



Statement on Corporate Governance

INTRODUCTION

The Statement on Corporate Governance by the Board of Directors has been set in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board of Directors is committed to ensure that a high standard of corporate governance is practised throughout Crescendo Corporation Berhad and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

The Board of Directors is pleased to report to the shareholders on the manner the Group has applied the principles of good corporate governance and the extent of compliance with the Best Practices of Good Governance as set out in Part 1 and Part 2 respectively of the Malaysian Code of Corporate Governance ('the Code') throughout the financial year ended 31 January 2009.

1. BOARD OF DIRECTORS

1.1 The Board

Crescendo Corporation Berhad is led and managed by an effective Board comprising of members with a wide range of experience in relevant fields such as property development, engineering, concrete product manufacturing, business administration, finance, planning, development and marketing. They collectively bring a wide range of competencies to support the business direction of the Group. The Board as at 31 January 2009 comprised seven (7) directors consisting of:

- A Chairman cum Managing Director;
- Three (3) Executive Directors;
- A Senior Independent Non-executive Director; and
- Two (2) Independent Non-executive Directors.

A profile of each Director is presented on pages 12 to 15 of this Annual Report.

Three (3) out of the seven (7) members of the Board that is more than one third (1/3) are Independent Non-executive Directors. The Independent Non-executive Directors namely Mr Gan Kim Guan, Mr Yeo Jon Tian @ Eeyo Jon Thiam and Mr Tan Ah Lai play an important role of objectively assessing the management strategies and practices and their impact on the long term interests of the shareholders fulfill a pivotal role in corporate accountability. Although all Directors have an equal responsibility to the Group, the role of these Independent Non-executive Directors is particularly important as they provide unbiased and independent views, advice and judgement to take account of the interests not only of the Group, but also the shareholders, employees, customers, suppliers and community in which the Group conducts its business. All Non-executive Directors are independent of the management and free from any relationship which could interfere with their judgement.

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

1.2 The Board's Responsibilities

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

The Board has reviewed the size of the Board and considers the current composition as optimum and effective given the scope, size and complexity of the business affairs of the Group and compliance with the Independent Non-executive Directors criteria set out under the Listing Requirements of Bursa Securities.

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

Statement on Corporate Governance (cont'd)

1.3 Board Meetings and Attendance

Board meetings are scheduled at least once every quarter, with additional meetings convened as and when required. During the financial year ended 31 January 2009, there were four (4) Board meetings. The composition of the Board and the attendance of each Director at the Board meetings held during the financial year were as follows:

Name of Director	Status of Directorship	Number of Board Meetings Attended	Percentage (%)
Gooi Seong Lim	Chairman cum Managing Director	3 of 4	75%
Loo Geok Eng	Executive Chairman (deceased on 13 August 2008)	2 of 2	100%
Gooi Seong Heen	Executive Director	4 of 4	100%
Gooi Seong Chneh	Executive Director	4 of 4	100%
Gooi Seong Gum	Executive Director	4 of 4	100%
Gan Kim Guan	Senior Independent Non-executive Director	4 of 4	100%
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Non-executive Director	3 of 4	75%
Tan Ah Lai	Independent Non-executive Director	4 of 4	100%

1.4 Supply of Information to the Board

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

All Directors are provided with an agenda and a set of comprehensive Board papers, issued 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.

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

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Statement on Corporate Governance (cont'd)

1.5 Appointment and Election to the Board

Appointment

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

The Board constantly reviews its effectiveness as a whole, the various Committees of the Board and the contributions of each director. All assessments and evaluations carried out by the Nominating Committee in discharging all its functions are properly documented. All newly appointed Directors are subject to re-election by the shareholders at the AGM following their appointment.

Re-election

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

2. BOARD COMMITTEES

The following Board Committees have been established to assist the Board in discharging its duties and the execution of specific responsibilities. All the Committees listed below do not have any executive power but report to the Board on all matters considered and submit recommendations for Board's approval (except the power of the Audit Committee to report to the Bursa Securities in circumstances described in the Audit Committee Report).

2.1 Audit Committee

The Audit Committee reviews the issues of accounting policies and presentation for external financial reporting, monitors the work of internal audit function and ensures that an objective and professional relationship is maintained by the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal control. The Committee has full access to the auditors both internal and external, who in turn, have access at all times to the Chairman of the Audit Committee.

In line with good corporate governance practices, the Executive Directors are not members of the Audit Committee.

The terms of reference of the Audit Committee together with the Report of the Audit Committee are disclosed on pages 33 to 37 of this Annual Report. The activities of the Audit Committee during the year ended 31 January 2009 are also set out in the Report of the Audit Committee.

2.2 Remuneration Committee

The Remuneration Committee is responsible for reviewing and recommending to the Board the remuneration framework for Chairman cum Managing Director and Executive Directors and assists the Board in ensuring that the remuneration is commensurate with the responsibilities and duties undertaken by each.

The terms of reference of the Remuneration Committee are set out under the Report of the Remuneration Committee on page 38 of this Annual Report

2.3 Nominating Committee

The Nominating Committee is made up entirely of Non-executive Directors.

The Committee is responsible for identifying and recommending new nominees to the Board as well as Committees of the Board. In addition, the Committee is also entrusted with the task of assessing annually the performance of the Board members, the Committees of the Board and effectiveness of the Board as a whole. The Nominating Committee also considers the balance of the Board membership and determines the core competencies and skills required of the Board in order to discharge its duties effectively.

The terms of reference of the Nominating Committee are set out under the Report of the Nominating Committee on page 39 of this Annual Report.

Statement on Corporate Governance (cont'd)

3. DIRECTORS' TRAINING

All existing Directors have completed the "Mandatory Accreditation Programme" conducted by the Research Institute of Investment Analyst Malaysia (RIIAM) as prescribed by the Listing Requirements of Bursa Securities.

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

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

Name	Programmes / Seminar
Gooi Seong Lim	<ul style="list-style-type: none"> • In House Training on Updates on Corporate Governance & Companies Act and Employment Law • The Strategic CFO • Government Financial Assistance for Malaysian Companies • Nusajaya Security Training and Conference
Gooi Seong Heen	<ul style="list-style-type: none"> • In House Training on Updates on Corporate Governance & Companies Act and Employment Law • Effective Governance – The Way Forward • The Strategic CFO
Loo Geok Eng	<ul style="list-style-type: none"> • In House Training on Updates on Corporate Governance & Companies Act and Employment Law
Gooi Seong Chneh	<ul style="list-style-type: none"> • In House Training on Updates on Corporate Governance & Companies Act and Employment Law • The Strategic CFO • Government Financial Assistance for Malaysian Companies • Nusajaya Security Training and Conference
Gooi Seong Gum	<ul style="list-style-type: none"> • In House Training on Updates on Corporate Governance & Companies Act and Employment Law • The Strategic CFO
Gan Kim Guan	<ul style="list-style-type: none"> • Key Amendment to the Malaysian Code of Corporate Governance • Wealth Management • 2008 National Conference on Internal Auditing • Firm of the Future Forum • National Tax Conferences 2008 • National Seminar on Taxation 2008 • 2009 Budget Seminar
Yeo Jon Tian @ Eeyo Jon Thiam	<ul style="list-style-type: none"> • The Challenges ahead for Internal Auditors • In House Training on Updates on Corporate Governance & Companies Act and Employment Law
Tan Ah Lai	<ul style="list-style-type: none"> • The Impact of Financial Reporting Standards (FRS) on Taxation • 2008 National Conference on Internal Auditing • National Tax Conference 2008 • National Seminar on Taxation 2008

4. DIRECTORS' REMUNERATION

The remuneration of Directors is determined at levels which enable the Group to attract and retain Directors of calibre and relevant experience and expertise to manage the Group successfully. For an Executive Director, the remuneration is structured to link rewards 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.

Statement on Corporate Governance (cont'd)

4. DIRECTORS' REMUNERATION (cont'd)

The Remuneration Committee is responsible for setting the policy framework of the Executive Directors' remuneration packages and makes recommendations to the Board on the elements of the remuneration and other terms of appointment to the Board. The Executive Directors abstain from the deliberations and voting in respect of their remuneration. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of these Directors. All Independent Non-executive Directors are paid director's remuneration for serving as Directors on the Board and its Committees. All Directors are also paid a meeting allowance for attendance at each Board meeting.

A summary of the remuneration of the Directors for the year ended 31 January 2009, distinguishing between Executive and Non-executive Directors, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive band of RM50,000, is set out as below:

a. Summary of Directors' Remuneration

Aggregate Remuneration	Executive Directors (RM)	Non-executive Directors (RM)	Total (RM)
Salary	1,126,478	-	1,126,478
Bonus	230,000	-	230,000
Fees	26,087	145,000	171,087
Meeting Allowances	8,500	5,500	14,000
Estimated monetary value of benefits-in-kind	55,659	-	55,659
Defined Contribution Plan	155,040	-	155,040
Share options granted under ESOS	1,124	-	1,124
Total	1,602,888	150,500	1,753,388

b. Remuneration Band

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

5. SHAREHOLDERS COMMUNICATIONS AND INVESTORS RELATIONS

5.1 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.

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

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

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

Statement on Corporate Governance (cont'd)



NCIP Detached Factories Type D108

5. SHAREHOLDERS COMMUNICATIONS AND INVESTORS RELATIONS (cont'd)

5.1 Dialogue between the Group and Investors (cont'd)

Shareholders and stakeholders can also contact Mr. Gan Kim Guan, the Senior Independent Non-executive Director on matters concerning the Group. He may be contacted at 03-92871889 or e-mail: gankg@crescendo.com.my

5.2 AGM

The AGM is the principal forum of dialogue with shareholders. Notice of AGM together with a copy of the Company's Annual Report is sent to shareholders at least fourteen (14) days prior to the meeting. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution.

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

Apart from the AGM and Annual Report, the financial highlights are disseminated on a quarterly basis to Bursa Securities. Other public information and significant items affecting the Group are reported through the Bursa Securities from time to time via announcements.

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.

5.3 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 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

Statement on Corporate Governance (cont'd)

6. ACCOUNTABILITY AND AUDIT

6.1 Financial Reporting

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

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

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

6.2 Internal Control

The Board acknowledges that it is responsible for ensuring that the Group's system of internal control for the Group is sound and provides reasonable assessment of effective and efficient operations, financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.

The review on the system of internal control is set out under the Statement on Internal Control on pages 30 and 31 of this Annual Report.

6.3 Internal Audit Function ('IAD')

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

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

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

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

The estimated total cost incurred in relation to the internal audit function of the Group for financial year ended 31 January 2009 is RM180,000.



Concrete products manufacturing operations at NCIP and Taman Perindustrian Cemerlang

Statement on Corporate Governance (cont'd)

6. ACCOUNTABILITY AND AUDIT (cont'd)

6.4 External Audit Function

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

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

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.27(a) of the Listing Requirements of Bursa Securities to issue a statement explaining their responsibilities in the preparation of the annual financial statements.

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

Therefore, in preparing these Financial Statements, the Directors have:

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

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

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



Statement on Corporate Governance (cont'd)

8. ADDITIONAL COMPLIANCE INFORMATION

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

8.1 Utilisation of Proceeds from Corporate Proposals

A Rights Issue of 3.75% 7-year Irredeemable Convertible Unsecured Loan Stock ("ICULS") together with free detachable warrants was completed during the financial year 2009. The issuance and quotation of the right issue of ICULS and warrants was completed on 20 January 2009. The total proceeds arising from the Rights Issue were fully utilised during the financial year in accordance with the approval by Securities Commission as disclosed in Note 41 to the financial statements on page 104.

8.2 Share Buy-Back

During the financial year, the Company repurchased a total of 601,000 units of its shares and these are currently held as treasury shares. The Company is seeking a renewal of shareholders mandate for the Share Buy-Back at the forthcoming AGM.

8.3 Options, Warrant or Convertible Securities

There were no options, warrant or convertible securities issued to any parties during the financial year, other than those disclosed in Note 13, 16 and 17 to the Financial Statements.

8.4 American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

8.5 Sanctions and/or Penalties

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

8.6 Non-audit fees

The non-audit fees paid to the External Auditors, Messrs CS Tan & Associates, during the financial year 2009 amounted to RM15,000.

8.7 Variation in results

There was no material variation between the results for the financial year ended 31 January 2009 and the unaudited results previously announced.

8.8 Profit Guarantee

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

8.9 Material Contracts involving Directors and major shareholders' interest

Material contracts for the Company and its subsidiaries involving Directors either subsisting at the end of the financial year or entered into since the end of the previous year are disclosed in Note 36 to the financial statements under "Significant Related Party Transactions" on pages 100 and 101.

8.10 Revaluation Policy

The Group's revaluation policy is stated in Note 3.3 (b) to the Financial Statements.

8.11 Recurrent Related Party Transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 36 to the Financial Statements.

Statement on Corporate Governance (cont'd)



Annual Dinner

9. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standard of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board is of the opinion that it had complied with the Best Principles as set out in the Code of Corporate Governance throughout the financial year ended 31 January 2009 except for the following:

- a. Details of Directors' remuneration. The Company complies with the disclosure requirements under the Bursa Securities Listing Requirements i.e. disclosure of Directors' Remuneration by applicable bands of RM50,000. The Board is of the view that the transparency and accountability aspects of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the band disclosure made on page 24. In addition, the composition of the Remuneration Committee has been fully disclosed on page 38 of the Annual Report.
- b. Gooi Seong Lim is essentially functioning as Managing Director and Chairman of the Board. The Board is mindful that the convergence of the two roles is not in compliance with best practice, but took into consideration the fact that he has a controlling shareholding (with approximately 66% stake) and there is an advantage of shareholder leadership with natural alignment. In respect of potential conflict of interest, the Board is comfortable that there is no undue risk involved as all related party transactions are strictly dealt with in accordance with the Listing Requirements of Bursa Securities. This arrangement is a temporary measure until a suitable candidate is found.

This Statement is made in accordance with a resolution of the Board dated 26 June 2009.

Statement On Internal Control

(Pursuant to paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad)

1.0 INTRODUCTION

The Board of Directors of Crescendo Corporation Berhad is pleased to present its Statement on Internal Control for the financial year ended 31 January 2009, prepared in accordance with the Bursa Malaysia Securities Berhad's "Statement on Internal Control: Guidance for Directors of Public Listed Companies".

2.0 BOARD RESPONSIBILITIES

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

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

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

3.0 KEY INTERNAL CONTROL PROCESSES

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

3.1 Risk Management Framework

The Group has put in place a Risk Management Committee ("RMC") that is chaired by the Managing Director and its members comprise Executive Directors, Heads of Divisions & Departments ("HODS") and staff from key operations. HODS are trained to lead the risk management functions of their respective 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.

3.2 Organisation Structure and Authorisation Procedures

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

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

3.3 Internal Audit Function

The Internal Audit Function has been undertaken by the IAD of the Group's holding company, Sharikat Kim Loong Sendirian Berhad.

The IAD undertakes regular reviews of the Group's operations and their system of internal control. They provide continuous improvement to the controls and risk management procedures. Internal audit findings are discussed at management level and actions are determined in response to the Internal Auditors' recommendations. The status of implementation of the agreed actions is followed up by the Internal Auditors to ensure that satisfactory control is maintained.

Statement On Internal Control (cont'd)

3.0 KEY INTERNAL CONTROL PROCESSES (CONT'D)**3.3 Internal Audit Function (cont'd)**

The IAD regularly reports on compliance with internal control and procedures to the Audit Committee. They also ensure that recommendations to improve control are being followed through by the management. The Audit Committee reviews all internal audit findings and management responses and the effectiveness of the risk management process. Significant risk issues are referred to the Board for consideration. The Board reviews the minutes of the Audit Committee meetings.

3.4 Operations Review and Monitoring

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

3.5 Human Capital Development and Training

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

3.6 Other Key Elements of Internal Control

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

- Regular site visits to the operations within the Group by Executive Directors and senior management.
- The Finance Department monitors the activities and performance of the subsidiaries through the monthly management accounts and ensures control accounts are reconciled with the subsidiaries records.
- Adequate insurance and physical safeguarding of major assets are in place to ensure these assets are sufficiently covered against any mishap that may result in material losses to the Group.
- The documented policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses and ensure complete and accurate financial information. The documents consist of memoranda, circulars, manuals and handbooks that are regularly revised and updated to meet operational needs.
- All recurrent related party transactions are dealt with in accordance with the Listing Requirements of Bursa Securities. The Audit Committee and the Board review the recurrent related party transactions at the respective meetings of the Audit Committee and the Board.

4.0 REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.24 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2009. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group.

5.0 CONCLUSION

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

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

This Statement is made in accordance with a resolution of the Board of Directors dated 26 June 2009.

