吉星機構有限公司

Crescendo Corporation Berhad

(359750-D)
(Incorporated In Malaysia)

Modern Communities,
Strong Foundations

annual report 2011

20 years and more of building excellence

our innovative and superior design
have set new standards




CONTENTS

SUPERIOR WORKMANSHIP AND MATERIALS ENSURE HIGH QUALITY

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of Crescendo Corporation Berhad will be held at Dewan Johor, Level 2 of Mutiara Hotel, Jalan Dato Sulaiman, Taman Century, K.B. No. 779, 80990 Johor Bahru, Johor Darul Takzim on Friday, 29 July 2011 at 11.00 a.m. for the following purposes :-

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2011 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend of 5 sen less 25% tax in respect of the financial year ended 31 January 2011. **(Resolution 2)**

3. To re-appoint Mr. Yeo Jon Tian @ Eeyo Jon Thiam as a Director pursuant to Section 129(6) of the Companies Act, 1965. **(Resolution 3)**

4. To re-elect the following Directors retiring in accordance with Article 77 of the Articles of Association of the Company:-

   (a) Mr. Gooi Seong Gum **(Resolution 4)**
   (b) Mr. Tan Ah Lai **(Resolution 5)**

5. To re-appoint M/s. CS Tan & Associates as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. As Special Business, to consider and if thought fit, to pass the following resolutions:-

ORDINARY RESOLUTION I
AUTHORITY TO ISSUE SHARES

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may deem fit and that the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company. " **(Resolution 7)**

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:-

(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 17,436,274 representing 10% of the issued and paid-up share capital of the Company as at 9 June 2011;

(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 2011 of RM48,891,390 and RM15,838,221 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 8)**

7. 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 Fifteenth Annual General Meeting, the final dividend of 5 sen less 25% tax in respect of the financial year ended 31 January 2011 will be paid on 26 August 2011 to depositors registered in the Record of Depositors on 5 August 2011.

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 5 August 2011 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
7 July 2011

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

(1) Proxy -

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time set for holding the meeting. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.

(2) Resolution 7 -

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

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 30 July 2010 and which will lapse at the conclusion of the Fifteenth Annual General Meeting.

In circumstances where an expansion/diversification plan requires the issue of new shares, the authority will enable the Directors to take prompt action and to avoid delay and cost in convening general meetings to approve such issue of shares.

(3) Resolution 8 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 7 July 2011 which is enclosed together with the Annual Report 2011.

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

(1) The following are the Directors standing for re-appointment or re-election at the Fifteenth 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 Gum
(ii) Mr. Tan Ah Lai

(2) The profiles of the Directors standing for re-appointment or re-election as mentioned in paragraph 1 above at the Fifteenth Annual General Meeting are set out in pages 14 to 15 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 @ Eeyo Jon Thiam
Independent Non-Executive Director

Tan Ah Lai
Independent Non-Executive Director

AUDIT COMMITTEE

Gan Kim Guan *(Chairman)*
Yeo Jon Tian @ Eeyo Jon Thiam
Tan Ah Lai

COMPANY SECRETARIES

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

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE

As at 31 January 2011

吉星機構有限公司
Crescendo Corporation Berhad
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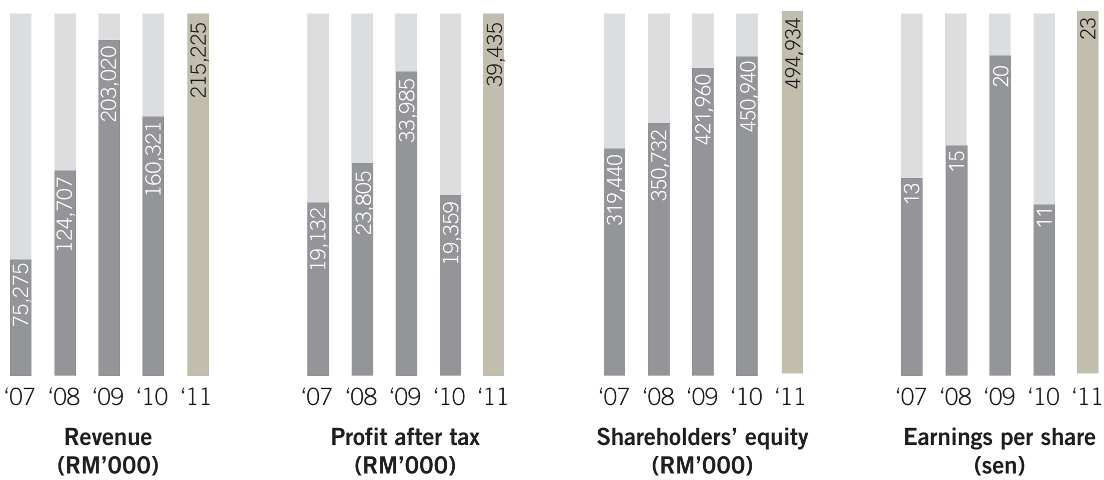
- 100% Crescendo Development Sdn. Bhd. (204079-D)
  - 70% Crescendo Jaya Sdn. Bhd. (603468-X)
  - 90% Crescendo Land Sdn. Bhd. (611503-M)
- 100% Crescendo Commercial Complex Sdn. Bhd. (414716-A)
- 100% Panoramic Industrial Development Sdn. Bhd. (148382-K)
  - 100% Panoramic Land Sdn. Bhd. (626926-T)
  - 100% Ambok Resorts Development Sdn. Bhd. (329538-M)
- 100% Crescendo Education Sdn. Bhd. (472850-T)
  - 100% Crescendo Creative Education Sdn. Bhd. (687412-V)
  - 60% Crescendo International College Sdn. Bhd. (362221-T)
- 70% Panoramic Jaya Sdn. Bhd. (651964-D)
- 100% Unibase Construction Sdn. Bhd. (22898-A)
  - 60% Unibase Concrete Industries Sdn. Bhd. (380745-A)
    - 100% Unibase Trading Sdn. Bhd. (456217-U)
    - 100% Unibase Jaya Sdn. Bhd. (388414-H)
    - 70% Unibase Pre-cast Sdn. Bhd. (791633-H)
  - 100% Unibase Corporation Sdn. Bhd. (343826-P)
    - 70% Repute Ventures Sdn. Bhd. (392908-V)
      - 86% Repute Construction Sdn. Bhd. (456224-P)
      - 100% Repute Corporation Sdn. Bhd. (564792-D)

GROUP FINANCIAL HIGHLIGHTS

	2007	2008	2009	2010	2011
Income Statement (RM'000)					
Revenue	75,275	124,707	203,020	160,321	215,225
Profit before tax	25,208	32,233	44,030	26,114	50,766
Profit after tax	19,132	23,805	33,985	19,359	39,435
Balance Sheet (RM'000)					
Paid-up share capital	143,793	155,068	155,071	155,071	172,566
Shareholders' equity	319,440	350,732	421,960	450,940	494,934
Total assets	439,321	513,437	600,828	688,696	710,482
Per Share (Sen)					
Earnings	13	15	20	11	23
Net tangible assets	222	226	272	291	287
Dividends	7	7	7	7	11
Weighted average number of shares in issue ('000)	141,357	150,802	154,469	154,256	158,840
Financial Ratio (%)					
Return on shareholders' equity (Pre-tax)	7.9	9.2	10.4	5.8	10.3
Return on total assets (Pre-tax)	5.7	6.3	7.3	3.8	7.1



BOARD OF DIRECTORS

Top:

1 **Gooi Seong Lim**
Chairman and Managing Director

From left to right:

2 **Gooi Seong Heen**
Executive Director

3 **Gooi Seong Chneh**
Executive Director

4 **Gooi Seong Gum**
Executive Director

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




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

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

8 **Chong Fook Sin**
Company Secretary

9 **Kan Chee Jing**
Company Secretary

10 **Chua Yoke Bee**
Company Secretary





PROFILE OF DIRECTORS

GOOI SEONG LIM, aged 62, 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) and Wilgain Resources Sdn. Bhd. ("WRSB") which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL and WRSB. 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 2011.

GOOI SEONG HEEN, aged 60, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB. He was 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.

Mr. Gooi Seong Lim

From 1972, he has been a Director of SKL, a 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 2011.

GOOI SEONG CHNEH, aged 56, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director and Chief Executive Officer (construction operation) of CCB. He graduated with a Bachelor of Science degree from the University of Toronto, Canada in 1975 and obtained a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He is a member of Professional Engineers Association of Alberta, Canada. He was formerly a consultant with Campbell Engineering and Associates, Calgary, Canada for three (3) years from 1981 to 1983. He has extensive experience in construction site management and property development. His experience also includes oil palm and cocoa estate management. From 1976, he has been a Director of SKL, 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 Sabah since 1985. He is also a director of KLR and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried 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 2011.

Mr. Gooi Seong Heen

Mr. Gooi Seong Chneh

PROFILE OF DIRECTORS

GOOI SEONG GUM, aged 55, 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 2011.

GAN KIM GUAN, aged 48, a Malaysian, was appointed to the Board of CCB as an Independent Non-executive Director on 29 March 2001. He is currently the Senior Independent Non-executive Director of CCB. He was appointed as a member of the Audit Committee on 5 May 2001 and currently, he is the Chairman of the Audit Committee. He also sits as a member of both the Nominating and Remuneration Committees with effect from 27 March 2002. He has extensive experience in auditing, investigation, financial planning and financing related work. He is also a director of KLR.

Mr Gan is a Chartered Accountant of the Malaysian Institute of Accountants. He has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years.

He attended all the four (4) Board meetings held during the financial year 2011.

Mr. Gooi Seong Gum

Mr. Gan Kim Guan

YEO JON TIAN @ EEYO JON THIAM, aged 70, a Malaysian, was appointed to the Board of CCB on 3 December 1996. He is currently an Independent Non-executive Director of CCB and is also a member of Audit Committee. He is the Chairman of both Nominating and Remuneration Committees of CCB with effect from 27 March 2002. He commenced his planting career in 1960 with the Rubber Research Institute of Malay Smallholders' Advisory Service. He is an associate of the Incorporated Society of Planter since 1968. He has been actively involved in the plantation management of large-scale cultivation of rubber, oil palm and cocoa until 1990 when he became the General Manager of a property development company. He also sits on the board of several private companies.

Mr Yeo has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years.

He attended all the four (4) Board meetings held during the financial year 2011.

TAN AH LAI, aged 42, 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 Association of Chartered Certified Accountants, UK and a Chartered Accountant of the Malaysian Institute of Accountants. He has considerable experience in auditing, investigation, due diligence work and financial and tax compliance related work. Currently, he is also a director of Guan Chong Berhad.

Mr Tan has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years.

He attended all the four (4) Board meetings held during the financial year 2011.

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.

Mr. Yeo Jon Tian @ Eeyo Jon Thiam

Mr. Tan Ah Lai

WELL-PLANNED COMMUNITIES WITH MODERN AMENITIES

CHAIRMAN'S STATEMENT

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 2011.

FINANCIAL RESULTS

The Group recorded an increase of 34% in revenue and a substantial increase of 94% in profit before tax to RM215.2 million and RM50.8 million respectively for the financial year 2011 as compared to RM160 million and RM26.1 million respectively recorded for the financial year 2010. The increase in profit is contributed by higher sales as well as improved margin especially from industrial properties and construction operation.

DIVIDEND

The Board is pleased to recommend to the shareholders for approval a final dividend of 5.0 sen per share, less 25% tax (2010: 4.0 sen per share, less 25% tax), for the financial year ended 31 January 2011, making a total dividend of 11 sen per share, less 25% tax (2010: 7 sen per share, less 25% tax).

REVIEW OF BUSINESS ACTIVITIES

PROPERTY DEVELOPMENT AND CONSTRUCTION

The property development and construction operations recorded increases of 45% and 132% in revenue and profit respectively mainly due to higher sales and improved margin from industrial properties and construction operations. The revenue and profit recorded for the financial year 2011 are RM154.2 million and RM47.8 million respectively as compared to RM106.3 million and RM20.6 million in the previous financial year.

It is anticipated that our Nusa Cemerlang Industrial Park ("NCIP") project will continue to perform well. The rental market for industrial properties is also expected to be good as it can cater for industrialists who are currently not ready to enter into purchase commitments. Property investors will be keen to buy our tenanted industrial properties because they can get a reasonable return for their investment. We expect the demand for the residential properties to continue to increase as employment prospects for Johor Bahru residents will improve with the better economic outlook in Malaysia and the opening of Singapore's two Integrated Resorts.

We expect the industrial development and construction operations to remain as the main profit contributor for the Group in the financial year 2012.

MANUFACTURING AND TRADING

The manufacturing and trading operations recorded an increase in revenue of 22.7% and profit of 42.9% mainly due to higher sales of concrete products. The revenue and profit are RM67.8 million and RM3.0 million respectively for the financial year 2011 as compared to RM55.3 million and RM2.1 million respectively for the financial year 2010.

We expect this operation to perform better in the financial year 2012.

DEVELOPMENT AND PROSPECTS

For the financial year 2012, the property market is expected to remain buoyant with moderately higher prices, in line with economic growth and growing interest among foreigners. The market conditions are expected to be volatile in view of the recent nuclear crisis in Japan and political unrest in several countries in the Middle East. The Group will continue to focus, with encouraging locked-in sales, on the development of industrial properties at NCIP located in Nusajaya in the financial year 2012.

Nusajaya is within Iskandar Malaysia and is a fully integrated urban development. Iskandar Malaysia has been identified as the key engine of growth of Johor and Malaysia under the 9th Malaysia Plan. The Government has provided adequate world class infrastructure and facilities to attract more foreign investments in the area.

With the recent improvement in bilateral relationship between Malaysia and Singapore, we expect the relocation of medium industries from Singapore to NCIP to accelerate because of lower land cost, cheaper labour and utility costs, and easier management control in view of NCIP's proximity to their base in Singapore.

The Group will concentrate on selling the existing stocks of residential properties as the demand for this sector is improving. We expect the current oversupply situation to improve in view of better economic growth in Malaysia and Singapore. With the creation of more employment opportunities, there will also be migration of population to Johor Bahru from the other states. The new arrivals are expected to purchase their residential homes in the Iskandar Malaysia area where our residential, commercial and industrial projects are located.

The Group will continue to focus, with encouraging locked-in sales, on the development of industrial properties at NCIP located in Nusajaya in the financial year 2012.

Groundbreaking Ceremony for Crescendo International College (Desa Cemerlang Campus) officiated by YB Dato' Dr. Hou Kok Chung, Deputy Minister of Higher Education I.

Groundbreaking Ceremony for S.J.K (C) Pei Chih at Desa Cemerlang officiated by Y.A.B Dato' Haji Abdul Ghani Bin Othman, Menteri Besar Johor.

CHAIRMAN'S STATEMENT

There will also be more emphasis on residential and commercial sector in the medium term when we start to develop Bandar Cemerlang. An interchange providing access to the Bandar Cemerlang development via the Johor Bahru-Kota Tinggi highway is presently under construction and is scheduled for completion together with the new Johor Bahru-Kota Tinggi highway by June 2011. The launching of single and double storey houses in Bandar Cemerlang is expected to commence in financial year 2013 and this project is expected to contribute positively to the revenue and profit of the Group.

Upon the completion of the interchange and reclamation works for the project undertaken by Crescendo Land Sdn Bhd ("CLSB") in financial year 2012, development of Phase 1 of CLSB comprising low and medium cost flats and shop houses will commence in financial year 2013.

The demand for commercial properties is still good and the Group will continue to develop this sector.

Barring unforeseen circumstances, the Board expects the performance of the Group to remain good for the financial year ending 31 January 2012.

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: 24 June 2011

MODERN ARCHITECTURE WITH INTERGRATED CONSTRUCTION TO MAINTAIN OUR COMPETITIVE EDGE

CORPORATE SOCIAL RESPONSIBILITIES

The Group does not have a formal Corporate Social Responsibility ("CSR") Policy. However, the Group is a socially responsible corporation that supports and contributes positively to the sustainable development of the economy and the community where the Group operates. It 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 part of its business ethics and responsibilities.

Marketplace

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

Workplace

Cognisant that a team of dedicated and motivated employees plays a crucial role in ensuring that the Group is well poised to meet present and future challenges, the Group continues to place emphasis to develop its human capital, the organisation's most valuable asset. The Group had a total workforce of over 300 as at 31 January 2011.

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

- Conducting in-house training for the staff on communication, legal, accounting, technical issues and management skills. Where specialist training is required, the staff are sent for external training;
- Carried out various staff activities including festival celebrations and sporting events through the In-House Sports Club; and
- Subsidised company trips to Beijing, Chiang Mai and Pulau Sibu were organised for the staff and their family members.

Community

During the year, the Group made several contributions and donations for the following organisations/events:

- Various amounts of contributions were made to several non-governmental organizations for sports, culture and welfare activities during the year.

Education is also one of the aims of Crescendo's Corporate Social Responsibilities.

- Crescendo International College ("CIC") in the heart of Johor Bahru city provides GCE A Level and professional courses at affordable rates. More than 750 students had enrolled in CIC as at 31 January 2011. Discounts and partial scholarships were extended to the needy and deserving students to assist them in their education as part of our commitment towards training necessary human resource for the community.

- A 4.42 acres of land was assigned to the building of Sekolah Jenis Kebangsaan (Cina) Pei Chih.

In addition, donations were made to schools for building funds, donations to Persatuan Ibu Bapa & Guru and for scholarships.

Environment

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.

Statement on Corporate Governance

INTRODUCTION

The Board of CRESCENDO CORPORATION BERHAD fully appreciates the importance of adopting high standards of corporate governance within the Group in building sustainable business growth in order to safeguard stakeholders' interests as well as enhancing shareholders' value.

The Board is pleased to provide a narrative statement on the application of the principles of good corporate governance and the extent of compliance with the Best Practices as set out in Part 1 and Part 2 of the Malaysian Code of Corporate Governance ('the Code').

A. BOARD OF DIRECTORS

The Board

The Board plays a pivotal role in the stewardship of the Group's direction and operations, including enhancing long-term shareholder's value. In order to fulfil this role, the Board is explicitly responsible for reviewing and adopting strategic plans for business performance; overseeing the proper conduct of the Group's businesses; identifying principal risks and ensuring the implementation of systems to manage risks, succession planning; developing investor relations programme; and reviewing the adequacy and integrity of the Group's internal control systems and management information systems.

Whilst the Board is responsible for creating the framework and policies within which the Group should be operating, management is responsible for instituting compliance with laws, regulations, rules, directives, guidelines and the achievement of Group's corporate objectives. The demarcation of roles both complements and reinforces the supervisory roles of the 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 is given of scheduled meetings and matters to be dealt with. All Board meeting proceedings are minuted, including the issues discussed and the conclusion made in discharging its duties and responsibilities.

