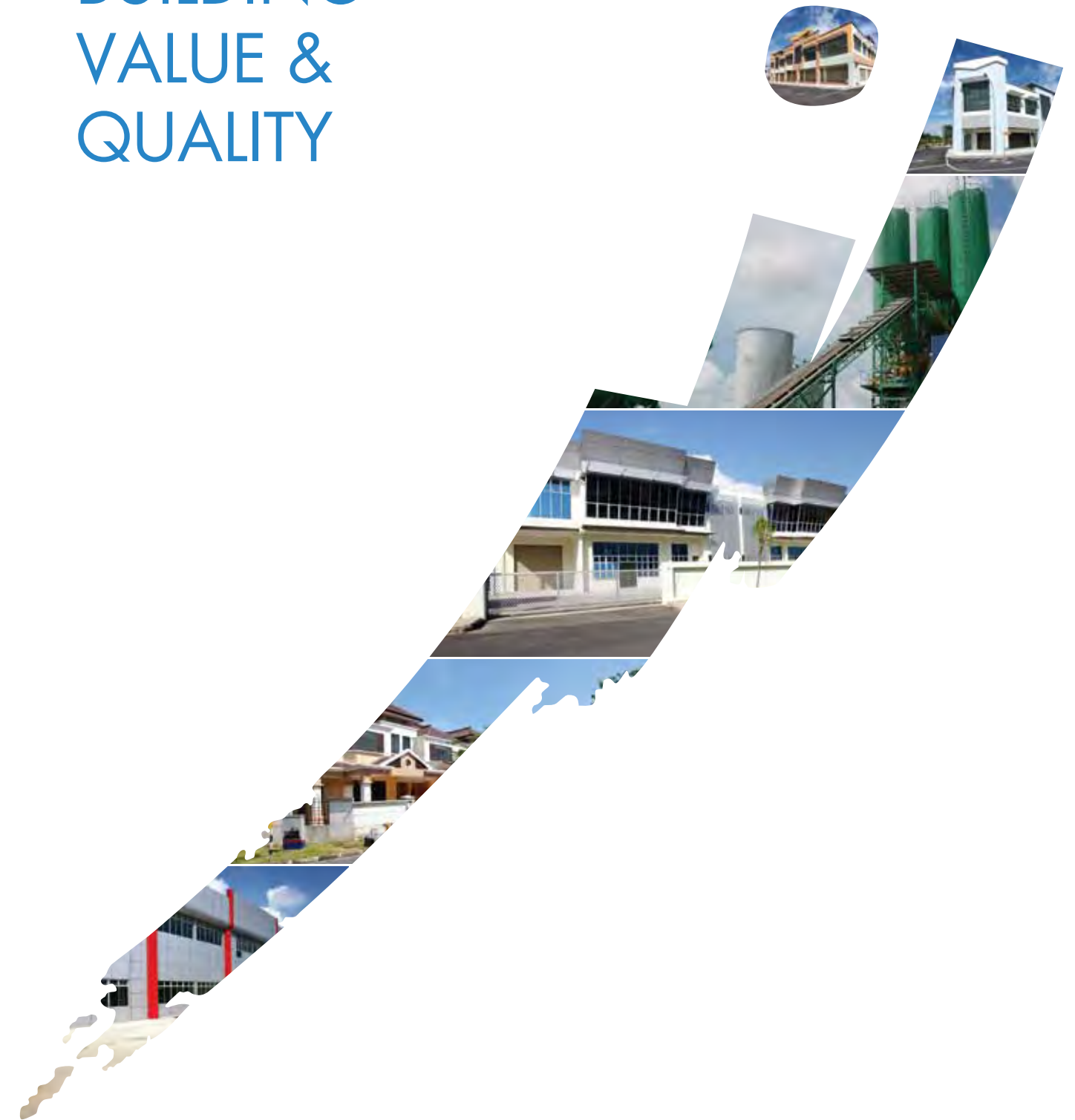
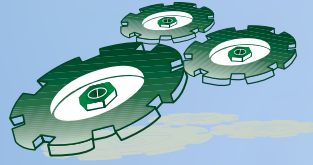


# BUILDING VALUE & QUALITY



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# NUSA CEMERLANG

Industrial Park (NCIP)





Nusa Cemerlang Industrial Park (NCIP) is located within Bandar Nusajaya, a 'Vibrant Growth' area of Johor Bahru, Johor. It is strategically located at the southern-most tip of Peninsular Malaysia, neighbouring Singapore and also known as the Southern Gateway of Malaysia to the world.

NCIP is located along the dual carriage Second Link Expressway to Singapore, next to the Gelang Patah interchange that links to all national highways. It is at the confluence of established international trading routes linking the east and the west with easy access to regional transportation hubs, transshipment hubs and the world's consumer markets.

NCIP covers an area of about 527 acres comprising of a range of purpose-built value-for-money FREEHOLD medium industrial factory units.