Statement On Corporate Social Responsibilities

The Group does not have any formal Corporate Social Responsibilities ("CSR") Policy to be its guiding principles. The Group as a socially responsible corporation, supports and contributes positively to the sustainable development of the economy and the community where the Group operates. It places importance on its CSR and remains committed to care for the environment and employees, fostering strong relationships with business associates and supporting worthy community welfare causes as part of its business ethics and responsibilities.

Marketplace

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

Workplace

Cognisant that a team of dedicated and motivated employees plays a crucial role in ensuring that the Group is well poised to meet present and future challenges, the Group continues to place emphasis to develop its human capital, the organisation's most valuable asset. The Group had a total workforce of over 280 as at 31 January 2009.

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

- Conducting in-house training for the staff on communication, legal, accounting, technical issues and management skills. Where specialist training is required, the staff are sent for external training;
- Carried out various staff activities including festival celebrations and sporting events through the In-House Sports Club;
- A partially subsidised company trip to Cambodia and Kota Kinabalu was organised for the staff and their family members; and
- During the financial year, at the height of the rise of petrol prices, our employees were provided with a Special Relief Allowance to cope.

In accordance with its tradition in appreciation the contributions of our staff, business associates and partners an annual dinner was organised at a five star hotel in Johor Bahru.

Community

During the year, the Group made several contributions and donations to the following organisations as follows:

- Dewan Perniagaan dan Perindustrian Tiong Hua Tiram, Johor
- Persatuan Nelayan Johor Selatan
- 51st Merdeka Day Celebration
- Ikatan Relawan Rakyat Malaysia
- Persatuan Foochow Johor Bahru for Chingay celebrations
- Various amounts of contributions were made to several non-governmental organizations for sports, culture and welfare activities during the year.

Education is also one of Crescendo's Corporate Social Responsibilities aim. Crescendo International College ("CIC") in the heart of Johor Bahru city provides GCE A Level and professional courses at affordable rates. More than 700 students had enrolled in CIC as at 31 January 2009. Discounts and partial scholarship 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. In addition, donations were made to schools for building funds, donations to Persatuan Ibu Bapa & Guru and for scholarships.

Environment

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

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 its activities held throughout the financial year ended 31 January 2009 and in compliance with Paragraph 15.16 (1) of the Listing Requirements of Bursa Securities.

MEMBERS OF THE AUDIT COMMITTEE

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

Chairman	: Gan Kim Guan
Members	: Yeo Jon Tian @ Eeyo Jon Thiam Tan Ah Lai
Secretaries	: Chong Fook Sin Ng Kam May

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall not be fewer than three (3) members. All the members must be Non-executive Directors, with a majority of them Independent Directors as defined in Chapter 1 of the Listing Requirements of Bursa Securities. The quorum shall be two (2) members, a majority of whom shall be Independent Directors. The Chairman of the Committee shall be elected by the members of the Committee from amongst their members and shall be an Independent Director.

At least one member of the Committee:

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

Both Mr. Gan Kim Guan, the Chairman of the Audit Committee and Mr Tan Ah Lai, member of the Audit Committee, are Fellows of the Association of Chartered Certified Accountants and the MIA. The Company has therefore in compliance with paragraph 15.10(1)(c)(i) of the Listing Requirements of Bursa Securities.

The Company Secretary shall be the Secretary of the Committee.



Proposed chinese primary school land donation at Desa Cemerlang

Report Of The Audit Committee (cont'd)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

2. Attendance At Meetings

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

3. Frequency and Procedures of Meetings

- (i) Meetings shall be held not less than four times a financial year.
- (ii) The Committee shall regulate its own procedures, in particular:
 - a. the calling of meetings;
 - b. the notice to be given of such 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 2009, the Audit Committee held a total of four (4) meetings. The attendance by each member at the Committee meetings during the year was as follows:

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

The details of training attended by the above Directors are tabulated on page 23.

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. the quarterly results and year end financial statements, prior to the approval by the Board of Directors, particularly on:
 - any changes in or implementation of major accounting policies;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements.
 - h. any related party transactions and conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - i. any letter of resignation from the External Auditors of the Company; and
 - j. whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment.
- (ii) To recommend the nomination of a person or persons as External Auditors and the audit fee.

Report Of The Audit Committee (cont'd)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

5. Rights

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

- a. have authority to investigate any matter within its Terms of Reference;
- b. have the resources which are required to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Group;
- d. have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any);
- e. be able to obtain independent professional advice; and
- f. be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

6. Reporting Procedures

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



The unique designs of our NCIP factories

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 focused and detailed manner.

During the financial year 2009, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference. The main activities undertaken by the Audit Committee were as follows:

Financial and Operations Review

- Reviewed operational reports;
- Reviewed and recommended for the Board's approval the quarterly reports for announcement to the 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 with the External Auditors prior to submission to the Board for approval;
- Reviewed the outcome of the risk management programme, including key risks identified, the potential impacts and the likelihood of the risks occurring, existing controls which can mitigate the risks and action plans; and
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with Best Practices set under the Malaysian Code of Corporate Governance in conjunction with the preparation of the Corporate Governance Statement and Internal Control Statement.

Report Of The Audit Committee (cont'd)



Annual Trips

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (cont'd)

External Audit

- Reviewed the External Auditor's annual audit plan and audit strategy for the financial year ended 31 January 2009 to ensure their scope of work adequately covered the activities of the Company and the Group
- Discussed with the management and the External Auditors the Financial Reporting Standards applicable to the financial statements of the Company and the Group that were applied and their judgement of the items that may affect the financial statements;
- Reviewed with the External Auditors, the result of the audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of the audit that required appropriate actions and the Management's responses thereon.
- Reviewed and evaluated the External Auditor's performance, objectivity and independence during the year before recommending to the Board for re-appointment and remuneration.
- Held independent meetings (without the presence of Management) with the External Auditors on significant findings in the course of the audit.

Internal Audit

- Reviewed and approved the Internal Audit Department's ("IAD") resource requirement, programmes and plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries.
- Reviewed the internal audit reports presented by the IAD on findings, recommendations and management responses thereto and ensured that material findings were adequately addressed by the Management and relevant issues reported to the Board.
- Prepared the Audit Committee report for inclusion in the Annual Report 2009;
- Held independent meetings (without the presence of Management) with the Internal Auditors on significant findings in the course of the audit.

Report Of The Audit Committee (cont'd)



Graduation Ceremony 2008 and City Campus of Crescendo International College



SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (cont'd)

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 Company and the Group to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective before recommending to the Board for approval.

Employees Share Options Scheme ('ESOS')

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

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group has been outsourced to the IAD of the Group's holding company, Sharikat Kim Loong Sendirian Berhad.

The Head of IAD reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plan. The IAD adopts a risk-based auditing approach taking into account best practices and industry standards.

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

During the financial year under review, the internal auditors conducted audits on business units and carried out regular reviews of the operations of the companies within the Group in accordance with the approved Internal Audit Plan.

This Statement is made in accordance with a resolution of the Board of Directors dated 26 June 2009.

Report Of The Remuneration Committee

COMPOSITION OF MEMBERS

(1) Members

The Committee comprises the following members:

Chairman : Yeo Jon Tian @ Eeyo Jon Thiam

Members : Gan Kim Guan
Gooi Seong Lim
Tan Ah Lai (appointed 26 Feb 09)

Secretaries : Chong Fook Sin
Ng Kam May

TERMS OF REFERENCE

(1) Membership

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

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

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

The Company Secretary shall be the Secretary of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once in a year.

(3) Authority

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

(4) Duty

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

(5) Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE REMUNERATION COMMITTEE

The Committee met once during the financial year 2009. All members attended the meeting.

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

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

Report of The Nominating Committee

COMPOSITION OF MEMBERS

(1) Members

The Committee comprises the following members:

Chairman : Yeo Jon Tian @ Eeyo Jon Thiam

Members : Gan Kim Guan
Tan Ah Lai (appointed 26 Feb 09)

Secretaries : Chong Fook Sin
Ng Kam May

TERMS OF REFERENCE

(1) Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist exclusively of Non-executive Directors, minimum two (2), a majority of whom are Independent Directors.

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

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

The Company Secretary shall be the Secretary of the Committee.

(2) Frequency of Meetings

Meetings shall be held not less than once in a year.

(3) Authority

The Committee is to recommend new nominees for the Board and the board committees and to assess Directors on an ongoing basis.

The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

(4) Duty

The duties of the Committee shall be:

- (i) to recommend to the Board, candidates for all directorships and in doing so, preference shall be given to shareholders or existing Board members and candidates proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder may also be considered;
- (ii) to recommend to the Board, directors to fill the seats in board committees;
- (iii) to review annually, on behalf of the Board, the required mix of skills, experience and other qualities, including core competencies, which Non-executive Directors should bring to the Board.
- (iv) to carry out annually, on behalf of the Board, the assessment of the effectiveness of the Board as a whole, the board committees and the contribution of each individual Director.

(5) Reporting Procedures

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

SUMMARY OF ACTIVITIES OF THE NOMINATING COMMITTEE

The Committee met once during the financial year 2009. All members attended the meeting.

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

- a) Reviewed the composition and the required mix of skills, experience and other qualities of the Board; and
- b) Reviewed the re-appointment and re-election of directors retiring at the AGM under Article 77 of the Articles of Association.

Chairman's Statement



On behalf of the Board of Directors of Crescendo Corporation Berhad, I am pleased to present to you the Annual Report and Audited Financial Statements for the financial year ended 31 January 2009.

FINANCIAL RESULTS

The Group performed well in the financial year 2009 with a 37% increase in profit before tax despite the global financial crisis and the sharp increase in construction costs during the year. The Group recorded a revenue and profit before tax of RM203 million and RM44 million respectively for the financial year 2009 as compared to RM124.7 million and RM32.2 million respectively recorded for the financial year 2008. The increase in revenue and profit is mainly contributed by the industrial property operations and concrete products manufacturing operation.

DIVIDEND

The Board is pleased to recommend for the financial year ended 31 January 2009 a final dividend of 3.0 sen per share, less 25% tax and 1 sen per share tax exempt (2008: 4 sen per share, less 25% tax), making a total dividend of 7 sen per share, made up of 3 sen less 25% tax and 4 sen tax exempt (2008: 3 sen less 26% tax and 4 sen less 25% tax).

CORPORATE DEVELOPMENTS**Rights Issue with Warrants**

During the year, the Company completed the issuance of RM59,682,634 of 3.75% 7-year Irredeemable Convertible Unsecured Loan Stock ("ICULS") together with 59,682,634 free detachable warrants pursuant to a rights issue exercise on the basis of RM1.00 nominal value of ICULS together with one free detachable warrant for every two existing ordinary shares of RM1.00 each held in the Company. The ICULS are convertible into fully paid ordinary shares from the third anniversary of issue. The Warrant holders are entitled to subscribe for ordinary shares at any time within five years of the issue. The conversion and exercise price for the ICULS and Warrants respectively is RM1.00. The official quotation of the ICULS and warrants commenced on 20 January 2009.

Out of the RM59.7 million raised from the rights issue, RM45 million has been used for the development expenditure for the Nusa Cemerlang Industrial Park ("NCIP") project and the balance of RM14.7 million for working capital of the Group and the expenses relating to the rights issue exercise.

REVIEW OF BUSINESS ACTIVITIES**INDUSTRIAL PROPERTY DEVELOPMENT**

The industrial property operations recorded a substantial increase of 78% in revenue mainly contributed by our new NCIP project at Nusajaya which offers detached and semi-detached factories of various sizes. The first package launched last year was fully sold. The revenue and profit recorded for the financial year 2009 are RM98.9 million and RM23.8 million respectively as compared to RM55.6 million and RM17 million in the previous financial year.

Chairman's Statement (cont'd)



Detached factories at NCIP

The profit margin has dropped from 30.9% to 24.1% mainly due to higher land cost, and the steep increase in raw material and construction costs in the first nine months of the financial year ended 31 January 2009.

In view of the various positive developments in Iskandar Malaysia, it is anticipated that the NCIP project will perform reasonably well. The rental market for industrial properties is also expected to be good as it can cater for industrialists who are not prepared to enter into purchase commitments due to the global economic slowdown. We expect the industrial development operations to remain as the main profit contributor for the Group in the financial year 2010.

RESIDENTIAL AND COMMERCIAL DEVELOPMENT

The residential/commercial property operations recorded a revenue and profit of RM26 million and RM10 million respectively for the financial year 2009 as compared to RM29.3 million and RM10.9 million respectively for the previous financial year. The profit margin remains fairly consistent with that for the financial year 2008.

We expect the demand for the residential properties to taper off due to the slow down in economy in 2009.

CONSTRUCTION

The revenue from the construction operations increased from RM74 million in financial year 2008 to RM90.5 million in the financial year 2009. The profit achieved for the financial year 2009 is RM4.5 million compared to RM3.7 million for the financial year 2008. The profit margin remains consistent with that for the financial year 2008.

MANUFACTURING AND TRADING

The manufacturing and trading operations recorded an impressive increase of more than 100% mainly due to the expansion of the plant operating at NCIP and the sales of export grade concrete piles and precast concrete products for local and Singapore markets. The revenue and profit are RM72.9 million and RM6.6 million respectively for the financial year 2009 as compared to RM34.5 million and RM1.4 million respectively for the financial year 2008.

We expect this operation to continue to perform well in the financial year 2010.

Chairman's Statement (cont'd)



NCIP Site and Sales Office

DEVELOPMENT AND PROSPECTS

The financial year 2010 is expected to be a relatively challenging year with uncertainty in global economic environment and credit crunch problems.

The Group's strategy of focusing on development of industrial properties and scaling down on launches of residential properties has paid off as evidenced by the good performance achieved for this current financial year. Hence the Group will continue to adopt this strategy by concentrating on the development of NCIP located at Nusajaya in the financial year 2010.

Nusajaya is one of the five flagship zones within Iskandar Malaysia and is a fully integrated urban development. Iskandar Malaysia, identified as the key engine of growth under the 9th Malaysia Plan, has already attracted US\$11.96 billion of investments in the last 24 months and has almost achieved its US\$13 billion overall foreign direct investment target for the phase ending in 2010. As the Government has provided adequate world class infrastructure and facilities to attract more foreign investors to invest in the area, we are optimistic of the success of Iskandar Malaysia.

We also expect relocation of Singaporean medium industries to NCIP to continue because of lower land cost, lower operating cost in terms of cheaper labour and utility cost, and easier management control in view of NCIP's proximity to their home base in Singapore.

The Group will concentrate on selling the existing stocks of residential properties as the demand for this sector is currently slow due to oversupply and economic slowdown. We expect this overhang situation to improve in a few years' time in view of the various developments within Iskandar Malaysia and the scheduled opening of Singapore's two Integrated Resorts in 2010. With the creation of more employment opportunities, there will be inward migration of population to Johor Bahru from the other states. The new arrivals will be purchasing their residential homes in the Iskandar Malaysia area where our projects are located.

The demand for commercial properties is still good and the Group will continue to invest in this sector but in smaller phases so as to be conservative.

Barring unforeseen circumstances, the Board expects the Group to remain profitable for the financial year ending 31 January 2010.

Chairman's Statement (cont'd)

*Guard house at NCIP entrance**Gated housing project in Desa Cemerlang**Shop office project in Desa Cemerlang***BOARD MATTERS**

We are saddened by the demise of our beloved Founder and Director, my mother Madam Loo Geok Eng, who passed away peacefully on 13 August 2008. The late Madam Loo through integrity and hard work established the Group which has since grown and diversified extensively under her leadership. Her remarkable entrepreneurial legacy shall continue to live on.

APPRECIATION

On behalf of the Board, I wish to express my appreciation to the Management and Staff for their loyal and dedicated services to the Group, and to various government authorities and agencies, bankers, valued customers and suppliers and business associates for their co-operation and continued support.

Finally, I would also like to take this opportunity to thank my fellow Board members for appointing me as the Chairman and Managing Director with effect from 30 March 2009 and 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 2009



T A M A N



PERINDUSTRIAN
CEMERLANG



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 2009.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and in the provision of management services to companies in the Group and other related companies.

