



The *Journey* for  
sustainable **GROWTH**



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# NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 January 2005

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of Crescendo Corporation Berhad will be held at Tropicana Golf & Country Resort Berhad, Ballroom 1, 1<sup>st</sup> Floor, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 July 2005 at 11.00 a.m. for the following purposes:-

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2005 together with the Auditors' Report thereon.
2. To declare a final dividend of 4% less tax in respect of the financial year ended 31 January 2005.
3. To re-appoint the following Directors pursuant to Section 129(6) of the Companies Act, 1965  
Datuk Haji Mohd. Zamani bin Samah  
Mdm. Loo Geok Eng  
Mr. Mathew K. Mathai
4. To re-elect Mr. Gooi Seong Gum retiring in accordance with Article 77 of the Articles of Association of the Company.
5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-  
"THAT the vacancy arising upon the retirement at the conclusion of this meeting of Ms. Gooi Seow Mee as a director under Article 77 of the Articles of Association should not be filled or any person elected as an additional director for the time being."
6. To re-appoint Messrs CS Tan & Associates as Auditors of the Company and to authorise the Directors to fix their remuneration.
7. 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."

## 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 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 14,375,244 representing 10% of the issued and paid-up share capital of the Company as at 7 June 2005;

- Resolution 1
- Resolution 2
- Resolution 3
- Resolution 4
- Resolution 5
- Resolution 6
- Resolution 7
- Resolution 8
- Resolution 9

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

For the financial year ended 31 January 2005

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 2005 of RM907,382.00 and RM14,525,015.00 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;
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 10

### ORDINARY RESOLUTION III – PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to renew the shareholders' mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 3.5 of the Circular dated 6 July 2005, provided that such transactions are made on an arm's length basis and on normal commercial terms and subject further to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) disclosure is made in the Annual Report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year based on the following information:-
  - (a) the type of the recurrent transactions made; and
  - (b) the names of the related parties involved in each type of recurrent transactions made and their relationship with the Company,

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

For the financial year ended 31 January 2005

and such authority shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, such authority is renewed;
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the said Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

• Resolution 11

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

### NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Ninth Annual General Meeting, the final dividend of 4% less tax in respect of the financial year ended 31 January 2005 will be paid on 15 August 2005 to depositors registered in the Record of Depositors on 29 July 2005.

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 29 July 2005 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 (MAICSA 7020575)  
Company Secretaries

Petaling Jaya  
6 July 2005





# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

For the financial year ended 31 January 2005

## NOTES:

### (1) Proxy -

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

### (2) Resolution 7 -

The Nomination Committee has not recommended Ms. Gooi Seow Mee for re-election. She will be deemed re-elected if the resolution is not passed.

### (3) Resolution 11 -

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.

### (4) Resolution 12 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Circular to Shareholders dated 6 July 2005 which is enclosed together with the Annual Report 2005.

### (5) Resolution 13-

The detailed text on this resolution on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is included in the Circular to Shareholders dated 6 July 2005 which is enclosed together with the Annual Report 2005.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.28 (2) OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

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

(a) Re-appointment of Directors pursuant to Section 129(6) of the Companies Act, 1965 -

Datuk Haji Mohd. Zamani bin Samah  
Mdm. Loo Geok Eng  
Mr. Mathew K. Mathai

(b) Re-election of Director pursuant to Article 77 of the Articles of Association of the Company:-

Mr. Gooi Seong Gum

(2) (a) There were five (5) Board of Directors' Meetings during the financial year ended 31 January 2005, all held at Lot 18.02, 18<sup>th</sup> Floor, Public Bank Tower, No. 19, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor except the Meeting of 28 June 2004 which was held at Function Room 1, Level 3, The Pacific Sutera Hotel, 1, Sutera Harbour Boulevard, Sutera Harbour, 88100 Kota Kinabalu respectively. The date and time of the Meetings were as follows:-

Date of Meetings	Time
Tuesday, 3 February, 2004	11.10 a.m.
Friday, 26 March, 2004	11.05 a.m.
Monday, 28 June, 2004	2.35 p.m.
Saturday, 25 September, 2004	11.00 a.m.
Friday, 31 December, 2004	11.45 a.m.

(b) Attendance of Directors at the Board Meetings held during the financial year ended 31 January 2005 are as follows -

Name of Director	Attendance at Meetings	Percentage of Attendance (%)
Datuk Haji Mohd. Zamani bin Samah	5/5	100
Gooi Seong Lim	5/5	100
Dato' Haji Mohd Ali bin Hassan (Retired : 27/7/2004)	2/3	67
Loo Geok Eng (f)	5/5	100
Gooi Seong Heen	5/5	100
Gooi Seong Chneh	5/5	100
Gooi Seong Gum	5/5	100
Gooi Seow Mee (f)	5/5	100
Yeo Jon Tian @ Eeyo Jon Thiam	5/5	100
Gan Kim Guan	5/5	100
Mathew K. Mathai	5/5	100

(3) The Ninth Annual General Meeting will be held at Tropicana Golf & Country Resort Berhad, Ballroom 1, 1<sup>st</sup> Floor, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 July 2005 at 11.00 a.m

(4) The profile of Directors standing for re-appointment or re-election at the Ninth Annual General Meeting are set out in pages 9 to 12 of this Annual Report.

