response;
 - k. any related party transactions and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - l. to consider the audit fee of the External Auditors;
 - m. to consider the appointment of the External Auditors and any letter of resignation from the External Auditors of the Company and to deal with any questions of resignation or dismissal;
 - n. to recommend the nomination of a person or persons as External Auditors;
 - o. to promptly report to Bursa Securities if a matter reported by the Audit Committee to the

Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Bursa Securities Main Market Listing Requirements;

- p. to ensure financial statements comply with applicable Financial Reporting Standards;
- q. the adequacy of the Audit Committee's policies and procedures for the provision of non-audit services by the Group's auditors;
- r. to obtain a written confirmation from the External Auditors on an annual basis or at any time as the Audit Committee may request, confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- s. whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment;
- t. to consider the appointment of the Internal Auditors, the fees and any questions of nomination, resignations or dismissal;
- u. to assess the adequacy and integrity of the risk management and internal control system through independent reviews conducted and reports it received from the Internal Auditors, the External Auditors and the Management; and
- v. to consider other topics, as defined by the Board.

5. Rights

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 all information and documents relevant to its activities as well as direct communication channels with the External Auditors, person(s) carrying out the internal audit function or activity and the Senior Management of the Group;
- d. be able to obtain independent professional advice; and
- e. be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Executive Directors and employees of the Company, whenever deemed necessary.

REPORT OF THE AUDIT COMMITTEE

(Cont'd)

6. Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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 focussed and detailed manner.

During the financial year 2015, 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:

Financial and Operations Review

- Reviewed and recommended for the Board's approval the quarterly reports for announcement to Bursa Securities in compliance with the Financial Reporting Standards and adhered to other legal and regulatory requirements;
- Reviewed the annual audited financial statements of the Group and the Company. The Audit Committee discussed with the management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statement;
- Reviewed the impact of new or proposed changes in accounting standards and regulatory requirements of the Company;
- 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; and
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with Best Practices set under the Malaysian Code of Corporate Governance 2012 in conjunction with the preparation of the Corporate Governance Statement and Statement of Risk Management and Internal Control.

External Audit

- Reviewed the External Auditor's annual audit plan and audit strategy for the financial year ended 31 January 2015 to ensure their scope of work adequately covered the activities of the Group and the Company;

- Discussed with the management and the External Auditors the Financial Reporting Standards applicable to the financial statements of the Group and the Company that were applied and their judgement of the items that may affect the financial statements;
- Reviewed with the nomination of the External Auditors, the result of the audit, 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 and evaluated the External Auditors and their performance, objectivity and independence during the year before recommending to the Board for reappointment and remuneration; and
- Held independent meeting (without the presence of Management) with the External Auditors.

Internal Audit

- Reviewed and approved the Internal Audit Department's ("IAD") 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 and reported to the Board relevant issues; and
- Held independent meeting (without the presence of Management) with the Internal Auditors.

Risk Management

- Reviewed the Risk Management Committee's reports and assessment.

Related Party Transactions

- The Audit Committee reviewed all significant related party transactions entered by the Group and the Company to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective before recommending to the Board for approval.

This Report is made in accordance with a resolution of the Board of Directors dated 27 March 2015.

REPORT OF THE REMUNERATION COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	: Yeo Jon Tian @ Eeyo Jon Thiam
Members	: Gan Kim Guan Gooi Seong Lim Tan Ah Lai Chew Ching Chong
Secretaries	: Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

TERMS OF REFERENCE

(1) Membership

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

The members of the 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 Committee, the members present must be wholly or a majority of whom must be Non-Executive Directors.

The Company Secretaries shall be the Secretary of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once a year.

(3) Authority

The Committee is authorised to draw advice from outside 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 their own remuneration and should abstain from discussion of their own remuneration.

(4) Duty

The duty of the Committee is to recommend to the Board the structure and level of remuneration of Executive Directors.

(5) Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2015. The attendance of the members of the Committee of the meeting is as follows:

Member	Total number of meetings held in the financial year during Member's tenure in Office	Meeting attended by member
Yeo Jon Tian @ Eeyo Jon Thiam	1	1
Gan Kim Guan	1	1
Gooi Seong Lim	1	1
Tan Ah Lai	1	1
Chew Ching Chong	1	1

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

- Reviewed the structure of the remuneration package for each of the Executive Directors; and
- Reviewed the performance bonuses for each of the Executive Directors.

This Report is made in accordance with a resolution of the Board of Directors dated 27 March 2015.

REPORT OF THE NOMINATING COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	:	Gan Kim Guan
Members	:	Tan Ah Lai Yeo Jon Tian @ Eeyo Jon Thiam Chew Ching Chong
Secretaries	:	Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

TERMS OF REFERENCE

(1) Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist exclusively of Non-Executive Directors, minimum three (3), a majority of whom are Independent Directors.

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

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

The Company Secretaries shall be the Secretaries of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once a year.

(3) Authority

The Committee is to recommend new nominees for the Board and the Board Committees 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 recommendations of the Committee.

(4) Duty

The duties of the Committee shall be:

- i. to recommend to the Board, candidates for all directorships taking into consideration the candidates' qualification, character, skill, knowledge, expertise, experience, professionalism, integrity, competence and time commitment 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 also 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, independence and diversity (including gender diversity) required to meet the needs of the Company;
- 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; and
- v. to establish a formal and transparent procedures for appointing of new Directors to the Board and make recommendations which include establishing selection criteria, short listing, assessing and evaluating suitable candidates against selection criteria and Board's requirements.

(5) Reporting Procedures

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

REPORT OF THE NOMINATING COMMITTEE

[Cont'd]

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2015.

The attendance of the members of the Committee of the meetings is as follows:

Member	Total number of meetings held in the financial year during Member's tenure in Office	Meeting attended by member
Gan Kim Guan	1	1
Tan Ah Lai	1	1
Yeo Jon Tian @ Eeyo Jon Thiam	1	1
Chew Ching Chong	1	1

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

- Reviewed the re-election and re-appointment of Directors retiring at the AGM under Article 77 of the Articles of Association and Section 129 (6) of the Companies Act, 1965 respectively;
- Assessed the independence of Independent Directors.
- Reviewed the composition and the required mix of skills, experience and other qualities of the Board and gender diversity; and
- Reviewed the effectiveness of the Board as a whole, the Board Committees and contribution of each Director.

This Report is made in accordance with a resolution of the Board of Directors dated 27 March 2015.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2015.

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 subsidiaries are principally engaged in property development, investment holding, construction, property investment and management, trading and manufacturing of concrete products, trading in building materials and providing educational services, as detailed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit attributable to:		
Owners of the Company	119,694,956	37,401,214
Non-controlling interests	4,845,117	-
Profit net of tax	124,540,073	37,401,214

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 2014:	
A final single tier dividend of 9.0 sen per share on 227,652,017 ordinary shares, paid on 29 August 2014	20,488,682
In respect of the financial year ended 31 January 2015:	
Interim single tier dividend of 7.0 sen per share on 227,506,817 ordinary shares, paid on 21 November 2014	15,925,477
	36,414,159

The Directors recommend the payment of a final single tier dividend of 5.0 sen per share in respect of the financial year ended 31 January 2015, subject to the approval of members at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2016.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES, SHARE OPTIONS AND DEBENTURES

During the financial year, 4,100 new ordinary shares which ranked pari passu in all respects with the existing ordinary shares of the Company of RM1 each were issued pursuant to the conversion of 4,100 ICULS.

The Company did not issue any debentures or grant any share options during the financial year and there were no unissued shares under option at the end of the year.

SHARE BUY-BACK

The shareholders of the Company, by an ordinary resolution passed at the Eighteen Annual General Meeting held on 25 July 2014, approved the Company's plan to repurchase its own shares up to a maximum of 22,848,401 ordinary shares of RM1 each representing approximately 10% of the total issued and paid up share capital on the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors of the Company are committed to enhancing the shareholders' value and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 250,000 of its issued share capital from the open market on the Bursa Securities for RM691,297 at an average price of RM2.77 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

DIRECTORS

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

Gooi Seong Lim
Gooi Seong Heen
Gooi Seong Chneh
Gooi Seong Gum
Gan Kim Guan
Yeo Jon Tian @ Eeyo Jon Thiam
Tan Ah Lai
Chew Ching Chong

Yeo Jon Tian @ Eeyo Jon Thiam retires pursuant to Section 129 (2) of the Companies Act, 1965 and resolution will be proposed for his re-appointment as a 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 77 of the Company's Articles of Association, Gooi Seong Lim and Gooi Seong Chneh are required to retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS' REPORT

(Cont'd)

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.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being 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			
	At 1.2.2014	Addition	Sold	At 31.1.2015
Gooi Seong Lim				
- direct interest	1,340,452	-	-	1,340,452
- indirect interest	144,917,805	-	-	144,917,805
Gooi Seong Heen				
- direct interest	4,559,121	-	-	4,559,121
- indirect interest	141,070,133	-	-	141,070,133
Gooi Seong Chneh				
- direct interest	4,144,124	-	-	4,144,124
- indirect interest	141,002,133	-	-	141,002,133
Gooi Seong Gum				
- indirect interest	141,002,133	-	-	141,002,133
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	60,000	-	-	60,000
- indirect interest	19,000	-	-	19,000
Chew Ching Chong				
- direct interest	10,000	-	-	10,000

	Number of ICULS 2009/2016 of RM1 nominal value each in the Company			
	At 1.2.2014	Addition	Converted	At 31.1.2015
Gooi Seong Lim				
- indirect interest	51,445,981	-	-	51,445,981
Gooi Seong Heen				
- indirect interest	51,445,981	-	-	51,445,981
Gooi Seong Chneh				
- indirect interest	51,445,981	-	-	51,445,981
Gooi Seong Gum				
- indirect interest	51,445,981	-	-	51,445,981

DIRECTORS' REPORT

(Cont'd)

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

	Number of ordinary shares of RM1 each in the related corporations			
	At 1.2.2014	Addition	Sold	At 31.1.2015
Kim Loong Resources Berhad				
Gooi Seong Lim				
- direct interest	1,149,552	14,000	-	1,163,552
- indirect interest	199,442,101	-	-	199,442,101
Gooi Seong Heen				
- direct interest	1,767,912	-	-	1,767,912
- indirect interest	198,106,102	-	-	198,106,102
Gooi Seong Chneh				
- direct interest	1,613,912	14,000	-	1,627,912
- indirect interest	198,106,102	-	-	198,106,102
Gooi Seong Gum				
- direct interest	132,600	-	-	132,600
- indirect interest	198,162,102	-	-	198,162,102
Crescendo Overseas Corporation Sdn. Bhd.				
Gooi Seong Lim				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Heen				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Chneh				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Gum				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Panoramic Housing Development Sdn. Bhd.				
Gooi Seong Lim				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Heen				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Chneh				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Gum				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200

DIRECTORS' REPORT

(Cont'd)

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

	Number of options under ESOS over ordinary shares of RM 1 each in a related corporation			
	At 1.2.2014	Granted	Exercised	At 31.1.2015
Kim Loong Resources Berhad				
Gooi Seong Lim	14,000	-	14,000	-
Gooi Seong Chneh	14,000	-	14,000	-

	Number of ordinary shares of RM100 each in the holding company – Sharikat Kim Loong Sendirian Berhad			
	At 1.2.2014	Addition	Sold	At 31.1.2015
Gooi Seong Lim				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Heen				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Chneh				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Gum				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250

By virtue of their interests in the shares in the holding company, Sharikat Kim Loong Sendirian Berhad, 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 that the holding company has interests.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of financial position and statements of comprehensive income 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, 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 of 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 of the Company misleading or inappropriate.

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

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

- (i) any charge on the assets of the Group or of 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 of 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 of the Company during the financial year ended 31 January 2015 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.

DIRECTORS' REPORT

[Cont'd]

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.

SIGNIFICANT EVENTS AND EVENTS AFTER THE REPORTING PERIOD

Significant events during the financial year and events after the reporting period are disclosed in Note 39 and Note 40 to the financial statements.

AUDITORS

The auditors, Messrs. Raki CS Tan & Ramanan, Chartered Accountants, have expressed their willingness to continue in office.

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

GOOI SEONG LIM

Director

GOOI SEONG GUM

Director

Dated: 26 May 2015

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 66 to 137 are drawn up in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 January 2015 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out in page 138 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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

GOOI SEONG LIM

Director

GOOI SEONG GUM

Director

Dated: 26 May 2015

STATUTORY DECLARATION

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

I, YUEN SUH CHIN, being the Officer primarily responsible for the financial management of CRESCENDO CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 66 to 137 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 YUEN SUH CHIN)
at Johor Bahru in the State of Johor Darul)
Takzim on 26 May 2015)

YUEN SUH CHIN

Officer

Before me,

Harcharan Singh a/l Chanchel Singh
No: J.210
Commissioner of Oaths
Johor Bahru

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CRESCENDO CORPORATION BERHAD (359750-D)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CRESCENDO CORPORATION BERHAD, which comprise the statements of financial position as at 31 January 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 66 to 137.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 January 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CRESCENDO CORPORATION BERHAD (359750-D) (Cont'd)

(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in page 138 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

RAKI CS TAN & RAMANAN

Firm Number: AF 0190

Chartered Accountants

VENKATRAMANAN VISWANATHAN

Chartered Accountant

Approval Number: 1284/12/15(J/PH)

Partner

Johor Bahru,

Dated: 26 May 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2015

		GROUP		COMPANY	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	115,525,783	77,051,697	2,075,636	1,379,585
Biological assets	4	1,140,388	953,408	-	-
Investment properties	5	240,026,371	109,374,816	-	-
Investment in subsidiaries	6	-	-	196,565,277	173,165,277
Other investment	7	6,833,280	-	-	-
Land held for property development	8	524,227,563	466,665,338	-	-
Deferred tax assets	9	9,776,866	8,242,667	176,122	709,667
Amounts owing by subsidiaries	10	-	-	92,720,361	60,287,810
Derivative financial assets	11	9,720,005	5,880,570	-	-
		907,250,256	668,168,496	291,537,396	235,542,339
Current assets					
Property development costs	8	25,811,262	25,625,040	-	-
Inventories	12	68,097,339	81,664,751	-	-
Receivables	10	54,999,901	80,520,714	52,768,260	67,627,414
Other current assets	13	40,692,206	20,988,283	120,527	148,196
Tax recoverable		74,940	430,626	-	-
Cash and bank balances	14	133,504,451	120,321,252	12,366,030	54,530,377
		323,180,099	329,550,666	65,254,817	122,305,987
TOTAL ASSETS		1,230,430,355	997,719,162	356,792,213	357,848,326

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2015 (Cont'd)