The subsidiaries are principally engaged in property development, investment holding, building construction, property investment and management, trading and manufacturing of concrete products, civil engineering works, trading in building materials and providing educational services.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit after tax attributable to :		
Equity holders of the Company	31,316,847	8,353,098
Minority interests	2,668,038	-
Net profit for the year	<u>33,984,885</u>	<u>8,353,098</u>

DIVIDENDS

The dividends paid by the Company since the end of the previous financial year were as follows :

	RM
In respect of the financial year ended 31 January 2008 as shown in the Directors' Report of that year, a final gross dividend of 4.0 sen per share on 154,755,330 ordinary shares, less tax, paid on 22 August 2008	4,642,660
In respect of the financial year ended 31 January 2009, interim tax exempt gross dividend of 3.0 sen per share on 154,607,130 ordinary shares, paid on 26 November 2008	4,638,214
	<u>9,280,874</u>

The Directors recommend the payment of a final dividend of 4.0 sen per share comprising of 3.0 sen less tax and 1.0 sen tax exempt in respect of the financial year ended 31 January 2009, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES, SHARE OPTIONS AND DEBENTURES

During the financial year, the Company issued 3,000 ordinary shares of RM1 each by virtue of the exercise of 3,000 share options pursuant to the Company's Employees' Share Option Scheme at the exercise price of RM1.00 per share. The new ordinary shares issued during the financial year rank pari passu in all respect with the existing ordinary shares of the Company.

SHARE BUY-BACK

The shareholders of the Company, by an ordinary resolution passed at the Twelfth Annual General Meeting held on 30 July 2008, approved the Company's plan to repurchase its own shares up to a maximum of 15,507,133 ordinary shares of RM1 each representing approximately 10% of the total issued and paid up share capital on the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors of the Company are committed to enhancing the shareholders' value and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 601,000 of its issued share capital from the open market on the Bursa Securities for RM584,216. The average price paid for the shares repurchased was approximately RM0.97 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Directors' Report

(cont'd)

EMPLOYEES' SHARE OPTION SCHEME

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

The main features of the ESOS are :

- (i) The total number of new ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid up ordinary shares of the Company, such that not more than 50% of the shares available under ESOS is allocated in aggregate, to directors and senior management.
- (ii) Not more than 10% shares available under ESOS is allocated to any individual director or employee who, either singly or collectively through his / her associates, holds 20% or more in the issued and paid up capital of the Company.
- (iii) Only staff and executive directors of the Group are eligible to participate in the scheme. Executive directors are those involved in the day-to-day management and on the payroll of the Group.
- (iv) The option price under the ESOS is the five (5) days weighted average market price of the shares of the Company at the time the option is granted, subject to a discount of not more than ten percent (10%) which the Company may at its discretion decide to give, or the par value of the shares of the Company of RM1, whichever is the higher.
- (v) The options granted will be valid up to the extended expiry date of the ESOS on 25 June 2012.
- (vi) An option holder may, in a particular year, exercise up to such maximum number of shares as specified in the option certificate in accordance with By-Law 7.4. The employees' entitlements to the options are vested as soon as they become exercisable. The percentage of options exercisable in each of the year during the period of ESOS is as follows :

Options issued in :	Number of share options granted and unexercised as at 31 January 2009	Percentage of options exercisable in financial year		
		2010 %	2011 %	2012 %
2002	2,344,000	100	-	-
2003	59,000	100	-	-
2004	276,000	100	-	-
2005	156,000	100	-	-
2006	107,000	100	-	-
2007	612,000	88	9	3
2008	1,224,000	91	7	2
	<hr/> 4,778,000			

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

During the financial year, the Company issued 1,244,000 new options to eligible employees. The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted option to subscribe for less than 200,000 ordinary shares of RM1 each. During the financial year, none of the employee has been granted more than 200,000 share options.

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

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2009/2016

On 12 January 2009, the Company completed the issuance of a renounceable rights issue of 59,682,634 **3.75% 7-year Irredeemable Convertible Unsecured Loan Stocks 2009/2016** ("ICULS 2009/2016") at 100% of its nominal value of ICULS 2009/2016 together with 59,682,634 free detachable warrants for every two (2) existing ordinary shares of RM1 each held in the Company.

The ICULS 2009/2016 are constituted by a trust deed dated 27 November 2008 and were listed on Bursa Securities on 20 January 2009.

Directors' Report

(cont'd)

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

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

- (i) The ICULS 2009/2016 bear interest at 3.75% per annum payable in arrears annually during the 7-year period in respect of the ICULS 2009/2016 which have not been converted prior to the maturity date.
- (ii) The ICULS 2009/2016 are convertible on or after 12 January 2012 up to the maturity date on 11 January 2016 at RM1 nominal value of ICULS 2009/2016 for every one new ordinary share in the Company of RM1 each.
- (iii) The ICULS 2009/2016 will not be redeemable for cash. All outstanding ICULS 2009/2016 will be convertible into new ordinary share 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 respect 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.

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.

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
 Loo Geok Eng (f) (Deceased on 13.8.2008)

In accordance with Article 77 of the Company's Articles of Association, GOOI SEONG LIM and GOOI SEONG CHNEH are required to retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

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

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

Directors' Report (cont'd)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Number of ordinary shares of RM1 each in the Company			
	As at 1.2.2008	Bought	Sold	As at 31.1.2009
Gooi Seong Lim				
- direct interest	2,277,836	-	-	2,277,836
- indirect interest	99,404,700	-	-	99,404,700
Gooi Seong Heen				
- direct interest	2,142,835	-	-	2,142,835
- indirect interest	99,368,700	-	-	99,368,700
Gooi Seong Chneh				
- direct interest	1,974,836	-	-	1,974,836
- indirect interest	99,334,700	-	-	99,334,700
Gooi Seong Gum				
- direct interest	1,835,437	-	(1,835,437)	-
- indirect interest	99,334,700	-	-	99,334,700
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	21,500	8,500	-	30,000
- indirect interest	15,000	-	-	15,000

	Number of ICULS 2009/2016 of RM1 nominal value each in the Company			
	As at 1.2.2008	Bought	Sold	As at 31.1.2009
Gooi Seong Lim				
- direct interest	-	1,138,918	-	1,138,918
- indirect interest	-	51,480,982	-	51,480,982
Gooi Seong Heen				
- direct interest	-	1,071,417	-	1,071,417
- indirect interest	-	51,462,982	-	51,462,982
Gooi Seong Chneh				
- direct interest	-	987,418	-	987,418
- indirect interest	-	51,445,982	-	51,445,982
Gooi Seong Gum				
- indirect interest	-	51,445,982	-	51,445,982
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	-	15,000	-	15,000
- indirect interest	-	2,000	-	2,000

Directors' Report

(cont'd)

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

	Number of Warrants 2009/2014 in the Company			
	As at 1.2.2008	Alloted	Exercised	As at 31.1.2009
Gooi Seong Lim				
- direct interest	-	1,138,918	-	1,138,918
- indirect interest	-	51,480,982	-	51,480,982
Gooi Seong Heen				
- direct interest	-	1,071,417	-	1,071,417
- indirect interest	-	51,462,982	-	51,462,982
Gooi Seong Chneh				
- direct interest	-	987,418	-	987,418
- indirect interest	-	51,445,982	-	51,445,982
Gooi Seong Gum				
- indirect interest	-	51,445,982	-	51,445,982
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	-	15,000	-	15,000
- indirect interest	-	2,000	-	2,000

	Number of options under ESOS over ordinary shares of RM1 each in the Company			
	As at 1.2.2008	Granted	Exercised	As at 31.1.2009
Gooi Seong Heen	228,000	-	-	228,000
Gooi Seong Chneh	128,000	-	-	128,000
Gooi Seong Gum	329,000	-	-	329,000

	Number of ordinary shares of RM1 each in related corporations			
	As at 1.2.2008	Bought / Bonus issue	Sold	As at 31.1.2009
Kim Loong Resources Berhad				
Gooi Seong Lim	748,000	411,760	-	1,159,760
Gooi Seong Heen	628,000	391,760	-	1,019,760
Gooi Seong Chneh	548,000	331,760	-	879,760
Gooi Seong Gum	518,000	1,624,000	-	2,142,000

Crescendo Overseas Corporation Sdn. Bhd.

Gooi Seong Lim	9,800	-	-	9,800
Gooi Seong Heen	9,800	-	-	9,800
Gooi Seong Chneh	9,800	-	-	9,800
Gooi Seong Gum	9,800	-	-	9,800

Panoramic Housing Development Sdn. Bhd.

Gooi Seong Lim	4,560	-	-	4,560
Gooi Seong Heen	4,560	-	-	4,560
Gooi Seong Chneh	4,560	-	-	4,560
Gooi Seong Gum	4,560	-	-	4,560

Directors' Report (cont'd)

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

	As at 1.2.2008	Number of options under ESOS over ordinary shares of RM1 each in a related corporation Granted / Bonus Issue	Exercised	As at 31.1.2009
Kim Loong Resources Berhad				
Gooi Seong Lim	134,000	55,000	(80,400)	108,600
Gooi Seong Heen	134,000	55,000	(80,400)	108,600
Gooi Seong Chneh	134,000	55,000	(80,400)	108,600
Gooi Seong Gum	134,000	55,000	(80,400)	108,600

	As at 1.2.2008	Number of warrants in a related corporation Bought / Bonus Issue	Exercised	As at 31.1.2009
Kim Loong Resources Berhad				
Gooi Seong Lim				
- indirect interest	1,600	640	-	2,240
Gooi Seong Heen				
- direct interest	20,000	-	(20,000)	-
- indirect interest	1,600	640	-	2,240
Gooi Seong Chneh				
- indirect interest	1,600	640	-	2,240
Gooi Seong Gum				
- indirect interest	1,600	640	-	2,240

	As at 1.2.2008	Number of ordinary shares of RM100 each in the holding company, Sharikat Kim Loong Sendirian Berhad Bought	Sold	As at 31.1.2009
Gooi Seong Lim				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seong Heen				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seong Chneh				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seong Gum				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250

By virtue of their interests in the 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.

Directors' Report

(cont'd)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps :

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

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

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

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

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

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

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

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year ended 31 January 2009 were not substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

HOLDING AND ULTIMATE HOLDING COMPANY

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

AUDITORS

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

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

GOOI SEONG LIM
Director

GOOI SEONG GUM
Director

Dated : 27 May 2009

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 55 to 104 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 2009 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

GOOI SEONG LIM
Director

GOOI SEONG GUM
Director

Dated : 27 May 2009

Statutory Declaration

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

I, GOOI SEONG GUM, being the Director primarily responsible for the financial management of CRESCENDO CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 55 to 104 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by (
the abovenamed (
GOOI SEONG GUM (
at Johor Bahru in the State of Johor Darul Takzim (
on 27 May 2009 (

GOOI SEONG GUM
Director

Before me,

Commissioner for Oaths

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 balance sheets as at 31 January 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 104.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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 Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 January 2009 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

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

Other Matters

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

C S TAN & ASSOCIATES

Firm Number: AF 1144
Chartered Accountants

CHOO MIN LEE

Approval Number: 2835 / 08 / 09 (J)
Partner

Johor Bahru,

Dated : 27 May 2009

Balance Sheets

as at 31 January 2009

			GROUP		COMPANY
	Note	2009 RM	2008 RM	2009 RM	2008 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	58,211,097	55,479,663	450,812	619,712
Investment in subsidiaries	5	-	-	126,165,277	126,165,277
Investments	6	801,582	2,623,770	-	-
Land held for property development	7	311,475,780	294,686,503	-	-
Deferred tax assets	8	5,846,000	4,906,000	-	-
		376,334,459	357,695,936	126,616,089	126,784,989
Current assets					
Property development costs	7	49,957,124	55,274,445	-	-
Inventories	9	66,594,237	43,591,572	-	-
Due from customers on contracts	10	11,379,360	6,066,189	-	-
Tax recoverable		918,421	1,131,880	-	-
Receivables	11	43,632,915	40,802,207	116,469,412	103,763,755
Cash and bank balances	12	52,011,638	8,875,268	44,506,811	223,683
		224,493,695	155,741,561	160,976,223	103,987,438
TOTAL ASSETS		600,828,154	513,437,497	287,592,312	230,772,427
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	13	155,071,330	155,068,330	155,071,330	155,068,330
Share premium	13	14,890,492	15,517,033	14,890,492	15,517,033
Treasury shares	13	(584,216)	-	(584,216)	-
Revaluation reserve	14	14,932,829	14,932,829	-	-
Share option reserve	15	187,389	69,537	187,389	69,537
Equity component of ICULS	16	20,817,034	-	20,817,034	-
Retained profits	18	187,180,456	165,144,483	56,940,460	57,868,236
		392,495,314	350,732,212	247,322,489	228,523,136
Minority interests		8,245,881	5,577,843	-	-
Total equity		400,741,195	356,310,055	247,322,489	228,523,136

Balance Sheets

as at 31 January 2009 (cont'd)

		GROUP		COMPANY	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Non-current liabilities					
Bank borrowings (secured)	19	94,676,071	84,748,830	-	-
Liability component of ICULS	16	38,690,600	-	38,690,600	-
Deferred tax liabilities	8	2,354,628	2,655,433	240,000	76,000
Other payable	21	9,000,000	11,000,000	-	-
		144,721,299	98,404,263	38,930,600	76,000
Current liabilities					
Payables	22	37,664,529	31,740,531	1,174,957	1,793,894
Due to customers on contracts	10	28,972	-	-	-
Bank borrowings (secured)	19	16,548,669	24,091,448	-	369,207
Provision for tax		1,123,490	2,891,200	164,266	10,190
		55,365,660	58,723,179	1,339,223	2,173,291
Total liabilities		200,086,959	157,127,442	40,269,823	2,249,291
TOTAL EQUITY AND LIABILITIES		600,828,154	513,437,497	287,592,312	230,772,427

Income Statements

For The Financial Year Ended 31 January 2009

		GROUP		COMPANY	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Revenue	27	203,020,216	124,706,555	16,476,982	95,308,391
Cost of sales	27	(147,952,067)	(82,649,253)	-	-
Gross profit		55,068,149	42,057,302	16,476,982	95,308,391
Other operating income		5,040,303	3,757,584	1,206,802	830,688
Administration expenses		(13,430,730)	(12,244,806)	(8,029,581)	(7,531,008)
Other operating expenses		(1,085,730)	273,362	-	-
Finance costs	28	(1,562,450)	(1,609,963)	(123,368)	(89,214)
Profit before tax	29	44,029,542	32,233,479	9,530,835	88,518,857
Tax	32	(10,044,657)	(8,428,464)	(1,177,737)	(23,279,742)
Net profit for the year		33,984,885	23,805,015	8,353,098	65,239,115
Attributable to :					
Equity holders of the Company		31,316,847	22,866,466	8,353,098	65,239,115
Minority interests		2,668,038	938,549	-	-
		33,984,885	23,805,015	8,353,098	65,239,115
Earnings per share attributable to equity holders of the Company (sen) :					
Basic, for profit for the year	33	20.3	15.2		
Diluted, for profit for the year	33	Not Applicable	15.1		

For The Financial Year Ended 31 January 2009

	Attributable to equity holders of the Company								Minority Interests	Total Equity
	Non-distributable				Distributable					
	Share Capital RM	Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Share Option Reserve RM	Retained Profits RM	Total RM			
2008	Note									
Balance as at 1.2.2007		143,792,840	14,533,065	(2,552,999)	13,589,032	18,830	150,059,354	319,440,122	4,195,964	323,636,086
Realisation of revaluation surplus, net of tax	14	-	-	-	(162,111)	-	162,111	-	-	-
Reduction in deferred tax arising from change in tax rate	14	-	-	-	1,505,908	-	-	1,505,908	-	1,505,908
Net income recognised directly in equity		-	-	-	1,343,797	-	162,111	1,505,908	-	1,505,908
Net profit for the year		-	-	-	-	-	22,866,466	938,549	23,805,015	
Total recognised income and expenses for the year		-	-	-	1,343,797	-	23,028,577	24,372,374	938,549	25,310,923
Dividends	34	-	-	-	-	-	(7,943,448)	(7,943,448)	-	(7,943,448)
Issue of shares										
- Conversion from ICULS	16	8,774,090	-	-	-	-	-	8,774,090	-	8,774,090
- Exercise of ESOS	13	2,501,400	230,015	-	-	-	-	2,731,415	-	2,731,415
Re-sale of treasury shares	13	-	718,312	2,552,999	-	-	-	3,271,311	-	3,271,311
Share-based payment expenses under ESOS	15	-	-	-	-	86,348	-	86,348	-	86,348
Transfer of reserve arising from exercise of ESOS	15	-	35,641	-	-	(35,641)	-	-	-	-
Issue of shares to minority interests		-	-	-	-	-	-	-	660,000	660,000
Minority interest's share of loss set off against their advances		-	-	-	-	-	-	(216,670)	(216,670)	(216,670)
Balance as at 31.1.2008		155,068,330	15,517,033	-	14,932,829	69,537	165,144,483	350,732,212	5,577,843	356,310,055

For The Financial Year Ended 31 January 2009 (cont'd)