# CORPORATE INFORMATION

## DIRECTORS

Datuk Haji Mohd. Zamani bin Samah (Chairman)  
Gooi Seong Lim (Managing Director)  
Gooi Seong Heen  
Loo Geok Eng (f)  
Gooi Seong Chneh  
Gooi Seong Gum  
Gooi Seow Mee (f)  
Mathew K. Mathai  
Gan Kim Guan  
Yeo Jon Tian @ Eeyo Jon Thiam

## AUDIT COMMITTEE

Gan Kim Guan (Chairman)  
Gooi Seong Heen  
Yeo Jon Tian @ Eeyo Jon Thiam

## 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

## REGISTRARS

Tacs Corporate Services Sdn. Bhd. (231621-U)  
Unit No. 203, 2nd Floor,  
Block C, Damansara Intan,  
No. 1, Jalan SS20/27,  
47400 Petaling Jaya,  
Selangor Darul Ehsan  
Tel : 03 7118 2688  
Fax : 03 7118 2693



## SECRETARIES

Chong Fook Sin (MACS 00681)  
Ng Kam May (MAICSA 7020575)

## AUDITORS

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

## PRINCIPAL BANKERS

OCBC (Malaysia) Berhad (295400-W)  
Malayan Banking Berhad (3813-K)

## STOCK EXCHANGE LISTING

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







## BOARD OF DIRECTORS



from left to right  
Loo Geok Eng (f)  
Datuk Haji Mohd.  
Zamani bin Samah  
(Chairman)  
Gooi Seong Lim  
(Managing Director)



from left to right  
Gooi Seong Chneh  
Gooi Seong Heen  
Gooi Seong Gum  
Gooi Seow Mee (f)



from left to right  
Ng Kam May (f) (Company Secretary), Mathew K. Mathai, Gan Kim Guan,  
Yeo Jon Tian @ Eeyo Jon Thiam, Chong Fook Sin (Company Secretary)

## PROFILE OF DIRECTORS

### DATUK HAJI MOHD. ZAMANI BIN SAMAH

Datuk Haji Mohd. Zamani Bin Samah, aged 83, a Malaysian, was appointed to the Board of Directors ("the Board") of Crescendo Corporation Berhad ("CCB") on 15 September 1995. He is currently the Independent Non-executive Chairman of CCB. He was the Chief Police Officer of Johor from 1973 to 1977. He has been active in the quarry, plantation and property development businesses for several years since retiring from the Government service in July 1977. In 1978, he was involved in the oil palm industry through his shareholding and directorship in Kim Loong Palm Oil Sdn. Bhd. ("KLPO") and later in the quarry business in 1983 through his shareholding and directorship in Syarikat Kuari Sinaran Cemerlang Sdn Bhd. He also sits on the Board of Kim Loong Resources Berhad ("KLR"), a public company listed on Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") and several other private companies.

Datuk Haji Mohd. Zamani 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 2005.



### GOOI SEONG LIM

Gooi Seong Lim, aged 57, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently the Managing Director of CCB. He is also a member of the Remuneration Committee with effect from 27 March 2002. He graduated with a Bachelor of Applied Science degree in Mechanical Engineering in 1972 and obtained a Master's degree in Mechanical Engineering in 1975 both from the University of Toronto, Canada. 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"), an investment holding company which also owns a controlling stake in CCB and KLR. Since 1977, he has been a director of 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 also 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 the SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2005.



### LOO GEOK ENG

Loo Geok Eng (f), aged 86, a Malaysian, was appointed to the Board of CCB as an Executive Director on 15 September 1995. She is the founder of SKL, an investment holding company which owns a controlling stake in CCB and KLR and has been the Director of SKL since 11 August 1967. Her experience includes that of oil palm and rubber estate management and property development. She currently sits on the Board of KLR and several other private companies.

Madam Loo has no personal interest in any business arrangement involving CCB, except that she is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of her directorship and shareholding in SKL. She has not been convicted of any offences within the past 10 years. She attended all the five (5) Board meetings held during the financial year 2005.





## PROFILE OF DIRECTORS (CONT'D)



**GOOI SEONG HEEN**

Gooi Seong Heen, aged 55, 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. 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 1976, he has been a Director of SKL, an investment holding company which owns a controlling stake in KLR and CCB. Since 1977, he has been a director of KLPO Group which is involved in palm oil milling. He is currently a director of KLR and several other private companies.

Mr Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2005.

**GOOI SEONG CHNEH**

Gooi Seong Chneh, aged 51, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently the 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, an investment holding company which owns a controlling stake in KLR and CCB. 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 the SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2005.



**GOOI SEONG GUM**

Gooi Seong Gum, aged 50, 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, an investment holding 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 the SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2005.