		GROUP		COMPANY	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	228,486,817	228,482,717	228,486,817	228,482,717
Share premium	16	19,109,566	19,109,566	19,109,566	19,109,566
Treasury shares	16	(3,060,875)	(2,369,578)	(3,060,875)	(2,369,578)
Revaluation reserve	17	69,867,089	33,794,597	-	-
Hedging reserve	18	6,073,293	4,192,849	-	-
Equity component of ICULS	19	43,788,438	43,791,892	43,788,438	43,791,892
Other capital reserve		426,200	426,200	-	-
Retained earnings	20	478,054,331	393,322,481	64,106,564	63,119,949
		842,744,859	720,750,724	352,430,510	352,134,546
Non-controlling interests		29,136,566	29,262,684	-	-
Total equity		871,881,425	750,013,408	352,430,510	352,134,546
Non-current liabilities					
Loans and borrowings	21	210,815,496	121,985,000	-	-
Liability component of ICULS	19	-	3,478,667	-	3,478,667
Deferred tax liabilities	9	12,598,144	6,697,845	-	-
Derivative financial liabilities	11	1,782,527	290,104	-	-
		225,196,167	132,451,616	-	3,478,667
Current liabilities					
Payables	22	87,679,483	74,257,829	2,089,194	1,882,114
Due to customers on contracts	15	113,437	584,067	-	-
Loans and borrowings	21	35,144,781	33,385,489	-	-
Liability component of ICULS	19	1,738,009	-	1,738,009	-
Tax payable		8,677,053	7,026,753	534,500	352,999
		133,352,763	115,254,138	4,361,703	2,235,113
Total liabilities		358,548,930	247,705,754	4,361,703	5,713,780
TOTAL EQUITY AND LIABILITIES		1,230,430,355	997,719,162	356,792,213	357,848,326

The annexed notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015

		GROUP		COMPANY	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	23	268,898,090	310,354,790	44,805,827	51,677,953
Cost of sales	23	(173,833,925)	(187,901,292)	-	-
Gross profit		95,064,165	122,453,498	44,805,827	51,677,953
Other items of income					
Rental income		7,162,953	9,459,690	-	-
Interest income		3,404,245	2,863,254	9,564,573	6,668,368
Net gain from fair value adjustment of investment properties	5	57,952,213	38,857,671	-	-
Gain realised from transfer of property development to investment properties	5	27,552,725	6,165,220	-	-
Other income		3,567,196	3,541,390	-	47,999
Other items of expense					
Administrative expenses		(35,911,326)	(23,558,647)	(14,131,542)	(13,075,309)
Finance cost	24	(3,096,881)	(769,697)	(208,704)	(307,239)
Profit before tax	25	155,695,290	159,012,379	40,030,154	45,011,772
Tax	28	(31,155,217)	(32,360,833)	(2,628,940)	(6,687,539)
Profit net of tax		124,540,073	126,651,546	37,401,214	38,324,233
Other Comprehensive Income, net of tax					
Net movements on cash flow hedges	18	2,347,012	6,324,128	-	-
Tax relating to cash flow hedges	9	(507,378)	(1,397,617)	-	-
Revaluation of land	17	38,261,648	-	-	-
Tax relating to revaluation of land	9	(1,913,082)	(125,600)	-	-
		38,188,200	4,800,911	-	-
Total comprehensive income for the year		162,728,273	131,452,457	37,401,214	38,324,233

The annexed notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

		GROUP		COMPANY	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Profit attributable to:					
Owners of the Company		119,694,956	121,052,049	37,401,214	38,324,233
Non-controlling interests		4,845,117	5,599,497	-	-
		124,540,073	126,651,546	37,401,214	38,324,233
Total comprehensive income attributable to:					
Owners of the Company		157,923,966	125,852,960	37,401,214	38,324,233
Non-controlling interests		4,804,307	5,599,497	-	-
		162,728,273	131,452,457	37,401,214	38,324,233
Earnings per share attributable to owners of the Company (sen)					
Basic	29	52.6	57.1		
Diluted	29	43.3	46.4		

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015

Attributable to owners of the Company											
			Non-distributable					Distributable			
	Total Equity		Share Capital	Share Premium	Share Revaluation Reserve	Hedging Reserve	ICULS (Equity Component)	Other Capital Reserve	Retained Earnings	Treasury Shares	Non-controlling Interests
	RM		RM	RM	RM	RM	RM	RM	RM	RM	RM
2015											
At 1.2.2014	750,013,408		228,482,717	19,109,566	33,794,597	4,192,849	43,791,892	426,200	393,322,481	(2,369,578)	29,262,684
Realisation of revaluation surplus	-		-	-	(276,074)	-	-	-	276,074	-	-
Total comprehensive income	162,728,273		-	-	36,348,566	1,880,444	-	-	119,694,956	-	4,804,307
Transactions with owners											
Purchase of treasury shares	(691,297)	16	-	-	-	-	-	-	-	(691,297)	-
Issuance of shares to non-controlling interests	4,974,994		-	-	-	-	-	-	-	-	4,974,994
Acquisition of interest in subsidiaries	(8,550,000)		-	-	-	-	-	-	1,175,419	-	(9,725,419)
Dividend paid to non-controlling interests	(180,000)		-	-	-	-	-	-	-	-	(180,000)
Conversion of ICULS	206	16	4,100	-	-	-	(3,454)	-	(440)	-	-
Dividends	(36,414,159)	30	-	-	-	-	-	-	(36,414,159)	-	-
Total transactions with owners	(40,860,256)		4,100	-	-	-	(3,454)	-	(35,239,180)	(691,297)	(4,930,425)
At 31.1.2015	871,881,425		228,486,817	19,109,566	69,867,089	6,073,293	43,788,438	426,200	478,054,331	(3,060,875)	29,136,566

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

Attributable to owners of the Company													

The annexed notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015

2015	Note	Non-distributable			Distributable		
		Total Equity RM	Share Capital RM	Share Premium RM	ICULS (Equity Component) RM	Retained Earnings RM	Treasury Shares RM
At 1.2.2014		352,134,546	228,482,717	19,109,566	43,791,892	63,119,949	(2,369,578)
Total comprehensive income		37,401,214	-	-	-	37,401,214	-
Transactions with owners							
Purchase of treasury shares	16	(691,297)	-	-	-	-	(691,297)
Conversion of ICULS	16	206	4,100	-	(3,454)	(440)	-
Dividends	30	(36,414,159)	-	-	-	(36,414,159)	-
Total transactions with owners		(37,105,250)	4,100	-	(3,454)	(36,414,599)	(691,297)
At 31.1.2015		352,430,510	228,486,817	19,109,566	43,788,438	64,106,564	(3,060,875)

The annexed notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2014	Note	Non-distributable				Distributable		
		Total Equity RM	Share Capital RM	Share Premium RM	Warrants Reserve RM	ICULS (Equity Component) RM	Retained Earnings RM	Treasury Shares RM
At 1.2.2013		313,909,697	195,490,536	17,166,310	1,139,885	44,230,108	57,734,317	(1,851,459)
Total comprehensive income		38,324,233	-	-	-	-	38,324,233	-
Transactions with owners								
Purchase of treasury shares	16	(2,369,578)	-	-	-	-	-	(2,369,578)
Sale of treasury shares	16	2,658,193	-	806,734	-	-	-	1,851,459
Exercise of Warrants	16	32,472,031	32,472,031	-	-	-	-	-
Conversion of ICULS	16	38,431	520,150	-	-	(438,216)	(43,503)	-
Transfer of reserve arising from exercise of Warrants	16	-	-	1,136,522	(1,136,522)	-	-	-
Transfer of reserve upon expiry of Warrants		-	-	-	(3,363)	-	3,363	-
Dividends	30	(32,898,461)	-	-	-	-	(32,898,461)	-
Total transactions with owners		[99,384]	32,992,181	1,943,256	(1,139,885)	(438,216)	(32,938,601)	(518,119)
At 31.1.2014		352,134,546	228,482,717	19,109,566	-	43,791,892	63,119,949	(2,369,578)

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015

	Note	2015 RM	2014 RM
Operating activities			
Cash receipts from customers		282,649,234	312,900,046
Cash paid to suppliers and employees		(260,449,893)	(192,573,457)
Cash generated from operations		22,199,341	120,326,589
Deposit interest received		3,161,291	1,880,083
Interest paid		(7,567,692)	(4,988,991)
Tax paid		(27,203,660)	(27,663,973)
Net cash (used in)/from operating activities		(9,410,720)	89,553,708
Investing activities			
Acquisition of property, plant and equipment	A	(5,042,898)	(25,664,065)
Acquisition of biological assets	B	(186,980)	(370,826)
Acquisition of investment property	C	(22,612,138)	(22,446,226)
Acquisition of additional shares in a subsidiary		(8,550,000)	-
Pledge of time deposits		(4,006,697)	(1,006,855)
Proceeds from disposal of property, plant and equipment		2,655,696	793,799
Net cash used in investing activities		(37,743,017)	(48,694,173)
Financing activities			
Proceeds from issuance of shares			
- Warrants		-	32,472,031
Proceeds from issuance of shares to non-controlling interest		4,974,994	5,100,000
(Acquisition)/Resale of treasury shares		(691,297)	288,615
Proceeds from loans and borrowings		119,073,000	67,108,877
Repayment of loans and borrowings		(22,699,670)	(21,320,000)
Dividends paid		(36,414,159)	(32,898,461)
Dividends paid to non-controlling interests		(180,000)	(1,074,656)
ICULS interest paid		(1,949,087)	(1,951,593)
Net cash from financing activities		62,113,781	47,724,813
Net increase in cash and cash equivalents		14,960,044	88,584,348
Cash and cash equivalents at the beginning of the financial year		110,909,345	22,324,997
Cash and cash equivalents at the end of the financial year	31	125,869,389	110,909,345

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

	2015 RM	2014 RM
Notes to Consolidated Statement of Cash Flows		
A Acquisition of property, plant and equipment		
Property, plant and equipment acquired	3,941,291	25,904,339
Unpaid balance included under payables	(259,145)	(1,171,022)
Cash paid in respect of prior year acquisition	1,277,236	955,458
Deposits paid in current year	83,516	(24,710)
	<hr/>	<hr/>
Cash paid	5,042,898	25,664,065
	<hr/>	<hr/>
B Acquisition of biological assets		
Biological assets acquired	186,980	358,046
Cash paid in respect of prior year acquisition	-	12,780
	<hr/>	<hr/>
Cash paid	186,980	370,826
	<hr/>	<hr/>
C Acquisition of investment property		
Investment property acquired	20,454,009	27,227,106
Unpaid balance included under payables	(2,526,713)	(5,326,113)
Cash paid in respect of prior year acquisition	4,684,842	545,233
	<hr/>	<hr/>
Cash paid	22,612,138	22,446,226
	<hr/>	<hr/>

The annexed notes form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015

	Note	2015 RM	2014 RM
Operating activities			
Cash receipts from customers		14,349,778	15,885,668
Dividends received from subsidiaries		30,060,004	36,603,008
Cash paid to suppliers and employees		(12,699,117)	(13,623,730)
Cash generated from operations		31,710,665	38,864,946
Interest received		9,615,208	6,607,608
Tax paid		(1,913,963)	(5,960,788)
Net cash from operating activities		39,411,910	39,511,766
Investing activities			
Acquisition of plant and equipment	3	(910,652)	(489,665)
Proceeds from disposal of plant and equipment		-	48,000
Acquisition of additional shares in a subsidiary		(23,400,000)	(15,099,998)
Advance to subsidiaries		(40,161,827)	(23,185,549)
Repayment from subsidiaries		22,038,162	53,619,034
Net cash (used in)/from investing activities		(42,434,317)	14,891,822
Financing activities			
Proceeds from issuance of shares		-	32,472,031
- Warrants		-	288,615
(Acquisition)/Sale of treasury shares		(691,297)	8,546
Advance from related companies		260	-
Repayment to related companies		(9,450)	(3,289)
Repayment to subsidiaries		(78,207)	(32,898,461)
Dividends paid		(36,414,159)	(1,951,593)
ICULS interest paid		(1,949,087)	(2,084,151)
Net cash used in financing activities		(39,141,940)	52,319,437
Net (decrease)/increase in cash and cash equivalents		(42,164,347)	2,210,940
Cash and cash equivalents at the beginning of the financial year		54,530,377	54,530,377
Cash and cash equivalents at the end of the financial year	31	12,366,030	

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015

1. GENERAL INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.
- (b) 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 subsidiaries are principally engaged in property development, investment holding, construction, property investment and management, trading and manufacturing of concrete products, trading in building materials and providing educational services, as detailed in Note 6 to the financial statements.

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

- (c) 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

- (d) 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

- (e) The Directors regard Sharikat Kim Loong Sendirian Berhad, a company incorporated in Malaysia, as the Company's holding and ultimate holding company.
- (f) Authorisation for issue of financial statements

These financial statements were authorised for issue by the Board of Directors on 26 May 2015.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 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 applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (RM) which is also the Group's and the Company's functional currency.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.2 Adoption of new and amended Financial Reporting Standards ("FRS")

The Group and the Company adopted the following new and amended FRSs relevant to the current operations of the Group and the Company for the financial year ended 31 January 2015:

FRS and interpretations

Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting

The above new and amended FRSs did not have any significant impact on the financial statements of the Group and of the Company.

The Group and the Company have not elected for early adoption of the following new and amended FRSs relevant to the current operations of the Group and of the Company, which were issued but not yet effective for the financial year ending 31 January 2015:

FRS and Interpretations	Effective for financial periods beginning on or after
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014
Annual improvements to FRSs 2012-2014 Cycle	1 July 2014
Amendments to FRS 10	1 January 2016
and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116	Clarification of Acceptable Methods of Depreciation and
and FRS 138	Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
FRS 9	Financial Instruments

These new and amended FRSs are not expected to have any significant impact on the financial statements of the Group and of the Company upon their initial application other than:

FRS 9: Financial Instruments

FRS 9 replaces of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurement of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

Malaysia Financial Reporting Standards (MFRS framework)

The Malaysian Accounting Standards Board ("MASB"). has announced on 2 September 2014 that Transitioning Entities ("TEs") shall be required to apply the Malaysian Financial Reporting Standards ("MFRS") Framework for annual periods beginning on or after 1 January 2017. TEs comprise entities that are within the scope of MFRS 141, Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including the parent, significant investor and joint venture. Generally, TEs are entities involved in the real estate and agriculture industries that had been given the option to continue applying the FRS Framework.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.2 Adoption of new and amended Financial Reporting Standards ("FRS") (Cont'd)

Malaysia Financial Reporting Standards (MFRS framework) (Cont'd)

On 2 September 2014, MASB has also issued MFRS 15 Revenue from Contracts with Customers. MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For the real estate industry, MFRS 15 is expected to enable property developers to recognise revenue progressively. MFRS 15 includes new disclosures (quantitative and/or qualitative information) to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. The new comprehensive disclosures are in response to investors' comments that companies present revenue in isolation which make it difficult for them to relate to the entity's financial position.