2009	Note	Attributable to equity holders of the Company										Minority Interests	Total Equity
		Non-distributable					Distributable						
		Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Share Option Reserve	ICULS (Equity Component)	Retained Profits	Total	RM	RM		
Balance as at 1.2.2008		155,068,330	15,517,033	-	14,932,829	69,537	-	165,144,483	350,732,212	5,577,843	356,310,055		
Net profit for the year, representing total recognised income and expenses for the year		-	-	-	-	-	-	31,316,847	31,316,847	2,668,038	33,984,885		
Dividends	34	-	-	-	-	-	-	(9,280,874)	(9,280,874)	-	(9,280,874)		
Rights Issue of ICULS, net of tax	16	-	-	-	-	-	20,817,034	-	20,817,034	-	20,817,034		
Expenses incurred in connection with the Rights Issue		-	(626,895)	-	-	-	-	-	(626,895)	-	(626,895)		
Issuance of shares pursuant to exercise of ESOS	13	3,000	-	-	-	-	-	-	3,000	-	3,000		
Purchase of treasury shares	13	-	-	(584,216)	-	-	-	-	(584,216)	-	(584,216)		
Share-based payment expenses under ESOS	15	-	-	-	-	118,206	-	-	118,206	-	118,206		
Transfer of reserve arising from exercise of ESOS	15	-	354	-	-	(354)	-	-	-	-	-		
Balance as at 31.1.2009		155,071,330	14,890,492	(584,216)	14,932,829	187,389	20,817,034	187,180,456	392,495,314	8,245,881	400,741,195		

Company Statement Of Changes In Equity

For The Financial Year Ended 31 January 2009

2008	Note	Non-distributable					Distributable Retained Profits RM	Total RM
		Share Capital RM	Share Premium RM	Treasury Shares RM	Share Option Reserve RM			
Balance as at 1.2.2007		143,792,840	14,533,065	(2,552,999)	18,830		572,569	156,364,305
Net profit for the year, representing total recognised income and expenses for the year		-	-	-	-		65,239,115	65,239,115
Dividends	34	-	-	-	-		(7,943,448)	(7,943,448)
Issue of shares								
- Conversion from ICULS	16	8,774,090	-	-	-		-	8,774,090
- Exercise of ESOS	13	2,501,400	230,015	-	-		-	2,731,415
Re-sale of treasury shares	13	-	718,312	2,552,999	-		-	3,271,311
Share-based payment expenses under ESOS	15	-	-	-	86,348		-	86,348
Transfer of reserve arising from exercise of ESOS	15	-	35,641	-	(35,641)		-	-
Balance as at 31.1.2008		155,068,330	15,517,033	-	69,537		57,868,236	228,523,136

2009	Note	Non-distributable					Distributable Retained Profits RM	Total RM
		Share Capital RM	Share Premium RM	Treasury Shares RM	Share Option Reserve RM	ICULS (Equity Component) RM		
Balance as at 1.2.2008		155,068,330	15,517,033	-	69,537	-	57,868,236	228,523,136
Net profit for the year, representing total recognised income and expenses for the year		-	-	-	-	-	8,353,098	8,353,098
Dividends	34	-	-	-	-	-	(9,280,874)	(9,280,874)
Rights Issue of ICULS, net of tax	16	-	-	-	-	20,817,034	-	20,817,034
Expenses incurred in connection with the Rights Issue		-	(626,895)	-	-	-	-	(626,895)
Issuance of shares pursuant to exercise of ESOS	13	3,000	-	-	-	-	-	3,000
Purchase of treasury shares	13	-	-	(584,216)	-	-	-	(584,216)
Share-based payment expenses under ESOS	15	-	-	-	118,206	-	-	118,206
Transfer of reserve arising from exercise of ESOS	15	-	354	-	(354)	-	-	-
Balance as at 31.1.2009		155,071,330	14,890,492	(584,216)	187,389	20,817,034	56,940,460	247,322,489

Consolidated Cash Flow Statement

For The Financial Year Ended 31 January 2009

	Note	2009 RM	2008 RM
Cash flows from operating activities			
Cash receipts from customers		206,304,015	109,752,491
Dividends received		25,750	280,924
Cash paid to suppliers and employees		(191,688,788)	(131,394,128)
Cash generated from / (used in) operations		14,640,977	(21,360,713)
Deposit interest received		59,652	33,868
Interest paid		(6,021,999)	(4,029,988)
Tax paid		(13,014,712)	(8,122,866)
Net cash used in operating activities		(4,336,082)	(33,479,699)
Cash flows from investing activities			
Acquisition of property, plant and equipment	A	(5,110,770)	(6,058,144)
Pledge of fixed deposits		(6,965)	(201,422)
Capital distribution from investments		45,461	-
Proceeds from disposal of investments		985,402	960,817
Proceeds from disposal of plant and equipment		22,250	368,031
Net cash effect on acquisition of subsidiary	B	-	-
Net cash used in investing activities		(4,064,622)	(4,930,718)
Cash flows from financing activities			
Proceeds from issuance of shares		3,000	2,731,415
Proceeds from issuance of ICULS		59,055,739	-
Proceeds from issuance of shares to minority interests		-	660,000
(Acquisition) / Re-sale of treasury shares		(584,216)	3,271,311
Proceeds from term loans		25,430,290	74,569,710
Repayment of hire purchase liabilities		(124,246)	(117,843)
Repayment of term loans		(8,843,334)	(8,760,000)
Repayment of short term borrowings		(9,654,000)	(9,346,000)
Dividend paid		(9,280,874)	(7,943,448)
Net cash from financing activities		56,002,359	55,065,145
Net increase in cash and cash equivalents		47,601,655	16,654,728
Cash and cash equivalents at the beginning of the financial year		4,201,598	(12,453,130)
Cash and cash equivalents at the end of the financial year	35	51,803,253	4,201,598

Note to Consolidated Cash Flow Statement

A Acquisition of property, plant and equipment

	2009 RM	2008 RM
Property, plant and equipment acquired	5,334,475	6,288,144
Less : Financed by hire purchase arrangement	(48,000)	(230,000)
Unpaid balance included under payables	(186,205)	-
Add : Deposits paid in current year	10,500	-
Cash paid	5,110,770	6,058,144

Consolidated Cash Flow Statement

For The Financial Year Ended 31 January 2009 (cont'd)

B Net cash effect on acquisition of subsidiary

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

	2009 RM	2008 RM
Current assets	-	140,000
Goodwill on consolidation	-	-
Total consideration	-	140,000
Less : Cash and cash equivalents acquired	-	(140,000)
Net cash effect	-	-

Company Cash Flow Statement

For The Financial Year Ended 31 January 2009

	Note	2009 RM	2008 RM
Cash flows from operating activities			
Cash receipts from customers		11,438,500	9,553,421
Dividend received from subsidiaries		5,451,600	87,484,906
Cash paid to suppliers and employees		(8,147,455)	(6,176,818)
Cash generated from operations		8,742,645	90,861,509
Interest received		1,192,353	6,214
Interest paid		(123,368)	(89,214)
Tax paid		(1,034,661)	(22,884,792)
Net cash from operating activities		8,776,969	67,893,717
Cash flows from investing activity			
Acquisition of plant and equipment		(51,528)	(206,073)
Net cash used in investing activity		(51,528)	(206,073)
Cash flows from financing activities			
Proceeds from issuance of shares		3,000	2,731,415
Proceeds from issuance of ICULS		59,055,739	-
(Acquisition) / Re-sale of treasury shares		(584,216)	3,271,311
Repayment to holding company		-	(45,436)
Advance to subsidiaries		(13,266,718)	(60,952,753)
Advance to related companies		(37)	(226,078)
Dividend paid		(9,280,874)	(7,943,448)
Net cash from / (used in) financing activities		35,926,894	(63,164,989)
Net increase in cash and cash equivalents		44,652,335	4,522,655
Cash and cash equivalents at the beginning of the financial year		(145,524)	(4,668,179)
Cash and cash equivalents at the end of the financial year	35	44,506,811	(145,524)

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009

1. GENERAL INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Bursa Malaysia Securities Berhad.
- (b) The address of the registered office of the Company is as follows :
Unit No. 203, 2nd Floor,
Block C, Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan.
- (c) The address of the principal place of business of the Company is as follows :
Lot 18.02, 18th Floor, Public Bank Tower,
No. 19, Jalan Wong Ah Fook,
80000 Johor Bahru,
Johor Darul Takzim.
- (d) Authorisation for issue of financial statements
These financial statements were authorised for issue by the Board of Directors on 27 May 2009.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's businesses. The Group does not trade in financial instruments.

The main areas which may give rise to financial risks of the Group are :

Foreign currency exchange risk

The Group is not materially exposed to foreign currency exchange risk as all the Group's transactions and balances are denominated in Ringgit Malaysia except for the investments in securities outside Malaysia.

Credit risk

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

Credit risk other than property development activity arises because substantial sales are made on deferred credit terms. Credit risk is controlled by careful selection of customers, setting credit limits and limiting the period of credit.

Market risk

The Group's principal exposure to market risk arises mainly from the changes in debt and equity prices. The Group does not face significant exposure to the risk from changes in debt and equity prices as the exposure on quoted investments is not significant.

Interest rate risk

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

Liquidity and cash flow risks

The Group seeks to achieve a balance between cash outflows and cash inflows. Borrowings are arranged so as not to go beyond the Group's ability to repay or refinance.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Adoption of new and revised financial reporting standards

The Group and the Company adopted the following new and revised FRSs which are relevant to their operations and effective for the financial period beginning on or after 1 July 2007 :

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have financial impact on the Group and the Company.

The Group and the Company has not elected for early adoption of the following FRSs relevant to the current operations of the Group and the Company, which were issued but not yet effective for the financial year ended 31 January 2009 :

		Effective for financial periods beginning on or after
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010

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

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

3.3 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

Investment in subsidiaries is stated at cost less impairment losses, if any. The carrying amount is reviewed annually and the policy for the recognition and measurement of impairment losses is in accordance with Note 3.3(s). A company is considered as a subsidiary when the Company owns directly or indirectly more than one half of the voting power of that company or the Company controls the composition of the board of directors or equivalent governing body.

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

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

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Summary of significant accounting policies (cont'd)

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

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

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

(b) Property, plant and equipment

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

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

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

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

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

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

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

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

(c) Investments

Quoted and unquoted investments and golf club membership are stated at cost. Allowance is made for diminution in value where, in the opinion of the Directors, there is a decline other than temporary in value of the investments. When there is a reversal of decline in value of these investments, the reversal is credited to the income statement. Such reversal shall be limited to the extent of previous decline in value for the same assets. Where there has been a decline other than temporary in the value of the investment, such a decline is recognised as an expense in the period in which the decline is identified.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Summary of significant accounting policies (cont'd)

(c) Investments (cont'd)

Marketable securities are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increase or decrease in the carrying amount of marketable securities are credited or charged to the income statement.

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

(d) Property development activities

i. Land held for property development

Land held for property development consists of land on which no significant development activities have been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost (except for a freehold land which was revalued in 2005 before this land was classified to land held for property development) less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.3(s).

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

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

ii. Property development costs

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

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

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

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

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

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

(e) Inventories

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

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

Cost of finished goods constitute the average cost of production which includes materials, labour and manufacturing overheads.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Summary of significant accounting policies (cont'd)

(e) Inventories (cont'd)

Cost of completed properties for sale is determined on specific identification basis and includes land cost, construction cost and related infrastructure expenditure.

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

(f) Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period; the stage of completion is measured by reference to the proportion of contract costs incurred for work performed and surveyed to date to the estimated total contract costs.

When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on construction contracts under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on construction contracts under current liabilities.

(g) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable and real property gains tax payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

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

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

(h) Receivables

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

(i) Payables

Payables are stated at the fair value of the consideration to be paid in the future for the goods and services received, whether billed or not billed to the Group and the Company.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Summary of significant accounting policies (cont'd)

(j) ICULS 2009/2016

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

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

(k) Interest bearing borrowings

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

(l) Hire purchase transactions

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

(m) Employee benefits

i. Short term benefits

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

ii. Defined contribution plans

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

iii. Equity compensation benefits

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

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

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

(n) Revenue recognition

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

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Summary of significant accounting policies (cont'd)

(n) Revenue recognition (cont'd)

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) Share capital

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

(p) Borrowing costs

Borrowing costs incurred on borrowings related to property development cost are added on to these costs during the financial year when activities to plan, develop and construct the assets are undertaken. Capitalisation ceases when the assets are ready for their intended use.

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

(q) Cash and cash equivalents

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

(r) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are accounted for at exchange rates ruling at the transaction dates. Exchange differences arising from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities are charged to the income statement.

The principal closing rates used in translation of foreign currencies amounts were as follows :

	2009 RM	2008 RM
Foreign currency		
1 US Dollar	3.61	3.24
1 Singapore Dollar	2.39	2.28

(s) Impairment of non-financial assets

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Summary of significant accounting policies (cont'd)

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

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

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

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

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

(t) Financial instruments

i. Recognition of financial instruments

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

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

ii. Fair value estimation for disclosure purposes

The fair value of quoted securities is based on the quoted market prices at the balance sheet date.

In assessing the fair value of non-traded financial instruments, the Group makes assumptions that are based on market conditions existing at the balance sheet date. Estimated discounted value of future cash flows is used to determine the fair value of the financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group.

The carrying amounts for financial instruments with a maturity period of less than one year are assumed to approximate their fair values.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Significant accounting estimates and judgements

(a) Judgements

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

(b) Key sources of estimation uncertainty

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

i. Property development

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

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

ii. Construction contracts

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

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

iii. Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, 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 RM1,652,000 (2008 : RM622,000). The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses of the Group was RM235,000 (2008 : RM756,000).

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
Group						
As at 31 January 2009						
Cost or Valuation						
As at 1.2.2008						
At cost	2,993,810	6,444,462	3,375,718	8,380,115	489,955	21,684,060
At valuation	44,093,351	-	-	-	-	44,093,351
	47,087,161	6,444,462	3,375,718	8,380,115	489,955	65,777,411
Additions	282,245	1,184,633	728,298	1,614,518	1,524,781	5,334,475
Disposal / Write off	-	(30,730)	(103,690)	(35,450)	-	(169,870)
Reclassification	65,000	1,581,085	129,325	-	(1,775,410)	-
As at 31.1.2009	47,434,406	9,179,450	4,129,651	9,959,183	239,326	70,942,016
Representing :						
At cost	3,341,055	9,179,450	4,129,651	9,959,183	239,326	26,848,665
At valuation	44,093,351	-	-	-	-	44,093,351
As at 31.1.2009	47,434,406	9,179,450	4,129,651	9,959,183	239,326	70,942,016
Accumulated depreciation						
As at 1.2.2008	252,560	2,922,258	2,084,351	5,038,579	-	10,297,748
Depreciation charge for the year :	145,283	892,459	329,637	1,205,320	-	2,572,699
Recognised in income statement (Note 29)	143,475	795,319	329,637	1,083,968	-	2,352,399
Capitalised in construction costs (Note 10)	1,808	97,140	-	121,352	-	220,300
Disposal / Write off	-	(7,184)	(96,895)	(35,449)	-	(139,528)
As at 31.1.2009	397,843	3,807,533	2,317,093	6,208,450	-	12,730,919
Net carrying amount						
At cost	2,943,212	5,371,917	1,812,558	3,750,733	239,326	14,117,746
At valuation	44,093,351	-	-	-	-	44,093,351
As at 31.1.2009	47,036,563	5,371,917	1,812,558	3,750,733	239,326	58,211,097
Net carrying amount of assets under restriction of title due to bank borrowings	4,948,193	3,223,303	329,343	1,999,693	-	10,500,532

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

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

	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
Group						
As at 31 January 2008						
Cost or Valuation						
As at 1.2.2007						
At cost	1,698,336	4,977,249	2,929,903	5,924,092	-	15,529,580
At valuation	50,240,357	-	-	-	-	50,240,357
	51,938,693	4,977,249	2,929,903	5,924,092	-	65,769,937
Additions	1,297,070	1,475,273	483,703	2,542,143	489,955	6,288,144
Disposal / Write off	(497,602)	(8,060)	(37,888)	(86,120)	-	(629,670)
Transfer to land held for property development {Note 7(a)}	(5,651,000)	-	-	-	-	(5,651,000)
As at 31.1.2008	47,087,161	6,444,462	3,375,718	8,380,115	489,955	65,777,411
Representing :						
At cost	2,993,810	6,444,462	3,375,718	8,380,115	489,955	21,684,060
At valuation	44,093,351	-	-	-	-	44,093,351
As at 31.1.2008	47,087,161	6,444,462	3,375,718	8,380,115	489,955	65,777,411
Accumulated depreciation						
As at 1.2.2007	145,317	2,278,828	1,845,712	4,150,592	-	8,420,449
Depreciation charge for the year :	107,243	644,035	260,304	895,164	-	1,906,746
Recognised in income statement (Note 29)	105,435	566,601	260,304	797,105	-	1,729,445
Capitalised in construction costs (Note 10)	1,808	77,434	-	98,059	-	177,301
Disposal / Write off	-	(605)	(21,665)	(7,177)	-	(29,447)
As at 31.1.2008	252,560	2,922,258	2,084,351	5,038,579	-	10,297,748
Net carrying amount						
At cost	2,741,250	3,522,204	1,291,367	3,341,536	489,955	11,386,312
At valuation	44,093,351	-	-	-	-	44,093,351
As at 31.1.2008	46,834,601	3,522,204	1,291,367	3,341,536	489,955	55,479,663
Net carrying amount of assets under restriction of title due to bank borrowings	4,047,795	-	-	-	-	4,047,795