## PROFILE OF DIRECTORS (CONT'D)

### GOOI SEOW MEE

Gooi Seow Mee (f), aged 48, a Malaysian, was appointed to the Board of CCB on 15 September 1995. She is currently an Executive Director of CCB. She graduated with a Bachelor's degree in Commerce from the University of Toronto in 1980 and later obtained a Master's degree in Business Administration from the University of San Francisco, United States of America in 1986. In 1992 she obtained a Graduate Diploma in Hotel Management from Domino Carlton Tivoli Hotel Management School, Lucerne, Switzerland. She was a senior assistant in the Management Service Division of SGV-Kassim Chan, Kuala Lumpur from 1981 to 1984 and was an investment executive with Wearne Brothers Services Pte Ltd, a company incorporated in Singapore for a short period of time in 1986 to 1987. Her extensive experience lies in management consultancy, plantation management and property development. Since 1980 she has been a Director of SKL, an investment holding company which owns a controlling stake in KLR and CCB. Since 1987 she has been involved in the management of the housing development project known as Desa Cemerlang, Mukim Plentong, District of Johor Bahru, Johor Darul Takzim and since 1998 she has been involved in the management of KLR group's Sabah plantations. She currently sits on the Board of KLR and several private companies.

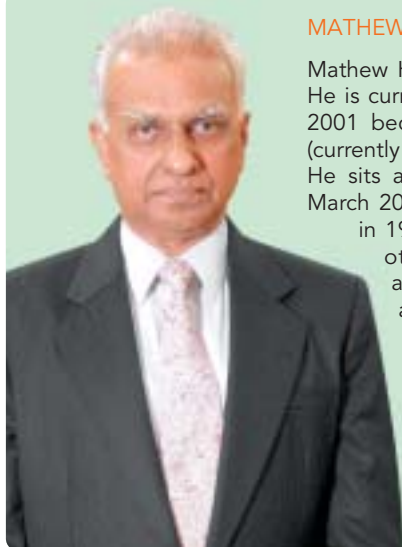
Miss Gooi has no personal interest in any business arrangement involving CCB, except that she is deemed interested in the transactions entered into with the SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of her directorship and shareholding in SKL. She has not been convicted of any offences within the past 10 years. She attended all the five (5) Board meetings held during the financial year 2005.



### MATHEW K. MATHAI

Mathew K. Mathai, aged 72, a Malaysian, was appointed to the Board of CCB on 3 December 1996. He is currently a Non-executive Director of CCB. He resigned from the Audit Committee on 29 March 2001 because under the then revamped Listing Requirements of Kuala Lumpur Stock Exchange (currently known as the Listing Requirements of Bursa Securities) he is not an Independent Director. He sits as a member of both the Nomination and Remuneration Committees with effect from 27 March 2002. He graduated with Bachelor of Arts Degree in Economics from the University of Malaya in 1957 and is currently a director of a tax consultant firm. He is a director of KLR and of several other private companies. He is a Fellow of the Malaysian Institute of Taxation. He was attached to the Income Tax Department in Singapore from December 1957 to August 1960 and with the Inland Revenue Department, Malaysia from August 1960 to May 1968. He joined Coopers & Lybrand as a tax consultant in May 1968 and left in May 1974 to set up a tax consultancy firm.

Mr Mathai is not independent by virtue of his directorship in two companies which provide consultancy services to the CCB Group. He has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended all the five (5) Board meetings held during the financial year 2005.



### GAN KIM GUAN

Gan Kim Guan, aged 43, a Malaysian, was appointed to the Board of CCB as an Independent Nonexecutive 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 serves as the Chairman of the Audit Committee. He also sits as a member of both the Nomination 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 all the five (5) Board meetings held during the financial year 2005.



## PROFILE OF DIRECTORS (CONT'D)



### YEO JON TIAN @ EEOY JON THIAM

Yeo Jon Tian @ Eeyo Jon Thiam, aged 65, 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 the Nomination and Remuneration Committees of CCB with effect from 27 March 2002. He commenced his planting career in 1960 with the Rubber Research Institute of Malaya 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 2005.

### Family Relationships

Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh, Gooi Seong Gum and Gooi Seow Mee, who are brothers and sister, are the children of Loo Geok Eng.