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

All proceedings at the Board meetings are minuted and signed by the Chairman of the respective meetings.

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

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

Board Committees

In order to assist in the execution of the Board's responsibilities for the Group, certain function 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 the Bursa Securities in circumstances described in the Audit Committee Report).

Audit Committee

The Audit Committee reviews the issues of accounting policies and presentation for external financial reporting, monitors the work of internal audit function and ensures that an objective and professional relationship is maintained with the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal control. 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, the Executive Directors are not 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 38 to 41 of this Annual Report. The activities of the Audit Committee during the year ended 31 January 2011 are also set out in the Report of the Audit Committee.

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 undertaken 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 Committee involved.

The terms of reference of the Remuneration Committee are set out under the Report of the Remuneration Committee on page 42 of this Annual Report.

Nominating Committee

The Nominating Committee is empowered by the Board and its 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, the Board Committees and contribution of each individual Director, including the Independent Non-executive Directors and the Group 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.

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 appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability to discharge responsibilities as expected of 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 43 of this Annual Report.

Board Balance

The Board currently has seven (7) members, comprising one (1) Executive Chairman and Managing Director, three (3) Executive Directors, one (1) Senior Independent Non-executive Director and two (2) Independent Non-executive Directors. A brief profile of each Director is presented on pages 12 to 15 of this Annual Report.

The concept of Independent Director adopted by the Board is in line with the definition of an Independent Director as per the Listing Requirements of Bursa Securities. The key element for fulfilling the criteria is the appointment of an Independent Director who is not a member of the management (a Non-executive Director) and who is free of any relationship which could interfere in the exercise of independent judgement or the ability to act in the best interests of the Company.

The Independent Directors contribute significantly and bring forth independent judgement in areas such as policy and strategy, business performance, advice and judgement to take account of the interests not only of the Company, but also the shareholders, employees, customers, suppliers and community as well as governance and control. It provides a pivotal role of corporate accountability.

Three (3) out of the seven (7) members of the Board are Independent Non-executive Directors. The Independent Non-executive Directors play the important role of objectively assessing management strategies and practices and their impact on the long term interests of the shareholders. The Board complies with paragraph 15.02 of the Listing Requirements of Bursa Securities which requires that at least two Directors or one-third of the Board of the Company, whichever higher, are Independent Directors.

The Director's with their differing backgrounds and specialisation, collectively bring in a wide range of experience, expertise and competencies to the Board. All Directors have an equal responsibility to the Group. The Executive Directors in particular are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies.

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. He may be contacted at 03-92871889 or e-mail to gankg@crescendo.com.my

The Board's Responsibilities

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

The Board considers the current composition as optimum and effective given the scope, size and complexity of the business affairs of the Group.

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

Supply of Information to the Board

The Executive Chairman 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. He also maintains regular dialogues/meetings with the Heads of business units on all operations matter.

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 Secretary, who is available to provide them with appropriate advice and services to ensure that Board meeting procedures are followed and all applicable rules and regulations are complied with. If necessary, the services of other senior management will be arranged to brief and help the Directors to clear any doubt or concern. In addition and in furtherance of their duties, the Directors may seek independent professional advice at the Company's expense.

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.

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.

Appointment and Election to the Board

Appointment

The Board appoints its members through a formal and transparent process which is consistent with the Company's Articles of Association. The appointment of new member(s) to the Board as well as the proposed re-appointment/re-election of Directors seeking reappointment/re-election at the Annual General Meeting ("AGM") are recommended by the Nominating Committee to the Board for its approval.

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

Re-election

The Company's Articles of Association 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 election at the forthcoming AGM are shown in the Notice of AGM (Ordinary Resolutions 4 & 5) on page 4.

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

Directors Training

All existing 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.

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.

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

Programmes / Seminar

An Economic Seminar "A Strong Start 2010"

Global Treasury Investment Seminar

Introduction to Forensic Accounting & Forensic Auditing

Workshop On Submission Of Returns 2009

Personal Investment Strategies – Be A Winner

Malaysian Corporate Tax Practices And Principles

The Power Of Cash Management

Tax Planning & Latest Tax Updates

2010 ACIIA Conference on Internal Auditing

2011 Budget Seminar – Highlights & Implications

2011 Budget Talk

Tax Audit, Incorrect Return And Tax Appeal

B. DIRECTORS' REMUNERATION

The remuneration policy of the Company is based on the philosophy that the Group does not aspire to be a market leader for basic pay but enable the Group 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 target 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 remuneration for serving as Directors on the Board and its Committees. All Directors are paid a meeting allowance for attendance at each Board meeting.

A summary of the remuneration of the Directors for the year ended 31 January 2011, distinguishing between Executive and Non-executive Directors, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive band of RM50,000, is set out as below:

a. Summary of Directors' Remuneration

Aggregate Remuneration	Executive Directors (RM)	Non-executive Directors (RM)	Total (RM)
Salary	1,062,000	-	1,062,000
Bonus	460,000	-	460,000
Fees	83,000	150,000	233,000
Meeting allowance	8,000	6,000	14,000
Estimated monetary value of benefits-in-kind	41,584	-	41,584
Defined contribution plan	182,640	-	182,640
Share options granted under ESOS	88	-	88
Total	1,837,312	156,000	1,993,312

b. Remuneration Band

Analysis of remuneration	Executive Directors	Non-executive Directors
0 – RM50,000	-	1
RM50,001 – RM100,000	-	2
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	-	-
RM400,001 – RM450,000	3	-
RM450,001 – RM500,000	-	-
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	1	-

C. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATIONS

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.

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 cum 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 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 cum 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.

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

Openness and Transparency

The Group has established a comprehensive website at www.crescendo.com.my to further enhance investors and shareholders communication. Other information provided on the website includes announcements released to Bursa Securities, annual reports and company profile.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

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

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors present a balanced, clear and meaningful assessment of the Group's financial positions and future prospects.

The Audit Committee assists the Board in scrutinising information for disclosure are to ensure accuracy, adequacy and completeness of information.

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 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. The system can only 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 Internal Control as set out in pages 35 to 37 of this Annual Report.

Internal Audit Function

The Internal Audit function of the Group has been outsourced to the Internal Audit Department (IAD) of the Group's holding company, Sharikat Kim Loong Sendirian Berhad which acts independently from the activities and operations of the Group.

The internal audit function includes the review of the adequacy of the internal controls, the efficiency of operations and ensures compliance with the established Group policies and procedures, and the statutory requirements.

The Head of IAD reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plan. The Audit Committee reviews and approves the audit plan, which identifies the scope of work for the year. During the financial year under review, the internal auditors conducted audits on business units and carried out regular reviews of the operations of the companies within the Group in accordance with the approved Internal Audit Plan.

The main role of the IAD is to provide the Audit Committee with independent and objective reports on the effectiveness of the system of internal control within the Group so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively. It is also the responsibility of IAD to assess the extent of the business units' compliance with Group's established procedures and relevant statutory requirements. The Audit Committee then deliberates on the internal audit reports to ensure that the recommendations in the reports are duly acted upon by management.

In an effort to provide value added services, the IAD also plays an active advisory role in the review and improvement of existing internal control within the Group.

The total cost incurred in relation to the internal audit function of the Group for financial year ended 31 January 2011 is approximately RM202,000.

External Audit Function

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

The Group has maintained a transparent and professional relationship with its External Auditors i.e. Messrs CS Tan & Associates in seeking professional advice and ensuring compliance with the applicable Financial Reporting Standards in Malaysia. Messrs CS Tan & Associates reports to the shareholders of the Company on its 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 External Auditor's are invited to meetings to deliberate on their audit plan and the annual financial results.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.26(a) of the Listing Requirements of Bursa Securities to issue a statement explaining their responsibilities in the preparation of the annual financial statements.

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

In preparing these Financial Statements, the Directors have:
- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured that applicable Financial Reporting Standards have been followed; and
- prepared the financial statements on a going concern basis.

The Directors took steps to ensure that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The Directors have overall responsibility 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.

ADDITIONAL COMPLIANCE INFORMATION

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

Utilisation of Proceeds from Corporate Proposals

No proceeds were raised from such exercise for the financial year 2011.

Share Buy-Back

During the financial year, the Company repurchased a total of 28,400 shares and resold 834,000 treasury shares. As at 31 January 2011, the Company held a total of 10,000 treasury shares. Other details of the share buy-back and re-sale of treasury shares are discussed in Note 14(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 14 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 was no material sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management by any regulatory bodies during the financial year.

Non-audit fees

Non-audit fee paid and payable to the External Auditors, Messrs CS Tan & Associates, during the financial year 2011 was RM2,000.

Variation in results

There was no material variation between the results for the financial year ended 31 January 2011 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

Panoramic Industrial Development Sdn. Bhd. ("PIDSB"), a wholly-owned subsidiary of the Company had on 9 April 2010 entered into two Sale and Purchase Agreements for the sale of those two pieces of land held under Plot 9 (PTD 154139) and Plot 10 (PTD 154138), in Nusa Cemerlang Industrial Park, Gelang Patah, Johor together with two units of 2 storey detached factory buildings with a total build up area of 45,261 square feet each to be constructed thereon by PIDSB to Wilgain Resources Sdn. Bhd. ("the Purchaser") for a total cash consideration of RM13 million.

The directors of the Purchaser are Mr. Gooi Seong Lim and his spouse, Mdm. Lim Phaik Ean. The shareholders of the Purchaser are Mr. Gooi Seong Lim and Mdm. Lim Phaik Ean and their children, namely Ms. Gooi Tsih Ern, Mr. Gooi Khai Shin and Mr. Gooi Khai Chien.

Mr. Gooi Seong Lim is the Chairman and Managing Director and a major shareholder of the Company as well as a director of PIDSB and Sharikat Kim Loong Sendirian Berhad ("SKL"), a major shareholder of the Company. He is a brother to Mr. Gooi Seong Heen, Mr. Gooi Seong Chneh and Mr. Gooi Seong Gum, who are all directors and major shareholders of the Company and directors of PIDSB and SKL.

Revaluation Policy

The Group's revaluation policy is stated in Notes 2.3 (b) to the Financial Statements.

Recurrent Related Party Transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 33 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.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is 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. The Board is of the opinion that it had complied with the Best Principles as set out in the Code of Corporate Governance throughout the financial year ended 31 January 2011 except for the followings:

a) Details of Directors' remuneration. The Company complies with the disclosure requirements under the Bursa Securities Listing Requirements i.e. disclosure of Directors' Remuneration by applicable bands of RM50,000. The Board is of the view that the transparency and accountability aspects of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the band disclosure made on page 30. In addition, the composition of the Remuneration Committee has been fully disclosed on page 42 of the Annual Report.

b) 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 (with approximately 68% stake) 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.

This Statement is made in accordance with a resolution of the Board dated 24 June 2011.

1.0 INTRODUCTION

Paragraph 15.26(b) of the Listing Requirements of Bursa Securities requires the Board of Directors of public listed companies to include in its Annual Report a "statement about the state of internal control of the listed issuer as a group". The Board is committed to maintaining a sound system of internal control of the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year.

2.0 BOARD RESPONSIBILITIES

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

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

The Board confirms that there is an on-going risk management process to identify, evaluate, document, monitor and manage significant risks to effectively mitigate the risks that may impede the achievement of the Group's businesses and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risks and measures are taken to mitigate any weaknesses in the control environment. Management has operated this process during the year under review up to the date of approval of this annual report.

3.0 KEY INTERNAL CONTROL PROCESSES

In reviewing and ensuring the adequacy and integrity of the internal control system, the Board has established the following key elements in the internal control framework of the Group.

3.1 Internal Audit Function

The Internal Audit function of the Group has been outsourced to the Internal Audit Department (IAD) of the Group's holding company, Sharikat Kim Loong Sendirian Berhad which acts independently from the activities and operations of the Group.

The internal audit function includes the review of the adequacy of the internal controls, the efficiency of operations and ensures compliance with the established Group policies and procedures, and the statutory requirements.

The Head of IAD reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plan. The Audit Committee reviews and approves the audit plan, which identifies the scope of work for the year. During the financial year under review, the internal auditors conducted audits on business units and carried out regular reviews of the operations of the companies within the Group in accordance with the approved Internal Audit Plan.

The main role of the IAD is to provide the Audit Committee with independent and objective reports on the effectiveness of the system of internal control within the Group so as to provide reasonable assurance that the system continues to operate satisfactorily and effectively. It is also the responsibility of IAD to assess the extent of the business units' compliance with Group's established procedures and relevant statutory requirements. The Audit Committee then deliberates on the internal audit reports to ensure that the recommendations in the reports are duly acted upon by management.

In an effort to provide value added services, the IAD also plays an active advisory role in the review and improvement of existing internal control within the Group.

3.0 KEY INTERNAL CONTROL PROCESSES (CONT'D)

3.2 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 the business objectives. The Group has established a Risk Management Committee ("RMC") that is chaired by the Executive Chairman cum Managing Director and its members comprising 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 .

3.3 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, all of which have formalised terms of reference. These Committees have the authority to examine all matters within their scope and report to the Executive Directors / Managing Director / Board with their recommendations.

3.4 Operations Review and Monitoring

Operations of the Group are constantly monitored with up-to-date reports being presented by the Management, which reviews the performance of the Group against budget and prior year performance on a monthly basis. Variances are carefully analysed and corrective actions taken where necessary. Detailed reports on performance review with steps to be taken are presented to the Executive Directors periodically.

3.5 Human Capital Development and Training

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, potential areas for further development and training are highlighted by the Heads of Departments and business units for follow up.

3.6 Other Key Elements of Internal Control

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

- Regular site visits to the operations within the Group by Executive Directors and senior management.

- 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.

- The documented policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses and ensure complete and accurate financial information. The documents consist of memoranda, circulars, manuals and handbooks that are regularly revised and updated to meet operational needs.

- 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.

4.0 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 Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2011. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group.

5.0 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 24 June 2011.

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 2011 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 three (3) 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
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 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:

i. must be a member of the Malaysian Institute of Accountants (“MIA”); or

ii. if he is not a member of the MIA, he must have at least 3 years’ working experience and:

(a) he must have passed the examinations specified in Part 1 of the 1st Schedule to the Accountants Act, 1967; or
(b) he must be a member of one of the associations of accountants specified in Part 11 of the 1st Schedule to the Accountants Act, 1967.

iii. 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, 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 15.9(1)(c)(i) of the Listing Requirements of Bursa Securities.

The Company Secretary shall be the Secretary of the Committee.

2. Attendance At Meetings

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

3. Frequency and Procedures of Meetings

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

(ii) The Committee shall regulate its own procedures, in particular:
a. the calling of meetings;
b. the notice to be given of such meetings;
c. the voting and proceedings of such meetings;
d. the keeping of the minutes; and
e. the custody, production and inspection of such minutes.

During the financial year 2011, the Audit Committee held a total of four (4) meetings. The attendance by each member at the Committee meetings during the year was as follows:

Member	Total number of meetings held in the financial year during Member's tenure in office	Meetings attended by Members
Gan Kim Guan	4	4
Yeo Jon Tian @ Eeyo Jon Thiam	4	4
Tan Ah Lai	4	4

The details of training attended by the above Directors are tabulated on page 29.

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 programme, processes, the results of the internal audit or investigation undertaken and whether or not appropriate action has been taken on the recommendations of the Internal Auditors;

g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, particularly on:
- any changes in or implementation of major accounting policies;
- significant and unusual events; and
- compliance with accounting standards and other legal requirements.

h) any related party transactions and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

i) any letter of resignation from the External Auditors of the Company; and

j) whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment.

(ii) To recommend the nomination of a person or persons as External Auditors and the external audit fee.

5. Rights

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

a) have authority to investigate any matter within its Terms of Reference;

b) have the resources which are required to perform its duties;

c) have full and unrestricted access to any information pertaining to the Group;

d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;

e) be able to obtain independent professional advice; and

f) be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

6. Reporting Procedures

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

SUMMARY OF ACTIVITIES 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 2011, 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 operational reports;

- 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 statements:

- 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 in conjunction with the preparation of the Corporate Governance Statement and Internal Control Statement.

External Audit

- Reviewed the External Auditors' annual audit plan and audit strategy for the financial year ended 31 January 2011 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 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 Auditor's performance, objectivity and independence during the year before recommending to the Board for re-appointment and remuneration; and

- Held two (2) independent meetings (without the presence of Management) with the External Auditors.

Internal Audit

- Reviewed and approved the IAD resource requirement, programmes and plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries;

- Reviewed the internal audit reports presented by the IAD on findings, recommendations and management responses thereto and ensured that material findings were adequately addressed by Management and reported to the Board relevant issues.

- Prepared the Audit Committee report for inclusion in the Annual Report 2011; and

- Held independent meetings (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.

Employees' Share Options Scheme (ESOS)

- Reviewed the list of eligible employees and the allocation of options to be offered to them in accordance with the By-laws of the ESOS.

This Statement is made in accordance with a resolution of the Board of Directors dated 24 June 2011

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
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 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 Secretary shall be the Secretary of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once in 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 Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

SUMMARY OF ACTIVITIES OF THE REMUNERATION COMMITTEE

The Committee met once during the financial year 2011. All members attended the meeting.

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

a) Reviewed the structure of the remuneration package for each of the Executive Directors; and
b) Reviewed the incentive / variable performance bonuses for the Executive Chairman and Managing Director and Executive Directors.

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	: Yeo Jon Tian @ Eeyo Jon Thiam
Members	: Gan Kim Guan Tan Ah Lai
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 two (2), 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 Secretary shall be the Secretary of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once in 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 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.
(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.

(5) Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2011. All members attended the meeting.

The main activities undertaken by the Committee during the year under review were as follows:
a) Reviewed the composition and the required mix of skills, experience and other qualities of the Board; and
b) Reviewed the re-election of Directors retiring at the AGM under Article 77 of the Articles of Association.

FINANCIAL STATEMENTS

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 2011.

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, building construction, property investment and management, trading and manufacturing of concrete products, civil engineering works, trading in building materials and providing educational services.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit attributable to :		
Owners of the Company	**36,410,440**	**11,952,195**
Minority interests	**3,024,271**	**-**
Profit net of tax	**39,434,711**	**11,952,195**

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 2010 as shown in the Directors' Report of that year, a final dividend of 4.0 sen per share, on 154,256,330 ordinary shares, less tax, paid on 18 August 2010	**4,627,690**
In respect of the financial year ended 31 January 2011 : First interim gross dividend of 4.0 sen per share on 171,601,248 ordinary shares, less tax, paid on 16 December 2010	**5,148,037**
Second interim gross dividend of 2.0 sen per share on 172,217,548 ordinary shares, less tax, payable on 17 February 2011	**2,583,263**
	12,358,990

The Directors recommend the payment of a final gross dividend of 5.0 sen per share less tax in respect of the financial year ended 31 January 2011, 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 2012.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

(i) 1,584,500 ordinary shares of RM1 each were issued by virtue of the exercise of 954,500 share options (at RM1.00 per share), 52,000 share options (at RM1.03 per share), 174,000 share options (at RM1.13 per share), 353,000 share options (at RM1.14 per share), 2,000 share options (at RM1.20 per share) and 49,000 share options (at RM1.24 per share) granted pursuant to the Company's Employees' Share Option Scheme.

