



value for
 premier
 quality

Annual Report **2013**

CRESCENDO CORPORATION BERHAD (359750-D)



Annual Report **2013**

CRESCENDO CORPORATION BERHAD
(359750-D)

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

www.crescendo.com.my

17th Annual General Meeting

Place : Jasmine & Orchid Room, Level C of One World Hotel,
First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya,
Selangor Darul Ehsan

Time : Monday, 29 July 2013 at 2.30 p.m.



pg 10
Corporate
Information



pg 12
Group
Financial
Highlights

Contents 2013

04	Notice of Annual General Meeting	42	Statement on Directors' Responsibilities	55	Financial Statements
10	Corporate Information	43	Additional Compliance Information	136	Analysis of Shareholdings
11	Corporate Structure	44	Statement on Risk Management & Internal Control	139	Analysis of 3.75% 7-Year Irredeemable Convertible Unsecured Loan Stocks 2009/2016 ("ICULS") Holdings
12	Group Financial Highlights	48	Report of the Audit Committee	141	Analysis of Warrant Holdings
16	Board of Directors	52	Report of the Remuneration Committee	143	Particulars of Properties
18	Profile of Directors	53	Report of the Nominating Committee	•	Enclosed Form of Proxy
22	Chairman's Statement				
28	Statement on Corporate Social Responsibilities				
30	Statement on Corporate Governance				



pg 16
Board of
Directors



pg 22
Chairman's
Statement



**We are poised to
penetrate deeper
into high-end
property market
to strengthen our
current dominant
position.**





Notice OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of Crescendo Corporation Berhad will be held at Jasmine & Orchid Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Monday, 29 July 2013 at 2.30 p.m. for the following purposes:-

AGENDA

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2013 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a final single tier dividend of 8 sen per share in respect of the financial year ended 31 January 2013. **(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 Heen **(Resolution 4)**
 - (b) Mr. Gan Kim Guan **(Resolution 5)**
5. To appoint Auditors and to authorize the Directors to fix their remuneration.

Notice of nomination pursuant to Section 172(11) of the Companies Act, 1965, by Sharikat Kim Loong Sendirian Berhad, a copy of which is annexed hereto and marked as "Annexure A" has been received by the Company for the nomination of M/s Raki CS Tan & Ramanan (Firm No. AF0190), who have given their consent to act, as Auditors of the Company and of their intention to propose the following Ordinary Resolution at the meeting -

"THAT M/s Raki CS Tan & Ramanan (Firm No. AF0190) be appointed as Auditors of the Company in place of the retiring Auditors, M/s CS Tan & Associates (Firm No. AF1144), at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next Annual General Meeting." **(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 (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Resolution 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 19,618,533 representing 10% of the issued and paid-up share capital of the Company as at 3 June, 2013;
- (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 2013 of RM57,734,317 and RM17,166,310 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)

Notice OF ANNUAL GENERAL MEETING

(CONT'D)

ORDINARY RESOLUTION III - RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT subject to the passing of Resolution 3, Mr. Yeo Jon Tian @ Eeyo Jon Thiam, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non- Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."

(Resolution 9)

ORDINARY RESOLUTION IV - RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT subject to the passing of Resolution 5, Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non- Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."

(Resolution 10)

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 Seventeenth Annual General Meeting, the final single tier dividend of 8 sen per share in respect of the financial year ended 31 January 2013 will be paid on 30 August 2013 to depositors registered in the Record of Depositors on 12 August 2013.

A depositor shall qualify for entitlement only in respect of:

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 12 August 2013 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
5 July 2013

NOTES:

- (1) A member whose name appears in the Record of Depositors as at 22 July 2013 shall be regarded as a member entitled to attend, speak and vote at the meeting.

- (2) Proxy -

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time set for holding the meeting. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

- (3) Resolution 7 -

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

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

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last Annual General Meeting held on 27 July 2012 and which will lapse at the conclusion of the Seventeenth Annual General Meeting.

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

- (4) Resolution 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 5 July 2013 which is enclosed together with this Annual Report.

Notice OF ANNUAL GENERAL MEETING

(CONT'D)

(5) Resolutions 9 & 10 -

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

- (a) They have fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, they would be able to provide independent judgement, objectivity and check and balance to the Board.
 - (b) They perform their duties and responsibilities diligently and in the best interest of the Company without being subject to influence of the management.
 - (c) They, having been with the Company for more than 9 years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations and attended the Board and Committee meetings for an informed and balanced decision making.
- (6) Shareholders' approval has been obtained at the annual general meeting held on 23 July 2002 for directors' fees payable annually at an amount not exceeding RM400,000 in aggregate. Since obtaining the approval, the directors' fees paid annually have not exceeded the quantum.

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

- (1) The following are the Directors standing for re-appointment or re-election at the Seventeenth 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 Heen
 - (ii) Mr. Gan Kim Guan
- (2) The profiles of the Directors standing for re-appointment or re-election as mentioned in paragraph 1 above at the Seventeenth Annual General Meeting are set out in pages 19, 20 and 21 of this Annual Report.



SHARIKAT KIM LOONG SDN. BHD. (7315-V)

Registered office: Unit No. 203, 2nd Floor, Block C, Damansara Intan, No.1, Jalan SS20/27, 47400 Petaling Jaya, Selangor.
Tel: 03-71182688 Fax: 03-71182693

17th June, 2013

The Board of Director
Crescendo Corporation Berhad
Unit No. 203, 2nd Floor, Block C,
Damansara Intan,
No. 1, Jalan SS20/27,
47400 Petaling Jaya, Selangor.

Dear Sirs,

Nomination of Auditors

Pursuant to Section 172(11) of the Companies Act, 1965, we, being a shareholder of Crescendo Corporation Berhad, hereby give notice of nomination of M/s. Raki CS Tan & Ramanan (Firm No. AF0190) as Auditors of the Company in place of the retiring Auditors, M/s. CS Tan & Associates (Firm No. AF1144), and of our intention to propose the following as an ordinary resolution at the forthcoming Annual General Meeting of the Company -

“THAT M/s. Raki CS Tan & Ramanan (Firm No. AF0190) be appointed as Auditors of the Company in place of the retiring Auditors, M/s CS Tan & Associates (Firm No. AF1144), at a remuneration to be fixed by the Directors and to hold office until the conclusion of the next Annual General Meeting.”

Yours truly,
SHARIKAT KIM LOONG SDN. BHD.

Gooi Seong Lim
Director

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

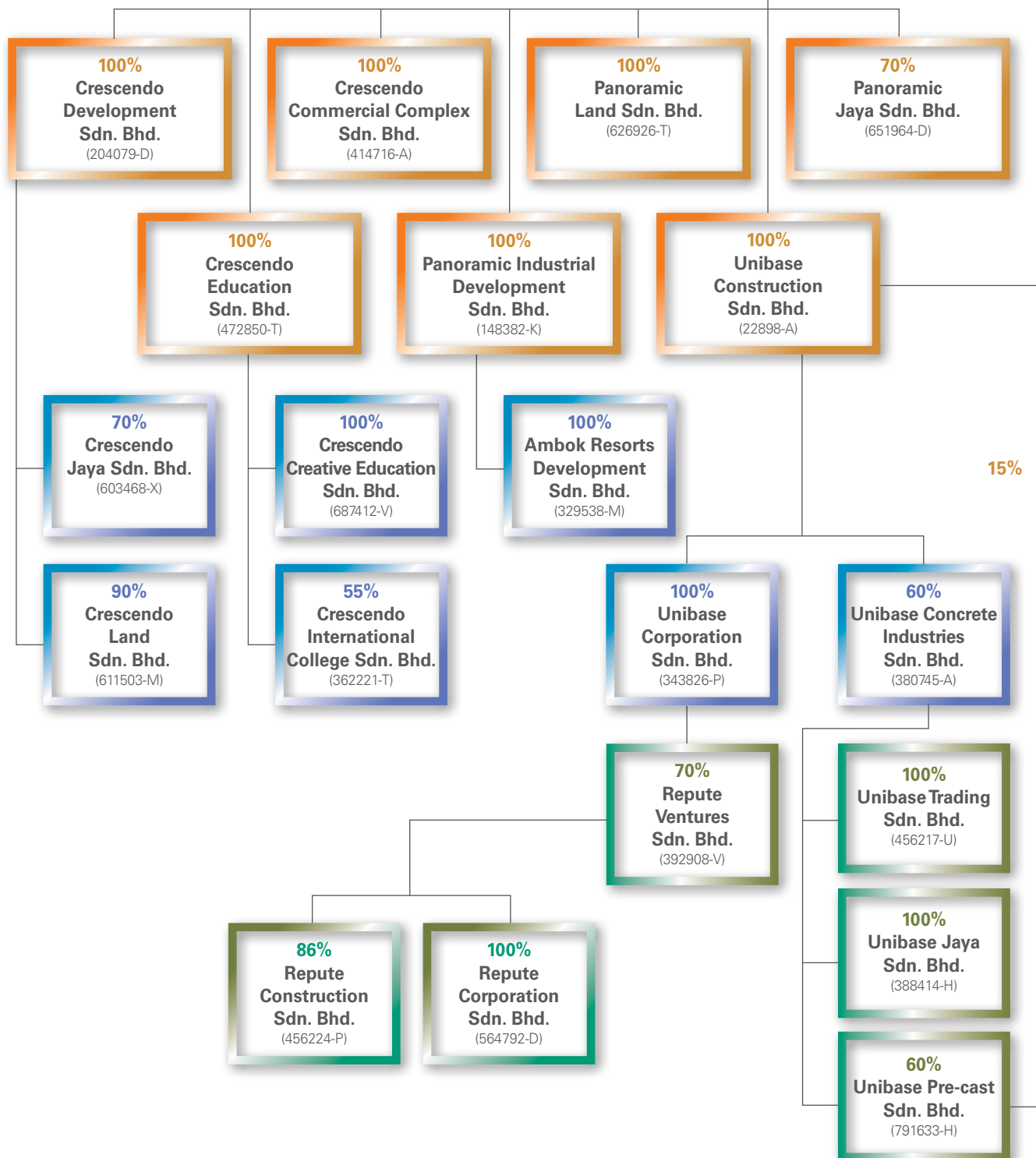
OCBC Bank (Malaysia) Berhad
(295400-W)
HSBC Bank Malaysia Berhad
(127776-V)

STOCK EXCHANGE LISTING

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

CORPORATE Structure

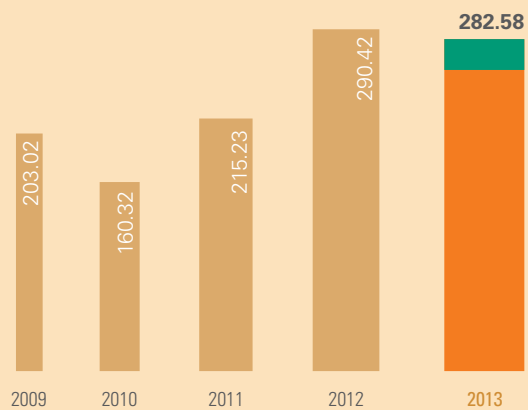
As at 31 January 2013



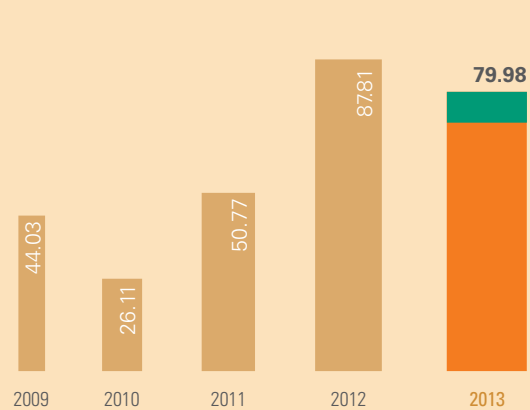
Group FINANCIAL HIGHLIGHTS

		2009	2010	2011	2012	2013
Statement of Comprehensive Income (RM'mil)						
Revenue		203.02	160.32	215.23	290.42	282.58
EBITDA		47.94	30.23	54.49	91.01	83.18
Profit before tax		44.03	26.11	50.77	87.81	79.98
Profit after tax		33.99	19.36	39.44	66.06	59.61
Net profit attributable to equity holders		31.32	18.01	36.41	63.52	55.62
Statement of Financial Position (RM'mil)						
Paid-up share capital		155.07	155.07	172.57	183.48	195.49
Shareholders' equity		421.96	450.94	494.93	548.96	595.53
Total assets		603.90	688.70	710.48	785.19	786.33
Total borrowings		123.76	158.86	148.54	144.06	107.25
Financial Indicators						
Return on shareholders' equity [Pre-tax]	%	10.4	5.8	10.3	16.0	13.4
Return on total assets [Pre-tax]	%	7.3	3.8	7.1	11.2	10.2
PE ratio	times	3.7	9.7	6.3	4.6	6.0
Gearing ratio	times	0.29	0.35	0.30	0.26	0.18
Interest cover	times	7.48	4.84	6.19	11.33	9.02
Earnings per share	Sen	20	12	23	36	29
Net assets per share	RM	2.73	2.92	2.87	3.01	3.07
Gross dividend per share	Sen	7	7	11	15	12
Gross dividend yield	%	9.3	6.2	7.6	9.0	6.9
Share price at financial year end	RM	0.75	1.13	1.45	1.66	1.73

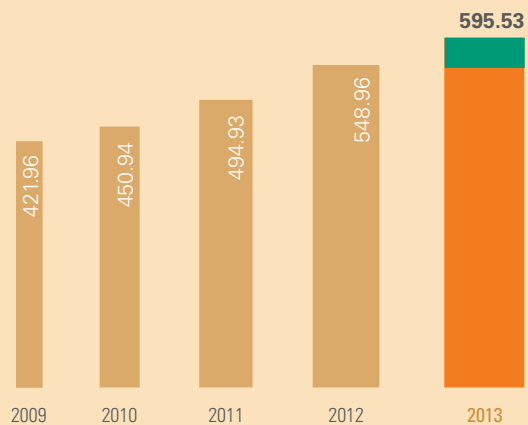
Revenue (RM MILLION)



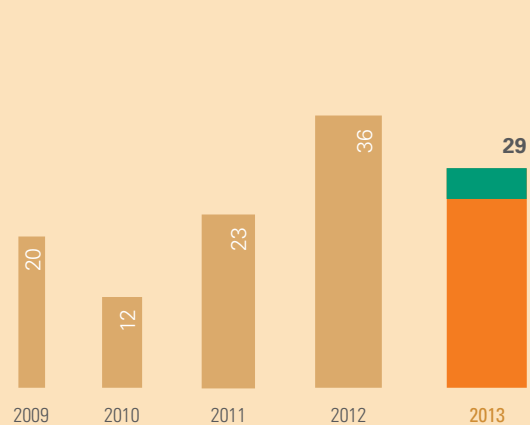
Profit Before Tax (RM MILLION)



Shareholders' Equity (RM MILLION)



Earnings Per Share (SEN)







**Committed to
build modern
and high quality
properties.**



Board OF DIRECTORS



05

06

07



01

01

GOOI SEONG LIM

Chairman and Managing Director

02

GOOI SEONG HEEN

Executive Director

03

GOOI SEONG CHNEH

Executive Director

04

GOOI SEONG GUM

Executive Director



08



09



10



02



03



04

05

GAN KIM GUAN

Senior Independent Non-Executive Director

07

TAN AH LAI

Independent Non-Executive Director

09

CHUA YOKE BEE

Company Secretary

06

YEO JONTIAN @ EEYO JONTHIAM

Independent Non-Executive Director

08

CHONG FOOK SIN

Company Secretary

10

KAN CHEE JING

Company Secretary

Profile OF DIRECTORS

GOOI SEONG LIM, aged 64, a Malaysian, was appointed to the Board of Crescendo Corporation Berhad ("CCB") on 15 September 1995. He is currently the Chairman and Managing Director of CCB. He is also a member of the Remuneration Committee with effect from 27 March 2002. He graduated from the University of Toronto, Canada with a Bachelor of Applied Science degree in Mechanical Engineering in 1972 and a Master's degree in Mechanical Engineering in 1975. From 1972 to 1975, he was an engineer of Spar Aerospace Ltd, an engineering company based in Toronto, Canada, specialising in the design and computer simulations of Canadian Communication Satellite and subsequently, with Atomic Energy of Canada Ltd based in Toronto, Canada, a quasi-government company specialising in the design of Canadian nuclear reactors.

From 1975 until to-date, he has been the Managing Director of Sharikat Kim Loong Sendirian Berhad ("SKL"), a company which owns a controlling stake in CCB and Kim Loong Resources Berhad ("KLR"), a public company listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Since 1977, he has been a director of Kim Loong Palm Oil Sdn. Bhd. ("KLPO") which is involved in palm oil milling. The success of the Group owes much to his extensive involvement in construction and property development. He is the Executive Chairman of KLR and also sits on the Board of several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended three (3) of the four (4) Board meetings held during the financial year 2013.



Mr. Gooi Seong Lim

GOOI SEONG HEEN, aged 62, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB and is also a member of the Audit Committee until 1 November 2007. He graduated with a Bachelor of Applied Science degree in Chemical Engineering from the University of Toronto in 1972 and obtained a Master's degree in Business Administration from the University of Western Ontario, Canada in 1976. He served as an engineer with Esso Singapore Pte Ltd from 1973 to 1974. His experience embraces oil palm and rubber estate management, palm oil mill management and property development. From 1972, he has been a Director of SKL, a holding company which owns a controlling stake in CCB and KLR. Since 1977, he has been a director of KLPO Group which is involved in palm oil milling. He is the Managing Director of KLR and also a director of several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the four (4) Board meetings held during the financial year 2013.

GOOI SEONG CHNEH, aged 58, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director and Chief Executive Officer (construction operation) of CCB. He graduated with a Bachelor of Science degree from the University of Toronto, Canada in 1975 and obtained a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He is a member of the Professional Engineers Association of Alberta,

Canada. He was formerly a consultant with Campbell Engineering and Associates, Calgary, Canada for three (3) years from 1981 to 1983. He has extensive experience in construction site management and property development. His experience also includes oil palm and cocoa estate management. From 1976, he has been a Director of SKL, a company which owns a controlling stake in CCB and KLR. He has been responsible for the development and management of oil palm and cocoa estates in Johor, Sabah & Sarawak since 1985. He is also a director of KLR and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the four (4) Board meetings held during the financial year 2013.



Mr. Gooi Seong Heen



Mr. Gooi Seong Chneh

Profile OF DIRECTORS (CONT'D)

GOOI SEONG GUM, aged 57, 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 three (3) of the four (4) Board meetings held during the financial year 2013.

GAN KIM GUAN, aged 50, a Malaysian, was appointed to the Board of CCB as an Independent Non-executive Director on 29 March 2001. He is currently the Senior Independent Non-executive Director of CCB. He was appointed as a member of the Audit Committee on 5 May 2001 and currently, he serves as the Chairman of the Audit Committee. He also sits as a member of both the Nominating and Remuneration Committees with effect from 27 March 2002. He has extensive experience in auditing, investigation, financial planning and financing related work. He is also a director of KLR.

Mr Gan is a member Chartered Accountants of the Malaysian Institute of Accountants. He has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended all the four (4) Board meetings held during the financial year 2013.



Mr. Gooi Seong Gum



Mr. Gan Kim Guan

YEO JON TIAN @ EEYO JON THIAM, aged 72, 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 2013.

TAN AH LAI, aged 44, a Malaysian, was appointed as an Independent Non-Executive Director of CCB and a member of the Audit Committee on 1 November 2007. He also sits as a member of both the Nominating and Remuneration Committees with effect from 26 February 2009. He is a fellow member of the ACCA, UK and a Chartered Accountant of the Malaysian Institute of Accountants. He started his career as an audit assistant in a public accounting firm, in 1994, eventually being promoted to Principal/Senior Manager of the firm. In 2011, he incorporated his own consulting and accounting firm which provides accounting, tax and consultation services. 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 2013.

