www.crescendo.com.my

CRESCENDO CORPORATION BERHAD (359750-D)

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

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CRESCENDO CORPORATION BERHAD (359750-D)

ANNUAL REPORT 2014

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

Creating Complete Communities

annual report 2014

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

18th Annual General Meeting

Place : Dewan Johor
Level 2 of Mutiara Hotel
Jalan Dato Sulaiman
Taman Century, K.B. No. 779
80990 Johor Bahru
Johor Darul Takzim

Time : Friday, 25th July 2014 at 2.30 p.m.

Contents 2014

Splendid Homes For
Sophisticated Living

We create homes that are ideal for contemporary living. They are excellent sanctuaries that enable modern families to flourish.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of Crescendo Corporation Berhad will be held at Dewan Johor, Level 2 of Mutiara Hotel, Jalan Dato Sulaiman, Taman Century, K.B. No. 779, 80990 Johor Bahru, Johor Darul Takzim on Friday, 25th July 2014 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 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final single tier dividend of 9 sen per share in respect of the financial year ended 31 January 2014. **(Resolution 2)**

3. To approve the payment of Directors' fees totalling RM202,125 for the financial year ended 31 January 2014. **(Resolution 3)**

4. To re-appoint Mr. Yeo Jon Tian @ Eeyo Jon Thiam as a Director pursuant to Section 129(6) of the Companies Act, 1965. **(Resolution 4)**

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

   (a) Mr. Gooi Seong Gum **(Resolution 5)**
   (b) Mr. Tan Ah Lai **(Resolution 6)**

6. To re-elect Mr. Chew Ching Chong as a Director retiring in accordance with Article 84 of the Articles of Association of the Company. **(Resolution 7)**

7. To re-appoint M/s Raki CS Tan & Ramanan as Auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 8)**

8. 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 9)**

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 22,848,401 representing 10% of the issued and paid-up share capital of the Company as at 3 June, 2014;

(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 2014 of RM63,119,949 and RM19,109,566 respectively;

(c) the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next Annual General Meeting or the expiry of the period within which the next Annual General Meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;

(d) upon completion of the purchase by the Company of its own shares, the shares shall be dealt with in the following manner:-

(i) to cancel the shares so purchased; or

(ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares; or

(iii) to retain part of the shares so purchased as treasury shares and cancel the remainder,

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." **(Resolution 10)**

ORDINARY RESOLUTION III -
RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT subject to the passing of Resolution 4, Mr. Yeo Jon Tian @ Eeyo Jon Thiam, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." **(Resolution 11)**

ORDINARY RESOLUTION IV -
RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." **(Resolution 12)**

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

Notice of Annual General Meeting
(Cont'd)

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Eighteenth Annual General Meeting, the final single tier dividend of 9 sen per share in respect of the financial year ended 31 January 2014 will be paid on 29 August, 2014 to depositors registered in the Record of Depositors on 12 August, 2014.

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, 2014 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
3 July, 2014

NOTES:

(1) A member whose name appears in the Record of Depositors as at 18 July 2014 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 9 -

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.

(3) Resolution 9 - (cont'd)

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 29 July 2013 and which will lapse at the conclusion of the Eighteenth 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 10 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 3 July, 2014 which is enclosed together with this Annual Report.

(5) Resolutions 11 & 12 -

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

(a) They have fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, they would be able to provide independent judgement, objectivity and check and balance to the Board.

(b) They perform their duties and responsibilities diligently and in the best interest of the Company without being subject to influence of the management.

(c) They, having been with the Company for more than 9 years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations and attended the Board and Committee meetings for an informed and balanced decision making.

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

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

(a) Re-appointment of Mr. Yeo Jon Tian @ Eeyo Jon Thiam as a Director pursuant to Section 129(6) of the Companies Act, 1965.

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

(i) Mr. Gooi Seong Gum
(ii) Mr. Tan Ah Lai

(c) Re-election of Mr. Chew Ching Chong as a Director pursuant to Article 84 of the Articles of Association of the Company.

(2) The profiles of the Directors standing for re-appointment or re-election as mentioned in paragraph 1 above at the Eighteenth Annual General Meeting are set out in pages 16 to 20 of this Annual Report.

Corporate Information

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

Chew Ching Chong
Independent Non-Executive Director

Board of Directors

AUDIT COMMITTEE

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

COMPANY SECRETARIES

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

REGISTERED OFFICE

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

REGISTRAR

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

AUDITORS

Raki CS Tan & Ramanan
Firm No. AF 0190
Chartered Accountants
Wisma TCS, No. 8M,
Jalan Tun Abdul Razak (Susur 3),
80200 Johor Bahru,
Johor Darul Takzim.

PRINCIPAL BANKERS

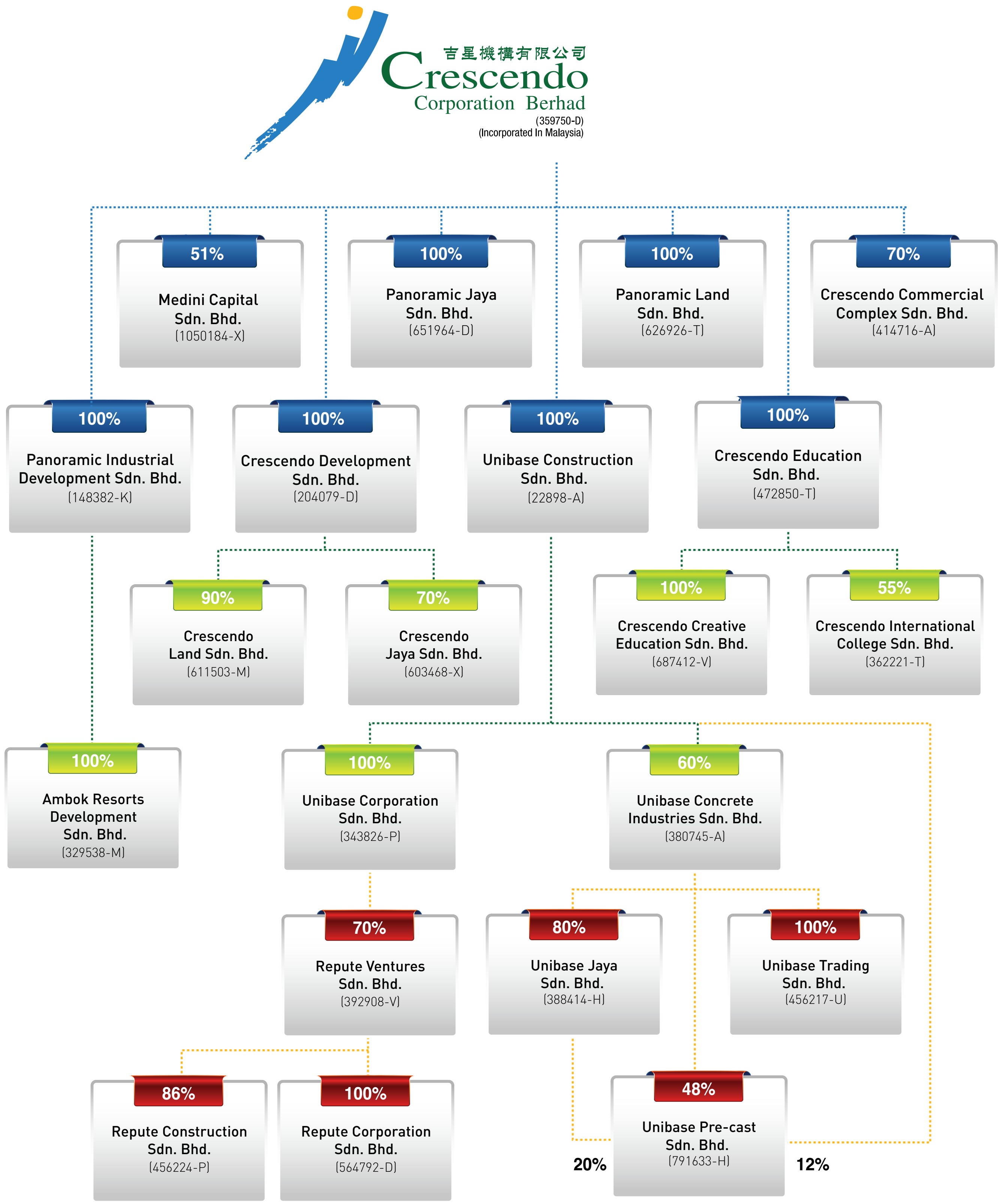
OCBC Bank (Malaysia) Berhad
(295400-W)
HSBC Bank Malaysia Berhad
(127776-V)

STOCK EXCHANGE LISTING

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

Group Structure

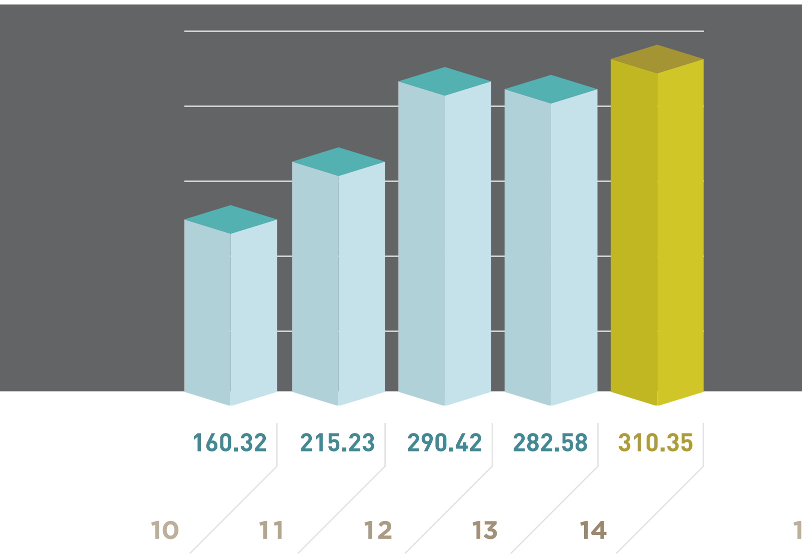
As at 31 January 2014



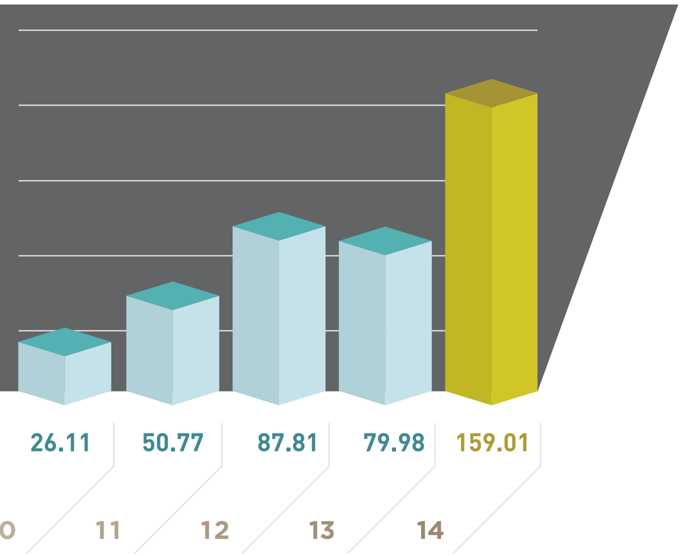
Group Financial Highlights

		2010	2011	2012	2013	2014
Statement of Comprehensive Income (RM'mil)						
Revenue		160.32	215.23	290.42	282.58	**310.35**
EBITDA		30.23	54.49	91.01	83.18	**162.65**
Profit before tax		26.11	50.77	87.81	79.98	**159.01**
Profit after tax		19.36	39.44	66.06	59.61	**126.65**
Net profit attributable to equity holders		18.01	36.41	63.52	55.62	**121.05**
Statement of Financial Position (RM'mil)						
Paid-up share capital		155.07	172.57	183.48	195.49	**228.48**
Shareholders' equity		450.94	494.93	548.96	595.53	**720.75**
Total assets		688.70	710.48	785.19	786.33	**997.72**
Total borrowings		158.86	148.54	144.06	107.25	**158.85**
Financial Indicators						
Return on shareholders' equity [Pre-tax]	%	5.8	10.3	16.0	13.4	**22.1**
Return on total assets [Pre-tax]	%	3.8	7.1	11.2	10.2	**15.9**
PE ratio	times	9.7	6.3	4 .6	6.0	**4.9**
Gearing ratio	times	0.35	0.30	0.26	0.18	**0.22**
Interest cover	times	4.84	6.19	11.33	9.02	**25.88**
Earnings per share	Sen	12	23	36	29	**57**
Net assets per share	RM	2.92	2.87	3.01	3.07	**3.17**
Gross dividend per share	Sen	7	11	15	12	**16**
Gross dividend yield	%	6.2	7.6	9.0	6.9	**5.7**
Share price at financial year end	RM	1.13	1.45	1.66	1.73	**2.82**

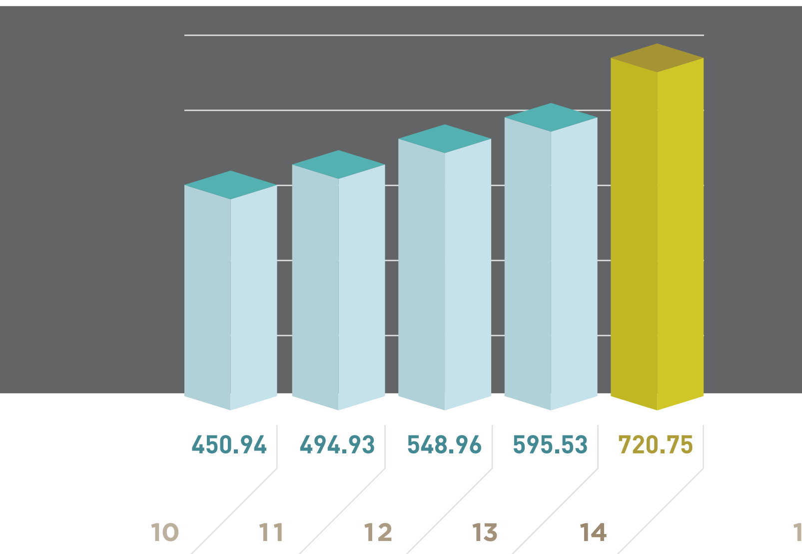
Revenue (RM million)



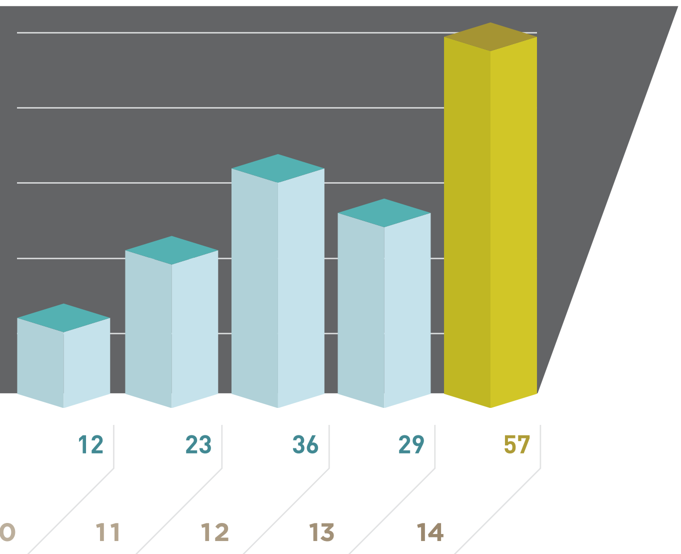
Profit Before Tax (RM million)



Shareholders' Equity (RM million)



Earnings Per Share (Sen)



Commercial Properties
With Exceptional Potential

We design commercial properties that can boost the success of businesses. All aspects are taken into account in order to ensure excellence.

Board of Directors

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

05 Gan Kim Guan
Senior Independent Non-Executive Director

Board of Directors
(Cont'd)

From left to right

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

Chew Ching Chong
Independent Non-Executive Director

Tan Ah Lai
Independent Non-Executive Director

From left to right

Chua Yoke Bee
Company Secretary

Kan Chee Jing
Company Secretary

Chong Fook Sin
Company Secretary

Profile of Directors

GOOI SEONG LIM, aged 65, a Malaysian, was appointed to the Board of Crescendo Corporation Berhad ("CCB") on 15 September 1995. He is currently the Chairman and Managing Director of CCB. He is also a member of the Remuneration Committee with effect from 27 March 2002. He graduated from the University of Toronto, Canada, with a Bachelor of Applied Science degree in Mechanical Engineering in 1972 and a Master's degree in Mechanical Engineering in 1975. From 1972 to 1975, he was an engineer of Spar Aerospace Ltd, an engineering company based in Toronto, Canada, specialising in the design and computer simulations of Canadian Communication Satellite and subsequently, with Atomic Energy of Canada Ltd based in Toronto, Canada, a quasi-government company specialising in the design of Canadian nuclear reactors. From 1975 until to-date, he has been the Managing Director of Sharikat Kim Loong Sendirian Berhad ("SKL"), a company which owns a controlling stake in CCB and Kim Loong Resources Berhad ("KLR"), a public company listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Since 1977, he has been a director of Kim Loong Palm Oil Sdn. Bhd. ("KLPO") which is involved in palm oil milling. The success of the Group owes much to his extensive involvement in construction and property development. He is the Executive Chairman of KLR and also sits on the Board of several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the four (4) Board meetings held during the financial year 2014.

GOOI SEONG HEEN, aged 63, 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 2014.

GOOI SEONG CHNEH, aged 59, 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 2014.

Profile of Directors
(Cont'd)

GOOI SEONG GUM, aged 58, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB. He graduated with a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He was an engineering consultant for Bobrowski & Partners, Calgary, Canada for one (1) year from 1982 to 1983. His experience covers oil palm and rubber estate management, property development and construction site management. From 1980, he has been a Director of SKL, a company which owns a controlling stake in CCB and KLR. Since 1983, he has been a director of KLPO Group which is involved in palm oil milling. He currently sits on the Board of KLR and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the four (4) Board meetings held during the financial year 2014.

GAN KIM GUAN, aged 51, 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 was appointed as the Chairman of the Nominating Committee with effect from 31 December 2012. He has extensive experience in auditing, investigation, financial planning and financing related work. He is also a director of KLR.

Mr Gan is a Chartered Accountants of the Malaysian Institute of Accountants. He has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended all the four (4) Board meetings held during the financial year 2014.