(ii) 15,910,118 ordinary shares of RM1 each were issued pursuant to the exercise of 15,910,118 Warrants.

There was no issuance of debentures during the financial year.

SHARE BUY-BACK

The shareholders of the Company, by an ordinary resolution passed at the Fourteenth Annual General Meeting held on 30 July 2010, approved the Company's plan to repurchase its own shares up to a maximum of 15,509,033 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,

(i) the Company repurchased 28,400 of its issued share capital from the open market on the Bursa Securities for RM35,773. The average price paid for the shares repurchased was approximately RM1.26 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

(ii) the Company resold 834,000 treasury shares in the open market on the Bursa Securities for a consideration of RM1,023,774. The average price sold for the treasury shares was approximately RM1.23 per share. The proceeds from the re-sale have been utilised for working capital purposes.

EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS") which came into effect on 26 June 2002 for a period of 5 years. The ESOS is governed by the By-Laws which was approved by the Securities Commission and shareholders on 28 November 2001 and 8 February 2002 respectively. On 29 March 2007, the Directors had approved to extend the ESOS period for another 5 years from 25 June 2007.

The main features of the ESOS are :

(i) The total number of new ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid up ordinary shares of the Company, such that not more than 50% of the shares available under ESOS is allocated in aggregate, to directors and senior management.

(ii) Not more than 10% shares available under ESOS is allocated to any individual director or employee who, either singly or collectively through his / her associates, holds 20% or more in the issued and paid up capital of the Company.

(iii) Only staff and executive directors of the Group are eligible to participate in the scheme. Executive directors are those involved in the day-to-day management and on the payroll of the Group.

(iv) The option price under the ESOS is the five (5) days weighted average market price of the shares of the Company at the time the option is granted, subject to a discount of not more than ten percent (10%) which the Company may at its discretion decide to give, or the par value of the shares of the Company of RM1, whichever is the higher.

(v) The options granted will be valid up to the extended expiry date of the ESOS on 25 June 2012.

EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

(vi) An option holder may, in a particular year, exercise up to such maximum number of shares as specified in the option certificate in accordance with By-Law 7.4. The employees' entitlements to the options are vested as soon as they become exercisable. The percentage of options exercisable in each of the year during the period of ESOS is as follows :

Options issued on :	Exercise Price RM	Number of share options granted and unexercised as at 31 January 2011	Percentage of options exercisable in financial year 2012 %
4.7.2002	1.14	1,718,000	100
2.4.2003	1.00	35,000	100
10.5.2004	1.20	253,000	100
23.3.2005	1.03	83,000	100
29.3.2006	1.00	97,000	100
29.3.2007	1.24	472,000	100
28.3.2008	1.00	507,000	100
30.3.2009	1.00	404,500	100
29.3.2010	1.13	567,000	100
		4,136,500	

(vii) The persons to whom the options are granted have no right to participate by virtue of the options in any shares issue of any other company within the Group.

(viii) Eligible employees are those who have been employed for at least three calendar months of continuous service, after the probation period, and is confirmed in service in any company within the Group.

During the financial year, the Company issued 780,000 new options to eligible employees. The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted option to subscribe for less than 150,000 ordinary shares of RM1 each. During the financial year, none of the employee has been granted more than 150,000 share options.

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

DIRECTORS

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

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

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 GUM and TAN AH LAI are required to retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Except for the share options granted under the ESOS, neither during nor at the end of the financial year, was the Company a party to any arrangement with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Number of ordinary shares of RM1 each in the Company			
	As at 1.2.2010	**Bought / Transferred**	**Sold**	**As at 31.1.2011**
Gooi Seong Lim				
- direct interest	140,000	1,043,452	-	1,183,452
- indirect interest	101,542,536	16,280,370	-	117,822,906
Gooi Seong Heen				
- direct interest	1,642,835	711,452	-	2,354,287
- indirect interest	99,368,700	15,711,452	-	115,080,152
Gooi Seong Chneh				
- direct interest	1,474,836	711,452	-	2,186,288
- indirect interest	99,334,700	15,711,452	-	115,046,152
Gooi Seong Gum				
- direct interest	-	711,452	(711,452)	-
- indirect interest	99,334,700	15,711,452	-	115,046,152
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	30,000	-	-	30,000
- indirect interest	15,000	-	-	15,000

	Number of ICULS 2009/2016 of RM1 nominal value each in the Company			
	As at 1.2.2010	**Bought**	**Sold**	**As at 31.1.2011**
Gooi Seong Lim				
- direct interest	70,000	-	-	70,000
- indirect interest	52,549,899	-	-	52,549,899
Gooi Seong Heen				
- direct interest	1,071,417	-	-	1,071,417
- indirect interest	51,462,981	-	-	51,462,981
Gooi Seong Chneh				
- direct interest	987,418	-	-	987,418
- indirect interest	51,445,981	-	-	51,445,981
Gooi Seong Gum				
- indirect interest	51,445,981	-	-	51,445,981
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	15,000	-	-	15,000
- indirect interest	2,000	-	-	2,000

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

	Number of Warrants 2009/2014 in the Company			
	As at 1.2.2010	Bought	Exercised	As at 31.1.2011
Gooi Seong Lim				
- direct interest	402,000	-	(332,000)	70,000
- indirect interest	52,049,899	-	(15,568,918)	36,480,981
Gooi Seong Heen				
- direct interest	905,417	-	-	905,417
- indirect interest	51,462,981	-	(15,000,000)	36,462,981
Gooi Seong Chneh				
- direct interest	821,418	-	-	821,418
- indirect interest	51,445,981	-	(15,000,000)	36,445,981
Gooi Seong Gum				
- indirect interest	51,445,981	-	(15,000,000)	36,445,981
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	15,000	-	-	15,000
- indirect interest	2,000	-	-	2,000

	Number of options under ESOS over ordinary shares of RM1 each in the Company			
	As at 1.2.2010	Granted	Exercised	As at 31.1.2011
Gooi Seong Heen	228,000	-	-	228,000
Gooi Seong Chneh	149,000	-	-	149,000
Gooi Seong Gum	350,000	-	-	350,000

	Number of ordinary shares of RM1 each in related corporations			
	As at 1.2.2010	Bought / Transferred	Sold	As at 31.1.2011
Kim Loong Resources Berhad				
Gooi Seong Lim				
- direct interest	476,000	645,152	-	1,121,152
- indirect interest	196,360,964	2,749,797	(8,960)	199,101,801
Gooi Seong Heen				
- direct interest	1,108,760	645,152	-	1,753,912
- indirect interest	195,024,965	2,749,797	(8,960)	197,765,802
Gooi Seong Chneh				
- direct interest	879,760	734,152	-	1,613,912
- indirect interest	195,024,965	2,749,797	(8,960)	197,765,802
Gooi Seong Gum				
- direct interest	2,123,000	615,552	(2,738,552)	-
- indirect interest	195,080,965	2,749,797	(8,960)	197,821,802

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

	Number of ordinary shares of RM1 each in related corporations			
	As at 1.2.2010	Bought	Sold	As at 31.1.2011
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

	Number of options under ESOS over ordinary shares of RM1 each in a related corporation			
	As at 1.2.2010	Granted	Exercised	As at 31.1.2011
Kim Loong Resources Berhad				
Gooi Seong Lim	19,600	24,000	(29,600)	14,000
Gooi Seong Heen	19,600	24,000	(29,600)	14,000
Gooi Seong Chneh	108,600	24,000	(118,600)	14,000
Gooi Seong Gum	108,600	24,000	-	132,600

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

	Number of warrants in a related corporation			
	As at 1.2.2010	Bought	Exercised	As at 31.1.2011
Kim Loong Resources Berhad				
Gooi Seong Lim				
- indirect interest	2,285	-	(2,285)	-
Gooi Seong Heen				
- indirect interest	2,285	-	(2,285)	-
Gooi Seong Chneh				
- indirect interest	2,285	-	(2,285)	-
Gooi Seong Gum				
- indirect interest	2,285	-	(2,285)	-

	Number of ordinary shares of RM100 each in the holding company, Sharikat Kim Loong Sendirian Berhad			
	As at 1.2.2010	Transferred	Sold	As at 31.1.2011
Gooi Seong Lim				
- direct interest	21,875	250	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Heen				
- direct interest	21,875	250	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Chneh				
- direct interest	21,875	250	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Gum				
- direct interest	21,875	250	-	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 comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps :

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

(ii) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

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

(i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

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

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

(i) any charge on the assets of the Group or the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or the Company that has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the Directors, except for the effects arising from the change in accounting policies as disclosed in the financial statements, the results of the operations of the Group and the Company during the financial year ended 31 January 2011 were not substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

HOLDING AND ULTIMATE HOLDING COMPANY

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

AUDITORS

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

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

GOOI SEONG LIM
Director

GOOI SEONG GUM
Director

Dated : 26 May 2011

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 56 to 116 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 2011 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

The information set out on Note 42 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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

GOOI SEONG LIM
Director

GOOI SEONG GUM
Director

Dated : 26 May 2011

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, GOOI SEONG GUM, being the Director primarily responsible for the financial management of CRESCENDO CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 56 to 116 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed)
GOOI SEONG GUM)
at Johor Bahru in the State of Johor Darul)
Takzim on 26 May 2011)

GOOI SEONG GUM
Director

Before me,

Aminah Binti Abdullah
No. J150
Commissioner for Oaths
Johor Bahru

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 2011 of the Group and of the Company, 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 56 to 116.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control 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 have been properly drawn up in accordance with 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 2011 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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 Note 42 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.

C S TAN & ASSOCIATES
Firm Number : AF 1144
Chartered Accountants

CHOO MIN LEE
Approval Number : 2835 / 08 / 11 (J)
Partner

Johor Bahru,
Dated : 26 May 2011

Statements of Financial Position

As At 31 January 2011

	Note	GROUP 2011 RM	GROUP 2010 RM	COMPANY 2011 RM	COMPANY 2010 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	**42,218,478**	40,412,652	**262,762**	317,340
Investment in subsidiaries	4	**-**	-	**127,065,277**	126,165,277
Available-for-sale financial assets	5	**60,000**	60,000	**-**	-
Land held for property development	6	**445,782,609**	448,133,224	**-**	-
Deferred tax assets	7	**7,218,011**	7,248,751	**2,297,011**	2,685,751
Derivative financial asset	8	**33,027**	-	**-**	-
Amounts owing by subsidiaries	9	**-**	-	**57,312,862**	55,476,140
		495,312,125	495,854,627	**186,937,912**	184,644,508
Current assets					
Property development costs	6	**48,647,385**	17,490,978	**-**	-
Inventories	10	**58,073,925**	76,368,846	**-**	-
Receivables	9	**39,790,803**	46,689,164	**98,408,464**	73,947,245
Other current assets	11	**18,018,165**	10,815,192	**207,551**	163,910
Tax recoverable		**847,465**	1,229,624	**-**	-
Cash and bank balances	12	**49,792,183**	40,247,422	**16,770,866**	27,182,820
		215,169,926	192,841,226	**115,386,881**	101,293,975
TOTAL ASSETS		**710,482,051**	688,695,853	**302,324,793**	285,938,483
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	**172,565,948**	155,071,330	**172,565,948**	155,071,330
Share premium	14	**15,838,221**	14,890,492	**15,838,221**	14,890,492
Treasury shares	14	**(13,921)**	(798,150)	**(13,921)**	(798,150)
Revaluation reserve	15	**34,567,700**	34,567,700	**-**	-
Share option reserve	16	**171,971**	223,420	**171,971**	223,420
Warrants reserve	17	**1,532,038**	-	**1,532,038**	-
Hedging reserve	18	**33,027**	-	**-**	-
Equity component of ICULS	19	**50,281,387**	50,281,387	**50,281,387**	50,281,387
Retained earnings	20	**219,957,805**	196,703,587	**48,891,390**	51,387,077
		494,934,176	450,939,766	**289,267,034**	271,055,556
Minority interests		**12,916,286**	9,707,493	**-**	-
Total equity		**507,850,462**	460,647,259	**289,267,034**	271,055,556

	Note	GROUP 2011 RM	GROUP 2010 RM	COMPANY 2011 RM	COMPANY 2010 RM
Non-current liabilities					
Loans and borrowings	21	**132,252,842**	128,298,408	**-**	-
Liability component of ICULS	19	**9,336,045**	10,919,003	**9,336,045**	10,919,003
Deferred tax liabilities	7	**2,334,750**	2,212,750	**-**	-
Payables	23	**8,064,364**	7,000,000	**-**	-
		151,988,001	148,430,161	**9,336,045**	10,919,003
Current liabilities					
Payables	23	**38,588,933**	59,540,698	**1,057,952**	3,959,088
Due to customers on contracts	13	**616,720**	38,306	**-**	-
Loans and borrowings	21	**6,947,537**	19,645,821	**-**	-
Dividend payable		**2,583,263**	-	**2,583,263**	-
Tax payable		**1,907,135**	393,608	**80,499**	4,836
		50,643,588	79,618,433	**3,721,714**	3,963,924
Total liabilities		**202,631,589**	228,048,594	**13,057,759**	14,882,927
TOTAL EQUITY AND LIABILITIES		**710,482,051**	688,695,853	**302,324,793**	285,938,483

Statements of Comprehensive Income

For The Financial Year Ended 31 January 2011

		GROUP		COMPANY	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Revenue	24	**215,225,401**	160,320,937	**20,251,483**	9,075,391
Cost of sales	24	**(161,105,716)**	(123,332,923)	**-**	-
Gross profit		**54,119,685**	36,988,014	**20,251,483**	9,075,391
Other items of income					
Rental income		**3,705,066**	3,036,744	**-**	-
Interest income		**1,973,019**	834,894	**4,415,040**	3,329,999
Net compensation for compulsory acquisitions		**6,502,902**	-	**-**	-
Other income		**946,771**	1,212,661	**73**	75
Other items of expense					
Administrative expenses		**(14,972,076)**	(14,577,904)	**(8,664,227)**	(8,093,035)
Other operating expenses		**(61,036)**	(128,328)	**-**	-
Finance costs	25	**(1,448,823)**	(1,252,490)	**(655,140)**	(625,312)
Profit before tax	26	**50,765,508**	26,113,591	**15,347,229**	3,687,118
Tax	29	**(11,330,797)**	(6,754,531)	**(3,395,034)**	(751,829)
Profit net of tax		**39,434,711**	19,359,060	**11,952,195**	2,935,289
Other comprehensive income, net of tax					
Cash flow hedge	18	**33,027**	-	**-**	-
Revaluation of land	15	**-**	19,749,226	**-**	-
Total comprehensive income for the year		**39,467,738**	39,108,286	**11,952,195**	2,935,289
Profit attributable to :					
Owners of the Company		**36,410,440**	18,011,803	**11,952,195**	2,935,289
Minority interests		**3,024,271**	1,347,257	**-**	-
		39,434,711	19,359,060	**11,952,195**	2,935,289
Total comprehensive income attributable to :					
Owners of the Company		**36,443,467**	37,646,674	**11,952,195**	2,935,289
Minority interests		**3,024,271**	1,461,612	**-**	-
		39,467,738	39,108,286	**11,952,195**	2,935,289
Earnings per share attributable to owners of the Company (sen) :					
Basic	30	**22.9**	11.7		
Diluted	30	**16.8**	Not Applicable		

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 January 2011

			Attributable to owners of the Company									
				Non-distributable							Distributable	
2011	Note	Total Equity RM	Equity attributable to the owners of the Company Total RM	Share Capital RM	Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Share Option Reserve RM	Warrants Reserve RM	Hedging Reserve RM	ICULS (Equity Component) RM	Retained Earnings RM	Minority Interests RM
Balance as at 1.2.2010													
As previously stated		460,647,259	450,939,766	155,071,330	14,890,492	(798,150)	34,567,700	223,420	-	-	50,281,387	196,703,587	9,707,493
Effects of adopting FRS139	2.2	1,845,226	1,291,660	-	-	-	-	-	2,088,892	-	-	(797,232)	553,566
As restated		462,492,485	452,231,426	155,071,330	14,890,492	(798,150)	34,567,700	223,420	2,088,892	-	50,281,387	195,906,355	10,261,059
Total comprehensive income		39,467,738	36,443,467	-	-	-	-	-	-	33,027	-	36,410,440	3,024,271
Transactions with owners													
Dividends	31	(12,358,990)	(12,358,990)	-	-	-	-	-	-	-	-	(12,358,990)	-
Purchase of treasury shares	14	(35,773)	(35,773)	-	-	(35,773)	-	-	-	-	-	-	-
Sale of treasury shares	14	1,023,774	1,023,774	-	203,772	820,002	-	-	-	-	-	-	-
Acquisition of minority interests		(369,044)	-	-	-	-	-	-	-	-	-	-	(369,044)
Exercise of ESOS	14	1,670,260	1,670,260	1,584,500	85,760	-	-	-	-	-	-	-	-
Exercise of Warrants	14	15,910,118	15,910,118	15,910,118	-	-	-	-	-	-	-	-	-
Transfer of reserve arising from exercise of ESOS	16	-	-	-	101,343	-	-	(101,343)	-	-	-	-	-
Transfer of reserve arising from exercise of Warrants	17	-	-	-	556,854	-	-	-	(556,854)	-	-	-	-
Share-based payment expenses under ESOS	16	49,894	49,894	-	-	-	-	49,894	-	-	-	-	-
Total transactions with owners		5,890,239	6,259,283	17,494,618	947,729	784,229	-	(51,449)	(556,854)	-	-	(12,358,990)	(369,044)
Balance as at 31.1.2011		507,850,462	494,934,176	172,565,948	15,838,221	(13,921)	34,567,700	171,971	1,532,038	33,027	50,281,387	219,957,805	12,916,286

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 January 2011 (Cont'd)