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

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 2013.



Chairman's

FINANCIAL RESULTS

The Group recorded a marginal decrease of 3% in revenue and 9% in profit before tax to RM282.6 million and RM80.0 million respectively for the financial year 2013 as compared to RM290.4 million and RM87.8 million respectively recorded for the financial year 2012. The decrease in profit was mainly due to lower sales in industrial properties. There were higher sales in the construction, manufacturing and trading segments but they traditionally yield a lower profit margin as compared to property development.

DIVIDEND

The Board is pleased to recommend to the shareholders for approval a final single tier dividend of 8.0 sen per share (2012: 7.0 sen per share, less 25% tax), for the financial year ended 31 January 2013, making a total dividend of 4 sen per share, less 25% tax and 8 sen single tier per share (2012: 15 sen per share, less 25% tax).

REVIEW OF BUSINESS ACTIVITIES

PROPERTY DEVELOPMENT AND CONSTRUCTION

The property development and construction operations recorded a marginal decrease of 3% and 6% in revenue and profit respectively. The revenue and profit recorded for the financial year 2013 are RM204.6 million and RM73.6 million respectively as compared to RM210.3 million and RM78.4 million for the financial year 2012.

Our Nusa Cemerlang Industrial Park (NCIP) project is expected to 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 yield for their investment. We expect the demand for the residential properties to continue to increase as employment prospects in Iskandar Malaysia and Singapore for Johor Bahru residents will remain good.

We expect the industrial development to remain as the main profit contributor for the Group in the financial year 2014.



Statement

“

With more investments expected to come from Singaporeans and other foreign investors, we are confident that the Group will become a developer of choice and perform strongly.

”

Chairman's STATEMENT (CONT'D)



MANUFACTURING AND TRADING

The manufacturing and trading operations recorded an increase of 16% in revenue mainly due to higher sales turnover. There was a decrease of 4% in profit due to fierce market competition for concrete products, resulting in a lower margin. The revenue and profit are RM103.2 million and RM3.6 million respectively for the financial year 2013 as compared to RM89.0 million and RM3.8 million respectively for the financial year 2012.

We expect this operation to perform better in the financial year 2014 due to potential increase in export business for our concrete products to Singapore.

REVIEW OF OPERATIONS

Property development and construction continues to be the main driver of earnings for the Group recording 65% of the total turnover in the financial year 2013. The remaining 35% was contributed by the Group's concrete manufacturing, trading and management services.

At Iskandar Malaysia, we have two industrial parks, Nusa Cemerlang Industrial Park (NCIP) and Taman Perindustrian Cemerlang (TPC) which develop medium industrial factories. In the upcoming financial year, we will have more launches of factories in TPC and slow down development in NCIP. Next to TPC, we have Desa Cemerlang (DC) which offers three storey shop offices. In Taman Dato' Chellam (TDC), we will be launching double storey shop offices and terrace houses. Through our four ongoing projects in Iskandar Malaysia, we are well-positioned with a full spectrum of products to offer our purchasers.

The Group also has two exciting new projects in Johor Bahru in the pipeline.

Near Ulu Tiram, we will be commencing development of Bandar Cemerlang in financial year 2015. This new project will offer affordable homes to meet the strong demand for such properties in Johor Bahru. This project is expected to contribute positively to the revenue and profit of the Group.

The Group is gradually moving up the value chain by going from medium to high-end property development. Forging ahead, the Group has planned to venture into another high-end commercial and residential project in two years' time. With increasingly strong local and foreign interest in properties located within Iskandar Malaysia, we are also expanding our presence with an integrated project through Crescendo Land Sdn Bhd (CLSB). This mixed development project comprises of 1,854 units of residential properties, 78 units of shop offices and 5 plots of land for the development of commercial complex/service apartments. This is a water front project in a prime location within Iskandar Malaysia and very near Johor Bahru. Earthworks have begun and is scheduled to be completed by the end of this year.

Further down the pipeline, the Group will develop Ambok Resorts in Kota Tinggi in six years' time into a mixed development project which will appeal to our existing customer base as well as new purchasers. This project strategically located in Kota Tinggi, is well connected by the new Senai-Desaru Highway. The new Senai – Desaru Highway has boosted the value of this land as this highway has greatly improved the connectivity of this land from Desaru and Pengerang, where an integrated downstream oil and gas complex, is being developed to Johor Bahru.



On the operational front, we have consistently achieved a sustainable growth performance throughout the years against the backdrop of a challenging economic situation. Total unrecognised revenue as at 31 May 2013 is RM172.5 million. New sales achieved during FY 2014 up to 31 May 2013 is RM98 million. In view of the good location and quality of our products, services, strong and healthy financial position, strong committed sales in hand and a wide product mix, the Group has the capability and capacity to compete effectively and is able to weather economic turbulence which may come with a slowdown in the global economy.

The strong financial position of the Group allows for pre-purchase of building materials and pre-building of properties to mitigate the impact of rising building material prices on development costs. This will also result in better profit margins for the Group.

Trading and concrete manufacturing contributed 34% of the Group revenue in the financial year 2013. We plan to grow the export market for our concrete products to Singapore and with the growth in export market, we expect the profit margin to improve in financial year 2014.

On the education front, the new campus for our Crescendo International College has been operational since May 2013. Initial intake was encouraging. With a proper campus, the College will be able to attract more foreign students.

OUTLOOK AND PROSPECTS

The market condition is expected to be challenging in the near and medium term in view of the soft global economy. Nevertheless, property in Iskandar Malaysia is expected to remain buoyant in view of the recent enhanced bilateral collaborations between Malaysia and Singapore. The Group will continue to monitor the timing and quantum of its future launches to match market demand and meet the ever changing customers' demand in terms of price, product and concept.

In the financial year 2014, the Group will continue to focus on the development of industrial, residential and commercial properties at NCIP, Desa Cemerlang and Bandar Cemerlang, all located in Iskandar Malaysia.

The Group's future outlook is good in view of its current holding of 1,665 acres of prime landbank within Iskandar Malaysia. The estimated current Gross Development Value is more than RM7 billion. With more investments expected to come from Singaporeans and other foreign investors, we are confident that the Group will become a developer of choice and perform strongly.

The Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2014.

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

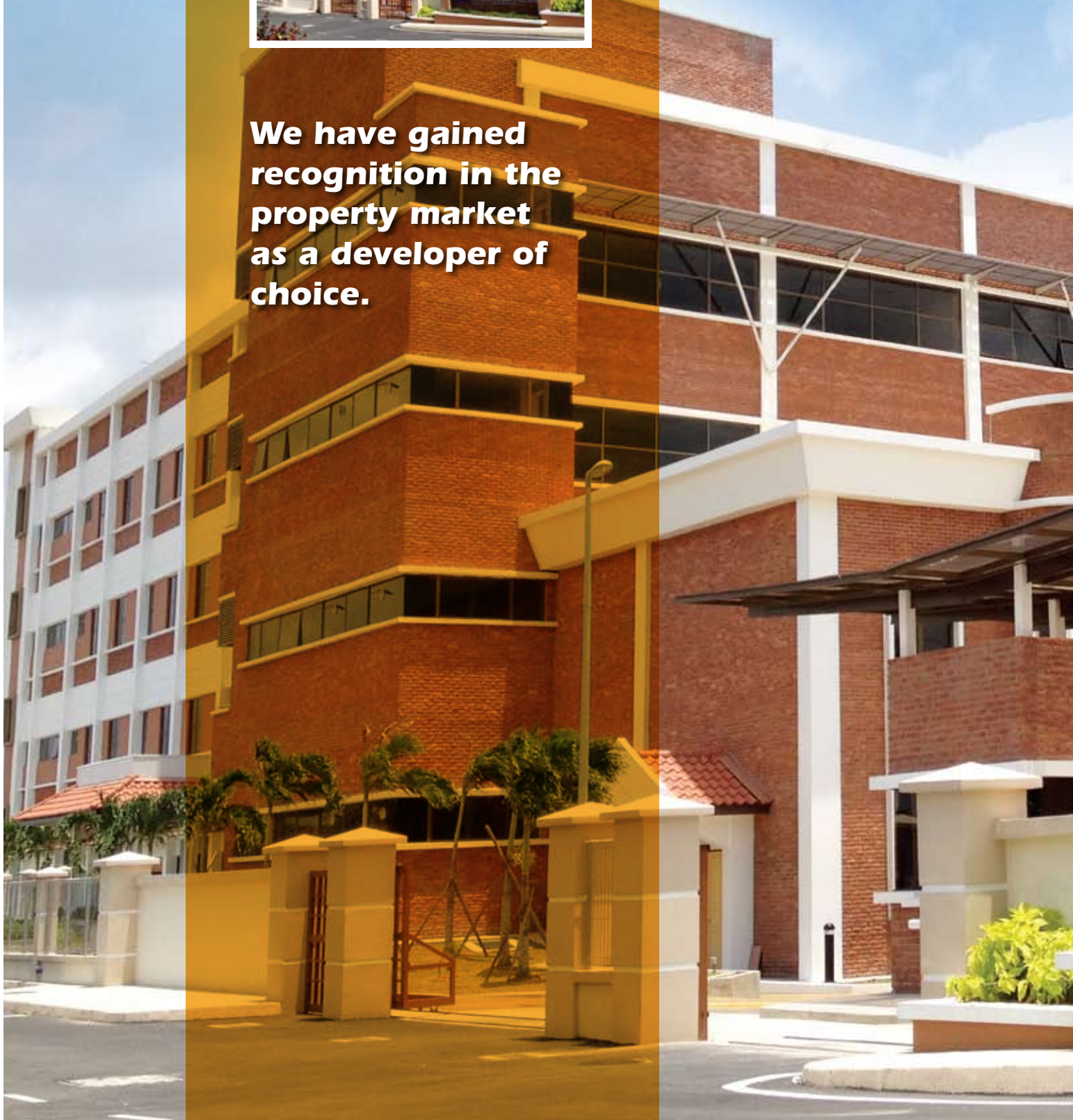
Chairman and Managing Director

Johor Bahru, Johor

Date: 24 June 2013



**We have gained
recognition in the
property market
as a developer of
choice.**





Statement ON 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

The Group is committed to provide quality products and services to our customers through our available resources. It also aims for continuous improvement towards building long term relationships with all its stakeholders. Our website provides access to the information on the Group’s financials and operations as well as the direction of the Group. It also allows an email link for stakeholders to provide feedback or enquiries in order for the Group to satisfy our stakeholders’ needs as well as to improve on our products and services, if needed.

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

HUMAN CAPITAL

The Group has a total workforce of 284 personnels as at 31 January 2013. The workforce consists of 90% Malaysian and 32% of female workforce.



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

- Engaging experts to share knowledge on variety issues that can benefit the employees on a personal and professional level;
- Conducting in-house trainings for the staff on human capital, safety, accounting, technical issues and management skills. Where specialist training is required, the staff are sent for external trainings;
- Various staff activities including festival celebrations and sporting events through the In-House Sports Club; and
- Subsidised company trips to Bukit Tinggi & Genting Highland, Bangkok & Pattaya (Thailand), Guilin (China) and Universal Studio (Singapore) were organised for the staff and their family members.

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

COMMUNITY

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

Crescendo International College ("CIC"), the education arm of the Group, has its own permanent campus at Desa Cemerlang in addition to the City Campus in the heart of Johor Bahru. The college provides GCE A Level and professional courses at affordable rates. More than 680 students had enrolled in CIC as at 31 January 2013. 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.

The Group also made various contributions and donations amounting to approximately RM75,800 to worthy causes and organisations including governmental and non-governmental organisations to support their sports, cultural and welfare activities.

ENVIRONMENT SUSTAINABILITY

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

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

The Board is in the midst of working towards ensuring compliance to the application of the requirements, principles and recommendations of the Code.

BOARD OF DIRECTORS

a. Board Charter

The Board is in the process of revamping the existing Board Charter and developing other documents such as Code of Ethics and Conduct, Whistle Blowing Policy and Investors Relations Policy to comply with the recent changes to the Code and Listing Requirements. Once approved, they will be made accessible through the Company's website at www.crescendo.com.my.

b. Duties and responsibilities of the Board

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

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

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

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

c. Composition of the Board

The Directors with their diverse backgrounds and specialisation, collectively bring in a wide range of experience, expertise and competencies to the Board that is important for the continued successful direction of the Group. The knowledge and expertise in various fields of the individual directors contribute to the enhancement of the effectiveness of the Board. Details of each individual director's skills and experiences are presented in the Board of Directors' Profile set out on pages 18 to 21 of this Annual Report.

The Board as at the date of this statement, consist of 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. The Board complies with paragraph 15.02 of the Listing Requirements which requires that at least two Directors or one-third of the Board of the Company, whichever higher, are Independent Directors.

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

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

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

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

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

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

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

Mr. Gooi Seong Lim is essentially functioning as Managing Director and Chairman of the Board. The Board is mindful that the convergence of the two roles is not in compliance with best practice, but took into consideration the fact that he has a controlling shareholding (with approximately 58.52% 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.

Statement ON CORPORATE GOVERNANCE (CONT'D)

BOARD OF DIRECTORS (CONT'D)

d. Roles of the Chairman, Managing Director and Senior Independent Non-Executive Director (Cont'd)

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

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

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

e. Board Meetings

The Board normally meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. Due notice of issue to be discussed, deliberated and conclusions arrived are recorded in discharging 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 papers relating to the agenda are sent to all Directors at least seven (7) days before the meeting, in order to provide sufficient time to review the Board papers and seek clarifications, if any.

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

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

Name of Director	Status of Directorship	Number of Board Meetings Attended	Percentage (%)
Gooi Seong Lim	Chairman and Managing Director	3	75
Gooi Seong Heen	Executive Director	4	100
Gooi Seong Chneh	Executive Director	4	100
Gooi Seong Gum	Executive Director	3	75
Gan Kim Guan	Senior Independent Non-executive Director	4	100
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Non-executive Director	4	100
Tan Ah Lai	Independent Non-executive Director	4	100

f. Supply of Information to the Board

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

In exercising their duties, all Directors have the same right of access to all information within the Group and they have a duty to make further enquiries which they may require in discharging their duties. The Directors also have access to advice and services of the Company Secretaries, who 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.

g. Company Secretaries

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

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

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

Directors, whether acting as a full Board member or in their individual capacity, in the furtherance of their duties, may obtain independent professional advice at the Company's expense, which the application and appointment process for the services is as per established internal procedures.

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

h. Directors Training

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

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.

Statement ON CORPORATE GOVERNANCE (CONT'D)

BOARD OF DIRECTORS (CONT'D)

h. Directors Training (Cont'd)

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

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

Name	Program	Date
Gooi Seong Lim	<ul style="list-style-type: none"> 2-Days Workshop on Transforming from FRS to MFRS Employment Act 1955, Incorporating the Employment (Amendments) Act 2012 Credit Suisse Market Outlook Seminar Credit Suisse Philanthropists Forum 2012 Minimum Wage Order 2012 Hwang Investment Management Berhad – Market Outlook J.P Morgan – Luck Favour Only The Prepared, Market Outlook and Investment Solution for 2013 Credit Suisse Global Megatrends Conference 2013 	April 18 & 19, 2012 July 18 & 19, 2012 Sep 5, 2012 Nov 15 & 16, 2012 Dec 13, 2012 Jan 3, 2013 Jan 16, 2013 Jan 17, 2013
Gooi Seong Heen	<ul style="list-style-type: none"> 2-Days Workshop on Transforming from FRS to MFRS Employment Act 1955, Incorporating the Employment (Amendments) Act 2012 Credit Suisse Market Outlook Seminar Minimum Wage Order 2012 	April 18 & 19, 2012 July 18 & 19, 2012 Sep 5, 2012 Dec 13, 2012
Gooi Seong Chneh	<ul style="list-style-type: none"> 2-Days Workshop on Transforming from FRS to MFRS Employment Act 1955, Incorporating the Employment (Amendments) Act 2012 In House Training on Effective Building Construction Supervision Minimum Wage Order, 2012 	April 18 & 19, 2012 July 18 & 19, 2012 Aug, 23, 2012 Dec 13, 2012
Gooi Seong Gum	<ul style="list-style-type: none"> 2-Days Workshop on Transforming from FRS to MFRS Employment Act 1955, Incorporating the Employment (Amendments) Act 2012 Credit Suisse Market Outlook Seminar Minimum Wage Order, 2012 	April 18 & 19, 2012 July 18 & 19, 2012 Sep 5, 2012 Dec 13, 2012
Gan Kim Guan	<ul style="list-style-type: none"> An overview of MFRS and the latest development in MFRS/IFRS Updates of the 2012 IFRS – Compliant MFRSs, Preparing the convergence to IFRSs IRB – CTIM Roadshow: Enhancing Tax Compliance – Avoiding Common Mistakes and improving efficiency National Tax Conference 2012 Workshop on New Public Ruling in 2011 & 2012 Seminar Percukaian Kebangsaan, 2012 	Feb 9 & 10, 2012 Mar 19 & 20, 2012 May 27, 2012 Jul 17 & 18, 2012 Jul 27, 2012 Oct 10, 2012

Name	Program	Date
Yeo Jon Tian @ Eeyo Jon Thiam	• 2-Days Workshop on Transforming from FRS to MFRS	April 18 & 19, 2012
	• Employment Act 1955, Incorporating the Employment (Amendments) Act 2012	July 18 & 19, 2012
Tan Ah Lai	• The case for Diversity in the Boardroom	May 14, 2012
	• Bursa Malaysia Berhad Corporate Governance Program: Role of Audit Committee in Assuring Audit Quality	May 22, 2012
	• Bursa Malaysia Corporate Governance Program: Corporate Governance Blueprint and Malaysia Code of Corporate Governance	June 18, 2012
	• Bursa Malaysia Corporate Governance Program: Duties of the Audit Committee	Oct 3, 2012
	• Chartered Tax Institute of Malaysia - 2013 Budget Seminar	Oct 11, 2012

i. **New Appointment, Re-appointment and Re-election of Directors**

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

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

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

The Board acknowledges the gender diversity as published in the Code and recognizes the business benefits of having a balanced board. Hence, appointment of new Board member will be guided solely by gender, skills, competencies, knowledge and experience, commitment and integrity of the candidate.

All newly appointed Directors are subject to re-election by the shareholders at the Annual General Meeting ("AGM") following their appointment.

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

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

Statement ON CORPORATE GOVERNANCE (CONT'D)

BOARD COMMITTEES

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

The Board periodically reviews the Committees' terms of reference.

a. Audit Committee

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

In line with good corporate governance practices, 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 48 to 51 of this Annual Report. The activities of the Audit Committee during the year ended 31 January 2013 are also set out in the Report of the Audit Committee.

b. Remuneration Committee

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

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

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

c. Nominating Committee

The Nominating Committee is empowered by the Board through clearly defined terms of reference to ensure that there are appropriate procedures in place for the nomination, selection and evaluation of Directors. The Nominating Committee assesses the effectiveness of the Board as a whole and each of the Board Committees as well as the contribution of each individual Director, including the Independent Non-Executive Directors and the 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 wishes to highlight that although Mr Gan Kim Guan and Mr Yeo Jon Tian @ Eeyo Jon Thiam have served as Independent Non Executive Directors for more than nine (9) years, the Board, as recommended by the Nominating Committee, is fully satisfied that they have demonstrated complete independence in character and judgement both in their designated role and as Board members and is of the opinion that they continues to bring independent view of the Company's affairs to the Board notwithstanding their length of service. The Board believes that their in-depth knowledge of the Group's businesses and their extensive and expertise continue to provide invaluable contribution to the Board. As such, the Board recommended they be retained as Independent Non Executive Directors and would be seeking shareholders' approval for the same at the forthcoming annual general meeting.