YEO JON TIAN @ EEYO JON THIAM, aged 73, a Malaysian, was appointed to the Board of CCB on 3 December 1996. He is currently an Independent Non-Executive Director of CCB and is also a member of both Audit and Nominating Committees. He is the Chairman of Remuneration Committee with effect from 27 March 2002. He commenced his planting career in 1960 with the Rubber Research Institute of Malay Smallholders' Advisory Service. He is an associate of the Incorporated Society of Planter since 1968. He has been actively involved in the plantation management of large-scale cultivation of rubber, oil palm and cocoa until 1990 when he became the General Manager of a property development company. He also sits on the board of several private companies.

Mr Yeo has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended three (3) of the four (4) Board meetings held during the financial year 2014.

TAN AH LAI, aged 45, a Malaysian, was appointed as an Independent Non-Executive Director of CCB and a member of the Audit Committee on 1 November 2007. He also sits as a member of both the Nominating and Remuneration Committees with effect from 26 February 2009. He is a fellow member of the ACCA, UK and a Chartered Accountant of the Malaysian Institute of Accountants. He started his career as an audit assistant in a public accounting firm in 1994. In 2011, he incorporated his own consulting and accounting firm which provides accounting, tax and consultation services. He has extensive experience in financial and tax related work. Currently, he is also a director of Guan Chong Berhad.

Mr Tan has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended all the four (4) Board meetings held during the financial year 2014.

Profile of Directors
(Cont'd)

CHEW CHING CHONG, aged 59, a Malaysian, was appointed as an Independent Non-Executive Director of CCB and a member of the Audit, Nominating and Remuneration Committees on 26 November 2013. He graduated with a Bachelor of Science (1st Class Hons) in Civil Engineering from University of Strathclyde Scotland, United Kingdom, in 1979. He is a fellow of Institution of Engineer Malaysia, a member of Institution of Civil Engineer United Kingdom & Australia, a Chartered & Professional Engineer of Institution of Malaysia, United Kingdom & Australia and a member of Asean Engineer & Association of Consultant Engineer, Malaysia. He started his career in 1980 as a Civil Engineer with an engineering consultancy firm and became a partner of the firm in 1987. Subsequently, he was appointed as the Managing Director in 2002, currently as Chairman of the firm employing 65 staff. He has acquired extensive experience in design practices, planning, management and implementation of many large and prestigious projects.

Mr Chew has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. Since his appointment on 26 November 2013, he attended one (1) Board meeting held during the financial year 2014.

Family Relationship

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

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

Dear Shareholders

On behalf of the Board of Directors of Crescendo Corporation Berhad, I am pleased to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 January 2014.

FINANCIAL RESULTS

The Group recorded an increase of approximately 10% in revenue and 99% in profit before tax to RM310.3 million and RM159 million respectively for the financial year 2014 as compared to RM282.6 million and RM80.0 million respectively recorded for the financial year 2013. The increases in revenue and profit were mainly due to higher sales of industrial properties. The substantial increase in profit was also contributed by the higher profit margin as a result of change in sales mix with higher contribution from high margin industrial property sales and fair value changes of investment properties amounting to RM39 million.

Chairman's Statement
(Cont'd)


DIVIDEND

The Board is pleased to recommend to the shareholders for approval a final single tier dividend of 9.0 sen per share (2013: 8.0 sen per share), for the financial year ended 31 January 2014, making a total single tier dividend of 16.0 sen per share (2013: 4.0 sen per share less 25% tax and 8.0 sen single tier per share).

REVIEW OF BUSINESS ACTIVITIES

Property development and construction operations continue to be the main driver of earnings for the Group recording 69% of the total turnover in the financial year 2014. The remaining 31% was contributed by the Group's concrete manufacturing, trading and management services.

Property Development and Construction

The property development and construction operations performed well with an increase of 10.6% and 46% in revenue and profit respectively. The revenue and profit recorded for the financial year 2014 are RM226.3 million and RM107.7 million respectively as compared to RM204.6 million and RM73.6 million for the financial year 2013.

The improvement in profit margin was mainly due to change in sales mix resulting from:

i) increase of property sales especially industrial properties which have contributed to higher margin; and

ii) lower revenue of construction services, which have lower margin than property sales, due to the completion of external construction contracts which were actively carried out last year.

We expect the property development and construction operations to remain as the main profit contributors for the Group in the financial year 2015.

Manufacturing and Trading

The manufacturing and trading operations have performed better despite recording a decrease of 5% in revenue. There was an increase of 131% in profit, mainly due to general improvement in profit margin and higher export sales which has a better margin compared to local sales. The revenue and profit are RM97.6 million and RM8.3 million respectively for the financial year 2014 as compared to RM103.2 million and RM3.6 million respectively for the financial year 2013.

We expect this sector to perform better in the financial year 2015 due to potential increase in export sales of our concrete products to Singapore.

OPERATIONAL HIGHLIGHTS

During the financial year 2014, our property development operation has secured new sales of approximately RM187 million mainly contributed by the industrial and commercial properties. There was unrecognized revenue of RM64 million as at 31 January 2014 to be recognized in financial year 2015.

On the other hand, our construction operation has secured contracts with a total contract sum of RM221 million during the financial year 2014, out of which RM32 million related to external construction contracts. The total unrecognized revenue as at 31 January 2014 amounted to approximately RM193 million with RM26 million related to external construction contracts.

Under the concrete manufacturing and trading operation, the Unibase Concrete Industries Sdn Bhd group has achieved total revenue of approximately RM98 million during the financial year 2014 with the pre-cast activity securing new contracts amounting to RM12 million during the financial year 2014. The amount of unrecognized revenue of approximately RM5 million relating to pre-cast activity as at 31 January 2014 will be recognized in the financial year 2015.

We shall continue to engage in the development of medium industrial factories through our industrial parks, ***Nusa Cermerlang Industrial Park (NCIP)*** and ***Taman Perindustrian Cemerlang (TPC)*** both of which are located within Iskandar Malaysia. Currently NCIP has completed factories with Gross Development Value (GDV) of approximately RM94 million available for sale. For the next two years, TPC will be the major profit contributor for the property development operation of the Group as we will have more launches of factories in TPC. The estimated Gross Development Value (GDV) of the launches in TPC comprising detached and semi-detached factories for the next two years is approximately RM400 million.

Next to TPC, our ***Desa Cemerlang (DC)*** project which is a mixed residential and commercial development, will offer three storey shop offices with an estimated GDV of RM63 million for launches over the next two years.

Near Ulu Tiram we are developing ***Bandar Cemerlang (BC)*** into a 1,390-acre self-contained new township of residential and commercial development. Phase 1 of this project comprising three storey shop offices, double storey terrace and cluster houses, double storey semi-detached houses, three storey cluster houses and affordable homes with an estimated GDV of RM315 million will be launched over the next two to three years and is expected to contribute positively to the revenue and profit of the Group.

In ***Tanjung Senibong***, we are also expanding our presence with another mixed development project through Crescendo Land Sdn Bhd (CLSB). This is a 221-acre water front project in a prime location within Iskandar Malaysia and very near to Johor Bahru.

During the initial phase of this project, we will be launching affordable homes. Earthworks have begun and are scheduled to be completed by the end of this year.

Through our five ongoing projects in Iskandar Malaysia, we are well-positioned with a full spectrum of products to be offered to our purchasers.

The strong and healthy financial position of the Group with a low gearing of 0.22 times allows for pre-building of properties to mitigate the impact of rising building material prices on development costs. As an integrated developer with construction and building materials trading arms, we are able to price competitively as a result of cost efficiency and savings from our synergistic and integrated operations.

Chairman's Statement
(Cont'd)

Trading and concrete manufacturing contributed 27% of the Group revenue in the financial year 2014. We plan to grow the export market for our concrete products to Singapore and with the growth in the export market, we expect the profit to improve in financial year 2015.

With a wide product mix as well as modern and up-market designs, the Group has the capability and capacity to compete effectively and weather economic turbulence which may come with a slowdown in the global and local economy.

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 local as well as foreign students.

OUTLOOK AND PROSPECTS

The market condition is expected to remain challenging in the near term in view of the various cooling measures implemented by the government. Nevertheless, property in Iskandar Malaysia, especially landed property, is expected to be less affected in view of the government's effort in promoting Iskandar Malaysia and the expected growth in demand arising from the enhanced bilateral collaborations between Malaysia and Singapore.

Iskandar Malaysia is also in a good position to attract small and medium enterprises to set up their manufacturing facilities or relocate their operations due to close proximity to Singapore, EduCity and Medini Iskandar. The proposed third road link "Friendship Bridge", Rapid Transit System (RTS) and High-Speed Rail (HSR), the terminal for which is likely to be located at Tuas or Jurong, will definitely further enhance good connectivity as well as create much stronger links between Malaysia and Singapore.

The Group has during the financial year 2014 embarked on a joint venture project for a mixed residential and commercial development at NCIP. To date, 8.1 acres of land has been sold at a price of RM150 per square feet to the joint venture company which is a 51% owned subsidiary company of Crescendo Corporation Berhad. This project is located within the 250-acre of undeveloped landbank which is currently under re-planning into a premium integrated business park.

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 will continue to monitor the timing and quantum of future launches to match market demand in terms of price, product and concept.

The rental market for the industrial properties held under Panoramic Land Sdn Bhd is expected to be good as it can cater for industrialists who are currently not ready to enter into purchase commitments. Our rental rate is competitive and able to generate good yield because of our lower development cost.

For our education operations, besides Crescendo International College which mainly caters for A-level, tertiary education and professional examinations, the Group intends to invest in an international school which will offer primary and secondary education based on UK syllabus in the near future.

In the longer terms, the Group will develop the 784-acre residential development under Ambok Resorts Development Sdn Bhd in Kota Tinggi into a mixed development project. We target to start this project in six years' time. This major project, strategically located in Kota Tinggi, is well connected by the new Senai-Desaru Highway.

This Senai–Desaru Highway has boosted the value of this property by greatly improving the connectivity of this land from Johor Bahru to Desaru and Pengerang where an integrated downstream oil and gas complex (RAPID) is being developed. This project will cater to locals employed by the RAPID project as well as foreigners who seek retirement homes in Malaysia.

The Group's future outlook is good in view of its current holding of 1,601 acres of prime landbank within Iskandar Malaysia and 1,320 acres of land within the District of Kota Tinggi, Johor. The estimated GDV of the various new launches over the next two to three years is around RM800 million. With more investments expected to come from Singaporeans and other foreign investors, we are confident that the Group which has already established a good reputation as a reliable developer of good quality buildings will be able to perform strongly and become a developer of choice.

With the strong committed sales in hand and unrecognized revenue of RM99 million as at the date of this report for the property development operation, the Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2015.

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.

On behalf of the Board, I would like to extend a warm welcome to Mr. Chew Ching Chong who joint the Board on 26 November 2013.

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: 26 June 2014

Industrial Properties
For Greater Convenience

We provide the infrastructural facilities that are needed by factories. No effort is spared to ensure that all amenities are superb.

Statement on Corporate Social Responsibilities

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.

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

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

HUMAN CAPITAL

The Group believes human capital is an important asset, hence constantly invest in them. The Group's workforce as at 31 January 2014 consist of 312 personnel consisting of 88% Malaysian and 30% of female.

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

- Engaging experts to share knowledge on variety issues that can benefit the employees on a personal and professional level;
- Conducting in-house training for the staff on human capital, safety, accounting, technical issues and management skills. Where specialist training is required, the staff are sent for external trainings;
- Various staff activities including festival celebrations and sporting events through the In-House Sports Club; and
- Subsidised company trips to Bukit Gambang (Pahang), Pulau Redang (Terengganu), Ho Chi Minh (Vietnam), Xian & Shanghai (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 Group's objectives and business plan.

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

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

COMMUNITY

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

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

Crescendo International College ("CIC"), the education arm of the Group, has two campus, a permanent campus at Desa Cemerlang and a City Campus in the heart of Johor Bahru. The college provides GCE A Level, external degree programs and professional courses at affordable rates. More than 845 students had enrolled in CIC as at 31 January 2014. Discounts, partial scholarships and accommodation 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 RM300,000 to worthy causes and organisations including governmental and non-governmental organisations to support their charitable causes in sports, cultural, social and welfare activities.

ENVIRONMENT SUSTAINABILITY

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

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

The statement has been reviewed and approved by the Board of Directors at a meeting held on 26 June 2014.

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 in Part E of Chapter 15 and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

Principle 1 ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear functions reserved for the Board and those delegated to Management

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

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

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

Roles and responsibilities of Board

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

The Board as at the date of this statement, consist of eight (8) members, comprising one (1) Executive Chairman and Managing Director, three (3) Executive Directors, one (1) Senior Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The Board complies with Paragraph 15.02 of the Listing Requirements which requires that at least two Directors or one-third of the Board of the Company, whichever is higher, are Independent Director.

Roles and responsibilities of Board (cont'd)

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.

Board Corporate Governance Manual

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

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

Access to Information and advice

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

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

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.

Statement on Corporate Governance
(Cont'd)

Access to Information and advice (cont'd)

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.

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.

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

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

Principle 2 STRENGTHEN COMPOSITION

BOARD COMMITTEES

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

The Board periodically reviews the Committees' terms of reference.

a. Audit Committee

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

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

The terms of reference of the Audit Committee together with the Report of the Audit Committee are disclosed on pages 49 to 52 of this Annual Report. The activities of the Audit Committee during the year ended 31 January 2014 are also set out in the Report of the Audit Committee.

Statement on Corporate Governance
(Cont'd)

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 53 of this Annual Report.

c. Nominating Committee

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

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

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

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 54 of this Annual Report.

Statement on Corporate Governance
(Cont'd)

DIRECTORS' REMUNERATION

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

a. The level and make up of Remuneration

The remuneration 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. The Directors' fees are approved at the AGM by shareholders.

c. Disclosure

A summary of the remuneration of the Directors for the year ended 31 January 2014, 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	1,710,720	-	1,710,720
Bonus	1,140,480	-	1,140,480
Fees	-	202,125	202,125
Meetings Allowance	8,000	6,000	14,000
Estimated monetary value of benefit-in-kind	60,586	-	60,586
Defined contribution plan	370,809	-	370,809

ii. Remuneration Band

Executive Directors	
RM750,001 – RM800,000	3
RM950,001 – RM1,000,000	1
Non-Executive Directors	
RM0 – RM50,000	1
RM50,001 – RM100,000	3

Statement on Corporate Governance
(Cont'd)

Principle 3 REINFORCE INDEPENDENCE

Independent Non-Executive Directors

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

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

The Nominating Committee and the Board have also determined that Mr Gan Kim Guan and Mr Yeo Jon Tian @ Eeyo Jon Thiam, who have served on the Board as Independent Directors, each exceeding a cumulative term of nine (9) years, remain unbiased, objective and independent in expressing their opinions and in participating in decision making of the Board. The length of their service on the Board has not in any way interfered with their objective and independent judgement in carrying out their roles as members of the Board and Committees. Furthermore, their pertinent expertise, skills and detailed knowledge of the Group's businesses and operations enable them to make significant contributions actively and effectively to the Company's decision making during deliberations or discussions.

In this respect, the Board has approved the continuation of Mr Gan Kim Guan and Mr Yeo Jon Tian @ Eeyo Jon Thiam, as Independent Directors of the Company. The Board believes that it is in the best position to identify, evaluate and determine whether any Independent Director can continue acting in the best interests of the Company and bringing independent and professional judgement to board deliberations.

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.

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

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 64% 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.

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

- His vast experience in managing the operations of the Group's property development and construction which would enable him to provide the Board with a diverse set of experience, expertise and skills to better manage and run the Group;

Statement on Corporate Governance
(Cont'd)

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

- 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.

Principle 4 FOSTER COMMITMENT

Board Meetings

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

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

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

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

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

Name of Director	Status of Directorship	Number of Board Meetings Attended	Percentage (%)
Gooi Seong Lim	Chairman and Managing Director	4	100
Gooi Seong Heen	Executive Director	4	100
Gooi Seong Chneh	Executive Director	4	100
Gooi Seong Gum	Executive Director	4	100
Gan Kim Guan	Senior Independent Non-Executive Director	4	100
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Non-Executive Director	3	75
Tan Ah Lai	Independent Non-Executive Director	4	100
Chew Ching Chong (appointed on 26.11.2013)	Independent Non-Executive Director	1	100

Directors Training

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

Directors Training (cont'd)

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

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

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	• OCBC Wealth – Mid Year Market Outlook Seminar • JP Morgan September Insights Tour 2013 • Alan Duncan – Private Wealth Network (family dynamics & restructuring, investment & opportunities and giving / philanthropy) • JP Morgan – Staying the course in the Year of the Horse	9 Jul 13 11 Sept 13 19 Nov 13 27 Jan 14
Gooi Seong Heen	• Bursa Malaysia POC 2013 – (Price Volatility – Ride It, Manage It) • JP Morgan – Wealth Insight • 2013 Audit Committee Institute Breakfast Roundtable Series (Non-Executive Directors Remuneration Survey 2013 & Corporate Governance Guide (2nd Edition) • JP Morgan – Staying the course in the Year of the Horse	4 to 6 Mar 13 5 Nov 13 19 Dec 13 27 Jan 14
Gooi Seong Chneh	• Ganoderma Disease In Oil Palm – Detection, Control and Management	26 & 27 Jul 13
Gooi Seong Gum	• 2013 Audit Committee Institute Breakfast Roundtable Series (Non-Executive Directors Remuneration Survey 2013 & Corporate Governance Guide (2nd Edition)	19 Dec 13
Gan Kim Guan	• MIA – ACCA Forum 2013: The Value of Quality Audit • The Institute of Internal Auditors Malaysia - 2013 National Conference On Internal Auditing (Scaling Greater Heights : Adding Value) • CTIM – Workshop on Income from Letting Real Properties; for Investment Holding Companies and other Investors	5 Jul 13 23 & 24 Sept 13 30 Oct 13
Tan Ah Lai	• CTIM – Workshop on Pioneer Status or Investment Tax Allowance: Making a Choice • IRB – CTIM Roadshow 2013: The Importance of Taxpayer Compliance • MIA – Malaysian Financial Reporting Standards – Impact on Company Tax • MIA – Tax Implication and Treatment of Income and Expenditure • MIA – Accounting and Tax Treatment for Revenue and Expenditure • MIA & M.A.T.A – Persidangan Cukai Malaysia 2013 • CTIM – 2014 Budget	21 Mar 13 27 Mar 13 9 & 10 Apr 13 28 May 13 29 & 30 May 13 11 & 12 Jun 13 7 Nov 13
Yeo Jon Tian @ Eeyo Jon Thiam	• The Institute of Internal Auditors Malaysia – Financial Auditing in Internal Audit Environment	5 Sept 13
Chew Ching Chong	• Bursatra Sdn Bhd – Mandatory Accreditation Program for Directors of Public Listed Companies	15 & 16 Jan 14

Statement on Corporate Governance
(Cont'd)

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

The Board acknowledges the gender diversity as published in the Code and recognizes the strategic and business benefits of having a balanced board. Hence, appointment of new Board member will not only be guided solely by gender but competencies, knowledge and experience of the candidate. Female representation will be considered when suitable candidates are identified.