			Attributable to owners of the Company								
				Non-distributable						Distributable	
2010	**Note**	**Total Equity RM**	**Equity attributable to the owners of the Company Total RM**	**Share Capital RM**	**Share Premium RM**	**Treasury Shares RM**	**Revaluation Reserve RM**	**Share Option Reserve RM**	**ICULS (Equity Component) RM**	**Retained Earnings RM**	**Minority Interests RM**
Balance as at 1.2.2009											
As previously stated		400,741,195	392,495,314	155,071,330	14,890,492	(584,216)	14,932,829	187,389	20,817,034	187,180,456	8,245,881
Prior year adjustment	40	29,464,353	29,464,353	-	-	-	-	-	29,464,353	-	-
As restated		430,205,548	421,959,667	155,071,330	14,890,492	(584,216)	14,932,829	187,389	50,281,387	187,180,456	8,245,881
Total comprehensive income		39,108,286	37,646,674	-	-	-	19,634,871	-	-	18,011,803	1,461,612
Transactions with owners											
Dividends	31	(8,488,672)	(8,488,672)	-	-	-	-	-	-	(8,488,672)	-
Purchase of treasury shares	14	(213,934)	(213,934)	-	-	(213,934)	-	-	-	-	-
Share-based payment expenses under ESOS	16	36,031	36,031	-	-	-	-	36,031	-	-	-
Total transactions with owners		(8,666,575)	(8,666,575)	-	-	(213,934)	-	36,031	-	(8,488,672)	-
Balance as at 31.1.2010		460,647,259	450,939,766	155,071,330	14,890,492	(798,150)	34,567,700	223,420	50,281,387	196,703,587	9,707,493

Company Statement of Changes in Equity

For The Financial Year Ended 31 January 2011

			Non-distributable						Distributable
2011	**Note**	**Total Equity RM**	**Share Capital RM**	**Share Premium RM**	**Treasury Shares RM**	**Share Option Reserve RM**	**Warrants Reserve RM**	**ICULS (Equity Component) RM**	**Retained Earnings RM**
Balance as at 1.2.2010									
As previously stated		**271,055,556**	**155,071,330**	**14,890,492**	**(798,150)**	**223,420**	**-**	**50,281,387**	**51,387,077**
Effects of adopting FRS139	**2.2**	**-**	**-**	**-**	**-**	**-**	**2,088,892**	**-**	**(2,088,892)**
As restated		**271,055,556**	**155,071,330**	**14,890,492**	**(798,150)**	**223,420**	**2,088,892**	**50,281,387**	**49,298,185**
Total comprehensive income		**11,952,195**	**-**	**-**	**-**	**-**	**-**	**-**	**11,952,195**
Transactions with owners									
Dividends	**31**	**(12,358,990)**	**-**	**-**	**-**	**-**	**-**	**-**	**(12,358,990)**
Purchase of treasury shares	**14**	**(35,773)**	**-**	**-**	**(35,773)**	**-**	**-**	**-**	**-**
Sale of treasury shares	**14**	**1,023,774**	**-**	**203,772**	**820,002**	**-**	**-**	**-**	**-**
Exercise of ESOS	**14**	**1,670,260**	**1,584,500**	**85,760**	**-**	**-**	**-**	**-**	**-**
Exercise of Warrants	**14**	**15,910,118**	**15,910,118**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer of reserve arising from exercise of ESOS	**16**	**-**	**-**	**101,343**	**-**	**(101,343)**	**-**	**-**	**-**
Transfer of reserve arising from exercise of Warrants	**17**	**-**	**-**	**556,854**	**-**	**-**	**(556,854)**	**-**	**-**
Share-based payment expenses under ESOS	**16**	**49,894**	**-**	**-**	**-**	**49,894**	**-**	**-**	**-**
Total transactions with owners		**6,259,283**	**17,494,618**	**947,729**	**784,229**	**(51,449)**	**(556,854)**	**-**	**(12,358,990)**
Balance as at 31.1.2011		**289,267,034**	**172,565,948**	**15,838,221**	**(13,921)**	**171,971**	**1,532,038**	**50,281,387**	**48,891,390**
2010									
Balance as at 1.2.2009									
As previously stated		247,322,489	155,071,330	14,890,492	(584,216)	187,389	-	20,817,034	56,940,460
Prior year adjustment	40	29,464,353	-	-	-	-	-	29,464,353	-
As restated		276,786,842	155,071,330	14,890,492	(584,216)	187,389	-	50,281,387	56,940,460
Total comprehensive income		2,935,289	-	-	-	-	-	-	2,935,289
Transactions with owners									
Dividends	31	(8,488,672)	-	-	-	-	-	-	(8,488,672)
Purchase of treasury shares	14	(213,934)	-	-	(213,934)	-	-	-	-
Share-based payment expenses under ESOS	16	36,031	-	-	-	36,031	-	-	-
Total transactions with owners		(8,666,575)	-	-	(213,934)	36,031	-	-	(8,488,672)
Balance as at 31.1.2010		271,055,556	155,071,330	14,890,492	(798,150)	223,420	-	50,281,387	51,387,077

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 January 2011

	Note	2011 RM	2010 RM
Operating activities			
Cash receipts from customers		**225,017,257**	157,046,755
Dividends received		**9,112**	33,968
Cash paid to suppliers and employees		**(199,606,894)**	(183,055,813)
Cash generated from / (absorbed by) operations		**25,419,475**	(25,975,090)
Deposit interest received		**1,204,570**	803,504
Interest paid		**(7,969,056)**	(4,979,846)
Tax paid		**(9,282,372)**	(6,048,092)
Net cash from / (used in) operating activities		**9,372,617**	(36,199,524)
Investing activities			
Acquisition of property, plant and equipment	A	**(3,943,449)**	(2,532,726)
Acquisition of additional shares in a subsidiary		**(250,000)**	(30,000)
Pledge of time deposits		**(5,358)**	(5,181)
Proceeds from disposal of investments		**-**	897,711
Proceeds from disposal of plant and equipment		**157,987**	324,700
Proceeds from compulsory acquisitions		**6,502,902**	-
Net cash from / (used in) investing activities		**2,462,082**	(1,345,496)
Financing activities			
Proceeds from issuance of shares			
- ESOS exercised		**1,670,260**	-
- Warrants		**15,910,118**	-
Resale / (Acquisition) of treasury shares		**988,001**	(213,934)
Proceeds from loans and borrowings		**30,327,000**	52,483,000
Repayment of hire purchase payables		**(28,789)**	(127,443)
Repayment of loans and borrowings		**(38,489,675)**	(16,602,008)
Dividend paid		**(9,775,727)**	(8,488,672)
ICULS interest paid		**(2,238,098)**	(2,241,260)
Net cash (used in) / from financing activities		**(1,636,910)**	24,809,683
Net increase / (decrease) in cash and cash equivalents		**10,197,789**	(12,735,337)
Cash and cash equivalents at the beginning of the financial year		**39,067,916**	51,803,253
Cash and cash equivalents at the end of the financial year	32	**49,265,705**	39,067,916

Note to Consolidated Statement of Cash Flows

A Acquisition of property, plant and equipment

	2011 RM	2010 RM
Property, plant and equipment acquired	**4,341,012**	2,498,795
Less : Financed by hire purchase arrangement	**(106,000)**	-
Unpaid balance included under payables	**(443,837)**	(152,274)
Add : Payment to payable brought forward	**152,274**	186,205
Cash paid	**3,943,449**	2,532,726

Company Statement of Cash Flows

For The Financial Year Ended 31 January 2011

	Note	2011 RM	2010 RM
Operating activities			
Cash receipts from customers		**8,060,078**	8,984,332
Dividend received from subsidiaries		**10,938,002**	1,362,900
Cash paid to suppliers and employees		**(9,467,989)**	(7,075,235)
Cash generated from operations		**9,530,091**	3,271,997
Interest received		**4,413,426**	3,308,279
Interest paid		**-**	(45)
Tax paid		**(2,930,631)**	(528,261)
Net cash from operating activities		**11,012,886**	6,051,970
Investing activities			
Acquisition of plant and equipment		**(48,527)**	(23,132)
Acquisition of additional shares in a subsidiary		**(900,000)**	-
Advance to subsidiaries		**(30,397,055)**	(24,545,160)
Repayment from subsidiaries		**5,316,188**	10,187,197
Net cash used in investing activities		**(26,029,394)**	(14,381,095)
Financing activities			
Proceeds from issuance of shares			
- ESOS exercised		**1,670,260**	-
- Warrants		**15,910,118**	-
Resale / (Acquisition) of treasury shares		**988,001**	(213,934)
Advance from subsidiaries		**-**	1,950,000
Repayment to subsidiaries		**(1,950,000)**	(1,000)
Dividend paid		**(9,775,727)**	(8,488,672)
ICULS interest paid		**(2,238,098)**	(2,241,260)
Net cash from / (used in) financing activities		**4,604,554**	(8,994,866)
Net decrease in cash and cash equivalents		**(10,411,954)**	(17,323,991)
Cash and cash equivalents at the beginning of the financial year		**27,182,820**	44,506,811
Cash and cash equivalents at the end of the financial year	32	**16,770,866**	27,182,820

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 address of the registered office of the Company is as follows :
Unit No. 203, 2nd Floor,
Block C, Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.

(c) The address of the principal place of business of the Company is as follows :
Lot 18.02, 18th Floor, Public Bank Tower,
No. 19, Jalan Wong Ah Fook,
80000 Johor Bahru,
Johor Darul Takzim.

(d) Authorisation for issue of financial statements
These financial statements were authorised for issue by the Board of Directors on 26 May 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

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.

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

The Group and the Company adopted the following new and amended FRSs and Issues Committee ("IC") Interpretations relevant to the current operations of the Group and the Company for the financial year ended 31 January 2011 :

FRS and Interpretations

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The above new and amended FRSs did not have any significant impact on the financial statements of the Group and the Company upon their initial application other than :

1. FRS 7 : Financial Instruments : Disclosures

   Prior to 1 February 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments : Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

   The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 January 2011.

2. FRS 101 : Presentation of Financial Statements (Revised)

   FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

   The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 39).

   FRS 101 does not have any impact on the financial position or results of the Group and the Company.

3. FRS 139 : Financial Instruments : Recognition and Measurement

   FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group has adopted FRS 139 prospectively on 1 February 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 February 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 is discussed below :

   i. Interest rate swap contract
   Prior to 1 February 2010, interest rate swap contract is recognised in the financial statements only upon settlement.

   Upon the adoption of FRS 139, if the interest rate swap contract held by the Group does not qualify for hedge accounting, it is recognised as its fair value and is classified as financial asset or financial liability at fair value through profit or loss.

   The interest swap contract that meets the criteria for hedging is accounted for by using the cash flow hedge. Under the cash flow hedge, the effective portion of the gain or loss on the derivative is recognised directly in other comprehensive income into the hedging reserve, while any ineffective portion is recognised immediately in profit or loss as other expenses.

   ii. Payable
   Under FRS 139, payables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains or losses are recognised in the statement of comprehensive income when the liabilities are derecognised or through amortisation process.

   iii. 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.

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

3. FRS 139 : Financial Instruments : Recognition and Measurement (cont'd)

iv. Financial guarantee contracts

During the current and prior years, the Company provided financial guarantees to banks in connection with bank loans and other banking facilities granted to its subsidiaries. Prior to 1 February 2010, the Company did not provide for such guarantees unless it was more likely than not that the guarantees would be called upon. The guarantees were disclosed as contingent liabilities. Upon the adoption of FRS 139, all unexpired financial guarantees issued by the Company are recognised as financial liabilities and are measured at their initial fair value less accumulated amortisation as at 1 February 2010.

The value of financial 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 with these guarantees made available, with the estimated rates that the bank would have charged has these guarantees not been available.

The Directors have assessed the fair value of these financial guarantees to have no material financial impact on the results and the retained earnings of the Company.

In accordance with the transitional provisions of FRS139, the above changes are applied prospectively and the comparatives as at 31 January 2010 are not restated. Instead, the changes have been accounted for by restating the opening balances in the statements of financial position as at 1 February 2010.

The following are effects arising from the above change in accounting policy:

	Increase / (Decrease)	
	31 January 2011	**1 February 2010**
Statements of financial position	**RM**	**RM**
Group		
Derivative financial asset	**33,027**	-
Share premium	**556,854**	-
Warrants reserve	**1,532,038**	2,088,892
Hedging reserve	**33,027**	-
Retaining earnings	**(666,320)**	(797,232)
Minority interests	**193,564**	553,566
Payables (non-current)	**(1,935,636)**	(1,845,226)
Company		
Share premium	**556,854**	-
Warrants reserve	**1,532,038**	2,088,892
Retaining earnings	**(2,088,892)**	(2,088,892)

	Increase Group 2011 RM
Statements of comprehensive income	
Other income	
Net gain on financial liability measured at amortised cost	**90,410**
Other comprehensive income for the year, net of tax	
Cash flow hedge	**33,027**

There is no material impact on the basic and diluted earnings per share of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The Group and the Company have not elected for early adoption of the following new and amended FRSs and IC Interpretations relevant to current operations of the Group and the Company, which were issued but not yet effective for the financial year ended 31 January 2011 :

FRS and Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
Amendments to FRS 132	Classification of Right Issues	1 March 2010
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-Time Adopters	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Improvements of FRSs (2010)		1 January 2011
FRS 124	Related Party Disclosures	1 January 2012
IC Interpretation 15	Agreements for the Construction for Real Estate	1 January 2012

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

1. FRS 3 : Business Combinations (Revised)
   Amendments to FRS 127 : Consolidated and Separate Financial Statements

   The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

2. IC Interpretation 15 : Agreement for the Construction of Real Estate

   This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

   The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

Investment in subsidiaries is stated at cost less impairment losses, if any. The carrying amount is reviewed annually and the policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(r). A company is considered as a subsidiary when the Company owns directly or indirectly more than one half of the voting power of that company or the Company controls the composition of the board of directors or equivalent governing body.

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

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year. The results of the subsidiaries acquired or disposed of during the financial year are included in the consolidated profit or loss from the date of their acquisition or up to the date of their disposal. Inter-company transactions, balances and unrealised gains or losses are eliminated on consolidation.

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

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The carrying amount is reviewed annually and the policy for the recognition and measurement of impairment losses on goodwill is in accordance with Note 2.3(r).

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

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

(b) Property, plant and equipment

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies (cont'd)

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

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
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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(c) 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(r).

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies (cont'd)

(c) Property development activities (cont'd)

ii. Property development costs (cont'd)

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 progress billings within trade payables.

(d) Inventories

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

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

Cost of 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 related infrastructure expenditure.

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

(e) 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.

(f) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies (cont'd)

(f) 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.

(g) 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.

(h) Assets under hire purchase

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies (cont'd)

(i) 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.

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.

(j) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies (cont'd)

(j) Impairment of financial assets (cont'd)

i. Trade and other receivables and other financial assets carried at amortised cost (cont'd)

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.

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.

(k) 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, within the scope of FRS 139, 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.

(l) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies (cont'd)

(l) Employee benefits (cont'd)

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.

iii. Equity compensation benefits

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

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

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

(m) 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.

(n) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies (cont'd)

(o) 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.

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.

(p) 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.

(q) 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.

(r) 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of significant accounting policies (cont'd)

(s) 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.

(t) 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.

(u) 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.

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.

(v) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgements

(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.

i. Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these plant and equipment to be within 5 to 10 years which are the common life expectancies. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 3. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 0.1% (2010 : Nil) variance in the Group's profit for the year.

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 RM1,404,000 (2010 : RM1,341,000). The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses of the Group was RM572,500 (2010 : RM414,000).

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 9 to the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
Group						
As at 31 January 2011						
Cost or Valuation						
As at 1.2.2010						
At cost	2,181,370	10,093,433	4,409,165	9,916,373	43,204	26,643,545
At valuation	28,508,885	-	-	-	-	28,508,885
	30,690,255	10,093,433	4,409,165	9,916,373	43,204	55,152,430
Additions	89,779	1,710,110	416,173	1,707,710	417,240	4,341,012
Disposal / Write off	(3,876)	(342,070)	(71,572)	(363,070)	-	(780,588)
Reclassification	43,204	-	-	-	(43,204)	-
As at 31.1.2011	30,819,362	11,461,473	4,753,766	11,261,013	417,240	58,712,854
Representing :						
At cost	2,310,477	11,461,473	4,753,766	11,261,013	417,240	30,203,969
At valuation	28,508,885	-	-	-	-	28,508,885
As at 31.1.2011	30,819,362	11,461,473	4,753,766	11,261,013	417,240	58,712,854
Accumulated depreciation						
As at 1.2.2010	558,446	4,640,090	2,645,164	6,896,078	-	14,739,778
Depreciation charge for the year:	209,242	1,288,601	381,063	484,083	-	2,362,989
Recognised in profit or loss (Note 26)	209,242	1,216,614	381,063	466,012	-	2,272,931
Capitalised in construction costs (Note 13)	-	71,987	-	18,071	-	90,058
Disposal / Write off	(3,872)	(246,507)	(62,021)	(295,991)	-	(608,391)
As at 31.1.2011	763,816	5,682,184	2,964,206	7,084,170	-	16,494,376
Net carrying amount						
At cost	1,546,661	5,779,289	1,789,560	4,176,843	417,240	13,709,593
At valuation	28,508,885	-	-	-	-	28,508,885
As at 31.1.2011	30,055,546	5,779,289	1,789,560	4,176,843	417,240	42,218,478
Net carrying amount of assets under restriction of title due to loans and borrowings	21,342,184	2,080,908	255,851	1,274,147	-	24,953,090

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
Group						
As at 31 January 2010						
Cost or Valuation						
As at 1.2.2009						
At cost	3,341,055	9,179,450	4,129,651	9,959,183	239,326	26,848,665
At valuation	44,093,351	-	-	-	-	44,093,351
	47,434,406	9,179,450	4,129,651	9,959,183	239,326	70,942,016
Additions	68,030	523,653	343,127	657,889	906,096	2,498,795
Revaluation surplus	19,764,347	-	-	-	-	19,764,347
Disposal / Write off	(50,033)	(586,218)	(63,613)	(700,699)	-	(1,400,563)
Reclassification	125,670	976,548	-	-	(1,102,218)	-
Transfer to land held for property development {Note 6(a)}	(38,820,072)	-	-	-	-	(38,820,072)
Transfer from property development costs {Note 6(b)}	2,167,907	-	-	-	-	2,167,907
As at 31.1.2010	30,690,255	10,093,433	4,409,165	9,916,373	43,204	55,152,430
Representing :						
At cost	2,181,370	10,093,433	4,409,165	9,916,373	43,204	26,643,545
At valuation	28,508,885	-	-	-	-	28,508,885
As at 31.1.2010	30,690,255	10,093,433	4,409,165	9,916,373	43,204	55,152,430
Accumulated depreciation						
As at 1.2.2009	397,843	3,807,533	2,317,093	6,208,450	-	12,730,919
Depreciation charge for the year:	195,005	1,180,064	383,714	1,206,224	-	2,965,007
Recognised in profit or loss (Note 26)	195,005	1,090,220	383,714	1,199,307	-	2,868,246
Capitalised in construction costs (Note 13)	-	89,844	-	6,917	-	96,761
Disposal / Write off	(34,402)	(347,507)	(55,643)	(518,596)	-	(956,148)
As at 31.1.2010	558,446	4,640,090	2,645,164	6,896,078	-	14,739,778
Net carrying amount						
At cost	1,622,924	5,453,343	1,764,001	3,020,295	43,204	11,903,767
At valuation	28,508,885	-	-	-	-	28,508,885
As at 31.1.2010	30,131,809	5,453,343	1,764,001	3,020,295	43,204	40,412,652
Net carrying amount of assets under restriction of title due to loans and borrowings	21,592,625	2,641,857	292,597	1,435,065	-	25,962,144