MFRS 15 is effective for annual periods beginning on or after 1 January 2017, with earlier application being permitted. An entity may choose to adopt MFRS 15 retrospectively or through a cumulative effect adjustment as of the start of the first period for which it first applies the Standard. The retrospective application would provide investors and analyst trend information about an entity's revenue.

The Group expect to present their first set of MFRS financial statements from the financial year ending 31 January 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial impact of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly the financial performance and financial position as disclosed these financial statements for the year ended 31 January 2015 could be different if prepared under the MFRS Framework.

2.3 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(a) Subsidiaries and basis of consolidation (Cont'd)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of an investment.

A subsidiary is an entity over which the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

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

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(a) Subsidiaries and basis of consolidation (Cont'd)

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(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 recognised to profit or loss 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 2.3(t).

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

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 to their residual values on a straight line basis over the estimated useful life of the assets as follows:

	No. of years
Buildings	10 – 50
Plant and machinery	5 – 10
Equipment, furniture & fittings and renovation	5 – 10
Motor vehicles	10

Asset under construction are stated at cost incurred to reporting 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(b) Property, plant and equipment (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of assets is included in the profit or loss in the year the asset is derecognised.

(c) Biological assets

New planting and replanting expenditure incurred on land clearing, development and upkeep of immature oil palms (including interest incurred) during the pre-maturity period (pre-cropping costs) is capitalised under biological assets and is not amortised. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss and the capitalised pre-cropping cost is amortised on a straight line basis over 20 years.

(d) Investment property

Investment property which is held to earn rentals or for capital appreciation or both, including property that is being constructed or developed for future use as investment property, is measured initially at its cost. Transaction costs are included in the initial measurement.

Subsequent to initial recognition as investment property, investment property is carried at fair value which reflects market condition at the reporting date. Any gain or loss arising from change in the fair value of investment property is recognised in profit or loss during the period in which it arises, including corresponding tax effect.

Investment property under construction is stated at cost incurred to reporting date.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition, determined as the difference between any net disposal proceeds and the carrying amounts of the investment property, is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(e) Other investment

The Group has under a collaboration agreement with a third party agreed to contribute an agreed sum to the project costs of a restaurant project. The sum contributed is to be returned to the Group through a scheduled capital realisation scheme over an estimated period of 10 years. The Group is also entitled to receive a share of profits before depreciation and tax of the project annually until full capital realisation and another seven consecutive year after full capital realisation. The Group does not have any participative or management rights in the investee.

The Group classifies this as an investment which is initially recognised at cost and capital realisations received are deducted therefrom.

Subsequent to initial recognition, other investment is stated at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(f) 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 certain parcels of the freehold land which were revalued in 2005 before the 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 2.3(t).

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

Land held for property development is 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.

Where the financial outcome of the development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss 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 reliably estimated, 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 profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as advance billings within trade payables.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(g) Inventories (Cont'd)

Cost of work-in-progress includes the cost of direct materials and labour and a proportion of project overheads based on normal operating capacity. The costs are assigned 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 appropriate proportionate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to be incurred in marketing, selling and distribution.

(h) 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.

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.

(i) Income taxes

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(i) Income taxes (Cont'd)

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(j) ICULS 2009/2016

ICULS 2009/2016 is a compound instrument which contains both a liability component and an equity component. The fair value of the liability component is determined by discounting the future contractual cash flows of interest payments at the prevailing market interest rate for a similar liability which is the borrowing from financial institution.

The fair value of the equity component represented by the conversion option is determined by deducting the fair value of the liability component from the total amount of the ICULS 2009/2016 and is included in shareholders' equity.

(k) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition.

i. Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

ii. Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the above preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(k) Financial assets (Cont'd)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(l) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

i. Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

ii. Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(l) Impairment of financial assets (Cont'd)

ii. Available-for-sale financial assets (Cont'd)

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(m) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at the fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(n) 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 and the Company make contributions to the Employees Provident Fund ("EPF"), the national defined contribution plan. Contributions to the defined contribution plan are charged to profit or loss in the period in which they relate. Once the contributions have been paid, the Group has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(o) 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.

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.

The share of profit from the other investment is recognised on an accrual basis.

(p) Equity instruments

i. Ordinary shares

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

ii. Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(q) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(q) Borrowing costs (Cont'd)

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(r) Cash and cash equivalents

For the purposes of the statements of cash flows, 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 that form an integral part of the Group's and the Company's cash management.

(s) Foreign currencies

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(t) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGU).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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 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.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(t) Impairment of non-financial assets (Cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(u) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

(v) Warrants reserve

The warrants which are recognised based on the fair value are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

(w) Hedge accounting

The Group uses derivatives to manage its exposure to interest rate risk. The Group applies hedge accounting for certain hedging relationships that qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationships are classified as cash flow hedge when the Group is hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Under the cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into hedging reserve, while any ineffective portion is recognised immediately in profit or loss as other operating expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(w) Hedge accounting (Cont'd)

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

(x) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(y) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best value.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on the recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.3 Summary of significant accounting policies (Cont'd)

(y) Fair value measurement (Cont'd)

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(z) Current versus non-current classification

Assets and liabilities in the statements of the financial position are presented based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4 Significant accounting judgements and estimates

(a) Judgements

In the process of preparing these financial statements, there were no significant judgements made by the management in applying the accounting policies 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 reporting 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (Cont'd)

2.4 Significant accounting judgements and estimates (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

i. Useful lives of plant and equipment

FRS116: Property, plant and equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least once at each financial year end. The Group and the Company reviewed the residual values and remaining useful lives of its property, plant and equipment and found that no revisions to the residual values and remaining useful lives of these assets were necessary.

ii. Property development

The Group recognises property development revenue and expenses in profit or loss 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.

iii. 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.

iv. Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowance to the extent that it is probable that taxable profit will be available against which the tax losses, capital allowances and reinvestment allowance 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, unabsorbed capital allowances and unabsorbed reinvestment allowance of the Group was RM623,000 (2014: RM1,120,000). The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses of the Group was RM6,411,000 (2014: RM1,603,000).

v. Allowance for trade and other receivables

The allowance policy for doubtful debts of the Group is based on the ongoing evaluation of collectability and ageing analysis of the outstanding receivables and on the management's judgement. A considerable amount of judgement is required in assigning the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customer of the group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amount of the trade receivables at the end of the reporting date are disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
At 31 January 2015						
Cost or Valuation						
At 1.2.2014						
At cost	35,576,494	13,863,057	7,557,434	13,778,704	629,274	71,404,963
At valuation	28,151,000	-	-	-	-	28,151,000
	63,727,494	13,863,057	7,557,434	13,778,704	629,274	99,555,963
Additions	79,458	932,538	1,592,506	778,224	558,565	3,941,291
Revaluation	38,261,648	-	-	-	-	38,261,648
Disposal/Write off	(566,648)	(395,462)	(258,556)	(345,899)	-	(1,566,565)
Reclassification	-	129,000	100,274	-	(229,274)	-
At 31.1.2015	101,501,952	14,529,133	8,991,658	14,211,029	958,565	140,192,337
Representing:						
At cost	35,655,952	14,529,133	8,991,658	14,211,029	958,565	74,346,337
At valuation	65,846,000	-	-	-	-	65,846,000
At 31.1.2015	101,501,952	14,529,133	8,991,658	14,211,029	958,565	140,192,337
Accumulated depreciation						
At 1.2.2014	1,487,072	9,207,538	4,200,326	7,609,330	-	22,504,266
Depreciation charge for the year:	435,096	1,102,322	738,055	699,680	-	2,975,153
Recognised in profit or loss (Note 25)	435,096	1,002,502	738,055	635,830	-	2,811,483
Capitalised in construction costs (Note 15)	-	99,820	-	63,850	-	163,670
Disposal/Write off	-	(327,457)	(244,151)	(241,257)	-	(812,865)
At 31.1.2015	1,922,168	9,982,403	4,694,230	8,067,753	-	24,666,554
Net carrying amount						
At cost	33,733,784	4,546,730	4,297,428	6,143,276	958,565	49,679,783
At valuation	65,846,000	-	-	-	-	65,846,000
At 31.1.2015	99,579,784	4,546,730	4,297,428	6,143,276	958,565	115,525,783
Net carrying amount of assets under restriction of title due to loans and borrowings	41,154,865	887,676	145,612	886,391	-	43,074,544

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
At 31 January 2014						
Cost or Valuation						
At 1.2.2013						
At cost	14,753,353	12,306,522	5,751,330	13,095,262	991,736	46,898,203
At valuation	28,508,885	-	-	-	-	28,508,885
Additions	43,262,238	12,306,522	5,751,330	13,095,262	991,736	75,407,088
Transfer from property development costs	20,448,893	1,630,331	1,452,805	1,493,228	100,274	25,125,531
Disposal/Write off	778,808	-	-	-	-	778,808
Reclassification	(762,445)	(73,796)	(109,437)	(809,786)	-	(1,755,464)
	-	-	462,736	-	(462,736)	-
At 31.1.2014	63,727,494	13,863,057	7,557,434	13,778,704	629,274	99,555,963
Representing:						
At cost	35,576,494	13,863,057	7,557,434	13,778,704	629,274	71,404,963
At valuation	28,151,000	-	-	-	-	28,151,000
At 31.1.2014	63,727,494	13,863,057	7,557,434	13,778,704	629,274	99,555,963
Accumulated depreciation						
At 1.2.2013	1,223,350	7,958,237	3,665,625	7,354,227	-	20,201,439
Depreciation charge for the year:	488,611	1,273,675	616,041	597,704	-	2,976,031
Recognised in profit or loss (Note 25)	488,611	1,212,682	616,041	552,463	-	2,869,797
Capitalised in construction costs (Note 15)	-	60,993	-	45,241	-	106,234
Disposal/Write off	(224,889)	(24,374)	(81,340)	(342,601)	-	(673,204)
At 31.1.2014	1,487,072	9,207,538	4,200,326	7,609,330	-	22,504,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
At 31 January 2014 (Cont'd)						
Net carrying amount						
At cost	34,089,422	4,655,519	3,357,108	6,169,374	629,274	48,900,697
At valuation	28,151,000	-	-	-	-	28,151,000
At 31.1.2014	62,240,422	4,655,519	3,357,108	6,169,374	629,274	77,051,697
Net carrying amount of assets under restriction of title due to loans and borrowings	20,400,865	887,676	145,612	886,391	-	22,320,544

Properties of the Group:

GROUP	Freehold land RM	Buildings RM	Total RM
At 31 January 2015			
Cost or Valuation			
At 1.2.2014			
At cost	20,536,714	15,039,780	35,576,494
At valuation	28,151,000	-	28,151,000
Additions	48,687,714	15,039,780	63,727,494
Revaluation	22,947	56,511	79,458
Disposals	38,261,648	-	38,261,648
	(566,648)	-	(566,648)
At 31.1.2015	86,405,661	15,096,291	101,501,952
Representing:			
At cost	20,559,661	15,096,291	35,655,952
At valuation	65,846,000	-	65,846,000
At 31.1.2015	86,405,661	15,096,291	101,501,952

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP	Freehold land RM	Buildings RM	Total RM
As at 31 January 2015 (Cont'd)			
Accumulated depreciation			
At 1.2.2014	-	1,487,072	1,487,072
Depreciation charge for the year:			
Recognised in profit or loss	-	435,096	435,096
Disposals	-	-	-
At 31.1.2015	-	1,922,168	1,922,168
Net carrying amount			
At cost	20,559,661	13,174,123	33,733,784
At valuation	65,846,000	-	65,846,000
At 31.1.2015	86,405,661	13,174,123	99,579,784
As at 31 January 2014			
Cost or Valuation			
At 1.2.2013			
At cost	-	14,753,353	14,753,353
At valuation	28,508,885	-	28,508,885
	28,508,885	14,753,353	43,262,238
Additions	20,414,116	34,777	20,448,893
Transfer from property development costs	122,598	656,210	778,808
Disposals	(357,885)	(404,560)	(762,445)
At 31.1.2014	48,687,714	15,039,780	63,727,494
Representing:			
At cost	20,536,714	15,039,780	35,576,494
At valuation	28,151,000	-	28,151,000
At 31.1.2014	48,687,714	15,039,780	63,727,494
Accumulated depreciation			
At 1.2.2013	-	1,223,350	1,223,350
Depreciation charge for the year:			
Recognised in profit or loss	-	488,611	488,611
Disposals	-	(224,889)	(224,889)
At 31.1.2014	-	1,487,072	1,487,072
Net carrying amount			
At cost	20,536,714	13,552,708	34,089,422
At valuation	28,151,000	-	28,151,000
At 31.1.2014	48,687,714	13,552,708	62,240,422

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
At 31 January 2015				
Cost				
At 1.2.2014	1,184,605	1,496,328	-	2,680,933
Additions	352,087	-	558,565	910,652
Disposal/Write off	(30,483)	-	-	(30,483)
At 31.1.2015	1,506,209	1,496,328	558,565	3,561,102
Accumulated depreciation				
At 1.2.2014	883,560	417,788	-	1,301,348
Depreciation charge for the year:				
Recognised in profit or loss (Note 25)	108,444	105,113	-	213,557
Disposal/Write off	(29,439)	-	-	(29,439)
At 31.1.2015	962,565	522,901	-	1,485,466
Net carrying amount	543,644	973,427	558,565	2,075,636
At 31 January 2014				
Cost				
At 1.2.2013	1,159,212	1,781,157	-	2,940,369
Additions	39,665	450,000	-	489,665
Disposal/Write off	(14,272)	(734,829)	-	(749,101)
At 31.1.2014	1,184,605	1,496,328	-	2,680,933
Accumulated depreciation				
At 1.2.2013	804,412	632,862	-	1,437,274
Depreciation charge for the year:				
Recognised in profit or loss (Note 25)	92,306	104,815	-	197,121
Disposal/Write off	(13,158)	(319,889)	-	(333,047)
At 31.1.2014	883,560	417,788	-	1,301,348
Net carrying amount	301,045	1,078,540	-	1,379,585

Valuation of freehold land was carried out on 31 January 2015 (2014: 21 December 2009) by Chan An Nee (MRISM, MRICS), a registered valuer with CCO & Associates, Chartered Valuation Surveyors, using the comparison method to reflect its fair value. Certain parcels of freehold land of the subsidiaries with net carrying amount of RM20,559,661 (2014: RM20,536,714) are carried at cost as their carrying amounts approximate fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

All acquisition/transfers to freehold land since the date of last revaluation are stated at cost and in the opinion of the Directors, the carrying amounts approximate their fair value.

	2015 RM	GROUP 2014 RM
Net carrying amount of revalued freehold land, had these assets been carried at cost	6,507,524	6,798,098

Certain parcels of freehold land of the subsidiaries with net carrying amount of RM65,846,000 (2014: RM28,151,000) are registered in the name of the ultimate holding company. The said subsidiaries are the beneficial owners of the freehold land.