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

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

The Company's Articles of Association provide that at least one-third (1/3) of the Board is required to retire by rotation at each AGM provided always that each Director shall retire at least once in every three years. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment in accordance with the Articles of Association. This provides an opportunity for shareholders to renew their mandate. To assist shareholders in their decision, sufficient information such as personal profile and meeting attendance of each Director standing for re-appointment or re-election at the forthcoming AGM are shown in the Notice of AGM (Ordinary Resolutions 4,5, 6 & 7) on page 4 and the profile of Directors on pages 18 to 20.

Principle 5 UPHOLD INTEGRITY IN FINANCIAL REPORTING

Internal Control

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

The review on the systems of internal control is set out under the Statement on Risk Management & Internal Control as set out in pages 45 to 48 of this Annual Report.

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.

Statement on Corporate Governance

External Auditors

The Board through the establishment of the Audit Committee, has established a good working relationship with its External Auditors i.e., Messrs Raki CS Tan & Ramanan. The Group also maintains a transparent and professional relationship with its External Auditors in seeking professional advice and ensuring compliance with the applicable Financial Reporting Standards in Malaysia. Messrs Raki CS Tan & Ramanan 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 to ensure that it is not in conflict with the role of the External Auditors or their independence. The Audit Committee is responsible to review all the non-audit services provided by the External Auditors and the aggregate amount of fees paid to them. Details of the amounts paid to the External Auditors for non-audit services performed during the year are set out in the Additional Compliance Information of this Annual Report.

The Audit Committee is also aware on the recommendation of the Code to have policies and procedures to assess the suitability and independence of External Auditors. Considering the expertise and existing business knowledge of the current External Auditors and the location of the Company and its subsidiaries, the Audit Committee is of the opinion that the current External auditors are still suitable for re-appointment. While assessing the independence of the External Auditors, the Audit Committee is satisfied and agreed with the representation by the External Auditors in their Audit Planning Memorandum for the audit of the financial year ended 31 January 2014, 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 2014, the external auditors were not engaged for any other significant services other than the statutory audit.

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

Principle 6 RECOGNISE AND MANAGE RISK

Risk Management Framework

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

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

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.

Statement on Corporate Governance
(Cont'd)

Internal Audit function (cont'd)

The main purpose of the Internal Auditors are:

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

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

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

The Internal Auditors communicate and report directly to the Audit Committee on 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 RM148,700.

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

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

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

Principle 7 ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

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

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.

Principle 8 STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Dialogue between the Group and Investors

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

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

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

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

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

AGM

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

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

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders can also leave written questions for the Board to respond. The Shares Registrar is available to attend to matters relating to shareholders' interests.

Poll Voting

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

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

Statement on Corporate Governance
(Cont'd)

Annual Report

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

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

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

Compliance Statement

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

The Company has complied with the relevant Principles and Recommendations as set out in the Code except as follows:

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 has assessed and opined that Mr Gooi Seong Lim should remain as the Executive Chairman and Managing Director based on the justification stated in pages 35 and 36. 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 26 June 2014.

Statement on Directors' Responsibilities

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

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

In preparing the financial statements, the Directors have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent; and
- prepared the annual financial statements in accordance with applicable Financial Reporting Standards in Malaysia, the 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 2014 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 re-sold 1,210,000 treasury shares and subsequently repurchased a total of 765,000 shares. As at 31 January 2014, the Company held a total of 765,000 treasury shares. Other details of the resale of treasury share and the share buy back are disclosed in Note 16(b) to the Financial Statements. The Company is seeking a renewal of shareholders' mandate for the Share Buy-Back at the forthcoming 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 16 to the Financial Statements

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

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

Non-audit fees
Non-audit fee paid and payable to the External Auditors, Messrs Raki CS Tan & Ramanan, during the financial year 2014 was RM3,000.

Variation in results
There was no material variation between the results for the financial year ended 31 January 2014 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 33 to the Financial Statements. The Group did not seek for shareholders' mandate for Recurrent Related Party Transactions at the last AGM as the aggregate value of transactions was not expected to exceed the threshold prescribed under the Listing Requirements of Bursa Securities.

This Statement is made in accordance with a resolution of the Board dated 26 June 2014.

Statement on Risk Management & Internal Control

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

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

BOARD RESPONSIBILITIES

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

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

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

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

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

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

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

Statement on Risk Management & Internal Control
(Cont'd)

KEY FEATURE OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

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

i. Control Environment

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

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

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

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

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

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

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

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

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

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

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 comprising the Executive Directors, Heads of Divisions & Departments ("HODS") and staff from key operations. They have also been trained to identify the risks relating to their areas; the likelihood of these risks occurring; the consequences if they do occur; and the actions being and/or to be taken to manage these risks to the desired level. The risk profiles and risk treatment measures determined from this process are documented in risk registers with each business or operations area having its respective risk register. The risk registers are eventually compiled to form the Group Risk Profile for reporting to the RMC and the Audit Committee.

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

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 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.

Statement on Risk Management & Internal Control
(Cont'd)

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 & Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2014. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants.

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

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

CONCLUSION

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

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

This Statement is made in accordance with a resolution of the Board of Directors dated 26 June 2014.

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 2014 and in compliance with Paragraph 15.15 (1) of the Listing Requirements of Bursa Securities.

MEMBERS OF THE AUDIT COMMITTEE

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

The members are:

Chairman	:	Gan Kim Guan
Members	:	Yeo Jon Tian @ Eeyo Jon Thiam
		Tan Ah Lai
		Chew Ching Chong (appointed on 26.11.2013)
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 Group Financial Controller, Financial Controller, Senior Finance Manager, the Internal Auditors and representative of the External Auditors normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee, specific to the relevant meeting. However, the Committee should meet with the External Auditors without executive Board members present at least twice a year.

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

Report of the Audit Committee
(Cont'd)

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 2014, the Audit Committee held a total of five (5) 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	5	5
Yeo Jon Tian @ Eeyo Jon Thiam	5	4
Tan Ah Lai	5	5
Chew Ching Chong	1	1

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

Name	Program	Date
Gan Kim Guan	• MIA – ACCA Forum 2013: The Value of Quality Audit	5 Jul 13
	• The Institute of Internal Auditors Malaysia – 2013 National Conference On Internal Auditing (Scaling Greater Heights : Adding Value)	23 & 24 Sept 13
	• CTIM – Workshop on Income from Letting Real Properties; for Investment Holding Companies and other Investors	30 Oct 13
Tan Ah Lai	• CTIM – Workshop on Pioneer Status or Investment Tax Allowance: Making a Choice	21 Mar 13
	• IRB – CTIM Roadshow 2013: The Importance of Taxpayer Compliance	27 Mar 13
	• MIA – Malaysian Financial Reporting Standards – Impact on Company Tax	9 & 10 Apr 13
	• MIA – Tax Implication and Treatment of Income and Expenditure	28 May 13
	• MIA – Accounting and Tax Treatment for Revenue and Expenditure	29 & 30 May 13
	• MIA & M.A.T.A – Persidangan Cukai Malaysia 2013	11 & 12 Jun 13
	• CTIM – 2014 Budget	7 Nov 13
Yeo Jon Tian @ Eeyo Jon Thiam	• The Institute of Internal Auditors Malaysia – Financial Auditing in Internal Audit Environment	5 Sept 2013
Chew Ching Chong	• Bursatra Sdn Bhd – Mandatory Accreditation Program for Directors of Public Listed Companies	15 & 16 Jan 14

Report of the Audit Committee
(Cont'd)

4. Functions

The Committee shall amongst others, discharge the following functions:

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

5. Rights

The Committee shall, in accordance with the procedures determined by the Board and at the cost of the Company:
a. have authority to investigate any matter within its Terms of Reference;
b. have the resources which are required to perform its duties;
c. have full and unrestricted access to all information and documents relevant to its activities as well as direct communication channels with the External Auditors, person(s) carrying out the internal audit function or activity and the Senior Management of the Group;
d. be able to obtain independent professional advice; and
e. be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Executive Directors and employees of the Company, whenever deemed necessary.

6. Reporting Procedures

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

Report of the Audit Committee
(Cont'd)

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 2014, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference. The main activities undertaken by the Audit Committee were as follows:

Financial and Operations Review

- Reviewed and recommended for the Board's approval the quarterly reports for announcement to Bursa Securities in compliance with the Financial Reporting Standards and adhered to other legal and regulatory requirements;
- Reviewed the annual audited financial statements of the Group and the Company. The Audit Committee discussed with the management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statement;
- Reviewed the impact of new or proposed changes in accounting standards and regulatory requirements of the Company;
- Reviewed the outcome of the risk management programme, including key risks identified, the potential impacts and the likelihood of the risks occurring, existing controls which can mitigate the risks and action plans; and
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with Best Practices set under the Malaysian Code of Corporate Governance 2012 in conjunction with the preparation of the Statement on Corporate Governance and Statement on Risk Management & Internal Control.

External Audit

- Reviewed the External Auditor's annual audit plan and audit strategy for the financial year ended 31 January 2014 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 nomination of the External Auditors and 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; 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 Report is made in accordance with a resolution of the Board of Directors dated 26 June 2014.

Report of the Remuneration Committee

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	:	Yeo Jon Tian @ Eeyo Jon Thiam
Members	:	Gan Kim Guan Gooi Seong Lim Tan Ah Lai Chew Ching Chong (appointed on 26.11.2013)
Secretaries	:	Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

TERMS OF REFERENCE

(1) Membership

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

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

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

The Company Secretaries shall be the Secretary of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once a year.

(3) Authority

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

(4) Duty

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

(5) Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met twice during the financial year 2014. 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	2	1
Gan Kim Guan	2	2
Gooi Seong Lim	2	2
Tan Ah Lai	2	2
Chew Ching Chong	N/A	N/A

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

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

This Report is made in accordance with a resolution of the Board of Directors dated 26 June 2014.

Report of the Nominating Committee

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	:	Gan Kim Guan
Members	:	Yeo Jon Tian @ Eeyo Jon Thiam Tan Ah Lai Chew Ching Chong (appointed on 26.11.2013)
Secretaries	:	Chong Fook Sin, Kan Chee Jing, Chua Yoke Bee

TERMS OF REFERENCE

(1) Membership

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

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

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

The Company Secretaries shall be the Secretaries of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once a year.

(3) Authority

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

(4) Duty

The duties of the Committee shall be:

i. to recommend to the Board, candidates for all directorships taking into consideration the candidates' qualification, character, skills, knowledge, expertise, experience, professionalism, integrity, competence and time commitment and in doing so, preference shall be given to shareholders or existing Board members and candidates proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any Director or shareholder may also be considered;

ii. to recommend to the Board, Directors to fill the seats in board committees;

iii. to review annually, on behalf of the Board, the required mix of skills, experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board, independence and diversity (including gender diversity) required to meet the needs of the Company;

iv. to carry out annually, on behalf of the Board, the assessment of the effectiveness of the Board as a whole, the board committees and the contribution of each individual Director; and

v. to establish a formal and transparent procedures for appointment of new Directors to the Board and make recommendations which include establishing selection criteria, short listing, assessing and evaluating suitable candidates against selection criteria and Board's requirements.

(5) Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2014.

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

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

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 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;
d) Assessed the independence of Independent Directors; and
e) Reviewed the nomination of Director.

This Report is made in accordance with a resolution of the Board of Directors dated 26 June 2014.

Financial Statements

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2014.

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	**121,052,049**	**38,324,233**
Non-controlling interest	**5,599,497**	**-**
Profit net of tax	**126,651,546**	**38,324,233**

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 2013 :	
A final single tier dividend of 8.0 sen per share on 212,096,236 ordinary shares, paid on 30 August 2013	16,967,699
In respect of the financial year ended 31 January 2014 :	
Interim single tier dividend of 7.0 sen per share on 227,582,317 ordinary shares, paid on 22 November 2013	15,930,762
	32,898,461

The Directors recommend the payment of a final single tier dividend of 9.0 sen per share in respect of the financial year ended 31 January 2014, 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 2015.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES, SHARE OPTIONS AND DEBENTURES

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

(i) 32,472,031 new ordinary shares of RM1 each were issued pursuant to the exercise of 32,472,031 Warrants.

(ii) 520,150 new ordinary shares of RM1 each were issued pursuant to the conversion of 520,150 ICULS.

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

SHARE BUY-BACK

The shareholders of the Company, by an ordinary resolution passed at the Seventeenth Annual General Meeting held on 29 July 2013, approved the Company's plan to repurchase its own shares up to a maximum of 19,618,533 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:

(i) sold 1,210,000 treasury shares in the open market on the Bursa Securities for a consideration of RM2,658,193. The average price sold for the treasury shares was approximately RM2.20 per share. The proceeds from the resale have been utilised for working capital purpose; and

(ii) repurchased 765,000 of its issued share capital from the open market on the Bursa Securities for RM2,369,578 at an average price of RM3.10 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

DIRECTORS

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

Gooi Seong Lim
Gooi Seong Heen
Gooi Seong Chneh
Gooi Seong Gum
Gan Kim Guan
Yeo Jon Tian @ Eeyo Jon Thiam
Tan Ah Lai
Chew Ching Chong (appointed on 26.11.2013)

Directors' Report
(Cont'd)

DIRECTORS (cont'd)

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 84 of the Company's Articles of Association, Chew Ching Chong is required to retire from the Board at the forthcoming Annual General Meeting, and being eligible, offers himself for re-election.

In accordance with Article 77 of the Company's Articles of Association, Gooi Seong Gum and Tan Ah Lai are required to retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

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

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangement with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Number of ordinary shares of RM1 each in the Company			
	At 1.2.2013/ Date of Appointment	Addition	Sold	At 31.1.2014
Gooi Seong Lim				
- direct interest	1,340,452	-	-	1,340,452
- indirect interest	122,961,824	31,445,981	(9,490,000)	144,917,805
Gooi Seong Heen				
- direct interest	4,559,121	-	-	4,559,121
- indirect interest	119,114,152	31,445,981	(9,490,000)	141,070,133
Gooi Seong Chneh				
- direct interest	4,144,124	-	-	4,144,124
- indirect interest	119,046,152	31,445,981	(9,490,000)	141,002,133
Gooi Seong Gum				
- indirect interest	119,046,152	31,445,981	(9,490,000)	141,002,133
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	60,000	-	-	60,000
- indirect interest	19,000	-	-	19,000
Chew Ching Chong				
- direct interest	10,000	-	-	10,000

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

	Number of ICULS 2009/2016 of RM1 nominal value each in the Company			
	At 1.2.2013	Addition	Converted	At 31.1.2014
Gooi Seong Lim				
- indirect interest	51,445,981	-	-	51,445,981
Gooi Seong Heen				
- indirect interest	51,445,981	-	-	51,445,981
Gooi Seong Chneh				
- indirect interest	51,445,981	-	-	51,445,981
Gooi Seong Gum				
- indirect interest	51,445,981	-	-	51,445,981

	Number of Warrants 2009/2014 in the Company			
	At 1.2.2013	Addition	Exercised	At 31.1.2014
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 ordinary shares of RM1 each in the related corporations			
	At 1.2.2013	Addition	Sold	At 31.1.2014
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	14,000	-	1,767,912
- 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 the related corporations			
	At 1.2.2013	Addition	Sold	At 31.1.2014
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 RM 1 each in a related corporation			
	At 1.2.2013	Granted	Exercised	At 31.1.2014
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

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

	Number of ordinary shares of RM100 each in the holding company – Sharikat Kim Loong Sendirian Berhad			
	At 1.2.2013	Addition	Sold	At 31.1.2014
Gooi Seong Lim				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Heen				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Chneh				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250
Gooi Seong Gum				
- direct interest	22,125	-	-	22,125
- indirect interest	11,250	-	-	11,250

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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 of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

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

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year ended 31 January 2014 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 39 to the financial statements.