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Properties of the Group :

	Freehold land RM	Buildings RM	Total RM
As at 31 January 2011			
Cost or Valuation			
As at 1.2.2010			
At cost	**-**	**2,181,370**	**2,181,370**
At valuation	**28,508,885**	**-**	**28,508,885**
	28,508,885	**2,181,370**	**30,690,255**
Additions	**24,586**	**65,193**	**89,779**
Disposals / Write off	**-**	**(3,876)**	**(3,876)**
Reclassification	**-**	**43,204**	**43,204**
As at 31.1.2011	**28,533,471**	**2,285,891**	**30,819,362**
Representing :			
At cost	**24,586**	**2,285,891**	**2,310,477**
At valuation	**28,508,885**	**-**	**28,508,885**
As at 31.1.2011	**28,533,471**	**2,285,891**	**30,819,362**
Accumulated depreciation			
As at 1.2.2010	**-**	**558,446**	**558,446**
Depreciation charge for the year :			
Recognised in profit or loss	**-**	**209,242**	**209,242**
Disposals / Write off	**-**	**(3,872)**	**(3,872)**
As at 31.1.2011	**-**	**763,816**	**763,816**
Net carrying amount			
At cost	**24,586**	**1,522,075**	**1,546,661**
At valuation	**28,508,885**	**-**	**28,508,885**
As at 31.1.2011	**28,533,471**	**1,522,075**	**30,055,546**
As at 31 January 2010			
Cost or Valuation			
As at 1.2.2009			
At cost	1,259,352	2,081,703	3,341,055
At valuation	44,093,351	-	44,093,351
	45,352,703	2,081,703	47,434,406
Additions	44,000	24,030	68,030
Revaluation surplus	19,764,347	-	19,764,347
Disposals / Write off	-	(50,033)	(50,033)
Reclassification	-	125,670	125,670
Transfer to land held for property development	(38,820,072)	-	(38,820,072)
Transfer from property development costs	2,167,907	-	2,167,907
As at 31.1.2010	28,508,885	2,181,370	30,690,255

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Properties of the Group (cont'd):

	Freehold land RM	Buildings RM	Total RM
As at 31 January 2010 (cont'd)			
Cost or Valuation (cont'd)			
Representing :			
At cost	-	2,181,370	2,181,370
At valuation	28,508,885	-	28,508,885
As at 31.1.2010	28,508,885	2,181,370	30,690,255
Accumulated depreciation			
As at 1.2.2009	-	397,843	397,843
Depreciation charge for the year :			
Recognised in profit or loss	-	195,005	195,005
Disposals / Write off	-	(34,402)	(34,402)
As at 31.1.2010	-	558,446	558,446
Net carrying amount			
At cost	-	1,622,924	1,622,924
At valuation	28,508,885	-	28,508,885
As at 31.1.2010	28,508,885	1,622,924	30,131,809

	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
Company			
As at 31 January 2011			
Cost			
As at 1.2.2010	**869,962**	**803,144**	**1,673,106**
Additions	**48,527**	**-**	**48,527**
Disposal / Write off	**(20,029)**	**-**	**(20,029)**
As at 31.1.2011	**898,460**	**803,144**	**1,701,604**
Accumulated depreciation			
As at 1.2.2010	**573,710**	**782,056**	**1,355,766**
Depreciation charge for the year :			
Recognised in profit or loss	**100,880**	**1,855**	**102,735**
Disposal / Write off	**(19,659)**	**-**	**(19,659)**
As at 31.1.2011	**654,931**	**783,911**	**1,438,842**
Net carrying amount	**243,529**	**19,233**	**262,762**

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
Company			
As at 31 January 2010			
Cost			
As at 1.2.2009	846,830	803,144	1,649,974
Additions	23,132	-	23,132
As at 31.1.2010	869,962	803,144	1,673,106
Accumulated depreciation			
As at 1.2.2009	450,859	748,303	1,199,162
Depreciation charge for the year :			
Recognised in profit or loss	122,851	33,753	156,604
As at 31.1.2010	573,710	782,056	1,355,766
Net carrying amount	296,252	21,088	317,340

Included in Group's freehold land is interest capitalised during the financial year amounting to RM24,586 (2010 : Nil).

Valuation of freehold land was carried out on 21 December 2009 by the qualified valuer, using the comparison method to reflect its fair value.

	GROUP	
	2011 RM	2010 RM
Net carrying amount of revalued freehold land, had these assets been carried at cost	**6,878,124**	6,853,538

Certain parcels of freehold land of the subsidiaries with net carrying amount of RM28,175,586 (2010 : RM28,151,000) are registered in the name of the vendors. The said subsidiaries are the beneficial owners of the freehold land.

Included in the Group's property, plant and equipment are assets acquired under hire purchase financing with net carrying amount of RM195,801 (2010 : RM43,131).

During the current financial year, the Group and the Company have reassessed its estimation of the useful lives and residual values of plant and equipment. The effects of the above changes on depreciation charge in current and future periods are as follows:

	2011 RM	2012 RM	2013 RM	2014 and subsequent years RM
Decrease / (Increase) in depreciation expenses				
- Group	**799,512**	858,764	615,238	(1,286,831)
- Company	**9,145**	8,227	(1,855)	(7,268)

4. INVESTMENT IN SUBSIDIARIES

	COMPANY 2011 RM	COMPANY 2010 RM
Unquoted shares, at cost	**127,065,277**	126,165,277

The subsidiaries which are incorporated in Malaysia are as follows :

Name of companies	Principal activities	Paid up capital	Group's effective equity interest 2011 %	2010 %
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holding	**8,820,002**	**100**	100
Ambok Resorts Development Sdn. Bhd.	Property development	**100,000**	**100**	100
Panoramic Land Sdn. Bhd.	Dormant	**2**	**100**	100
Panoramic Jaya Sdn. Bhd.	Property development	**300,000**	**70**	70
Crescendo Development Sdn. Bhd.	Property development	**45,430,000**	**100**	100
Crescendo Jaya Sdn. Bhd.	Property development	**250,000**	**70**	70
Crescendo Land Sdn. Bhd.	Property development	**120**	**90**	70
Unibase Construction Sdn. Bhd.	Buildings construction and investment holding	**750,000**	**100**	100
Unibase Corporation Sdn. Bhd.	Buildings construction	**750,000**	**100**	100
Repute Ventures Sdn. Bhd.	Investment holding	**100,000**	**70**	70
Repute Construction Sdn. Bhd.	Buildings construction	**750,100**	**60**	60
Repute Corporation Sdn. Bhd.	Buildings construction	**2**	**70**	70
Unibase Concrete Industries Sdn. Bhd.	Trading and manufacturing of concrete products	**2,000,000**	**60**	60
Unibase Jaya Sdn. Bhd.	Dormant	**750,000**	**60**	60
Unibase Trading Sdn. Bhd.	Trading of building materials	**100,000**	**60**	60
Unibase Pre-cast Sdn. Bhd.	Fabrication, trading and marketing of concrete products	**200,000**	**42**	42
Crescendo Education Sdn. Bhd.	Investment holding	**1,000,000**	**100**	100
Crescendo International College Sdn. Bhd.	Providing educational services	**500,000**	**60**	60
Crescendo Creative Education Sdn. Bhd.	Dormant	**2**	**100**	100
Crescendo Commercial Complex Sdn. Bhd.	Property investment	**6**	**100**	100

5. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	GROUP	
	2011	**2010**
	RM	**RM**
Golf club membership, at cost	**60,000**	60,000

The membership is measured at cost as its fair value cannot be measured reliably.

6. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
As at 31 January 2011				
Cost				
As at 1 February 2010	**337,662,639**	**40,272,867**	**70,197,718**	**448,133,224**
Cost incurred during the year	**272,204**	**3,072,281**	**18,244,166**	**21,588,651**
Transfer to property development costs {Note 6(b)}	**(13,466,273)**	**-**	**(10,472,993)**	**(23,939,266)**
As at 31 January 2011	**324,468,570**	**43,345,148**	**77,968,891**	**445,782,609**
As at 31 January 2010				
Cost				
As at 1 February 2009	211,885,840	39,475,983	60,113,957	311,475,780
Cost incurred during the year	89,570,675	796,884	11,739,149	102,106,708
Transfer from property, plant costs (Note 3)	37,985,297	-	834,775	38,820,072
Transfer to property development costs {Note 6(b)}	(1,779,173)	-	(2,490,163)	(4,269,336)
As at 31 January 2010	337,662,639	40,272,867	70,197,718	448,133,224

	GROUP	
	2011	**2010**
	RM	**RM**
Carrying amount of assets under restriction of title due to loans and borrowings	**209,352,613**	201,671,440

Included in land held for property development costs incurred during the financial year is interest expenses amounting to RM4,167,648 (2010 : RM3,197,898) (Note 25).

Certain parcels of the freehold land with carrying amount of RM43,665,450 (2010 : RM43,665,450) were previously revalued on 24 January 2005 by the qualified valuer using the comparison method to reflect its fair value. The Group has retained the carrying amount as its surrogate cost when these parcels of freehold land were transferred to land held for property development.

6. PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

(b) Property development costs

	Freehold land RM	Development costs RM	Total RM
Group			
As at 31 January 2011			
Cumulative property development costs			
As at 1 February 2010	6,787,373	25,403,114	32,190,487
Cost incurred during the year	2,779,633	49,812,841	52,592,474
Transfer from land held for property development {Note 6(a)}	13,466,273	10,472,993	23,939,266
Reversal of completed projects	(2,633,751)	(13,745,125)	(16,378,876)
Unsold units transferred to inventories	(736,655)	(14,487,422)	(15,224,077)
As at 31 January 2011	19,662,873	57,456,401	77,119,274
Cumulative costs recognised in profit or loss			
As at 1 February 2010	(1,629,375)	(13,070,134)	(14,699,509)
Recognised during the year	(3,867,321)	(26,283,935)	(30,151,256)
Reversal of completed projects	2,633,751	13,745,125	16,378,876
As at 31 January 2011	(2,862,945)	(25,608,944)	(28,471,889)
Property development costs as at 31 January 2011	16,799,928	31,847,457	48,647,385
As at 31 January 2010			
Cumulative property development costs			
As at 1 February 2009	15,255,112	60,917,591	76,172,703
Cost incurred during the year	-	36,287,113	36,287,113
Transfer from land held for property development {Note 6(a)}	1,779,173	2,490,163	4,269,336
Reversal of completed projects	(4,509,340)	(40,967,176)	(45,476,516)
Transfer to property, plant and equipment (Note 3)	(942,546)	(1,225,361)	(2,167,907)
Unsold units transferred to inventories	(4,795,026)	(32,099,216)	(36,894,242)
As at 31 January 2010	6,787,373	25,403,114	32,190,487
Cumulative costs recognised in profit or loss			
As at 1 February 2009	(2,467,851)	(23,747,728)	(26,215,579)
Recognised during the year	(3,670,864)	(30,289,582)	(33,960,446)
Reversal of completed projects	4,509,340	40,967,176	45,476,516
As at 31 January 2010	(1,629,375)	(13,070,134)	(14,699,509)
Property development costs as at 31 January 2010	5,157,998	12,332,980	17,490,978

Included in property development costs incurred during the financial year is interest expenses amounting to RM2,817,919 (2010 : RM1,203,743) (Note 25).

Certain parcels of the freehold land and leasehold land included in land held for property development and property development costs with carrying amount of RM195,525,673 (2010 : RM194,446,674) 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 complete within the normal operating cycle of one to two years are classified as current assets.

7. 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	
	2011 RM	2010 RM	2011 RM	2010 RM
Disclosed as :				
Deferred tax assets	**7,218,011**	7,248,751	**2,297,011**	2,685,751
Deferred tax liabilities	**(2,334,750)**	(2,212,750)	**-**	-
	4,883,261	5,036,001	**2,297,011**	2,685,751
As at 1 February 2010/2009	**5,036,001**	6,800,121	**2,685,751**	3,068,749
Recognised in profit or loss (Note 29)				
- property, plant and equipment	**(365,500)**	(50,500)	**7,000**	21,000
- unrealised foreign exchange	**(4,500)**	(7,500)	**-**	-
- tax losses and capital allowances	**(90,000)**	(596,000)	**-**	-
- unrealised profits	**550,000**	(976,000)	**-**	-
- reinvestment allowance	**153,000**	285,000	**-**	-
- ICULS	**(395,740)**	(403,998)	**(395,740)**	(403,998)
	(152,740)	(1,748,998)	**(388,740)**	(382,998)
Recognised in other comprehensive income				
- property, plant and equipment	**-**	(15,122)	**-**	-
As at 31 January 2011/2010	**4,883,261**	5,036,001	**2,297,011**	2,685,751
Subject to income tax				
Deferred tax assets (before offsetting)				
ICULS	**2,334,011**	2,729,751	**2,334,011**	2,729,751
Unabsorbed reinvestment allowance	**1,337,000**	1,184,000	**-**	-
Unused tax losses and unabsorbed capital allowances	**67,000**	157,000	**-**	-
Unrealised profits	**4,547,000**	3,997,000	**-**	-
Unrealised foreign exchange	**-**	2,000	**-**	-
	8,285,011	8,069,751	**2,334,011**	2,729,751
Offsetting	**(1,067,000)**	(821,000)	**(37,000)**	(44,000)
Deferred tax assets (after offsetting)	**7,218,011**	7,248,751	**2,297,011**	2,685,751
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	**(1,360,000)**	(994,500)	**(37,000)**	(44,000)
Land held for property development	**(2,022,628)**	(2,022,628)	**-**	-
Unrealised foreign exchange	**(4,000)**	(1,500)	**-**	-
	(3,386,628)	(3,018,628)	**(37,000)**	(44,000)
Offsetting	**1,067,000**	821,000	**37,000**	44,000
Deferred tax liabilities (after offsetting)	**(2,319,628)**	(2,197,628)	**-**	-
Subject to real property gains tax :				
Property, plant and equipment	**(15,122)**	(15,122)	**-**	-
	(2,334,750)	(2,212,750)	**-**	-

7. DEFERRED TAX (CONT'D)

Deferred tax assets are recognised for unused tax losses, unabsorbed capital allowance and unutilised 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 25%.

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

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

	GROUP	
	2011	**2010**
	RM	**RM**
Unused tax losses	**572,500**	414,000

8. DERIVATIVE FINANCIAL ASSET

	GROUP			
	2011		**2010**	
	Notional amount	**Fair value**	**Notional amount**	**Fair value**
	RM	**RM**	**RM**	**RM**
Hedging derivatives				
Interest rate swap	**50,000,000**	**33,027**	-	-

The Group has entered into interest rate swap contract to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuations in interest rate on underlying debts instruments. The difference between the rates calculated by reference to the agreed notional principal amounts were exchanged at periodic intervals.

The interest rate swap is used to hedge cash flow interest rate risk arising from a floating rate bank loan amounting to RM50,000,000 obtained by a subsidiary. The Group will pay the banker based on fixed rate of 3.97% per annum while the banker will pay the Group based on RM KLIBOR 1M rate, every month based upon amortised notional amount.

9. RECEIVABLES

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Current				
Trade receivables				
Third parties	**38,235,414**	44,354,536	**-**	-
Amounts owing by subsidiaries	**-**	-	**2,902,565**	1,649,618
Amounts owing by related companies	**160,854**	448,207	**1,418**	1,418
	38,396,268	44,802,743	**2,903,983**	1,651,036
Less: Allowance for doubtful debts	**(226,763)**	(113,502)	**-**	-
Trade receivables, net	**38,169,505**	44,689,241	**2,903,983**	1,651,036
Other receivables and deposits	**1,621,298**	1,999,923	**134,827**	170,700
Amounts owing by subsidiaries, non trade	**-**	-	**95,369,654**	72,125,509

9. RECEIVABLES (CONT'D)

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Current (cont'd)				
Total trade and other receivables	**39,790,803**	46,689,164	**98,408,464**	73,947,245
Add : Cash and bank balances	**49,792,183**	40,247,422	**16,770,866**	27,182,820
Total loans and receivables	**89,582,986**	86,936,586	**115,179,330**	101,130,065
Non-current				
Amounts owing by subsidiaries, non trade	**-**	-	**57,312,862**	55,476,140

(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 (2010 : 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 is an amount of RM13,174,065 (2010 : RM17,298,668) assigned to a licensed bank as security for the loans and borrowings (Note 21).

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

Ageing analysis of trade receivables

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Neither past due nor impaired	**27,203,733**	32,454,568	**2,903,983**	1,578,740
1 to 30 days past due not impaired	**3,192,573**	3,355,979	**-**	72,296
31 to 60 days past due not impaired	**3,784,449**	1,648,805	**-**	-
61 to 90 days past due not impaired	**563,979**	5,210,110	**-**	-
91 to 120 days past due not impaired	**1,689,873**	676,731	**-**	-
more than 121 days past due not impaired	**151,297**	793,565	**-**	-
	9,382,171	11,685,190	**-**	72,296
Impaired	**226,763**	113,502	**-**	-
	36,812,667	44,253,260	**2,903,983**	1,651,036
Retention sum	**1,583,601**	549,483	**-**	-
	38,396,268	44,802,743	**2,903,983**	1,651,036

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.

9. RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM9,382,171 and RMNil (2010 : RM11,685,190 and RM72,296) respectively that past due at the reporting date but not impaired. The management is confident that these receivables are recoverable as these accounts are still active.

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	
	2011	**2010**
	RM	**RM**
Trade receivables - nominal amounts	**226,763**	113,502
Less : Allowance for impairment	**(226,763)**	(113,502)
	-	-

Movement in allowance accounts :

	GROUP	
	2011	**2010**
	RM	**RM**
At 1 February 2010 / 2009	**113,502**	95,552
Charge for the year	**123,190**	17,950
Written off	**(9,929)**	-
At 31 January 2011 / 2010	**226,763**	113,502

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 owing by subsidiaries are unsecured, non interest bearing and with no fixed term of repayment except for the amounts of RM90,844,022 (2010 : RM53,577,790) which bear effective interest of 5.1% (2010 : 5.43%) per annum. The non-current portion is considered quasi-equity in nature and is expected to be settled in cash.

10. INVENTORIES

	GROUP	
	2011	2010
	RM	RM
Cost		
Raw materials	**2,478,261**	2,528,993
Work in progress	**1,753,960**	-
Finished goods	**6,645,281**	6,807,549
Completed properties for sale	**47,196,423**	67,032,304
	58,073,925	76,368,846
Recognised in profit or loss :		
Inventories recognised as cost of sales	**99,268,356**	74,933,335

None of the inventories is stated at net realisable value.

11. OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
Prepaid operating expenditure	**5,262,422**	4,772,851	**207,551**	163,910
Due from customers on contracts (Note 13)	**11,012,033**	5,957,867	**-**	-
Accrued billings	**1,743,710**	84,474	**-**	-
	18,018,165	10,815,192	**207,551**	163,910

12. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash on hand and at banks	**11,545,248**	13,351,123	**770,866**	1,082,820
Cash at bank in Housing Development Account	**2,780**	82,733	**-**	-
Short term money market deposits	**5,000,000**	10,100,000	**5,000,000**	10,100,000
Time deposits with licensed banks	**31,243,924**	16,713,566	**11,000,000**	16,000,000
Deposits with other financial institution	**2,000,231**	-	**-**	-
	49,792,183	40,247,422	**16,770,866**	27,182,820

An arrangement has been made with a licensed bank whereby certain bank balances can earn interest of 1.9% (2010 : 1.5%) per annum on a daily rest basis. As at reporting date, bank balances under this arrangement amounted to RM9,479,179 (2010 : RM11,283,676) for the Group and RM698,625 (2010 : RM1,011,935) for the Company.

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

12. CASH AND BANK BALANCES (CONT'D)

The Group's time deposits amounting to RM218,924 (2010 : RM213,566) are pledged to licensed banks as security for the loans and borrowings (Note 21) and the banker's guarantees issued to suppliers.

Included in the Group's time deposits is an amount of RM49,570 (2010 : RM48,359) 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 three 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	
	2011	**2010**	**2011**	**2010**
	% per annum	**% per annum**	**% per annum**	**% per annum**
Short term money market deposits	**2.5**	1.7	**2.5**	1.7
Time deposits with licensed banks	**2.9**	2.5	**2.8**	2.5
Deposits with other financial institution	**1.4**	-	**-**	-

13. DUE FROM CUSTOMERS ON CONTRACTS

	GROUP	
	2011	**2010**
	RM	**RM**
Contract in progress		
- accumulated contract cost	**249,905,706**	204,799,769
- recognised profits less recognised losses	**21,389,193**	9,126,480
	271,294,899	213,926,249
Less : Progress billings	**(260,899,586)**	(208,006,688)
	10,395,313	5,919,561
Presented as :		
Due from customers on contracts (Note 11)	**11,012,033**	5,957,867
Due to customers on contracts	**(616,720)**	(38,306)
	10,395,313	5,919,561
Contract in progress included the following items incurred during the financial year :		
Depreciation of property, plant and equipment (Note 3)	**90,058**	96,761
Employee benefits expense (Note 27)	**1,208,181**	875,751
Hire of equipment	**2,286,732**	620,107
Plant and equipment written off	**-**	69,240

14. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of ordinary shares of RM1 each		Amount			
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Share premium RM	Total share capital and share premium RM	Treasury shares RM
As at 1.2.2009	155,071,330	601,000	155,071,330	14,890,492	169,961,822	(584,216)
Purchase of treasury shares	-	214,600	-	-	-	(213,934)
As at 31.1.2010	155,071,330	815,600	155,071,330	14,890,492	169,961,822	(798,150)
As at 1.2.2010	**155,071,330**	**815,600**	**155,071,330**	**14,890,492**	**169,961,822**	**(798,150)**
Issued pursuant to exercise of :						
- ESOS	**1,584,500**	**-**	**1,584,500**	**85,760**	**1,670,260**	**-**
- Warrants	**15,910,118**	**-**	**15,910,118**	**-**	**15,910,118**	**-**
Purchase of treasury shares	**-**	**28,400**	**-**	**-**	**-**	**(35,773)**
Sale of treasury shares	**-**	**(834,000)**	**-**	**203,772**	**203,772**	**820,002**
Transfer of reserve arising from exercise of :						
- ESOS	**-**	**-**	**-**	**101,343**	**101,343**	**-**
- Warrants	**-**	**-**	**-**	**556,854**	**556,854**	**-**
As at 31.1.2011	**172,565,948**	**10,000**	**172,565,948**	**15,838,221**	**188,404,169**	**(13,921)**

	Number of ordinary shares of RM1 each		Amount	
	2011	2010	2011 RM	2010 RM
Authorised share capital				
As at 1 February 2009/2010 and 31 January 2011/2010	**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 residual assets.

(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, the Company repurchased 28,400 (2010 : 214,600) of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM35,773 (2010 : RM213,934). The average price paid for the shares repurchased was approximately RM1.26 (2010 : RM1.00) per share. This was presented as a component within shareholders' equity.

During the financial year, the Company resold 834,000 treasury shares in the open market on the Bursa Securities for a consideration of RM1,023,774. The average price sold for the treasury shares was approximately RM1.23 per share. The proceeds from the re-sales have been utilised for working capital purposes.

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

(b) Treasury Shares (cont'd)

The Directors of the Company are committed to enchancing the value of the Company for its shareholders and believe that the repurchase plan 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 172,565,948 (2010 : 155,071,330) issued and fully paid ordinary shares as at 31 January 2011, 10,000 (2010 : 815,600) shares are held as treasury shares by the Company. As at 31 January 2011, the number of outstanding ordinary shares in issue after setting off treasury shares is 172,555,948 (2010 : 154,255,730).

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
April 2010	1.18	1.22	1.14	11,400	13,500
May 2010	1.19	1.20	1.16	7,000	8,352
December 2010	1.39	1.39	1.38	10,000	13,921
	1.26			28,400	35,773

Details of the resale of treasury shares were as follows :

	Average resale price RM	Highest resale price RM	Lowest resale price RM	Number of treasury shares resold RM	Total consideration received RM
October 2010	1.23	1.23	1.23	834,000	1,023,774

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

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

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

	Number of Share Options						
	Outstanding as at 1.2.2010 '000	Movement during the year Granted '000	Exercised '000	Forfeited '000	Expired '000	Outstanding as at 31.1.2011 '000	Exercisable as at 31.1.2011 '000
2011							
2002 Options	2,184	-	(353)	(113)	-	1,718	1,718
2003 Options	54	-	(19)	-	-	35	35
2004 Options	276	-	(2)	(21)	-	253	253
2005 Options	135	-	(52)	-	-	83	83
2006 Options	107	-	(10)	-	-	97	97
2007 Options	591	-	(49)	(70)	-	472	452
2008 Options	1,145	-	(511)	(127)	-	507	487
2009 Options	968	-	(415)	(149)	-	405	340
2010 Options	-	780	(174)	(39)	-	567	494
	5,460	780	(1,585)	(519)	-	4,137	3,959
WAEP	1.09	1.13	1.05	1.08	-	1.12	1.12

	Number of Share Options						
	Outstanding as at 1.2.2009 '000	Movement during the year Granted '000	Exercised '000	Forfeited '000	Expired '000	Outstanding as at 31.1.2010 '000	Exercisable as at 31.1.2010 '000
2010							
2002 Options	2,344	-	-	(160)	-	2,184	2,184
2003 Options	59	-	-	(5)	-	54	54
2004 Options	276	-	-	-	-	276	276
2005 Options	156	-	-	(21)	-	135	135
2006 Options	107	-	-	-	-	107	107
2007 Options	612	-	-	(21)	-	591	515
2008 Options	1,224	-	-	(79)	-	1,145	1,039
2009 Options	-	996	-	(28)	-	968	749
	4,778	996	-	(314)	-	5,460	5,059
WAEP	1.11	1.00	-	1.09	-	1.09	1.10

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

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

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

	Exercise price RM	Exercisable period
2011		
2002 Options	1.14	4.7.2002 - 25.6.2012
2003 Options	1.00	2.4.2003 - 25.6.2012
2004 Options	1.20	10.5.2004 - 25.6.2012
2005 Options	1.03	23.3.2005 - 25.6.2012
2006 Options	1.00	29.3.2006 - 25.6.2012
2007 Options	1.24	29.3.2007 - 25.6.2012
2008 Options	1.00	28.3.2008 - 25.6.2012
2009 Options	1.00	30.3.2009 - 25.6.2012
2010 Options	1.13	29.3.2010 - 25.6.2012
2010		
2002 Options	1.14	4.7.2002 - 25.6.2012
2003 Options	1.00	2.4.2003 - 25.6.2012
2004 Options	1.20	10.5.2004 - 25.6.2012
2005 Options	1.03	23.3.2005 - 25.6.2012
2006 Options	1.00	29.3.2006 - 25.6.2012
2007 Options	1.24	29.3.2007 - 25.6.2012
2008 Options	1.00	28.3.2008 - 25.6.2012
2009 Options	1.00	30.3.2009 - 25.6.2012

(ii) Share options exercised during the year

The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.39 (2010 : Nil).

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

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

	2011	**2010**
Fair value of share options at the following grant dates (RM)		
30 March 2009	**-**	0.03
29 March 2010	**0.11**	-
Weighted average share price (RM)	**1.15**	0.80
Weighted average exercise price (RM)	**1.13**	1.00
Expected volatility (%)	**22.54**	22.40
Expected life (years)	**2.81**	3.65
Risk free rate (%)	**2.96**	2.90
Expected dividend yield (%)	**7.00**	7.00

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

15. REVALUATION RESERVE

	GROUP	
	2011 RM	**2010 RM**
As at 1 February 2010/2009	**34,567,700**	14,932,829
Other comprehensive income :		
Revaluation of land	**-**	19,749,226
Less : Minority interests	**-**	(114,355)
	-	19,634,871
As at 31 January 2011/2010	**34,567,700**	34,567,700
Representing :		
Surplus arising from revaluation of freehold land	**36,605,452**	36,605,452
Less : Deferred tax on revaluation surplus	**(2,037,752)**	(2,037,752)
Revaluation reserve net of deferred tax	**34,567,700**	34,567,700

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

16. SHARE OPTION RESERVE

	GROUP and COMPANY	
	2011 RM	**2010 RM**
As at 1 February 2010/2009	**223,420**	187,389
Share based payment expenses under ESOS (Note 27)	**49,894**	36,031
Transfer of reserve arising from exercise of ESOS	**(101,343)**	-
As at 31 January 2011/2010	**171,971**	223,420

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

17. WARRANTS RESERVE

	GROUP and COMPANY			
	2011		**2010**	
	Number of warrants	**RM**	**Number of warrants**	**RM**
As at 1 February 2010/2009				
As previously stated	**59,682,634**	**-**	59,682,634	-
Effects of adopting FRS 139	**-**	**2,088,892**	-	-
As restated	**59,682,634**	**2,088,892**	59,682,634	-
Exercise of Warrants	**(15,910,118)**	**-**	-	-
Transfer of reserve arising from exercise of Warrants	**-**	**(556,854)**	-	-
As at 31 January 2011/2010	**43,772,516**	**1,532,038**	59,682,634	-

17. WARRANTS RESERVE (CONT'D)

Warrants 2009/2014

On 12 January 2009, the Company issued 59,682,634 free Warrants in conjunction with the rights issue of ICULS 2009/2016 to the entitled shareholders of the Company on the basis of one (1) Warrant for every one (1) ICULS 2009/2016 successfully subscribed. The Warrants are constituted by a Deed Poll dated 27 November 2008 and were listed on Bursa Securities on 20 January 2009.

The details of the Warrants are as follows :

(i) Each Warrant will entitle its registered holder to subscribe for one (1) new ordinary share of RM1 each at the exercise price which has been fixed at RM1 per share during the exercise period, subject to adjustment in accordance with the provisions of the Deed Poll.

(ii) The Warrants may be exercised at any time within five (5) years commencing 12 January 2009. The Warrants not exercised during the exercise period shall thereafter lapse and become void.

(iii) The new ordinary shares of RM1 each allotted pursuant to the exercise of the Warrants shall upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of the Company, except that they shall not be entitled to any dividends, rights, allotments and / or other distributions that may be declared, made or paid prior to the relevant allotment date of the said new ordinary shares.

18. HEDGING RESERVE

	GROUP	
	2011 RM	**2010 RM**
As at 1 February 2010/2009	**-**	-
Recognised in other comprehensive income :		
Gain arising during the year		
- Interest rate swap	**33,027**	-
As at 31 January 2011/2010	**33,027**	-

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 were listed on Bursa Securities on 20 January 2009.

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.

19. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016 (CONT'D)

(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	
	2011	**2010**
	RM	**RM**
As at 1 February 2010/2009	**61,200,390**	62,816,383
Coupon interest paid / accrued	**(2,238,098)**	(2,241,260)
Interest expense	**655,140**	625,267
As at 31 January 2011/2010	**59,617,432**	61,200,390
Analysed :		
Equity component	**50,281,387**	50,281,387
Liability component	**9,336,045**	10,919,003

The fair values of the liability component and the equity conversion component were determined at issuance of the ICULS 2009/2016.

Interest expenses on the ICULS 2009/2016 is calculated on the effective yield basis by applying the effective interest rate of 6% for a similar liability which is the borrowing from financial institution.

20. RETAINED EARNINGS

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

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2007. As at 31 January 2011, subject to agreement with the tax authorities, the Company has sufficient credit in the Section 108 balance and tax exempt account to pay franked dividends of approximately RM47,543,000 (2010 : all) from its retained earnings.

21. LOANS AND BORROWINGS

	GROUP	
	2011	2010
	RM	RM
Current		
Secured :		
Bank overdrafts	**307,554**	965,940
Banker acceptance	**1,800,000**	1,503,000
Hire purchase liabilities (Note 22)	**66,666**	16,206
Revolving credit	**2,000,000**	1,980,000
Term loans	**2,773,317**	15,180,675
	6,947,537	19,645,821
Non-current		
Secured :		
Hire purchase liabilities (Note 22)	**41,176**	14,425
Term loans	**132,211,666**	128,283,983
	132,252,842	128,298,408
Total loans and borrowings		
Bank overdrafts	**307,554**	965,940
Banker acceptance	**1,800,000**	1,503,000
Hire purchase liabilities (Note 22)	**107,842**	30,631
Revolving credit	**2,000,000**	1,980,000
Term loans	**134,984,983**	143,464,658
	139,200,379	147,944,229
Repayment of loans and borrowings :		
On demand or within one year	**6,947,537**	19,645,821
More than one year and less than two years	**52,757,843**	16,361,742
More than two years and less than five years	**52,169,999**	81,103,333
More than five years	**27,325,000**	30,833,333
	139,200,379	147,944,229
Term loans		
Term loan I	**-**	3,648,000
Term loan II	**916,650**	1,916,658
Term loan III	**-**	7,920,000
Term loan IV	**-**	24,980,000
Term loan V	**50,000,000**	50,000,000
Term loan VI	**4,583,333**	5,000,000
Term loan VII	**75,000,000**	50,000,000
Term loan VIII	**4,485,000**	-
	134,984,983	143,464,658

21. LOANS AND BORROWINGS (CONT'D)

The principal amounts of term loans are repayable by :

	Tenure of repayment	Commencement of instalments
Term loan I	48 months	February 2009
Term loan II	36 months	January 2009
Term loan III	48 months	May 2009
Term loan IV	42 months	March 2009
Term loan V	Bullet payment	To be settled in December 2012
Term loan VI	36 months	November 2010
Term loan VII	48 months	January 2013
Term loan VIII	96 months	January 2011

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

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
	% per annum	**% per annum**	**% per annum**	**% per annum**
Bank overdrafts	**7.01**	6.57	**-**	6.95
Revolving credit	**3.81**	3.64	**-**	-
Trade facilities	**3.65**	2.97	**-**	-
Term loans	**4.90**	4.59	**-**	-

The unutilised banking facilities are as follows :

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Bank overdrafts	**26,992,000**	25,534,060	**5,000,000**	5,000,000
Revolving credit	**22,300,000**	20,520,000	**-**	-
Trade facilities	**5,629,000**	1,497,000	**-**	-
Term loans	**10,000,000**	25,000,000	**-**	-
	64,921,000	72,551,060	**5,000,000**	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) debenture over specific property, plant and equipment of a subsidiary;
(iii) deed of assignment of all sales proceeds derived from a subsidiary's development project which is financed by the banking facility;
(iv) time deposit of a subsidiary;
(v) corporate guarantee from the Company; and
(vi) corporate guarantee from a shareholder of a subsidiary.

22. HIRE PURCHASE LIABILITIES

	GROUP	
	2011	**2010**
	RM	**RM**
Payable within one year	**71,074**	17,880
Payable between one and two years	**42,130**	14,890
	113,204	32,770
Less : Finance charges	**(5,362)**	(2,139)
	107,842	30,631
Representing hire purchase liabilities :		
Due within 12 months (Note 21)	**66,666**	16,206
Due after 12 months (Note 21)	**41,176**	14,425
	107,842	30,631

The weighted average effective interest rate of hire purchase is 5.66% (2010: 7.35%) per annum.

23. PAYABLES

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Current				
Trade payables	**33,542,083**	53,209,432	**-**	-
Other payables and accruals	**5,037,365**	6,051,896	**1,055,421**	1,961,107
Amounts owing to related companies	**8,899**	92,880	**2,531**	2,678
Amount owing to a subsidiary	**-**	-	**-**	1,950,000
Amount owing to holding company	**586**	186,490	**-**	45,303
	38,588,933	59,540,698	**1,057,952**	3,959,088
Non-current				
Trade payables	**8,064,364**	7,000,000	**-**	-
Total trade and other payable	**46,653,297**	66,540,698	**1,057,952**	3,959,088
Add : Loans and borrowings	**139,200,379**	147,944,229	**-**	-
Total financial liabilities carried at amortised cost	**185,853,676**	214,484,927	**1,057,952**	3,959,088

23. PAYABLES (CONT'D)

(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 (2010 : 30 to 90 days) terms.

Included in the Group's trade payables as at 31 January 2010 was an amount of RM25,000,000 being balance of purchase consideration of land and the said balance was fully paid during the financial year.

Included in the Group's trade payables is an amount of RM9,064,364 (2010 : RM10,000,000) payable to the State Government of Johor pursuant to the Privatisation cum Development Agreement dated 30 August 2006 and Supplemental Agreement dated 25 August 2010 entered into by the Company. The amount is non-interest bearing and payable over a period of ten years from the date of agreement, 30 August 2006 as follows :

	GROUP	
	2011	**2010**
	RM	**RM**
Payable within 12 months	**1,000,000**	3,000,000
Payable after 12 months	**8,064,364**	7,000,000
	9,064,364	10,000,000

(b) Amounts owing to related companies

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Trade in nature	**3,295**	51,896	**-**	456
Non trade in nature	**5,604**	40,984	**2,531**	2,222
	8,899	92,880	**2,531**	2,678

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

This amount was unsecured, non-interest bearing and repayable on demand.