4. BIOLOGICAL ASSETS

	2015 RM	GROUP 2014 RM
Cost/Net carrying amount		
At 1 February 2014/2013	953,408	595,362
Additions	186,980	358,046
At 31 January 2015/2014	1,140,388	953,408

The pre-cropping costs have not been amortised during the year as the oil palm is still immature.

5. INVESTMENT PROPERTIES

GROUP	At fair value Investment properties RM	At cost Buildings under construction RM	Total RM
At 31 January 2015			
At 1 February 2014	91,307,336	18,067,480	109,374,816
Additions	-	20,454,009	20,454,009
Net gains from fair value adjustments recognised in profit or loss	57,952,213	-	57,952,213
Transfer from property development to investment properties			
- property development cost {Note 8(b)}	24,692,608	-	24,692,608
- realised gain recognised in profit or loss	27,552,725	-	27,552,725
Reclassification	21,320,677	(21,320,677)	-
At 31 January 2015	222,825,559	17,200,812	240,026,371

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

5. INVESTMENT PROPERTIES (Cont'd)

GROUP	At fair value Investment properties RM	At cost Buildings under construction RM	Total RM
At 31 January 2014			
At 1 February 2013	19,270,180	9,843,805	29,113,985
Additions	-	27,227,106	27,227,106
Net gains from fair value adjustments recognised in profit or loss	38,857,671	-	38,857,671
Transfer from property development to investment properties			
- property development cost {Note 8(b)}	8,010,834	-	8,010,834
- realised gain recognised in profit or loss	6,165,220	-	6,165,220
Reclassification	19,003,431	(19,003,431)	-
At 31 January 2014	91,307,336	18,067,480	109,374,816

Investment properties under construction are carried at cost as management believes that due to the nature and the amount of remaining project risks, their fair value cannot be reliably determined.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Completed investment properties are stated at fair value, which has been determined based on valuations performed by Chan An Nee (MRISM, MRICS), a registered valuer with CCO & Associates, Chartered Valuation Surveyors, using the comparison method and cost methods to reflect the fair value. The fair value of the investment properties as at 31 January 2015 was RM222,825,559 (2014: RM91,307,336).

The fair value of investment properties of the Group is categorised as follows:

GROUP	31 January RM	Level 1 RM	Level 2 RM	Level 3 RM
2015				
Investment properties	222,825,559	-	222,825,559	-
2014				
Investment properties	91,307,336	-	91,307,336	-

There were no transfers between the various categories in the hierarchy of the fair value measurement during the reporting periods ended 31 January 2015 and 31 January 2014.

Included in investment properties is interest capitalised during the financial year amounting to RM1,395,191 (2014: RM639,502).

Certain investment properties amounting to RM165,588,000 (2014: RM102,010,965) are pledged to a licensed bank as security for the loans and borrowings (Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2015 RM	2014 RM
Unquoted shares, at cost	196,565,277	173,165,277

All these subsidiaries have their principal place of business and are incorporated in Malaysia as follows:

Name	Principal activities	Proportion of effective ownership interest	
		2015	2014
Held by the Company:			
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holding	100%	100%
Panoramic Jaya Sdn. Bhd.	Property development	70%	70%
Crescendo Development Sdn. Bhd.	Property development and cultivation of oil palm	100%	100%
Unibase Construction Sdn. Bhd.	Building and general construction, civil engineering work and investment holding	100%	100%
Crescendo Education Sdn. Bhd.	Investment holding	100%	100%
Crescendo Commercial Complex Sdn. Bhd.	Property investment	100%	100%
Panoramic Land Sdn. Bhd.	Property investment	100%	100%
Medini Capital Sdn. Bhd.	Property development	100%	51%
Held by Panoramic Industrial Development Sdn. Bhd.			
Ambok Resorts Development Sdn. Bhd.	Property development	100%	100%
Held by Crescendo Development Sdn. Bhd.			
Crescendo Jaya Sdn. Bhd.	Property development	70%	70%
Crescendo Land Sdn. Bhd.	Property development	95%	90%
Held by Crescendo Education Sdn. Bhd.			
Crescendo International College Sdn. Bhd.	Providing educational services	55%	55%
Crescendo Creative Education Sdn. Bhd.	Intended for providing education services	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (Cont'd)

Name	Principal activities	Proportion of effective ownership interest	
		2015	2014
Held by Unibase Construction Sdn. Bhd.			
Unibase Concrete Industries Sdn. Bhd.	Trading and manufacturing of concrete products	60%	60%
Unibase Corporation Sdn. Bhd.	Building and general construction, civil engineering work and investment holding	100%	100%
Unibase Resources Sdn. Bhd.	Investment holding	100%	-
Held by Unibase Concrete Industries Sdn. Bhd.			
Unibase Pre-cast Sdn. Bhd.	Fabrication, trading and marketing of concrete products	50.4%	50.4%
Unibase Trading Sdn. Bhd.	Trading of building materials	60%	60%
Unibase Jaya Sdn. Bhd.	Investment holding	48%	48%
Held by Unibase Corporation Sdn. Bhd.			
Repute Ventures Sdn. Bhd.	Investment holding	70%	70%
Held by Repute Ventures Sdn. Bhd.			
Repute Construction Sdn. Bhd.	Building construction	60.2%	60.2%
Held by Crescendo Land Sdn. Bhd.			
Crescendo Supreme Sdn. Bhd.*	Dormant	95%	-
Crescendo Vision Sdn. Bhd.*	Dormant	95%	-
Crescendo Horizon Sdn. Bhd.*	Dormant	95%	-
Crescendo Evergreen Sdn. Bhd.*	Dormant	95%	-
Crescendo Landmark Sdn. Bhd.*	Dormant	95%	-
Crescendo Prestige Sdn. Bhd.*	Dormant	95%	-
Crescendo Majestic Sdn. Bhd.*	Dormant	95%	-
Held by Unibase Resources Sdn. Bhd.			
Unibase Quarry Industries Sdn. Bhd. (formerly known as Repute Corporation Sdn. Bhd.)	Trading of building materials	100%	70%
Unibase Sand Industries Sdn. Bhd.	Trading of building materials	100%	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (Cont'd)

The financial statements of all subsidiaries are audited by Raki CS Tan & Ramanan, except for the seven companies as stated below:

- * These subsidiaries were incorporated on 14 November 2014 with their first financial period made up to 31 January 2016. These subsidiaries have not been audited. These subsidiaries have not commenced business and are not material to the Group at the reporting date. These subsidiaries have been consolidated into the financial statements of the Group based on their management financial statements.

Summarised financial information of Unibase Construction Sdn. Bhd. and its subsidiaries which has non-controlling interests that is material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statement of financial position

	2015 RM	2014 RM
Non-current assets	32,676,982	32,579,891
Current assets	108,524,174	101,015,022
Total assets	141,201,156	133,594,913
Current liabilities	67,422,093	65,621,075
Non-current liabilities	10,012,902	638,000
Total liabilities	77,434,995	66,259,075
Net assets	63,766,161	67,335,838
Equity attributable to owners of the Company	40,042,746	45,389,649
Non-controlling interests	23,733,415	21,946,189
	63,776,161	67,335,838

(ii) Summarised statement of comprehensive income

	2015 RM	2014 RM
Revenue	237,827,207	201,672,300
Profit before tax	11,755,278	13,867,307
Profit net of tax	8,430,323	10,460,295
Total comprehensive income attributable to:		
- owner of the Company	6,642,433	5,844,451
- non-controlling interests	1,787,890	4,615,844
	8,430,323	10,460,295

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (Cont'd)

(iii) Summarised statement of cash flows

	2015 RM	2014 RM
Net cash flows from operating activities	15,321,368	11,487,058
Net cash flows used in investing activities	(3,393,026)	(22,419,680)
Net cash flows (used in)/from financing activities	(9,862,793)	6,788,437
Net increase/(decrease) in cash and cash equivalents	2,065,549	(4,144,185)
Cash and cash equivalents at beginning of year	11,579,680	15,723,865
Cash and cash equivalents at end of the year	13,645,229	11,579,680

7. OTHER INVESTMENT

	2015 RM	GROUP 2014 RM
At cost		
Agreed contribution sum	7,193,280	-
Less: Capital realisation	(360,000)	-
	6,833,280	-

This represents the agreed sum contributed to the project costs of a restaurant project pursuant to a collaboration agreement with a third party.

The sum contributed will be returned through a scheduled capital realisation scheme over an estimated period of 10 years.

8. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

GROUP	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
At 31 January 2015				
Cost				
At 1 February 2014	302,896,207	47,473,807	116,295,324	466,665,338
Cost incurred during the year	2,139,656	-	81,734,175	83,873,831
Transfer to property development costs {Note 8(b)}	(12,632,834)	-	(13,678,772)	(26,311,606)
At 31 January 2015	292,403,029	47,473,807	184,350,727	524,227,563

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

8. PROPERTY DEVELOPMENT ACTIVITIES (Cont'd)

(a) Land held for property development (Cont'd)

GROUP	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
At 31 January 2014				
Cost				
At 1 February 2013	304,204,271	46,166,192	100,617,559	450,988,022
Cost incurred during the year	7,550,121	1,307,615	23,232,946	32,090,682
Transfer to property development costs {Note 8(b)}	(8,858,185)	-	(7,555,181)	(16,413,366)
At 31 January 2014	302,896,207	47,473,807	116,295,324	466,665,338

	GROUP 2015 RM	GROUP 2014 RM
Carrying amount of assets under restriction of title due to loans and borrowings	244,888,705	237,770,765

Included in land held for property development costs incurred during the financial year is interest expenses amounting to RM4,256,975 (2014: RM4,662,520) (Note 24).

(b) Property development costs

GROUP	Freehold land RM	Development costs RM	Total RM
At 31 January 2015			
Cumulative property development costs			
At 1 February 2014	8,897,831	45,741,952	54,639,783
Cost incurred during the year	1,673,185	63,225,766	64,898,951
Transfer from land held for property development {Note 8(a)}	12,632,834	13,678,772	26,311,606
Transfer to investment properties (Note 5)	(13,093,810)	(11,598,798)	(24,692,608)
Reversal of completed projects	(2,822,150)	(36,690,133)	(39,512,283)
Unsold units transferred to inventories	(93,119)	(97,200)	(190,319)
At 31 January 2015	7,194,771	74,260,359	81,455,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

8. PROPERTY DEVELOPMENT ACTIVITIES (Cont'd)

(b) Property development costs (Cont'd)

GROUP	Freehold land RM	Development costs RM	Total RM
At 31 January 2015 (Cont'd)			
Cumulative costs recognised in profit or loss			
At 1 February 2014	(1,398,185)	(27,616,558)	(29,014,743)
Recognised during the year	(3,819,775)	(62,321,633)	(66,141,408)
Reversal of completed projects	2,822,150	36,690,133	39,512,283
At 31 January 2015	(2,395,810)	(53,248,058)	(55,643,868)
Property development costs as at 31 January 2015	4,798,961	21,012,301	25,811,262
At 31 January 2014			
Cumulative property development costs			
At 1 February 2013	28,701,592	118,153,583	146,855,175
Cost incurred during the year	-	52,132,226	52,132,226
Transfer from land held for property development {Note 8(a)}	8,858,185	7,555,181	16,413,366
Transfer to property, plant and equipment	(8,241)	(770,567)	(778,808)
Transfer to investment properties	(4,460,588)	(3,550,246)	(8,010,834)
Reversal of completed projects	(20,060,350)	(98,295,061)	(118,355,411)
Unsold units transferred to inventories	(4,132,767)	(29,483,164)	(33,615,931)
At 31 January 2014	8,897,831	45,741,952	54,639,783
Cumulative costs recognised in profit or loss			
At 1 February 2013	(13,622,492)	(83,163,078)	(96,785,570)
Recognised during the year	(7,836,043)	(42,748,541)	(50,584,584)
Reversal of completed projects	20,060,350	98,295,061	118,355,411
At 31 January 2014	(1,398,185)	(27,616,558)	(29,014,743)
Property development costs as at 31 January 2014	7,499,646	18,125,394	25,625,040

Included in property development costs incurred during the financial year is interest expenses amounting to RM724,024 (2014: RM102,649) (Note 24).

Certain parcels of the freehold land and leasehold land included in land held for property development and property development costs with carrying amount of RM50,583,905 (2014: RM106,689,499) are registered in the name of the vendors. The subsidiaries 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 be completed within the normal operating cycle of one to two years are classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

9. 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 statements of financial position:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Disclosed as:				
Deferred tax assets	9,776,866	8,242,667	176,122	709,667
Deferred tax liabilities	(12,598,144)	(6,697,845)	-	-
	(2,821,278)	1,544,822	176,122	709,667
At 1 February 2014/2013	1,544,822	5,952,227	709,667	1,147,977
Recognised in profit or loss (Note 28)				
- property, plant and equipment	(351,000)	(392,878)	(81,000)	(15,000)
- biological assets	(36,000)	(89,000)	-	-
- investment properties	(2,897,000)	(1,943,000)	-	-
- land held for development	80,905	-	-	-
- ICULS	(452,476)	(410,501)	(452,476)	(410,501)
- allowance for doubtful debts	542,000	-	-	-
- unrealised foreign exchange	(19,000)	(80,000)	-	-
- unrealised profits	1,684,000	158,000	-	-
- tax losses and capital allowances	95,000	253,000	-	-
- unabsorbed reinvestment allowance	(592,000)	(367,000)	-	-
	(1,945,571)	(2,871,379)	(533,476)	(425,501)
Recognised in equity				
- property, plant and equipment	(1,913,082)	(125,600)	-	-
- derivatives financial assets/liabilities	(507,378)	(1,397,617)	-	-
- ICULS	(69)	(12,809)	(69)	(12,809)
	(2,420,529)	(1,536,026)	(69)	(12,809)
At 31 January 2015/2014	(2,821,278)	1,544,822	176,122	709,667

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

9. DEFERRED TAX (Cont'd)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Deferred Tax Assets				
Subject to income tax				
Deferred tax assets (before offsetting)				
ICULS	417,122	869,667	417,122	869,667
Allowance for doubtful debts	542,000	-	-	-
Derivative financial liabilities	427,806	72,526	-	-
Unrealised profits	9,217,000	7,533,000	-	-
Unused tax losses and unabsorbed capital allowances	623,000	528,000	-	-
Unabsorbed reinvestment allowance	-	592,000	-	-
	11,226,928	9,595,193	417,122	869,667
Offsetting	(1,450,062)	(1,352,526)	(241,000)	(160,000)
Deferred tax assets (after offsetting)	9,776,866	8,242,667	176,122	709,667
Deferred Tax Liabilities				
Subject to income tax				
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(2,507,000)	(2,156,000)	(241,000)	(160,000)
Biological assets	(274,000)	(238,000)	-	-
Land held for property development	(1,941,723)	(2,022,628)	-	-
Derivative financial assets	(2,332,801)	(1,470,143)	-	-
Unrealised foreign exchange	(114,000)	(95,000)	-	-
	(7,169,524)	(5,981,771)	(241,000)	(160,000)
Offsetting	1,450,062	1,352,526	241,000	160,000
Deferred tax liabilities (after offsetting)	(5,719,462)	(4,629,245)	-	-
Subject to real property gains tax:				
Property, plant and equipment	(2,038,682)	(125,600)	-	-
Investment properties	(4,840,000)	(1,943,000)	-	-
	(6,878,682)	(2,068,600)	-	-
	(12,598,144)	(6,697,845)	-	-