## Notice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of Crescendo Corporation Berhad will be held at Jasmine Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 30 July 2010 at 9.30 a.m. for the following purposes :-**

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2010 together with the Auditors' Report thereon. (Resolution 1)
2. To declare a final dividend of 4 sen less 25% tax in respect of the financial year ended 31 January 2010. (Resolution 2)
3. To re-elect the following Directors retiring in accordance with Article 77 of the Articles of Association of the Company:-
 

Gooi Seong Heen (Resolution 3)  
 Gan Kim Guan (Resolution 4)
4. To re-appoint CS Tan & Associates as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)
5. As Special Business, to consider and if thought fit, to pass the following resolutions:-

### **ORDINARY RESOLUTION I AUTHORITY TO ISSUE SHARES**

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

(Resolution 6)

### **ORDINARY RESOLUTION II PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY BACK**

"THAT, subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 1965 ("the Act"), the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, approval be and is hereby given to renew the authority for the Company to purchase its own shares through Bursa Securities, subject to the following:-

1. the maximum number of shares which may be purchased by the Company (which includes the shares already purchased and held as treasury shares) shall be 15,509,033 representing 10% of the issued and paid-up share capital of the Company as at 15 June 2010;
2. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the combined total of the audited retained profits and/or the share premium reserves of the Company as at 31 January 2010 of RM51,387,077 and RM14,890,492 respectively;
3. the authority conferred by this Ordinary Resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next Annual General Meeting or the expiry of the period within which the next Annual General Meeting is required by law to be held, whichever occurs first (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and in any event, in accordance with the provisions of the requirements issued by Bursa Securities or any other relevant authorities;

## Notice Of Annual General Meeting (cont'd)

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

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

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

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

(Resolution 7)

### **SPECIAL RESOLUTION PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION**

“THAT the existing Article 138 of the Articles of Association of the Company be deleted in its entirety and substituted with the new Article 138 as set out below –

138. Payment of dividend, interest or other money payable in cash, by cheque or electronic transfer

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or paid via electronic transfer of remittance to the account provided by the holder who is named on the Register of Depositors. Every such cheque or warrant or electronic transfer of remittance shall be made payable to the order of the person to whom it is sent or remitted, and the payment of any such cheque or warrant or electronic transfer of remittance shall operate as a good discharge to the Company in respect of the dividend, interest or other money payable in cash represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon, or the instruction for the electronic transfer of remittance, has been forged. Every such cheque or warrant or electronic transfer of remittance shall be sent or remitted at the risk of the person entitled to the money thereby represented.”

(Resolution 8)

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



Annual General Meeting 2009



## Notice Of Annual General Meeting (cont'd)



### NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Fourteenth Annual General Meeting, the final dividend of 4 sen less 25% tax in respect of the financial year ended 31 January 2010 will be paid on 18 August 2010 to depositors registered in the Record of Depositors on 3 August 2010.

A depositor shall qualify for entitlement only in respect of:-

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 3 August 2010 in respect of ordinary transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

CHONG FOOK SIN (MACS 00681)  
NG KAM MAY (f) (MAICSA 7020575)  
Company Secretaries

Petaling Jaya  
8 July 2010

## Notice Of Annual General Meeting (cont'd)



### NOTES:

#### (1) Proxy -

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

#### (2) Resolution 6 -

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

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last Annual General Meeting held on 24 July 2009 and which will lapse at the conclusion of the Fourteenth Annual General Meeting.

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

#### (3) Resolution 7 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 8 July 2010 which is enclosed together with the Annual Report 2010.

#### (4) Resolution 8 -

This Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to the Electronic Dividend payment ("eDividend").



## Statement Accompanying Notice Of Annual General Meeting Pursuant To Paragraph 8.27 (2) Of The Main Market Listing Requirements Of The Bursa Malaysia Securities Berhad

- (1) The following are the Directors standing for re-election pursuant to Article 77 of the Articles of Association of the Company at the Fourteenth Annual General Meeting:-

Gooi Seong Heen  
Gan Kim Guan

The profile of Directors standing for re-election are set out in pages 14 and 16 of this Annual Report.

- (2) (a) There were five (5) Board of Directors' Meetings during the financial year ended 31 January 2010. All the meetings were held at Lot 18.02, 18th Floor, Public Bank Tower, No. 19, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor except that held on 10 September 2009 at Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1, Jalan SS20/27, 47400 Petaling Jaya. The date and time of the meetings were as follows:-

Date of Meeting	Time
Monday, 30 March 2009	3.05 p.m.
Friday, 26 June 2009	3.00 p.m.
Thursday, 10 September 2009	10.00 a.m.
Wednesday, 30 September 2009	10.30 a.m.
Tuesday, 22 December 2009	3.30 p.m.

- (b) Attendance of Directors at the Board Meetings held during the financial year ended 31 January 2010 are as follows -

Name of Director	Attendance at Meeting	Percentage of Attendance (%)
Gooi Seong Lim	5/5	100
Gooi Seong Heen	5/5	100
Gooi Seong Chneh	5/5	100
Gooi Seong Gum	5/5	100
Gan Kim Guan	4/5	80
Yeo Jon Tian @ Eeyo Jon Thiam	5/5	100
Tan Ah Lai	5/5	100

- (3) The Fourteenth Annual General Meeting will be held at Jasmine Junior Ball Room, Level C of One World Hotel, First Avenue, Off Dataran Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 30 July 2010 at 9.30 a.m.