AUDITORS

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

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

GOOI SEONG LIM
Director

GOOI SEONG GUM
Director

Dated: 26 May 2014

Statement by Directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, GOOI SEONG LIM and GOOI SEONG GUM, being two of the Directors of CRESCENDO CORPORATION BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 66 to 136 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 2014 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 137 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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

GOOI SEONG LIM
Director

GOOI SEONG GUM
Director

Dated: 26 May 2014

Statutory Declaration

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

I, YUEN SUH CHIN, being the Officer primarily responsible for the financial management of CRESCENDO CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 66 to 136 are, in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed YUEN SUH CHIN)
at Johor Bahru in the State of Johor Darul)
Takzim on 26 May 2014)

YUEN SUH CHIN
Officer

Before me,

Mohdzar Bin Khalid
No. J204
Commissioner of Oaths
Johor Bahru

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the financial statements of CRESCENDO CORPORATION BERHAD, which comprise the statements of financial position as at 31 January 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 66 to 136.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 January 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

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

Other Reporting Responsibilities

The supplementary information set out in Page 137 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

RAKI CS TAN & RAMANAN
Firm Number: AF 0190
Chartered Accountants

VENKATRAMANAN VISWANATHAN
Chartered Accountant
Approval Number: 1284/12/15(J/PH)
Partner

Johor Bahru,
Dated: 26 May 2014

Statements of Financial Position

AS AT 31 JANUARY 2014

	Note	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	**77,051,697**	55,205,649	**1,379,585**	1,503,095
Biological assets	4	**953,408**	595,362	**-**	-
Investment properties	5	**109,374,816**	29,113,985	**-**	-
Investment in subsidiaries	6	**-**	-	**173,165,277**	127,065,279
Available -for-sale financial assets	7	**-**	60,000	**-**	-
Land held for property development	8	**466,665,338**	450,988,022	**-**	-
Deferred tax assets	9	**8,242,667**	8,642,977	**709,667**	1,147,977
Amounts owing by subsidiaries	10	**-**	-	**60,287,810**	83,269,132
Derivative financial assets	11	**5,880,570**	-	**-**	-
		668,168,496	544,605,995	**235,542,339**	212,985,483
Current assets					
Property development costs	8	**25,625,040**	50,069,605	**-**	-
Inventories	12	**81,664,751**	86,292,476	**-**	-
Receivables	10	**80,520,714**	69,118,869	**67,627,414**	105,866,640
Other current assets	13	**20,988,283**	12,410,060	**148,196**	135,458
Tax recoverable		**430,626**	601,583	**-**	-
Cash and bank balances	14	**120,321,252**	23,227,594	**54,530,377**	2,210,940
		329,550,666	241,720,187	**122,305,987**	108,213,038
TOTAL ASSETS		**997,719,162**	786,326,182	**357,848,326**	321,198,521

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

Statements of Financial Position

AS AT 31 JANUARY 2014 (Cont'd)

	Note	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	**228,482,717**	195,490,536	**228,482,717**	195,490,536
Share premium	16	**19,109,566**	17,166,310	**19,109,566**	17,166,310
Treasury shares	16	**(2,369,578)**	(1,851,459)	**(2,369,578)**	(1,851,459)
Revaluation reserve	17	**33,794,597**	34,567,700	**-**	-
Warrants reserve	18	**-**	1,139,885	**-**	1,139,885
Hedging reserve	19	**4,192,849**	(733,662)	**-**	-
Equity component of ICULS	20	**43,791,892**	44,230,108	**43,791,892**	44,230,108
Other capital reserve		**426,200**	153,000	**-**	-
Retained earnings	21	**393,322,481**	305,368,124	**63,119,949**	57,734,317
		720,750,724	595,530,542	**352,134,546**	313,909,697
Non-controlling interests		**29,262,684**	19,104,449	**-**	-
Total equity		**750,013,408**	614,634,991	**352,134,546**	313,909,697
Non-current liabilities					
Loans and borrowings	22	**121,985,000**	77,201,123	**-**	-
Liability component of ICULS	20	**3,478,667**	5,171,910	**3,478,667**	5,171,910
Deferred tax liabilities	9	**6,697,845**	2,690,750	**-**	-
Derivative financial liabilities	11	**290,104**	733,662	**-**	-
		132,451,616	85,797,445	**3,478,667**	5,171,910
Current liabilities					
Payables	23	**74,257,829**	54,840,223	**1,882,114**	2,065,165
Due to customers on contracts	15	**584,067**	803,260	**-**	-
Loans and borrowings	22	**33,385,489**	24,878,034	**-**	-
Tax payable		**7,026,753**	5,372,229	**352,999**	51,749
		115,254,138	85,893,746	**2,235,113**	2,116,914
Total liabilities		**247,705,754**	171,691,191	**5,713,780**	7,288,824
TOTAL EQUITY AND LIABILITIES		**997,719,162**	786,326,182	**357,848,326**	321,198,521

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

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014

		GROUP		COMPANY	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Revenue	24	**310,354,790**	282,577,660	**51,677,953**	37,179,946
Cost of sales	24	**(181,736,072)**	(193,421,858)	**-**	-
Gross profit		**128,618,718**	89,155,802	**51,677,953**	37,179,946
Other items of income					
Rental income		**9,459,690**	5,787,927	**-**	-
Interest income		**2,863,254**	2,236,765	**6,668,368**	5,585,025
Net gain from fair value adjustment of investment properties		**38,857,671**	-	**-**	-
Other income		**3,541,390**	1,708,450	**47,999**	115
Other items of expense					
Administrative expenses		**(23,558,647)**	(18,107,896)	**(13,075,309)**	(10,474,462)
Finance cost	25	**(769,697)**	(797,911)	**(307,239)**	(404,188)
Profit before tax	26	**159,012,379**	79,983,137	**45,011,772**	31,886,436
Tax	29	**(32,360,833)**	(20,371,297)	**(6,687,539)**	(7,286,964)
Profit net of tax		**126,651,546**	59,611,840	**38,324,233**	24,599,472
Other Comprehensive Income, net of tax					
Net movements on cash flow hedges	19	**6,324,128**	481,815	**-**	-
Tax relating to cash flow hedges	9	**(1,397,617)**	-	**-**	-
Effect on change in tax rate on deferred tax	9	**(125,600)**	-	**-**	-
		4,800,911	481,815	**-**	-
Total comprehensive income for the year		**131,452,457**	60,093,655	**38,324,233**	24,599,472

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

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

		GROUP		COMPANY	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Profit attributable to :					
Owners of the Company		**121,052,049**	55,616,102	**38,324,233**	24,599,472
Non-controlling interests		**5,599,497**	3,995,738	**-**	-
		126,651,546	59,611,840	**38,324,233**	24,599,472
Total comprehensive income attributable to :					
Owners of the Company		**125,852,960**	56,097,917	**38,324,233**	24,599,472
Non-controlling interests		**5,599,497**	3,995,738	**-**	-
		131,452,457	60,093,655	**38,324,233**	24,599,472
Earnings per share attributable to owners of the Company (sen)					
Basic	30	**57.1**	29.1		
Diluted	30	**46.4**	22.1		

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014

2014	Note	Total Equity RM	Total RM	Share Capital RM	Share Premium RM	Revaluation Reserve RM
At 1.2.2013		**614,634,991**	**595,530,542**	**195,490,536**	**17,166,310**	**34,567,700**
Realisation of revaluation surplus		**-**	**-**	**-**	**-**	**(647,503)**
Total comprehensive income		**131,452,457**	**125,852,960**	**-**	**-**	**(125,600)**
Transactions with owners						
Purchase of treasury shares	16	**(2,369,578)**	**(2,369,578)**	**-**	**-**	**-**
Sale of treasury shares	16	**2,658,193**	**2,658,193**	**-**	**806,734**	**-**
Transfer to other capital reserve		**-**	**-**	**-**	**-**	**-**
Issuance of shares to non-controlling interests		**5,100,000**	**-**	**-**	**-**	**-**
Dilution of interest in subsidiary		**-**	**(533,394)**	**-**	**-**	**-**
Dividend paid to non-controlling interests		**(1,074,656)**	**-**	**-**	**-**	**-**
Exercise of Warrants	16	**32,472,031**	**32,472,031**	**32,472,031**	**-**	**-**
Conversion of ICULS	16	**38,431**	**38,431**	**520,150**	**-**	**-**
Transfer of reserve arising from exercise of Warrants	18	**-**	**-**	**-**	**1,136,522**	**-**
Transfer of reserve upon expiry of Warrants	18	**-**	**-**	**-**	**-**	**-**
Dividends	31	**(32,898,461)**	**(32,898,461)**	**-**	**-**	**-**
Total transactions with owners		**3,925,960**	**(632,778)**	**32,992,181**	**1,943,256**	**-**
At 31.1.2014		**750,013,408**	**720,750,724**	**228,482,717**	**19,109,566**	**33,794,597**
2013						
At 1.2.2012		564,176,372	548,963,667	183,477,583	16,633,948	34,567,700
Total comprehensive income		60,093,655	56,097,917	-	-	-
Transactions with owners						
Purchase of treasury shares	16	(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	16	1,864,342	1,864,342	1,593,900	270,442	-
Exercise of Warrants	16	4,227,400	4,227,400	4,227,400	-	-
Conversion of ICULS	16	595,856	595,856	6,191,653	-	-
Transfer of reserve arising from exercise of ESOS		-	-	-	113,962	-
Transfer of reserve arising from exercise of Warrants	18	-	-	-	147,958	-
Share-based payment expenses under ESOS		15,760	15,760	-	-	-
Transfer of reserve upon expiry of ESOS		-	-	-	-	-
Dividends	31	(16,013,579)	(16,013,579)	-	-	-
Total transactions with owners		(9,635,036)	(9,531,042)	12,012,953	532,362	-
At 31.1.2013		614,634,991	595,530,542	195,490,536	17,166,310	34,567,700

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

Attributable to owners of the Company							
Non-distributable					Distributable		
Shares Option Reserve RM	Warrants Reserve RM	Hedging Reserve RM	ICULS (Equity Component) RM	Other Capital Reserve RM	Retained Earnings RM	Treasury Shares RM	Non-controlling Interests RM
-	**1,139,885**	**(733,662)**	**44,230,108**	**153,000**	**305,368,124**	**(1,851,459)**	**19,104,449**
-	**-**	**-**	**-**	**-**	**647,503**	**-**	**-**
-	**-**	**4,926,511**	**-**	**-**	**121,052,049**	**-**	**5,599,497**
-	**-**	**-**	**-**	**-**	**-**	**(2,369,578)**	**-**
-	**-**	**-**	**-**	**-**	**-**	**1,851,459**	**-**
-	**-**	**-**	**-**	**273,200**	**(273,200)**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**5,100,000**
-	**-**	**-**	**-**	**-**	**(533,394)**	**-**	**533,394**
-	**-**	**-**	**-**	**-**	**-**	**-**	**(1,074,656)**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**(438,216)**	**-**	**(43,503)**	**-**	**-**
-	**(1,136,522)**	**-**	**-**	**-**	**-**	**-**	**-**
-	**(3,363)**	**-**	**-**	**-**	**3,363**	**-**	**-**
-	**-**	**-**	**-**	**-**	**(32,898,461)**	**-**	**-**
-	**(1,139,885)**	**-**	**(438,216)**	**273,200**	**(33,745,195)**	**(518,119)**	**4,558,738**
-	**-**	**4,192,849**	**43,791,892**	**426,200**	**393,322,481**	**(2,369,578)**	**29,262,684**
102,910	1,287,843	(1,215,477)	49,446,448	-	266,245,256	(1,582,544)	15,212,705
-	-	481,815	-	-	55,616,102	-	3,995,738
-	-	-	-	-	-	(268,915)	-
-	-	-	-	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	-	-
-	-	-	-	-	(16,013,579)	-	-
(102,910)	(147,958)	-	(5,216,340)	153,000	(16,493,234)	(268,915)	(103,994)
-	1,139,885	(733,662)	44,230,108	153,000	305,368,124	(1,851,459)	19,104,449

Company Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014

2014	Note	Total Equity RM	Share Capital RM
At 1.2.2013		**313,909,697**	**195,490,536**
Total comprehensive income		**38,324,233**	**-**
Transactions with owners			
Purchase of treasury shares	16	**(2,369,578)**	**-**
Sale of treasury shares	16	**2,658,193**	**-**
Exercise of Warrants	16	**32,472,031**	**32,472,031**
Conversion of ICULS	16	**38,431**	**520,150**
Transfer of reserve arising from exercise of Warrants	18	**-**	**-**
Transfer of reserve upon expiry Warrants	18	**-**	**-**
Dividends	31	**(32,898,461)**	**-**
Total transactions with owners		**(99,384)**	**32,992,181**
At 31.1.2014		**352,134,546**	**228,482,717**

2013	Note	Total Equity RM	Share Capital RM
At 1.2.2012		298,889,361	183,477,583
Total comprehensive income		24,599,472	-
Transactions with owners			
Purchase of treasury shares	16	(268,915)	-
Exercise of ESOS	16	1,864,342	1,593,900
Exercise of Warrants	16	4,227,400	4,227,400
Conversion of ICULS	16	595,856	6,191,653
Transfer of reserve arising from exercise of ESOS		-	-
Transfer of reserve arising from exercise of Warrants	18	-	-
Share-based payment expenses under ESOS		15,760	-
Transfer of reserve upon expiry of ESOS		-	-
Dividends	31	(16,013,579)	-
Total transactions with owners		(9,579,136)	12,012,953
At 31.1.2013		313,909,697	195,490,536

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

	Non-distributable				Distributable	
	Share Premium RM	Share Option Reserve RM	Warrants Reserve RM	ICULS (Equity Component) RM	Retained Earnings RM	Treasury Shares
	17,166,310	**-**	**1,139,885**	**44,230,108**	**57,734,317**	**(1,851,459)**
	-	**-**	**-**	**-**	**38,324,233**	**-**
	-	**-**	**-**	**-**	**-**	**(2,369,578)**
	806,734	**-**	**-**	**-**	**-**	**1,851,459**
	-	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**(438,216)**	**(43,503)**	**-**
	1,136,522	**-**	**(1,136,522)**	**-**	**-**	**-**
	-	**-**	**(3,363)**	**-**	**3,363**	**-**
	-	**-**	**-**	**-**	**(32,898,461)**	**-**
	1,943,256	**-**	**(1,139,885)**	**(438,216)**	**(32,938,601)**	**(518,119)**
	19,109,566	**-**	**-**	**43,791,892**	**63,119,949**	**(2,369,578)**
	16,633,948	102,910	1,287,843	49,446,448	49,523,173	(1,582,544)
	-	-	-	-	24,599,472	-
	-	-	-	-	-	(268,915)
	270,442	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	(5,216,340)	(379,457)	-
	113,962	(113,962)	-	-	-	-
	147,958	-	(147,958)	-	-	-
	-	15,760	-	-	-	-
	-	(4,708)	-	-	4,708	-
	-	-	-	-	(16,013,579)	-
	532,362	(102,910)	(147,958)	(5,216,340)	(16,388,328)	(268,915)
	17,166,310	-	1,139,885	44,230,108	57,734,317	(1,851,459)

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014

	Note	2014 RM	2013 RM
Operating activities			
Cash receipts from customers		312,900,046	288,571,437
Cash paid to suppliers and employees		(192,573,457)	(243,588,400)
Cash generated from operations		120,326,589	44,983,037
Deposit interest received		1,880,083	2,275,451
Interest paid		(4,988,991)	(7,108,429)
Tax paid		(27,663,973)	(22,081,067)
Net cash from operating activities		89,553,708	18,068,992
Investing activities			
Acquisition of property, plant and equipment	A	(25,664,065)	(12,412,793)
Acquisition of biological assets	B	(370,826)	(368,912)
Acquisition of investment properties	C	(22,446,226)	(8,520,855)
Acquisition of additional shares in a subsidiary		-	(180,900)
(Pledge)/Withdrawal of time deposits		(1,006,855)	16,040
Proceeds from disposal of plant and equipment		793,799	326,520
Proceeds from compulsory acquisitions		-	15,409
Net cash used in investing activities		(48,694,173)	(21,125,491)
Financing activities			
Proceeds from issuance of shares			
- ESOS exercised		-	1,864,342
- Warrants		32,472,031	4,227,400
Proceeds from issuance of shares to non-controlling interest		5,100,000	125,000
Resale/(Acquisition) of treasury shares		288,615	(268,915)
Proceeds from loans and borrowings		67,108,877	18,526,123
Repayment of hire purchase payables		-	(41,176)
Repayment of loans and borrowings		(21,320,000)	(52,801,667)
Dividends paid		(32,898,461)	(20,086,674)
Dividends paid to non-controlling interests		(1,074,656)	-
ICULS interest paid		(1,951,593)	(1,968,748)
Net cash from/(used in) financing activities		47,724,813	(50,424,315)
Net increase/(decrease) in cash and cash equivalents		88,584,348	(53,480,814)
Cash and cash equivalents at the beginning of the financial year		22,324,997	75,805,811
Cash and cash equivalents at the end of the financial year	32	110,909,345	22,324,997

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

	2014 RM	2013 RM
Notes to Consolidated Statement of Cash Flows		
A Acquisition of property, plant and equipment		
Property, plant and equipment acquired	**25,904,339**	12,806,832
Unpaid balance included under payables	**(1,171,022)**	(1,079,966)
Cash paid in respect of prior year acquisition	**955,458**	564,417
Deposits paid in current year	**(24,710)**	121,510
Cash paid	**25,664,065**	12,412,793
B Acquisition of biological assets		
Biological assets acquired	**358,046**	381,692
Unpaid balance included under payables	**-**	(12,780)
Cash paid in respect of prior year acquisition	**12,780**	-
Cash paid	**370,826**	368,912
C Acquisition of investment properties		
Investment properties acquired	**27,227,106**	9,843,805
Unpaid balance included under payables	**(5,326,113)**	(1,322,950)
Cash paid in respect of prior year acquisition	**545,233**	-
Cash paid	**22,446,226**	8,520,855

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

Company Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014

	Note	2014 RM	2013 RM
Operating activities			
Cash receipts from customers		**15,885,668**	12,412,603
Dividends received from subsidiaries		**36,603,008**	24,177,005
Cash paid to suppliers and employees		**(13,623,730)**	(9,546,264)
Cash generated from operations		**38,864,946**	27,043,344
Interest received		**6,607,608**	5,622,240
Tax paid		**(5,960,788)**	(7,308,574)
Net cash from operating activities		**39,511,766**	25,357,010
Investing activities			
Acquisition of plant and equipment	3	**(489,665)**	(969,981)
Proceeds from disposal of plant and equipment		**48,000**	170
Acquisition of additional shares in subsidiaries		**(15,099,998)**	(2)
Advance to subsidiaries		**(23,185,549)**	(39,791,924)
Repayment from subsidiaries		**53,619,034**	10,268,765
Net cash from/(used in) investing activities		**14,891,822**	(30,492,972)
Financing activities			
Proceeds from issuance of shares			
- ESOS exercised		**-**	1,864,342
- Warrants		**32,472,031**	4,227,400
Sale/(Acquisition) of treasury shares		**288,615**	(268,915)
Repayment from holding company		**-**	3,323
Advance from/(Repayment to) related companies		**8,546**	(492)
(Repayment to)/Advance from a subsidiary		**(3,289)**	81,496
Dividends paid		**(32,898,461)**	(20,086,674)
ICULS interest paid		**(1,951,593)**	(1,968,748)
Net cash used in financing activities		**(2,084,151)**	(16,148,268)
Net increase/(decrease) in cash and cash equivalents		**52,319,437**	(21,284,230)
Cash and cash equivalents at the beginning of the financial year		**2,210,940**	23,495,170
Cash and cash equivalents at the end of the financial year	32	**54,530,377**	2,210,940

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014

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

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

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

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

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

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

(f) Authorisation for issue of financial statements

These financial statements were authorised for issue by the Board of Directors on 26 May 2014.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

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

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

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

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

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

The Group and the Company adopted the following new and amended FRSs relevant to the current operations of the Group and the Company for the financial year ended 31 January 2014 :

FRS and interpretations

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosures of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Improvements to FRSs issued in 2012	
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities : Transition Guidance

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

The Group and the Company have not elected for early adoption of the following new and amended FRSs relevant to the current operations of the Group and of the Company, which were issued but not yet effective for the financial year ending 31 January 2014 :

FRS and Interpretations		Effective for financial periods beginning on or after
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
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to FRS 119	Defined Benefit Plans : Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle		1 July 2014
FRS 9	Financial Instruments	To be announced
Amendments to FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosure	Effective upon application of FRS 9

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

FRS 9 : Financial Instruments

FRS 9 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.