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

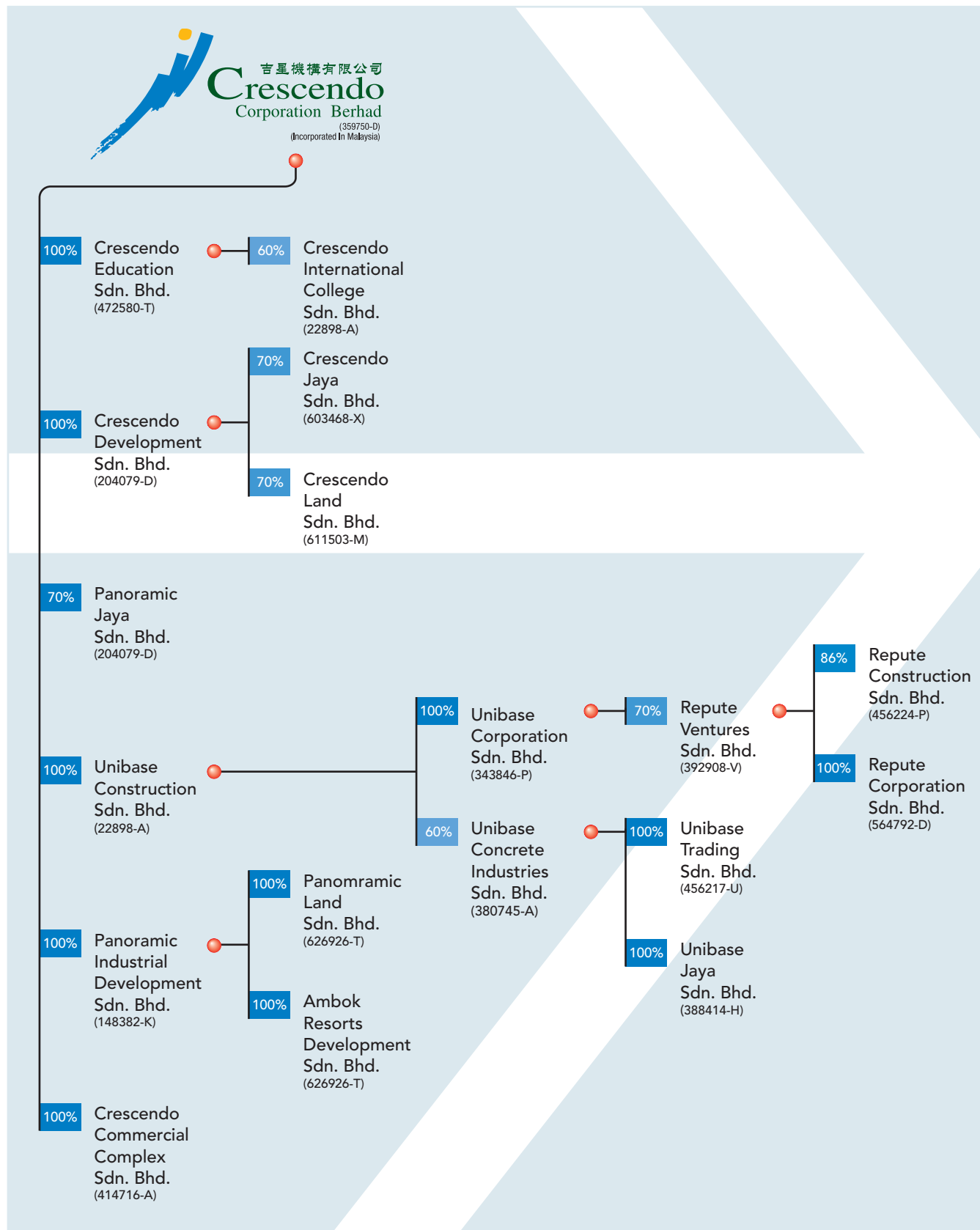






# GROUP STRUCTURE

As at 31 January 2005



# GROUP

## FINANCIAL HIGHLIGHTS

### Income Statement (RM'000)

	2005	2004	2003	2002	2001
Revenue	83,904	62,433	62,525	62,109	59,863
Profit before tax	23,083	17,642	17,286	17,747	14,692
Profit after tax	16,658	13,308	13,003	11,844	9,995
Dividend (%)	7.0	6.0	5.0	5.0	5.0

### Balance Sheet (RM'000)

Paid-up share capital	143,670	117,985	111,166	108,496	108,496
Shareholders' equity	296,850	247,253	232,399	220,222	212,329
Total assets	377,558	341,706	330,407	247,878	238,634

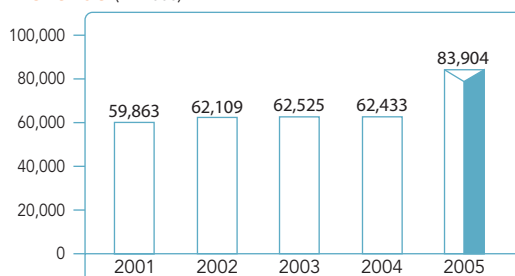
### Per Share (sen)

Earnings	12	11	12	11	9
Net tangible assets	207	210	209	205	196
Weighted average number of shares in issue ('000)	135,804	113,649	109,296	108,496	108,496

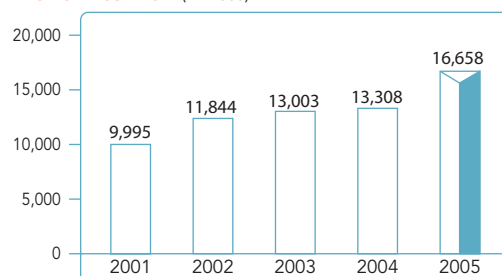
### Financial Ratio (%)

Return on shareholders' equity (Pre-tax)	7.8	7.1	7.4	8.0	6.9
Return on total assets (Pre-tax)	6.1	5.2	5.2	7.2	6.2

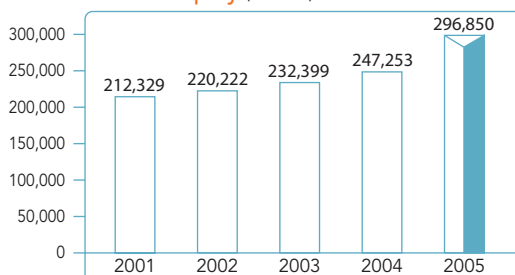
### Revenue (RM '000)



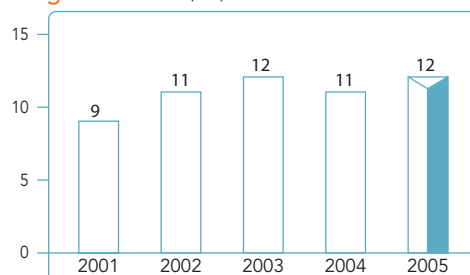
### Profit After Tax (RM '000)



### Shareholders' Equity (RM '000)



### Earnings Per Share (Sen)



# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

The Board of Directors of CCB is committed to ensure the adoption of principles and best practices as enshrined in the Malaysian Code of Corporate Governance ("the Code") throughout the Group. It recognises that the adoption of the highest standards of governance is imperative for the enhancement of stakeholders' value.