## Corporate Profile

### BOARD OF DIRECTORS

**Gooi Seong Lim**

*Chairman and Managing Director*

**Gooi Seong Heen**

*Executive Director*

**Gooi Seong Chneh**

*Executive Director*

**Gooi Seong Gum**

*Executive Director*

**Gan Kim Guan**

*Senior Independent Non-Executive Director*

**Yeo Jon Tian @ Eeyo Jon Thiam**

*Independent Non-Executive Director*

**Tan Ah Lai**

*Independent Non-Executive Director*

### AUDIT COMMITTEE

Gan Kim Guan (Chairman)

Yeo Jon Tian @ Eeyo Jon Thiam

Tan Ah Lai

### COMPANY SECRETARIES

Chong Fook Sin

(MACS 00681)

Ng Kam May (f)

(MAICSA 7020575)

### REGISTERED OFFICE

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

### AUDITORS

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

### REGISTRAR

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

### PRINCIPAL BANKERS

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

### STOCK EXCHANGE LISTING

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



## Group Structure

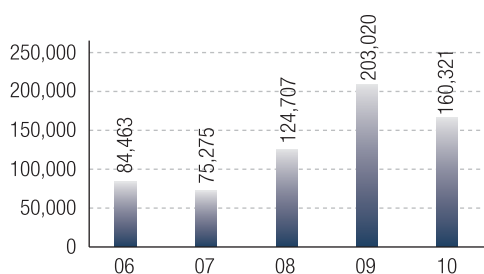
### Crescendo Corporation Berhad



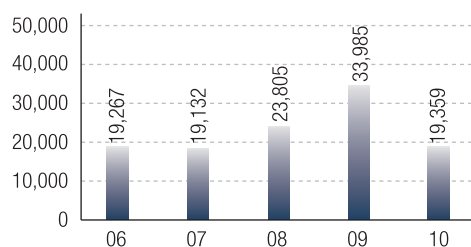
## Group Financial Highlights

	2006	2007	2008	2009	2010
<b>Income Statement (RM'000)</b>					
Revenue	84,463	75,275	124,707	203,020	160,321
Profit before tax	25,534	25,208	32,233	44,030	26,114
Profit after tax	19,267	19,132	23,805	33,985	19,359
<b>Balance Sheet (RM'000)</b>					
Paid-up share capital	143,752	143,793	155,068	155,071	155,071
Shareholders' equity	308,587	319,440	350,732	421,960	450,940
Total assets	386,043	439,321	513,437	600,828	688,696
<b>Per Share (Sen)</b>					
Earnings	13	13	15	20	11
Net tangible assets	215	222	226	272	291
Dividends	7	7	7	7	7
Weighted average number of shares in issue ('000)	141,573	141,357	150,802	154,469	154,256
<b>Financial Ratio (%)</b>					
Return on shareholders' equity (Pre-tax)	8.3	7.9	9.2	10.4	5.8
Return on total assets (Pre-tax)	6.6	5.7	6.3	7.3	3.8

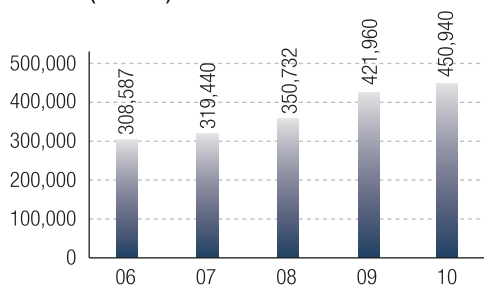
**REVENUE**  
(RM'000)



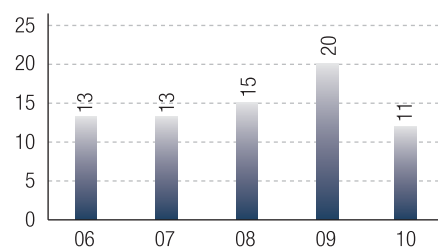
**PROFIT AFTER TAX**  
(RM'000)



**SHAREHOLDERS' EQUITY**  
(RM'000)



**EARNING PER SHARE**  
(SEN)





## Board of Directors



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



- **Gooi Seong Heen**  
*Executive Director*



- **Gooi Seong Chneh**  
*Executive Director*



- **Gooi Seong Gum**  
*Executive Director*

## Board of Directors (cont'd)



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



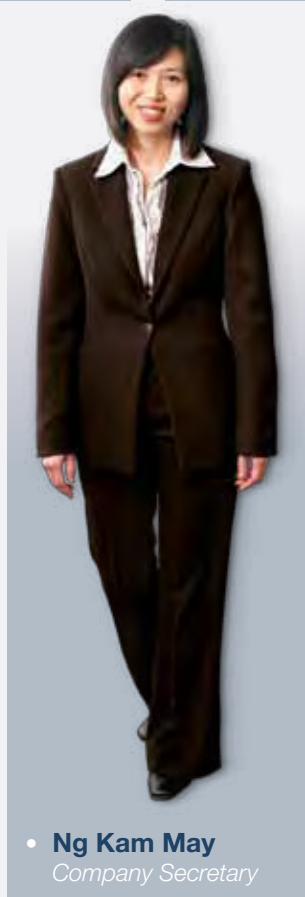
• **Yeo Jon Tian @  
Eeyo Jon Thiam**  
*Independent  
Non-Executive Director*