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

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

Properties of the Group :

	Freehold land RM	Buildings RM	Total RM
As at 31 January 2009			
Cost or Valuation			
As at 1.2.2008			
At cost	1,188,852	1,804,958	2,993,810
At valuation	44,093,351	-	44,093,351
	45,282,203	1,804,958	47,087,161
Additions	70,500	211,745	282,245
Reclassification	-	65,000	65,000
As at 31.1.2009	45,352,703	2,081,703	47,434,406
Representing :			
At cost	1,259,352	2,081,703	3,341,055
At valuation	44,093,351	-	44,093,351
As at 31.1.2009	45,352,703	2,081,703	47,434,406
Accumulated depreciation			
As at 1.2.2008	-	252,560	252,560
Depreciation charge for the year :	-	145,283	145,283
Recognised in income statement	-	143,475	143,475
Capitalised in construction costs	-	1,808	1,808
As at 31.1.2009	-	397,843	397,843
Net carrying amount			
At cost	1,259,352	1,683,860	2,943,212
At valuation	44,093,351	-	44,093,351
As at 31.1.2009	45,352,703	1,683,860	47,036,563

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

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

Properties of the Group (cont'd) :

	Freehold land RM	Buildings RM	Total RM
As at 31 January 2008			
Cost or Valuation			
As at 1.2.2007			
At cost	1,046,901	651,435	1,698,336
At valuation	50,240,357	-	50,240,357
	51,287,258	651,435	51,938,693
Additions	143,547	1,153,523	1,297,070
Disposal / Write off	(497,602)	-	(497,602)
Transfer from land held for property development	(5,651,000)	-	(5,651,000)
As at 31.1.2008	45,282,203	1,804,958	47,087,161
Representing :			
At cost	1,188,852	1,804,958	2,993,810
At valuation	44,093,351	-	44,093,351
As at 31.1.2008	45,282,203	1,804,958	47,087,161
Accumulated depreciation			
As at 1.2.2007	-	145,317	145,317
Depreciation charge for the year :	-	107,243	107,243
Recognised in income statement	-	105,435	105,435
Capitalised in construction costs	-	1,808	1,808
As at 31.1.2008	-	252,560	252,560
Net carrying amount			
At cost	1,188,852	1,552,398	2,741,250
At valuation	44,093,351	-	44,093,351
As at 31.1.2008	45,282,203	1,552,398	46,834,601

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

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

	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
Company			
As at 31 January 2009			
Cost			
As at 1.2.2008	815,768	803,144	1,618,912
Additions	51,528	-	51,528
Disposal / Write off	(20,466)	-	(20,466)
As at 31.1.2009	846,830	803,144	1,649,974
Accumulated depreciation			
As at 1.2.2008	345,299	653,901	999,200
Depreciation charge for the year :			
Recognised in income statement	126,025	94,402	220,427
Disposal / Write off	(20,465)	-	(20,465)
As at 31.1.2009	450,859	748,303	1,199,162
Net carrying amount	395,971	54,841	450,812
As at 31 January 2008			
Cost			
As at 1.2.2007	619,226	803,144	1,422,370
Additions	206,073	-	206,073
Disposal / Write off	(9,531)	-	(9,531)
As at 31.1.2008	815,768	803,144	1,618,912
Accumulated depreciation			
As at 1.2.2007	241,269	516,166	757,435
Depreciation charge for the year :			
Recognised in income statement	113,515	137,735	251,250
Disposal / Write off	(9,485)	-	(9,485)
As at 31.1.2008	345,299	653,901	999,200
Net carrying amount	470,469	149,243	619,712

Valuation of freehold land was carried out on 24 January 2005 by the qualified valuer using the comparison method to reflect its fair value.

	GROUP	
	2009 RM	2008 RM
Net book value of revalued freehold land, had these assets been carried at cost	25,252,522	25,182,022

Certain parcels of freehold land of the subsidiaries with net carrying amount of RM45,297,263 (2008 : RM45,226,763) are registered in the name of the vendors. The said subsidiaries are the beneficial owners of the freehold land.

Included in the Group's property, plant and equipment are assets acquired under hire purchase financing with net book value of RM294,973 (2008 : RM320,692).

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

5. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2009 RM	2008 RM
Unquoted shares, at cost	126,165,277	126,165,277

The subsidiaries which are incorporated in Malaysia are as follows :

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2009 %	2008 %
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holding	8,820,002	100	100
Ambok Resorts Development Sdn. Bhd.	Resort development	100,000	100	100
Panoramic Land Sdn. Bhd.	Dormant	2	100	100
Panoramic Jaya Sdn. Bhd.	Property development	300,000	70	70
Crescendo Development Sdn. Bhd.	Property development	45,430,000	100	100
Crescendo Jaya Sdn. Bhd.	Property development	250,000	70	70
Crescendo Land Sdn. Bhd.	Property development	120	70	70
Unibase Construction Sdn. Bhd.	Buildings construction and investment holding	750,000	100	100
Unibase Corporation Sdn. Bhd.	Buildings construction	750,000	100	100
Repute Ventures Sdn. Bhd.	Investment holding	100,000	70	70
Repute Construction Sdn. Bhd.	Buildings construction	750,100	60	60
Repute Corporation Sdn. Bhd.	Buildings construction	2	70	70
Unibase Concrete Industries Sdn. Bhd.	Trading and manufacturing of concrete products	2,000,000	60	60
Unibase Jaya Sdn. Bhd.	Civil engineering works	750,000	60	60
Unibase Trading Sdn. Bhd.	Trading of building materials	100,000	60	60
Unibase Pre-cast Sdn. Bhd.	Fabrication, trading and marketing of concrete products	200,000	42	42

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The subsidiaries which are incorporated in Malaysia are as follows (cont'd) :

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2009 %	2008 %
Crescendo Education Sdn. Bhd.	Investment holding	100,000	100	100
Crescendo International College Sdn. Bhd.	Providing educational services	500,000	60	60
Crescendo Creative Education Sdn. Bhd.	Providing educational services	2	100	100
Crescendo Commercial Complex Sdn. Bhd.	Property investment	6	100	100

6. INVESTMENTS

		GROUP	
		2009 RM	2008 RM
Securities quoted in Malaysia, at cost		1,759,166	2,552,924
Less : Diminution in value of investments		(1,124,747)	(453,625)
Total quoted securities, net of diminution in value of investments	(A)	634,419	2,099,299
Market value of quoted securities in Malaysia		634,419	2,099,299
Unquoted securities outside Malaysia at cost		466,122	464,471
Less : Diminution in value of investments		(358,959)	-
	(B)	107,163	464,471
Golf club membership	(C)	60,000	60,000
Total investments, net of diminution in value of investments	((A)+(B)+(C))	801,582	2,623,770

7. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
As at 31 January 2009				
Cost				
As at 1 February 2008	204,489,559	38,737,451	51,459,493	294,686,503
Cost incurred during the year	20,673,764	738,532	19,511,808	40,924,104
Transfer to property development costs {Note 7(b)}	(13,277,483)	-	(10,857,344)	(24,134,827)
As at 31 January 2009	211,885,840	39,475,983	60,113,957	311,475,780

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

7. PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

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

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

	GROUP	
	2009 RM	2008 RM
Carrying amount of assets under restriction of title due to bank borrowings	145,613,993	145,687,195

Included in land held for property development costs incurred during the financial year is interest expenses amounting to RM3,618,066 (2008 : RM2,574,058) (Note 28).

Included in freehold land is an amount of RM5,651,000 (2008 : RM5,651,000) which was revalued before it was transferred to land held for property development. The valuation was carried out on 24 January 2005 by the qualified valuer using the comparison method to reflect its fair value. The net book value of the said land at valuation had it been stated at cost would have been RM5,176,466 (2008 : RM5,176,466).

(b) Property development costs

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
As at 31 January 2009				
Cumulative property development costs				
As at 1 February 2008	12,876,766	-	76,506,019	89,382,785
Cost incurred during the year	537,759	-	69,304,434	69,842,193
Transfer from land held for property development {Note 7(a)}	13,277,483	-	10,857,344	24,134,827
Reversal of completed projects	(8,362,583)	-	(60,695,072)	(69,057,655)
Unsold units transferred to inventories	(3,074,313)	-	(35,055,134)	(38,129,447)
As at 31 January 2009	15,255,112	-	60,917,591	76,172,703

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

7. PROPERTY DEVELOPMENT ACTIVITIES (CONT'D)

(b) Property development costs (cont'd)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
As at 31 January 2009 (cont'd)				
Cumulative costs recognised in income statement				
As at 1 February 2008	(3,259,666)	-	(30,848,674)	(34,108,340)
Recognised during the year	(7,570,768)	-	(53,594,126)	(61,164,894)
Reversal of completed projects	8,362,583	-	60,695,072	69,057,655
As at 31 January 2009	(2,467,851)	-	(23,747,728)	(26,215,579)
Property development costs as at 31 January 2009	12,787,261	-	37,169,863	49,957,124
Group				
As at 31 January 2008				
Cumulative property development costs				
As at 1 February 2007	11,606,764	488,838	55,803,688	67,899,290
Cost incurred during the year	107,306	-	55,805,342	55,912,648
Transfer from land held for property development {Note 7(a)}	3,403,211	-	1,987,125	5,390,336
Reversal of completed projects	(784,255)	(488,838)	(15,825,674)	(17,098,767)
Unsold units transferred to inventories	(1,456,260)	-	(21,264,462)	(22,720,722)
As at 31 January 2008	12,876,766	-	76,506,019	89,382,785
Cumulative costs recognised in income statement				
As at 1 February 2007	(213,344)	(317,745)	(13,747,849)	(14,278,938)
Recognised during the year	(3,830,577)	(171,093)	(32,926,499)	(36,928,169)
Reversal of completed projects	784,255	488,838	15,825,674	17,098,767
As at 31 January 2008	(3,259,666)	-	(30,848,674)	(34,108,340)
Property development costs as at 31 January 2008	9,617,100	-	45,657,345	55,274,445

Included in property development costs incurred during the financial year is interest expenses amounting to RM913,142 (2008 : RM124,587) (Note 28).

A subsidiary, Panoramic Industrial Development Sdn. Bhd. entered into a Development And Option To Purchase Agreement to secure the rights to develop eight parcels of freehold land totalling 341.8827 acres in Mukim of Pulai, District of Johor Bahru into an industrial park. The option to purchase the said land and / or any of its sublots arising from a subdivision is valid for a period of seven years from 1 December 2005 with a commitment to acquire a minimum of 150 acres of the said land. As at 31 January 2009, the remaining unexercised committed portion is 87 acres (2008 : 125 acres) and the remaining unexercised non-committed portion is 148 acres (2008 : 165 acres) with maximum purchase considerations of up to approximately RM37.5 million (2008 : RM51.3 million) and RM84.8 million (2008 : RM94.1 million) respectively.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

7. 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 RM75,803,063 (2008 : RM64,206,348) are registered in the name of the vendors. The subsidiaries are the beneficial owners of the said land.

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

8. DEFERRED TAX

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Disclosed as :				
Deferred tax assets	5,846,000	4,906,000	-	-
Deferred tax liabilities	(2,354,628)	(2,655,433)	(240,000)	(76,000)
	3,491,372	2,250,567	(240,000)	(76,000)
As at 1 February	2,250,567	488,318	(76,000)	(65,000)
(Charged) / Credited to income statement (Note 32)				
- property, plant and equipment	(233,100)	(14,573)	11,000	(11,000)
- land held for property development	80,905	99,914	-	-
- unrealised foreign exchange	(5,000)	10,000	-	-
- tax losses and capital allowances	131,000	3,000	-	-
- unrealised profits	543,000	158,000	-	-
- reinvestment allowance	899,000	-	-	-
	1,415,805	256,341	11,000	(11,000)
(Charged) / Credited to equity				
- property, plant and equipment	-	1,505,908	-	-
- ICULS	(175,000)	-	(175,000)	-
	(175,000)	1,505,908	(175,000)	-
As at 31 January	3,491,372	2,250,567	(240,000)	(76,000)
Subject to income tax				
Deferred tax assets (before offsetting)				
Unabsorbed reinvestment allowance	899,000	-	-	-
Unused tax losses and unabsorbed capital allowances	753,000	622,000	-	-
Unrealised profits	4,973,000	4,430,000	-	-
Unrealised foreign exchange	8,000	13,000	-	-
	6,633,000	5,065,000	-	-
Offsetting	(787,000)	(159,000)	-	-
Deferred tax assets (after offsetting)	5,846,000	4,906,000	-	-

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

8. DEFERRED TAX (CONT'D)

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Subject to income tax				
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(944,000)	(710,900)	(65,000)	(76,000)
Land held for property development	(2,022,628)	(2,103,533)	-	-
ICULS	(175,000)	-	(175,000)	-
	(3,141,628)	(2,814,433)	(240,000)	(76,000)
Offsetting	787,000	159,000	-	-
Deferred tax liabilities (after offsetting)	(2,354,628)	(2,655,433)	(240,000)	(76,000)

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% (2008 : 26%).

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

	GROUP	
	2009 RM	2008 RM
Unused tax losses	235,000	756,000

9. INVENTORIES

	GROUP	
	2009 RM	2008 RM
At Cost		
Raw materials	1,928,296	1,235,812
Finished goods	4,498,785	2,090,838
Completed properties for sale	60,167,156	40,264,922
	66,594,237	43,591,572

None of the inventories is stated at net realisable value.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

10. DUE FROM CUSTOMERS ON CONTRACTS

	GROUP	
	2009 RM	2008 RM
Contract in progress		
- accumulated contract cost	356,126,059	308,456,658
- recognised profits less recognised losses	23,663,121	20,756,814
	379,789,180	329,213,472
Less : Progress billings	(368,438,792)	(323,147,283)
	11,350,388	6,066,189
Due from customers on contracts	11,379,360	6,066,189
Due to customers on contracts	(28,972)	-
	11,350,388	6,066,189

	GROUP	
	2009 RM	2008 RM
Contract in progress included the following items incurred during the financial year :		
Depreciation of property, plant and equipment (Note 4)	220,300	177,301
Hire of equipment	1,737,445	926,517
Employee benefits expense (Note 30)	1,069,652	649,427

Included in the Group's progress billings is an amount of RM12,707,680 (2008 : RM10,158,157) being retention sums receivable by the Group.

11. RECEIVABLES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	34,543,243	32,894,387	-	-
Less: Allowance for doubtful debts	(95,522)	-	-	-
	34,447,721	32,894,387	-	-
Other receivables, deposits and prepayments	8,167,317	7,623,766	302,849	348,353
Amounts owing by related companies (Note 23)	1,017,877	284,054	2,205	32
Amounts owing by subsidiaries (Note 24)	-	-	116,164,358	103,415,370
	43,632,915	40,802,207	116,469,412	103,763,755

The Group and the Company's normal trade credit terms range from 14 to 60 days. Other credit terms are assessed and approved on a case by case basis.

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

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

12. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash on hand and at banks	7,643,675	8,595,301	706,811	223,683
Cash at bank in Housing Development Account	59,576	78,545	-	-
Short term money market deposits	13,800,000	-	13,800,000	-
Fixed deposits with licensed banks	30,508,387	201,422	30,000,000	-
	52,011,638	8,875,268	44,506,811	223,683

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

The Group's fixed deposits amounting to RM208,385 (2008 : RM201,422) are pledged to licensed banks as security for the bank borrowings (Note 19) and the banker's guarantees issued to suppliers.

Included in the Group's fixed deposits is an amount of RM46,669 (2008 : RM45,000) 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.

Fixed deposits of the Group and of the Company have an average maturity of 83 days (2008 : 88 days) and 83 days (2008 : Nil) from the end of the financial year respectively.