The Board is pleased to present the following report on the application of principles and compliance with best practices as set out in the Code during the financial year ended 31st January 2005.

## THE BOARD OF DIRECTORS

The Board is the ultimate decision making entity. It leads and controls the Group. The Board is primarily responsible for, among other things, the review and adoption of a strategic plan for the Group, oversight of business performance, ensuring the adoption of appropriate risk management system and ensuring establishment of proper internal control system.

The Group acknowledges the importance of corporate governance in enhancing its business prosperity and corporate accountability with the objective of realising long term shareholders' value, whilst taking into account the interests of other stakeholders.

The Group will continue to endeavour to comply with all the key principles of the Code in an effort to observe a high standard of transparency, accountability and integrity. This is to sustain optimal governance with conscientious accountability for continuous effectiveness, efficiency and competitiveness of the Group.

## Composition and Balance

The control environment sets the tone for the Group and it is driven by an effective Board of Directors consisting of competent individuals with appropriate specialist skills and knowledge to ensure capable management of the Group. The Board is responsible for overseeing the conduct and performance of the Group's businesses and provides an oversight to the Group's internal controls. The composition of independent and non-independent directors is carefully considered to ensure that the Board is well balanced.

The Board comprises Datuk Haji Mohd. Zamani bin Samah, who is an Independent Chairman, six (6) Executive Directors, two (2) Independent Directors (of which, one is a Senior Independent Director), one (1) Non-executive Director. The Directors have a wide range of experiences in both private and public sectors and academic backgrounds and provide a collective range of skills, expertise and experiences which are necessary for the successful guidance of the Group. The Independent Directors fulfil their roles by providing objective judgement and participation in the decision making process. A brief profile of each Director is presented on pages 9 to 12 of this Annual Report.



## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### THE BOARD OF DIRECTORS (cont'd)

The Group practises a division of responsibilities between the Chairman and the Group Managing Director and there is a balance of Executive, Non-executive and Independent Non-executive Directors. The roles of the Chairman and Group Managing Director are separate and clearly defined and are held by two persons.

The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Group Managing Director has the overall responsibility over the day-to-day running of the business and implementation of Board policies and decisions.

The Board has initiated a process of evaluation carried out by the Nomination Committee annually. The evaluation process includes assessing the effectiveness of the Board as a whole, the committees of the Board and to assess the contribution of each individual Director. Through the Nomination Committee, the Board will also annually review its required mix of skills and experiences and other qualities, including core competencies which Non-executive Directors should bring to the Board.

The Board has nominated Mr Gan Kim Guan to act as the Senior Independent Non-executive Director. Any concerns regarding the Group may be conveyed to him.

The Board is satisfied that the current Board composition fairly represents the interest of minority shareholders in the Company.

### Board Meetings

Board Meetings are scheduled at least once every quarter, with additional meetings convened as and when required. During the financial year ended 31 January 2005, there were five (5) Board meetings. The Directors attended a majority of all Board meetings held during their tenure.

The composition of the Board and the attendance of each Director at the Board meetings held during the financial year are as follows: -

Name of Director	Status of Directorship	Attendance Of Meetings
Datuk Haji Mohd Zamani bin Samah	Independent Chairman	5 of 5
Gooi Seong Lim	Group Managing Director	5 of 5
Dato' Hj Mohd Ali bin Hassan ( <i>Retired 27/7/2004</i> )	Independent Director	2 of 3
Loo Geok Eng (f)	Executive Director	5 of 5
Gooi Seong Heen	Executive Director	5 of 5
Gooi Seong Chneh	Executive Director	5 of 5
Gooi Seong Gum	Executive Director	5 of 5
Gooi Seow Mee (f)	Executive Director	5 of 5
Mathew K. Mathai	Non-executive Director	5 of 5
Gan Kim Guan	Senior Independent Non-executive Director	5 of 5
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Non-executive Director	5 of 5



## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### Appointment and election to the Board

There is in place a formal and transparent procedure for the appointment of new Directors to the Board. The proposed appointment of new member(s) to 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 Nomination Committee to the Board for its approval. The Nomination Committee of the Board was established on 27 March 2002 to identify, nominate and recommend the appointments of Directors to the Board and Committees of the Board.

### Director's Training

All Directors have attended the Mandatory Accreditation Programme and various courses linked to the Continuing Education Program. The Group has on an on-going basis identified conferences and seminar that will be beneficial to the Directors.

### Information for the Board

The Board has unrestricted access to timely and accurate information, necessary in the furtherance of their duties, which is not only quantitative but also other information deemed suitable such as customer satisfaction, product and service quality, market share and market reaction.

In advance of each Board meeting, the members of the Board are each provided with relevant documents and information to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. Comprehensive Board papers are presented with details of the Group's performance, 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.

In addition to Group performances discussed at the meeting, other matters highlighted for the Board's decision include the approval of corporate plans and budgets, 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.

All Directors have access to the advice and service of the Company Secretary, who is responsible for ensuring that Board meeting procedures are followed and all applicable rules and regulations are complied with.