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

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

Migration to MFRS framework

The Malaysian Accounting Standards Board ("MASB"), 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 including its parent, significant investor and venture (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer the adoption of the new MFRS Framework and may in the alternatives, apply FRS as its financial reporting framework for annual periods beginning or after 1 January 2014.

The Group and the Company fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will present their first set of MFRS financial statements when the MFRS Framework is mandated by the MASB. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company have not completed their assessment of the financial impact of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly the financial performance and financial position as disclosed these financial statements for the year ended 31 January 2014 could be different if prepared under the MFRS Framework.

2.3 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

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

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

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

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

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

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

2.3 Summary of significant accounting policies (cont'd)

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

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

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

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

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

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

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

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

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

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.

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

2.3 Summary of significant accounting policies (cont'd)

(b) Property, plant and equipment

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(s).

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

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

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

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

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

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

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

2.3 Summary of significant accounting policies (cont'd)

(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.

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

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

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

(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(s).

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

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

ii. Property development costs

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

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.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (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.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (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.

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

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

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

2.3 Summary of significant accounting policies (cont'd)

(j) Financial assets (cont'd)

i. Loan 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.

(k) 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.

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

2.3 Summary of significant accounting policies (cont'd)

(k) 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.

(l) 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.

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

2.3 Summary of significant accounting policies (cont'd)

(l) Financial liabilities (cont'd)

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

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

(m) Employee benefits

i. Short term benefits

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

ii. Defined contribution plans

The Group 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.

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

2.3 Summary of significant accounting policies (cont'd)

(n) Revenue recognition

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

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

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

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

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

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

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

(o) 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.

(p) 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.

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

2.3 Summary of significant accounting policies (cont'd)

(p) Borrowing costs (cont'd)

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

(q) 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.

(r) 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.

(s) 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.

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

2.3 Summary of significant accounting policies (cont'd)

(s) Impairment of non-financial assets (cont'd)

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.

(t) Segment reporting

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

(u) 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.

(v) 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.

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

2.3 Summary of significant accounting policies (cont'd)

(v) Hedge accounting (cont'd)

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.

(w) 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.

(x) Fair value measurement

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

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

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

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

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

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

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

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

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

2.3 Summary of significant accounting policies (cont'd)

(x) Fair value measurement (cont'd)

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

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

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

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

(y) Current versus non-current classification

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

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

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

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

All other liabilities are classified as non-current.

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

2.4 Significant accounting judgements and estimates

(a) Judgements

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

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

2.4 Significant accounting judgements and estimates (cont'd)

(b) Key sources of estimation uncertainty

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

i. Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these plant and equipment to be within 5 to 10 years which are the common life expectancies. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 3. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 0.1% (2013 : 0.2%) variance in the Group's profit for the year.

ii. Property development

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

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

iii. Construction contracts

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

iv. Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowance to the extent that it is probable that taxable profit will be available against which the tax losses, capital allowances and reinvestment allowance can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying amount of recognised deferred tax assets arising from unused tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowance of the Group was RM1,120,000 (2013: RM1,234,000). The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses of the Group was RM1,603,000 (2013 : RM1,029,000).

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

2.4 Significant accounting judgements and estimates (cont'd)

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

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
At 31 January 2014						
Cost or Valuation						
At 1.2.2013						
At cost	14,753,353	12,306,522	5,751,330	13,095,262	991,736	46,898,203
At valuation	28,508,885	-	-	-	-	28,508,885
	43,262,238	12,306,522	5,751,330	13,095,262	991,736	75,407,088
Additions	20,448,893	1,630,331	1,452,805	1,493,228	100,274	25,125,531
Transfer from property development costs	778,808	-	-	-	-	778,808
Disposal/Write off	(762,445)	(73,796)	(109,437)	(809,786)	-	(1,755,464)
Reclassification	-	-	462,736	-	(462,736)	-
At 31.1.2014	63,727,494	13,863,057	7,557,434	13,778,704	629,274	99,555,963
Representing:						
At cost	35,576,494	13,863,057	7,557,434	13,778,704	629,274	71,404,963
At valuation	28,151,000	-	-	-	-	28,151,000
At 31.1.2014	63,727,494	13,863,057	7,557,434	13,778,704	629,274	99,555,963

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

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

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
At 31 January 2014 (cont'd)						
Accumulated depreciation						
At 1.2.2013	1,223,350	7,958,237	3,665,625	7,354,227	-	20,201,439
Depreciation charge for the year:	488,611	1,273,675	616,041	597,704	-	2,976,031
Recognised in profit or loss (Note 26)	488,611	1,212,682	616,041	552,463	-	2,869,797
Capitalised in construction costs (Note 15)	-	60,993	-	45,241	-	106,234
Disposal/Write off	(224,889)	(24,374)	(81,340)	(342,601)	-	(673,204)
At 31.1.2014	1,487,072	9,207,538	4,200,326	7,609,330	-	22,504,266
Net carrying amount						
At cost	34,089,422	4,655,519	3,357,108	6,169,374	629,274	48,900,697
At valuation	28,151,000	-	-	-	-	28,151,000
At 31.1.2014	62,240,422	4,655,519	3,357,108	6,169,374	629,274	77,051,697
Net carrying amount of assets under restriction of title due to loans and borrowings	20,400,865	887,676	145,612	886,391	-	22,320,544
At 31 January 2013						
Cost or Valuation						
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)	-
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
At 31.1.2013	43,262,238	12,306,522	5,751,330	13,095,262	991,736	75,407,088

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

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
At 31 January 2013 (cont'd)						
Accumulated depreciation						
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 26)	248,145	1,265,554	400,176	488,895	-	2,402,770
Capitalised in construction costs (Note 15)	-	74,603	-	30,641	-	105,244
Disposal/Write off	-	(308,800)	(44,379)	(273,872)	-	(627,051)
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
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

Properties of the Group:

GROUP	Freehold land RM	Buildings RM	Total RM
At 31 January 2014			
Cost or Valuation			
At 1.2.2013			
At cost	-	14,753,353	14,753,353
At valuation	28,508,885	-	28,508,885
	28,508,885	14,753,353	43,262,238
Additions	20,414,116	34,777	20,448,893
Transfer from property development costs	122,598	656,210	778,808
Disposals	(357,885)	(404,560)	(762,445)
At 31.1.2014	48,687,714	15,039,780	63,727,494
Representing:			
At cost	20,536,714	15,039,780	35,576,494
At valuation	28,151,000	-	28,151,000
At 31.1.2014	48,687,714	15,039,780	63,727,494

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

Properties of the Group: (cont'd)

GROUP	Freehold land RM	Buildings RM	Total RM
At 31 January 2014 (cont'd)			
Accumulated depreciation			
At 1.2.2013	-	1,223,350	1,223,350
Depreciation charge for the year:			
Recognised in profit or loss	-	488,611	488,611
Disposals	-	(224,889)	(224,889)
At 31.1.2014	-	1,487,072	1,487,072
Net carrying amount			
At cost	20,536,714	13,552,708	34,089,422
At valuation	28,151,000	-	28,151,000
At 31.1.2014	48,687,714	13,552,708	62,240,422
At 31 January 2013			
Cost or Valuation			
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
At 31.1.2013	28,508,885	14,753,353	43,262,238
Representing :			
At cost	-	14,753,353	14,753,353
At valuation	28,508,885	-	28,508,885
At 31.1.2013	28,508,885	14,753,353	43,262,238
Accumulated depreciation			
At 1.2.2012	-	975,205	975,205
Depreciation charge for the year:			
Recognised in profit or loss	-	248,145	248,145
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
At 31.1.2013	28,508,885	13,530,003	42,038,888

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

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

COMPANY	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
At 31 January 2014			
Cost			
At 1.2.2013	1,159,212	1,781,157	2,940,369
Additions	39,665	450,000	489,665
Disposal/Write off	(14,272)	(734,829)	(749,101)
At 31.1.2014	1,184,605	1,496,328	2,680,933
Accumulated depreciation			
At 1.2.2013	804,412	632,862	1,437,274
Depreciation charge for the year:			
Recognised in profit or loss (Note 26)	92,306	104,815	197,121
Disposal/Write off	(13,158)	(319,889)	(333,047)
At 31.1.2014	883,560	417,788	1,301,348
Net carrying amount	301,045	1,078,540	1,379,585
At 31 January 2013			
Cost			
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)
At 31.1.2013	1,159,212	1,781,157	2,940,369
Accumulated depreciation			
At 1.2.2012	745,113	575,303	1,320,416
Depreciation charge for the year:			
Recognised in profit or loss (Note 26)	82,980	57,559	140,539
Disposal/Write off	(23,681)	-	(23,681)
At 31.1.2013	804,412	632,862	1,437,274
Net carrying amount	354,800	1,148,295	1,503,095

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

Included in Group's properties was interest capitalised during the financial year 2013 amounting to RM216,772.

Valuation of freehold land was carried out on 21 December 2009 by the qualified valuer, using the comparison method to reflect its fair value. All acquisitions/transfers to freehold land since the date of last revaluation are stated at cost and in the opinion of the Directors, the carrying amounts approximate their fair value.

	GROUP	
	2014 RM	2013 RM
Net carrying amount of revalued freehold land, had these assets been carried at cost	**6,798,098**	6,853,538

Certain parcels of freehold land of the subsidiaries with net carrying amount of RM28,151,000 (2013: RM28,151,000) are registered in the name of the ultimate holding company. The said subsidiaries are the beneficial owners of the freehold land.

4. BIOLOGICAL ASSETS

	GROUP	
	2014 RM	2013 RM
Cost/Net carrying amount		
At 1 February 2013/2012	**595,362**	213,670
Additions	**358,046**	381,692
At 31 January 2014/2013	**953,408**	595,362

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

5. INVESTMENT PROPERTIES

GROUP	Investment properties RM	Investment properties under construction RM	Total RM
At 31 January 2014			
At 1 February 2013	**19,270,180**	**9,843,805**	**29,113,985**
Additions	**-**	**27,227,106**	**27,227,106**
Net gains from fair value adjustments recognised in profit or loss	**38,857,671**	**-**	**38,857,671**
Transfer from property development cost	**14,176,054**	**-**	**14,176,054**
Reclassification	**19,003,431**	**(19,003,431)**	**-**
At 31 January 2014	**91,307,336**	**18,067,480**	**109,374,816**
At 31 January 2013			
At 1 February 2012	-	-	-
Additions	-	9,843,805	9,843,805
Transfer from property development cost	19,270,180	-	19,270,180
At 31 January 2013	19,270,180	9,843,805	29,113,985

Investment properties are stated at fair value, which has been determined based on valuations performed by Chan An Nee (MRISM,MRICS), a registered valuer with CCO & Associates, Chartered Valuation Surveyors, using the comparison method and cost methods to reflect the fair value.

Included in investment properties is interest capitalised during the financial year amounting to RM639,502 (2013: Nil).

Certain investment properties amounting to RM102,010,965 (2013: Nil) are pledged to a licensed bank as security for the loans and borrowings (Note 22).

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

GROUP	31 January RM	Level 1 RM	Level 2 RM	Level 3 RM
2014				
Investment properties	**91,307,336**	-	**91,307,336**	-
2013				
Investment properties	19,270,180	-	19,270,180	-

Investment properties are stated at fair value based on valuation performed by independent professional valuer, who holds a recognised relevant professional qualification and has recent experience in the locations and categories of investment properties valued. The fair value of the investment properties as at 31 January 2014 was RM91,307,336.

There were no transfers between the various categories in the hierarchy of the fair value measurement during the reporting period ended 31 January 2014 and 31 January 2013.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2014 RM	2013 RM
Unquoted shares, at cost	**173,165,277**	127,065,279

The subsidiaries which are incorporated in Malaysia are as follows:

Name	Principal activities	Proportion of effective ownership interest 2014	2013
Held by the Company:			
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holding	**100%**	100%
Panoramic Jaya Sdn. Bhd.	Property development	**70%**	70%
Crescendo Development Sdn. Bhd.	Property development and cultivation of oil palm	**100%**	100%
Unibase Construction Sdn. Bhd.	Building and general contractors, civil engineering work and investment holding	**100%**	100%
Crescendo Education Sdn. Bhd.	Investment holding	**100%**	100%
Crescendo Commercial Complex Sdn. Bhd.	Property investment	**100%**	100%
Panoramic Land Sdn. Bhd.	Property investment	**100%**	100%
Medini Capital Sdn. Bhd.	Property development	**51%**	-
Held by Panoramic Industrial Development Sdn. Bhd.			
Ambok Resorts Development Sdn. Bhd.	Property development	**100%**	100%
Held by Crescendo Development Sdn. Bhd.			
Crescendo Jaya Sdn. Bhd.	Property development	**70%**	70%
Crescendo Land Sdn. Bhd.	Property development	**90%**	90%
Held by Crescendo Education Sdn. Bhd.			
Crescendo International College Sdn. Bhd.	Providing educational services	**55%**	55%
Crescendo Creative Education Sdn. Bhd.	Dormant	**100%**	100%
Held by Unibase Construction Sdn. Bhd.			
Unibase Concrete Industries Sdn. Bhd.	Trading and manufacturing of concrete products	**60%**	60%
Unibase Corporation Sdn. Bhd.	Building and general contractors, civil engineering work and investment holding	**100%**	100%

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Name	Principal activities	Proportion of effective ownership interest 2014	2013
Held by Unibase Concrete Industries Sdn. Bhd.			
Unibase Pre-cast Sdn. Bhd.	Fabrication, trading and marketing of concrete products	**50.4%**	51%
Unibase Trading Sdn. Bhd.	Trading of building materials	**60%**	60%
Unibase Jaya Sdn. Bhd.	Dormant	**48%**	60%
Held by Unibase Corporation Sdn. Bhd.			
Repute Ventures Sdn. Bhd.	Investment holding	**70%**	70%
Held by Repute Ventures Sdn. Bhd.			
Repute Construction Sdn. Bhd.	Buildings construction	**60%**	60%
Repute Corporation Sdn. Bhd.	Buildings construction	**70%**	70%

The financial statements of these subsidiaries are audited by Raki CS Tan & Ramanan.

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

(i) Summarised statement of financial position

	2014 RM	2013 RM
Non-current assets	**32,579,891**	10,747,112
Current assets	**101,015,022**	93,810,982
Total assets	**133,594,913**	104,558,094
Current liabilities	**65,621,075**	46,535,772
Non-current liabilities	**638,000**	272,122
Total liabilities	**66,259,075**	46,807,894
Net assets	**67,335,838**	57,750,200
Equity attributable to owners of the Company	**45,389,649**	40,078,594
Non-controlling interests	**21,946,189**	17,671,606
	67,335,838	57,750,200

6. INVESTMENT IN SUBSIDIARIES (cont'd)

(ii) Summarised statement of comprehensive income

	2014 RM	2013 RM
Revenue	**201,672,300**	243,708,532
Profit before tax	**13,867,307**	17,654,556
Profit net of tax	**10,460,295**	13,187,430
Total comprehensive income attributable to:		
- owner of the Company	**5,844,451**	9,924,525
- non-controlling interests	**4,615,844**	3,262,905
	10,460,295	13,187,430

(iii) Summarised statement of cash flows

	2014 RM	2013 RM
Net cash flows from operating activities	**11,487,058**	15,251,164
Net cash flows used in investing activities	**(22,419,680)**	(2,124,111)
Net cash flows from/(used in) financing activities	**6,788,437**	(4,241,975)
Net (decrease)/increase in cash and cash equivalents	**(4,144,185)**	8,885,078
Cash and cash equivalents at beginning of year	**15,723,865**	6,838,787
Cash and cash equivalents at end of the year	**11,579,680**	15,723,865

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	GROUP	
	2014 RM	2013 RM
Golf club membership		
At cost	**60,000**	60,000
Less : Written off during the year	**(60,000)**	-
Carrying value	**-**	60,000

The membership was 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
At 31 January 2014				
Cost				
At 1 February 2013	**304,204,271**	**46,166,192**	**100,617,559**	**450,988,022**
Cost incurred during the year	**7,550,121**	**1,307,615**	**23,232,946**	**32,090,682**
Transfer to property development costs {Note 8(b)}	**(8,858,185)**	**-**	**(7,555,181)**	**(16,413,366)**
At 31 January 2014	**302,896,207**	**47,473,807**	**116,295,324**	**466,665,538**
At 31 January 2013				
Cost				
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)
At 31 January 2013	304,204,271	46,166,192	100,617,559	450,988,022

	GROUP 2014 RM	GROUP 2013 RM
Carrying amount of assets under restriction of title due to loans and borrowings	**237,770,765**	231,434,768

Included in land held for property development costs incurred during the financial year is interest expenses amounting to RM4,662,520 (2013 : RM5,947,778) (Note 25).

Certain parcels of the freehold land with carrying amount of RM38,014,450 (2013 : 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

8. PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

(b) Property development costs

GROUP	Freehold land RM	Development costs RM	Total RM
At 31 January 2014			
Cumulative property development costs			
At 1 February 2013	**28,701,592**	**118,153,583**	**146,855,175**
Cost incurred during the year	**-**	**52,132,226**	**52,132,226**
Transfer from land held for property development {Note 8(a)}	**8,858,185**	**7,555,181**	**16,413,366**
Transfer to property, plant and equipment	**(8,241)**	**(770,567)**	**(778,808)**
Reversal of completed projects	**(24,520,938)**	**(101,845,307)**	**(126,366,245)**
Unsold units transferred to inventories	**(4,132,767)**	**(29,483,164)**	**(33,615,931)**
At 31 January 2014	**8,897,831**	**45,741,952**	**54,639,783**
Cumulative costs recognised in profit or loss			
At 1 February 2013	**(13,622,492)**	**(83,163,078)**	**(96,785,570)**
Recognised during the year	**(12,296,631)**	**(46,298,787)**	**(58,595,418)**
Reversal of completed projects	**24,520,938**	**101,845,307**	**126,366,245**
At 31 January 2014	**(1,398,185)**	**(27,616,558)**	**(29,014,743)**
Property development costs as at 31 January 2014	**7,499,646**	**18,125,394**	**25,626,040**
At 31 January 2013			
Cumulative property development costs			
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)
At 31 January 2013	28,701,592	118,153,583	146,855,175
Cumulative costs recognised in profit or loss			
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
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

Included in property development costs incurred during the financial year is interest expenses amounting to RM102,649 (2013 : RM1,996,682) (Note 25).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

8. PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

Certain parcels of the freehold land and leasehold land included in land held for property development and property development costs with carrying amount of RM101,689,499 (2013 : RM106,283,716) 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.