Deferred tax assets are recognised for unused tax losses, unabsorbed capital allowance and unabsorbed reinvestment allowance 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 24% (2014: 25%).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

9. DEFERRED TAX (Cont'd)

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

	GROUP	
	2015 RM	2014 RM
Unused tax losses	6,411,000	1,603,000

10. RECEIVABLES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Trade receivables				
Third parties	54,491,989	71,857,730	-	-
Amounts owing by subsidiaries	-	-	3,669,922	3,270,877
Amounts owing by related companies	13,046	4,517	1,517	4,517
	54,505,035	71,862,247	3,671,439	3,275,394
Less: Allowance for impairment	(4,132,215)	(340,656)	-	-
Trade receivables, net	50,372,820	71,521,591	3,671,439	3,275,394
Other receivables and deposits	4,627,081	8,988,803	212,271	1,158,584
Amounts owing by subsidiaries, non-trade				
- interest bearing	-	-	48,271,139	57,779,781
- non-interest bearing	-	-	613,411	5,413,655
Amount owing by related companies, non-trade	-	10,320	-	-
	54,999,901	80,520,714	52,768,260	67,627,414
Non-current				
Amount owing by subsidiaries, non-trade				
- interest bearing	-	-	91,920,361	59,487,810
- non-interest bearing	-	-	800,000	800,000
	-	-	92,720,361	60,287,810
Total trade and other receivables	54,999,901	80,520,714	145,488,621	127,915,224
Add: Cash and bank balances (Note 14)	133,504,451	120,321,252	12,366,030	54,530,377
Total loans and receivables	188,504,352	200,841,966	157,854,651	182,445,601

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

10. RECEIVABLES (Cont'd)

(a) Trade receivables

The Group's and the Company's trade receivables are non-interest bearing and its normal credit terms are less than 60 days (2014: 60 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the Group's trade receivables for financial year 2014 was an amount of RM25,707,130 assigned to a licensed bank as security for the loans and borrowings (Note 21).

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Neither past due nor impaired	36,360,605	55,045,674	3,671,439	3,275,394
1 to 30 days past due not impaired	5,438,780	7,874,143	-	-
31 to 120 days past due not impaired	2,411,289	2,479,837	-	-
More than 121 days past due not impaired	1,514,500	354,362	-	-
	9,364,569	10,708,342	-	-
Impaired	4,132,215	340,656	-	-
	49,857,389	66,094,672	3,671,439	3,275,394
Retention sum	4,647,646	5,767,575	-	-
	54,505,035	71,862,247	3,671,439	3,275,394

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM9,364,569 (2014: RM10,708,342) that are past due at the reporting date but not impaired. The management is confident that these receivables are recoverable as these accounts are still active.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

10. RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	GROUP	
	2015 RM	2014 RM
Trade receivables - nominal amounts	4,132,215	340,656
Less : Allowance for impairment	(4,132,215)	(340,656)
	-	-
Movement in allowance accounts:		
At 1 February 2014/2013	340,656	263,427
Charge for the year	3,920,367	199,288
Written off	(128,808)	(122,059)
At 31 January 2015/2014	4,132,215	340,656

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts owing by related companies

Related companies refer to fellow subsidiaries of the ultimate holding company of the Company.

(c) Amounts owing by subsidiaries, non trade

These amounts are unsecured. The interest bearing portion has an effective interest of 6.09% (2014: 5.38%) per annum. The non-current portion has no fixed term of repayment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

11. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	GROUP			
	Notional amount RM	2015 Carrying amount Assets/ (Liabilities) RM	Notional amount RM	2014 Carrying amount Assets/ (Liabilities) RM
Derivatives that are designated as effective hedging instruments carried at fair value				
Interest rate swap	110,833,333	(1,782,527)	43,000,000	(290,104)
Cross currency interest rate swap	50,000,000	9,720,005	50,000,000	5,880,570
Presented as:				
Non-current assets		9,720,005		5,880,570
Non-current liabilities		(1,782,527)		(290,104)

(a) Interest rate swap ("IRS")

The Group has entered into IRS agreements that are designated as a cash flow hedge to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure to adverse fluctuations in interest rate on underlying debts instruments.

At the reporting date, the Group had IRS agreements in place with notional principals totaling of RM110,833,333 (2014: RM43,000,000) whereby the Group pays a fixed rate of interest ranging from 3.97% to 4.3% per annum and receive variable rates based on one month KLIBOR on the amortised notional amounts. The Management considers the IRS as an effective hedging instrument as the secured loan and the swap have identical critical terms. The swaps will mature on 28 December 2016, 9 September 2021 and 31 December 2021 respectively.

The payments made arising from the IRS of RM437,199 (2014: RM403,406) has been recognised in finance costs.

(b) Cross currency interest rate swap ("CCIRS")

The Group has entered into a CCIRS agreement that is designated as a cash flow hedge to reduce the Group's exposure to adverse fluctuation in interest and exchange rate on underlying debts instruments.

At the reporting date, the Group had a CCIRS agreement in place with a notional principal of USD15,964,240 (2014: USD15,964,240) that entitles the Group to receive interest at a floating rate of one month USD LIBOR plus 2% per annum on the USD notional amount and obliges the Group to pay interest at a fixed rate of 4.95% per annum on the RM notional amount of RM50,000,000 (2014: RM50,000,000) (calculated at USD/RM3.132). The swap will mature on 31 August 2023.

The CCIRS effectively converts the USD liability into RM liability.

The payments made arising from the CCIRS of RM1,308,559 (2014: RM551,802) has been recognised in finance costs.

(c) There are no forecast transactions for which hedge accounting had previously been used.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

12. INVENTORIES

	2015 RM	GROUP 2014 RM
At cost		
Raw materials	4,207,305	1,920,698
Work in progress	393,359	833,621
Finished goods	8,394,546	3,833,574
Completed properties for sale	55,102,129	75,076,858
	68,097,339	81,664,751
Recognised in profit or loss: Inventories recognised as cost of sales	83,601,798	117,806,806

None of the inventories is stated at net realisable value.

13. OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Prepaid operating expenditure	13,033,718	6,512,249	120,527	148,196
Due from customers on contracts (Note 15)	11,838,122	11,621,666	-	-
Accrued billings	15,820,366	2,854,368	-	-
	40,692,206	20,988,283	120,527	148,196

14. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash on hand and at banks	23,734,775	21,055,679	2,366,030	9,530,377
Cash at bank in Housing Development Accounts	9,863,438	808,253	-	-
Short term money market deposits	20,000,000	19,000,000	-	-
Time deposits with licensed banks	68,730,456	69,403,759	10,000,000	45,000,000
Deposits with other financial institution	11,175,782	10,053,561	-	-
	133,504,451	120,321,252	12,366,030	54,530,377

An arrangement has been made with a licensed bank whereby certain bank balances can earn interest of 2.65% (2014: 2.3%) per annum on a daily rest basis. As at reporting date, bank balances under this arrangement amounted to RM20,085,664 (2014 : RM18,174,245) for the Group and RM2,364,668 (2014: RM9,528,845) for the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

14. CASH AND BANK BALANCES (Cont'd)

Cash at bank in Housing Development Accounts represent 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 time deposits amounting to RM5,223,115 (2014: RM1,216,418) are pledged to licensed banks as security for the loans and borrowings (Note 21) and the banker's guarantees issued to suppliers (Note 35).

Included in the Group's time deposits of financial year 2014 was an amount of RM30,175 registered in the names of a Director of the Company and a director of the subsidiary, and held in trust for and on behalf of the subsidiary.

Deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of the Group, and earn interests at the respective deposit rates.

The weighted average interest rates for deposits were as follows:

	GROUP		COMPANY	
	2015	2014	2015	2014
	% per annum	% per annum	% per annum	% per annum
Short term money market deposits	2.9	2.7	-	2.7
Time deposits with licensed banks	3.6	3.2	3.7	3.3
Deposits with other financial institution	3.2	2.6	-	-

15. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	GROUP	
	2015 RM	2014 RM
Contract in progress		
- accumulated contract cost	361,408,590	267,097,368
- recognised profits less recognised losses	30,900,301	31,345,190
	392,308,891	298,442,558
Less : Progress billings	(380,584,206)	(287,404,959)
	11,724,685	11,037,599
Presented as:		
Due from customers on contracts (Note 13)	11,838,122	11,621,666
Due to customers on contracts	(113,437)	(584,067)
	11,724,685	11,037,599

Contract in progress included the following items incurred during the financial year:

Depreciation of property, plant and equipment (Note 3)	163,670	106,234
Employee benefits expense (Note 26)	2,316,923	1,283,026
Hire of equipment	2,581,376	1,164,767
Plant and equipment written off	9,448	16,439

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	GROUP and COMPANY					
	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	Total share capital and share premium RM	Treasury shares RM
At 1.2.2014	228,482,717	765,000	228,482,717	19,109,566	247,592,283	(2,369,578)
Issued pursuant to conversion of ICULS	4,100	-	4,100	-	4,100	-
Purchase of treasure shares	-	250,000	-	-	-	(691,297)
At 31.1.2015	228,486,817	1,015,000	228,486,817	19,109,566	247,596,383	(3,060,875)
At 1.2.2013	195,490,536	1,210,000	195,490,536	17,166,310	212,656,846	(1,851,459)
Issued pursuant to:						
- exercise of Warrants	32,472,031	-	32,472,031	-	32,472,031	-
- conversion of ICULS	520,150	-	520,150	-	520,150	-
Sale of treasury shares	-	(1,210,000)	-	806,734	806,734	1,851,459
Purchase of treasury shares	-	765,000	-	-	-	(2,369,578)
Transfer of reserve arising from exercise of Warrants	-	-	-	1,136,522	1,136,522	-
At 31.1.2014	228,482,717	765,000	228,482,717	19,109,566	247,592,283	(2,369,578)

	Number of ordinary shares of RM1 each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised share capital				
At 1 February 2014/2013 and 31 January 2015/2014	500,000,000	500,000,000	500,000,000	500,000,000

(a) Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (Cont'd)

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year,

- (i) none (2014: 1,210,000) of the treasury shares were sold in the open market on the Bursa Securities (2014: for a consideration of RM2,658,193). The average price sold for the treasury shares in financial year 2014 was approximately RM2.20 per share. The proceeds from re-sale have been utilised for working capital purpose.
- (ii) the Company repurchased 250,000 (2014: 765,000) of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM691,297 (2014: RM2,369,578). The average price paid for the shares repurchased was approximately RM2.77 (2014: RM3.10) per share. This is presented as a component within shareholders' equity.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended.

Of the total 228,486,817 (2014: 228,482,717) issued and fully paid ordinary shares as at 31 January 2015, 1,015,000 (2014: 765,000) shares are held as treasury shares by the Company. As at 31 January 2015, the number of outstanding ordinary shares in issue after setting off treasury shares is 227,471,817 (2014: 227,717,717).

Details of the purchase of treasury shares were as follows:

	Average purchase price RM	Highest purchase price RM	Lowest purchase price RM	Number of treasury shares purchased	Total consideration paid RM
May 2014	2.70	2.69	2.67	15,000	40,494
June 2014	2.68	2.68	2.64	29,000	77,817
July 2014	2.87	2.90	2.83	23,000	66,035
August 2014	2.80	2.83	2.74	65,000	181,877
September 2014	2.84	2.84	2.80	43,000	122,051
October 2014	2.78	2.79	2.73	40,000	111,225
November 2014	2.73	2.71	2.71	20,000	54,596
December 2014	2.48	2.47	2.46	15,000	37,202
	<u>2.77</u>			<u>250,000</u>	<u>691,297</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

17. REVALUATION RESERVE

	2015 RM	GROUP 2014 RM
At 1 February 2014/2013	33,794,597	34,567,700
Revaluation surplus of freehold land	38,261,648	-
Tax relating to revaluation of land	(1,913,082)	-
Realisation of revaluation surplus	(276,074)	(647,503)
Effect on change in tax rate on deferred tax	-	(125,600)
At 1 January 2015/2014	69,867,089	33,794,597

Representing:

Surplus arising from revaluation of freehold land	73,847,495	35,942,825
Less : Deferred tax on revaluation surplus	(3,980,406)	(2,148,228)
Revaluation reserve net of deferred tax	69,867,089	33,794,597

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

18. HEDGING RESERVE

	2015 RM	GROUP 2014 RM
At 1 February 2014/2013	4,192,849	(733,662)
Recognised in other comprehensive income:		
Net movements on cash flow hedges	2,347,012	6,324,128
Tax relating to cash flow hedges	(586,753)	(1,397,617)
Effect on change in tax rate on deferred tax	79,375	-
Non-controlling interest	40,810	-
At 31 January 2015/2014	6,073,293	4,192,849

The hedging reserve which represents the cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred as at the reporting date.

19. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016

On 12 January 2009, the Company issued RM59,682,634 of 3.75% 7-year Irredeemable Convertible Unsecured Loan Stocks 2009/2016 ("ICULS 2009/2016") at a nominal value of RM1 each together with 59,682,634 free detachable warrants to its shareholders, based on a renounceable rights issue on the basis of RM1 nominal value of the loan stocks for every two (2) existing ordinary shares of RM1 each held in the Company. The ICULS 2009/2016 are constituted by a trust deed dated 27 November 2008 and a supplementary trust deed dated 24 September 2013 and were listed on Bursa Securities on 20 January 2009.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

19. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016 (Cont'd)

The details of the ICULS 2009/2016 are as follows:

- (i) The ICULS 2009/2016 bear interest at 3.75% per annum payable in arrears annually during the 7-year period in respect of the ICULS 2009/2016 which have not been converted prior to the maturity date.
- (ii) The ICULS 2009/2016 are convertible on or after 12 January 2012 up to the maturity date on 11 January 2016 at RM1 nominal value of ICULS 2009/2016 for every one new ordinary share in the Company of RM1 each.
- (iii) The ICULS 2009/2016 will not be redeemable for cash. All outstanding ICULS 2009/2016 will be convertible into new ordinary shares in the Company of RM1 each on the maturity date.
- (iv) The new ordinary shares allotted and issued upon conversion of the ICULS 2009/2016 will be considered as fully paid up and will rank pari passu in all respects with the existing ordinary shares of the Company except that they will not be entitled to any dividends, rights, allotment or other distributions that may be declared, made or paid prior to the relevant allotment date of the said new ordinary shares.