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

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

DIRECTORS' REMUNERATION

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

a. The level and make up of Remuneration

The remuneration of all directors is reviewed by the Remuneration Committee. The Remuneration Committee has a structured procedure for the Board to approve the remuneration of all Non-Executive Directors, based on their experience and expertise and the level of responsibilities of the directors concerned as well as the condition of the industry.

b. Procedure

The Remuneration Committee recommends the remuneration framework and package of all directors. Directors do not participate in decisions regarding their own remuneration packages.

Statement ON CORPORATE GOVERNANCE (CONT'D)

DIRECTORS' REMUNERATION (CONT'D)

c. Disclosure

A summary of the remuneration of the Directors for the year ended 31 January 2013, 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:

i. Summary of Directors' Remuneration

Aggregate Remuneration	Executive Directors (RM)	Non-executive Directors (RM)	Total (RM)
Salary	1,432,200	-	1,432,200
Bonus	656,425	-	656,425
Fees	123,000	180,000	303,000
Meetings Allowance	7,000	6,000	13,000
Estimated monetary value of benefit-in-kind	59,823	-	59,823
Defined contribution plan	271,542	-	271,542

ii. Remuneration Band

Executive Directors

RM550,001 – RM600,000	2
RM600,001 – RM650,000	1
RM750,001 – RM800,000	1

Non-Executive Directors

RM50,001 – RM100,000	3
----------------------	---

INVESTOR RELATIONS & SHAREHOLDER COMMUNICATION

a. Dialogue between the Group and Investors

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

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

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

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

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

b. 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, 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 shareholders' matters.

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

c. 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.

d. 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.

ACCOUNTABILITY AND AUDIT

a. Internal Audit Function

The Group's internal audit function is performed by the Internal Audit Department of the Group's holding company, Sharikat Kim Loong Sendirian Berhad ("Internal Auditors") which acts independently from the activities and operations of the Group. The internal audit team reports to the Audit Committee.

The main purpose of the Internal Auditors is to review effectiveness of the Group's systems of internal controls. The Internal Auditors adopts a risk based auditing approach by focusing on identified high risk areas for compliance with control policies and procedures, identifying business risk which have not been appropriately addressed and evaluating the adequacy and integrity of controls and statutory requirements. Submission of the audit results to the Management and the Audit Committee would ensure that the Management is compliant with the internal control systems and implementing continuous improvement.

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

The Internal Auditors communicated and reports directly to the Audit Committee on its activities based on the approved Annual Internal Audit Plan to ensure its independent status within the Group. The total cost incurred in respect of the internal audit function during the financial year was approximately RM93,500.

Statement ON CORPORATE GOVERNANCE (CONT'D)

ACCOUNTABILITY AND AUDIT (CONT'D)

a. Internal Audit Function (Cont'd)

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

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

b. Financial Reporting

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

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

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

c. Internal Control

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

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

d. Relationship with the Auditors

The Board through the establishment of the Audit Committee, has established a good working relationship with its External Auditors i.e., Messrs CS Tan & Associates. The Group also maintains a transparent and professional relationship with its External Auditors in seeking professional advice and ensuring compliance with the applicable Financial Reporting Standards in Malaysia. Messrs 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 Company's External Auditors are appointed every year during the AGM.

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

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

The Audit Committee is also aware on the recommendation of the Code to have policies and procedures to assess the suitability and independence of External Auditors. Considering the expertise and existing business knowledge of the current External Auditors and the location of the Company and its subsidiaries, the Audit Committee is of the opinion that the current External auditors are still suitable for re-appointment. While assessing the independence of the external auditors, the Audit Committee is satisfied and agreed with the representation by the external auditors in their Audit Planning Memorandum for the audit of the financial year ended 31 January 2013, that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practise) of the Malaysian Institute of Accountants. Furthermore, during the financial year ended 31 January 2013, the external auditors were not engaged for any other significant services other than the statutory audit.

The Board is satisfied based on advice from the Audit Committee that the provision of these non-audit services. In addition, the Audit Committee has obtained a written assurance from the External Auditors confirming that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Compliance Statement

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

The Company has complied with the relevant principles and recommendations as set out in the Code except as follow:

Recommendation 3.5

The Board takes note of the Code in particular where the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The Nominating Committee have assessed and opined that Mr Gooi Seong Lim should remain as the Executive Chairman and Managing Director based on the justification stated in page 32. The Board remains focused on its priorities of delivering value for all stakeholders.

This statement has been reviewed and approved by the Board of Directors at a meeting held on 24 June 2013.

Statement ON DIRECTORS' RESPONSIBILITIES

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

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

In preparing the financial statements, the Directors have:

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

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

The Directors consider that, in preparing the financial statements of CRESCENDO CORPORATION BERHAD for the financial year ended 31 January 2013 the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates.

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

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

Additional COMPLIANCE INFORMATION

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

Utilisation of Proceeds from Corporate Proposals

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

Share Buy-Back

During the financial year, the Company repurchased a total of 138,000 shares. As at 31 January 2013, the Company held a total of 1,210,000 treasury shares. Other details of the share buy back are discussed in Note 15(b) to the Financial Statements. The Company is seeking a renewal of shareholders' mandate for the Share Buy-Back at the forthcoming Annual General Meeting.

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 15 to the Financial Statements

Depository Receipt Programme

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

Sanctions and/or Penalties

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

Non-audit fees

Non-audit fee paid and payable to the External Auditors, Messrs CS Tan & Associate, during the financial year 2013 was RM2,000.

Variation in results

There was no material variation between the results for the financial year ended 31 January 2013 and the unaudited results previously announced.

Profit Guarantee

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

Material Contracts Involving Directors and Major Shareholders' Interest

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

Recurrent Related Party Transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 35 to the Financial Statements. The Group did not seek for shareholders' mandate for Recurrent Related Party Transactions at the last AGM as the aggregate value of transactions was not expected to exceed the threshold prescribed under the Listing Requirements of Bursa Securities.

This Statement is made in accordance with a resolution of the Board dated 24 June 2013.

Statement ON RISK MANAGEMENT & INTERNAL CONTROL

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

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

1.0 BOARD RESPONSIBILITIES

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

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

However, as there are inherent limitations in any system of risk management and internal control, such system put into effect by Management can only manage but not eliminate all risk that may impede the achievement of the Group's business objectives. Therefore, the risk management and internal control system can only provide reasonable assurance and not absolute assurance against material misstatement or loss. The process to identify, evaluate and manage the significant risks is a concerted and continuing effort throughout the financial year under review.

The Board sets the policy on internal controls after conducting a proper assessment of operational and financial risks by considering the overall control environment of the organisation and having an effective monitoring mechanism. The Executive Chairman and Managing Director and the 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.

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

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

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

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

I. CONTROL ENVIRONMENT

- **Policies & Procedures**

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

- **Operations Review and Monitoring**

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

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

- **Organisation Structure and Authorisation Procedures**

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

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

- **Human Capital Policy**

Comprehensive and rigorous guidelines on the employment, performance appraisal and training programs and retention of employees are in place, to ensure that the Group has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.

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

- **Management Style**

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

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

- **Quality Control**

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

Statement ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D)

I. CONTROL ENVIRONMENT (CONT'D)

- **Other Key Elements of Internal Control**

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

- The Finance Department monitors the activities and performance of the subsidiaries through the monthly management accounts and ensures control accounts are reconciled with the subsidiaries records.
- Adequate insurance and physical safeguarding of major assets are in place to ensure these assets are sufficiently covered against any mishap that may result in material losses to the Group.
- Proposals for major capital expenditures of the Group are reviewed and approved by the Executive Directors.
- Regular Board and management meetings to assess performance of business units
- All recurrent related party transactions are dealt with in accordance with the Listing Requirements of Bursa Securities. The Audit Committee and the Board review the recurrent related party transactions at the respective meetings of the Audit Committee and the Board.

II. RISK MANAGEMENT FRAMEWORK

The Board recognises that risk management is an integral part of the Group's business operations and is important for the achievement of its business objectives. The Group has established a Risk Management Committee ("RMC") that is chaired by the Managing Director and its members comprise the Executive Directors, Heads of Divisions & Departments ("HODS") and staff from key operations. They have also been trained to identify the risks relating to their areas; the likelihood of these risks occurring; the consequences if they do occur; and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk register. The risk registers are eventually compiled to form the Group Risk Profile for reporting to the RMC and the Audit Committee.

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

III. INTERNAL AUDIT FUNCTION

The roles, responsibilities and activities of the Internal Audit functions are described and detailed on pages 39 to 40 under Statement on Corporate Governance of this Annual Report.

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

IV. INFORMATION AND COMMUNICATION

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

V. REVIEW AND MONITORING PROCESS

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

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

3.0 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 Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2013. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants.

The External Auditors have opined to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

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

4.0 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 of 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 identified 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 2013.

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 2013 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 being Independent Directors as defined in Chapter 1 of the Listing Requirements of Bursa Securities. The quorum shall be two (2) members, a majority of whom shall be Independent Directors. The Chairman of the Committee shall be elected by the members of the Committee from amongst their members and shall be an Independent Director.

At least one member of the Committee:

- 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, another member of the Audit Committee is a Fellow of the Association of Chartered Certified Accountants and a member of MIA. The Company has therefore complied with paragraph 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

2. Attendance At Meetings

The financial controller, senior finance manager, the Internal Auditors and representative of the External Auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee, specific to the relevant meeting. However, the Committee should meet with the External Auditors without executive Board members present at least twice a year.

A quorum shall be two (2) members and the majority of members present must be Independent Directors.

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

3. Frequency and Procedures of Meetings

- i. Meetings shall be held not less than four times a financial year.
- ii. The Committee shall regulate its own procedures, in particular:
 - a) the calling of meetings;
 - b) the notice to be given of such 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 2013, 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	Meeting attended by member
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 members are tabulated below:

Name	Program	Date
Gan Kim Guan	• An overview of MFRS and the latest development in MFRS/ IFRS	Feb 9 & 10, 2012
	• Updates of the 2012 IFRS – Compliant MFRSs , Preparing the convergence to IFRSs	Mar 19 & 20, 2012
	• IRB – CTIM Roadshow: Enhancing Tax Compliance – Avoiding Common Mistakes and improving efficiency	May 27, 2012
	• National Tax Conference 2012	Jul 17 & 18, 2012
	• Workshop on New Public Ruling in 2011 & 2012	Jul 27, 2012
	• Seminar Percukaian Kebangsaan, 2012	Oct 10, 2012
Yeo Jon Tian @ Eeyo Jon Thiam	• 2-Days Workshop on Transforming from FRS to MFRS	April 18 & 19, 2012
	• Employment Act 1955, Incorporating the Employment (Amendments) Act 2012	July 18 & 19, 2012
Tan Ah Lai	• The case for Diversity in the Boardroom	May 14, 2012
	• Bursa Malaysia Berhad Corporate Governance Program: Role of Audit Committee in Assuring Audit Quality	May 22, 2012
	• Bursa Malaysia Corporate Governance Program: Corporate Governance Blueprint and Malaysia Code of Corporate Governance	June 18, 2012
	• Bursa Malaysia Corporate Governance Program: Duties of the Audit Committee	Oct 3, 2012
	• Chartered Tax Institute of Malaysia - 2013 Budget Seminar	Oct 11, 2012

Report OF THE AUDIT COMMITTEE (CONT'D)

4. Functions

The Committee shall amongst others, discharge the following functions:

- i. To review the following and report on the same to the Board: -
 - a. with the External Auditors, the audit plan;
 - b. with the External Auditors, their evaluation of the system of internal control;
 - c. with the External Auditors, the audit report;
 - d. the assistance given by employees of the Group to the External Auditors;
 - e. the adequacy of the scope, functions, competency and resources of the Internal Auditors and that they have the necessary authority to carry out their work;
 - f. the internal audit program, processes, the results of the internal audit or investigation undertaken and whether or not appropriate action has been taken on the recommendations of the Internal Auditors;
 - g. to review any major findings of internal investigations and management's response;
 - h. the quarterly results and year end financial statements, prior to the approval by the Board of Directors, particularly on:
 - any changes in or implementation of major accounting policies;
 - major judgemental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumption;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements.
 - i. to discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management, where necessary);
 - j. to review the External Auditor's management letter and management's response;
 - k. any related party transactions and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - l. to consider the audit fee of the External Auditors;
 - m. to consider the appointment of the External Auditors and any letter of resignation from the external auditors of the Company and to deal with any questions of resignation or dismissal;
 - n. to recommend the nomination of a person or persons as External Auditors;
 - o. to promptly report to Bursa Securities if a matter reported by the Audit Committee to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Bursa Securities Main Market Listing Requirements;
 - p. to ensure financial statements comply with applicable financial reporting standards;
 - q. to review the adequacy of the Audit Committee's policies and procedures for the provision of non-audit services by the Group's auditors;
 - r. to obtain a written confirmation from the External Auditors on an annual basis or at any time as the Audit Committee may request, confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
 - s. whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment; and
 - t. to consider other topics, as defined by the Board.

5. Rights

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

- a. have authority to investigate any matter within its Terms of Reference;
- b. have the resources which are required to perform its duties;
- c. have full and unrestricted access to all information and documents relevant to its activities as well as direct communication channels with the External Auditors, person(s) carrying out the internal audit function or activity and the Senior Management of the Group;

- d. be able to obtain independent professional advice; and
- e. be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

6. Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

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

During the financial year 2013, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference. The main activities undertaken by the Audit Committee were as follows:

Financial and Operations Review

- Reviewed and recommended for the Board's approval the quarterly reports for announcement to Bursa Securities in compliance with the Financial Reporting Standards and adhered to other legal and regulatory requirements;
- Reviewed the annual audited financial statements of the Group and the Company. The Audit Committee discussed with the management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statement;
- Reviewed the impact of new or proposed changes in accounting standards and regulatory requirements of the Company;
- Reviewed the outcome of the risk management programme, including key risks identified, the potential impacts and the likelihood of the risks occurring, existing controls which can mitigate the risks and action plans; and
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with recommendations 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 Auditor's annual audit plan and audit strategy for the financial year ended 31 January 2013 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 Auditors' performance, objectivity and independence during the year before recommending to the Board for reappointment and remuneration; and
- Held independent meetings (without the presence of Management) twice (2) with the External Auditors.

Internal Audit

- Reviewed and approved the Internal Auditors' plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries;
- Reviewed the internal audit reports presented by the Internal Auditors 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; 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.

This Statement is made in accordance with a resolution of the Board of Directors dated 24 June 2013.

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 of at least three (3) Directors, wholly or a majority of whom are Non-executive Directors.

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

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

The Company Secretaries shall be the Secretaries of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once a year.

(3) Authority

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

(4) Duty

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

(5) Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2013. The attendance of the members of the Committee of the meeting is as follows:

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

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

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

This Statement is made in accordance with a resolution of the Board of Directors dated 24 June 2013.

Report OF THE NOMINATING COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	: Gan Kim Guan (appointed as Chairman on 31 Dec 2012) Yeo Jon Tian @ Eeyo Jon Thiam (Resigned as Chairman on 31 Dec 2012)
Members	: Tan Ah Lai Yeo Jon Tian @ Eeyo Jon Thiam
Secretaries	: Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

TERMS OF REFERENCE

(1) Membership

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

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

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

The Company Secretaries shall be the Secretaries of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once a year.

(3) Authority

The Committee is to recommend new nominees for the Board and the Board Committees and to assess directors on an ongoing basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

(4) Duty

The duties of the Committee shall be:

- 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;
- to recommend to the Board, directors to fill the seats in board committees;
- 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; and
- 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 Secretaries shall circulate the minutes of the meetings of the Committee to all members of the Board.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met twice during the financial year 2013.

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

Member	Total number of meetings held in the financial year during Member's tenure in Office	Meeting attended by member
Yeo Jon Tian @ Eeyo Jon Thiam	2	2
Gan Kim Guan	2	2
Tan Ah Lai	2	2

Report OF THE NOMINATING COMMITTEE (CONT'D)

SUMMARY OF ACTIVITIES OF THE COMMITTEE (CONT'D)

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

- a) Reviewed the composition and the required mix of skills, experience and other qualities of the Board;
- b) Reviewed the re-election and re-appointment of Directors retiring at the AGM under Article 77 of the Articles of Association and Section 129 (6) of the Companies Act, 1965 respectively;
- c) Reviewed the effectiveness of the Board as a whole and contribution of each Director; and
- d) Developed the criteria to assess independence of independent directors.

This Statement is made in accordance with a resolution of the Board of Directors dated 24 June 2013.

Financial STATEMENTS

56	DIRECTORS' REPORT	69	STATEMENTS OF COMPREHENSIVE INCOME	76	COMPANY STATEMENT OF CASH FLOWS
64	STATEMENT BY DIRECTORS	70	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	77	NOTES TO THE FINANCIAL STATEMENTS
64	STATUTORY DECLARATION	72	COMPANY STATEMENT OF CHANGES IN EQUITY		
65	INDEPENDENT AUDITORS' REPORT	74	CONSOLIDATED STATEMENT OF CASH FLOWS		
67	STATEMENTS OF FINANCIAL POSITION				



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 2013.

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, trading in building materials and providing educational services, as detailed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit attributable to:		
Owners of the Company	55,616,102	24,599,472
Non-controlling interest	3,995,738	-
Profit net of tax	59,611,840	24,599,472

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 2012:	
Second interim gross dividend of 3.0 sen per share on 181,026,433 ordinary shares, less 25% tax, paid on 17 February 2012	4,073,095
A final gross dividend of 7.0 sen per share on 194,036,536 ordinary shares, less 25% tax, paid on 29 August 2012	10,186,918
In respect of the financial year ended 31 January 2013:	
Interim gross dividend of 4.0 sen per share on 194,222,036 ordinary shares, less 25% tax, paid on 22 November 2012	5,826,661
	20,086,674

The Directors recommend the payment of a final single tier dividend of 8.0 sen per share in respect of the financial year ended 31 January 2013, 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 2014.

RESERVES AND PROVISIONS

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

Directors' REPORT (CONT'D)

ISSUE OF SHARES 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) 1,593,900 ordinary shares of RM1 each were issued by virtue of the exercise of 185,200 share options (at RM1.00 per share), 67,000 share options (at RM1.03 per share), 176,700 share options (at RM1.13 per share), 396,000 share options (at RM1.14 per share), 119,000 (at RM1.20 per share), 139,000 share options (at RM1.24 per share) and 511,000 share options (at RM1.26 per share) granted pursuant to the Company's Employees' Share Option Scheme.
- (ii) 4,227,400 new ordinary shares of RM1 each were issued pursuant to the exercise of 4,227,400 Warrants.
- (iii) 6,191,653 new ordinary shares of RM1 each were issued pursuant to the conversion of 6,191,653 ICULS.

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 Sixteenth Annual General Meeting held on 27 July 2012, approved the Company's plan to repurchase its own shares up to a maximum of 19,111,673 ordinary shares of RM1 each representing approximately 10% of the total issued and paid up share capital on the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors of the Company are committed to enhancing the shareholders' value and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 138,000 of its issued share capital from the open market on the Bursa Securities for RM268,915. The average price paid for the shares repurchased was approximately RM1.95 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS") which came into effect on 26 June 2002 for a period of 5 years. The ESOS is governed by the By-Laws which was approved by the Securities Commission and shareholders on 28 November 2001 and 8 February 2002 respectively. 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 expired on the extended date of the ESOS on 25 June 2012.
- (vi) An option holder may, in a particular year, exercise up to such maximum number of shares as specified in the option certificate in accordance with By-Law 7.4. The employees' entitlements to the options are vested as soon as they become exercisable.