In exercising their duties, Directors whether as a Board Committee or in their individual capacity, in furtherance of their duties, may seek independent professional advice at the Company's expense.

### Board Committees

The Board has established the following Board Committees to assist the Board in the execution of its responsibilities. The number of meetings of the Board Committees held during the financial year were:

Audit Committee	4 meetings
Nomination Committee	2 meetings
Remuneration Committee	1 meeting



## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### THE BOARD OF DIRECTORS (cont'd)

#### Board Committee (cont'd)

The terms of reference of each committee have been approved by the Board, the salient terms of reference and frequency of meetings are as follow: -

##### **Audit Committee**

- The terms of reference of the Audit Committee are set out under the Audit Committee Report on pages 28 to 33 of this Annual Report.
- The Audit Committee meets at least once every quarter.

##### **Remuneration Committee**

- The terms of reference of the Remuneration Committee are set out under the Remuneration Committee Report on page 34 of this Annual Report.
- The Remuneration Committee meets as and when required, and at least once a year.

##### **Nomination Committee**

- The terms of reference of the Nomination Committee are set out under the Nomination Committee Report on pages 35 and 36 of this Annual Report.
- The Nomination Committee meets as and when required, and at least once a year.

#### Director's Remuneration

The objectives of the Group's policy on Directors' remuneration are to attract and retain Directors of the calibre needed to manage the Group successfully. The component parts of remuneration are structured so as to link rewards to corporate and individual performance, in the case of Executive Directors. In the case of Non-executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-executive Director concerned.

The Remuneration Committee recommends to the Board, the framework of the Executive Director's remuneration and the remuneration package for each Executive Director and in framing the Group's remuneration policy. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of these Directors. Save that the fees of the Directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, the determination of the remuneration packages of Non-executive Directors (whether in addition to or in lieu of their fees as Directors), is a matter for the Board as a whole. Individual Director does not participate in decision regarding his/her own remuneration package.

The remuneration package of the Directors is as follows:

##### **Basic salary**

The basic salary (inclusive of statutory employer contributions to the Employee Provident Fund) for the Executive Director is recommended by the Remuneration Committee, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar positions in a selected group of comparable companies. The salary is reviewed annually.

##### **Fees**

The Board, based on the fixed sum as authorised by the Group's shareholders, determines fees payable to Non-executive Directors after considering comparable industry rates and the level of responsibilities undertaken by Non-executive Directors.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### THE BOARD OF DIRECTORS (cont'd)

#### Director's Remuneration (cont'd)

##### Bonus scheme

The Group operates a bonus scheme for all employees, including Executive Directors. The criteria for the scheme is dependent on the level of profit achieved from certain aspects of the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to Executive Directors are reviewed by the Remuneration Committee and approved by the Board.

##### Directors' Share Option

The Group also rewards staff with share options under its Employees Share Option Scheme. The movement in Directors' share options during the financial year ended 31 January 2005 are set out on page 50.

A summary of the remuneration of the Directors for the year ended 31 January 2005, distinguishing between Executive and Non-executive Directors in aggregate, with categorisation into appropriate components and the number of Directors whose remuneration falls into each successive band of RM50,000 are set out as follows:

Aggregate Remuneration	Executive Directors (RM'000)	Non-executive Directors (RM'000)	Total (RM'000)
Fees	38	272	310
Salary & Other Emoluments	1,583	11	1,594

The number of Directors of the Company who served during the financial year and whose income from the Company falling within the following bands are:

Analysis of Remuneration	Executive Directors (RM'000)	Non-executive Directors (RM'000)
0 – RM50,000	-	1
RM50,000 – RM100,000	-	4
RM100,001 – RM150,000	-	-
RM150,001 – RM200,000	2	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	3	-
RM300,001 – RM350,000	1	-

### INVESTORS AND SHAREHOLDERS RELATIONSHIP

As a public listed company, CCB acknowledges the need for transparency and disclosure in its business dealings.

The Group values its dialogue with shareholders and recognises that timely dissemination of relevant information is important. In this regard, it strictly adheres to the disclosure requirements of the Bursa Securities and the Malaysian Accounting Standards Board. The Annual Report is also an important channel of communication to reach shareholders and investors as it provides comprehensive information pertaining to the Group.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### INVESTORS AND SHAREHOLDERS RELATIONSHIP (cont'd)

In addition, the Group recognises the need for an independent third party assessment of itself. In this regard, it conducts briefing to the Press on the results, performance and the potential of new developments of the Group. The briefings enable a direct and frank dialogue be established on the affairs of the Group with people who are highly focused on business affairs of corporations.

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. Much effort is undertaken by the Company to produce an Annual Report which is informative with facts and figures, and a statutory report with disclosures and explanatory notes.

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 question or seek more information during the meeting. The Managing Director and Board members are available to respond to all shareholders' queries.

Apart from the AGM and Annual Reports, 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.

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial positions and prospects in all their reports to shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement.

The Board is conscious of their responsibility over the Group's Financial Statements. All results released to the public are tabled and scrutinised at the Audit Committee and Board meetings to ensure that it presents a balanced and understandable assessment of the Group's performance and prospects.

A Statement on Directors of their responsibilities in preparing the Financial Statements is set out in page 26 of this Annual Report.

#### Internal Control

The Statement on Internal Control, which provides an overview of the state of internal control within the Group is set out on pages 23 to 25 of this Annual Report.