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



• **Chong Fook Sin**  
*Company Secretary*



• **Ng Kam May**  
*Company Secretary*

## Profile of Directors



### **MR. GOOI SEONG LIM**

Aged 61, a Malaysian, was appointed to the Board of Crescendo Corporation Berhad ("CCB") on 15 September 1995. He is currently the Chairman and Managing Director of CCB. He is also a member of the Remuneration Committee with effect from 27 March 2002. He graduated from the University of Toronto, Canada, with a Bachelor of Applied Science degree in Mechanical Engineering in 1972 and a Master's degree in Mechanical Engineering in 1975. From 1972 to 1975, he was an engineer of Spar Aerospace Ltd, an engineering company based in Toronto, Canada, specialising in the design and computer simulations of Canadian Communication Satellite and subsequently with Atomic Energy of Canada Ltd based in Toronto, Canada, a quasi-government company specialising in the design, supply and construction of Canadian nuclear reactors. From 1975 until to-date, he has been the Managing Director of Sharikat Kim Loong Sendirian Berhad ("SKL"), a company which owns a controlling stake in CCB and Kim Loong Resources Berhad ("KLR"), a public company listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Since 1977, he has been a director of Kim Loong Palm Oil Sdn. Bhd. ("KLPO") which is involved in palm oil milling. The success of the Group owes much to his extensive involvement in construction and property development. He is the Executive Chairman of KLR and also sits on the Board of several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2010.



### **MR. GOOI SEONG HEEN**

Aged 59, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB and is also a member of the Audit Committee until 1 November 2007. He graduated with a Bachelor of Applied Science degree in Chemical Engineering from the University of Toronto in 1972 and obtained a Master's degree in Business Administration from the University of Western Ontario, Canada in 1976. He served as an engineer with Esso Singapore Pte Ltd from 1973 to 1974. His experience embraces oil palm and rubber estate management, palm oil mill management and property development. From 1972, he has been a Director of SKL, a company which owns a controlling stake in CCB and KLR. Since 1977, he has been a director of KLPO Group which is involved in palm oil milling. He is the Managing Director of KLR and also a director of several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2010.

## Profile of Directors (cont'd)

### MR. GOOI SEONG CHNEH

Aged 55, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director and Chief Executive Officer (construction operation) of CCB. He graduated with a Bachelor of Science degree from the University of Toronto, Canada in 1975 and obtained a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He is a member of Professional Engineers Association of Alberta, Canada. He was formerly a consultant with Campbell Engineering and Associates, Calgary, Canada for three (3) years from 1981 to 1983. He has extensive experience in construction site management and property development. His experience also includes oil palm and cocoa estate management. From 1976, he has been a Director of SKL, a company which owns a controlling stake in CCB and KLR. He has been responsible for the development and management of oil palm and cocoa estates in Sabah since 1985. He is also a director of KLR and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2010.



### MR. GOOI SEONG GUM

Aged 54, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB. He graduated with a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980. He was an engineering consultant for Bobrowski & Partners, Calgary, Canada for one (1) year from 1982 to 1983. His experience covers oil palm and rubber estate management, property development and construction site management. From 1980, he has been a Director of SKL, a company which owns a controlling stake in CCB and KLR. Since 1983, he has been a director of KLPO Group which is involved in palm oil milling. He currently sits on the Board of KLR and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2010.





## Profile of Directors (cont'd)



### **GAN KIM GUAN**

Aged 47, a Malaysian, was appointed to the Board of CCB as an Independent Non-executive Director on 29 March 2001. He is currently the Senior Independent Non-executive Director of CCB. He was appointed as a member of the Audit Committee on 5 May 2001 and currently, he serves as the Chairman of the Audit Committee. He also sits as a member of both the Nominating and Remuneration Committees with effect from 27 March 2002. He is a partner of a firm of Chartered Accountants. He has extensive experience in auditing, investigation, financial planning and financing related work. He was previously involved in the Internal Audit Committee of the Malaysian Institute of Accountants. He is also a director of KLR.

Mr Gan is a member of The Association of Chartered Certified Accountants, and a Chartered Accountant of the Malaysian Institute of Accountants. He has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended four (4) out of the five (5) Board meetings held during the financial year 2010.



### **YEO JON TIAN @ EEYO JON THIAM**

Aged 69, a Malaysian, was appointed to the Board of CCB on 3 December 1996. He is currently an Independent Non-executive Director of CCB and is also a member of Audit Committee. He is the Chairman of both Nominating and Remuneration Committees of CCB with effect from 27 March 2002. He commenced his planting career in 1960 with the Rubber Research Institute of Malay Smallholders' Advisory Service. He is an associate of the Incorporated Society of Planter since 1968. He has been actively involved in the plantation management of large-scale cultivation of rubber, oil palm and cocoa until 1990 when he became the General Manager of a property development company. He also sits on the board of several private companies.

Mr Yeo has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2010.