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	
	2014 RM	2013 RM	2014 RM	2013 RM
Disclosed as :				
Deferred tax assets	**8,242,667**	8,642,977	**709,667**	1,147,977
Deferred tax liabilities	**(6,697,845)**	(2,690,750)	**-**	-
	1,544,822	5,952,227	**709,667**	1,147,977
At 1 February 2013/2012	**5,952,227**	5,199,986	**1,147,977**	1,818,736
Recognised in profit or loss (Note 29)				
- property, plant and equipment	**(392,878)**	(213,000)	**(15,000)**	(81,000)
- biological assets	**(89,000)**	(95,000)	**-**	-
- investment properties	**(1,943,000)**	-	**-**	-
- ICULS	**(410,501)**	(391,140)	**(410,501)**	(391,140)
- tax losses and capital allowances	**253,000**	275,000	**-**	-
- reinvestment allowance	**(367,000)**	(268,000)	**-**	-
- unrealised foreign exchange	**(80,000)**	(8,000)	**-**	-
- unrealised profits	**158,000**	1,651,000	**-**	-
	(2,871,379)	950,860	**(425,501)**	(472,140)
Recognised in equity				
- property, plant and equipment	**(125,600)**	-	**-**	-
- derivative financial assets/liabilities	**(1,397,617)**	-	**-**	-
- ICULS	**(12,809)**	(198,619)	**(12,809)**	(198,619)
	(1,536,026)	(198,619)	**(12,809)**	(198,619)
At 31 January 2014/2013	**1,544,822**	5,952,227	**709,667**	1,147,977

9. DEFERRED TAX (cont'd)

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Deferred Tax Assets				
Subject to income tax				
Deferred tax assets (before offsetting)				
ICULS	**869,667**	1,292,977	**869,667**	1,292,977
Derivative financial liabilities	**72,526**	-	**-**	-
Unused tax losses and unabsorbed capital allowances	**528,000**	275,000	**-**	-
Unabsorbed reinvestment allowance	**592,000**	959,000	**-**	-
Unrealised profits	**7,533,000**	7,375,000	**-**	-
	9,595,193	9,901,977	**869,667**	1,292,977
Offsetting	**(1,352,526)**	(1,259,000)	**(160,000)**	(145,000)
Deferred tax assets (after offsetting)	**8,242,667**	8,642,977	**709,667**	1,147,977
Deferred Tax Liabilities				
Subject to income tax				
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	**(2,156,000)**	(1,748,000)	**(160,000)**	(145,000)
Biological assets	**(238,000)**	(149,000)	**-**	-
Land held for property development	**(2,022,628)**	(2,022,628)	**-**	-
Derivative financial assets	**(1,470,143)**	-	**-**	-
Unrealised foreign exchange	**(95,000)**	(15,000)	**-**	-
	(5,981,771)	(3,934,628)	**(160,000)**	(145,000)
Offsetting	**1,352,526**	1,259,000	**160,000**	145,000
Deferred tax liabilities (after offsetting)	**(4,629,245)**	(2,675,628)	**-**	-
Subject to real property gains tax				
Property, plant and equipment	**(125,600)**	(15,122)	**-**	-
Investment properties	**(1,943,000)**	-	**-**	-
	(2,068,600)	(15,122)	**-**	-
	(6,697,845)	(2,690,750)	**-**	-

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%.

9. DEFERRED TAX (cont'd)

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

	GROUP	
	2014 RM	2013 RM
Unused tax losses	**1,603,000**	1,029,000

10. RECEIVABLES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Trade receivables				
Third parties	**71,857,730**	64,444,352	**-**	-
Amounts owing by subsidiaries	**-**	-	**3,270,877**	4,084,252
Amounts owing by related companies	**4,517**	23,992	**4,517**	1,517
	71,862,247	64,468,344	**3,275,394**	4,085,769
Less: Allowance for impairment	**(340,656)**	(263,427)	**-**	-
Trade receivables, net	**71,521,591**	64,204,917	**3,275,394**	4,085,769
Other receivables and deposits	**8,988,803**	4,913,952	**1,158,584**	134,924
Amounts owing by subsidiaries, non trade	**-**	-	**63,193,436**	101,645,947
Amount owing by related companies, non trade	**10,320**	-	**-**	-
Total trade and other receivables	**80,520,714**	69,118,869	**67,627,414**	105,866,640
Add : Cash and bank balances	**120,321,252**	23,227,594	**54,530,377**	2,210,940
Total loans and receivables	**200,841,966**	92,346,463	**122,157,791**	108,077,580
Non-current				
Amounts owing by subsidiaries, non trade	**-**	-	**60,287,810**	83,269,132

(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 (2013 : 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 RM25,707,130 (2013 : RM11,785,998) assigned to a licensed bank as security for the loans and borrowings (Note 22).

10. RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Neither past due nor impaired	**55,045,674**	42,117,736	**3,275,394**	4,085,769
1 to 30 days past due not impaired	**7,874,143**	7,286,374	**-**	-
31 to 120 days past due not impaired	**2,479,837**	3,641,479	**-**	-
more than 121 days past due not impaired	**354,362**	1,870,580	**-**	-
	10,708,342	12,798,433	**-**	-
Impaired	**340,656**	263,427	**-**	-
	66,094,672	55,179,596	**3,275,394**	4,085,769
Retention sum	**5,767,575**	9,288,748	**-**	-
	71,862,247	64,468,344	**3,275,394**	4,085,769

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 RM10,708,342 (2013 : RM12,798,433) 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	
	2014 RM	2013 RM
Trade receivables - nominal amounts	**340,656**	263,427
Less : Allowance for impairment	**(340,656)**	(263,427)
	-	-

10. RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired (cont'd)

	GROUP 2014 RM	GROUP 2013 RM
Movement in allowance accounts:		
At 1 February 2013/2012	**263,427**	242,564
Charge for the year	**199,288**	53,294
Written off	**(122,059)**	(32,431)
At 31 January 2014/2013	**340,656**	263,427

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 RM117,267,591 (2013 : RM102,136,884) which bear effective interest of 5.38% (2013 : 5.0%) per annum. The non-current portion is considered quasi-equity in nature and is expected to be settled in cash.

11. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	GROUP 2014 Notional amount RM	GROUP 2014 Carrying amount Assets/ (Liabilities) RM	GROUP 2013 Notional amount RM	GROUP 2013 Carrying amount Assets/ (Liabilities) RM
Derivative that are designated as effective hedging instruments carried at fair value				
Interest rate swap	**43,000,000**	**(290,104)**	49,500,000	(733,662)
Cross currency interest rate swap	**50,000,000**	**5,880,570**	-	-
Presented as :				
Non-current assets		**5,880,570**		-
Non-current liabilities		**(290,104)**		(733,662)

11. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (cont'd)

(a) Interest rate swap ("IRS")

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

At the reporting date, the Group had an IRS agreement in place with a notional principal of RM43,000,000 (2013 : RM49,500,000) whereby the Group pays a fixed rate of interest of 3.97% per annum and receive a variable rate based on one month KLIBOR on the amortised notional amount. The Management considers the IRS as an effective hedging instrument as the secured loan and the swap have identical critical terms. The swap will mature on 28 December 2016.

The payments made arising from the IRS of RM403,406 (2013 : RM440,438) has been recognised in finance costs.

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

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

At the reporting date, the Group had a CCIRS agreement in place with a notional principal of USD15,964,240 (2013 : Nil) that entitles the Group to receive interest at a floating rate of one month USD LIBOR plus 2% per annum on the USD notional amount and obliges the Group to pay interest at a fixed rate of 4.95% per annum on the RM notional amount of RM50,000,000 (2013 : Nil) (calculated at USD/RM3.132). The swap will mature on 31 August 2023.

The CCIRS effectively convert the USD liability into RM liability.

The payments made arising from the CCIRS of RM551,802 (2013 : Nil) has been recognised in finance costs.

12. INVENTORIES

	GROUP 2014 RM	GROUP 2013 RM
Cost		
Raw materials	**1,920,698**	2,488,315
Work in progress	**833,621**	2,255,657
Finished goods	**3,833,574**	4,731,851
Completed properties for sale	**75,076,858**	76,816,653
	81,664,751	86,292,476
Recognised in profit or loss :		
Inventories recognised as cost of sales	**117,806,806**	105,561,547

None of the inventories is stated at net realisable value.

13. OTHER CURRENT ASSETS

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Prepaid operating expenditure	**6,512,249**	5,900,404	**148,196**	135,458
Due from customers on contracts (Note 15)	**11,621,666**	6,509,656	**-**	-
Accrued billings on contracts	**2,854,368**	-	**-**	-
	20,988,283	12,410,060	**148,196**	135,458

14. CASH AND BANK BALANCES

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Cash on hand and at banks	**21,055,679**	14,642,235	**9,530,377**	2,210,940
Cash at bank in Housing Development Account	**808,253**	216,230	**-**	-
Short term money market deposits	**19,000,000**	-	**-**	-
Time deposits with licensed banks	**69,403,759**	8,369,129	**45,000,000**	-
Deposits with other financial institution	**10,053,561**	-	**-**	-
	120,321,252	23,227,594	**54,530,377**	2,210,940

An arrangement has been made with a licensed bank whereby certain bank balances can earn interest of 2.3% (2013 : 2.3%) per annum on a daily rest basis. As at reporting date, bank balances under this arrangement amounted to RM18,174,947 (2013 : RM12,596,145) for the Group and RM9,528,845 (2013 : RM2,209,245) for the Company.

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

The Group's time deposits amounting to RM1,216,418 (2013 : RM209,563) are pledged to licensed banks as security for the loans and borrowings (Note 22) and the banker's guarantees issued to suppliers (Note 35).

Included in the Group's time deposits is an amount of RM30,175 (2013 : RM29,267) 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 2014 % per annum	GROUP 2013 % per annum	COMPANY 2014 % per annum	COMPANY 2013 % per annum
Short term money market deposits	**2.7**	-	**2.7**	-
Time deposits with licensed banks	**3.2**	3.3	**3.3**	-
Deposits with other financial institution	**2.6**	-	**-**	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

15. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	GROUP 2014 RM	GROUP 2013 RM
Contract in progress		
- accumulated contract cost	**267,097,368**	357,351,253
- recognised profits less recognised losses	**31,345,190**	38,886,440
	298,442,558	396,237,693
Less : Progress billings	**(287,404,959)**	(390,531,297)
	11,037,599	5,706,396
Presented as :		
Due from customers on contracts (Note 13)	**11,621,666**	6,509,656
Due to customers on contracts	**(584,067)**	(803,260)
	11,037,599	5,706,396
Contract in progress included the following items incurred during the financial year:		
Depreciation of property, plant and equipment (Note 3)	**106,234**	105,244
Employee benefits expense (Note 27)	**1,283,026**	1,494,660
Hire of equipment	**1,164,767**	1,721,360
Plant and equipment written off	**16,439**	136,730

16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	GROUP and COMPANY — Number of ordinary shares of RM1 each: Share capital (Issued and fully paid)	Number of ordinary shares of RM1 each: Treasury shares	Amount: Share capital (Issued and fully paid) RM	Amount: Share premium RM	Amount: Total share capital and share premium RM	Amount: Treasury shares RM
At 1.2.2013	195,490,536	1,210,000	195,490,536	17,166,310	212,656,846	(1,851,459)
Issued pursuant to:						
- exercise of Warrants	32,472,031	-	32,472,031	-	32,472,031	-
- conversion of ICULS	520,150	-	520,150	-	520,150	-
Sale of treasury shares	-	(1,210,000)	-	806,734	806,734	1,851,459
Purchase of treasury shares	-	765,000	-	-	-	(2,369,578)
Transfer of reserve arising from exercise of Warrants	-	-	-	1,136,522	1,136,522	-
At 31.1.2014	228,482,717	765,000	228,482,717	19,109,566	247,592,283	(2,369,578)

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

	GROUP and COMPANY					
	Number of ordinary shares of RM1 each		Amount			
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Share premium RM	Total share capital and share premium RM	Treasury shares RM
At 1.2.2012	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	-
At 31.1.2013	195,490,536	1,210,000	195,490,536	17,166,310	212,656,846	(1,851,459)

	Number of ordinary shares of RM1 each		Amount	
Authorised share capital	2014	2013	2014 RM	2013 RM
At 1 February 2013/2012 and 31 January 2014/2013	**500,000,000**	500,000,000	**500,000,000**	500,000,000

(a) Share capital

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

(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:

(i) sold 1,210,000 (2013: Nil) of treasury shares in the open market on the Bursa Securities for a consideration of RM2,658,193 (2013: Nil). The average price sold for the treasury shares was approximately RM2.20 (2013: Nil) per share. The proceeds from re-sale have been utilised for working capital purpose.

(ii) repurchased 765,000 (2013: 138,000) of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM2,369,578 (2013: RM268,915). The average price paid for the shares repurchased was approximately RM3.10 (2013: RM1.95) per share. This is presented as a component within shareholders' equity.

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

(b) Treasury shares (cont'd)

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

Of the total 228,482,717 (2013: 195,490,536) issued and fully paid ordinary shares as at 31 January 2014, 765,000 (2013: 1,210,000) shares are held as treasury shares by the Company. As at 31 January 2014, the number of outstanding ordinary shares in issue after setting off treasury shares is 227,717,717 (2013: 194,280,536).

Detail of the sale of treasury shares were as follows:

	Average resale price RM	Highest resale price RM	Lowest resale price RM	Number of treasury shares resold	Total consideration received RM
April 2013	2.20	2.25	2.20	1,210,000	2,658,193

Details of the purchase of treasury shares were as follows:

	Average purchase price RM	Highest purchase price RM	Lowest purchase price RM	Number of treasury shares purchased	Total consideration paid RM
June 2013	2.87	3.06	2.74	94,000	269,971
July 2013	3.08	3.13	2.95	186,000	572,064
September 2013	3.18	3.26	3.08	35,000	111,176
October 2013	3.26	3.29	3.19	21,000	68,468
December 2013	3.17	3.20	2.98	262,000	829,463
January 2014	3.10	3.21	2.83	167,000	518,436
	3.10			765,000	2,369,578

17. REVALUATION RESERVE

	GROUP 2014 RM	GROUP 2013 RM
Surplus arising from revaluation of freehold land	**35,942,825**	36,605,452
Less : Deferred tax on revaluation surplus	**(2,148,228)**	(2,037,752)
Revaluation reserve net of deferred tax	**33,794,597**	34,567,700

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

18. WARRANTS RESERVE

	GROUP and COMPANY			
	2014		2013	
	Number of Warrants	RM	Number of Warrants	RM
At 1 February 2013/2012	**32,568,131**	**1,139,885**	36,795,531	1,287,843
Exercise of Warrants	**(32,472,031)**	**-**	(4,227,400)	-
Transfer of reserve arising from exercise of Warrants	**-**	**(1,136,522)**	-	(147,958)
Transfer of reserve upon expiry of Warrants	**(96,100)**	**(3,363)**	-	-
At 31 January 2014/2013	**-**	**-**	32,568,131	1,139,885

Warrants 2009/2014

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

The details of the Warrants are as follows:

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

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

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

The Warrants expired on 13 January 2014 and consequentially, 96,100 unexercised Warrants were cancelled and delisted from Bursa Malaysia Securities Berhad on 15 January 2014.

19. HEDGING RESERVE

	GROUP	
	2014 RM	2013 RM
At 1 February 2013/2012	**(733,662)**	(1,215,477)
Recognised in other comprehensive income :		
Net movements on cash flow hedges	**6,324,128**	481,815
Tax relating to cash flow hedges	**(1,397,617)**	-
At 31 January 2014/2013	**4,192,849**	(733,662)

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

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 a supplementary trust deed dated 24 September 2013 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.

	GROUP and COMPANY	
	2014 RM	2013 RM
At 1 February 2013/2012	**49,402,018**	56,977,393
Coupon interest paid / accrued	**(1,949,242)**	(1,968,748)
Interest expense	**307,239**	404,188
Converted during the year	**(489,456)**	(6,010,815)
At 31 January 2014/2013	**47,270,559**	49,402,018
Analysed :		
Equity component	**43,791,892**	44,230,108
Liability component (Note 23)	**3,478,667**	5,171,910

21. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 January 2014 may be distributed as dividends under single tier system.

22. LOANS AND BORROWINGS

	GROUP 2014 RM	GROUP 2013 RM
Current		
Secured :		
Bank overdrafts	**8,195,489**	693,034
Banker acceptance	**900,000**	1,365,000
Revolving credit	**5,500,000**	11,500,000
Term loans	**18,790,000**	11,320,000
	33,385,489	24,878,034
Non-current		
Secured :		
Term loans	**121,985,000**	77,201,123
Total loans and borrowings		
Bank overdrafts	**8,195,489**	693,034
Banker acceptance	**900,000**	1,365,000
Revolving credit	**5,500,000**	11,500,000
Term loans	**140,775,000**	88,521,123
	155,370,489	102,079,157
Repayment of loans and borrowings :		
On demand or within one year	**33,385,489**	24,878,034
More than one year and less than two years	**25,542,225**	18,790,000
More than two years and less than five years	**52,162,775**	54,695,000
More than five years	**44,280,000**	3,716,123
	155,370,489	102,079,157
Term loans		
Term loan I	**-**	1,250,000
Term loan II	**64,500,000**	74,250,000
Term loan III	**3,675,000**	3,995,000
Term loan IV	**10,000,000**	9,026,123
Term loan V	**12,600,000**	-
Term loan VI {Note 11(b)}	**50,000,000**	-
	140,775,000	88,521,123

22. LOANS AND BORROWINGS (cont'd)

The principal amounts of term loans are repayable by :

	Tenure of repayment	Commencement of instalments
Term loan I	36 months	November 2010
Term loan II	48 months	January 2013
Term loan III	96 months	January 2011
Term loan IV	48 months	August 2015
Term loan V	36 months	September 2015
Term loan VI	84 months	September 2016

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

	2014 % per annum	2013 % per annum
Bank overdrafts	**7.60**	7.60
Revolving credit	**4.42**	4.43
Trade facilities	**4.32**	4.31
Term loans	**5.32**	5.31

The unutilised banking facilities are as follows :

	GROUP		COMPANY	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Bank overdrafts	**19,204,000**	26,607,000	**5,000,000**	5,000,000
Revolving credit	**22,800,000**	12,800,000	**-**	-
Trade facilities	**5,294,000**	8,121,000	**-**	-
Term loans	**5,400,000**	974,000	**-**	-
	52,698,000	48,502,000	**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) fixed charge over specific investment properties of a subsidiary;

(iii) debenture over specific property, plant and equipment of a subsidiary;

(iv) deed of assignment of all sales proceeds derived from a subsidiary's development project which is financed by the banking facility;

(v) time deposit of subsidiaries;

(vi) corporate guarantee from the Company; and

(vii) corporate guarantee from a shareholder of a subsidiary.