Directors' REPORT (CONT'D)

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

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

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

During the financial year, the number of ESOS exercised is 1,593,900 (2012 : 2,943,600), the said shares are successfully listed and quoted on the Main Market of Bursa Malaysia Securities Berhad. The remaining balance of unexercised ESOS of 217,000 have become null and void on the expiry date of 25 June 2012.

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 HEEN and GAN KIM GUAN 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' REPORT (CONT'D)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Number of ordinary shares of RM1 each in the Company			As at 31.1.2013
	As at 1.2.2012	Converted/ Exercised	Sold	
Gooi Seong Lim				
- direct interest	1,270,452	70,000	-	1,340,452
- indirect interest	122,857,906	1,103,918	(1,000,000)	122,961,824
Gooi Seong Heen				
- direct interest	3,487,704	1,071,417	-	4,559,121
- indirect interest	120,097,152	17,000	(1,000,000)	119,114,152
Gooi Seong Chneh				
- direct interest	3,156,706	987,418	-	4,144,124
- indirect interest	120,046,152	-	(1,000,000)	119,046,152
Gooi Seong Gum				
- direct interest	-	350,000	(350,000)	-
- indirect interest	120,046,152	-	(1,000,000)	119,046,152
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	45,000	15,000	-	60,000
- indirect interest	17,000	2,000	-	19,000

	Number of ICULS 2009/2016 of RM1 nominal value each in the Company			As at 31.1.2013
	As at 1.2.2012	Bought	Converted	
Gooi Seong Lim				
- direct interest	70,000	-	(70,000)	-
- indirect interest	52,549,899	-	(1,103,918)	51,445,981
Gooi Seong Heen				
- direct interest	1,071,417	-	(1,071,417)	-
- indirect interest	51,462,981	-	(17,000)	51,445,981
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' REPORT (CONT'D)

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

	Number of Warrants 2009/2014 in the Company			As at 31.1.2013
	As at 1.2.2012	Bought	Exercised	
Gooi Seong Lim				
- indirect interest	31,445,981	-	-	31,445,981
Gooi Seong Heen				
- indirect interest	31,445,981	-	-	31,445,981
Gooi Seong Chneh				
- indirect interest	31,445,981	-	-	31,445,981
Gooi Seong Gum				
- indirect interest	31,445,981	-	-	31,445,981

	Number of options under ESOS over ordinary shares of RM1 each in the Company			As at 31.1.2013
	As at 1.2.2012	Granted	Exercised	
Gooi Seong Gum	350,000	-	(350,000)	-

	Number of ordinary shares of RM1 each in related corporations			As at 31.1.2013
	As at 1.2.2012	Exercised	Sold	
Kim Loong Resources Berhad				
Gooi Seong Lim				
- direct interest	1,149,552	-	-	1,149,552
- indirect interest	199,442,101	-	-	199,442,101
Gooi Seong Heen				
- direct interest	1,753,912	-	-	1,753,912
- indirect interest	198,106,102	-	-	198,106,102
Gooi Seong Chneh				
- direct interest	1,613,912	-	-	1,613,912
- indirect interest	198,106,102	-	-	198,106,102
Gooi Seong Gum				
- direct interest	-	132,600	-	132,600
- indirect interest	198,162,102	-	-	198,162,102

Directors' REPORT (CONT'D)

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

	Number of ordinary shares of RM1 each in related corporations			
	As at 1.2.2012	Exercised	Sold	As at 31.1.2013
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 1.2.2012	Granted	Exercised	As at 31.1.2013
Kim Loong Resources Berhad				
Gooi Seong Lim	14,000	-	-	14,000
Gooi Seong Heen	14,000	-	-	14,000
Gooi Seong Chneh	14,000	-	-	14,000
Gooi Seong Gum	132,600	-	(132,600)	-

Directors' REPORT (CONT'D)

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

	Number of ordinary shares of RM100 each in the holding company, Sharikat Kim Loong Sendirian Berhad			
	As at 1.2.2012	Bought	Sold	As at 31.1.2013
Gooi Seong Lim				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Heen				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Chneh				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Gum				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250

By virtue of their interests in the shares in the holding company, Sharikat Kim Loong Sendirian Berhad, Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum, are also deemed to have interests in the shares in the Company and its related corporations to the extent that the holding company has interests.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

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

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

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

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

Directors' REPORT (CONT'D)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

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

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

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

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year ended 31 January 2013 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.

SIGNIFICANT EVENTS

Significant events during the financial year are disclosed in Note 41 to the financial statements.

EVENTS AFTER THE REPORTING PERIOD

Significant events after the reporting period are disclosed in Note 42 to the financial statements.

AUDITORS

The auditors, Messrs. C S Tan & Associates, Chartered Accountants, have indicated their willingness to accept re-appointment in their reconstituted firm name of Messrs. Raki CS Tan & Ramanan.

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

GOOI SEONG LIM

Director

GOOI SEONG GUM

Director

Dated : 28 May 2013

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 67 to 134 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 2013 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out in Page 135 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 : 28 May 2013

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 67 to 134 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 28 May 2013)

GOOI SEONG GUM

Director

Before me,

Hj. Yusof Bin Hj. Kasah
No. J179
Commissioner for Oaths
Johor Bahru

Independent AUDITORS' REPORT

To the Members of Crescendo Corporation Berhad (359750-D) (Incorporated In Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of CRESCENDO CORPORATION BERHAD, which comprise the statements of financial position as at 31 January 2013 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 67 to 134.

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 controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements 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 2013 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent AUDITORS' REPORT (CONT'D)

To the Members of Crescendo Corporation Berhad (359750-D) (Incorporated In Malaysia)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Page 135 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

Johor Bahru,

Dated : 28 May 2013

VENKATRAMANAN VISWANATHAN

Approval Number: 1284 / 12 / 13 (J/PH)
Partner

Statements of FINANCIAL POSITION

as at 31 January 2013

		GROUP		COMPANY	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	55,205,649	45,306,523	1,503,095	676,552
Biological assets	4	595,362	213,670	-	-
Investment property	5	29,113,985	-	-	-
Investment in subsidiaries	6	-	-	127,065,279	127,065,277
Available-for-sale financial assets	7	60,000	60,000	-	-
Land held for property development	8	450,988,022	444,207,965	-	-
Deferred tax assets	9	8,642,977	7,685,736	1,147,977	1,818,736
Amounts owing by subsidiaries	10	-	-	83,269,132	68,974,549
		544,605,995	497,473,894	212,985,483	198,535,114
Current assets					
Property development costs	8	50,069,605	65,696,260	-	-
Inventories	11	86,292,476	55,976,701	-	-
Receivables	10	69,118,869	65,351,499	105,866,640	90,371,607
Other current assets	12	12,410,060	23,126,558	135,458	180,278
Tax recoverable		601,583	705,354	-	-
Cash and bank balances	13	23,227,594	76,861,731	2,210,940	23,495,170
		241,720,187	287,718,103	108,213,038	114,047,055
TOTAL ASSETS		786,326,182	785,191,997	321,198,521	312,582,169

Statements of FINANCIAL POSITION (CONT'D)

as at 31 January 2013

		GROUP		COMPANY	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	195,490,536	183,477,583	195,490,536	183,477,583
Share premium	15	17,166,310	16,633,948	17,166,310	16,633,948
Treasury shares	15	(1,851,459)	(1,582,544)	(1,851,459)	(1,582,544)
Revaluation reserve	16	34,567,700	34,567,700	-	-
Share option reserve	17	-	102,910	-	102,910
Warrants reserve	18	1,139,885	1,287,843	1,139,885	1,287,843
Hedging reserve	19	(733,662)	(1,215,477)	-	-
Equity component of ICULS	20	44,230,108	49,446,448	44,230,108	49,446,448
Other capital reserve		153,000	-	-	-
Retained earnings	21	305,368,124	266,245,256	57,734,317	49,523,173
		595,530,542	548,963,667	313,909,697	298,889,361
Non-controlling interest		19,104,449	15,212,705	-	-
Total equity		614,634,991	564,176,372	313,909,697	298,889,361
Non-current liabilities					
Loans and borrowings	22	77,201,123	79,495,000	-	-
Liability component of ICULS	20	5,171,910	7,530,945	5,171,910	7,530,945
Deferred tax liabilities	9	2,690,750	2,485,750	-	-
Derivative financial liabilities	24	733,662	1,215,477	-	-
Payables	25	-	6,598,182	-	-
		85,797,445	97,325,354	5,171,910	7,530,945
Current liabilities					
Payables	25	54,840,223	56,051,392	2,065,165	1,543,269
Due to customers on contracts	14	803,260	292,713	-	-
Loans and borrowings	22	24,878,034	57,038,160	-	-
Dividend payable		-	4,073,095	-	4,073,095
Tax payable		5,372,229	6,234,911	51,749	545,499
		85,893,746	123,690,271	2,116,914	6,161,863
Total liabilities		171,691,191	221,015,625	7,288,824	13,692,808
TOTAL EQUITY AND LIABILITIES		786,326,182	785,191,997	321,198,521	312,582,169

Statements of COMPREHENSIVE INCOME

for the financial year ended 31 January 2013

	Note	GROUP		COMPANY	
		2013 RM	2012 RM	2013 RM	2012 RM
Revenue	26	282,577,660	290,423,815	37,179,946	29,570,008
Cost of sales	26	(193,421,858)	(194,452,316)	-	-
Gross profit		89,155,802	95,971,499	37,179,946	29,570,008
Other items of income					
Rental income		5,787,927	4,705,715	-	-
Interest income		2,236,765	1,853,046	5,585,025	5,579,520
Net compensation for compulsory acquisitions		-	2,519,084	-	-
Other income		1,708,450	1,796,604	115	95,076
Other items of expense					
Administrative expenses		(18,107,896)	(17,684,503)	(10,474,462)	(10,688,194)
Other operating expenses		-	(560,880)	-	-
Finance costs	27	(797,911)	(791,761)	(404,188)	(560,164)
Profit before tax	28	79,983,137	87,808,804	31,886,436	23,996,246
Tax	31	(20,371,297)	(21,753,495)	(7,286,964)	(6,152,264)
Profit net of tax		59,611,840	66,055,309	24,599,472	17,843,982
Other comprehensive income, net of tax					
Cash flow hedge	19	481,815	(1,248,504)	-	-
Total comprehensive income for the year		60,093,655	64,806,805	24,599,472	17,843,982
Profit attributable to:					
Owners of the Company		55,616,102	63,517,105	24,599,472	17,843,982
Non-controlling interest		3,995,738	2,538,204	-	-
		59,611,840	66,055,309	24,599,472	17,843,982
Total comprehensive income attributable to:					
Owners of the Company		56,097,917	62,268,601	24,599,472	17,843,982
Non-controlling interest		3,995,738	2,538,204	-	-
		60,093,655	64,806,805	24,599,472	17,843,982
Earnings per share attributable to owners of the Company (sen):					
Basic	32	29.1	36.4		
Diluted	32	22.1	26.5		

Consolidated Statement of CHANGES IN EQUITY

for the financial year ended 31 January 2013

		Equity attributable to the owners of the Company				
		Total Equity	Equity attributable to the owners of the Company	Share Capital	Share Premium	Treasury Shares
2013	Note	RM	Total RM	RM	RM	RM
Balance as at 1.2.2012		564,176,372	548,963,667	183,477,583	16,633,948	(1,582,544)
Total comprehensive income		60,093,655	56,097,917	-	-	-
Transactions with owners						
Dividends	33	(16,013,579)	(16,013,579)	-	-	-
Purchase of treasury shares	15	(268,915)	(268,915)	-	-	(268,915)
Transfer to other capital reserve		-	-	-	-	-
Issuance of shares to non- controlling interest		125,000	-	-	-	-
Dilution of interest in subsidiary		(180,900)	48,094	-	-	-
Exercise of ESOS	15	1,864,342	1,864,342	1,593,900	270,442	-
Exercise of Warrants	15	4,227,400	4,227,400	4,227,400	-	-
Conversion of ICULS	15	595,856	595,856	6,191,653	-	-
Transfer of reserve arising from exercise of ESOS	17	-	-	-	113,962	-
Transfer of reserve arising from exercise of Warrants	18	-	-	-	147,958	-
Share-based payment expenses under ESOS	17	15,760	15,760	-	-	-
Transfer of reserve upon expiry of ESOS	17	-	-	-	-	-
Total transactions with owners		(9,635,036)	(9,531,042)	12,012,953	532,362	(268,915)
Balance as at 31.1.2013		614,634,991	595,530,542	195,490,536	17,166,310	(1,851,459)
2012						
Balance as at 1.2.2011		507,850,462	494,934,176	172,565,948	15,838,221	(13,921)
Total comprehensive income		64,806,805	62,268,601	-	-	-
Transactions with owners						
Dividends	33	(17,151,462)	(17,151,462)	-	-	-
Purchase of treasury shares	15	(1,568,623)	(1,568,623)	-	-	(1,568,623)
Dividend paid to non-controlling interest		(283,538)	-	-	-	-
Dilution of interest in subsidiary		24,298	(17,455)	-	-	-
Exercise of ESOS	15	3,327,558	3,327,558	2,943,600	383,958	-
Exercise of Warrants	15	6,976,985	6,976,985	6,976,985	-	-
Conversion of ICULS	15	95,374	95,374	991,050	-	-
Transfer of reserve arising from exercise of ESOS	17	-	-	-	167,574	-
Transfer of reserve arising from exercise of Warrants	18	-	-	-	244,195	-
Share-based payment expenses under ESOS	17	98,513	98,513	-	-	-
Total transactions with owners		(8,480,895)	(8,239,110)	10,911,635	795,727	(1,568,623)
Balance as at 31.1.2012		564,176,372	548,963,667	183,477,583	16,633,948	(1,582,544)

Attributable to owners of the Company								
Non-distributable							Distributable	
Revaluation Reserve RM	Share Option Reserve RM	Warrants Reserve RM	Hedging Reserve RM	ICULS (Equity Component) RM	Other Capital Reserve RM	Retained Earnings RM	Non-controlling Interest RM	
34,567,700	102,910	1,287,843	(1,215,477)	49,446,448	-	266,245,256	15,212,705	
-	-	-	481,815	-	-	55,616,102	3,995,738	
-	-	-	-	-	-	(16,013,579)	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	153,000	(153,000)	-	
-	-	-	-	-	-	-	125,000	
-	-	-	-	-	-	48,094	(228,994)	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	(5,216,340)	-	(379,457)	-	
-	(113,962)	-	-	-	-	-	-	
-	-	(147,958)	-	-	-	-	-	
-	15,760	-	-	-	-	-	-	
-	(4,708)	-	-	-	-	4,708	-	
-	(102,910)	(147,958)	-	(5,216,340)	153,000	(16,493,234)	(103,994)	
34,567,700	-	1,139,885	(733,662)	44,230,108	153,000	305,368,124	19,104,449	
34,567,700	171,971	1,532,038	33,027	50,281,387	-	219,957,805	12,916,286	
-	-	-	(1,248,504)	-	-	63,517,105	2,538,204	
-	-	-	-	-	-	(17,151,462)	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	(283,538)	
-	-	-	-	-	-	(17,455)	41,753	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	(834,939)	-	(60,737)	-	
-	(167,574)	-	-	-	-	-	-	
-	-	(244,195)	-	-	-	-	-	
-	98,513	-	-	-	-	-	-	
-	(69,061)	(244,195)	-	(834,939)	-	(17,229,654)	(241,785)	
34,567,700	102,910	1,287,843	(1,215,477)	49,446,448	-	266,245,256	15,212,705	

Company Statement of CHANGES IN EQUITY

for the financial year ended 31 January 2013

←-----

	Note	Total Equity RM	Share Capital RM
2013			
Balance as at 1.2.2012		298,889,361	183,477,583
Total comprehensive income		24,599,472	-
Transactions with owners			
Dividends	33	(16,013,579)	-
Purchase of treasury shares	15	(268,915)	-
Exercise of ESOS	15	1,864,342	1,593,900
Exercise of Warrants	15	4,227,400	4,227,400
Conversion of ICULS	15	595,856	6,191,653
Transfer of reserve arising from exercise of ESOS	17	-	-
Transfer of reserve arising from exercise of Warrants	18	-	-
Share-based payment expenses under ESOS	17	15,760	-
Transfer of reserve upon expiry of ESOS	17	-	-
Total transactions with owners		(9,579,136)	12,012,953
Balance as at 31.1.2013		313,909,697	195,490,536
2012			
Balance as at 1.2.2011		289,267,034	172,565,948
Total comprehensive income		17,843,982	-
Transactions with owners			
Dividends	33	(17,151,462)	-
Purchase of treasury shares	15	(1,568,623)	-
Exercise of ESOS	15	3,327,558	2,943,600
Exercise of Warrants	15	6,976,985	6,976,985
Conversion of ICULS	15	95,374	991,050
Transfer of reserve arising from exercise of ESOS	17	-	-
Transfer of reserve arising from exercise of Warrants	18	-	-
Share-based payment expenses under ESOS	17	98,513	-
Total transactions with owners		(8,221,655)	10,911,635
Balance as at 31.1.2012		298,889,361	183,477,583

[illegible]

Consolidated Statement of CASH FLOWS

for the financial year ended 31 January 2013

	Note	2013 RM	2012 RM
Operating activities			
Cash receipts from customers		288,571,437	272,115,513
Cash paid to suppliers and employees		(243,588,400)	(206,772,238)
Cash generated from operations		44,983,037	65,343,275
Deposit interest received		2,275,451	1,537,033
Interest paid		(7,108,429)	(6,991,988)
Tax paid		(22,081,067)	(17,632,124)
Net cash from operating activities		18,068,992	42,256,196
Investing activities			
Acquisition of property, plant and equipment	A	(12,412,793)	(5,629,818)
Acquisition of biological assets	B	(368,912)	(213,670)
Acquisition of investment property	C	(8,520,855)	-
Acquisition of additional shares in a subsidiary		(180,900)	-
Withdrawal / (Pledge) of time deposits		16,040	(6,655)
Proceeds from disposal of investments		-	24,298
Proceeds from disposal of plant and equipment		326,520	228,000
Proceeds from compulsory acquisitions		15,409	2,519,084
Net cash used in investing activities		(21,125,491)	(3,078,761)
Financing activities			
Proceeds from issuance of shares			
- ESOS exercised		1,864,342	3,327,558
- Warrants		4,227,400	6,976,985
Proceeds from issuance of shares to minority shareholders in subsidiary		125,000	-
Acquisition of treasury shares		(268,915)	(1,568,623)
Proceeds from loans and borrowings		18,526,123	-
Repayment of hire purchase payables		(41,176)	(66,666)
Repayment of loans and borrowings		(52,801,667)	(3,123,316)
Dividends paid		(20,086,674)	(15,661,630)
Dividend paid to non-controlling interest		-	(283,538)
ICULS interest paid		(1,968,748)	(2,238,099)
Net cash used in financing activities		(50,424,315)	(12,637,329)
Net (decrease) / increase in cash and cash equivalents		(53,480,814)	26,540,106
Cash and cash equivalents at the beginning of the financial year		75,805,811	49,265,705
Cash and cash equivalents at the end of the financial year	34	22,324,997	75,805,811

Consolidated Statement of CASH FLOWS (CONT'D)

for the financial year ended 31 January 2013

	2013 RM	2012 RM
Notes to Consolidated Statement of Cash Flows		
A Acquisition of property, plant and equipment		
Property, plant and equipment acquired	12,806,832	5,745,898
Unpaid balance included under payables	(1,079,966)	(564,417)
Cash paid in respect of prior year acquisition	564,417	443,837
Deposits paid in current year	121,510	4,500
Cash paid	12,412,793	5,629,818
B Acquisition of biological assets		
Biological assets acquired	381,692	213,670
Less: Unpaid balance included under payables	(12,780)	-
Cash paid	368,912	213,670
C Acquisition of investment property		
Investment property acquired	9,843,805	-
Unpaid balance included under payables	(1,322,950)	-
Cash paid	8,520,855	-

Company Statement of CASH FLOWS

for the financial year ended 31 January 2013

	Note	2013 RM	2012 RM
Operating activities			
Cash receipts from customers		12,412,603	15,748,210
Dividends received from subsidiaries		24,177,005	13,230,003
Cash paid to suppliers and employees		(9,546,264)	(10,257,978)
Cash generated from operations		27,043,344	18,720,235
Interest received		5,622,240	5,555,879
Tax paid		(7,308,574)	(5,240,780)
Net cash from operating activities		25,357,010	19,035,334
Investing activities			
Acquisition of plant and equipment	3	(969,981)	(550,161)
Proceeds from disposal of plant and equipment		170	113,000
Acquisition of additional shares in a subsidiary		(2)	-
Advance to subsidiaries		(39,791,924)	(11,661,687)
Repayment from subsidiaries		10,268,765	8,952,631
Net cash used in investing activities		(30,492,972)	(3,146,217)
Financing activities			
Proceeds from issuance of shares			
- ESOS exercised		1,864,342	3,327,558
- Warrants		4,227,400	6,976,985
Acquisition of treasury shares		(268,915)	(1,568,623)
Repayment from / (Advance to) holding company		3,323	(3,323)
Repayment (to) / from related companies		(492)	2,319
Advance from subsidiary		81,496	-
Dividends paid		(20,086,674)	(15,661,630)
ICULS interest paid		(1,968,748)	(2,238,099)
Net cash used in financing activities		(16,148,268)	(9,164,813)
Net (decrease) / increase in cash and cash equivalents		(21,284,230)	6,724,304
Cash and cash equivalents at the beginning of the financial year		23,495,170	16,770,866
Cash and cash equivalents at the end of the financial year	34	2,210,940	23,495,170

Notes to the FINANCIAL STATEMENTS

for the financial year ended 31 January 2013

1. GENERAL INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.
- (b) The Company is principally engaged in investment holding and in the provision of management services to companies in the Group and other related companies.