The weighted average interest rates for deposits that were effective during the financial year were :

	GROUP		COMPANY	
	2009 % p.a.	2008 % p.a.	2009 % p.a.	2008 % p.a.
Short term money market deposits	2.7	3.0	2.4	3.0
Fixed deposits with licensed banks	3.3	3.3	3.2	-

13. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of ordinary shares of RM1 each		Amount		
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Share premium RM	Treasury shares RM
As at 1.2.2007	143,792,840	(2,408,000)	143,792,840	14,533,065	(2,552,999)
Ordinary shares issued during the year :					
- Conversion of ICULS 2002/2007	8,774,090	-	8,774,090	-	-
- Exercise of share option	2,501,400	-	2,501,400	230,015	-
Re-sale of treasury shares	-	2,408,000	-	718,312	2,552,999
Transfer of reserve arising from exercise of ESOS	-	-	-	35,641	-
As at 31.1.2008	155,068,330	-	155,068,330	15,517,033	-

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

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

	Number of ordinary shares of RM1 each		Amount		
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Share premium RM	Treasury shares RM
As at 1.2.2008	155,068,330	-	155,068,330	15,517,033	-
Ordinary shares issued during the year :					
- Exercise of share option	3,000	-	3,000	-	-
Expenses relating to Rights Issue	-	-	-	(626,895)	-
Purchase of treasury shares	-	601,000	-	-	(584,216)
Transfer of reserve arising from exercise of ESOS	-	-	-	354	-
As at 31.1.2009	155,071,330	601,000	155,071,330	14,890,492	(584,216)

	Number of ordinary shares of RM1 each		Amount	
	2009	2008	2009 RM	2008 RM
Authorised share capital				
As at 1 February / 31 January	500,000,000	500,000,000	500,000,000	500,000,000

(a) Treasury shares

During the financial year, the Company repurchased 601,000 of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM584,216. The average price paid for the shares repurchased was approximately RM0.97 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. 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. None of the treasury shares repurchased has been sold as at 31 January 2009.

Of the total 155,071,330 (2008 : 155,068,330) issued and fully paid ordinary shares as at 31 January 2009, 601,000 shares (2008 : Nil) are held as treasury shares by the Company. As at 31 January 2009, the number of outstanding ordinary shares in issue after setting off treasury shares is 154,470,330 (2008 : 155,068,330).

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

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

	Outstanding as at 1 February '000	Number of Share Options Movement during the year				Outstanding as at 31 January '000	Exercisable as at 31 January '000
		Granted '000	Exercised '000	Forfeited '000	Expired '000		
2009							
2002 Options	2,344	-	-	-	-	2,344	2,344
2003 Options	59	-	-	-	-	59	59
2004 Options	280	-	-	(4)	-	276	276
2005 Options	156	-	-	-	-	156	156
2006 Options	107	-	-	-	-	107	107
2007 Options	763	-	-	(151)	-	612	419
2008 Options	-	1,244	(3)	(17)	-	1,224	854
	3,709	1,244	(3)	(172)	-	4,778	4,215
WAEP	1.15	1.00	1.00	1.22	-	1.11	1.12

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

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

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

	Outstanding as at 1 February '000	Number of Share Options Movement during the year				Outstanding as at 31 January '000	Exercisable as at 31 January '000
		← Granted '000	Exercised '000	Forfeited '000	Expired '000 →		
2008							
2002 Options	3,588	-	(1,234)	(10)	-	2,344	2,344
2003 Options	293	-	(234)	-	-	59	59
2004 Options	410	-	(125)	(5)	-	280	280
2005 Options	588	-	(432)	-	-	156	156
2006 Options	503	-	(396)	-	-	107	107
2007 Options	-	901	(80)	(58)	-	763	323
	5,382	901	(2,501)	(73)	-	3,709	3,269
WAEP	1.11	1.24	1.09	1.22	-	1.15	1.14

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

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

(ii) Share options exercised during the year

The options exercised during the financial year 2009 resulted in the issuance of 3,000 (2008 : 2,501,400) ordinary shares at an average price of RM1.00 (2008 : RM1.09). The related weighted average share price at the date of exercise was RM1.13 (2008 : RM1.62).

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

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

	2009	2008
Fair value of share options at the following grant dates (RM)		
28 March 2008	0.12	-
29 March 2007	-	0.14
Weighted average share price (RM)	1.09	1.43
Weighted average exercise price (RM)	1.00	1.24
Expected volatility (%)	21.10	16.83
Expected life (years)	4.55	4.51
Risk free rate (%)	3.51	3.45
Expected dividend yield (%)	7.00	7.00

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

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

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

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

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

14. REVALUATION RESERVE

	GROUP	
	2009 RM	2008 RM
As at 1 February	14,932,829	13,589,032
Realisation of revaluation surplus	-	(162,111)
Reduction in deferred tax arising from change in tax rate	-	1,505,908
As at 31 January	14,932,829	14,932,829
Representing :		
Surplus arising from revaluation of freehold land	17,036,362	17,036,362
Less : Deferred tax on revaluation surplus	(2,103,533)	(2,103,533)
Revaluation reserve net of deferred tax	14,932,829	14,932,829

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

15. SHARE OPTION RESERVE

	GROUP and COMPANY	
	2009 RM	2008 RM
As at 1 February	69,537	18,830
Share based payment expenses under ESOS (Note 30)	118,206	86,348
Transfer of reserve arising from exercise of ESOS	(354)	(35,641)
As at 31 January	187,389	69,537

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

16. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

(a) Irredeemable convertible unsecured loan stocks 2009/2016

On 12 January 2009, the Company completed the issuance of a renounceable rights issue of 59,682,634 **3.75% 7-year Irredeemable Convertible Unsecured Loan Stocks 2009/2016** ("ICULS 2009/2016") at 100% of its nominal value of ICULS 2009/2016 together with 59,682,634 free detachable warrants for every two (2) existing ordinary shares of RM1 each held in the Company.

The ICULS 2009/2016 are constituted by a trust deed dated 27 November 2008 and were listed on Bursa Securities on 20 January 2009.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

16. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONT'D)

(a) Irredeemable convertible unsecured loan stocks 2009/2016 (cont'd)

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

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

	GROUP and COMPANY	
	2009	2008
	RM	RM
ICULS 2009/2016		
As at 1 February	-	-
Issued during the financial year	59,682,634	-
Deferred tax liability	(175,000)	-
	59,507,634	-
As at 31 January		
Analysed into :		
Equity component	20,817,034	-
Liability component	38,690,600	-

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

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

(b) Irredeemable convertible unsecured loan stocks 2002/2007

The 3% 5-year Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("ICULS 2002/2007") at a nominal value of RM1 each were matured on 25 August 2008 and all the unconverted ICULS 2002/2007 were converted into the ordinary shares of the Company. The new ordinary shares allotted and issued upon conversion of the ICULS 2002/2007 were considered as fully paid up and ranked pari passu in all respects with the existing ordinary shares of the Company.

	GROUP and COMPANY	
	2009	2008
	RM	RM
ICULS 2002/2007		
As at 1 February	-	8,774,090
Amount converted into ordinary shares during the financial year	-	(8,774,090)
As at 31 January	-	-

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

17. 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.

There was no exercise of Warrants during the financial year. The number of Warrants unexercised as at balance sheet date was 59,682,634 (2008 : Nil).

18. RETAINED PROFITS

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

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act, 2007. As at 31 January 2009, subject to agreement with the tax authorities, the Company has sufficient credit in the tax exempt account and Section 108 balance to pay franked dividends from its entire retained profit.

19. BANK BORROWINGS (SECURED)

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term borrowings				
Secured :				
Bank overdrafts	-	4,472,248	-	369,207
Banker acceptance	-	854,000	-	-
Hire purchase liabilities (Note 20)	93,661	121,866	-	-
Revolving credit	1,000,000	9,800,000	-	-
Term loans	15,455,008	8,843,334	-	-
	16,548,669	24,091,448	-	369,207

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

19. BANK BORROWINGS (SECURED) (CONT'D)

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Long term borrowings				
Secured :				
Hire purchase liabilities (Note 20)	64,413	112,454	-	-
Term loans	94,611,658	84,636,376	-	-
	94,676,071	84,748,830	-	-
Total borrowings				
Bank overdrafts	-	4,472,248	-	369,207
Banker acceptance	-	854,000	-	-
Hire purchase liabilities (Note 20)	158,074	234,320	-	-
Revolving credit	1,000,000	9,800,000	-	-
Term loans	110,066,666	93,479,710	-	-
	111,224,740	108,840,278	-	369,207
Maturity of long term borrowings				
More than one year and less than five years	94,676,071	83,996,830	-	-
More than five years	-	752,000	-	-
	94,676,071	84,748,830	-	-

	GROUP	
	2009 RM	2008 RM
Term loans		
Term loan I	2,150,000	10,910,000
Term loan II	5,000,000	5,000,000
Term loan III	2,916,666	3,000,000
Term loan IV	10,000,000	10,000,000
Term loan V	35,000,000	35,000,000
Term loan VI	50,000,000	29,569,710
Term loan VII	5,000,000	-
	110,066,666	93,479,710

The principal amounts of term loans are repayable by :

	Tenure of repayment	Commencement of instalments
Term loan I	48 months	June 2005
Term loan II	48 months	February 2009
Term loan III	36 months	January 2009
Term loan IV	48 months	May 2009
Term loan V	42 months	March 2009
Term loan VI	Bullet payment	To be settled in December 2012
Term loan VII	36 months	November 2010

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

19. BANK BORROWINGS (SECURED) (CONT'D)

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

	GROUP		COMPANY	
	2009 % p.a.	2008 % p.a.	2009 % p.a.	2008 % p.a.
Bank overdrafts	7.75	7.98	8.00	8.00
Revolving credit	5.18	5.19	-	-
Banker acceptance	3.64	3.63	-	-
Term loans	5.25	5.41	-	-

The unutilised banking facilities are as follows :

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Bank overdrafts	21,500,000	21,028,000	5,000,000	4,630,000
Revolving credit	20,500,000	11,700,000	-	-
Banker acceptance	1,000,000	2,146,000	-	-
Term loans	-	20,430,000	-	-
	43,000,000	55,304,000	5,000,000	4,630,000

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

The subsidiaries' banking facilities are secured by :

- (i) a lien-holder's caveat and fixed charges over certain parcels of the subsidiaries' landbanks included in property, plant and equipment and land held for property development;
- (ii) debenture over specific plant and machinery to be financed by a subsidiary;
- (iii) corporate guarantee from the Company;
- (iv) corporate guarantee from a shareholder of a subsidiary; and
- (v) fixed deposit of a subsidiary.

20. HIRE PURCHASE LIABILITIES

	GROUP	
	2009 RM	2008 RM
Payable within one year	99,840	129,665
Payable between one and two years	52,020	81,960
Payable between two to five years	14,890	34,140
	166,750	245,765
Less : Finance charges	(8,676)	(11,445)
	158,074	234,320
Representing hire purchase liabilities :		
Due within 12 months (Note 19)	93,661	121,866
Due after 12 months (Note 19)	64,413	112,454
	158,074	234,320

The weighted average effective interest rate of hire purchase is 5.51% (2008 : 5.24%) per annum.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

21. OTHER PAYABLE

	GROUP	
	2009 RM	2008 RM
Current (Note 25)	2,000,000	1,000,000
Non-current	9,000,000	11,000,000
	11,000,000	12,000,000
Repayment of other payable :		
Payable within one year	2,000,000	1,000,000
Payable between one to five years	9,000,000	8,000,000
Payable after five years	-	3,000,000
	11,000,000	12,000,000

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

22. PAYABLES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade payables	18,235,283	16,963,358	-	-
Other payables & accruals (Note 25)	19,016,383	14,506,685	1,124,588	1,641,814
Amounts owing to related companies (Note 23)	196,751	68,889	3,439	1,303
Amounts owing to subsidiaries (Note 24)	-	-	1,000	105,612
Amount owing to the holding company (Note 26)	216,112	201,599	45,930	45,165
	37,664,529	31,740,531	1,174,957	1,793,894

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

23. AMOUNTS OWING BY / (TO) RELATED COMPANIES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Amounts owing by related companies				
- Trade in nature	1,017,877	283,822	2,205	-
- Non trade	-	232	-	32
	1,017,877	284,054	2,205	32
Amounts owing (to) related companies				
- Trade in nature	(22,295)	(9,978)	-	-
- Non trade	(174,456)	(58,911)	(3,439)	(1,303)
	(196,751)	(68,889)	(3,439)	(1,303)

The amounts owing by / (to) related companies are non-interest bearing, unsecured and have no fixed terms of repayment.

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

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

24. AMOUNTS OWING BY / (TO) SUBSIDIARIES

	COMPANY	
	2009 RM	2008 RM
Amounts owing by subsidiaries		
- Trade in nature	2,920,672	2,329,402
- Non trade	113,243,686	101,085,968
	116,164,358	103,415,370
Amounts owing (to) subsidiaries		
- Non trade	(1,000)	(105,612)

Included in the amounts owing by subsidiaries are RM28,122,992 (2008 : RM11,512,798) which bear effective interest of 7.5% (2008 : 7.75%) per annum respectively. All other balances are non-interest bearing, unsecured and have no fixed terms of repayment.

25. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Other payables	3,893,110	3,917,132	112,677	105,054
Deposits and other prepayments from property buyers	495,022	324,200	-	-
Accruals				
- Accrued development or contract costs for work done but not billed by contractors	11,041,723	6,778,120	-	-
- Accrued operating expenditure	3,586,528	3,487,233	1,011,911	1,536,760
	19,016,383	14,506,685	1,124,588	1,641,814

Included in the Group's other payables is an amount of RM2,000,000 (2008 : RM1,000,000) payable to the State Government of Johor due by a subsidiary.

26. AMOUNT OWING TO HOLDING COMPANY

Included in the Group's amount owing to holding company is RM204,100 (2008 : RM194,958) which is trade in nature. The remaining balance is non-interest bearing, unsecured and has no fixed terms of repayment.

27. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Revenue				
Sales of industrial properties	98,897,492	55,622,514	-	-
Sales of residential / commercial properties	25,990,478	29,355,136	-	-
Construction revenue	15,629,421	10,579,232	-	-
Sales of building materials	60,493,284	27,322,131	-	-
Management services and others	2,009,541	1,827,542	11,025,382	7,823,485
Gross dividends from subsidiaries	-	-	5,451,600	87,484,906
	203,020,216	124,706,555	16,476,982	95,308,391

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

27. REVENUE AND COST OF SALES (CONT'D)

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Cost of sales				
Cost of industrial properties	67,887,015	33,480,905	-	-
Cost of residential / commercial properties	12,376,869	14,386,552	-	-
Construction cost	15,004,108	9,091,012	-	-
Cost of building materials	51,773,626	24,848,900	-	-
Management services and others	910,449	841,884	-	-
	147,952,067	82,649,253	-	-

28. FINANCE COSTS

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Interest expenses on :				
Bank borrowings	5,962,623	4,285,586	732	89,214
Hire purchase	8,399	11,747	-	-
ICULS	122,636	11,275	122,636	11,275
Interest income from subsidiary	-	-	-	(11,275)
	6,093,658	4,308,608	123,368	89,214
Less : Interest expenses capitalised in assets :				
- Land held for property development {Note 7(a)}	(3,618,066)	(2,574,058)	-	-
- Property development costs {Note 7(b)}	(913,142)	(124,587)	-	-
	1,562,450	1,609,963	123,368	89,214

29. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
The following items have been charged / (credited) in arriving at profit before tax :				
Allowance for diminution in value of investment	839,838	-	-	-
Allowance for doubtful debts	95,552	-	-	-
Asset expensed off	19,352	37,278	4,430	12,753
Auditors' remuneration				
- current year	95,000	87,300	22,000	21,000
- prior year underprovision	6,200	3,500	1,000	1,000
Bad debts written off	-	62,372	-	-
Depreciation of property, plant and equipment	2,352,399	1,729,445	220,427	251,250
Employee benefits expense (Note 30)	10,573,818	8,537,936	6,089,510	5,508,603
Foreign exchange loss :				
- realised	50,375	196	-	-
- unrealised	10,643	35,600	-	-

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

29. PROFIT BEFORE TAX (CONT'D)

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Hiring of equipment	91,246	27,145	-	-
Loss on disposal of plant and equipment	13,234	226,262	-	-
Non-executive Directors' remuneration (Note 31)	150,500	120,500	150,500	120,500
Plant and equipment written off	9,858	8,560	-	46
Rental expenses	378,846	400,519	235,992	235,992
Bad debts recovered	(3,000)	-	-	-
Gain on disposal of plant and equipment	(14,999)	(2,630)	-	-
Gain on disposal of investments	(1,401)	(111,033)	-	-
Gross dividends from quoted investments	(25,750)	(280,924)	-	-
Gross dividends from subsidiaries	-	-	(5,451,600)	(87,484,906)
Interest income from :				
- deposits	(34,586)	(40,082)	(13,254)	(6,214)
- subsidiaries	-	-	(1,192,353)	(810,077)
- others	(129,674)	(36,606)	(1,122)	(1,277)
Reversal of diminution in value of investment	-	(311,489)	-	-
Rental income	(3,338,479)	(2,475,368)	-	-