#### Relationship with the Auditors

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

The role of the Audit Committee in relation to the External Auditors is set out in pages 29 and 30 of this Annual report.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### ACCOUNTABILITY AND AUDIT (cont'd)

#### Corporate Social Responsibility

The Group is committed to be a responsible corporate citizen and firmly believes that the community is also a stakeholder. The Group is continuing its effort in landscaping the open spaces, parks and roads to beautify and green Desa Cemerlang and Taman Perindustrian Cemerlang to achieve a clean and green and healthy environment. These beautifying and greening exceed the local authorities' requirements.

#### Other Information Pursuant To The Listing Requirements of Bursa Securities

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

- 1) Utilisation of Proceeds  
During the financial year, there were no proceeds raised by the Company from any corporate proposals.
- 2) Share Buy-Back  
During the financial period, the Company purchased a total of 1,097,400 units of its shares and these are currently held as treasury shares. The Company is seeking a renewal of shareholders' mandate for the Share Buy-Back at the forthcoming Annual General Meeting.
- 3) Options, Warrant or Convertible Securities  
There were no options, warrant or convertible securities issued, other than those disclosed in the financial statements, to any parties during the financial year.
- 4) American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme  
During the financial year, the Company did not sponsor any ADR or GDR.
- 5) Sanctions and/or Penalties  
During the financial year, there were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory authorities.
- 6) Non-audit fees  
There was no non-audit fees paid and payable to CS Tan & Associate for the financial year.
- 7) Variation in results  
There was no material variance between the results for the financial year and the unaudited results previously announced.
- 8) Profit Guarantee  
No profit guarantee was given by the Company in respect of the financial year.
- 9) Material Contracts involving Directors and major shareholders' interest  
There were no material contracts entered into by the Company and its subsidiaries involving Directors and/or major shareholder and/or related parties.
- 10) Revaluation Policy  
The Group's revaluation policy is stated in Note 3(d) to the Financial Statements.
- 11) Recurrent related-party transactions  
Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 36 to the Financial Statements.

This Statement is made in accordance with a resolution of the Board dated 28 June 2005.

# STATEMENT ON INTERNAL CONTROL

## INTRODUCTION

The Board is pleased to present the Statement on Internal Control of the Group comprising Crescendo Corporation Berhad and its subsidiary companies which outline the key elements of internal control for the financial year ended 31 January 2005.

## BOARD RESPONSIBILITY

The Board acknowledges its responsibilities for maintaining sound internal control systems to safeguard shareholders' interest and the Group's assets; and for reviewing the adequacy and integrity of these systems. Such systems, however, are designed to manage rather than 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. This process is reviewed by the Board and accords with the guidance from the Statement on Internal Control: Guidance for Directors of Public Listed Companies issued by Bursa Securities and the Malaysian Code on Corporate Governance.

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 Group Managing Director and its management carry out the process of implementation and maintenance of the control systems. Except for insurable risks where insurance covers are purchased, other risks are reported on a general reporting basis to and managed by the respective Boards within the Group.

## RISK MANAGEMENT

The Board has established an organisational structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit Committee to include monitoring of all internal controls on its behalf, with the assistance of the Internal Audit Department ("IAD").

The Group has put in place a Risk Management Committee (RMC) that is chaired by the Managing Director and includes representatives from operations. Heads of Operations are trained to lead the risk management function of their respective operations. The RMC is tasked to develop and maintain an effective risk management system in the Group. Reviews are to cover matters such as responses to major risks identified, changes to internal control systems and outputs from monitoring processes. The RMC reports to the Audit Committee on a regular basis.



## STATEMENT ON INTERNAL CONTROL (CONT'D)

### RISK MANAGEMENT (cont'd)

The Group's risk management system was developed in 2002 with the help of both related and external experts. Risk assessment and evaluation will form an integral part of the annual strategic planning cycle. Having identified the risks involved in achieving strategic, financial and operational, and other business objectives, each operation is required to document actions to mitigate all identified significant risk. New areas will be introduced for assessment as the business risk profile changes.

Under this system, each section of the Group, will prepare a 'risk map' which will summarise risks, controls and processes for managing them with the means of assuring management that the controls and processes are effective. The RMC will also consider any risks to the Group's strategic objectives, which are not addressed by the operations. The risk maps and any proposed changes to the controls and processes are reported to the RMC. A summary is then furnished for consideration by the Audit Committee.

### INTERNAL AUDIT FUNCTION

The Internal Audit Function has been undertaken by the IAD of the Group's major shareholder, Sharikat Kim Loong Sendirian Berhad. The Board has chosen to outsource this audit function as the Board is of the opinion that the operations of the Group by itself cannot support an effective IAD in terms of availability of appropriate skills and resources.

The IAD undertakes regular reviews of the Group's operations and their systems 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 agreed in response to the internal audit recommendations. The status of implementation of the agreed actions are followed up by the Internal Auditors to ensure that satisfactory control is maintained.

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.

### OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- An organisational structure with clearly defined authority limits and reporting mechanism to higher levels of management and to the Board, which supports the maintenance of a strong control environment.
- A recruitment and promotion policy that ensures appropriate persons of calibre is selected to fill position available.
- Specific responsibilities have been delegated to relevant Board Committees, all of which have formalised terms of reference. These committees have the authority to examine all matters within their scope and report back to the Board with their recommendations.