23. PAYABLES

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Current				
Trade payables	**58,241,742**	45,074,317	**-**	-
Other payables and accruals	**15,669,532**	9,686,715	**1,715,613**	1,979,311
Amounts owing to related companies	**54,395**	38,799	**12,904**	4,358
Amount owing to a subsidiary	**-**	-	**78,207**	81,496
Amount owing to holding company	**292,160**	40,392	**75,390**	-
Total trade and other payables	**74,257,829**	54,840,223	**1,882,114**	2,065,165
Add : Loans and borrowings	**155,370,489**	102,079,157	**-**	-
Add : Liabilities component of ICULS (Note 20)	**3,478,667**	5,171,910	**3,478,667**	5,171,910
Total financial liabilities carried at amortised cost	**233,106,985**	162,091,290	**5,360,781**	7,237,075

(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 (2013 : 30 to 90 days) terms.

(b) Amounts owing to related companies

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Trade in nature	**4,195**	10,544	**-**	-
Non trade in nature	**50,200**	28,255	**12,904**	4,358
	54,395	38,799	**12,904**	4,358

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 RM292,160 (2013 : RM40,275) which is trade in nature. The remaining balance is unsecured, non-interest bearing and repayable on demand.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

24. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Revenue				
Property development and construction	**213,071,028**	184,367,536	**-**	-
Manufacturing and trading	**93,167,883**	94,993,020	**-**	-
Management services and others	**4,115,879**	3,217,104	**15,074,945**	13,002,941
Gross dividends from subsidiaries	**-**	-	**36,603,008**	24,177,005
	310,354,790	282,577,660	**51,677,953**	37,179,946
Cost of sales				
Property development and construction	**98,396,774**	104,387,454	**-**	-
Manufacturing and trading	**81,428,692**	87,717,684	**-**	-
Management services and others	**1,910,606**	1,316,720	**-**	-
	181,736,072	193,421,858	**-**	-

25. FINANCE COSTS

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expenses on:				
Bank borrowings	**5,867,129**	7,152,183	**-**	-
Hire purchase	**-**	954	**-**	-
ICULS	**307,239**	404,188	**307,239**	404,188
Amount owing to a third party	**-**	1,401,818	**-**	-
	6,174,368	8,959,143	**307,239**	404,188
Less : Interest expenses capitalised in assets:				
- Property, plant and equipment	**-**	(216,772)	**-**	-
- Investment properties	**(639,502)**	-	**-**	-
- Land held for property development {Note 8(a)}	**(4,662,520)**	(5,947,778)	**-**	-
- Property development costs {Note 8(b)}	**(102,649)**	(1,996,682)	**-**	-
	769,697	797,911	**307,239**	404,188

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

26. PROFIT BEFORE TAX

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
The following items have been charged / (credited) in arriving at profit before tax:				
Allowance for doubtful debts	**199,288**	20,863	**-**	-
Auditors' remuneration:				
Statutory audit				
- current year	**123,400**	115,000	**28,000**	28,000
- under provision in prior year	**6,900**	-	**-**	-
Bad debts written off	**-**	32,431	**-**	-
Depreciation of property, plant and equipment	**2,869,797**	2,402,770	**197,121**	140,539
Employee benefits expenses (Note 27)	**20,078,019**	15,620,316	**10,719,226**	8,554,211
Hiring of equipment	**246,527**	207,466	**-**	-
Loss on disposal of plant and equipment	**-**	40,834	**-**	2,717
Non-executive Directors' remuneration (Note 28)	**208,125**	186,000	**208,125**	186,000
Plant and equipment written off	**140,018**	56,251	**96,053**	11
Rental expenses	**419,145**	432,142	**251,512**	241,992
Write off of golf club membership	**60,000**	-	**-**	-
Bad debts recovered	**(1,399)**	-	**-**	-
Foreign exchange gain:				
- realised	**(367,889)**	(180,562)	**-**	-
- unrealised	**(318,412)**	(30,874)	**-**	-
Gain on disposal of plant and equipment	**(171,557)**	(161,606)	**(47,999)**	-
Gross dividends from subsidiaries	**-**	-	**(36,603,008)**	(24,177,005)
Interest income from :				
- deposits	**(1,963,411)**	(2,186,001)	**(626,135)**	(525,583)
- subsidiaries	**-**	-	**(6,037,299)**	(5,056,509)
- others	**(899,843)**	(50,764)	**(4,934)**	(2,933)
Rental income	**(9,453,690)**	(5,787,927)	**-**	-

27. EMPLOYEE BENEFITS EXPENSES

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Salaries, wages and bonuses	**19,053,931**	15,239,077	**9,453,842**	7,548,838
Defined contribution plan - EPF	**2,172,272**	1,742,057	**1,222,531**	948,835
Social security cost - SOCSO	**134,842**	118,082	**42,853**	40,778
Share options granted under ESOS	**-**	15,760	**-**	15,760
Less : Amount capitalised in cost of construction contracts (Note 15)	**(1,283,026)**	(1,494,660)	**-**	-
	20,078,019	15,620,316	**10,719,226**	8,554,211

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM3,660,409 (2013 : RM2,490,167) and RM3,230,009 (2013 : RM2,490,167) respectively as further disclosed in Note 28.

28. DIRECTORS' REMUNERATION

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Executive :				
Fees	**430,400**	123,000	**-**	123,000
Salaries and other emoluments	**2,859,200**	2,095,625	**2,859,200**	2,095,625
Defined contribution plan - EPF	**370,809**	271,542	**370,809**	271,542
	3,660,409	2,490,167	**3,230,009**	2,490,167
Estimated money value of benefits-in-kinds	**60,586**	59,823	**60,586**	59,823
Total Executive Directors' remuneration (including benefits-in-kinds)	**3,720,995**	2,549,990	**3,290,595**	2,549,990
Non-executive :				
Fees	**202,125**	180,000	**202,125**	180,000
Other emoluments	**6,000**	6,000	**6,000**	6,000
Total Non-Executive directors' remuneration	**208,125**	186,000	**208,125**	186,000
Total Directors' remuneration	**3,929,120**	2,735,990	**3,498,720**	2,735,990

29. TAX

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Current tax				
Current year	**29,416,999**	21,317,249	**6,263,000**	6,806,000
Deferred tax				
Relating to origination and reversal of temporary differences	**2,940,501**	(1,002,860)	**425,501**	470,140
	32,357,500	20,314,389	**6,688,501**	7,276,140
Under / (Over) provision of income tax in prior years	**72,455**	4,908	**(962)**	8,824
(Over) / Under provision of deferred tax in prior years	**(69,122)**	52,000	**-**	2,000
	32,360,833	20,371,297	**6,687,539**	7,286,964

29. TAX (cont'd)

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax	159,012,379	79,983,137	45,011,772	31,886,436
Taxed at Malaysian statutory tax rate of 25%	39,753,095	19,995,784	11,252,943	7,971,609
Effect of income subject to real property gains tax	(7,771,534)	-	-	-
Expenses not deductible for tax purposes	565,200	296,281	186,202	167,031
Income not subject to tax	(332,745)	(38,757)	(4,750,644)	(862,500)
Deferred tax asset not recognised on current year's tax losses	143,484	61,081	-	-
Effective tax	32,357,500	20,314,389	6,688,501	7,276,140
Effective taxation rate	20.35%	25.40%	14.86%	22.82%

30. EARNINGS PER SHARE

(a) Basic earnings per share

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

	GROUP	
	2014	2013
Profit net of tax, attributable to owners of the Company (RM)	121,052,049	55,616,102
Weighted average number of ordinary shares in issue	211,842,975	191,426,052
Basic earnings per share (sen)	57.1	29.1

(b) Diluted earnings per share

The purpose of calculating diluted earnings per share, the profit for the year, net of tax, attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the effects of dilutive potential ordinary shares from ICULS and Warrants.

30. EARNINGS PER SHARE (cont'd)

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

	GROUP	
	2014	2013
Profit net of tax, attributable to owners of the Company (RM)	**121,052,049**	55,616,102
After tax effect of interest on ICULS (RM)	**1,461,931**	1,476,561
Profit attributable to owners of the Company including assumed conversion (RM)	**122,513,980**	57,092,663
Weighted average number of ordinary shares in issue	**211,842,975**	191,426,052
Effect of dilution :		
- ICULS	**51,979,781**	52,499,931
- Warrants	**-**	14,569,717
Adjusted weighted average number of ordinary shares	**263,822,756**	258,495,700
Diluted earnings per share (sen)	**46.4**	22.1

31. DIVIDENDS

	GROUP and COMPANY			
	Dividends in respect of Year		Dividends recognised in Year	
	2014 RM	2013 RM	2014 RM	2013 RM
Recognised during the year:				
Financial year 2012:				
Final dividend of 7 sen per share less tax 25%, on 194,036,536 ordinary shares	-	-	-	10,186,918
Financial year 2013:				
Interim dividend of 4 sen per share less tax 25%, on 194,222,036 ordinary shares	-	5,826,661	-	5,826,661
Financial year 2013:				
Final single tier of 8 sen per share on 212,096,236 ordinary shares	**-**	16,967,699	**16,967,699**	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

31. DIVIDENDS (cont'd)

	GROUP and COMPANY			
	2014 RM	2013 RM	2014 RM	2013 RM
Financial year 2014:				
Interim single tier dividend of 7 sen per share on 227,582,317 ordinary shares	**15,930,762**	-	**15,930,762**	-
Recommended for approval at AGM (not recognised as at 31 January 2014):				
Final single tier dividend of 9 sen per share on 227,717,717 ordinary shares	**20,494,595**	-	**-**	-
	36,425,357	22,794,360	**32,898,461**	16,013,579

The Directors recommend the payment of a final single tier dividend of 9.0 sen per share in respect of the financial year ended 31 January 2014, 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 2015. The proposed final dividend of RM20,494,595 is subject to change in proportion to changes in the Company's paid up capital, if any.

32. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Short term money market deposits	**19,000,000**	-	**-**	-
Time deposits with licensed banks	**69,403,759**	8,369,129	**45,000,000**	-
Deposits with other financial institution	**10,053,561**	-	**-**	-
Cash and bank balances	**21,863,932**	14,858,465	**9,530,377**	2,210,940
Bank overdrafts (Note 22)	**(8,195,489)**	(693,034)	**-**	-
	112,125,763	22,534,560	**54,530,377**	2,210,940
Less : Time deposits pledged	**(1,216,418)**	(209,563)	**-**	-
	110,909,345	22,324,997	**54,530,377**	2,210,940

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

33. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

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

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
With holding company				
Professional services – expenses	**275,200**	199,500	**75,000**	45,000
Sales of goods	**-**	(1,960)	**-**	-
With subsidiaries				
Management fees	**-**	-	**(15,065,878)**	(12,997,106)
Interest income	**-**	-	**(6,037,300)**	(5,056,509)
With fellow subsidiaries of the holding company				
Estate management fees	**50,341**	63,264	**-**	-
Management fees	**(9,067)**	(5,835)	**(9,067)**	(5,835)
Purchases of goods	**-**	52,822	**-**	-
Progress billings	**-**	(107,154)	**-**	-
Rental expenses	**45,600**	45,600	**45,600**	45,600
Rental income	**(6,000)**	(6,000)	**-**	-
Sales of goods	**(223,166)**	(132,277)	**-**	-

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 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Short-term employee benefits	**3,821,078**	2,971,004	**2,919,786**	2,278,448
Post employment benefits:				
Defined contribution plan – EPF	**481,460**	370,313	**370,809**	271,542
	4,302,538	3,341,317	**3,290,595**	2,549,990

Included in the total key management personnel are:

Directors' remuneration (Note 28)	**3,720,995**	2,549,990	**3,290,595**	2,549,990

34. CAPITAL COMMITMENT

	GROUP	
	2014 RM	2013 RM
Contracted but not accounted		
- Property, plant and equipment	**552,000**	2,514,500
- Investment properties	**18,493,000**	8,637,000

35. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
(a) Bank guarantees Issued by licensed banks in favour of third parties				
- Secured	**4,988,438**	4,093,900	**98,000**	134,000

The bank guarantees are secured by:

(i) A subsidiary's time deposits as stated in Note 14;

(ii) Earmarking to overdraft facilities of the subsidiaries and the Company as stated in Note 22; and

(iii) Corporate guarantees from the Company.

	COMPANY	
	2014 RM	2013 RM
(b) Corporate guarantees – unsecured		
Issued to bank for facilities granted to subsidiaries	**216,600,000**	150,900,000
Issued to third parties for supplies of goods and services to a subsidiary	**4,150,000**	4,100,000
Amounts utilised:		
Issued to bank for facilities granted to subsidiaries	**160,251,034**	104,874,164
Issued to third parties for supplies of goods and services to a subsidiary	**253,643**	925,245

36. SEGMENTAL INFORMATION

(a) Business Segments

The Group comprises the following main business segments:

(i) Property development and construction - the development of industrial, residential and commercial properties and letting of undeveloped and unsold properties; and building construction.

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

(iii) Property investment – investment in industrial properties.

(iv) Management services and others - providing management services, investment holding, providing educational services and cultivation of oil palm.

(b) Geographical segments

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

(c) Allocation basis and transfer pricing

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

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

36. SEGMENTAL INFORMATION (cont'd)

	Property development and construction		Manufacturing and trading		Property Investment		Management services and others		Consolidated	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Revenue										
Total revenue	**226,328,700**	204,556,099	**97,619,459**	103,195,381	**-**	-	**19,181,757**	16,260,607	**343,129,916**	324,012,087
Inter-segment sales	**(13,257,672)**	(20,188,563)	**(4,451,576)**	(8,202,361)	**-**	-	**(15,065,878)**	(13,043,503)	**(32,775,126)**	(41,434,427)
External sales	**213,071,028**	184,367,536	**93,167,883**	94,993,020	**-**	-	**4,115,879**	3,217,104	**310,354,790**	282,577,660
Results										
Segment results	**107,672,049**	73,603,824	**8,264,106**	3,623,547	**39,521,002**	(13,005)	**13,292,880**	11,975,944	**168,750,037**	89,190,310
Inter-segment eliminations									**(4,679,448)**	(5,033,242)
Segment results (external)									**164,070,589**	84,157,068
Unallocated expenses									**(4,288,513)**	(3,376,020)
Finance cost									**(769,697)**	(797,911)
Profit before tax									**159,012,379**	79,983,137
Tax									**(32,360,833)**	(20,371,297)
Profit after tax									**126,651,546**	59,611,840
Other Information										
Segment assets	**714,081,798**	681,417,621	**64,578,057**	48,732,589	**115,462,115**	30,187,957	**103,166,566**	25,386,432	**997,288,536**	785,724,599
Unallocated assets									**430,626**	601,583
Total assets									**997,719,162**	786,326,182
Segment liabilities	**154,480,139**	133,042,716	**20,264,173**	20,211,243	**53,726,051**	1,275	**8,729,971**	7,891,818	**237,200,334**	161,147,052
Unallocated liabilities									**10,505,420**	10,544,139
Total liabilities									**247,705,754**	171,691,191
Capital expenditure	**1,174,667**	1,149,304	**22,297,010**	1,715,931	**41,403,160**	29,113,985	**2,011,900**	10,323,289	**66,886,737**	42,302,509
Depreciation	**438,184**	420,333	**1,925,931**	1,866,058	**-**	-	**611,916**	221,623	**2,976,031**	2,508,014

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

GROUP

	Note	2014 Carrying amount RM	2014 Fair value RM	2013 Carrying Amount RM	2013 Fair value RM
Financial assets					
Golf club membership	7	-	-	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 their fair value are:

	Note
Receivables (current)	10
Payables (current)	23
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 derivatives are calculated by reference to forward rates or prices quoted at the reporting date for contracts with similar maturity profiles.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

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

(c) Fair value hierarchy

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

	31 January RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets/(Liabilities) measured at fair value				
2014				
Derivatives :				
- Interest rate swap	**(290,104)**	**-**	**(290,104)**	**-**
- Cross currency interest rate swap	**5,880,570**	**-**	**5,880,570**	**-**
2013				
Derivatives :				
- Interest rate swap	(733,662)	-	(733,662)	-

There were no transfers between the various categories in the hierachy of fair value measurement during the reporting period ended 31 January 2014 and 31 January 2013.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

(a) Credit risk

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

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

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

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

(a) Credit risk (cont'd)

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

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments, except for one customer which constituted RM8.6 million as at 31 January 2013.

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 35.

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

(b) Liquidity risk

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

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

Analysis of financial instruments by remaining contractual maturities

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

38. 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
2014				
GROUP				
Financial liabilities:				
Payables	**74,137,544**	**-**	**-**	**74,137,544**
Loans and borrowings	**40,212,292**	**92,594,124**	**52,342,850**	**185,149,266**
ICULS	**1,949,242**	**1,949,242**	**-**	**3,898,484**
Derivative financial liabilities	**-**	**290,104**	**-**	**290,104**
Total undiscounted financial liabilities	**116,299,078**	**94,833,470**	**52,342,850**	**263,475,398**
COMPANY				
Financial liabilities:				
Payables	**1,761,829**	**-**	**-**	**1,761,829**
ICULS	**1,949,742**	**1,949,242**	**-**	**3,898,984**
Total undiscounted financial liabilities	**3,711,571**	**1,949,242**	**-**	**5,660,813**
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
Derivative financial liabilities	-	733,662	-	733,662
Total undiscounted financial liabilities	86,104,239	85,905,795	3,822,165	175,832,199
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

(c) Foreign currency risk

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

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

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

(c) Foreign currency risk (cont'd)

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

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

(d) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps. At the reporting date, after taking into account the effect of an interest rate swap, approximately 62% (2013 : 52%) of the Group's loans and borrowings are at fixed rates of interest.