	GROUP	
	2009 RM	2008 RM
Profit from existing continuing operations	44,029,542	32,204,295
Profit from newly acquired subsidiary	-	29,184
	44,029,542	32,233,479

30. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Salaries, wages and bonuses	10,378,106	8,182,280	5,313,495	4,845,456
Defined contribution plan - EPF	1,061,262	853,070	622,532	545,976
Social security cost - SOCSO	85,896	65,665	35,277	30,823
Share options granted under ESOS (Note 15)	118,206	86,348	118,206	86,348
Less : Amount capitalised in cost of construction contracts (Note 10)	(1,069,652)	(649,427)	-	-
	10,573,818	8,537,936	6,089,510	5,508,603

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,547,229 (2008 : RM1,723,137) as further disclosed in Note 31.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

31. DIRECTORS' REMUNERATION

	GROUP and COMPANY	
	2009 RM	2008 RM
Executive Directors :		
Fees	26,087	35,500
Salaries and other emoluments	1,364,978	1,524,496
Defined contribution plan - EPF	155,040	156,396
Share options granted under ESOS	1,124	6,745
	1,547,229	1,723,137
Estimated money value of benefits-in-kinds	55,659	57,166
	1,602,888	1,780,303
Non-executive Directors :		
Fees	145,000	115,000
Other emoluments	5,500	5,500
	150,500	120,500
Total Directors' remuneration	1,753,388	1,900,803

32. TAX

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Current tax				
Current year	11,477,000	8,755,624	1,189,000	23,196,000
Prior years (over) / under provision	(16,538)	(70,819)	(263)	72,742
	11,460,462	8,684,805	1,188,737	23,268,742
Deferred tax (Note 8)				
Relating to origination and reversal of temporary differences	(1,398,000)	(2,300)	(9,000)	14,000
Relating to changes in tax rate	72,395	(207,536)	(3,000)	(2,000)
Prior years (over) / under provision	(90,200)	(28,200)	1,000	(1,000)
Realisation of revaluation surplus	-	(18,305)	-	-
	(1,415,805)	(256,341)	(11,000)	11,000
	10,044,657	8,428,464	1,177,737	23,279,742

For the year of assessment 2008, subsidiaries with a paid-up share capital of RM2,500,000 and below, enjoyed a tax rate of 20% on the first RM500,000 taxable income. This rate is not available to these subsidiaries for the current financial year.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

32. 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	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax	44,029,542	32,233,479	9,530,835	88,518,857
Tax at Malaysian statutory tax rate of 25% (2008 : 26%)	11,007,386	8,380,705	2,382,709	23,014,903
Effect of tax rate of 20% for subsidiaries with paid up capital of RM2,500,000 and below	-	(110,193)	-	-
Effect of changes in tax rate	72,395	(207,536)	(3,000)	(2,000)
Expenses not deductible for tax purposes	598,020	613,575	160,191	195,097
Income not subject to tax	(1,505,230)	(138,270)	(1,362,900)	-
Tax saving arising from utilisation of tax loss previously not recognised as deferred tax assets	(71,000)	(58,000)	-	-
Deferred tax assets previously unrecognised	(29,000)	-	-	-
Deferred tax asset not recognised on current year's tax losses	42,279	65,507	-	-
Effect of carry back losses to prior year	36,545	-	-	-
Realisation of revaluation surplus	-	(18,305)	-	-
(Over) / Under provision in prior years				
- Current tax	(16,538)	(70,819)	(263)	72,742
- Deferred tax	(90,200)	(28,200)	1,000	(1,000)
Tax expense for the financial year	10,044,657	8,428,464	1,177,737	23,279,742

33. EARNINGS PER SHARE

(a) Basic earnings per share

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

	GROUP	
	2009	2008
Net profit attributable to equity holders of the Company (RM)	31,316,847	22,866,466
Weighted average number of ordinary shares in issue		
Number of ordinary shares in issue as at 1 February	155,068,330	143,792,840
Treasury shares	(601,000)	-
Effect of :		
- conversion of ICULS	-	5,284,543
- share options exercised	2,098	1,724,648
As at 31 January	154,469,428	150,802,031
Basic earnings per share (sen)	20.3	15.2

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

33. EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share

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

In the diluted earnings per share calculation, the ICULS is assumed to have been converted into ordinary shares and net profit for the period is adjusted for the associated interest expense net of tax effect.

	GROUP	
	2009	2008
Net profit attributable to equity holders of the Company (RM)	31,316,847	22,866,466
Weighted average number of ordinary shares in issue	154,469,428	150,802,031
Effect of dilution :		
- share options	*	697,793
- ICULS	*	-
- Warrants	*	-
Adjusted weighted average number of ordinary shares	154,469,428	151,499,824
Diluted earnings per share (sen)	Not Applicable	15.1

* There is no calculation of diluted earnings per share for the current financial year 2009 as the ICULS, Warrants and share option have an anti-dilutive effect on earnings per share.

34. DIVIDENDS

	Dividends in respect of Year		Dividends Recognised in Year	
	2009	2008	2009	2008
	RM	RM	RM	RM
Recognised during the year :				
Financial year 2007				
Final dividend :				
4% less tax 27%, on 154,149,840 ordinary shares	-	-	-	4,501,175
Financial year 2008				
Interim dividend :				
3% less tax 26%, on 155,057,330 ordinary shares	-	3,442,273	-	3,442,273
Final dividend :				
4% less tax 25%, on 154,755,330 ordinary shares	-	4,642,660	4,642,660	-
Financial year 2009				
Interim dividend :				
3% tax exempt, on 154,607,130 ordinary shares	4,638,214	-	4,638,214	-
Proposed for approval at AGM (not recognised as at 31 January 2009) :				
Final dividend :				
3% less tax 25% and 1% tax exempt, on 154,470,330 ordinary shares	5,020,285	-	-	-
	9,658,499	8,084,933	9,280,874	7,943,448

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

34. DIVIDENDS (CONT'D)

At the forthcoming Annual General Meeting, a final dividend of 4.0 sen per share (2008 : 4.0 sen per share) which comprises of 3.0 sen less tax and 1.0 sen tax exempt amounting to RM5,020,285 will be proposed for shareholders' approval. The financial statements do not reflect this final dividend which will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 January 2010 when approved by shareholders. The proposed final dividend of RM5,020,285 is subject to change in proportion to changes in the Company's paid up capital, if any.

35. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term money market deposits	13,800,000	-	13,800,000	-
Fixed deposits with licensed banks	30,508,387	201,422	30,000,000	-
Cash and bank balances	7,703,251	8,673,846	706,811	223,683
Bank overdrafts (Note 19)	-	(4,472,248)	-	(369,207)
	52,011,638	4,403,020	44,506,811	(145,524)
Less : Fixed deposits pledged	(208,385)	(201,422)	-	-
	51,803,253	4,201,598	44,506,811	(145,524)

36. RELATED PARTY DISCLOSURES**(a) Significant related party transactions**

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
With holding company				
Professional services	175,000	173,000	45,000	45,000
With subsidiaries				
Management fees	-	-	(10,993,282)	(7,796,485)
Interest income	-	-	(1,192,353)	(821,352)
With fellow subsidiaries of the holding company				
Estate management fees	23,065	-	-	-
Management fees	(32,100)	(27,000)	(32,100)	(27,000)
Purchases of goods	55,457	82,290	-	720
Purchases of property, plant and equipment	-	65,000	-	-
Progress billings	(5,404,727)	(30,000)	-	-
Rental expenses	45,600	61,800	45,600	45,600
Rental income	(54,000)	(54,000)	-	-
Sales of goods	(298,647)	(301,069)	-	-
With a related party				
Sale of property	-	(5,000,000)	-	-

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

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

36. RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel

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

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Short-term employee benefits	1,966,760	1,846,049	1,446,724	1,617,162
Post employment benefits :				
Defined contribution plan - EPF	212,948	181,340	155,040	156,396
Share options granted under ESOS	11,412	12,789	1,124	6,745
	2,191,120	2,040,178	1,602,888	1,780,303

Included in the total key management personnel are :

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors' remuneration (Note 31)	1,602,888	1,780,303	1,602,888	1,780,303

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

	GROUP and COMPANY	
	2009 '000	2008 '000
As at 1 February	1,577	1,873
Granted	119	120
Exercised	-	(416)
Ceased as key management	(207)	-
As at 31 January	1,489	1,577

The share option were granted on the same terms and conditions as those offered to other employees of the Group (Note 13(b)).

37. CAPITAL COMMITMENT

	GROUP	
	2009 RM	2008 RM
Amount contracted but not provided for		
- development land	37,521,557	51,275,013
- property, plant and equipment	431,600	625,954
- investment in subsidiary	180,000	-
	38,133,157	51,900,967

The commitment disclosed under the development land represents the maximum purchase consideration as at the balance sheet date for the remaining unexercised committed portion of 87 acres (2008 : 125 acres) of land pursuant to the Development Agreement as disclosed in Note 7.

The commitment disclosed under the investment in subsidiary represents the balance of the outstanding consideration for the acquisition of 24 ordinary shares of RM1 each in the capital of a subsidiary. At the date of this report, the acquisition is pending fulfillment of the conditions precedent as set out in the Share Sale Agreement.

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

38. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2009 RM	2008 RM	2009 RM	2008 RM
(i) Bank guarantees				
Issued by licensed banks in favour of third parties				
- Secured	3,464,000	3,284,100	18,000	18,000
- Unsecured	1,500	2,500	-	-
Amounts utilised are as follows :				
- Secured	3,207,359	3,152,412	18,000	18,000
- Unsecured	1,500	2,500	-	-

The bank guarantees are secured by :

- (i) A subsidiary's fixed deposits as stated in Note 12;
- (ii) A fixed and floating charge over the present and future assets of a subsidiary and corporate guarantee of the subsidiary and the Company; and
- (iii) Earmarking to overdraft facilities of the subsidiaries and the Company as stated in Note 19.

	COMPANY	
	2009 RM	2008 RM
(ii) Corporate guarantees - unsecured		
Issued to bank for facilities granted to subsidiaries	191,700,000	183,000,000
Issued to third parties for supplies of goods and services to a subsidiary	5,000,000	4,800,000
Amounts utilised :		
Issued to bank for facilities granted to subsidiaries	113,760,817	108,236,751
Issued to third parties for supplies of goods and services to a subsidiary	2,023,494	1,994,439

39. SEGMENTAL INFORMATION

(a) Business Segments

The Group comprises the following main business segments :

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

(b) Geographical segments

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

(c) Allocation basis and transfer pricing

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 January 2009 (cont'd)

40. FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of financial assets and liabilities of the Group and the Company at the balance sheet date approximate their fair values except for :

	GROUP		COMPANY	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
2009				
Financial assets				
Unquoted shares and golf club membership	167,163	*	-	-
Financial liabilities				
Other payable	(9,000,000)	(7,000,000)	-	-
2008				
Financial assets				
Unquoted shares and golf club membership	524,471	*	-	-
Financial liabilities				
Other payable	(11,000,000)	(8,233,000)	-	-

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

41. UTILISATION OF PROCEEDS FROM RIGHTS ISSUE

The Group completed the issuance and quotation of the rights issue of ICULS 2009/2016 on Bursa Malaysia Securities Berhad on 20 January 2009.

The total proceeds arising from this corporate exercise were fully utilised during the financial year in accordance with the approval by Securities Commission as follows :

	Approved by Securities Commission RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
Development expenditure for the Nusa Cemerlang Industrial Park project	45,000	45,000	-
Working capital	14,033	14,056	(23)
Expenses relating to the rights issue	650	627	23
	59,683	59,683	-

The excess of the amount allocated for expenses in relating to the rights issue had been utilised as working capital.

42. EVENTS AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date, the Company repurchased 93,000 of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for the consideration of RM78,116. The average price paid for the shares repurchased was approximately RM0.84 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Analysis Of Shareholdings

as at 18 June 2009

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

DISTRIBUTION OF SHAREHOLDINGS (As per Record of Depositors)

Size of Shareholdings	No of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 100 shares	16	0.24	509	0.00
100 to 1,000 shares	3,685	55.79	3,595,473	2.33
1,001 to 10,000 shares	2,344	35.49	9,366,341	6.07
10,001 to 100,000 shares	512	7.75	13,549,500	8.78
100,001 to less than 5% of issued shares	47	0.71	29,031,807	18.80
5% and above of issued shares	1	0.02	98,833,700	64.02
Total	6,605	100.00	154,377,330 ^Ω	100.00

^Ω less 694,000 shares bought back and retained as treasury shares

THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholder	No. of Shares Held	% of Issued Capital
1. Sharikat Kim Loong Sendirian Berhad	98,833,700	64.02
2. Amanah Raya Nominees (Tempatan) Sdn Bhd Beneficiary : Public Smallcap Fund	3,963,400	2.57
3. Amanah Raya Nominees (Tempatan) Sdn Bhd Beneficiary : Public Far-East Property & Resorts Fund	3,677,800	2.38
4. Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary : Exempt An for OCBC Securities Private Limited (client A/C-RES)	2,137,836	1.38
5. Gooi Seow Mee	1,964,036	1.27
6. Gooi Seong Heen	1,958,835	1.27
7. Loo Geok Eng	1,835,437	1.19
8. Gooi Seong Chneh	1,773,836	1.15
9. Loo Geok Eng	1,721,827	1.12
10. Permodalan Nasional Berhad	937,100	0.61
11. Cheong Kwan Choong	700,000	0.45
12. Shoptra Jaya (M) Sdn. Bhd.	590,000	0.38
13. Sharikat Kim Loong Sendirian Berhad	501,000	0.32
14. Loh Lai Kim	497,000	0.32
15. Mayban Nominees (Tempatan) Sdn Bhd Beneficiary : Pledged Securities Account for Heng Peng Heng	388,000	0.25
16. Teo Kwee Hock	341,200	0.22
17. Teoh Guan Kok & Co. Sdn. Bhd.	320,500	0.21
18. Public Nominees (Tempatan) Sendirian Berhad Beneficiary : Pledged Securities Account for Tan Lim Soon (E-KPG)	295,800	0.19
19. Ng Teng Song	271,500	0.18
20. Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Chin Kiam Hsung	265,000	0.17
21. Chong Fui Fong	256,800	0.17
22. Mayban Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Heng Peng Heng	224,000	0.15
23. Ng Quek Peng	223,000	0.14
24. Tang Hee Wa @ Tang Choon Bak	219,400	0.14
25. Lim Su Yen	211,000	0.14
26. Mayban Investment Bank Berhad Beneficiary : CLR (C) for Permodalan Nasional Berhad	210,000	0.14
27. Gooi Seong Chneh	201,000	0.13

Analysis Of Shareholdings

as at 18 June 2009 (cont'd)

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

Name of Shareholder		No. of Shares Held	% of Issued Capital
28.	JF Apex Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Teo Siew Lai (Margin)	200,600	0.13
29.	Cheong Chong Lok	200,000	0.13
30.	Lim Chong Aik	200,000	0.13
Total		125,119,607	81.05

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

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

Name of Substantial Shareholder	No. of Shares Held or Beneficially Interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	99,334,700	-	64.35	-
Estate of Loo Geok Eng, Deceased	3,557,264	99,334,700 *	2.30	64.35
Gooi Seong Lim	2,277,836 ^α	99,404,700 #	1.48	64.39
Gooi Seong Heen	2,142,835 ^β	99,368,700 €	1.39	64.37
Gooi Seong Chneh	1,974,836	99,334,700 *	1.28	64.35
Gooi Seong Gum	-	99,334,700 *	-	64.35
Gooi Seow Mee	1,964,036	99,334,700 *	1.27	64.35

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

Name of Director	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Gooi Seong Lim	2,277,836 ^α	1.48	99,404,700 #	64.39
Gooi Seong Heen	2,142,835 ^β	1.39	99,368,700 €	64.37
Gooi Seong Chneh	1,974,836	1.28	99,334,700 *	64.35
Gooi Seong Gum	-	-	99,334,700 *	64.35
Yeo Jon Tian @ Eeyo Jon Thiam	30,000	0.02	15,000 ^ç	0.01
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Note:

* Deemed interests by virtue of their interests in Sharikat Kim Loong Sendirian Berhad ("SKL").

^α Includes 2,137,836 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd.