	GROUP and COMPANY 2015 RM	2014 RM
At 1 February 2014/2013	47,270,559	49,402,018
Coupon interest paid/accrued	(1,949,087)	(1,949,242)
Interest expense	208,704	307,239
Converted during the year	(3,729)	(489,456)
At 31 January 2015/2014	45,526,447	47,270,559
Analysed:		
Equity component	43,788,438	43,791,892
Liability component (Note 22)	1,738,009	3,478,667

20. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 January 2015 may be distributed as dividends under single tier system.

21. LOANS AND BORROWINGS

	GROUP 2015 RM	2014 RM
Current		
Secured:		
Bank overdrafts	2,411,947	8,195,489
Banker acceptance	2,089,000	900,000
Revolving credit	3,500,000	5,500,000
Term loans	27,143,834	18,790,000
	35,144,781	33,385,489

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

21. LOANS AND BORROWINGS (Cont'd)

	2015 RM	GROUP 2014 RM
Non-current		
Secured:		
Term loans	210,815,496	121,985,000
Total loans and borrowings		
Bank overdrafts	2,411,947	8,195,489
Banker acceptance	2,089,000	900,000
Revolving credit	3,500,000	5,500,000
Term loans	237,959,330	140,775,000
	245,960,277	155,370,489
Repayment of loans and borrowings:		
On demand or within one year	35,144,781	33,385,489
More than one year and up to two years	36,280,559	25,542,225
More than two years and up to five years	65,710,722	52,162,775
More than five years	108,824,215	44,280,000
	245,960,277	155,370,489
Term loans		
Term loan I	46,250,000	64,500,000
Term loan II	3,135,000	3,675,000
Term loan III	10,000,000	10,000,000
Term loan IV	16,000,000	12,600,000
Term loan V	50,000,000	50,000,000
Term loan VI	40,000,000	-
Term loan VII	3,530,958	-
Term loan VIII	7,069,372	-
Term loan IX	1,974,000	-
Term loan X	60,000,000	-
	237,959,330	140,775,000

The principal amounts of term loans are repayable by:

	<u>Tenure of repayment</u>	<u>Commencement of instalments</u>
Term loan I	48 months	January 2013
Term loan II	96 months	January 2011
Term loan III	48 months	August 2015
Term loan IV	36 months	September 2015
Term loan V	84 months	September 2016
Term loan VI	49 months	December 2017
Term loan VII	84 months	June 2014
Term loan VIII	84 months	June 2014
Term loan IX	60 months	September 2014
Term loan X	48 months	October 2017

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

21. LOANS AND BORROWINGS (Cont'd)

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

	GROUP
	2015
	% per annum
	2014
	% per annum
Bank overdrafts	7.64
Revolving credit	4.63
Trade facilities	4.55
Term loans	5.28

The unutilised banking facilities are as follows:

	GROUP		COMPANY
	2015	2014	2015
	RM	RM	RM
Bank overdrafts	26,988,000	19,204,000	5,000,000
Revolving credit	24,750,000	22,800,000	-
Trade facilities	7,377,000	5,294,000	-
Term loans	-	5,400,000	-
	59,115,000	52,698,000	5,000,000

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.

The subsidiaries' banking facilities are secured by:

- (i) 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;
- (ii) fixed charge over specific investment properties of a subsidiary;
- (iii) debenture over specific property, plant and equipment of a subsidiary;
- (iv) deed of assignment of all sales proceeds derived from a subsidiary's development project which is financed by the banking facility;
- (v) time deposit of subsidiaries;
- (vi) corporate guarantee from the Company; and
- (vii) corporate guarantee from a shareholder of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

22. PAYABLES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Trade payables	74,307,060	58,241,742	-	-
Other payables and accruals	13,096,451	15,669,532	2,037,280	1,715,613
Amounts owing to related companies	29,443	54,395	3,714	12,904
Amount owing to a subsidiary	-	-	-	78,207
Amount owing to holding company	246,529	292,160	48,200	75,390
Total trade and other payables	87,679,483	74,257,829	2,089,194	1,882,114
Add: Loans and borrowings (Note 21)	245,960,277	155,370,489	-	-
Add: Liabilities component of ICULS (Note 19)	1,738,009	3,478,667	1,738,009	3,478,667
Total financial liabilities carried at amortised cost	335,377,769	233,106,985	3,827,203	5,360,781

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2014: 30 to 90 days) terms.

(b) Amounts owing to related companies

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade in nature	4,195	4,195	-	-
Non trade in nature	25,248	50,200	3,714	12,904
	29,443	54,395	3,714	12,904

The amounts owing to related companies arose from advances are unsecured, non-interest bearing and repayable on demand.

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

(c) Amount owing to a subsidiary

The amount owing to a subsidiary arose from advances are unsecured, non-interest bearing and repayable on demand.

(d) Amount owing to holding company

The amount owing to holding company is trade in nature.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

23. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Revenue				
Property development and construction	189,991,922	213,071,028	-	-
Manufacturing and trading	73,766,258	93,167,883	-	-
Management services and others	5,139,910	4,115,879	14,745,823	15,074,945
Gross dividends from subsidiaries	-	-	30,060,004	36,603,008
	268,898,090	310,354,790	44,805,827	51,677,953
Cost of sales				
Property development and construction	109,117,329	104,561,994	-	-
Manufacturing and trading	62,388,427	81,428,692	-	-
Management services and others	2,328,169	1,910,606	-	-
	173,833,925	187,901,292	-	-

24. FINANCE COSTS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Interest expenses on:				
Bank borrowings	9,264,367	5,867,129	-	-
ICULS	208,704	307,239	208,704	307,239
	9,473,071	6,174,368	208,704	307,239
Less: Interest expenses capitalised in assets:				
- Investment properties (Note 5)	(1,395,191)	(639,502)	-	-
- Land held for property development {Note 8(a)}	(4,256,975)	(4,662,520)	-	-
- Property development costs {Note 8(b)}	(724,024)	(102,649)	-	-
	3,096,881	769,697	208,704	307,239

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

25. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
The following items have been charged/(credited) in arriving at profit before tax:				
Allowance for impairment – trade receivables	3,920,367	199,288	-	-
Auditors' remuneration:				
Statutory audit				
- current year	140,000	123,400	28,000	28,000
- under provision in prior year	13,600	6,900	-	-
Depreciation of property, plant and equipment	2,811,483	2,869,797	213,557	197,121
Employee benefits expenses (Note 26)	21,705,871	20,078,019	11,665,775	10,719,226
Hiring of equipment	99,614	246,527	-	-
Non-executive Directors' remuneration (Note 27)	255,500	208,125	255,500	208,125
Plant and equipment written off	72,294	140,018	1,044	96,053
Preliminary expenses written off	25,200	-	-	-
Rental expenses	493,258	419,145	334,208	251,512
Write off of golf club membership	-	60,000	-	-
Bad debts recovered	-	(1,399)	-	-
Foreign exchange gain:				
- realised	(278,419)	(367,829)	-	-
- unrealised	(111,236)	(318,412)	-	-
Gain on disposal of plant and equipment	(2,115,382)	(171,557)	-	(47,999)
Interest income from:				
- deposits	(3,295,705)	(1,963,411)	(973,111)	(626,135)
- subsidiaries	-	-	(8,584,213)	(6,037,299)
- others	(108,540)	(899,843)	(7,249)	(4,934)
Rental income	(7,162,953)	(9,453,690)	-	-

26. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries, wages and bonuses	21,407,480	19,053,931	10,281,485	9,453,842
Defined contribution plan – EPF	2,475,063	2,172,272	1,337,107	1,222,531
Social security cost – SOCSO	140,251	134,842	47,183	42,853
Less: Amount capitalised in cost of construction contracts (Note 15)	(2,316,923)	(1,283,026)	-	-
	21,705,871	20,078,019	11,665,775	10,719,226

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM4,063,470 (2014: RM3,660,409) and RM3,229,870 (2014: RM3,230,009) respectively as further disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

27. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive:				
Fees	20,000	430,400	-	-
Salaries and other emoluments	3,579,200	2,859,200	2,859,200	2,859,200
Defined contribution plan - EPF	464,270	370,809	370,670	370,809
	4,063,470	3,660,409	3,229,870	3,230,009
Estimated money value of benefits-in-kinds	59,266	60,586	59,266	60,586
Total Executive Directors' remuneration (including benefits-in-kinds)	4,122,736	3,720,995	3,289,136	3,290,595
Non-executive:				
Fees	247,500	202,125	247,500	202,125
Other emoluments	8,000	6,000	8,000	6,000
Total Non-Executive directors' remuneration	255,500	208,125	255,500	208,125
Total Directors' remuneration	4,378,236	3,929,120	3,544,636	3,498,720

28. TAX

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax				
Current year	29,015,011	29,416,999	2,112,000	6,263,000
Deferred tax				
Relating to origination and reversal of temporary differences	1,731,096	2,940,501	526,096	425,501
Relating to change in tax rate	250,475	-	7,380	-
	30,996,582	32,357,500	2,645,476	6,688,501
Under/(Over) provision of income tax in prior years	194,635	72,455	(16,536)	(962)
Over provision of deferred tax in prior years	(36,000)	(69,122)	-	-
	31,155,217	32,360,833	2,628,940	6,687,539

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective year of assessment 2016. The change in corporate tax rate in year of assessment 2016 has been accounted for in the computation of deferred tax.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

28. 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	155,695,290	159,012,379	40,030,154	45,011,772
Taxed at Malaysian statutory tax rate of 25%	38,923,822	39,753,095	10,007,539	11,252,943
Effect of income subject to real property gains tax	(11,810,257)	(7,771,534)	-	-
Effect on change in tax rate	250,475	-	7,380	-
Expenses not deductible for tax purposes	2,441,888	565,200	145,550	186,202
Income not subject to tax	(222,185)	(332,745)	(7,515,001)	(4,750,644)
Deferred tax asset not recognised on current year's tax losses	1,412,839	143,484	-	-
Effective tax	30,996,582	32,357,500	2,645,468	6,688,501
Effective taxation rate	19.91%	20.35%	6.61%	14.86%

29. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners 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	
	2015	2014
Profit net of tax, attributable to owners of the Company (RM)	119,694,956	121,052,049
Weighted average number of ordinary shares in issue	227,612,077	211,842,975
Basic earnings per share (sen)	52.6	57.1

(b) Diluted earnings per share

The purpose of calculating diluted earnings per share, the profit for the year, net of tax, attributable to owners 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 Warrants.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

29. EARNINGS PER SHARE (Cont'd)

(b) Diluted earnings per share (Cont'd)

	2015	GROUP 2014
Profit net of tax, attributable to owners of the Company (RM)	119,694,956	121,052,049
After tax effect of interest on ICULS (RM)	1,461,816	1,461,931
Profit attributable to owners of the Company including assumed conversion (RM)	121,156,772	122,513,980
Weighted average number of ordinary shares in issue	227,612,077	211,842,975
Effect of dilution of ICULS	51,975,681	51,979,781
Adjusted weighted average number of ordinary shares	279,587,758	263,822,756
Diluted earnings per share (sen)	43.3	46.4

30. DIVIDENDS

	GROUP and COMPANY			
	Dividends in respect of Year		Dividends recognised in Year	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial year 2013:				
Final single tier dividend of 8 sen per share on 212,096,236 ordinary shares	-	-	-	16,967,699
Financial year 2014:				
Interim single tier dividend of 7 sen per share on 227,582,317 ordinary shares	-	15,930,762	-	15,930,762
Financial year 2014:				
Final single tier of 9 sen per share on 227,652,017 ordinary shares	-	20,488,682	20,488,682	-
Financial year 2015:				
Interim single tier dividend of 7 sen per share on 227,506,817 ordinary shares	15,925,477	-	15,925,477	-
Recommended for approval at AGM (not recognised as at 31 January 2015):				
Final single tier dividend of 5 sen per share on 227,471,817 ordinary shares	11,373,591	-	-	-
	27,299,068	36,419,444	36,414,159	32,898,461

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

30. DIVIDENDS (Cont'd)

The Directors recommend the payment of a final single tier dividend of 5.0 sen per share in respect of the financial year ended 31 January 2015, subject to the approval of members at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2016. The proposed final dividend of RM11,373,591 is subject to change in proportion to changes in the Company's paid up capital, if any.

31. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Short term money market deposits	20,000,000	19,000,000	-	-
Time deposits with licensed banks	68,730,456	69,403,759	10,000,000	45,000,000
Deposits with other financial institution	11,175,782	10,053,561	-	-
Cash and bank balances	33,598,213	21,863,932	2,366,030	9,530,377
Bank overdrafts (Note 21)	(2,411,947)	(8,195,489)	-	-
	131,092,504	112,125,763	12,366,030	54,530,377
Less : Time deposits pledged	(5,223,115)	(1,216,418)	-	-
	125,869,389	110,909,345	12,366,030	54,530,377

32. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the Group and the Company have the following significant related party transactions during the financial year:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
With holding company				
Professional services – expenses	266,000	275,200	67,000	75,000
With subsidiaries				
Management fees	-	-	(14,712,756)	(15,065,878)
Interest income	-	-	(8,584,213)	(6,037,300)
With fellow subsidiaries of the holding company				
Estate management fees	50,341	50,341	-	-
Management fees	(33,067)	(9,067)	(33,067)	(9,067)
Purchase of goods	10,600	-	-	-
Purchase of property, plant and equipment	82,000	-	-	-
Rental expenses	45,600	45,600	45,600	45,600
Rental income	(6,000)	(6,000)	-	-
Sales of goods	(219,162)	(223,166)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

32. RELATED PARTY DISCLOSURES (Cont'd)

(a) Significant related party transactions (Cont'd)

The Directors are of the opinion that the transactions have been entered into in the normal course of business which are at negotiated 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Short-term employee benefits	4,632,848	3,821,078	2,918,466	2,919,786
Post employment benefits:				
Defined contribution plan- EPF	583,753	481,460	370,670	370,809
	5,216,601	4,302,538	3,289,136	3,290,595

Included in the total key management personnel are:

Directors' remuneration (Note 27)	4,122,736	3,720,995	3,289,136	3,290,595
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33. CAPITAL COMMITMENT

	GROUP	
	2015 RM	2014 RM
Approved and contracted for		
- Property, plant and equipment	650,000	552,000
- Investment properties	600,000	18,493,000
- Other investment	20,000,000	-

34. UNPAID CUMULATIVE PREFERENCE DIVIDEND INCOME

At the reporting date, an amount of RM2,460,000 (2014: RMNil) is due to the Company in respect of unpaid cumulative preference dividends which are subject to availability of sufficient distributable profits and liquidity of respective subsidiaries and have not been recognised in Company's financial statements.

35. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
(a) Bank guarantees				
Issued by licensed bank in favour of third parties				
- Secured	3,617,283	4,988,438	98,000	98,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

35. CONTINGENT LIABILITIES (Cont'd)

(a) Bank guarantees (Cont'd)

The bank guarantees are secured by:

- (i) A subsidiary's time deposits as stated in Note 14;
- (ii) Earmarking to overdraft facilities of the subsidiaries and the Company as stated in Note 21; and
- (iii) Corporate guarantees from the Company.

	COMPANY	
	2015 RM	2014 RM
(b) Corporate guarantees - unsecured		
Issued to bank for facilities granted to subsidiaries	293,664,000	216,600,000
Issued to third parties for supplies of goods and services to a subsidiary	4,150,000	4,150,000
Amounts utilised:		
Issued to bank for facilities granted to subsidiaries	239,943,361	160,251,034
Issued to third parties for supplies of goods and services to a subsidiary	382,410	253,643

36. SEGMENTAL INFORMATION

(a) Business Segments

The Group comprises the following main business segments:

- (i) Property development and construction - the development of industrial, residential and commercial properties and letting of undeveloped and unsold properties; and building construction.
- (ii) Manufacturing and trading - manufacturing and trading of building materials.
- (iii) Property investment - investment in industrial properties
- (iv) Management services and others - providing management services, investment holding, providing educational services and cultivation of oil palm.

(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 measured on the basis that 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 2015 (Cont'd)

36. SEGMENTAL INFORMATION (Cont'd)

	Property development and construction		Manufacturing and trading		Property Investment		Management services and others		Consolidated	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Revenue										
Total revenue	242,237,255	226,328,700	83,162,293	97,619,459	-	-	19,852,666	19,181,757	345,252,214	343,129,916
Inter-segment sales	(52,245,333)	(13,257,672)	(9,396,035)	(4,451,576)	-	-	(14,712,756)	(15,065,878)	(76,354,124)	(32,775,126)
External sales	189,991,922	213,071,028	73,766,258	93,167,883	-	-	5,139,910	4,115,879	268,898,090	310,354,790
Results										
Segment results	90,978,715	107,672,049	4,913,689	8,264,106	57,188,688	39,521,002	17,503,171	13,292,880	170,584,263	168,750,037
Inter-segment eliminations									(7,560,918)	(4,679,448)
Segment results (external)									163,023,345	164,070,589
Unallocated expenses									(4,231,174)	(4,288,513)
Finance cost									(3,096,881)	(769,697)
Profit before tax									155,695,290	159,012,379
Tax									(31,155,217)	(32,360,833)
Profit after tax									124,540,073	126,651,546
Other Information										
Segment assets	813,751,953	714,081,798	66,569,638	64,578,057	249,944,587	115,462,115	100,089,237	103,166,566	1,230,355,415	997,288,536
Unallocated assets							74,940		74,940	430,626
Total assets									1,230,430,355	997,719,162
Segment liabilities	204,888,143	154,480,139	34,082,978	20,264,173	97,673,904	53,726,051	11,488,844	8,729,971	348,133,869	237,200,334
Unallocated liabilities							10,415,061		10,415,061	10,505,420
Total liabilities									358,548,930	247,705,754
Capital expenditure	1,623,260	1,174,667	938,737	22,297,010	72,699,342	41,403,160	1,566,274	2,011,900	76,827,613	66,886,737
Inter-segment eliminations									(52,245,333)	(14,176,054)
Depreciation	607,105	438,184	1,643,405	1,925,931	-	-	724,643	611,916	2,975,153	2,976,031

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of their fair value are:

	Note
Receivables (current and non-current)	10
Payables (current)	22
Loans and borrowings (current and non-current)	21
Liability component of ICULS (current and non-current)	19

The carrying amounts of current portion of receivables, payables, loans and borrowings and liability component of ICULS are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of non-current portion of receivables, loans and borrowings and liability component of ICULS are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of derivatives are calculated by reference to forward rates or prices quoted at the reporting date for contracts with similar maturity profiles.

(b) Fair value hierarchy

As at reporting date, the Group held the following financial instruments measured at fair value:

	31 January RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets/(Liabilities) measured at fair value				
2015				
Derivatives:				
- Interest rate swap	(1,782,527)	-	(1,782,527)	-
- Cross currency interest rate swap	9,720,005	-	9,720,005	-
2014				
Derivatives:				
- Interest rate swap	(290,104)	-	(290,104)	-
- Cross currency interest rate swap	5,880,570	-	5,880,570	-

There were no transfers between the various categories in the hierarchy of fair value measurement during the reporting periods ended 31 January 2015 and 31 January 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that derivatives may be undertaken for the use as hedging instruments where appropriate and cost efficient.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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.

The Group's and the Company's exposure to credit risk in other businesses arises primarily from receivables. For other financial assets (cash and bank balances), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company is contingently liable to the extent of the amount of banking facilities utilised by the subsidiaries and amount of supplies of goods and services by third parties to a subsidiary as disclosed in Note 35.

The value of corporate guarantees provided by the Company to its subsidiaries is determined by reference to the difference in the interest rates, by comparing the actual rates charged by the bank if these guarantees have not been available. The Directors have assessed the fair value of these corporate guarantees to have no material financial impact on the results and the retained earnings of the Company.

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 10. Deposits with banks and other financial institutions and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit rating and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Credit risk (Cont'd)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 10.

Deposits with licensed bank

Deposits with licensed banks are placed with reputable financial institutions with high credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from the financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, assets held by the Group and Company for managing liquidity risk included cash and short term deposits as disclosed in Note 14.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2015				
GROUP				
Financial liabilities:				
Payables	87,559,198	-	-	87,559,198
Loans and borrowings	46,420,218	132,947,098	117,312,684	296,680,000
ICULS	1,949,088	-	-	1,949,088
Derivative financial liabilities	-	75,019	1,707,508	1,782,527
Total undiscounted financial liabilities	135,928,504	133,022,117	119,020,192	387,970,813
COMPANY				
Financial liabilities:				
Payables	1,968,909	-	-	1,968,909
ICULS	1,949,088	-	-	1,949,088
Total undiscounted financial liabilities	3,917,997	-	-	3,917,997

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2014				
GROUP				
Financial liabilities:				
Payables	74,137,544	-	-	74,137,544
Loans and borrowings	40,212,292	92,594,124	52,342,850	185,149,266
ICULS	1,949,242	1,949,242	-	3,898,484
Derivative financial liabilities	-	290,104	-	290,104
Total undiscounted financial liabilities	116,299,078	94,833,470	52,342,850	263,475,398
COMPANY				
Financial liabilities:				
Payables	1,761,829	-	-	1,761,829
ICULS	1,949,742	1,949,242	-	3,898,984
Total undiscounted financial liabilities	3,711,571	1,949,242	-	5,660,813

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales, purchases and borrowings that are denominated in a currency other than the functional currency of the Group which is RM. The foreign currency in which these transactions is denominated are mainly Singapore Dollar ("SGD") and US Dollars ("USD").

The Group has entered into Cross Currency Interest Rate Swap ("CCIRS") to mitigate financial risks arising from adverse fluctuations in interest and exchange rates.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to these foreign currencies at the end of the reporting period.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps. At the reporting date, after taking into account the effect of an interest rate swap, approximately 71% (2014: 62%) of the Group's loans and borrowings are at fixed rates of interest.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(d) Interest rate risk (Cont'd)

The Group's and the Company's other interest rate risk relates to its placement of deposits with financial institutions. The Group's policy is to obtain the most favourable interest rates available.

At the reporting date, if interest rates had been 25 (2014: 25) basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM89,000 lower/higher (2014: RM107,000 lower/higher), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings, offset by lower/higher interest income from deposits with financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

39. SIGNIFICANT EVENTS

During the financial year,

- (i) Crescendo Development Sdn. Bhd. ("CDSB"), a wholly-owned subsidiary of the Company, which previously held 108 ordinary shares of RM1.00 each representing 90% of the issued and paid up capital of Crescendo Land Sdn. Bhd. ("CLSB") had on 15 April 2014 acquired another 6 ordinary shares of RM1.00 each fully paid in CLSB for a cash consideration of RM250,000. As a result of the acquisition, CLSB is now a 95% owned subsidiary of CDSB.
- (ii) Unibase Construction Sdn. Bhd. ("UCSB"), a wholly-owned subsidiary of the Company, has on 22 July 2014 procured the incorporation of a wholly-owned subsidiary company called Unibase Resources Sdn. Bhd. ("URSB").
- (iii) URSB had on 22 July 2014 acquired a total of 2 ordinary shares of RM1.00 each fully paid representing 100% equity interest in Repute Corporation Sdn. Bhd. ("RCSB") from Repute Ventures Sdn. Bhd. ("RVSB"), a 70%-owned subsidiary of Unibase Corporation Sdn. Bhd. ("UCORP"), which in turn is a wholly-owned subsidiary of UCSB, at the price of RM5,500 per share for a total consideration of RM11,000. As a result, RCSB is now a wholly-owned subsidiary of URSB. On 5 August 2014, RCSB has changed its name to Unibase Quarry Industries Sdn. Bhd.
- (iv) URSB had on 23 July 2014 procured the incorporation of a wholly-owned subsidiary company called Unibase Sand Industries Sdn. Bhd. ("USISB").
- (v) CLSB has on 14 November 2014 procured the incorporation of seven wholly-owned subsidiary companies Crescendo Supreme Sdn. Bhd., Crescendo Vision Sdn. Bhd., Crescendo Horizon Sdn. Bhd., Crescendo Evergreen Sdn. Bhd., Crescendo Landmark Sdn. Bhd., Crescendo Prestige Sdn. Bhd. and Crescendo Majestic Sdn. Bhd.
- (vi) The Company had on 31 October 2014 acquired all the ordinary shares and preference shares in Medini Capital Sdn. Bhd. ("MCSB") held by Mavern Pte Ltd ("MPL") and Meiban Resources Sdn. Bhd. ("MRSB") for a total purchase consideration of RM8,300,000. As a result, MCSB is now a wholly owned subsidiary of the Company.

The Company and MCSB had entered into a Deed of Termination with MPL and MRSB to terminate the Joint Venture Agreement dated 23 July 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

40. EVENTS AFTER THE REPORTING PERIOD

The Company had on 27th March, 2015 procured the incorporation of a wholly-owned subsidiary company called Crescendo Properties Sdn. Bhd. ("CPSB").

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation as follows:

	As previously stated RM	As restated RM
Statement of comprehensive income		
GROUP		
Cost of sales	181,736,072	187,901,292
Gross profit	128,618,718	122,453,498
Other items of income		
Gain realised from transfer of property development to investment properties	-	6,165,220

42. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in objectives, policies or processes during the years ended 31 January 2015 and 31 January 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2015 (Cont'd)

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 January 2015 and 31 January 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings:				
- Realised	523,365,890	466,910,261	63,930,442	62,410,282
- Unrealised	89,187,659	33,246,220	176,122	709,667
	612,553,549	500,156,481	64,106,564	63,119,949
Less : Consolidation adjustments	(134,499,218)	(106,834,000)	-	-
Retained earnings as per financial statements	478,054,331	393,322,481	64,106,564	63,119,949

ANALYSIS OF SHAREHOLDINGS

AS AT 22 MAY 2015

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid Up Capital	:	RM228,486,817
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	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	25	0.48	623	0.00
100 to 1,000 shares	2,570	49.00	2,484,465	1.09
1,001 to 10,000 shares	1,946	37.10	8,193,680	3.60
10,001 to 100,000 shares	582	11.10	17,625,200	7.75
100,001 to less than 5% of shares	121	2.30	58,628,668	25.78
5% and above of shares	1	0.02	140,539,181	61.78
Total	5,245	100.00	227,471,817 Ω	100.00

Ω is equivalent to 228,486,817 less 1,015,000 shares bought back and retained as treasury shares

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholders	No of Shares Held	% of Issued Capital
1. Sharikat Kim Loong Sendirian Berhad	140,539,181	61.78
2. Citigroup Nominees (Tempatan) Sdn. Bhd. – Exempt an for AIA Bhd.	6,515,400	2.86
3. Amanahraya Trustees Berhad – Public Smallcap Fund	4,531,200	1.99
4. Citigroup Nominees (Tempatan) Sdn. Bhd. – Exempt an for OCBC Securities Private Limited (Client A/C-RES)	3,775,672	1.66
5. Gooi Seong Chneh	3,593,124	1.58
6. Gooi Seong Heen	3,251,669	1.43
7. Gooi Seow Mee	2,675,492	1.18
8. Tokio Marine Life Insurance Malaysia Bhd – As Beneficial Owner (PF)	1,600,000	0.70
9. Citigroup Nominees (Tempatan) Sdn. Bhd. – Bank Negara Malaysia National Trust Fund (Hwang)	1,360,000	0.60
10. Hong Leong Assurance Berhad – As Beneficial Owner (Unitlinked GF)	1,150,000	0.51
11. Gan Teng Siew Realty Sdn. Berhad	1,000,000	0.44
12. HSBC Nominees (Asing) Sdn. Bhd. – Exempt an for Credit Suisse (SG BR-TST-ASING)	883,500	0.39
13. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	744,452	0.33

ANALYSIS OF SHAREHOLDINGS

AS AT 22 MAY 2015 (Cont'd)

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

Name of Shareholders	No of Shares Held	% of Issued Capital
14. Maybank Nominees (Tempatan) Sdn. Bhd. – DBS Bank for Gooi Seong Heen (501256)	711,452	0.31
15. Sally Ong Siew Ha	707,300	0.31
16. HSBC Nominees (Asing) Sdn. Bhd. – Exempt an for Bank Julius Baer & Co. Ltd. (Singapore BCH)	685,000	0.30
17. UOB Kay Hian Nominees (Asing) Sdn. Bhd. – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	621,000	0.27
18. Lye Kam Hoong	600,000	0.26
19. Cheah Kek Ding @ Chea Kek Ding	570,000	0.25
20. Shoptra Jaya (M) Sdn. Bhd.	552,700	0.24
21. Gooi Seong Chneh	551,000	0.24
22. Cimsec Nominees (Tempatan) Sdn. Bhd. – CIMB Bank for Venkata Chellam a/l Subramaniam (PBCL-0G0004)	518,000	0.23
23. Maybank Nominees (Tempatan) Sdn. Bhd. – Heng Peng Heng	500,000	0.22
24. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad – MIDF Amanah Asset Management Berhad for Takaful Ikhlas Sdn. Bhd. (JS487)	498,400	0.22
25. DB (Malaysia) Nominee (Asing) Sdn. Bhd. – Deutsche Bank AG Singapore for DCG Asia Value Master Fund	495,300	0.22
26. LTK (Melaka) Sdn. Bhd.	493,200	0.22
27. Citigroup Nominees (Tempatan) Sdn. Bhd. – Kenanga Islamic Investors Bhd for Lembaga Tabung Haji	491,000	0.22
28. Heng Peng Heng	481,000	0.21
29. Sharikat Kim Loong Sendirian Berhad	462,952	0.20
30. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad – MIDF Amanah Asset Management Berhad for Universiti Malaya (J G488)	428,100	0.19
TOTAL	180,986,094	79.56

The thirty largest shareholders refer to the thirty 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).