## Profile of Directors (cont'd)

### TAN AH LAI

Aged 41, a Malaysian, was appointed as an Independent Non-Executive Director of CCB and a member of the Audit Committee on 1 November 2007. He also sits as a member of both the Nominating and Remuneration Committees with effect from 26 February 2009. He is a fellow member of the Association of Chartered Certified Accountants, UK and a Chartered Accountant of the Malaysian Institute of Accountants. He started his career as an Audit Assistant in a public accounting firm in 1994 and is presently the audit and tax director of the firm. He has considerable experience in auditing, investigation, due diligence work and financial and tax compliance related work. Currently, he is also a director of Guan Chong Berhad.

Mr Tan has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2010.



### Family Relationship

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

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

TAMAN  
**DATO CHELLAM**  
ULU TIRAM



紫  
蘭  
苑







Ulu Tiram has changed from a quiet little suburban town where nothing much happened into a suburban centre of Johor Bahru's fastest growing development corridor. Ulu Tiram continues to maintain its tranquility, thus making it excellent for both peaceful living and business commercial activities.

Taman Dato' Chellam Integrated Township, which is sprawling over 96 acres at Ulu Tiram, is strategically situated along major highways and is close to Johor Bahru City Centre, which is fast becoming the nucleus of the Southern Growth Triangle.





# Statement on Corporate Governance

## INTRODUCTION

The Board of CRESCENDO CORPORATION BERHAD remains resolute in upholding the highest standards of corporate governance within the Group in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Board views that corporate governance is built on four key concepts namely transparency, accountability, integrity and corporate performance.

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

## A. BOARD OF DIRECTORS

### The Board

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

Whilst the Board is responsible for creating the framework and policies within which the Group should be operating, management is responsible for instituting compliance with laws, regulations, rules, directives, guidelines and the achievement of Group's corporate objectives. The demarcation of roles both complements and reinforces the supervisory roles of the Board.

### Meetings

The Board normally meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be taken between scheduled meetings. Due notice is given of scheduled meetings and matters to be dealt with. All Board meeting proceedings are minuted, including the issues discussed and the conclusion made in discharging its duties and responsibilities.

During the financial year, the Board met on five (5) occasions where it deliberated upon and considered a variety of matters including approving the Group's financial results, strategic and investment decisions as well as financial and operating performance of its subsidiary companies.

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

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

Details of the attendance at the Board meeting are as follows.

Name of Director	Status of Directorship	Number of Board Meetings Attended	Percentage (%)
Gooi Seong Lim	Chairman cum Managing Director	5 of 5	100
Gooi Seong Heen	Executive Director	5 of 5	100
Gooi Seong Chneh	Executive Director	5 of 5	100
Gooi Seong Gum	Executive Director	5 of 5	100
Gan Kim Guan	Senior Independent Non-executive Director	4 of 5	80
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Non-executive Director	5 of 5	100
Tan Ah Lai	Independent Non-executive Director	5 of 5	100

### 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 reporting 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).

## Statement on Corporate Governance (cont'd)

### Audit Committee

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

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

The terms of reference of the Audit Committee together with the Report of the Audit Committee are disclosed on pages 32 to 35 of this Annual Report. The activities of the Audit Committee during the year ended 31 January 2010 are also set out in the Report of the Audit Committee.

### Remuneration Committee

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

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

The terms of reference of the Remuneration Committee are set out under the Report of the Remuneration Committee on page 36 of this Annual Report.

### Nominating Committee

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

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

The Board appoints its members through a formal and transparent selection process which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability to discharge responsibilities as expected of them. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met.

The terms of reference of the Nominating Committee are set out under the Report of the Nominating Committee on page 37 of this Annual Report.

### Board Balance

The Board currently has seven (7) members, comprising one (1) Executive Chairman cum Managing Director, three (3) Executive Directors, one (1) Senior Independent Non-executive Director and two (2) Independent Non-executive Directors. A brief profile of each Director is presented on pages 14 to 17 of this Annual Report.

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

## Statement on Corporate Governance (cont'd)

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

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

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

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

### The Board's Responsibilities

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

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

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

### Supply of Information to the Board

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

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 expense.

All Directors are provided with an agenda and a set of comprehensive Board papers, issued within sufficient time prior to Board meetings to ensure that the Directors can appreciate the issues to be deliberated on, and where necessary, to obtain further explanation. The Board papers include updates on financial, operational and corporate developments of the Group. Board papers are also presented with details on other issues that may require the Board's deliberation or decisions, policies, strategic issues which may affect the Group's businesses and factors imposing potential risks affecting the performance of the Group. Senior management staff and external advisors may be invited to attend Board meetings, to advise and provide the Board with detailed explanations and clarifications whenever necessary on matters that are tabled.

Other matters highlighted for the Board's decision include the approval of corporate plans, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

### Appointment and Election to the Board

#### Appointment

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

The Board undertakes to review 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.

## Statement on Corporate Governance (cont'd)

### Re-election

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

### 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. This is part of their Continuous Education Programme to keep abreast with relevant new developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfil their duties as Directors.