Deemed interests by virtue of his interest in SKL which holds 99,334,700 shares and his spouse, Lim Phaik Ean, who holds 70,000 shares.

^β Includes 128,000 and 56,000 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.

€ Deemed interests by virtue of his interest in SKL which holds 99,334,700 shares and his spouse, Looi Kok Yean, who holds 34,000 shares.

^ç Deemed interest by virtue of his spouse, Ng Yit How, who holds 15,000 shares.

Analysis Of 3.75% 7-Year Irredeemable Convertible Unsecured Loan Stocks 2009/2016 ("ICULS") Holders as at 18 June 2009

Nominal Amount of ICULS	: 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 on arrears annually during the 7 years on the ICULS remaining outstanding. The last interest payment shall be made on the Maturity Date.
ICULS converted during the year ended 31 January 2009	: Nil

DISTRIBUTION OF ICULS HOLDINGS

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	Nominal Amount of ICULS (RM)	% of ICULS
Less than 100 ICULS	0	0.00	0	0.00
100 to 1,000 ICULS	214	62.76	98,050	0.16
1,001 to 10,000 ICULS	92	26.98	409,900	0.69
10,001 to 100,000 ICULS	26	7.62	739,850	1.24
100,001 to less than 5% of ICULS	8	2.35	7,239,353	12.13
5% and above of ICULS	1	0.29	51,195,481	85.78
Total	341	100.00	59,682,634	100.00

THIRTY LARGEST ICULS HOLDERS (As per Register of ICULS' Holders)

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
1. Sharikat Kim Loong Sendirian Berhad	51,195,481	85.78
2. Amanah Raya Nominees (Tempatan) Sdn Bhd Beneficiary : Public Smallcap Fund	1,981,700	3.32
3. Amanah Raya Nominees (Tempatan) Sdn Bhd Beneficiary : Public Far-East Property & Resorts Fund	1,838,900	3.08
4. Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary : Exempt An for OCBC Securities Private Limited (Client A/C-RES)	1,068,918	1.79
5. Gooi Seong Heen	979,417	1.64
6. Gooi Seong Chneh	886,918	1.49
7. Sharikat Kim Loong Sendirian Berhad	250,500	0.42
8. Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Chin Kiam Hsung	132,500	0.22
9. Gooi Seong Chneh	100,500	0.17
10. Dynaquest Sdn. Berhad	98,450	0.16
11. Lee Min Soong	75,000	0.13
12. Gooi Seong Lim	70,000	0.12
13. Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Gooi Seong Heen (473561)	64,000	0.11
14. Liew Khin Yee	40,000	0.07
15. Lim Phaik Ean	35,000	0.06
16. Khoo Hai Chew	30,000	0.05
17. Public Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Gooi Seong Heen (E-JBU)	28,000	0.05
18. HDM Nominees (Asing) Sdn. Bhd. Beneficiary : DBS Vickers Secs (S) Pte Ltd for Ng Wai Choong	25,000	0.04
19. HSBC Nominees (Tempatan) Sdn. Bhd. Beneficiary : RBS Coutts HK for Julian Suresh Candiah	25,000	0.04
20. Sng Hock Tiong	20,000	0.03

Analysis Of 3.75% 7-Year Irredeemable Convertible Unsecured Loan Stocks 2009/2016 ("ICULS") Holders as at 18 June 2009 (cont'd)

THIRTY LARGEST ICULS HOLDERS (As per Register of ICULS' Holders) (cont'd)

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
21. Unipine Malaysia Sendirian Berhad	20,000	0.03
22. Madam Lee Kim Chin	17,500	0.03
23. Looi Kok Yean	17,000	0.03
24. Ong Peck Choo	15,500	0.03
25. Geh Siew Im	15,000	0.03
26. Goh Kim Heng	15,000	0.03
27. HDM Nominees (Asing) Sdn. Bhd. Beneficiary : Phillip Securities Pte Ltd for Teo Seow Leng	15,000	0.03
28. Lai Jit Meng	15,000	0.03
29. Low Tah Chong	15,000	0.03
30. Mrs Mok Choon Hoe Nee Geh Siew Ming	15,000	0.03
Total	59,105,284	99.03

SUBSTANTIAL ICULS HOLDERS (excluding bare trustees) (As per Register of Substantial ICULS holders)

Name of Substantial ICULS holder	No. of ICULS Held or Beneficially Interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	51,445,981	-	86.20	-
Gooi Seong Lim	1,138,918 α	51,480,981 #	1.91	86.26
Gooi Seong Heen	1,071,417 β	51,462,981 ϵ	1.80	86.23
Gooi Seong Chneh	987,418	51,445,981 *	1.65	86.20
Gooi Seong Gum	-	51,445,981 *	-	86.20
Gooi Seow Mee	-	51,445,981 *	-	86.20

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

Name of Directors	Direct Interest		Indirect Interest	
	ICULS Holdings	%	ICULS Holdings	%
Gooi Seong Lim	1,138,918 α	1.91	51,480,981 #	86.26
Gooi Seong Heen	1,071,417 β	1.80	51,462,981 ϵ	86.23
Gooi Seong Chneh	987,418	1.65	51,445,981 *	86.20
Gooi Seong Gum	-	-	51,445,981 *	86.20
Yeo Jon Tian @ Eeyo Jon Thiam	15,000	0.03	2,000 \yen	-
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Note:

α Includes 1,068,918 ICULS are held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd.

Deemed interests by virtue of his interest in SKL which holds 51,445,981 ICULS and his spouse, Lim Phaik Ean, who holds 35,000 ICULS.

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

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

* Deemed interests by virtue of their interest in SKL which holds 51,445,981 ICULS.

\yen Deemed interest by virtue of his spouse, Ng Yit How, who holds 2,000 ICULS.

Analysis Of Warrant Holdings

as at 18 June 2009

No. of Warrants 2009/2014	: 59,682,634
Exercise Price	: RM1.00 for one ordinary share of RM1.00 each.
Exercise Rights	: Each warrant entitles the holder to subscribe for one new ordinary share of RM1.00 each.
Exercise Period	: 12 January 2009 to 11 January 2014
No. of Warrants exercised during the year ended 31 January 2009	: Nil

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	Nominal Amount of Warrant (RM)	% of Warrant
Less than 100 warrants	0	0.00	0	0.00
100 to 1,000 warrants	215	62.87	98,550	0.16
1,001 to 10,000 warrants	92	26.90	409,400	0.69
10,001 to 100,000 warrants	26	7.60	739,850	1.24
100,001 to less than 5% of warrants	8	2.34	7,239,353	12.13
5% and above of warrants	1	0.29	51,195,481	85.78
Total	342	100.00	59,682,634	100.00

THIRTY LARGEST WARRANT HOLDERS (As per Record of Depositors)

Name of Warrant Holder	No. of Warrants held	% of Warrants
1. Sharikat Kim Loong Sendirian Berhad	51,195,481	85.78
2. Amanah Raya Nominees (Tempatan) Sdn Bhd Beneficiary : Public Smallcap Fund	1,981,700	3.32
3. Amanah Raya Nominees (Tempatan) Sdn Bhd Beneficiary : Public Far-East Property & Resorts Fund	1,838,900	3.08
4. Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary : Exempt An for OCBC Securities Private Limited (Client A/C-RES)	1,068,918	1.79
5. Gooi Seong Heen	979,417	1.64
6. Gooi Seong Chneh	886,918	1.49
7. Sharikat Kim Loong Sendirian Berhad	250,500	0.42
8. Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Chin Kiam Hsung	132,500	0.22
9. Gooi Seong Chneh	100,500	0.17
10. Dynaquest Sdn. Berhad	98,450	0.16
11. Lee Min Soong	75,000	0.13
12. Gooi Seong Lim	70,000	0.12
13. Citigroup Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Gooi Seong Heen (473561)	64,000	0.11
14. Liew Khin Yee	40,000	0.07
15. Lim Phaik Ean	35,000	0.06
16. Khoo Hai Chew	30,000	0.05
17. Public Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account for Gooi Seong Heen (E-JBU)	28,000	0.05
18. HDM Nominees (Asing) Sdn. Bhd. Beneficiary : DBS Vickers Secs (S) Pte Ltd for Ng Wai Choong	25,000	0.04
19. HSBC Nominees (Tempatan) Sdn. Bhd. Beneficiary : RBS Coutts HK for Julian Suresh Candiah	25,000	0.04
20. Sng Hock Tiong	20,000	0.03
21. Unipine Malaysia Sendirian Berhad	20,000	0.03
22. Madam Lee Kim Chin	17,500	0.03
23. Looi Kok Yean	17,000	0.03
24. Ong Peck Choo	15,500	0.03
25. Geh Siew Im	15,000	0.03
26. Goh Kim Heng	15,000	0.03
27. HDM Nominees (Asing) Sdn. Bhd. Beneficiary : Phillip Securities Pte Ltd for Teo Seow Leng	15,000	0.03

Analysis Of Warrant Holdings

as at 18 June 2009 (cont'd)

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

Name of Warrant Holder	No. of Warrants held	% of Warrants
28. Lai Jit Meng	15,000	0.03
29. Low Tah Chong	15,000	0.03
30. Mrs Mok Choon Hoe Nee Geh Siew Ming	15,000	0.03
Total	59,105,284	99.03

**SUBSTANTIAL WARRANT HOLDERS (excluding bare trustees)
(As per Register of Substantial Warrant Holders)**

Name of Substantial Warrant Holder	No. of Warrant Held or Beneficially Interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	51,445,981	-	86.20	-
Gooi Seong Lim	1,138,918 α	51,480,981 #	1.91	86.26
Gooi Seong Heen	1,071,417 β	51,462,981 ϵ	1.80	86.23
Gooi Seong Chneh	987,418	51,445,981 *	1.65	86.20
Gooi Seong Gum	-	51,445,981 *	-	86.20
Gooi Seow Mee	-	51,445,981 *	-	86.20

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

Name of Directors	Direct Interest		Indirect Interest	
	Warrant Holdings	%	Warrant Holdings	%
Gooi Seong Lim	1,138,918 α	1.91	51,480,981 #	86.26
Gooi Seong Heen	1,071,417 β	1.80	51,462,981 ϵ	86.23
Gooi Seong Chneh	987,418	1.65	51,445,981 *	86.20
Gooi Seong Gum	-	-	51,445,981 *	86.20
Yeo Jon Tian @ Eeyo Jon Thiam	15,000	0.03	2,000 \yen	-
Gan Kim Guan	-	-	-	-
Tan Ah Lai	-	-	-	-

Note:

 α Includes 1,068,918 warrants held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd.

Deemed interests by virtue of his interest in SKL which holds 51,445,981 warrants and his spouse, Lim Phaik Ean, who holds 35,000 warrants.

 β Includes 64,000 and 28,000 warrants held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively. ϵ Deemed interests by virtue of his interest in SKL which holds 51,445,981 warrants and his spouse, Looi Kok Yean, who holds 17,000 warrants.

* Deemed interests by virtue of their interests in SKL which holds 51,445,981 warrants.

 \yen Deemed interest by virtue of his spouse, Ng Yit How, who holds 2,000 warrants.

Particulars Of Properties

Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation)	Land Area [Acres]	Net Book Value RM'000
Properties Held by Panoramic Industrial Development Sdn. Bhd.					
1. Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Mixed Industrial and commercial plots (development-in-progress)	Freehold	18/11/1996	39.44 (a)	5,038
	Industrial plots (completed)	Freehold (13 years)	18/11/1996	1.41 (a)	2,255
	Hawker centre (completed)	Freehold (13 years)	18/11/1996	2.09 (a)	1,606
	Vacant land approved for residential, commercial and industrial development	Leasehold - 999 years commencing from 28.10.1912	18/11/1996	61.26 (a)	21,641
2. Nusa Cemerlang Industrial Park Mukim of Pulau, Johor Bahru, Johor.	Approved industrial plots (development-in-progress)	Freehold	22/07/2005 to 07/11/2008	354.34 (a), (b)	102,984
	Approved industrial plots (completed)	Freehold (1 year)	02/11/2006	4.14 (a)	6,137
Properties Held by Crescendo Development Sdn. Bhd.					
3. Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Industrial plots (development-in-progress)	Freehold	18/11/1996	40.74 (a)	8,159
	Industrial plots (completed)	Freehold (2 to 10 years)	18/11/1996	12.06 (a)	12,838
4. Desa Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Residential and commercial plots (development-in-progress)	Freehold	18/11/1996	92.41 (a)	23,610
	Residential plots (completed)	Freehold (1 to 2 years)	18/11/1996	22.32 (a)	35,877
5. Bandar Cemerlang - Lot Nos. PTD 31034 to 31035 and 31037, Mukim and District of Kota Tinggi, Johor.	Vacant agriculture land	Freehold	26/06/2001	1,390.22	156,964
- Lot Nos. PTD 105758 to 105762, 105765 and 105771 to 105772, Mukim of Terbau, Johor Bahru, Johor.					
6. Lot Nos. PTD 197069 to 197071, Mukim of Plentong, Johor Bahru, Johor.	Vacant land approved for industrial development	Freehold	(24/01/2005)	9.98	5,971
Properties Held by Panoramic Jaya Sdn. Bhd.					
7. Taman Dato Chellam Mukim of Terbau, Johor Bahru, Johor.	Mixed residential and commercial plots (vacant)	Freehold	12/05/2004	36.14 (a)	14,798
	Residential plots (completed)	Freehold (5 years)	12/05/2004	0.60 (a)	1,454

Particulars Of Properties (cont'd)

Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation)	Land Area [Acres]	Net Book Value RM'000
Properties Held by Ambok Resorts Development Sdn. Bhd.					
8. Lot Nos. 2, 58, 60, 116, 325, 349, 607, 608, 609, 716, 717, 747, 748, 749, 750, 960 and 1331, Mukim of Tanjung Surat, Kota Tinggi, Johor.	Oil palm estate (zoned for resort development) (c)	Freehold	(24/01/2005)	794.43	38,776
Properties Held by Crescendo Jaya Sdn. Bhd.					
9. Lot Nos. PTD 190809, 190814 to 190825, Mukim of Plentong, Johor Bahru, Johor.	Mixed residential and commercial plots (vacant)	Freehold	30/12/2002	5.24	1,146
Properties Held by Crescendo Land Sdn. Bhd.					
10. Lot Nos. PTD 156625, 156626 and 156627, Mukim of Plentong, Johor Bahru, Johor.	Vacant agriculture land	Leasehold - 99 years	30/08/2006	221.58 (d)	21,122
Properties Held by Crescendo Education Sdn. Bhd.					
11. Lot No. PTD 177258, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for commercial building / private college	Freehold	18/11/1996	7.42	2,877
Properties Held by Crescendo Commercial Complex Sdn. Bhd.					
12. Lot No. PTD 113438, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for commercial buildings	Freehold	(24/01/2005)	8.50	3,644
Properties Held by Unibase Concrete Industries Sdn Bhd					
13. Factory Building PTD 154126, Mukim of Pulau, Johor Bahru, Johor.	Ready mix and concrete plant (e)	(2 years)	31/05/2007	Not applicable	1,318
Properties Held by Repute Constrction Sdn. Bhd.					
14. 5A & 5B, Jalan Kekabu 11, Desa Cemerlang, 81800 Ulu Tiram, Johor.	Office Building	Freehold (3 years)	25/07/2005	0.04	378

Notes:

- (a) Gross land are based upon land titles held by Panoramic Industrial Development Sdn Bhd, Crescendo Development Sdn Bhd and Panoramic Jaya Sdn Bhd as at 31 January 2009. The conversion factor from gross to net saleable freehold and leasehold area are as follows:

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

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

- (b) Out of 354.34 acres, 224.34 acres are under development right with option to purchase.
(c) The oil palm estate which is an unconverted development land zoned for tourism is currently planted with oil palm trees which are due for replanting.
(d) The land is pending for alienation.
(e) The building is sited on rented land held by a related company.

FORM OF PROXY

I/We, _____

of _____

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

of _____

or failing whom, _____ of _____

or failing whom, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at Maple Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 24 July 2009 at 9.30 a.m. and at any adjournment thereof in the manner as indicated below:-

No.	Resolution	For	Against
1.	Adoption of Reports and Audited Financial Statements		
2.	Declaration of final dividend		
3.	Re-election of Director: Gooi Seong Lim		
4.	Re-election of Director: Gooi Seong Chneh		
5.	Re-appointment of Auditors		
6.	Authority to issue shares		
7.	Proposed Renewal of Authority for Share Buy-Back		
8.	Proposed Renewal of Shareholders' Mandate		

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

Signed this _____ day of _____ 2009

Signature of Member(s)

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

NOTES:

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

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

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

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

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

Please fold this flap for sealing

Please fold here



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

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