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

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

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

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

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

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

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

These financial statements were authorised for issue by the Board of Directors on 28 May 2013.

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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

The Group and the Company adopted the following new and amended FRSs and Issues Committee ("IC") Interpretations relevant to the current operations of the Group and the Company for the financial year ended 31 January 2013:

FRS and Interpretations

FRS 124	Related Party Disclosures
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosures - Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax : Recovery of Underlying Assets
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

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.

The Group and the Company have not elected for early adoption of the following new and amended FRSs relevant to current operations of the Group and the Company, which were issued but not yet effective for the financial year ended 31 January 2013:

FRS and Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs issued in 2012		1 January 2013
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities	1 January 2014
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9	Financial Instruments	1 January 2015

These new and amended FRSs 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 9 : Financial Instruments

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

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

2. FRS 10 : Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

3. FRS 13 : Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

Migration to MFRS / IFRS framework

The Malaysian Accounting Standards Board, in furtherance of its objective of converging the accounting framework for entities other than private entities in Malaysia with International Financial Reporting Standards, announced on 19 November 2011 the issuance of Malaysian Financial Reporting Standards ("MFRS"). Entities other than private entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141, Agriculture and/or IC Interpretation 15, Agreement for the Construction of Real Estate.

An entity subject to the application of MFRS 141 and/or IC Interpretation 15 may continue to apply Financial Reporting Standards ("FRS") as its financial reporting framework for annual reporting periods beginning on or after 1 January 2012. This was further extended to their parent company that either consolidates or equity accounts or proportionately consolidates the entity that has chosen to apply FRSs as its financial reporting framework may itself choose to apply FRSs as its financial reporting framework for annual periods beginning on or after 1 January 2012. All of these entities shall comply with the MFRS framework for annual periods beginning on or after 1 January 2014.

The Group is currently assessing the impact of MFRSs, in particular MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards, on the financial statements of the Group. With the exemption given to the entity subject to the application of IC Interpretation 15, the Group will adopt MFRSs to prepare consolidated financial statements from the financial year ending 31 January 2015.

2.3 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

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

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(t). A subsidiary is an entity which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

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

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. Acquisition related costs are recognised as expenses in the period in which the costs are incurred and the services are rendered.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

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

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

(b) Property, plant and equipment

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

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(t).

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

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

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

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

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

Assets 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. Any gain or loss on derecognition of assets is included in the profit or loss in the year the asset is derecognised.

(c) Biological assets

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

(d) Investment property

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

After initial recognition as investment property, investment property is carried at fair value. Any gain or loss arising from change in the fair value of investment property is recognised in profit or loss during the period in which it arises.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(d) Investment property (cont'd)

Except for freehold land which is not depreciated, depreciation is provided on a straight-line basis so as to write off the depreciable amount of the investment property over its estimated useful life, as follows:

	No. of years
Buildings	50

Investment property under construction is stated at cost incurred to reporting date and no depreciation is provided on such asset until it is completed and available for use.

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

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

(e) Property development activities

i. Land held for property development

Land held for property development consists of land on which no significant development activities have been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost (except for certain parcels of the freehold land which were revalued in 2005 before the land was classified to land held for property development) less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(t).

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

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

ii. Property development costs

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

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

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(e) Property development activities (cont'd)

ii. Property development costs (cont'd)

Where the financial outcome of the development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; property development costs on properties sold are recognised as an expense in the period in which they are incurred.

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

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

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

(f) Inventories

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

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

Cost of 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.

(g) Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period; the stage of completion is 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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(g) Construction contracts (cont'd)

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.

(h) 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.

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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(h) Income taxes (cont'd)

ii. Deferred tax (cont'd)

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.

(i) 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.

(j) 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.

(k) Financial assets

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

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

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

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(k) Financial assets (cont'd)

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.

(l) Impairment of financial assets

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

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

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

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

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

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

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

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

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

ii. Available-for-sale financial assets

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

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

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

(m) Financial liabilities

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

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

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

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

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

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(m) Financial liabilities (cont'd)

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

(n) Employee benefits

i. Short term benefits

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

ii. Defined contribution plans

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

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.

(o) Revenue recognition

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

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

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(o) Revenue recognition (cont'd)

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.

(p) Equity instruments

i. Ordinary shares

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

ii. Repurchase of share capital

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

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

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

(q) Borrowing costs

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

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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(r) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash in hand, cash at bank and unpledged deposits which have an insignificant risk of changes in value, net of outstanding bank overdrafts that form an integral part of the Group's and the Company's cash management.

(s) Foreign currencies

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

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

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

(t) Impairment of non-financial assets

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

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

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

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

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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Summary of significant accounting policies (cont'd)

(u) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

(v) Warrants reserve

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

(w) Hedge accounting

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

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

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

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

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

(x) Contingencies

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

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

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

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 0.2% (2012 : 0.1%) 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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Significant accounting estimates and judgements (cont'd)

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

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 RM1,234,000 (2012 : RM1,227,000). The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses of the Group was RM1,029,000 (2012 : RM783,800).

v. Allowance for trade and other receivables

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

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

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
As at 31 January 2013						
Cost or Valuation						
As at 1.2.2012						
At cost	2,593,720	11,794,088	4,964,845	11,908,639	3,856,822	35,118,114
At valuation	28,508,885	-	-	-	-	28,508,885
	31,102,605	11,794,088	4,964,845	11,908,639	3,856,822	63,626,999
Additions	862,538	1,064,672	837,503	1,610,110	8,432,009	12,806,832
Disposal / Write off	-	(552,238)	(51,018)	(423,487)	-	(1,026,743)
Reclassification	11,297,095	-	-	-	(11,297,095)	-
As at 31.1.2013	43,262,238	12,306,522	5,751,330	13,095,262	991,736	75,407,088
Representing:						
At cost	14,753,353	12,306,522	5,751,330	13,095,262	991,736	46,898,203
At valuation	28,508,885	-	-	-	-	28,508,885
As at 31.1.2013	43,262,238	12,306,522	5,751,330	13,095,262	991,736	75,407,088

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

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

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
As at 31 January 2013 (cont'd)						
Accumulated depreciation						
As at 1.2.2012	975,205	6,926,880	3,309,828	7,108,563	-	18,320,476
Depreciation charge for the year:	248,145	1,340,157	400,176	519,536	-	2,508,014
Recognised in profit or loss (Note 28)	248,145	1,265,554	400,176	488,895	-	2,402,770
Capitalised in construction costs (Note 14)	-	74,603	-	30,641	-	105,244
Disposal / Write off	-	(308,800)	(44,379)	(273,872)	-	(627,051)
As at 31.1.2013	1,223,350	7,958,237	3,665,625	7,354,227	-	20,201,439
Net carrying amount						
At cost	13,530,003	4,348,285	2,085,705	5,741,035	991,736	26,696,764
At valuation	28,508,885	-	-	-	-	28,508,885
As at 31.1.2013	42,038,888	4,348,285	2,085,705	5,741,035	991,736	55,205,649
Net carrying amount of assets under restriction of title due to loans and borrowings	21,066,193	1,130,317	182,358	1,015,643	-	23,394,511
As at 31 January 2012						
Cost or Valuation						
As at 1.2.2011						
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
	30,819,362	11,461,473	4,753,766	11,261,013	417,240	58,712,854
Additions	283,243	635,480	267,481	1,120,112	3,439,582	5,745,898
Disposal / Write off	-	(302,865)	(56,402)	(472,486)	-	(831,753)
As at 31.1.2012	31,102,605	11,794,088	4,964,845	11,908,639	3,856,822	63,626,999
Representing:						
At cost	2,593,720	11,794,088	4,964,845	11,908,639	3,856,822	35,118,114
At valuation	28,508,885	-	-	-	-	28,508,885
As at 31.1.2012	31,102,605	11,794,088	4,964,845	11,908,639	3,856,822	63,626,999

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

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

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
As at 31 January 2012 (cont'd)						
Accumulated depreciation						
As at 1.2.2011	763,816	5,682,184	2,964,206	7,084,170	-	16,494,376
Depreciation charge for the year:	211,389	1,457,748	393,971	457,549	-	2,520,657
Recognised in profit or loss (Note 28)	211,389	1,378,924	393,971	429,419	-	2,413,703
Capitalised in construction costs (Note 14)	-	78,824	-	28,130	-	106,954
Disposal / Write off	-	(213,052)	(48,349)	(433,156)	-	(694,557)
As at 31.1.2012	975,205	6,926,880	3,309,828	7,108,563	-	18,320,476
Net carrying amount						
At cost	1,618,515	4,867,208	1,655,017	4,800,076	3,856,822	16,797,638
At valuation	28,508,885	-	-	-	-	28,508,885
As at 31.1.2012	30,127,400	4,867,208	1,655,017	4,800,076	3,856,822	45,306,523
Net carrying amount of assets under restriction of title due to loans and borrowings	21,204,189	1,521,205	219,104	1,144,895	-	24,089,393

Properties of the Group:

	Freehold land RM	Buildings RM	Total RM
As at 31 January 2013			
Cost or Valuation			
As at 1.2.2012			
At cost	275,348	2,318,372	2,593,720
At valuation	28,508,885	-	28,508,885
	28,784,233	2,318,372	31,102,605
Additions	-	862,538	862,538
Reclassification	(275,348)	11,572,443	11,297,095
As at 31.1.2013	28,508,885	14,753,353	43,262,238

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

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

Properties of the Group: (cont'd)

	Freehold land RM	Buildings RM	Total RM
As at 31 January 2013 (cont'd)			
Cost or Valuation			
Representing:			
At cost	-	14,753,353	14,753,353
At valuation	28,508,885	-	28,508,885
As at 31.1.2013	28,508,885	14,753,353	43,262,238
Accumulated depreciation			
As at 1.2.2012	-	975,205	975,205
Depreciation charge for the year:			
Recognised in profit or loss	-	248,145	248,145
As at 31.1.2013	-	1,223,350	1,223,350
Net carrying amount			
At cost	-	13,530,003	13,530,003
At valuation	28,508,885	-	28,508,885
As at 31.1.2013	28,508,885	13,530,003	42,038,888
As at 31 January 2012			
Cost or Valuation			
As at 1.2.2011			
At cost	24,586	2,285,891	2,310,477
At valuation	28,508,885	-	28,508,885
	28,533,471	2,285,891	30,819,362
Additions	250,762	32,481	283,243
As at 31.1.2012	28,784,233	2,318,372	31,102,605
Representing:			
At cost	275,348	2,318,372	2,593,720
At valuation	28,508,885	-	28,508,885
As at 31.1.2012	28,784,233	2,318,372	31,102,605
Accumulated depreciation			
As at 1.2.2011	-	763,816	763,816
Depreciation charge for the year:			
Recognised in profit or loss	-	211,389	211,389
As at 31.1.2012	-	975,205	975,205
Net carrying amount			
At cost	275,348	1,343,167	1,618,515
At valuation	28,508,885	-	28,508,885
As at 31.1.2012	28,784,233	1,343,167	30,127,400

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

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

COMPANY	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
As at 31 January 2013			
Cost			
As at 1.2.2012	911,193	1,085,775	1,996,968
Additions	274,599	695,382	969,981
Disposal / Write off	(26,580)	-	(26,580)
As at 31.1.2013	1,159,212	1,781,157	2,940,369
Accumulated depreciation			
As at 1.2.2012	745,113	575,303	1,320,416
Depreciation charge for the year:			
Recognised in profit or loss (Note 28)	82,980	57,559	140,539
Disposal / Write off	(23,681)	-	(23,681)
As at 31.1.2013	804,412	632,862	1,437,274
Net carrying amount	354,800	1,148,295	1,503,095
As at 31 January 2012			
Cost			
As at 1.2.2011	898,460	803,144	1,701,604
Additions	12,733	537,428	550,161
Disposal / Write off	-	(254,797)	(254,797)
As at 31.1.2012	911,193	1,085,775	1,996,968
Accumulated depreciation			
As at 1.2.2011	654,931	783,911	1,438,842
Depreciation charge for the year:			
Recognised in profit or loss (Note 28)	90,182	28,197	118,379
Disposal / Write off	-	(236,805)	(236,805)
As at 31.1.2012	745,113	575,303	1,320,416
Net carrying amount	166,080	510,472	676,552

Included in Group's properties is interest capitalised during the financial year amounting to RM216,772 (2012 : RM250,762).

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

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

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	
	2013	2012
	RM	RM
Net carrying amount of revalued freehold land, had these assets been carried at cost	6,853,538	7,128,886

Certain parcels of freehold land of the subsidiaries with net carrying amount of RM28,151,000 (2012 : RM28,426,348) are registered in the name of the ultimate holding company. The said subsidiaries are the beneficial owners of the freehold land.

Included in the Group's property, plant and equipment as at 31 January 2012 were assets acquired under hire purchase financing with net carrying amount of RM142,913.

4. BIOLOGICAL ASSETS

	GROUP	
	2013	2012
	RM	RM
Cost / Net carrying amount		
As at 1 February 2012 / 2011	213,670	-
Additions	381,692	213,670
As at 31 January 2013 / 2012	595,362	213,670

No amortisation during the financial year as the oil palm tree is still immature.

5. INVESTMENT PROPERTY

GROUP	Freehold land RM	Investment property under construction RM	Total RM
As at 31 January 2013			
As at 1 February 2012	-	-	-
Additions	-	9,843,805	9,843,805
Transfer from property development cost	19,270,180	-	19,270,180
As at 31 January 2013	19,270,180	9,843,805	29,113,985

The freehold land is pending registration in the name of the subsidiary.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2013	2012
	RM	RM
Unquoted shares, at cost	127,065,279	127,065,277

The subsidiaries which are incorporated in Malaysia are as follows:

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2013	2012
			%	%
Held by the Company:				
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holding	8,820,002	100	100
Panoramic Jaya Sdn. Bhd.	Property development	300,000	70	70
Crescendo Development Sdn. Bhd.	Property development and cultivation of oil palm	45,430,000	100	100
Unibase Construction Sdn. Bhd.	Building and general contractors, civil engineering work and investment holding	750,000	100	100
Crescendo Education Sdn. Bhd.	Investment holding	1,000,000	100	100
Crescendo Commercial Complex Sdn. Bhd.	Property investment	6	100	100
Panoramic Land Sdn. Bhd.	Property investment	2	100	100
Held by Panoramic Industrial Development Sdn. Bhd.				
Ambok Resorts Development Sdn. Bhd.	Property development	100,000	100	100
Held by Crescendo Development Sdn. Bhd.				
Crescendo Jaya Sdn. Bhd.	Property development	250,000	70	70
Crescendo Land Sdn. Bhd.	Property development	120	90	90
Held by Crescendo Education Sdn. Bhd.				
Crescendo International College Sdn. Bhd.	Providing educational services	500,000	55	55
Crescendo Creative Education Sdn. Bhd.	Dormant	100,000	100	100
Held by Unibase Construction Sdn. Bhd.				
Unibase Concrete Industries Sdn. Bhd.	Trading and manufacturing of concrete products	2,000,000	60	60
Unibase Corporation Sdn. Bhd.	Building and general contractors, civil engineering work and investment holding	750,000	100	100
Unibase Pre-cast Sdn. Bhd.	Fabrication, trading and marketing of concrete products	1,000,000	51	42

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2013	2012
			%	%
Held by Unibase Concrete Industries Sdn. Bhd.				
Unibase Trading Sdn. Bhd.	Trading of building materials	100,000	60	60
Unibase Jaya Sdn. Bhd.	Dormant	750,000	60	60
Held by Unibase Corporation Sdn. Bhd.				
Repute Ventures Sdn. Bhd.	Investment holding	100,000	70	70
Held by Repute Ventures Sdn. Bhd.				
Repute Construction Sdn. Bhd.	Buildings construction	750,100	60	60
Repute Corporation Sdn. Bhd.	Buildings construction	2	70	70

The financial statements of these subsidiaries are audited by C S Tan & Associates.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	GROUP	
	2013 RM	2012 RM
Golf club membership, at cost	60,000	60,000

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

8. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

GROUP	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
As at 31 January 2013				
Cost				
As at 1 February 2012	313,315,130	44,764,374	86,128,461	444,207,965
Cost incurred during the year	2,197,339	1,401,818	23,421,301	27,020,458
Transfer to property development costs {Note 8(b)}	(11,308,198)	-	(8,932,203)	(20,240,401)
As at 31 January 2013	304,204,271	46,166,192	100,617,559	450,988,022

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

8. PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

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

GROUP	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
As at 31 January 2012				
Cost				
As at 1 February 2011	324,468,570	43,345,148	77,968,891	445,782,609
Cost incurred during the year	1,156,527	1,419,226	19,532,448	22,108,201
Transfer to property development costs {Note 8(b)}	(12,309,967)	-	(11,372,878)	(23,682,845)
As at 31 January 2012	313,315,130	44,764,374	86,128,461	444,207,965

	GROUP	
	2013 RM	2012 RM
Carrying amount of assets under restriction of title due to loans and borrowings	231,434,768	220,125,063

Included in land held for property development costs incurred during the financial year is interest expenses amounting to RM5,947,778 (2012 : RM4,287,412) (Note 27).

Certain parcels of the freehold land with carrying amount of RM43,665,450 (2012 : 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.