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

At the reporting date, if interest rates had been 25 (2013 : 25) basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM107,000 lower/higher (2013 : RM52,000 higher/lower), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings, offset by lower/higher interest income from deposits with financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

39. SIGNIFICANT EVENTS

During the financial year,

(i) The Company had on 17 June 2013 procured the incorporation of a wholly-owned subsidiary company called Medini Capital Sdn. Bhd. ("MCSB"). On 23 July 2013, MCSB had allotted and issued 3,270,000 and 1,630,000 new ordinary shares of RM1 each to Mavern Pte Ltd and Meiban Resources Sdn. Bhd. respectively at par for cash.

(ii) Unibase Jaya Sdn. Bhd. ("UJSB"), a wholly-owned subsidiary of Unibase Concrete Industries Sdn. Bhd. ("UCISB"), which in turn is a 60% owned subsidiary of Unibase Construction Sdn. Bhd. ("UCSB"), a wholly-owned subsidiary of the Company, had on 7 October 2013 allotted and issued 50,000 and 200,000 new ordinary shares of RM1 each to UCISB and Mr. Soh Chong Boon respectively at par for cash.

(iii) Unibase Pre-Cast Sdn. Bhd. ("UPCSB"), a 60% owned subsidiary of UCISB, had on 7 October 2013 allotted and issued 250,000 new ordinary shares of RM1 each to UJSB at the issue price of RM10 per share for cash.

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in objectives, policies or processes during the years ended 31 January 2014 and 31 January 2013.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2014 (Cont'd)

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

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed entities pursuant to Paragraph 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

The breakdown of the retained earnings of the Group and of the Company as at 31 January 2014, into realised and unrealised profits, pursuant to the directive, is as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings of the Company and its subsidiaries:				
- Realised	**466,910,261**	416,158,243	**62,410,282**	56,586,340
- Unrealised	**33,246,220**	(1,363,536)	**709,667**	1,147,977
	500,156,481	414,794,707	**63,119,949**	57,734,317
Less : Consolidation adjustments	**(106,834,000)**	(109,426,583)	**-**	-
Retained earnings as per financial statements	**393,322,481**	305,368,124	**63,119,949**	57,734,317

The determination of realised and unrealised profits is based on the Guidance of 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, issued by Malaysia Institute of Accountants on 20 December 2010.

Analysis of Shareholdings

AS AT 3 JUNE 2014

Authorised Share Capital	:	RM500,000,000.00
Issued and Fully Paid Up Capital	:	228,484,017
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	27	0.54	638	0.00
100 to 1,000 shares	2,583	51.52	2,496,050	1.10
1,001 to 10,000 shares	1,758	35.06	7,278,280	3.20
10,001 to 100,000 shares	529	10.55	16,381,900	7.19
100,001 to less than 5% of shares	116	2.31	60,987,968	26.78
5% and above of shares	1	0.02	140,539,181	61.73
Total	5,014	100.00	227,684,017 Ω	100.00

Ω is equivalent to 228,484,017 less 800,000 shares bought back and retained as treasury shares

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	Sharikat Kim Loong Sendirian Berhad	140,539,181	61.73
2.	Citigroup Nominees (Tempatan) Sdn. Bhd. – Exempt an for AIA Bhd.	6,680,000	2.93
3.	Amanahraya Trustees Berhad – Public Smallcap Fund	4,531,200	1.99
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. – Exempt an for OCBC Securities Private Limited (Client A/C-RES)	3,775,672	1.66
5.	Gooi Seong Chneh	3,593,124	1.58
6.	Gooi Seong Heen	3,251,669	1.43
7.	Gooi Seow Mee	2,675,492	1.17
8.	Tokio Marine Life Insurance Malaysia Bhd – As Beneficial Owner (PF)	1,600,000	0.70
9.	Citigroup Nominees (Tempatan) Sdn. Bhd. – Bank Negara Malaysia National Trust Fund (Hwang)	1,360,000	0.60
10.	HSBC Nominees (Tempatan) Sdn. Bhd. – HSBC (M) Trustee Bhd for Hwang Aiiman Growth Fund (4207)	1,285,000	0.56
11.	HSBC Nominees (Tempatan) Sdn. Bhd. – HSBC (M) Trustee Bhd for Hwang Select Asia (Ex Japan) Quantum Fund (4579)	1,186,100	0.52
12.	Hong Leong Assurance Berhad – As Beneficial Owner (Unitlinked GF)	1,150,000	0.50
13.	Gan Teng Siew Realty Sdn. Berhad	1,000,000	0.44

Analysis of Shareholdings

AS AT 3 JUNE 2014 (Cont'd)

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

	Name of Shareholders	No. of Shares Held	% of Issued Capital
14.	Cartaban Nominees (Tempatan) Sdn. Bhd. – RHB Trustees Berhad for MAAKL-HW Shariah Progress Fund	953,000	0.42
15.	HSBC Nominees (Tempatan) Sdn. Bhd. – HSBC (M) Trustee Bhd for Hwang Select Balanced Fund (4405)	937,000	0.41
16.	HDM Nominees (Tempatan) Sdn. Bhd. – UOB Kay Hian Pte Ltd for Gooi Seong Lim (Margin)	728,452	0.32
17.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	727,452	0.32
18.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	684,000	0.30
19.	Citigroup Nominees (Asing) Sdn. Bhd. – Exempt an for Citibank Na, Singapore (Julius Baer)	675,000	0.30
20.	Amanahraya Trustees Berhad – Public Far-East Property & Resorts Fund	659,200	0.29
21.	Cimsec Nominees (Tempatan) Sdn. Bhd. – CIMB for Kong Chong Soon @ Chi Suim (PB)	591,700	0.26
22.	Shoptra Jaya (M) Sdn. Bhd.	562,700	0.25
23.	Gooi Seong Chneh	551,000	0.24
24.	Cheah Kek Ding @ Chea Kek Ding	543,000	0.24
25.	Cimsec Nominees (Tempatan) Sdn. Bhd. – CIMB Bank for Venkata Chellam a/l Subramaniam (PBCL-0G0004)	518,000	0.23
26.	Maybank Nominees (Tempatan) Sdn. Bhd. – Heng Peng Heng	500,000	0.22
27.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. – Deutsche Bank AG Singapore for DCG Asia Value Master Fund	495,300	0.22
28.	Koperasi Permodalan Felda Malaysia Berhad	484,000	0.21
29.	Sharikat Kim Loong Sendirian Berhad	462,952	0.20
30.	HSBC Nominee (Asing) Sdn. Bhd. – Exempt an for Credit Suisse (SG BR-TST-Asing)	450,000	0.20
	TOTAL	183,150,194	80.44

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

Analysis of Shareholdings

AS AT 3 JUNE 2014 (Cont'd)

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

Name of Substantial Shareholders	No. of Shares Held or Beneficially Interested in Direct	Indirect	% of Issued Capital Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	141,002,133	–	61.93	–
Gooi Seong Lim	1,340,452 [a]	144,917,805 [b]	0.59	63.65
Gooi Seong Heen	4,559,121 [c]	141,070,133 [d]	2.00	61.96
Gooi Seong Chneh	4,144,124	141,002,133 [e]	1.82	61.93
Gooi Seong Gum	–	141,002,133 [e]	–	61.93

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

Name of Directors	Direct Interest Shareholdings	%	Indirect Interest Shareholdings	%
Gooi Seong Lim	1,340,452 [a]	0.59	144,917,805 [b]	63.65
Gooi Seong Heen	4,559,121 [c]	2.00	141,070,133 [d]	61.96
Gooi Seong Chneh	4,144,124	1.82	141,002,133 [e]	61.93
Gooi Seong Gum	–	–	141,002,133 [e]	61.93
Yeo Jon Tian @ Eeyo Jon Thiam	60,000	0.03	19,000 [f]	0.01
Gan Kim Guan	–	–	–	–
Tan Ah Lai	–	–	–	–
Chew Ching Chong	10,000	0.00	–	–

Notes:-

[a] Includes 728,452 and 140,000 shares held in bare trust by 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 141,002,133 shares, and 3,775,672 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Seong Lim is a director and major shareholder and his spouse, Lim Phaik Ean, who holds 140,000 shares.

[c] Includes 711,452, 256,000 and 340,000 shares held in bare trust by 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 141,002,133 shares and his spouse, Looi Kok Yean, who holds 68,000 shares.

[e] Deemed interest by virtue of their interest in SKL which holds 141,002,133 shares.

[f] Deemed interest by virtue of his spouse, Ng Yit How, who holds 19,000 shares.

Analysis of 3.75% 7-Year Irredeemable Convertible Unsecured Loan Stocks 2009/2016 Holdings

AS AT 3 JUNE 2014

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	: RM7,704,153.00
Nominal amount of ICULS outstanding	: RM51,978,481.00

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	3.87	148	0.00
100 to 1,000 ICULS	89	57.42	43,752	0.09
1,001 to 10,000 ICULS	45	29.03	196,100	0.38
10,001 to 100,000 ICULS	13	8.38	292,500	0.56
100,001 to less than 5% of ICULS	1	0.65	250,500	0.48
5% and above of ICULS	1	0.65	51,195,481	98.49
Total	155	100.00	51,978,481	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	98.49
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.	Lee Kim Chin	17,500	0.03
8.	Geh Siew Im	15,000	0.03
9.	HDM Nominees (Asing) Sdn. Bhd. – Phillip Securities Pte Ltd for Teo Seow Leng	15,000	0.03
10.	Lai Jit Meng	15,000	0.03
11.	Low Tah Chong	15,000	0.03
12.	Mrs. Mok Choon Hoe Nee Geh Siew Ming	15,000	0.03
13.	Tan Boon Kiang	15,000	0.03
14.	Ng Khin Ying	14,000	0.03

Analysis of 3.75% 7-Year Irredeemable Convertible Unsecured Loan Stocks 2009/2016 Holdings

As At 3 June 2014 (Cont'd)

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

	Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
15.	Ho Nyat Weng @ Hoo Nyat Wong	11,000	0.02
16.	Goh Kim Heng	10,000	0.02
17.	HDM Nominees (Asing) Sdn. Bhd. – Phillip Securities Pte Ltd for Chew Eng Soon	10,000	0.02
18.	HDM Nominees (Asing) Sdn. Bhd. – DBS Vickers Sec (S) Pte Ltd for Chia Hock Chay Nicholas	10,000	0.02
19.	Lee Ping Keim	10,000	0.02
20.	Public Invest Nominees (Asing) Sdn. Bhd. – Exempt an for Phillip Securities Pte Ltd (Clients)	9,000	0.02
21.	Hing Leong Yian Sdn. Berhad	8,000	0.02
22.	Lau Khiok Hui	8,000	0.02
23.	Liew Khim Seng	8,000	0.02
24.	Leong Mei Yoke Wendy	7,500	0.01
25.	Liew Khim Ming	7,100	0.01
26.	Tee Siew Bee	7,000	0.01
27.	Ding Mee Hong	5,000	0.01
28.	Liew Khim Ming	5,000	0.01
29.	Liew Khin Ruey	5,000	0.01
30.	Liew Mee Lian	5,000	0.01
	TOTAL	51,853,081	99.76

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

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

Name of Directors	Direct Interest ICULS Holdings (RM)	%	Indirect Interest ICULS Holdings (RM)	%
Gooi Seong Lim	–	–	51,445,981 [a]	98.97
Gooi Seong Heen	–	–	51,445,981 [a]	98.97
Gooi Seong Chneh	–	–	51,445,981 [a]	98.97
Gooi Seong Gum	–	–	51,445,981 [a]	98.97
Yeo Jon Tian @ Eeyo Jon Thiam	–	–	–	–
Gan Kim Guan	–	–	–	–
Tan Ah Lai	–	–	–	–
Chew Ching Chong	–	–	–	–

Note:-

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

Particulars of Properties

	Description & Location	Existing Use / (Status of Development)	Tenure / (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	38.86 [a]	5,333
		Hawker centre (completed)	Freehold (18 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]	21,780
2.	Nusa Cemerlang Industrial Park Mukim of Pulai, Johor Bahru, Johor.	Approved industrial land (development-in-progress)	Freehold	22 Jul 2005 to 30 Dec 2009	227.69 [a]	137,028
		Approved industrial plots (completed)	Freehold (1 to 2 years)	22 Jul 2005 to 30 Dec 2009	17.52 [a]	31,886
	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	21.05 [a]	8,715
		Industrial plots (completed)	Freehold (7 to 15 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	60.48 [a]	14,546
		Residential and commercial land (completed)	Freehold (1 to 7 years)	18 Nov 1996	14.00 [a]	26,545
5.	Bandar Cemerlang - Lot Nos. PTD 105758 to 105762, 105765 and 105771 to 105772, Mukim of Tebrau, Johor Bahru, Johor. - Lot Nos. PTD 31034 to 31035 and 31037, Mukim and District of Kota Tinggi, Johor.	Vacant land approved for residential and and commercial development	Freehold	26 Jun 2001	269.98	44,710
		Oil palm estate (approved for residential and commercial development)	Freehold	26 Jun 2001	1,120.22	142,206

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 Panoramic Jaya Sdn. Bhd.					
6. Taman Dato Chellam Mukim of Tebrau, Johor Bahru, Johor.	Mixed residential and commercial land (development-in-progress)	Freehold	12 May 2004	28.74 [a]	22,873
	Commercial plots (completed)	Freehold (2 years)	12 May 2004	0.51 [a]	2,279
Properties Held by Ambok Resorts Development Sdn. Bhd.					
7. Lot Nos. 2, 58, 60, 116, 325, 349, 607, 608, 609, 716, 717, 747, 748, 749, 750, 960 and 1331, Mukim of Tanjung Surat, Kota Tinggi, Johor.	Oil palm estate (zoned for mixed development) [b]	Freehold	(24 Jan 2005)	794.43	38,860
Properties Held by Crescendo Jaya Sdn. Bhd.					
8. Lot Nos. PTD 190809, 190814 to 190825, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for mixed residential and commercial development	Freehold	30 Dec 2002	5.24	1,259
Properties Held by Crescendo Land Sdn. Bhd.					
9. Lot Nos. PTD 156625, 156626 and 156627, Mukim of Plentong, Johor Bahru, Johor.	Vacant land (approved for mixed residential and commercial development) [c]	Leasehold - 99 years	30 Aug 2006	221.58 [a]	54,980
Properties Held by Crescendo Education Sdn. Bhd.					
10. 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 (2 years)	(21 Dec 2009)	2.74	12,797
Properties Held by Crescendo Commercial Complex Sdn. Bhd.					
11. 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.					
12. Lot Nos. PTD 154326, 154327, 154328, 154329 and 154148, Nusa Cemerlang Industrial Park.	Factory buildings (construction -in-progress)	Freehold	31 Jan 2013 to 1 Oct 2013	11.78	37,853
Lot Nos. PTD 154331, 154332, 154333 and 154334, Nusa Cemerlang Industrial Park.	Factory buildings (completed)	Freehold	(5 Aug 2013)	8.44	71,522

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 Unibase Concrete Industries Sdn. Bhd.					
13. PTD 154126, Mukim of Pulai, Johor Bahru, Johor.	Ready mix and concrete plant [d]	(7 years)	31 May 2007	Not applicable	643
14. GM 2028 Lot 1338 and GM 2040 Lot 1339, Mukim Jeram Batu, Pontian, Johor.	Vacant agricultural land	Freehold	24 Jul 2013	15.74	6,813
Properties Held by Repute Construction Sdn. Bhd.					
15. No.118, Jalan Tanjong 2, Desa Cemerlang, 81800 Ulu Tiram, Johor.	Office Building	Freehold (1 year)	24 Sept 2013	0.07	770
Properties Held by Unibase Pre-cast Sdn. Bhd.					
16. GM 2010 Lot 1350, GM 1969 Lot 1351 and GM 1968 Lot 1352, Mukim Jeram Batu, Pontian, Johor.	Vacant agricultural land	Freehold	24 Jul 2013	31.43	13,601

Notes:

[a] Gross land are based upon land titles held by Panoramic Industrial Development Sdn. Bhd., Crescendo Development Sdn. Bhd., Panoramic Jaya Sdn. Bhd. and Crescendo Land Sdn. Bhd. as at 31 January 2014. The conversion factors from gross to net saleable freehold and leasehold land area are as follows:

Property No.	Conversion Factor
1	0.7032 for freehold land and 0.6706 for leasehold land
2	0.9282
3	0.6996
4	0.5353
6	0.7801
9	0.4925

The conversion factor is derived based on pre-computation areas of all sub-divided lots as stated in qualifying titles (as per approval letters from Pengarah Tanah dan Galian Johor) over the total land areas acquired (as per sale and purchase agreement).

[b] The oil palm estate which is an unconverted development land zoned for mixed development is currently planted with oil palm trees which are due for replanting.

[c] The land is pending for alienation.

[d] The building is sited on rented land held by a related company.

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Form of Proxy

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

I/We, ____

of ____

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

of ____

or failing whom, ______________________________ of ______________________________
or failing whom, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at Dewan Johor, Level 2 of Mutiara Hotel, Jalan Dato Sulaiman, Taman Century, K.B. No. 779, 80990 Johor Bahru, Johor Darul Takzim on Friday, 25 July 2014 at 2.30 p.m. and at any adjournment thereof in the manner as indicated below:-

No.	Resolution	For	Against
1.	Adoption of Reports and Audited Financial Statements		
2.	Declaration of final dividend		
3.	Payment of Directors' fees		
4.	Re-appointment of Director: Mr. Yeo Jon Tian @ Eeyo Jon Thiam		
5.	Re-election of Director : Mr. Gooi Seong Gum		
6.	Re-election of Director : Mr. Tan Ah Lai		
7.	Re-election of Director: Mr. Chew Ching Chong		
8.	Re-appointment of Auditors		
9.	Authority to issue shares		
10.	Proposed Renewal of Authority for Share Buy-Back		
11.	Retention of Independent Non-Executive Director: Mr. Yeo Jon Tian @ Eeyo Jon Thiam		
12.	Retention of Independent Non-Executive Director: Mr. Gan Kim Guan		

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

Dated this________ day of ____________ 2014

____
Signature of Member(s)

Number of Shares held	

NOTES:

A member whose name appear in the Record of Depositors as at 18 July 2014 shall be regarded as a member entitled to attend, speak and vote at the meeting.

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

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

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

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STAMP

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

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