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

Programmes / Seminar	Organiser	Name
FRS 139 – Financial Instruments : Recognition and Measurement Preparing to Implement	Crescendo International College	Gooi Seong Lim Gooi Seong Chneh Gooi Seong Gum Yeo Jon Tian @ Eeyo Jon Thiam
Government Financial Assistance for Malaysian Companies		Gooi Seong Heen
A Critique of Recent Tax cases: Discerning The Judicial Mood	Malaysia Institute of Taxation (MIT)	Gan Kim Guan
Good Governance Strategy & Sustainability are inseparable	The Institute of Internal Auditors Malaysia	Gan Kim Guan Tan Ah Lai
Asian Confederation of Institute of Internal Auditors for ACIIA Conference 2009	The Institute of Internal Auditors Malaysia	Gan Kim Guan Tan Ah Lai
Practical Application of Financial Reporting Standards	Malaysia Institute of Certified Public Accountant (MICPA)	Gan Kim Guan
Financial Instruments (FRS 139)	MICPA	Gan Kim Guan
Efficiency Enhancement Clinic	Malaysian Productivity Corporation (MPC)	Tan Ah Lai
National Tax Conference 2009	Lembaga Hasil Dalam Negeri Malaysia (LHDN) & Chartered Tax Institute of Malaysia (CTIM)	Gan Kim Guan Tan Ah Lai
2010 Budget Seminar	CTIM	Gan Kim Guan
Conference on Competitiveness	MPC	Tan Ah Lai
KPMG FRS 139, Financial Instruments : Recognition and Measurement Step-by-Step Conversion Workshop	KPMG	Gan Kim Guan
National Seminar on Taxation 2009	LHDN and Inland Revenue Officers' Union	Gan Kim Guan Tan Ah Lai
FRS 139 - Financial Instruments : Recognition and Measurement Preparing to Implement – Unravelling the Tax Issues	CTIM	Gan Kim Guan Tan Ah Lai
Recent Development in Malaysian FRS - A Practical Approach	CPA	Gan Kim Guan



## Statement on Corporate Governance (cont'd)

### B. 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 remunerations is linked to Group and individual performance. In the case of a Non-executive Director, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-executive Director concerned.

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 paid a meeting allowance for attendance at each Board meeting.

A summary of the remuneration of the Directors for the year ended 31 January 2010, distinguishing between Executive and Non-executive Directors, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive band of RM50,000, is set out as below:

#### a. Summary of Directors' Remuneration

Aggregate Remuneration	Executive Directors (RM)	Non-executive Directors (RM)	Total (RM)
Salary	1,062,000	-	1,062,000
Bonus	230,000	-	230,000
Fees	23,000	150,000	173,000
Meeting allowance	8,000	5,500	13,500
Estimated monetary value of benefits-in-kind	45,564	-	45,564
Defined contribution plan	155,040	-	155,040
Share options granted under ESOS	1,424	-	1,424
<b>Total</b>	<b>1,525,028</b>	<b>155,500</b>	<b>1,680,528</b>



Proposed new campus of Crescendo International College at Desa Cemerlang

## Statement on Corporate Governance (cont'd)

### b. Remuneration Band

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

### C. SHAREHOLDERS

#### Dialogue between the Group and Investors

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

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

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

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

#### 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 twenty one (21) days prior to the meeting. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution.

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

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. The Shares Registrars is available to attend to matters relating to shareholders' interests.

#### Annual Report

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

The Company's Annual Report can be accessed at the Company's website at [www.crescendo.com.my](http://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](http://www.bursamalaysia.com)

## Statement on Corporate Governance (cont'd)

### D. ACCOUNTABILITY AND AUDIT

#### Financial Reporting

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

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

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

#### Internal Control

The Board acknowledges that it is responsible for ensuring that the Group's system of internal control 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 systems of internal control is set out under the Statement on Internal Control as set out in pages 29 to 30 of this Annual Report.



*New hostel for the workers of Taman Perindustrian Cemerlang factories*



#### Internal Audit Function

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

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

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

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

The total cost incurred in relation to the internal audit function of the Group for financial year ended 31 January 2010 is approximately RM200,000.

#### External Audit Function

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

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

## Statement on Corporate Governance (cont'd)

### DIRECTORS' RESPONSIBILITY STATEMENT

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

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

In preparing these Financial Statements, the Directors have:

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

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

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

### ADDITIONAL COMPLIANCE INFORMATION

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

#### Utilisation of Proceeds from Corporate Proposals

No proceeds raised from such exercise for the financial year 2010.

#### Share Buy-Back

During the financial year, the Company repurchased a total of 214,600 units of its shares and these are currently held as treasury shares. Other details of the share buy-back and re-sale of treasury shares are discussed in Note 13(a) to the Financial Statements. The Company is seeking a renewal of shareholders mandate for the Share Buy-Back at the forthcoming AGM.

#### 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 to the Financial Statements

#### Depository Receipt Programme

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

#### Sanctions and/or Penalties

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

#### Non-audit fees

Non-audit fee paid and payable to the External Auditors, Messrs CS Tan & Associates, during the financial year 2010 was RM2,000.

#### Variation in results

There was no material variation between the results for the financial year ended 31 January 2010 and the unaudited results previously announced.