(b) Property development costs

GROUP	Freehold land RM	Development costs RM	Total RM
As at 31 January 2013			
Cumulative property development costs			
As at 1 February 2012	24,045,997	93,603,203	117,649,200
Cost incurred during the year	1,775,654	70,033,493	71,809,147
Transfer from land held for property development {Note 8(a)}	11,308,198	8,932,203	20,240,401
Reversal of completed projects	(2,090,541)	(16,587,647)	(18,678,188)
Unsold units transferred to inventories	(6,337,716)	(37,827,669)	(44,165,385)
As at 31 January 2013	28,701,592	118,153,583	146,855,175

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

8. PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

(b) Property development costs (cont'd)

GROUP	Freehold land RM	Development costs RM	Total RM
As at 31 January 2013 (cont'd)			
Cumulative costs recognised in profit or loss			
As at 1 February 2012	(5,974,842)	(45,978,098)	(51,952,940)
Recognised during the year	(9,738,191)	(53,772,627)	(63,510,818)
Reversal of completed projects	2,090,541	16,587,647	18,678,188
As at 31 January 2013	(13,622,492)	(83,163,078)	(96,785,570)
Property development costs as at 31 January 2013	15,079,100	34,990,505	50,069,605
As at 31 January 2012			
Cumulative property development costs			
As at 1 February 2011	19,662,873	57,456,401	77,119,274
Cost incurred during the year	2,999,044	99,266,615	102,265,659
Transfer from land held for property development {Note 8(a)}	12,309,967	11,372,878	23,682,845
Reversal of completed projects	(8,449,304)	(60,024,029)	(68,473,333)
Unsold units transferred to inventories	(2,476,583)	(14,468,662)	(16,945,245)
As at 31 January 2012	24,045,997	93,603,203	117,649,200
Cumulative costs recognised in profit or loss			
As at 1 February 2011	(2,862,945)	(25,608,944)	(28,471,889)
Recognised during the year	(11,561,201)	(80,393,183)	(91,954,384)
Reversal of completed projects	8,449,304	60,024,029	68,473,333
As at 31 January 2012	(5,974,842)	(45,978,098)	(51,952,940)
Property development costs as at 31 January 2012	18,071,155	47,625,105	65,696,260

Included in property development costs incurred during the financial year is interest expenses amounting to RM1,996,682 (2012 : RM2,492,295) (Note 27).

Certain parcels of the freehold land and leasehold land included in land held for property development and property development costs with carrying amount of RM106,283,716 (2012 : RM119,609,474) are registered in the name of the vendors. The subsidiaries are the beneficial owners of the said land.

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

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

9. DEFERRED TAX

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

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Disclosed as:				
Deferred tax assets	8,642,977	7,685,736	1,147,977	1,818,736
Deferred tax liabilities	(2,690,750)	(2,485,750)	-	-
	5,952,227	5,199,986	1,147,977	1,818,736
As at 1 February 2012/2011	5,199,986	4,883,261	1,818,736	2,297,011
Recognised in profit or loss (Note 31)				
- property, plant and equipment	(213,000)	(175,000)	(81,000)	(27,000)
- biological assets	(95,000)	(54,000)	-	-
- unrealised foreign exchange	(8,000)	(3,000)	-	-
- tax losses and capital allowances	275,000	(67,000)	-	-
- unrealised profits	1,651,000	1,177,000	-	-
- reinvestment allowance	(268,000)	(110,000)	-	-
- ICULS	(391,140)	(419,484)	(391,140)	(419,484)
	950,860	348,516	(472,140)	(446,484)
Recognised in equity				
- ICULS	(198,619)	(31,791)	(198,619)	(31,791)
As at 31 January 2013/2012	5,952,227	5,199,986	1,147,977	1,818,736
Deferred Tax Assets				
Subject to income tax:				
Deferred tax assets (before offsetting)				
ICULS	1,292,977	1,882,736	1,292,977	1,882,736
Unabsorbed reinvestment allowance	959,000	1,227,000	-	-
Unused tax losses and unabsorbed capital allowances	275,000	-	-	-
Unrealised profits	7,375,000	5,724,000	-	-
	9,901,977	8,833,736	1,292,977	1,882,736
Offsetting	(1,259,000)	(1,148,000)	(145,000)	(64,000)
Deferred tax assets (after offsetting)	8,642,977	7,685,736	1,147,977	1,818,736

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

9. DEFERRED TAX (cont'd)

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Deferred Tax Liabilities				
Subject to income tax:				
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(1,748,000)	(1,535,000)	(145,000)	(64,000)
Biological assets	(149,000)	(54,000)	-	-
Land held for property development	(2,022,628)	(2,022,628)	-	-
Unrealised foreign exchange	(15,000)	(7,000)	-	-
	(3,934,628)	(3,618,628)	(145,000)	(64,000)
Offsetting	1,259,000	1,148,000	145,000	64,000
Deferred tax liabilities (after offsetting)	(2,675,628)	(2,470,628)	-	-
Subject to real property gains tax:				
Property, plant and equipment	(15,122)	(15,122)	-	-
	(2,690,750)	(2,485,750)	-	-

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	
	2013	2012
	RM	RM
Unused tax losses	1,029,000	783,800

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

10. RECEIVABLES

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current				
Trade receivables				
Third parties	64,444,352	62,405,749	-	-
Amounts owing by subsidiaries	-	-	4,084,252	3,494,360
Amount owing by holding company	-	404	-	-
Amounts owing by related companies	23,992	8,915	1,517	1,418
	64,468,344	62,415,068	4,085,769	3,495,778
Less: Allowance for impairment	(263,427)	(242,564)	-	-
Trade receivables, net	64,204,917	62,172,504	4,085,769	3,495,778
Other receivables and deposits	4,913,952	3,175,672	134,924	455,483
Amounts owing by subsidiaries, non trade	-	-	101,645,947	86,417,023
Amount owing by holding company, non trade	-	3,323	-	3,323
Total trade and other receivables	69,118,869	65,351,499	105,866,640	90,371,607
Add : Cash and bank balances	23,227,594	76,861,731	2,210,940	23,495,170
Total loans and receivables	92,346,463	142,213,230	108,077,580	113,866,777
Non-current				
Amounts owing by subsidiaries, non trade	-	-	83,269,132	68,974,549

(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 (2012 : 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 RM11,785,998 (2012 : RM24,737,542) assigned to a licensed bank as security for the loans and borrowings (Note 22).

Ageing analysis of trade receivables

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

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Neither past due nor impaired	42,117,736	39,099,539	4,085,769	3,495,778
1 to 30 days past due not impaired	7,286,374	6,390,137	-	-
31 to 120 days past due not impaired	3,641,479	9,176,877	-	-
more than 121 days past due not impaired	1,870,580	764,698	-	-
	12,798,433	16,331,712	-	-
Impaired	263,427	242,564	-	-
	55,179,596	55,673,815	4,085,769	3,495,778
Retention sum	9,288,748	6,741,253	-	-
	64,468,344	62,415,068	4,085,769	3,495,778

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

10. RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Receivables that are neither past due nor impaired

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

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM12,798,433 (2012 : RM16,331,712) that are past due at the reporting date but not impaired. The management is confident that these receivables are recoverable as these accounts are still active.

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	
	2013	2012
	RM	RM
Trade receivables - nominal amounts	263,427	242,564
Less : Allowance for impairment	(263,427)	(242,564)
	-	-
Movement in allowance accounts:		
At 1 February 2012 / 2011	242,564	226,763
Charge for the year	53,294	103,700
Written off	(32,431)	(87,899)
At 31 January 2013 / 2012	263,427	242,564

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 RM102,136,884 (2012 : RM98,985,490) which bear effective interest of 5.0% (2012 : 5.3%) per annum. The non-current portion is considered quasi-equity in nature and is expected to be settled in cash.

(d) Amount owing by holding company

The non trade amount owing by holding company is unsecured, non-interest bearing and repayable on demand.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

11. INVENTORIES

	GROUP	
	2013	2012
	RM	RM
Cost		
Raw materials	2,488,315	1,999,581
Work in progress	2,255,657	1,352,789
Finished goods	4,731,851	5,477,463
Completed properties for sale	76,816,653	47,146,868
	86,292,476	55,976,701
Recognised in profit or loss:		
Inventories recognised as cost of sales	105,561,547	90,909,977

None of the inventories is stated at net realisable value.

12. OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Prepaid operating expenditure	5,900,404	7,899,136	135,458	180,278
Due from customers on contracts (Note 14)	6,509,656	13,829,922	-	-
Accrued billings	-	1,397,500	-	-
	12,410,060	23,126,558	135,458	180,278

13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Cash on hand and at banks	14,642,235	13,931,135	2,210,940	1,495,170
Cash at bank in Housing Development Account	216,230	2,830	-	-
Short term money market deposits	-	10,000,000	-	3,000,000
Time deposits with licensed banks	8,369,129	48,874,919	-	19,000,000
Deposits with other financial institution	-	4,052,847	-	-
	23,227,594	76,861,731	2,210,940	23,495,170

An arrangement has been made with a licensed bank whereby certain bank balances can earn interest of 2.3% (2012 : 2.3%) per annum on a daily rest basis. As at reporting date, bank balances under this arrangement amounted to RM12,596,145 (2012 : RM12,341,186) for the Group and RM2,209,245 (2012 : RM1,466,770) for the Company.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

13. CASH AND BANK BALANCES (cont'd)

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

The Group's time deposits amounting to RM209,563 (2012 : RM225,603) are pledged to licensed banks as security for the loans and borrowings (Note 22) and the banker's guarantees issued to suppliers (Note 37).

Included in the Group's time deposits is an amount of RM29,267 (2012 : RM51,053) registered in the names of a Director of the Company and a director of the subsidiary, and held in trust for and on behalf of the subsidiary.

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

The weighted average interest rates for deposits were as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
	% per annum	% per annum	% per annum	% per annum
Short term money market deposits	-	2.7	-	2.7
Time deposits with licensed banks	3.3	3.2	-	3.1
Deposits with other financial institution	-	2.6	-	-

14. DUE FROM / (TO) CUSTOMERS ON CONTRACTS

	GROUP	
	2013	2012
	RM	RM
Contract in progress		
- accumulated contract cost	357,351,253	309,031,577
- recognised profits less recognised losses	38,886,440	28,853,570
	396,237,693	337,885,147
Less: Progress billings	(390,531,297)	(324,347,938)
	5,706,396	13,537,209
Presented as:		
Due from customers on contracts (Note 12)	6,509,656	13,829,922
Due to customers on contracts	(803,260)	(292,713)
	5,706,396	13,537,209
Contract in progress included the following items incurred during the financial year:		
Depreciation of property, plant and equipment (Note 3)	105,244	106,954
Employee benefits expense (Note 29)	1,494,660	1,502,144
Hire of equipment	1,721,360	2,550,908
Plant and equipment written off	136,730	59,315

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

15. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	GROUP AND COMPANY					
	Number of ordinary shares of RM1 each		<----- Amount ----->			
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Share premium RM	Total share capital and share premium RM	Treasury shares RM
As at 1.2.2012	183,477,583	1,072,000	183,477,583	16,633,948	200,111,531	(1,582,544)
Issued pursuant to:						
- exercise of ESOS	1,593,900	-	1,593,900	270,442	1,864,342	-
- exercise of Warrants	4,227,400	-	4,227,400	-	4,227,400	-
- conversion of ICULS	6,191,653	-	6,191,653	-	6,191,653	-
Purchase of treasury shares	-	138,000	-	-	-	(268,915)
Transfer of reserve arising from:						
- exercise of ESOS	-	-	-	113,962	113,962	-
- exercise of Warrants	-	-	-	147,958	147,958	-
As at 31.1.2013	195,490,536	1,210,000	195,490,536	17,166,310	212,656,846	(1,851,459)
As at 1.2.2011	172,565,948	10,000	172,565,948	15,838,221	188,404,169	(13,921)
Issued pursuant to:						
- exercise of ESOS	2,943,600	-	2,943,600	383,958	3,327,558	-
- exercise of Warrants	6,976,985	-	6,976,985	-	6,976,985	-
- conversion of ICULS	991,050	-	991,050	-	991,050	-
Purchase of treasury shares	-	1,062,000	-	-	-	(1,568,623)
Transfer of reserve arising from:						
- exercise of ESOS	-	-	-	167,574	167,574	-
- exercise of Warrants	-	-	-	244,195	244,195	-
As at 31.1.2012	183,477,583	1,072,000	183,477,583	16,633,948	200,111,531	(1,582,544)

Authorised share capital

As at 1 February 2012/2011 and
31 January 2013/2012

500,000,000	500,000,000	500,000,000	500,000,000
--------------------	-------------	--------------------	-------------

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

15. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (cont'd)

(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 138,000 (2012 : 1,062,000) of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM268,915 (2012 : RM1,568,623). The average price paid for the shares repurchased was approximately RM1.95 (2012 : RM1.48) per share. This was presented as a component within shareholders' equity.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase 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 195,490,536 (2012 : 183,477,583) issued and fully paid ordinary shares as at 31 January 2013, 1,210,000 (2012 : 1,072,000) shares are held as treasury shares by the Company. As at 31 January 2013, the number of outstanding ordinary shares in issue after setting off treasury shares is 194,280,536 (2012 : 182,405,583).

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 RM	Total consideration paid RM
July 2012	1.95	2.04	1.85	118,000	229,589
August 2012	2.03	2.03	2.01	15,000	30,512
January 2013	1.76	1.75	1.75	5,000	8,814
	<u>1.95</u>			<u>138,000</u>	<u>268,915</u>

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

15. 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 Feb 2012/2011	<----- Movement during the year ----->				Outstanding as at 31 Jan 2013/2012	Exercisable as at 31 Jan 2013/2012	
	'000	Granted '000	Exercised '000	Forfeited '000	Expired '000	'000	'000	
2013								
2002 Options	429	-	(396)	-	(33)	-	-	
2003 Options	31	-	(21)	-	(10)	-	-	
2004 Options	129	-	(119)	-	(10)	-	-	
2005 Options	82	-	(67)	-	(15)	-	-	
2006 Options	43	-	(41)	-	(2)	-	-	
2007 Options	175	-	(139)	-	(36)	-	-	
2008 Options	70	-	(51)	-	(19)	-	-	
2009 Options	98	-	(72)	-	(26)	-	-	
2010 Options	204	-	(177)	-	(27)	-	-	
2011 Options	550	-	(511)	-	(39)	-	-	
	1,811	-	(1,594)	-	(217)	-	-	
WAEP (RM)	1.17	-	1.17	-	1.14	-	-	
2012								
2002 Options	1,718	-	(1,196)	(93)	-	429	429	
2003 Options	35	-	(4)	-	-	31	31	
2004 Options	253	-	(124)	-	-	129	129	
2005 Options	83	-	(1)	-	-	82	82	
2006 Options	97	-	(54)	-	-	43	43	
2007 Options	472	-	(278)	(19)	-	175	175	
2008 Options	507	-	(364)	(73)	-	70	70	
2009 Options	405	-	(277)	(30)	-	98	98	
2010 Options	567	-	(331)	(32)	-	204	204	
2011 Options	-	880	(315)	(15)	-	550	550	
	4,137	880	(2,944)	(262)	-	1,811	1,811	
WAEP (RM)	1.12	1.26	1.13	1.10	-	1.17	1.17	

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

15. 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
2012		
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
2011 Options	1.26	31.3.2011 - 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 RM1.76 (2012 : RM1.54).

(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:

	2013	2012
Fair value of share options at the following grant dates (RM)		
31 March 2011	-	0.13
Weighted average share price (RM)	-	1.41
Weighted average exercise price (RM)	-	1.26
Expected volatility (%)	-	23.11
Expected life (years)	-	1.78
Risk free rate (%)	-	2.85
Expected dividend yield (%)	-	11.00

The expected life of the options was based on historical data and was 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 was indicative of future trends, which may not necessarily be the actual outcome.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

16. REVALUATION RESERVE

	GROUP	
	2013	2012
	RM	RM
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.

17. SHARE OPTION RESERVE

	GROUP AND COMPANY	
	2013	2012
	RM	RM
As at 1 February 2012/2011	102,910	171,971
Share based payment expenses under ESOS (Note 29)	15,760	98,513
Transfer of reserve arising from exercise of ESOS	(113,962)	(167,574)
Transfer of reserve upon expiry of ESOS	(4,708)	-
As at 31 January 2013/2012	-	102,910

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.

18. WARRANTS RESERVE

	GROUP AND COMPANY			
	2013		2012	
	Number of warrants	RM	Number of warrants	RM
As at 1 February 2012/2011	36,795,531	1,287,843	43,772,516	1,532,038
Exercise of Warrants	(4,227,400)	-	(6,976,985)	-
Transfer of reserve arising from exercise of Warrants	-	(147,958)	-	(244,195)
As at 31 January 2013/2012	32,568,131	1,139,885	36,795,531	1,287,843

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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

18. WARRANTS RESERVE (cont'd)

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.

19. HEDGING RESERVE

	GROUP	
	2013	2012
	RM	RM
As at 1 February 2012/2011	(1,215,477)	33,027
Recognised in other comprehensive income:		
Gain / (Loss) arising during the year		
- Interest rate swap	481,815	(1,248,504)
As at 31 January 2013/2012	(733,662)	(1,215,477)

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.

20. 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.
- (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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016 (cont'd)

	GROUP AND COMPANY	
	2013	2012
	RM	RM
As at 1 February 2012/2011	56,977,393	59,617,432
Coupon interest paid / accrued	(1,968,748)	(2,238,099)
Interest expense	404,188	560,164
Converted during the year	(6,010,815)	(962,104)
As at 31 January 2013/2012	49,402,018	56,977,393
Analysed:		
Equity component	44,230,108	49,446,448
Liability component	5,171,910	7,530,945

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.

21. 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 has elected for the irrevocable option to disregard the Section 108 balance as at 31 January 2013. Accordingly, all dividends shall be paid, credited and distributed under the single tier system.

22. LOANS AND BORROWINGS

	GROUP	
	2013	2012
	RM	RM
Current		
Secured:		
Bank overdrafts	693,034	830,317
Banker acceptance	1,365,000	1,450,000
Hire purchase liabilities (Note 23)	-	41,176
Revolving credit	11,500,000	2,000,000
Term loans	11,320,000	52,716,667
	24,878,034	57,038,160

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

22. LOANS AND BORROWINGS (cont'd)

	GROUP	
	2013	2012
	RM	RM
Non-current		
Secured:		
Term loans	77,201,123	79,495,000
Total loans and borrowings		
Bank overdrafts	693,034	830,317
Banker acceptance	1,365,000	1,450,000
Hire purchase liabilities (Note 23)	-	41,176
Revolving credit	11,500,000	2,000,000
Term loans	88,521,123	132,211,667
	102,079,157	136,533,160
Repayment of loans and borrowings:		
On demand or within one year	24,878,034	57,038,160
More than one year and less than two years	18,790,000	11,320,000
More than two years and less than five years	54,695,000	66,380,000
More than five years	3,716,123	1,795,000
	102,079,157	136,533,160
Term loans		
Term loan I	-	50,000,000
Term loan II	1,250,000	2,916,667
Term loan III	74,250,000	75,000,000
Term loan IV	3,995,000	4,295,000
Term loan V	9,026,123	-
	88,521,123	132,211,667

The principal amounts of term loans are repayable by:

	Tenure of repayment	Commencement of instalments
Term loan I	Bullet payment	Fully settled in December 2012
Term loan II	36 months	November 2010
Term loan III	48 months	January 2013
Term loan IV	96 months	January 2011
Term loan V	48 months	August 2015

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

	GROUP	
	2013	2012
	% per annum	% per annum
Bank overdrafts	7.60	7.53
Revolving credit	4.43	4.35
Trade facilities	4.31	4.38
Term loans	5.31	5.25

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

22. LOANS AND BORROWINGS (cont'd)

The unutilised banking facilities are as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Bank overdrafts	26,607,000	26,460,000	5,000,000	5,000,000
Revolving credit	12,800,000	20,800,000	-	-
Trade facilities	8,121,000	500,000	-	-
Term loans	974,000	10,000,000	-	-
	48,502,000	57,760,000	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.