ANALYSIS OF SHAREHOLDINGS

AS AT 22 MAY 2015 (Cont'd)

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

Name of Substantial Shareholders	No. of Shares Held or Beneficially Interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	141,002,133	–	61.99	–
Gooi Seong Lim	1,340,452 ^(a)	144,917,805 ^(b)	0.59	63.71
Gooi Seong Heen	4,559,121 ^(c)	141,070,133 ^(d)	2.00	62.02
Gooi Seong Chneh	4,144,124	141,002,133 ^(e)	1.82	61.99
Gooi Seong Gum	–	141,002,133 ^(e)	–	61.99

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

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Gooi Seong Lim	1,340,452 ^(a)	0.59	144,917,805 ^(b)	63.71
Gooi Seong Heen	4,559,121 ^(c)	2.00	141,070,133 ^(d)	62.02
Gooi Seong Chneh	4,144,124	1.82	141,002,133 ^(e)	61.99
Gooi Seong Gum	–	–	141,002,133 ^(e)	61.99
Yeo Jon Tian @ Eeyo Jon Thiam	60,000	0.03	19,000 ^(f)	0.01
Gan Kim Guan	–	–	–	–
Tan Ah Lai	–	–	–	–
Chew Ching Chong	10,000	0.00	–	–

Notes:-

^(a) Includes 728,452 and 140,000 shares held in bare trust by UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. and Kenanga Nominees (Tempatan) Sdn. Bhd. respectively.

^(b) Deemed interest by virtue of his interest in Sharikat Kim Loong Sendirian Berhad ("SKL") which holds 141,002,133 shares, and 3,775,672 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Seong Lim is a director and major shareholder and his spouse, Lim Phaik Ean, who holds 140,000 shares.

^(c) Includes 711,452, 256,000 and 340,000 shares held in bare trust by Maybank Nominees (Tempatan) Sdn. Bhd., Citigroup Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.

^(d) Deemed interest by virtue of his interest in SKL which holds 141,002,133 shares and his spouse, Looi Kok Yean, who holds 68,000 shares.

^(e) Deemed interest by virtue of their interest in SKL which holds 141,002,133 shares.

^(f) Deemed interest by virtue of his spouse, Ng Yit How, who holds 19,000 shares.

ANALYSIS OF 3.75% 7-YEAR IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016 HOLDINGS

AS AT 22 MAY 2015

Nominal Amount of ICULS issued	: RM59,682,634.00
Conversion Price	: At the par value of the ordinary shares of RM1.00 each
Conversion Period	: 12 January 2012 to 11 January 2016
Conversion Method	: By authorising the deposited ICULS to be debited from the Securities Account of the ICULS Holder with an aggregate nominal value at least equivalent to the Conversion Price.
Redeemability	: Not redeemable for cash. Any outstanding ICULS will be converted into new ordinary shares of RM1.00 each on the Maturity Date.
Coupon Rate	: 3.75% per annum and payable in arrears annually during the 7 years on the ICULS remaining outstanding. The last interest payment shall be made on the Maturity Date.
Nominal amount of ICULS converted	: RM7,706,953.00
Nominal amount of ICULS outstanding	: RM51,975,681.00

DISTRIBUTION OF ICULS HOLDINGS (As per Record of Depositors)

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	Nominal Amount of ICULS (RM)	% of ICULS
Less than 100 ICULS	7	4.66	195	0.00
100 to 1,000 ICULS	84	56.00	42,405	0.08
1,001 to 10,000 ICULS	44	29.33	194,600	0.38
10,001 to 100,000 ICULS	13	8.67	292,500	0.56
100,001 to less than 5% of ICULS	1	0.67	250,500	0.48
5% and above of ICULS	1	0.67	51,195,481	98.50
Total	150	100.00	51,975,681	100.00

THIRTY LARGEST ICULS HOLDERS (As per Record of Depositors)

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
1. Sharikat Kim Loong Sendirian Berhad	51,195,481	98.50
2. Sharikat Kim Loong Sendirian Berhad	250,500	0.48
3. Lee Min Soong	75,000	0.14
4. Liew Khin Yee	40,000	0.07
5. Affin Hwang Nominees (Asing) Sdn. Bhd. – DBS Vickers Secs (S) Pte Ltd for Ng Wai Choong	25,000	0.05
6. Sng Hock Tiong	20,000	0.04
7. Lee Kim Chin	17,500	0.03
8. Affin Hwang Nominees (Asing) Sdn. Bhd. – Phillip Securities Pte Ltd for Teo Seow Leng	15,000	0.03
9. Geh Siew Im	15,000	0.03
10. Lai Jit Meng	15,000	0.03
11. Low Tah Chong	15,000	0.03
12. Mrs. Mok Choon Hoe Nee Geh Siew Ming	15,000	0.03
13. Tan Boon Kiang	15,000	0.03
14. Ng Khin Ying	14,000	0.02

ANALYSIS OF 3.75% 7-YEAR IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016 HOLDINGS

AS AT 22 MAY 2015 (Cont'd)

THIRTY LARGEST ICULS HOLDERS (As per Record of Depositors) (cont'd)

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
15. Ho Nyat Weng @ Hoo Nyat Wong	11,000	0.02
16. Affin Hwang Nominees (Asing) Sdn. Bhd. – Phillip Securities Pte Ltd for Chew Eng Soon	10,000	0.02
17. Affin Hwang Nominees (Asing) Sdn. Bhd. – DBS Vickers Sec (S) Pte Ltd for Chia Hock Chay Nicholas	10,000	0.02
18. Goh Kim Heng	10,000	0.02
19. Lee Ping Keim	10,000	0.02
20. Public Invest Nominees (Asing) Sdn. Bhd. – Exempt an for Phillip Securities Pte Ltd (Clients)	9,000	0.02
21. Hing Leong Yian Sdn. Berhad	8,000	0.02
22. Lau Khiok Hui	8,000	0.02
23. Liew Khim Seng	8,000	0.02
24. Leong Mei Yoke Wendy	7,500	0.01
25. Liew Khim Ming	7,100	0.01
26. Tee Siew Bee	7,000	0.01
27. Ding Mee Hong	5,000	0.01
28. Liew Khim Ming	5,000	0.01
29. Liew Khin Ruey	5,000	0.01
30. Liew Mee Lian	5,000	0.01
TOTAL	51,853,081	99.76

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

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

Name of Directors	Direct Interest ICULS Holdings (RM)	%	Indirect Interest ICULS Holdings (RM)	%
Gooi Seong Lim	–	–	51,445,981 ^(a)	98.98
Gooi Seong Heen	–	–	51,445,981 ^(a)	98.98
Gooi Seong Chneh	–	–	51,445,981 ^(a)	98.98
Gooi Seong Gum	–	–	51,445,981 ^(a)	98.98
Yeo Jon Tian @ Eeyo Jon Thiam	–	–	–	–
Gan Kim Guan	–	–	–	–
Tan Ah Lai	–	–	–	–
Chew Ching Chong	–	–	–	–

Note:-

^(a) Deemed interest by virtue of their interest in Sharikat Kim Loong Sendirian Berhad which holds RM51,445,981 ICULS.

PARTICULARS OF PROPERTIES

Description & Location	Existing Use / (Status of Development)	Tenure / (Approx. Age of Building)	Date of Acquisition / (Revaluation)	Land Area [Acres]	Net Carrying Amount As At 31 Jan 2015 RM'000
Properties Held by Panoramic Industrial Development Sdn. Bhd.					
1. Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Mixed industrial, residential and commercial land (development-in-progress)	Freehold	18 Nov 1996	35.83 ^[a]	7,894
	Vacant land approved for industrial development	Leasehold - 999 years commencing from 28.10.1912	18 Nov 1996	61.26 ^[a]	22,053
2. Nusa Cemerlang Industrial Park Mukim of Pulau, Johor Bahru, Johor.	Approved industrial land (development-in-progress)	Freehold	22 Jul 2005 to 30 Dec 2009	196.34 ^[a]	121,476
	Approved industrial plots (completed)	Freehold (2-4 years)	22 Jul 2005 to 30 Dec 2009	11.46 ^[a]	18,847
Properties Held by Crescendo Development Sdn. Bhd.					
3. Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Industrial land (development-in-progress)	Freehold	18 Nov 1996	17.66 ^[a]	14,091
	Industrial plots (completed)	Freehold (8 to 16 years)	18 Nov 1996	12.07 ^[a]	12,761
4. Desa Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Residential and commercial land (development-in-progress)	Freehold	18 Nov 1996	58.91 ^[a]	13,792
	Residential and commercial land (completed)	Freehold (2 to 8 years)	18 Nov 1996	13.36 ^[a]	23,210
5. Bandar Cemerlang - Lot Nos. PTD 105758 to 105762, 105765 and 105771 to 105772, Mukim of Tebrau, Johor Bahru, Johor.	Vacant land approved for residential and commercial development	Freehold	26 Jun 2001	269.98	47,084
- Lot Nos. PTD 31034 to 31035 and 31037, Mukim and District of Kota Tinggi, Johor.	Oil palm estate (approved for residential and commercial development)	Freehold	26 Jun 2001	1,120.22	148,813
Properties Held by Panoramic Jaya Sdn. Bhd.					
6. Taman Dato Chellam Mukim of Tebrau, Johor Bahru, Johor.	Mixed residential and commercial land (development-in-progress)	Freehold	12 May 2004	17.82 ^[a]	21,410
	Commercial plots (completed)	Freehold (3 years)	12 May 2004	0.06 ^[a]	284

PARTICULARS OF PROPERTIES

(Cont'd)

Description & Location		Existing Use / (Status of Development)	Tenure / (Approx. Age of Building)	Date of Acquisition / (Revaluation)	Land Area [Acres]	Net Carrying Amount As At 31 Jan 2015 RM'000
Properties Held by Ambok Resorts Development Sdn. Bhd.						
7.	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 mixed development) ^(b)	Freehold	(24 Jan 2005)	794.43	39,360
Properties Held by Crescendo Jaya Sdn. Bhd.						
8.	Lot Nos. PTD 190809, 190814 to 190825, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for mixed residential and commercial development	Freehold	30 Dec 2002	5.24	1,318
Properties Held by Crescendo Land Sdn. Bhd.						
9.	Lot Nos. PTD 156625, 156626 and 156627, Mukim of Plentong, Johor Bahru, Johor.	Vacant land (approved for mixed residential and commercial development) ^(c)	Leasehold - 99 years	30 Aug 2006	221.58 ^(a)	112,748
Properties Held by Crescendo Education Sdn. Bhd.						
10.	Lot No. PTD 204446, Desa Cemerlang.	Private college building	Freehold (3 years)	(31 Jan 2015)	2.74	15,896
		Vacant land for commercial building / private college	Freehold	(31 Jan 2015)	11.65	20,307
Properties Held by Crescendo Commercial Complex Sdn. Bhd.						
11.	Lot No. PTD 113438, Desa Cemerlang.	Vacant land for commercial buildings	Freehold	(31 Jan 2015)	8.50	40,766
Properties Held by Panoramic Land Sdn. Bhd.						
12.	Lot Nos. PTD 154331, 154332, 154333 and 154334, Nusa Cemerlang Industrial Park	Factory buildings (completed)	Freehold (2 years)	(31 Jan 2015)	8.44	79,512
13.	Lot Nos. PTD 154326, 154327, 154328 and 154329, Nusa Cemerlang Industrial Park	Factory buildings (completed)	Freehold (1 year)	(4 Aug 2014)	9.14	86,076
14.	Lot Nos. PTD 154148, 154147 and 154146, Nusa Cemerlang Industrial Park	Factory buildings (construction-in-progress)	Freehold	01 Oct 2013	7.52	31,400
15.	Lot Nos. PTD 154364, 154362, 154358, 154359, 182005 and 154353, Nusa Cemerlang Industrial Park	Vacant land for factory buildings	Freehold	17 Dec 2014	22.66	43,038

PARTICULARS OF PROPERTIES

(Cont'd)

Description & Location	Existing Use / (Status of Development)	Tenure / (Approx. Age of Building)	Date of Acquisition / (Revaluation)	Land Area [Acres]	Net Carrying Amount As At 31 Jan 2015 RM'000
Properties Held by Unibase Concrete Industries Sdn. Bhd.					
16. PTD 154126, Mukim of Pulai, Johor Bahru, Johor.	Ready mix and concrete plant ^(d)	(8 years)	31 May 2007	Not applicable	126
17. GM 2038 Lot 1338 and GM 2040 Lot 1339, Mukim Jeram Batu, Pontian, Johor.	Vacant agricultural land	Freehold	24 Jul 2013	15.74	6,818
Properties Held by Repute Construction Sdn. Bhd.					
18. No. 118, Jalan Tanjong 2, Desa Cemerlang, 81800 Ulu Tiram, Johor.	Office Building	Freehold (2 years)	24 Sept 2013	0.07	804
Properties Held by Unibase Pre-cast Sdn. Bhd.					
19. GM 2010 Lot 1350, GM 1969 Lot 1351 and GM 1968 Lot 1352, Mukim Jeram Batu, Pontian, Johor.	Vacant agricultural land	Freehold	24 Jul 2013	31.43	13,608

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. and Crescendo Land Sdn. Bhd. as at 31 January 2015. The conversion factors from gross to net saleable freehold and leasehold land area are as follows:

Property No.	Conversion Factor
1	0.7032 for freehold land and 0.6706 for leasehold land
2	0.9286
3	0.6996
4	0.5353
6	0.7801
9	0.4925

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) 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.
- ^(c) The land is pending for alienation.
- ^(d) 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 Nineteenth Annual General Meeting of the Company to be held at Junior Ballroom 1, DoubleTree by Hilton Hotel, Nos. 01-02, Menara Landmark, 12 Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Monday, 27 July 2015 at 2.30 p.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.	Payment of Directors' fees		
4.	Re-appointment of Director: Mr. Yeo Jon Tian @ Eeyo Jon Thiam		
5.	Re-election of Director : Mr. Gooi Seong Lim		
6.	Re-election of Director : Mr. Gooi Seong Chneh		
7.	Re-appointment of Auditors		
8.	Authority to issue shares		
9.	Proposed Renewal of Authority for Share Buy-Back		
10.	Retention of Independent Non-Executive Director: Mr. Yeo Jon Tian @ Eeyo Jon Thiam		
11.	Retention of Independent Non-Executive Director: Mr. Gan Kim Guan		

(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.)

Dated this _____ day of _____ 2015

Signature of Member(s)

Number of Shares held	
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NOTES:

A member whose name appear in the Record of Depositors as at 20 July 2015 shall be regarded as a member entitled to attend, speak and vote at the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and 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.

Where a member of the Company 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 ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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STAMP

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

Please fold here

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