#### Profit Guarantee

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

#### Material Contracts

There was no material contract of the Company and subsidiaries involving directors and major shareholders' interest, either subsisting at the end of the financial year or entered into since the end of the previous financial year.

#### Revaluation Policy

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



## Statement on Corporate Governance (cont'd)

### Recurrent Related Party Transactions

Details of Recurrent Related Party Transactions conducted pursuant to the Mandate during the financial year 2010.

Nature of Transaction	Name of related parties	Relationship with the Company	Transacted value (RM)
Professional service charges	Sharikat Kim Loong Sendirian Berhad	Holding company	173,000
Construction services	Panoramic Plaza Sdn Bhd Panoramic Mall Development Sdn Bhd	Fellow subsidiaries of the holding company	(9,215) (1,332,753)
Rental Expenses	Panoramic Housing Development Sdn Bhd	Fellow subsidiary of the holding company	45,600
Rental Income	Unigolf Sdn Bhd	Fellow subsidiary of the holding company	(48,000)
Sales of building materials	Sharikat Kim Loong Sendirian Berhad	Holding company	(3,440)
Sales of building materials	Kim Loong Palm Oil Mills Sdn Bhd Winsome Al-Yatama Sdn Bhd	Fellow subsidiaries of the holding company	(264,459) (3,136)

### 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 2010 except for the following:

- 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 25. In addition, the composition of the Remuneration Committee has been fully disclosed on page 36 of the Annual Report.
- 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 67% 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 28 June 2010.



Annual Trips to Pulau Tioman and North Vietnam

# Statement on Internal Control

## 1.0 INTRODUCTION

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

## 2.0 BOARD RESPONSIBILITIES

The Board 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 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.

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

### 3.2 Organisation Structure and Authorisation Procedures

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

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

### 3.3 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 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2010. 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 28 June 2010.

## Statement on Corporate Social Responsibilities

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

### Marketplace

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. Unibase Concrete Industries Sdn Bhd has obtained its product certification license for precast reinforced concrete square pile, small precast reinforced concrete square pile and precast concrete pipes with ogee joints.

### Workplace

Cognisant that a team of dedicated and motivated employees plays a crucial role in ensuring that the Group is well poised to meet present and future challenges, the Group continues to place emphasis on developing its human capital, the organisation's most valuable asset. The Group had a total workforce of over 300 as at 31 January 2010.

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

- Conducting in-house training for the staff on communication, legal, accounting, technical issues and management skills. Where specialist training is required, the staff are sent for external training;
- Carried out various staff activities including festival celebrations and sporting events through the In-House Sports Club; and
- A subsidised company trips to Bali, Macau and Cameron Highlands/Kuala Lumpur was organised for the staff and their family members.

### Community

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

- 52nd Merdeka Day Celebration
- Ikatan Relawan Rakyat Malaysia
- Persatuan Foochow Johor Bahru for Chingay celebrations
- REHDA headoffice
- Asian Rugby Football Union, Hong Kong
- Persatuan Bola Keranjang, Johor
- 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 750 students had enrolled in CIC as at 31 January 2010. 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, Taman Dato' Chellam 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 2010 and in compliance with Paragraph 15.15 (1) of the Listing Requirements of Bursa Securities.

### MEMBERS OF THE AUDIT COMMITTEE

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

**Chairman** : Gan Kim Guan  
**Members** : Yeo Jon Tian @ Eeyo Jon Thiam  
 Tan Ah Lai

**Secretaries** : Chong Fook Sin  
 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 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 complied with paragraph 15.9(1)(c)(i) of the Listing Requirements of Bursa Securities.

The Company Secretary shall be the Secretary of the Committee.



One of our property promotion events at Tebrau City Shopping Mall, Johor Bahru



## Report 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 2010, 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	3
Yeo Jon Tian @ Eeyo Jon Thiam	4	4
Tan Ah Lai	4	4

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

## Report 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.



*Ceremony to hand over management and security services to the Resident's Association of our gated housing project in Desa Cemerlang*

### 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 2010, 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)

### *External Audit*

- Reviewed the External Auditor's annual audit plan and audit strategy for the financial year ended 31 January 2010 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.

### *Internal Audit*

- Reviewed and approved the IAD resource requirement, programmes and plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries.
- Reviewed the internal audit reports presented by the IAD on findings, recommendations and management responses thereto and ensured that material findings were adequately addressed by the Management and reported to the Board relevant issues.
- Prepared the Audit Committee report for inclusion in the Annual Report 2010;
- Held independent meetings (without the presence of Management) with the Internal Auditors.

### *Risk Management*

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

### *Related Party Transactions*

- The Audit Committee reviewed all significant related party transactions entered by the 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.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 June 2010.

# Report Of The Remuneration Committee

## COMPOSITION OF MEMBERS

The Committee comprises the following members:

**Chairman** : Yeo Jon Tian @ Eeyo Jon Thiam

**Members** : Gan Kim Guan  
Gooi Seong Lim  
Tan Ah Lai

**Secretaries** : Chong Fook Sin  
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 2010. 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 cum Managing Director and Executive Directors.