23. HIRE PURCHASE LIABILITIES

	GROUP	
	2013	2012
	RM	RM
Payable within one year	-	42,130
Less: Finance charges	-	(954)
	-	41,176
Representing hire purchase liabilities:		
Due within 12 months (Note 22)	-	41,176

The weighted average effective interest rate of hire purchase is 5.66% (2012 : 5.66%) per annum.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

24. DERIVATIVE FINANCIAL LIABILITIES

	GROUP					
	<----- 2013 ----->			<----- 2012 ----->		
	Notional	Carrying amount		Notional	Carrying amount	
	amount	Assets	Liabilities	amount	Assets	Liabilities
	RM	RM	RM	RM	RM	RM
Hedging derivatives						
Interest rate swap	49,500,000	-	(733,662)	50,000,000	-	(1,215,477)

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.

25. PAYABLES

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current				
Trade payables	45,074,317	41,169,395	-	-
Other payables and accruals	9,686,715	14,809,882	1,979,311	1,538,419
Amounts owing to related companies	38,799	72,115	4,358	4,850
Amount owing to a subsidiary	-	-	81,496	-
Amount owing to holding company	40,392	-	-	-
	54,840,223	56,051,392	2,065,165	1,543,269
Non-current				
Trade payables	-	6,598,182	-	-
Total trade and other payables	54,840,223	62,649,574	2,065,165	1,543,269
Add : Loans and borrowings	102,079,157	136,533,160	-	-
: Liability component of ICULS	5,171,910	7,530,945	5,171,910	7,530,945
Total financial liabilities carried at amortised cost	162,091,290	206,713,679	7,237,075	9,074,214

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

25. 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 (2012 : 30 to 90 days) terms.

Included in the Group's trade payables as at 31 January 2012 was an amount of RM8,598,182 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	
	2013	2012
	RM	RM
Payable within 12 months	-	2,000,000
Payable after 12 months	-	6,598,182
	-	8,598,182

The above amount was fully settled in August 2012.

(b) Amounts owing to related companies

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Trade in nature	10,544	36,315	-	-
Non trade in nature	28,255	35,800	4,358	4,850
	38,799	72,115	4,358	4,850

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

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

(c) Amount owing to a subsidiary

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

(d) Amount owing to holding company

Included in the amount to holding company is RM40,275 (2012 : RMNil) which is trade in nature. The remaining balance is unsecured, non-interest bearing and repayable on demand.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

26. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Revenue				
Property development and construction	184,367,536	210,265,882	-	-
Manufacturing and trading	94,993,020	77,619,696	-	-
Management services and others	3,217,104	2,538,237	13,002,941	16,340,005
Gross dividends from subsidiaries	-	-	24,177,005	13,230,003
	282,577,660	290,423,815	37,179,946	29,570,008
Cost of sales				
Property development and construction	104,387,454	122,408,666	-	-
Manufacturing and trading	87,717,684	70,831,397	-	-
Management services and others	1,316,720	1,212,253	-	-
	193,421,858	194,452,316	-	-

27. FINANCE COSTS

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Interest expenses on:				
Bank borrowings	7,152,183	7,257,658	-	-
Hire purchase	954	4,408	-	-
ICULS	404,188	560,164	404,188	560,164
Amount owing to a third party	1,401,818	-	-	-
	8,959,143	7,822,230	404,188	560,164
Less: Interest expenses capitalised in assets:				
- Property, plant and equipment	(216,772)	(250,762)	-	-
- Land held for property development {Note 8(a)}	(5,947,778)	(4,287,412)	-	-
- Property development costs {Note 8(b)}	(1,996,682)	(2,492,295)	-	-
	797,911	791,761	404,188	560,164

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

28. PROFIT BEFORE TAX

The following items have been charged / (credited) in arriving at profit before tax:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Allowance for doubtful debts	20,863	69,112	-	-
Auditors' remuneration:				
Statutory audit				
- current year	115,000	106,000	28,000	25,000
- underprovision	-	2,100	-	1,000
Bad debts written off	32,431	13,922	-	-
Depreciation of property, plant and equipment	2,402,770	2,413,703	140,539	118,379
Employee benefits expense (Note 29)	15,620,316	15,480,674	8,554,211	8,824,636
Hiring of equipment	207,466	115,892	-	-
Loss on disposal of plant and equipment	40,834	-	2,717	-
Non-executive Directors' remuneration (Note 30)	186,000	174,000	186,000	174,000
Plant and equipment written off	56,251	19,990	11	-
Rental expenses	432,142	436,012	241,992	241,992
Foreign exchange (gain) / loss:				
- realised	(180,562)	(210,462)	-	-
- unrealised	(30,874)	14,939	-	-
Gain on disposal of plant and equipment	(161,606)	(171,952)	-	(95,008)
Net loss on financial liability measured at amortised cost	-	533,818	-	-
Gross dividends from subsidiaries	-	-	(24,177,005)	(13,230,003)
Interest income from:				
- deposits	(2,186,001)	(1,590,226)	(525,583)	(569,590)
- subsidiaries	-	-	(5,056,509)	(5,008,218)
- others	(50,764)	(262,820)	(2,933)	(1,712)
Rental income	(5,787,927)	(4,705,715)	-	-

29. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Salaries, wages and bonuses	15,239,077	15,155,096	7,548,838	7,760,150
Defined contribution plan - EPF	1,742,057	1,616,728	948,835	926,198
Social security cost - SOCSO	118,082	112,481	40,778	39,775
Share options granted under ESOS (Note 17)	15,760	98,513	15,760	98,513
Less: Amount capitalised in cost of construction contracts (Note 14)	(1,494,660)	(1,502,144)	-	-
	15,620,316	15,480,674	8,554,211	8,824,636

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM2,490,167 (2012 : RM2,448,060) as further disclosed in Note 30.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

30. DIRECTORS' REMUNERATION

	GROUP AND COMPANY	
	2013	2012
	RM	RM
Executive:		
Fees	123,000	123,000
Salaries and other emoluments	2,095,625	2,069,000
Defined contribution plan - EPF	271,542	256,060
	2,490,167	2,448,060
Estimated money value of benefits-in-kinds	59,823	64,125
Total Executive Directors' remuneration (including benefits-in-kinds)	2,549,990	2,512,185
Non-executive:		
Fees	180,000	168,000
Other emoluments	6,000	6,000
Total Non-Executive directors' remuneration	186,000	174,000
Total Directors' remuneration	2,735,990	2,686,185

31. TAX

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current tax				
Current year	21,317,249	22,143,499	6,806,000	5,703,000
Deferred tax				
Relating to origination and reversal of temporary differences	(1,002,860)	(405,516)	470,140	446,484
	20,314,389	21,737,983	7,276,140	6,149,484
Under / (Over) provision of income tax in prior years	4,908	(41,488)	8,824	2,780
Under provision of deferred tax in prior years	52,000	57,000	2,000	-
	20,371,297	21,753,495	7,286,964	6,152,264

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

31. TAX (cont'd)

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

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit before tax	79,983,137	87,808,804	31,886,436	23,996,246
Taxed at Malaysian statutory tax rate of 25%	19,995,784	21,952,201	7,971,609	5,999,062
Expenses not deductible for tax purposes	296,281	453,380	167,031	160,369
Income not subject to tax	(38,757)	(711,265)	(862,500)	(9,947)
Deferred tax asset not recognised on current year's tax losses	61,081	43,667	-	-
Effective tax	20,314,389	21,737,983	7,276,140	6,149,484
Effective taxation rate	25.40%	24.76%	22.82%	25.63%

32. 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	
	2013	2012
Profit net of tax, attributable to owners of the Company (RM)	55,616,102	63,517,105
Weighted average number of ordinary shares in issue	191,426,052	174,538,404
Basic earnings per share (sen)	29.1	36.4

(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	
	2013	2012
Profit net of tax, attributable to owners of the Company (RM)	55,616,102	63,517,105
After tax effect of interest on ICULS (RM)	1,476,561	1,650,701
Profit attributable to owners of the Company including assumed conversion (RM)	57,092,663	65,167,806

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

32. EARNINGS PER SHARE (cont'd)

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

	GROUP	
	2013	2012
Weighted average number of ordinary shares in issue	191,426,052	174,538,404
Effect of dilution:		
- share options	-	387,000
- ICULS	52,499,931	58,691,584
- Warrants	14,569,717	12,335,296
Adjusted weighted average number of ordinary shares	258,495,700	245,952,284
Diluted earnings per share (sen)	22.1	26.5

33. DIVIDENDS

	GROUP AND COMPANY			
	Dividends in respect of Year		Dividends recognised in Year	
	2013	2012	2013	2012
	RM	RM	RM	RM
Recognised during the year:				
Financial year 2011:				
Final dividend:				
5% less tax 25%, on 174,652,448 ordinary shares	-	-	-	6,549,467
Financial year 2012:				
First interim dividend:				
5% less tax 25%, on 174,103,998 ordinary shares	-	6,528,900	-	6,528,900
Financial year 2012:				
Second interim dividend:				
3% less tax 25%, on 181,026,433 ordinary shares	-	4,073,095	-	4,073,095
Final dividend:				
7% less tax 25%, on 194,036,536 ordinary shares	-	10,186,918	10,186,918	-
Financial year 2013:				
Interim interim dividend:				
4% less tax 25%, on 194,222,036 ordinary shares	5,826,661	-	5,826,661	-
Recommended for approval at AGM (not recognised as at 31 January 2013):				
Final single tier dividend:				
8% on 194,280,536 ordinary shares	15,542,443	-	-	-
	21,369,104	20,788,913	16,013,579	17,151,462

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

33. DIVIDENDS (cont'd)

The Directors recommend the payment of a final single tier dividend of 8.0 sen per share in respect of the financial year ended 31 January 2013, 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 2014. The proposed final dividend of RM15,542,443 is subject to change in proportion to changes in the Company's paid up capital, if any.

34. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short term money market deposits	-	10,000,000	-	3,000,000
Time deposits with licensed banks	8,369,129	48,874,919	-	19,000,000
Deposits with other financial institution	-	4,052,847	-	-
Cash and bank balances	14,858,465	13,933,965	2,210,940	1,495,170
Bank overdrafts (Note 22)	(693,034)	(830,317)	-	-
	22,534,560	76,031,414	2,210,940	23,495,170
Less: Time deposits pledged (Note 13)	(209,563)	(225,603)	-	-
	22,324,997	75,805,811	2,210,940	23,495,170

35. 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	
	2013	2012	2013	2012
	RM	RM	RM	RM
With holding company				
Professional services - expenses	199,500	191,000	45,000	45,000
Sales of goods	(1,960)	(554)	-	-
With subsidiaries				
Management fees	-	-	(12,997,106)	(16,334,335)
Interest income	-	-	(5,056,509)	(5,008,218)

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

35. RELATED PARTY DISCLOSURES (cont'd)

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

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
With fellow subsidiaries of the holding company				
Estate management fees	63,264	63,264	-	-
Management fees	(5,835)	(5,670)	(5,835)	(5,670)
Purchases of goods	52,822	75,000	-	-
Purchases of plant and equipment	-	500	-	-
Progress billings	(107,154)	-	-	-
Rental expenses	45,600	45,600	45,600	45,600
Rental income	(6,000)	(11,400)	-	-
Sales of goods	(132,277)	(120,130)	-	-

The Directors are of the opinion that the transactions have been entered into in the normal course of business which are at negotiated terms.

(b) Compensation of key management personnel

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

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short-term employee benefits	2,971,004	2,891,609	2,278,448	2,256,125
Post employment benefits:				
Defined contribution plan - EPF	370,313	322,124	271,542	256,060
Share options granted under ESOS	-	4,885	-	-
	3,341,317	3,218,618	2,549,990	2,512,185

Included in the total key management personnel are:

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Directors' remuneration (Note 30)	2,549,990	2,512,185	2,549,990	2,512,185

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

35. RELATED PARTY DISCLOSURES (cont'd)

(b) Compensation of key management personnel (cont'd)

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	
	2013 '000	2012 '000
As at 1 February 2012/2011	496	1,378
Granted	-	38
Exercised	(496)	(920)
As at 31 January 2013/2012	-	496

The share options were granted on the same terms and conditions as those offered to other employees of the Group {Note 15(c)}.

36. CAPITAL COMMITMENT

	GROUP	
	2013 RM	2012 RM
Contracted but not accounted for		
- Property, plant and equipment	2,514,500	5,200,000
- Investment property	8,637,000	-

37. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
(i) Bank guarantees				
Issued by licensed banks in favour of third parties				
- Secured	4,093,900	9,358,700	134,000	18,000
- Unsecured	-	250	-	-

The bank guarantees are secured by:

- (i) A subsidiary's time deposits as stated in Note 13;
- (ii) Earmarking to overdraft facilities of the subsidiaries and the Company as stated in Note 22; and
- (iii) Corporate guarantees from the Company.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

37. CONTINGENT LIABILITIES (cont'd)

	COMPANY	
	2013 RM	2012 RM
(ii) Corporate guarantees - unsecured		
Issued to bank for facilities granted to subsidiaries	150,900,000	198,200,000
Issued to third parties for supplies of goods and services to a subsidiary	4,100,000	3,950,000
Amounts utilised:		
Issued to bank for facilities granted to subsidiaries	104,874,164	144,308,116
Issued to third parties for supplies of goods and services to a subsidiary	925,245	412,740

38. SEGMENTAL INFORMATION

(a) Business Segments

The Group comprises the following main business segments:

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

(b) Geographical segments

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

(c) Allocation basis and transfer pricing

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

Transfer pricing between business segments are measured on the basis that similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

38. SEGMENTAL INFORMATION (cont'd)

GROUP	Property development and construction		Manufacturing and trading		Management services and others		Consolidated	
	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM
Revenue								
Total revenue	204,556,099	210,265,882	103,195,381	89,017,306	16,260,607	18,872,572	324,012,087	318,155,760
Inter-segment sales	(20,188,563)	-	(8,202,361)	(11,397,610)	(13,043,503)	(16,334,335)	(41,434,427)	(27,731,945)
External sales	184,367,536	210,265,882	94,993,020	77,619,696	3,217,104	2,538,237	282,577,660	290,423,815
Results								
Segment results	73,603,824	78,445,562	3,623,547	3,771,932	11,962,939	14,754,186	89,190,310	96,971,680
Inter-segment eliminations							(5,033,242)	(4,987,784)
Segment results (external)							84,157,068	91,983,896
Unallocated expenses							(3,376,020)	(3,383,331)
Finance cost							(797,911)	(791,761)
Profit before tax							79,983,137	87,808,804
Tax							(20,371,297)	(21,753,495)
Profit after tax							59,611,840	66,055,309
Other Information								
Segment assets	681,417,621	674,970,660	48,732,589	43,748,571	55,574,389	65,767,412	785,724,599	784,486,643
Unallocated assets							601,583	705,354
Total assets							786,326,182	785,191,997
Segment liabilities	133,042,716	178,420,698	20,211,243	17,834,306	7,893,093	10,994,765	161,147,052	207,249,769
Unallocated liabilities							10,544,139	13,765,856
Total liabilities							171,691,191	221,015,625
Capital expenditure	1,149,304	716,519	1,715,931	889,194	9,941,597	4,353,855	12,806,832	5,959,568
Depreciation	420,333	419,445	1,866,058	1,927,655	221,623	173,558	2,508,014	2,520,658

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

39. 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	<----- 2013 ----->		<----- 2012 ----->	
		Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial assets					
Golf club membership	7	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 are:

	Note
Receivables (current)	10
Payables (current)	25
Loans and borrowings (current and non-current)	22
Liability component of ICULS (non-current)	20

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 loans and borrowings and liability component of ICULS are reasonable approximation of fair values due to the insignificant impact of discounting.

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

- (c) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value hierarchy (cont'd)

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

	31 January RM	Level 1 RM	Level 2 RM	Level 3 RM
Liabilities measured at fair value				
2013				
Cash flow hedges				
- Interest rate swap	733,662	-	733,662	-
2012				
Cash flow hedges				
- Interest rate swap	1,215,477	-	1,215,477	-

During the reporting period ended 31 January 2013, there were no transfers between the various categories in the hierarchy of fair value measurement.

40. 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.

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.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk (cont'd)

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, except for one customer which constitutes RM8.6 million.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

Deposits with licensed bank

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

The Company is contingently liable to the extent of the amount of banking facilities utilised by the subsidiaries and amount of supplies of goods and services by third parties to a subsidiary as disclosed in Note 37.

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.

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2013				
Group				
Financial liabilities:				
Payables	54,717,587	-	-	54,717,587
Loans and borrowings	29,417,905	81,234,639	3,822,165	114,474,709
ICULS	1,968,747	3,937,494	-	5,906,241
Total undiscounted financial liabilities	86,104,239	85,172,133	3,822,165	175,098,537

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity risk (cont'd)

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2013				
Company				
Financial liabilities:				
Payables	1,942,529	-	-	1,942,529
ICULS	1,968,747	3,937,494	-	5,906,241
Total undiscounted financial liabilities	3,911,276	3,937,494	-	7,848,770
2012				
Group				
Financial liabilities:				
Payables	55,928,756	8,000,000	-	63,928,756
Loans and borrowings	63,757,252	87,630,331	1,905,153	153,292,736
ICULS	2,200,934	6,602,802	-	8,803,736
Total undiscounted financial liabilities	121,886,942	102,233,133	1,905,153	226,025,228
Company				
Financial liabilities:				
Payables	1,420,633	-	-	1,420,633
ICULS	2,200,934	6,602,802	-	8,803,736
Total undiscounted financial liabilities	3,621,567	6,602,802	-	10,224,369

(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 52% (2012 : 76%) of the Group's loans and borrowings are at fixed rates of interest.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Interest rate risk (cont'd)

The Group's and the Company's other interest rate risk relates to its placement of deposits with financial institutions. The Group's policy is to obtain the most favourable interest rates available.

At the reporting date, if interest rates had been 25 (2012 : 25) basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM52,000 higher / lower (2012 : RM80,000 lower/higher), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings, and lower / higher interest income from deposits with financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

41. SIGNIFICANT EVENTS

During the financial year,

- (i) The Company had on 15 May 2012 acquired a total of 2 ordinary shares of RM1.00 each fully paid representing 100% equity interest in Panoramic Land Sdn. Bhd. from Panoramic Industrial Development Sdn. Bhd., a wholly owned subsidiary of the Company, at the price of RM1.00 per share for a total consideration of RM2.00.
- (ii) The Company had on 31 May 2012 acquired a total of 30,000 ordinary shares of RM1.00 each fully paid representing 15% equity interest in Unibase Pre-cast Sdn. Bhd., previously a 70% owned subsidiary of Unibase Concrete Industries Sdn. Bhd. ("UCISB"), which in turn is a 60% owned subsidiary of Unibase Construction Sdn. Bhd., a wholly owned subsidiary of the Company, from UCISB and Cheah Kee Nguan at the price of RM18.09 per share for a total consideration of RM542,700.
- (iii) The Company had on 25 January 2013 disposed a total of 150,000 ordinary shares of RM1.00 each fully paid representing 15% equity interest in Unibase Pre-cast Sdn. Bhd., a 60% owned subsidiary of Unibase Concrete Industries Sdn. Bhd., which in turn is a 60% owned subsidiary of Unibase Construction Sdn. Bhd. ("UCSB"), a wholly-owned subsidiary of the Company, to UCSB at the price of RM4.118 per share for a total consideration of RM617,700.

42. EVENT AFTER THE REPORTING PERIOD

On 29 April 2013, Crescendo Land Sdn. Bhd. entered into a Second Supplemental Agreement with the State Government of Johor to vary the layout plan, the State Government benefits and the development component of the mixed development of residential and commercial premises. The cash payments to the State Government has been revised from RM20,000,000 to RM23,500,000, of which RM20,000,000 was fully paid on 6 August 2012 and the balance of RM3,500,000 will be paid within 90 days from the date of the Second Supplementary Agreement.