(d) Amount owing to holding company

Included in the Group's amount owing to holding company is RM586 (2010 : RM176,940) which is trade in nature. The remaining balance is unsecured, non-interest bearing and repayable on demand.

Included in the Company's amount owing to holding company as at 31 January 2010 was RM45,000 which was trade in nature. The remaining balance was unsecured, non-interest bearing and repayable on demand.

24. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Revenue				
Property development and construction	**154,200,123**	107,826,465	**-**	-
Manufacturing and trading	**58,524,494**	49,982,345	**-**	-
Management services and others	**2,500,784**	2,512,127	**9,313,481**	7,712,491
Gross dividends from subsidiaries	**-**	-	**10,938,002**	1,362,900
	215,225,401	160,320,937	**20,251,483**	9,075,391
Cost of sales				
Property development and construction	**107,282,091**	76,781,303	**-**	-
Manufacturing and trading	**52,579,948**	45,434,348	**-**	-
Management services and others	**1,243,677**	1,117,272	**-**	-
	161,105,716	123,332,923	**-**	-

25. FINANCE COSTS

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest expenses on :				
Bank borrowings	**7,776,113**	5,022,860	**-**	45
Hire purchase	**3,137**	6,004	**-**	-
ICULS	**655,140**	625,267	**655,140**	625,267
	8,434,390	5,654,131	**655,140**	625,312
Less : Interest expenses capitalised in assets :				
- Land held for property development {Note 6(a)}	**(4,167,648)**	(3,197,898)	**-**	-
- Property development costs {Note 6(b)}	**(2,817,919)**	(1,203,743)	**-**	-
	1,448,823	1,252,490	**655,140**	625,312

26. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
The following items have been charged / (credited) in arriving at profit before tax :				
Allowance for doubtful debts	**123,190**	17,950	**-**	-
Auditors' remuneration :				
Statutory audit				
- current year	**94,000**	95,000	**22,000**	22,000
- (over) / under provision	**(700)**	500	**-**	-
Bad debts written off	**29,779**	-	**-**	-
Depreciation of property, plant and equipment	**2,272,931**	2,868,246	**102,735**	156,604
Employee benefits expense (Note 27)	**12,450,773**	11,293,798	**6,961,792**	6,250,356
Foreign exchange loss :				
- realised	**28,733**	-	**-**	-
Hiring of equipment	**130,660**	61,804	**-**	-
Loss on disposal of plant and equipment	**808**	525	**-**	-
Non-executive Directors' remuneration (Note 28)	**156,000**	155,500	**156,000**	155,500
Plant and equipment written off	**126,432**	158,354	**370**	-
Rental expenses	**386,303**	369,096	**238,992**	235,992
Foreign exchange gain :				
- realised	**-**	(163,741)	**-**	-
- unrealised	**(9,116)**	(76,063)	**-**	-
Gain on disposal of plant and equipment	**(145,755)**	(121,199)	**-**	-
Gain on disposal of investments	**-**	(92,541)	**-**	-
Net gain on financial liability measured at amortised cost	**(90,410)**	-	**-**	-
Gross dividends from quoted investments	**-**	(43,080)	**-**	-
Gross dividends from subsidiaries	**-**	-	**(10,938,002)**	(1,362,900)
Interest income from :				
- deposits	**(1,265,604)**	(803,362)	**(381,866)**	(747,221)
- subsidiaries	**-**	-	**(4,032,651)**	(2,582,641)
- others	**(707,415)**	(31,532)	**(523)**	(137)
Rental income	**(3,705,066)**	(3,036,744)	**-**	-

27. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Salaries, wages and bonuses	**12,249,617**	10,912,013	**6,160,198**	5,524,488
Defined contribution plan - EPF	**1,261,158**	1,130,234	**714,528**	652,875
Social security cost - SOCSO	**98,285**	91,271	**37,172**	36,962
Share options granted under ESOS (Note 16)	**49,894**	36,031	**49,894**	36,031
Less : Amount capitalised in cost of construction contracts (Note 13)	**(1,208,181)**	(875,751)	**-**	-
	12,450,773	11,293,798	**6,961,792**	6,250,356

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,795,728 (2010 : RM1,479,464) as further disclosed in Note 28.

28. DIRECTORS' REMUNERATION

	GROUP and COMPANY 2011 RM	2010 RM
Executive :		
Fees	**83,000**	23,000
Salaries and other emoluments	**1,530,000**	1,300,000
Defined contribution plan - EPF	**182,640**	155,040
Share options granted under ESOS	**88**	1,424
	1,795,728	1,479,464
Estimated money value of benefits-in-kinds	**41,584**	45,564
Total Executive Directors' remuneration (including benefits-in-kinds)	**1,837,312**	1,525,028
Non-executive :		
Fees	**150,000**	150,000
Other emoluments	**6,000**	5,500
Total Non-Executive directors' remuneration	**156,000**	155,500
Total Directors' remuneration	**1,993,312**	1,680,528

29. TAX

	GROUP 2011 RM	GROUP 2010 RM	COMPANY 2011 RM	COMPANY 2010 RM
Current tax				
Current year	**11,085,499**	4,990,000	**2,865,000**	359,000
Prior years underprovision	**92,558**	15,533	**141,294**	9,831
	11,178,057	5,005,533	**3,006,294**	368,831
Deferred tax (Note 7)				
Relating to origination and reversal of temporary differences	**43,740**	1,740,998	**388,740**	378,998
Prior years underprovision	**109,000**	8,000	**-**	4,000
	152,740	1,748,998	**388,740**	382,998
	11,330,797	6,754,531	**3,395,034**	751,829

29. 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	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Profit before tax	**50,765,508**	26,113,591	**15,347,229**	3,687,118
Taxed at Malaysian statutory tax rate of 25%	**12,691,377**	6,528,398	**3,836,807**	921,780
Expenses not deductible for tax purposes	**317,454**	450,703	**166,933**	156,962
Income not subject to tax	**(1,919,098)**	(293,407)	**(750,000)**	(340,744)
Deferred tax asset not recognised on current year's tax losses	**39,506**	45,304	**-**	-
Underprovision in prior years				
- Current tax	**92,558**	15,533	**141,294**	9,831
- Deferred tax	**109,000**	8,000	**-**	4,000
Income tax expense for the financial year	**11,330,797**	6,754,531	**3,395,034**	751,829

30. 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	
	2011	**2010**
Profit net of tax, attributable to owners of the Company (RM)	**36,410,440**	18,011,803
Weighted average number of ordinary shares in issue	**158,839,730**	154,255,730
Basic earnings per share (sen)	**22.9**	11.7

(b) Diluted earnings per share

For 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, Warrants and share options granted to employees.

	GROUP	
	2011	**2010**
Profit net of tax, attributable to owners of the Company (RM)	**36,410,440**	18,011,803
After tax effect of interest on ICULS (RM)	**1,678,574**	-
Profit attributable to owners of the Company including assumed conversion (RM)	**38,089,014**	18,011,803

30. EARNINGS PER SHARE (CONT'D)

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

		GROUP	
		2011	**2010**
Weighted average number of ordinary shares in issue		**158,839,730**	154,255,730
Effect of dilution :			
- share options	*	**352,099**	-
- ICULS	*	**59,682,634**	-
- Warrants	*	**7,908,103**	-
Adjusted weighted average number of ordinary shares		**226,782,566**	154,255,730
Diluted earnings per share (sen)		**16.8**	Not Applicable

* There is no calculation of diluted earnings per share for the financial year 2010 as the share options, ICULS and Warrants have an anti-dilutive effect on earnings per share.

31. DIVIDENDS

	Dividends in respect of Year		Dividends Recognised in Year	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Recognised during the year :				
Financial year 2009				
Final dividend :				
3% less tax 25% and 1% tax exempt, on 154,377,330 ordinary shares	**-**	-	**-**	5,017,263
Financial year 2010				
Interim dividend :				
3% less tax 25%, on 154,284,830 ordinary shares	**-**	3,471,409	**-**	3,471,409
Final dividend :				
4% less tax 25%, on 154,256,330 ordinary shares	**-**	4,627,690	**4,627,690**	-
Financial year 2011				
First interim dividend :				
4% less tax 25%, on 171,601,248 ordinary shares	**5,148,037**	-	**5,148,037**	-
Second interim dividend :				
2% less tax 25%, on 172,217,548 ordinary shares	**2,583,263**	-	**2,583,263**	-
Proposed for approval at AGM (not recognised as at 31 January 2011) :				
Final dividend :				
5% less tax 25%, on 172,555,948 ordinary shares	**6,470,848**	-	**-**	-
	14,202,148	8,099,099	**12,358,990**	8,488,672

31. DIVIDENDS (CONT'D)

At the forthcoming Annual General Meeting, a final dividend of 5.0 sen per share less tax (2010 : 4.0 sen per share less tax) amounting to RM6,470,848 will be proposed for shareholders' approval. The financial statements do not reflect this final dividend which will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2012 when approved by shareholders. The proposed final dividend of RM6,470,848 is subject to change in proportion to changes in the Company's paid up capital, if any.

32. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2011 RM	2010 RM	2011 RM	2010 RM
Short term money market deposits	**5,000,000**	10,100,000	**5,000,000**	10,100,000
Time deposits with licensed banks	**31,243,924**	16,713,566	**11,000,000**	16,000,000
Deposits with other financial institution	**2,000,231**	-	**-**	-
Cash and bank balances	**11,548,028**	13,433,856	**770,866**	1,082,820
Bank overdrafts (Note 21)	**(307,554)**	(965,940)	**-**	-
	49,484,629	39,281,482	**16,770,866**	27,182,820
Less : Time deposits pledged	**(218,924)**	(213,566)	**-**	-
	49,265,705	39,067,916	**16,770,866**	27,182,820

33. 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	
	2011 RM	2010 RM	2011 RM	2010 RM
With holding company				
Professional services	**183,500**	173,000	**45,000**	45,000
Sales of goods	**-**	(3,440)	**-**	-
With subsidiaries				
Management fees	**-**	-	**(9,307,811)**	(7,691,076)
Interest income	**-**	-	**(4,032,651)**	(2,582,641)
With fellow subsidiaries of the holding company				
Estate management fees	**39,540**	39,540	**-**	-
Management fees	**(5,670)**	(21,415)	**(5,670)**	(21,415)
Purchases of goods	**119,180**	229,609	**-**	1,131
Purchases of plant and equipment	**-**	7,000	**-**	-
Progress billings	**(399,656)**	(1,341,968)	**-**	-
Rental expenses	**45,600**	45,600	**45,600**	45,600
Rental income	**(38,606)**	(63,000)	**-**	-
Sales of goods	**(251,980)**	(267,595)	**-**	-
With related party in which one of the Directors has financial interests				
Sales of property	**(13,000,000)**	-	**-**	-

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

33. RELATED PARTY DISCLOSURES (CONT'D)

(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	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Short-term employee benefits	**2,315,950**	2,055,411	**1,654,584**	1,368,564
Post employment benefits :				
Defined contribution plan - EPF	**249,972**	232,127	**182,640**	155,040
Share options granted under ESOS	**4,530**	5,357	**88**	1,424
	2,570,452	2,292,895	**1,837,312**	1,525,028

Included in the total key management personnel are :

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
Directors' remuneration (Note 28)	**1,837,312**	1,525,028	**1,837,312**	1,525,028

Executive Directors of the Group and the Company and other members of key management have been granted the following number of options under Employees' Share Options Scheme ("ESOS") :

	GROUP and COMPANY	
	2011	**2010**
	'000	**'000**
As at 1 February 2010/2009	**1,588**	1,489
Granted	**38**	99
Exercised	**(248)**	-
As at 31 January 2011/2010	**1,378**	1,588

The share option were granted on the same terms and conditions as those offered to other employees of the Group {Note 14(c)}.

34. CAPITAL COMMITMENT

	GROUP	
	2011	**2010**
	RM	**RM**
Amount contracted but not provided for		
- property, plant and equipment	**46,000**	210,000
- investment in subsidiary	**-**	100,000
	46,000	310,000

35. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
	RM	**RM**	**RM**	**RM**
(i) Bank guarantees				
Issued by licensed banks in favour of third parties				
- Secured	**1,376,000**	444,100	**18,000**	18,000
- Unsecured	**1,250**	1,500	**-**	-

The bank guarantees are secured by :

(i) A subsidiary's time deposits as stated in Note 12;
(ii) Earmarking to overdraft facilities of the subsidiaries and the Company as stated in Note 21.

	COMPANY	
	2011	**2010**
	RM	**RM**
(ii) Corporate guarantees - unsecured		
Issued to bank for facilities granted to subsidiaries	**194,600,000**	231,700,000
Issued to third parties for supplies of goods and services to a subsidiary	**4,950,000**	4,900,000
Amounts utilised :		
Issued to bank for facilities granted to subsidiaries	**135,245,737**	145,371,535
Issued to third parties for supplies of goods and services to a subsidiary	**889,320**	1,546,726

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 and civil engineering works.

(ii) Manufacturing and trading - manufacturing and trading of building materials.

(iii) Management services and others - providing management services, investment holding, property investment and management and providing educational services.

(b) Geographical segments

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

(c) Allocation basis and transfer pricing

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

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

36. SEGMENTAL INFORMATION (CONT'D)

	Property development and construction		Manufacturing and trading		Management services and others		Consolidated	
	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM
Revenue								
Total revenue	154,200,123	106,262,715	67,844,147	55,301,193	11,808,595	10,203,203	**233,852,865**	171,767,111
Inter-segment sales	-	1,563,750	(9,319,653)	(5,318,848)	(9,307,811)	(7,691,076)	**(18,627,464)**	(11,446,174)
External sales	154,200,123	107,826,465	58,524,494	49,982,345	2,500,784	2,512,127	**215,225,401**	160,320,937
Results								
Segment results	47,836,997	20,596,748	2,990,218	2,110,949	7,851,358	5,558,293	**58,678,573**	28,265,990
Inter-segment eliminations							**(3,863,396)**	1,161,375
Segment results (external)							**54,815,177**	29,427,365
Unallocated expenses							**(2,600,846)**	(2,232,196)
Other investment income							**-**	170,912
Finance cost							**(1,448,823)**	(1,252,490)
Profit before tax							**50,765,508**	26,113,591
Tax							**(11,330,797)**	(6,754,531)
Profit after tax							**39,434,711**	19,359,060
Other Information								
Segment assets	614,588,484	584,147,514	41,008,497	39,096,067	54,037,605	64,222,648	**709,634,586**	687,466,229
Unallocated assets							**847,465**	1,229,624
Total assets							**710,482,051**	688,695,853
Segment liabilities	165,166,975	197,177,101	17,472,812	16,899,184	8,748,622	2,659,698	**191,388,409**	216,735,983
Unallocated liabilities							**11,243,180**	11,312,611
Total liabilities							**202,631,589**	228,048,594
Capital expenditure	1,314,330	332,016	2,842,363	2,064,412	184,319	102,367	**4,341,012**	2,498,795
Depreciation	429,107	638,261	1,777,440	2,117,558	156,442	209,188	**2,362,989**	2,965,007

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value :

GROUP

	Note	2011 Carrying amount RM	2011 Fair value RM	2010 Carrying amount RM	2010 Fair value RM
Financial assets					
Golf club membership	5	**60,000**	*	60,000	*

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

COMPANY

Amounts owing by subsidiaries (non-current)

It is not practicable to estimate the fair value of amounts owing by subsidiaries due principally to a lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

(b) Determination of fair value

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

	Note
Receivables (current)	9
Payables (current and non-current)	23
Loans and borrowings (current and non-current)	21
Liability component of ICULS (non-current)	19

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

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

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is 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 Company's Financial Controller, Finance Manager and Accountants. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding 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 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.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

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

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 Group does 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 9. 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.

Financial assets that are either past due or impaired
Information regarding financial assets that are either past due or impaired is disclosed in Note 9.

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 dislosed 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.

(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's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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.

	2011			
	On demand or within one year	One to five years	More than five years	Total
	RM	RM	RM	RM
Group				
Financial liabilities :				
Trade and other payables	38,588,933	8,000,000	2,000,000	48,588,933
Loans and borrowings	6,947,537	104,927,842	27,325,000	139,200,379
Total undiscounted financial liabilitites	45,536,470	112,927,842	29,325,000	187,789,312
Company				
Financial liabilities :				
Trade and other payables	1,057,952	-	-	1,057,952
Total undiscounted financial liabilitites	1,057,952	-	-	1,057,952

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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 and purchases 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").

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 75% (2010 : 34%) of the Group's loans and borrowings are at fixed rates of interest.

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 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM21,000 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings, and higher/lower 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. 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 Board of Directors monitors the return on capital, which the Group defines as profit attributable to owners of the Company divided by shareholders' equity and the level of dividends to ordinary shareholders.

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 2011 and 31 January 2010.

40. PRIOR YEAR ADJUSTMENT

The prior year adjustment in year 2010 related to recomputation of liability component of ICULS to better reflect the proportion of the equity and liability component of ICULS.

The effect of the prior year adjustment is as follows :

	As previously stated RM	Prior year adjustment RM	As restated RM
Group			
Deferred tax assets	5,846,000	3,068,749	8,914,749
Equity component of ICULS	(20,817,034)	(29,464,353)	(50,281,387)
Liability component of ICULS	(38,690,600)	26,155,604	(12,534,996)
Deferred tax liabilities	(2,354,628)	240,000	(2,114,628)
Company			
Deferred tax assets	-	3,068,749	3,068,749
Equity component of ICULS	(20,817,034)	(29,464,353)	(50,281,387)
Liability component of ICULS	(38,690,600)	26,155,604	(12,534,996)
Deferred tax liabilities	(240,000)	240,000	-

41. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the current year's presentation :

	As previously stated RM	Effect of change in presentation RM	As restated RM
Statements of financial position			
Group			
Due from customers on contracts	5,957,867	(5,957,867)	-
Receivables	51,546,489	(4,857,325)	46,689,164
Other current assets	-	10,815,192	10,815,192
Company			
Receivables	129,587,295	(55,640,050)	73,947,245
Other current assets	-	163,910	163,910
Amounts owing by subsidiaries (non-current)	-	55,476,140	55,476,140

The reclassifications have been made for better presentation of financial statements. The reclassifications do not have any financial impact on the profit before tax or the financial position of the Group and the Company.

42. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 31 January 2011 into realised and unrealised earnings 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 Profit or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	GROUP 2011 RM	COMPANY 2011 RM
Total retained earnings of the Company and its subsidiaries :		
- Realised	**307,588,240**	**46,594,379**
- Unrealised	**380,916**	**2,297,011**
	307,969,156	**48,891,390**
Less : Consolidation adjustments	**(88,011,351)**	
Total Group retained earnings as per financial statements	**219,957,805**	

Authorised Share Capital	: RM500,000,000.00
Issued and Fully Paid Up Capital	: 174,362,748.00
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	21	0.35	632	0.00
100 to 1,000 shares	3,219	53.82	3,143,161	1.80
1,001 to 10,000 shares	2,125	35.53	8,782,530	5.04
10,001 to 100,000 shares	552	9.23	15,456,800	8.87
100,001 to less than 5% of shares	63	1.05	33,135,925	19.00
5% and above of shares	1	0.02	113,833,700	65.29
Total	5,981	100.00	174,352,748Ω	100.00

Ω less 10,000 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	113,833,700	65.29
2.	Amanahraya Trustees Berhad - Public Smallcap Fund	4,229,800	2.43
3.	Amanahraya Trustees Berhad - Public Far-East Property & Resorts Fund	3,210,500	1.84
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An For OCBC Securities Private Limited (Client A/C-RES)	2,713,754	1.56
5.	Gooi Seow Mee	2,675,492	1.53
6.	Gooi Seong Chneh	1,985,288	1.14
7.	Gooi Seong Heen	1,458,835	0.84
8.	Sharikat Kim Loong Sendirian Berhad	1,212,452	0.70
9.	Cheong Kwan Choong	961,300	0.55
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa (472602)	805,000	0.46
11.	ECML Nominees (Tempatan) Sdn. Bhd. - UOB Kay Hian Pte Ltd For Gooi Seong Heen (Margin)	711,452	0.41
12.	HDM Nominees (Tempatan) Sdn. Bhd. - UOB Kay Hian Pte Ltd For Gooi Seong Lim (Margin)	711,452	0.41
13.	Cheong Chong Lok & Sons Sdn. Bhd.	646,500	0.37
14.	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Siew Lai (Margin)	593,500	0.34
15.	Shoptra Jaya (M) Sdn. Bhd.	590,000	0.34
16.	Gan Teng Siew Realty Sdn. Berhad	500,000	0.29
17.	Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Heng Peng Heng	468,000	0.27
18.	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Kwee Hock (Margin)	400,000	0.23
19.	Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Heng Peng Heng	388,000	0.22
20.	Gooi Seong Chneh	350,000	0.20
21.	Gooi Seong Lim	332,000	0.19
22.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Bakat Impian Sdn. Bhd. (E-TSA)	303,600	0.17

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

	Name of Shareholders	No of Shares Held	% of Issued Capital
23.	Teoh Guan Kok & Co. Sdn. Berhad	300,500	0.17
24.	Chong Chia Wei	300,000	0.17
25.	Lim Chong Aik	300,000	0.17
26.	Ng Teng Song	290,000	0.17
27.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gooi Seong Heen (E-JBU)	284,000	0.16
28.	HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Kim Wah	270,000	0.15
29.	Lim Su Yen	270,000	0.15
30.	Chau Tai Chuon	265,000	0.15
	TOTAL	141,360,125	81.08

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).

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	115,046,152	-	65.98	-
Gooi Seong Lim	1,183,452(a)	117,822,906(b)	0.68	67.58
Gooi Seong Heen	2,582,287(c)	115,080,152(d)	1.48	66.00
Gooi Seong Chneh	2,335,288	115,046,152(e)	1.34	65.98
Gooi Seong Gum	-	115,046,152(e)	-	65.98

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

Name of Directors	Direct Interest Shareholdings	%	Indirect Interest Shareholdings	%
Gooi Seong Lim	1,183,452(a)	0.68	117,822,906(b)	67.58
Gooi Seong Heen	2,582,287(c)	1.48	115,080,152(d)	66.00
Gooi Seong Chneh	2,335,288	1.34	115,046,152(e)	65.98
Gooi Seong Gum	-	-	115,046,152(e)	65.98
Yeo Jon Tian @ Eeyo Jon Thiam	30,000	0.02	15,000(f)	0.01
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Notes:-

(a) Includes 711,452 and 140,000 shares held in bare trust by HDM 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 115,046,152 shares, and 2,706,754 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 70,000 shares.

(c) Includes 711,452, 128,000 and 284,000 shares held in bare trust by ECML 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 115,046,152 shares and his spouse, Looi Kok Yean, who holds 34,000 shares.

(e) Deemed interest by virtue of their interest in SKL which holds 115,046,152 shares.

(f) Deemed interest by virtue of his spouse, Ng Yit How, who holds 15,000 shares.

Analysis of 3.75% 7-Year Irredeemable Convertible Unsecured Loan Stocks 2009/2016 ("ICULS") Holdings As At 9 June 2011

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.

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	3	0.95	155	0.00
100 to 1,000 ICULS	175	55.56	74,345	0.13
1,001 to 10,000 ICULS	86	27.30	390,350	0.65
10,001 to 100,000 ICULS	40	12.70	1,297,650	2.17
100,001 to less than 5% of ICULS	10	3.17	6,724,653	11.27
5% and above of ICULS	1	0.32	51,195,481	85.78
Total	315	100.00	59,682,634	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	85.78
2.	Amanahraya Trustees Berhad - Public Far-East Property & Resorts Fund	1,838,900	3.08
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt An For OCBC Securities Private Limited (Client A/C-RES)	1,068,918	1.79
4.	Gooi Seong Heen	979,417	1.64
5.	Gooi Seong Chneh	886,918	1.49
6.	JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Kwee Hock (Margin)	666,700	1.12
7.	Amanahraya Trustees Berhad - Public Smallcap Fund	455,200	0.76
8.	Chin Kiam Hsung	345,100	0.58
9.	Sharikat Kim Loong Sendirian Berhad	250,500	0.42
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chin Kiam Hsung	132,500	0.22
11.	Gooi Seong Chneh	100,500	0.17
12.	PM Nominees (Tempatan) Sdn. Bhd. - PCB Asset Management Sdn. Bhd. for Mui continental Insurance Berhad	100,000	0.17
13.	Dynaquest Sdn. Berhad	98,450	0.16
14.	Lee Min Soong	75,000	0.13
15.	Gooi Seong Lim	70,000	0.12
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gooi Seong Heen (473561)	64,000	0.11
17.	Teo Kwee Hock	60,600	0.10
18.	ECML Nominees (Tempatan) Sdn. Bhd. - PCB Asset Management Sdn. Bhd. Ong Hay Thong	60,000	0.10
19.	Ho Mein Leong @ Low Say Leong	50,000	0.08
20.	Khoo Hai Chew	50,000	0.08

THIRTY LARGEST ICULS HOLDERS (As per Record of Depositors)(cont'd)

	Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
21.	Public Invest Nominees (Tempatan) Sdn. Bhd. - PCB Asset Management Sdn. Bhd. for Cheong Yoon Hoe	50,000	0.08
22.	Khaw Chin Hong	40,000	0.07
23.	Liew Khin Yee	40,000	0.07
24.	Mary Tan @ Tan Hui Ngoh	35,200	0.06
25.	Lim Phaik Ean	35,000	0.06
26.	Dan Su Wei	30,000	0.05
27.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gooi Seong Heen (E-JBU)	28,000	0.05
28.	Choo Lye Hock	26,600	0.04
29.	HDM Nominees (Asing) Sdn. Bhd. - DBS Vickers Secs (S) Pte Ltd for Ng Wai Choong	25,000	0.04
30.	HSBC Nominees (Tempatan) Sdn. Bhd. - RBS Coutts HK for Julian Suresh Candiah	25,000	0.04
	TOTAL	58,882,984	98.66

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	%	Indirect Interest ICULS Holdings	%
Gooi Seong Lim	70,000	0.12	52,549,899[a]	88.05
Gooi Seong Heen	1,071,417[b]	1.80	51,462,981[c]	86.23
Gooi Seong Chneh	987,418	1.65	51,445,981[d]	86.20
Gooi Seong Gum	-	-	51,445,981[d]	86.20
Yeo Jon Tian @ Eeyo Jon Thiam	15,000	0.03	2,000[e]	0.00
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Notes:

[a] Deemed interest by virtue of his interest in Sharikat Kim Loong Sendirian Berhad ("SKL") which holds 51,445,981 ICULS, and 1,068,918 ICULS 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 35,000 ICULS.

[b] Includes 64,000 and 28,000 ICULS held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.

[c] Deemed interest by virtue of his interest in SKL which holds 51,445,981 ICULS and his spouse, Looi Kok Yean, who holds 17,000 ICULS.

[d] Deemed interest by virtue of their interest in SKL which holds 51,445,981 ICULS.

[e] Deemed interest by virtue of his spouse, Ng Yit How, who holds 2,000 ICULS.

No. of Warrants 2009/2014 issued	: 59,682,634
Exercise Price	: RM1.00 for one ordinary share of RM1.00 each.
Exercise Rights	: Each warrant entitles the holder to subscribe for one new ordinary share of RM1.00 each.
Exercise Period	: 12 January 2009 to 11 January 2014
No. of Warrants exercised	: 15,910,218
No. of Warrants unexercised	: 43,772,416

DISTRIBUTION OF WARRANT HOLDINGS (As per Record of Depositors)

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrant	% of Warrant
Less than 100 warrants	5	1.63	200	0.00
100 to 1,000 warrants	177	57.84	76,650	0.18
1,001 to 10,000 warrants	82	26.80	397,800	0.91
10,001 to 100,000 warrants	32	10.46	1,021,550	2.33
100,001 to less than 5% of warrants	9	2.94	6,080,735	13.89
5% and above of warrants	1	0.33	36,195,481	82.69
Total	306	100.00	43,772,416	100.00

THIRTY LARGEST WARRANT HOLDERS (As per Record of Depositors)

	Name of Warrant Holders	No. of Warrants Held	% of Warrants
1.	Sharikat Kim Loong Sendirian Berhad	36,195,481	82.69
2.	Amanahraya Trustees Berhad - Public Smallcap Fund	1,981,700	4.53
3.	Amanahraya Trustees Berhad - Public Far-East Property & Resorts Fund	1,838,900	4.20
4.	Gooi Seong Heen	813,417	1.86
5.	Gooi Seong Chneh	720,918	1.65
6.	Sharikat Kim Loong Sendirian Berhad	250,500	0.57
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chin Kiam Hsung	132,400	0.30
8.	ECML Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Ah Choo (001)	129,000	0.29
9.	Chin Kiam Hsung	113,400	0.26
10.	Gooi Seong Chneh	100,500	0.23
11.	Lim Diang Seng	100,000	0.23
12.	Dynaquest Sdn. Berhad	98,450	0.22
13.	Ow Choo Aun	80,400	0.18
14.	Gooi Seong Lim	70,000	0.16
15.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gooi Seong Heen (473561)	64,000	0.15
16.	Liew Khin Yee	47,000	0.11
17.	Lim Poh Fong	42,700	0.10
18.	Tan Aik Seng	40,200	0.09
19.	Lim Phaik Ean	35,000	0.08
20.	Lim Chai Huat	30,000	0.07
21.	Lim Kim Chew	30,000	0.07
22.	Qua Sai Chuan @ Koo Sai Chuan	30,000	0.07
23.	HLG Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Boon Chen (CCTS)	28,900	0.07
24.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gooi Seong Heen (E-JBU)	28,000	0.06
25.	HDM Nominees (Asing) Sdn. Bhd. - DBS Vickers Secs (S) Pte Ltd for Ng Wai Choong	25,000	0.06

THIRTY LARGEST WARRANT HOLDERS (As per Record of Depositors)(cont'd)

	Name of Warrant Holders	No. of Warrants Held	% of Warrants
26.	Sng Hock Tiong	20,000	0.05
27.	Tan May Nyen	20,000	0.05
28.	Unipine Malaysia Sendirian Berhad	20,000	0.05
29.	Lee Kim Chin	17,500	0.04
30.	Looi Kok Yean	17,000	0.04
	TOTAL	43,120,366	98.51

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

DIRECTORS' INTEREST IN WARRANTS 2009/2014 (As per Register of Directors' Warrant Holdings)

	Direct Interest		Indirect Interest	
Name of Directors	Warrant Holdings	%	Warrant Holdings	%
Gooi Seong Lim	70,000	0.16	36,480,981(a)	83.34
Gooi Seong Heen	905,417(b)	2.07	36,462,981(c)	83.30
Gooi Seong Chneh	821,418	1.88	36,445,981(d)	83.26
Gooi Seong Gum	-	-	36,445,981(d)	83.26
Yeo Jon Tian @ Eeyo Jon Thiam	15,000	0.03	2,000(e)	0.00
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Notes:

(a) Deemed interest by virtue of his interest in Sharikat Kim Loong Sendirian Berhad ("SKL") which holds 36,445,981 warrants, and his spouse, Lim Phaik Ean, who holds 35,000 warrants.

(b) Includes 64,000 and 28,000 warrants held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.

(c) Deemed interest by virtue of his interest in SKL which holds 36,445,981 warrants and his spouse, Looi Kok Yean, who holds 17,000 warrants.

(d) Deemed interest by virtue of their interest in SKL which holds 36,445,981 warrants.

(e) Deemed interest by virtue of his spouse, Ng Yit How, who holds 2,000 warrants.

	Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation)	Land Area [Acres]	Net Carrying Amount RM'000
	Properties Held by Panoramic Industrial Development Sdn. Bhd.					
1.	Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Mixed Industrial and commercial land (development-in-progress)	Freehold	18 Nov 1996	39.44 (a)	5,202
		Industrial plots (completed)	Freehold (15 years)	18 Nov 1996	0.94 (a)	867
		Hawker centre (completed)	Freehold (15 years)	18 Nov 1996	2.09 (a)	1,606
		Vacant land approved for residential, commercial and industrial development	Leasehold - 999 years commencing from 28.10.1912	18 Nov 1996	61.26 (a)	21,641
2.	Nusa Cemerlang Industrial Park Mukim of Pulai, Johor Bahru, Johor.	Approved industrial land (development-in-progress)	Freehold	22 Jul 2005 to 30 Dec 2009	316.89 (a)	193,045
		Approved industrial plots (completed)	Freehold (2 years)	28 Feb 2008	3.06 (a)	4,690
	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	39.48 (a)	7,492
		Industrial plots (completed)	Freehold (4 to 12 years)	18 Nov 1996	12.06 (a)	12,760
4.	Desa Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Residential and commercial land (development-in-progress)	Freehold	18 Nov 1996	68.43 (a)	15,591
		Residential plots (completed)	Freehold (1 to 5 years)	18 Nov 1996	15.81 (a)	22,598
		Commercial plots (completed)	Freehold (2 years)	18 Nov 1996	0.49 (a)	1,068
5.	Bandar Cemerlang - Lot Nos. PTD 31034 to 31035 and 31037, Mukim and District of Kota Tinggi, Johor. - Lot Nos. PTD 105758 to 105762, 105765 and 105771 to 105772, Mukim of Terbau, Johor Bahru, Johor.	Oil palm estate (approved for residential and commercial development)	Freehold	26 Jun 2001	1,390.22	166,006
6.	Lot Nos. PTD 197069 to 197071, Mukim of Plentong, Johor Bahru, Johor.	Vacant land approved for industrial development	Freehold	(24 Jan 2005)	9.98	5,971

	Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation)	Land Area [Acres]	Net Carrying Amount RM'000
	Properties Held by Panoramic Jaya Sdn. Bhd.					
7.	Taman Dato Chellam Mukim of Terbau, Johor Bahru, Johor.	Mixed residential and commercial land (development-in-progress)	Freehold	12 May 2004	34.65 (a)	15,976
		Commercial plots (completed)	Freehold (1 year)	12 May 2004	0.84 (a)	3,607
	Properties Held by Ambok Resorts Development Sdn. Bhd.					
8.	Lot Nos. 2, 58, 60, 116, 325, 349, 607, 608, 609, 716, 717, 747, 748, 749, 750, 960 and 1331, Mukim of Tanjung Surat, Kota Tinggi, Johor.	Oil palm estate (zoned for resort development) (b)	Freehold	(24 Jan 2005)	794.43	38,860
	Properties Held by Crescendo Jaya Sdn. Bhd.					
9.	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	1,174
	Properties Held by Crescendo Land Sdn. Bhd.					
10.	Lot Nos. PTD 156625, 156626 and 156627, Mukim of Plentong, Johor Bahru, Johor.	Vacant land (approved for mixed residential and commercial development)	Leasehold - 99 years	30 Aug 2006	221.58 (c)	23,472
	Properties Held by Crescendo Education Sdn. Bhd.					
11.	Lot No. PTD 204446, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for commercial building / private college	Freehold	(21 Dec 2009)	15.51	8,164
	Properties Held by Crescendo Commercial Complex Sdn. Bhd.					
12.	Lot No. PTD 113438, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for commercial buildings	Freehold	(21 Dec 2009)	8.50	20,012
	Properties Held by Unibase Concrete Industries Sdn Bhd					
13.	Factory Building PTD 154126, Mukim of Pulai, Johor Bahru, Johor.	Ready mix and concrete plant (d)	(4 years)	31 May 2007	Not applicable	1,103
	Properties Held by Repute Construction Sdn. Bhd.					
14.	5A & 5B, Jalan Kekabu 11, Desa Cemerlang, 81800 Ulu Tiram, Johor.	Office Building	Freehold (5 years)	(21 Dec 2009)	0.04	619

Notes:

(a) Gross land are based upon land titles held by Panoramic Industrial Development Sdn Bhd, Crescendo Development Sdn Bhd and Panoramic Jaya Sdn Bhd as at 31 January 2011. The conversion factor from gross to net saleable freehold and leasehold area are as follows:

Property No.	Conversion Factor
1	0.7052 for freehold land and 0.6706 for leasehold land
2	0.9203
3	0.6996
4	0.5288
7	0.7809

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

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

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 Fifteenth Annual General Meeting of the Company to be held at Dewan Johor, Level 2 of Mutiara Hotel, Jalan Dato Sulaiman, Taman Century, K.B. No. 779, 80990 Johor Bahru, Johor Darul Takzim on Friday, 29 July 2011 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below:-

No.	Resolution	For	Against
1.	Adoption of Reports and Audited Financial Statements		
2.	Declaration of final dividend		
3.	Re-appointment of Director: Mr. Yeo Jon Tian @ Eeyo Jon Thiam		
4.	Re-election of Director: Mr. Gooi Seong Gum		
5.	Re-election of Director : Mr. Tan Ah Lai		
6.	Re-appointment of Auditors		
7.	Authority to issue shares		
8.	Proposed Renewal of Authority for Share Buy-Back		

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

Signed this ___________ day of _____________ 2011

____
Signature of Member(s)

Number of Shares held	

NOTES:

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

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

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

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

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

Please fold this flap for sealing

Please fold here

affix
stamp
here

The Secretary
CRESCENDO CORPORATION BERHAD
Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS20/27,
47400 Petaling Jaya.

Please fold here

Crescendo Corporation Berhad (359750-D)
Unit 203, 2nd Floor,
Block C, Damansara Intan,
No. 1, Jalan SS 20/27
47400 Petaling Jaya, Selangor Darul Ehsan.
Tel:(603) 7118 2688 Fax:(603) 7118 2693