# Report of The Nominating Committee

## COMPOSITION OF MEMBERS

The Committee comprises the following members:

**Chairman** : Yeo Jon Tian @ Eeyo Jon Thiam

**Members** : Gan Kim Guan  
Tan Ah Lai

**Secretaries** : Chong Fook Sin  
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 COMMITTEE

The Committee met once during the financial year 2010. 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 2010.

### FINANCIAL RESULTS

The Group recorded a drop in revenue and profit before tax to RM160 million and RM26 million respectively for the financial year 2010 as compared to RM203 million and RM44 million respectively recorded for the financial year 2009. The drop in revenue and profit is mainly due to lower sales of industrial properties and concrete products. The margins of concrete products are also squeezed as a result of the materials cost fluctuations and strong competition.

### DIVIDEND

The Board is pleased to recommend for the financial year ended 31 January 2010 a final dividend of 4.0 sen per share, less 25% tax (2009: 3.0 sen per share, less 25% tax and 1 sen per share tax exempt), making a total dividend of 7 sen per share, less 25% tax (2009: 7 sen per share, made up of 3 sen less 25% tax and 4 sen tax exempt).



## Chairman's Statement (cont'd)



*Visit to Desa Cemerlang site for SJK (C) Pei Chih by the Deputy Education Minister, Y.B. Datuk Dr Wee Ka Siong, Y.B. Teng Boon Soon and Y.B. Sen. Khoo Soo Seong and the Signing Ceremony of Submission Drawing for the new school building.*

### REVIEW OF BUSINESS ACTIVITIES

#### PROPERTY DEVELOPMENT AND CONSTRUCTION

The property development and construction operations recorded a drop of 24% and 42% in revenue and profit respectively mainly due to lower sales of industrial properties. The revenue and profit recorded for the financial year 2010 are RM106.3 million and RM20.6 million respectively as compared to RM140.5 million and RM35.5 million in the previous financial year.

However, in view of the various positive developments in Iskandar Malaysia, it is anticipated that our Nusajaya Cemerlang Industrial Park (NCIP) project will perform better. The rental market for industrial properties is also expected to be good as it can cater for industrialists who are currently not ready to enter into purchase commitments. Property investors will be keen to buy our tenanted industrial properties because they can get a reasonable return for their investment. We expect the demand for the residential properties to increase in view of the better employment prospects for Johor Bahru residents due to the recent opening of Singapore's two Integrated Resorts.

We expect the industrial development and construction operations to remain as the main profit contributor for the Group in the financial year 2011.

#### MANUFACTURING AND TRADING

The manufacturing and trading operations recorded a drop in revenue and profit of 24% and 68% respectively mainly due to lower sales of concrete products. The concrete products margin is also squeezed as a result of the materials cost fluctuations and strong competition. The revenue and profit are RM55.3 million and RM2.1 million respectively for the financial year 2010 as compared to RM72.9 million and RM6.6 million respectively for the financial year 2009.

We expect this operation to perform better in the financial year 2011.

## Chairman's Statement (cont'd)

### DEVELOPMENT AND PROSPECTS

For the financial year 2011, the property market is making a strong comeback with renewed buying interest due to low interest rate and better economic outlook.

The Group will continue to focus on the development of industrial properties at NCIP located in Nusajaya in the financial year 2011. Nusajaya is within Iskandar Malaysia and is a fully integrated urban development. Iskandar Malaysia has been identified as the key engine of growth of Johor and Malaysia under the 9th Malaysia Plan. The Government has provided adequate world class infrastructure and facilities to attract more foreign investors to invest in the area.

We expect relocation of Singaporean medium industries to NCIP to accelerate 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 and improvement in bilateral relationship between the two countries.

The Group will concentrate on selling the existing stocks of residential properties as the demand for this sector is improving. We expect this current oversupply situation to improve in view of better economic growth, active developments within Iskandar Malaysia and the recent opening of Singapore's two Integrated Resorts. 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.

There will also be more emphasis on residential and commercial sector in the medium term when we start to develop Bandar Cemerlang. An interchange providing access to the Bandar Cemerlang development via the Johor Bahru-Kota Tinggi highway is presently under construction and is scheduled for completion together with the new Johor Bahru-Kota Tinggi highway by the end of 2010. The launching of single storey houses in Bandar Cemerlang is expected to commence in FY2012 and this project is expected to contribute positively to the revenue and profit of the Group.

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

Barring unforeseen circumstances, the Board expects the performance of the Group to be better due to expected higher sales of industrial properties and better contributions from the manufacturing and construction operations for the financial year ending 31 January 2011.



*Construction of interchange at Bandar Cemerlang*



## Chairman's Statement (cont'd)



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

**Gooi Seong Lim**

Chairman and Managing Director  
Johor Bahru, Johor

Date: 28 June 2010





DESA  
CEMERLANG  
— 烈光镇 —





'Dazzling', as the name aptly chosen for Desa Cemerlang implies, has been the progress and achievement of this 500 acres of residential development near Johor Bahru.

This modern self-contained township comprises some 7,500 units of mixed residential and commercial development. High standards of professionalism, emphasis on harmony with the site's natural features, the range and quality of communal facilities, use of high-end quality products and finishes and the care and attention to overall details are some of the trendsetting factors that distinguish Desa Cemerlang from others.