43. 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 2013 and 31 January 2012.

Notes to the FINANCIAL STATEMENTS (CONT'D)

for the financial year ended 31 January 2013

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 January 2013 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		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiaries:				
- Realised	416,158,243	358,533,670	56,586,340	47,704,437
- Unrealised	(1,363,536)	(479,209)	1,147,977	1,818,736
	414,794,707	358,054,461	57,734,317	49,523,173
Less: Consolidation adjustments	(109,426,583)	(91,809,205)		
Total Group retained earnings as per financial statements	305,368,124	266,245,256		

Analysis of SHAREHOLDINGS

As at 3 June 2013

Authorised Share Capital	:	RM500,000,000.00
Issued and Fully Paid Up Capital	:	196,185,336
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	22	0.45	642	0.00
100 to 1,000 shares	2,738	55.85	2,664,201	1.36
1,001 to 10,000 shares	1,595	32.54	6,389,080	3.26
10,001 to 100,000 shares	429	8.75	13,229,900	6.74
100,001 to less than 5% of shares	117	2.39	64,557,813	32.91
5% and above of shares	1	0.02	109,343,700	55.73
Total	4,902	100.00	196,185,336	100.00

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholders	No. of Shares Held	% of Issued Capital
1. Sharikat Kim Loong Sendirian Berhad	109,343,700	55.73
2. Amanahraya Trustees Berhad - Public Smallcap Fund	7,543,400	3.85
3. HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for Morgan Stanley & Co. International PLC (IPB Client Acct)	5,315,100	2.71
4. Citigroup Nominees (Tempatan) Sdn. Bhd. - Exempt an for OCBC Securities Private Limited (Client A/C-RES)	3,775,672	1.93
5. Gooi Seong Chneh	3,593,124	1.83
6. Gooi Seong Heen	3,251,669	1.66
7. Gooi Seow Mee	2,675,492	1.36
8. Amanahraya Trustees Berhad - Public Far-East Property & Resorts Fund	1,817,900	0.93
9. Tokio Marine Life Insurance Malaysia Bhd - As Beneficial Owner (PF)	1,500,000	0.77
10. HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for Kas Bank Effectenbewaarbedrijf N.V.	1,371,500	0.70
11. Maybank Nominees (Tempatan) Sdn. Bhd. - Etiqa Insurance Berhad (Growth Fund)	1,100,000	0.56
12. Gan Teng Siew Realty Sdn. Berhad	1,000,000	0.51
13. HSBC Nominees (Asing) Sdn. Bhd. - Exempt an for BNP Paribas Securities Services (Convert in USD)	1,000,000	0.51
14. HSBC Nominees (Tempatan) Sdn. Bhd. - HSBC (M) Trustee Bhd for Hwang Select Balanced Fund (4405)	937,000	0.48
15. UOB Kay Hian Nominees (Asing) Sdn. Bhd. - Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	912,000	0.47

Analysis of SHAREHOLDINGS (CONT'D)

As at 3 June 2013

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

Name of Shareholders	No. of Shares Held	% of Issued Capital
16. Citigroup Nominees (Tempatan) Sdn. Bhd. - Universal Trustee (Malaysia) Berhad for CIMB-Principal Balanced Income Fund	868,700	0.44
17. Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (RHB Inv)	860,900	0.44
18. Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Venkata Chellam a/l Subramaniam (PBCL-0G0004)	800,000	0.41
19. Cartaban Nominees (Tempatan) Sdn. Bhd. - OSK Trustees Berhad for MAAKL - HW Shariah Progress Fund	753,000	0.38
20. HDM Nominees (Tempatan) Sdn. Bhd. - UOB Kay Hian Pte Ltd for Gooi Seong Lim (Margin)	728,452	0.37
21. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. - Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	711,452	0.36
22. Maybank Nominees (Tempatan) Sdn. Bhd. - Maybank Trustees Berhad for CIMB Islamic Balanced Growth Fund (230122)	625,900	0.32
23. HSBC Nominees (Asing) Sdn. Bhd. - HSBC-FS I for Samsung Global Best Southeast Asia Equity Mother Fund	600,000	0.31
24. Shoptra Jaya (M) Sdn. Bhd.	590,000	0.30
25. Amanahraya Trustees Berhad - Public Strategic Smallcap Fund	554,800	0.28
26. Gooi Seong Chneh	551,000	0.28
27. Cheah Kek Ding @ Chea Kek Ding	500,000	0.25
28. Maybank Nominees (Tempatan) Sdn. Bhd. - Heng Peng Heng	500,000	0.25
29. HSBC Nominees (Asing) Sdn. Bhd. - HSBC Tub AG for Asia Pacific Value Smart Select (Monega KAGmbH)	479,200	0.24
30. Maybank Nominees (Tempatan) Sdn. Bhd. - Etiqa Insurance Berhad (Shareholders FD)	479,000	0.24
TOTAL	154,738,961	78.87

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

Analysis of SHAREHOLDINGS (CONT'D)

As at 3 June 2013

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	109,556,152	-	55.84	-
Gooi Seong Lim	1,340,452 ^(a)	113,471,824 ^(b)	0.68	57.84
Gooi Seong Heen	4,559,121 ^(c)	109,624,152 ^(d)	2.32	55.88
Gooi Seong Chneh	4,144,124	109,556,152 ^(e)	2.11	55.84
Gooi Seong Gum	-	109,556,152 ^(e)	-	55.84

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

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Gooi Seong Lim	1,340,452 ^(a)	0.68	113,471,824 ^(b)	57.84
Gooi Seong Heen	4,559,121 ^(c)	2.32	109,624,152 ^(d)	55.88
Gooi Seong Chneh	4,144,124	2.11	109,556,152 ^(e)	55.84
Gooi Seong Gum	-	-	109,556,152 ^(e)	55.84
Yeo Jon Tian @ Eeyo Jon Thiam	60,000	0.03	19,000 ^(f)	0.01
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Notes:

- ^(a) Includes 728,452 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 109,556,152 shares, and 3,775,672 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Seong Lim is a director and major shareholder and his spouse Lim Phaik Ean, who holds 140,000 shares.
- ^(c) Includes 711,452, 256,000 and 340,000 shares held in bare trust by UOB Kay Hian 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 109,556,152 shares and his spouse, Looi Kok Yean, who holds 68,000 shares.
- ^(e) Deemed interest by virtue of their interest in SKL which holds 109,556,152 shares.
- ^(f) Deemed interest by virtue of his spouse, Ng Yit How, who holds 19,000 shares.

Analysis of 3.75% 7-YEAR IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016 HOLDINGS

As at 3 June 2013

Nominal Amount of ICULS issued	: RM59,682,634.00
Conversion Price	: At the par value of the ordinary shares of RM1.00 each
Conversion Period	: 12 January 2012 to 11 January 2016
Conversion Method	: By authorising the deposited ICULS to be debited from the Securities Account of the ICULS Holder with an aggregate nominal value at least equivalent to the Conversion Price.
Redeemability	: Not redeemable for cash. any outstanding ICULS will be converted into new ordinary shares of RM1.00 each on the Maturity Date.
Coupon Rate	: 3.75% per annum and payable in arrears annually during the 7 years on the ICULS remaining outstanding. The last interest payment shall be made on the Maturity Date.
Nominal amount of ICULS converted	: RM7,587,003.00
Nominal amount of ICULS outstanding	: RM52,095,631.00

DISTRIBUTION OF ICULS HOLDINGS (As per Record of Depositors)

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	Nominal Amount of ICULS (RM)	% of ICULS
Less than 100 ICULS	6	2.78	300	0.00
100 to 1,000 ICULS	137	63.43	58,300	0.11
1,001 to 10,000 ICULS	56	25.93	263,050	0.51
10,001 to 100,000 ICULS	15	6.94	328,000	0.63
100,001 to less than 5% of ICULS	1	0.46	250,500	0.48
5% and above of ICULS	1	0.46	51,195,481	98.27
Total	216	100.00	52,095,631	100.00

THIRTY LARGEST ICULS HOLDERS (As per Record of Depositors)

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
1. Sharikat Kim Loong Sendirian Berhad	51,195,481	98.27
2. Sharikat Kim Loong Sendirian Berhad	250,500	0.48
3. Lee Min Soong	75,000	0.14
4. Liew Khin Yee	40,000	0.07
5. HDM Nominees (Asing) Sdn. Bhd. - DBS Vickers Secs (S) Pte Ltd for Ng Wai Choong	25,000	0.05
6. Sng Hock Tiong	20,000	0.04
7. Unipine Malaysia Sendirian Berhad	20,000	0.04
8. Lee Kim Chin	17,500	0.03
9. Ong Peck Choo	15,500	0.03
10. Geh Siew Im	15,000	0.03
11. HDM Nominees (Asing) Sdn. Bhd. - Phillip Securities Pte Ltd for Teo Seow Leng	15,000	0.03
12. Lai Jit Meng	15,000	0.03
13. Low Tah Chong	15,000	0.03
14. Mrs. Mok Choon Hoe Nee Geh Siew Ming	15,000	0.03
15. Tan Boon Kiang	15,000	0.03
16. Ng Khin Ying	14,000	0.02
17. Ho Nyat Weng @ Hoo Nyat Wong	11,000	0.02

Analysis of 3.75% 7-YEAR IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016 HOLDINGS (CONT'D)

As at 3 June 2013

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

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
18. Goh Kim Heng	10,000	0.02
19. HDM Nominees (Asing) Sdn. Bhd. - Phillip Securities Pte Ltd for Chew Eng Soon	10,000	0.02
20. HDM Nominees (Asing) Sdn. Bhd. - DBS Vickers Sec (S) Pte Ltd for Chia Hock Chay Nicholas	10,000	0.02
21. Lee Fook Wing	10,000	0.02
22. Lee Ping Keim	10,000	0.02
23. Ong Ah Kim	10,000	0.02
24. Public Invest Nominees (Asing) Sdn. Bhd. - Exempt an for Phillip Securities Pte Ltd (Clients)	9,000	0.02
25. Hing Leong Yian Sdn. Berhad	8,000	0.02
26. Lau Khiok Hui	8,000	0.02
27. Liew Khim Seng	8,000	0.02
28. Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Beh Lee Fong (E-SS2)	7,700	0.01
29. HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ang Siak Ewe (CCTS)	7,600	0.01
30. Leong Mei Yoke Wendy	7,500	0.01
TOTAL	51,889,781	99.60

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		Indirect Interest	
	ICULS Holdings (RM)	%	ICULS Holdings (RM)	%
Gooi Seong Lim	-	-	51,445,981 ^(a)	98.75
Gooi Seong Heen	-	-	51,445,981 ^(a)	98.75
Gooi Seong Chneh	-	-	51,445,981 ^(a)	98.75
Gooi Seong Gum	-	-	51,445,981 ^(a)	98.75
Yeo Jon Tian @ Eeyo Jon Thiam	-	-	-	-
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Note:

^(a) Deemed interest by virtue of their interest in Sharikat Kim Loong Sendirian Berhad which holds RM51,445,981 ICULS.

Analysis of WARRANT HOLDINGS

As at 3 June 2013

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	: 27,405,003
No. of Warrants unexercised	: 32,277,631

DISTRIBUTION OF WARRANT HOLDINGS (As per Record of Depositors)

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Less than 100 warrants	4	1.91	200	0.00
100 to 1,000 warrants	134	64.11	51,450	0.16
1,001 to 10,000 warrants	52	24.88	257,100	0.80
10,001 to 100,000 warrants	15	7.18	277,100	0.86
100,001 to less than 5% of warrants	3	1.44	496,300	1.54
5% and above of warrants	1	0.48	31,195,481	96.64
Total	209	100.00	32,277,631	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	31,195,481	96.64
2. Sharikat Kim Loong Sendirian Berhad	250,500	0.78
3. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chin Kiam Hsung	132,400	0.41
4. Chin Kiam Hsung	113,400	0.35
5. Liew Khin Yee	47,000	0.15
6. HDM Nominees (Asing) Sdn. Bhd. - DBS Vickers Secs (S) Pte Ltd for Ng Wai Choong	25,000	0.08
7. Sng Hock Tiong	20,000	0.06
8. Unipine Malaysia Sendirian Berhad	20,000	0.06
9. Quah Choon Hooi	17,600	0.06
10. Lee Kim Chin	17,500	0.05
11. Ong Peck Choo	15,500	0.05
12. Geh Siew Im	15,000	0.05
13. HDM Nominees (Asing) Sdn. Bhd. - Phillip Securities Pte Ltd for Teo Seow Leng	15,000	0.05
14. Lai Jit Meng	15,000	0.05
15. Low Tah Chong	15,000	0.05
16. Mrs. Mok Choon Hoe Nee Geh Siew Ming	15,000	0.05
17. Tan Boon Kiang	15,000	0.05
18. Ng Khin Ying	14,000	0.04
19. Goh Cheah Hong	10,500	0.03

Analysis of WARRANT HOLDINGS (CONT'D)

As at 3 June 2013

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

Name of Warrant Holders	No. of Warrants Held	% of Warrants
20. Chew Hun Seng	10,000	0.03
21. HDM Nominees (Asing) Sdn. Bhd. - Phillip Securities Pte Ltd for Chew Eng Soon	10,000	0.03
22. HDM Nominees (Asing) Sdn. Bhd. - DBS Vickers Sec (S) Pte Ltd for Chia Hock Chay Nicholas	10,000	0.03
23. Lee Fook Wing	10,000	0.03
24. Lee Ping Keim	10,000	0.03
25. Ong Ah Kim	10,000	0.03
26. Public Invest Nominees (Tempatan) Sdn. Bhd. - Exempt an for Phillip Securities Pte Ltd (Clients)	10,000	0.03
27. Public Invest Nominees (Asing) Sdn. Bhd. - Exempt an for Phillip Securities Pte Ltd (Clients)	9,000	0.03
28. Hing Leong Yian Sdn. Berhad	8,000	0.02
29. Lau Khiok Hui	8,000	0.02
30. Liew Khim Seng	8,000	0.02
TOTAL	32,071,881	99.36

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)

Name of Directors	Direct Interest		Indirect Interest	
	Warrant Holdings	%	Warrant Holdings	%
Gooi Seong Lim	-	-	31,445,981 ^(a)	97.42
Gooi Seong Heen	-	-	31,445,981 ^(a)	97.42
Gooi Seong Chneh	-	-	31,445,981 ^(a)	97.42
Gooi Seong Gum	-	-	31,445,981 ^(a)	97.42
Yeo Jon Tian @ Eeyo Jon Thiam	-	-	-	-
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Note:

^(a) Deemed interest by virtue of their interest in Sharikat Kim Loong Sendirian Berhad which holds 31,445,981 warrants.

Particulars of PROPERTIES

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, residential and commercial land (development-in-progress)	Freehold	18 Nov 1996	40.52 ^(a)	5,258
	Hawker centre (completed)	Freehold (17 years)	18 Nov 1996	2.09 ^(a)	1,606
	Vacant land approved for industrial development	Leasehold - 999 years commencing from 28.10.1912	18 Nov 1996	61.26 ^(a)	21,655
2. Nusa Cemerlang Industrial Park Mukim of Pulau, Johor Bahru, Johor.	Approved industrial land (development-in-progress)	Freehold	22 Jul 2005 to 30 Dec 2009	247.63 ^(a)	166,957
	Approved industrial plots (completed)	Freehold (1 to 4 years)	22 Jul 2005 to 30 Dec 2009	16.39 ^(a)	37,946
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	26.18 ^(a)	11,677
	Industrial plots (completed)	Freehold (6 to 14 years)	18 Nov 1996	12.06 ^(a)	12,761
4. Desa Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Residential and commercial land (development-in-progress)	Freehold	18 Nov 1996	65.64 ^(a)	21,129
	Residential and commercial land (completed)	Freehold (1 to 6 years)	18 Nov 1996	12.76 ^(a)	19,975
5. Bandar Cemerlang - Lot Nos. PTD 105758 to 105762, 105765 and 105771 to 105772, Mukim of Terbau, Johor Bahru, Johor.	Vacant land approved for residential and commercial development	Freehold	26 Jun 2001	269.98	42,504
- Lot Nos. PTD 31034 to 31035 and 31037, Mukim and District of Kota Tinggi, Johor.	Oil palm estate (approved for residential and commercial development)	Freehold	26 Jun 2001	1,120.24	137,953

Particulars of PROPERTIES (CONT'D)

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 Crescendo Development Sdn. Bhd. (cont'd)					
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
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	32.29 ^(a)	12,037
	Commercial plots (completed)	Freehold (1 year)	12 May 2004	1.01 ^(a)	4,529
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 mixed 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	1,217
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)	35,841
Properties Held by Crescendo Education Sdn. Bhd.					
11. Lot No. PTD 204446, Desa Cemerlang.	Vacant land for commercial building / private college	Freehold	(21 Dec 2009)	12.73	6,698
	Private college building	Freehold (1 year)	(21 Dec 2009)	2.74	12,994

Particulars of PROPERTIES (CONT'D)

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 Crescendo Commercial Complex Sdn. Bhd.					
12. Lot No. PTD 113438, Desa Cemerlang.	Vacant land for commercial buildings	Freehold	(21 Dec 2009)	8.50	20,012
Properties Held by Panoramic Land Sdn. Bhd.					
13. Lot Nos. PTD 154326, 154327, 154328, 154329 and 154331, Nusa Cemerlang Industrial Park	Factory buildings (construction-in-progress)	Freehold	31 Jan 2013	11.90	29,114
Properties Held by Unibase Concrete Industries Sdn. Bhd.					
14. PTD 154126, Mukim of Pulai, Johor Bahru, Johor.	Ready mix and concrete plant ^(d)	(6 years)	31 May 2007	Not applicable	807
Properties Held by Repute Construction Sdn. Bhd.					
15. No.5, Jalan Kekabu 11, Desa Cemerlang, 81800 Ulu Tiram, Johor.	Office Building	Freehold (7 years)	(21 Dec 2009)	0.04	558

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 2013. The conversion factors from gross to net saleable freehold and leasehold land area are as follows:

Property No.	Conversion Factor
1	0.7057 for freehold land and 0.6706 for leasehold land
2	0.9203
3	0.6996
4	0.5353
7	0.7801

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 mixed development 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.

This page has been intentionally left blank

Form of PROXY



I/We, _____

of _____

being (a) member(s) of the abovenamed Company do hereby appoint _____

of _____

or failing whom, _____ of _____

or failing whom, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at Jasmine & Orchid Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Monday, 29 July 2013 at 2.30 p.m. and at any adjournment thereof in the manner as indicated below:

No.	Resolution	For	Against
1.	Adoption of Reports and Audited Financial Statements		
2.	Declaration of final dividend		
3.	Re-appointment of Director: Mr. Yeo Jon Tian @ Eeyo Jon Thiam		
4.	Re-election of Director : Mr. Gooi Seong Heen		
5.	Re-election of Director : Mr. Gan Kim Guan		
6.	Appointment of Auditors		
7.	Authority to issue shares		
8.	Proposed Renewal of Authority for Share Buy-Back		
9.	Retention of Independent Non-Executive Director: Mr. Yeo Jon Tian @ Eeyo Jon Thiam		
10.	Retention of Independent Non-Executive Director: Mr. Gan Kim Guan		

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

Signed this _____ day of _____ 2013

Signature of Member(s)

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

NOTES:

A member whose name appears in the Record of Depositors as at 22 July 2013 shall be regarded as a member entitled to attend, speak and vote at the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

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

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

Please fold this flap for sealing

Please fold here

STAMP

The Secretary
CRESCENDO CORPORATION BERHAD (359750-D)

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

Please fold here