## STATEMENT ON INTERNAL CONTROL (CONT'D)

### OTHER KEY ELEMENTS OF INTERNAL CONTROL (cont'd)

- Regular site visits to the operations within the Group by members of the Board and senior management.
- Periodic management meetings are held to provide a forum where management undertakes overall responsibility for periodic reviews of the risk management system. The risk based decisions shall be made at the operating company level where knowledge and expertise reside. Executive Directors and managers responsible for the operations play an integral part in monitoring the effectiveness of risk management in their activities.
- The Finance Department monitors the active subsidiaries' performances through the monthly management accounts and ensure control accounts are reconciled with the subsidiary records
- The staff is provided with the necessary resources to enable the achievement of corporate objectives and ensuring the existence of an adequate system of internal control and by carrying out risk management activities.
- Asset counts are done on a periodical basis and reconciled to the underlying records. All access to the assets and records of the Group are controlled to safeguard assets and reduce the risk against unauthorised access.

### CONCLUSION

The Board is of the view that the system of internal control in place for the year under review and up to the date of issuance of the Annual Report and Audited Financial Statements is sound and sufficient to safeguard the shareholders' investment, the interest of customers, regulators and employees and the Group's assets.

The External Auditors have reviewed this Statement on Internal Control pursuant to paragraph 15.24 of the Listing Requirements of Bursa Securities and have reported to the Board that it appropriately reflects the processes that the Board adopts in reviewing the adequacy and integrity of the system of internal control.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 June 2005 .



# STATEMENT ON DIRECTORS' RESPONSIBILITIES

in Respect of The Audited Financial Statements

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

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

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been followed; and
- prepared the Financial Statements on the going concern basis.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the Financial Statements comply with the Act. The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 June 2005.





*Distinctively  
above the rest*

# AUDIT COMMITTEE REPORT

## MEMBERS

The Audit Committee presently comprises the following members:

**Chairman** : Gan Kim Guan  
*(Senior Independent  
Non Executive Director & Member of  
Malaysian Institute of Accountants)*

**Members** : Yeo Jon Tian @  
Eeyo Jon Thiam  
*(Independent Non-Executive Director)*  
Gooi Seong Heen  
*(Executive Director)*

**Secretaries** : Chong Fook Sin  
Ng Kam May



## TERMS OF REFERENCE

The terms of reference of the Committee are as follows:

### 1. Membership

The Committee shall be appointed by the Board from among the Directors of the Company and shall be composed of no fewer than three (3) members, the majority of whom shall be 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 Audit Committee shall be elected by the members of the Audit Committee from among their members and shall be an Independent Director.

At least one member of the audit committee:

- a. must be a member of the Malaysian Institute of Accountants (MIA); or
- b. if he is not a member of the MIA, he must have at least 3 years' working experience and:
  - he must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967

The Company Secretary shall be the Secretary of the Committee.

# AUDIT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE (cont'd)

### 2. Function of Audit Committee

The Audit Committee shall, interalia, discharge the following functions.

- (I) To review the following and report 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 controls;
  - 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 and resources of the Internal Auditors and that they have the necessary authority to carry out their work;
  - f. the internal audit program, processes, the results of the internal audit or investigation undertaken and whether or not appropriate action has been taken on the recommendations of the Internal Auditors;
  - g. the quarterly results and year end financial statements, prior to the approval by the Board of Directors, particularly on:
    - i) any changes in or implementation of major accounting policies;
    - ii) significant and unusual events; and
    - iii) compliance with accounting standards and other legal requirements
  - h. any related party transactions and conflict of interest situations that may arise within the Group or Company 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.





## AUDIT COMMITTEE REPORT (CONT'D)

### TERMS OF REFERENCE (cont'd)

#### 3. Rights of Audit Committee

The Audit 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, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

#### 4. Meetings

During the financial year 2005, the Audit Committee held a total of four (4) meetings. The attendance by each member at the Committee meetings during the year is as follows:

Director	Total number of meetings held in the financial year during Director's tenure in office	Meetings attended by Director
Gan Kim Guan	4	4
Yeo Jon Tian @ Eeyo Jon Thiam	4	4
Gooi Seong Heen	4	4





# AUDIT COMMITTEE REPORT (CONT'D)

## TERMS OF REFERENCE (cont'd)

### 4. Meetings (cont'd)

#### Details of meetings

- 4.1 To form a quorum in respect of a meeting of the Audit Committee, the majority of members present must be Independent Directors.
- 4.2 A minimum of four (4) meetings per year are planned, although additional meetings may be called at any time at the Audit Committee Chairman's discretion. An agenda will be sent to all members of the Audit Committee and any other persons who may be required/invited to attend. Quarterly results and annual Financial Statements are reviewed by the Audit Committee before presenting to the Board for approval.
- 4.3 In addition to the above, upon request of any member of the Audit Committee, the External Auditors and the Internal Auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider the matters brought to their attention.
- 4.4 Other Directors, representatives of the External Auditors, Senior Accountant, Internal Auditors and other members of senior management or any other relevant employees within the Group may be invited to attend as determined by the Chairman.
- 4.5 The External Auditors have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee.
- 4.6 Other Directors and employees of the Group may only attend any particular Audit Committee meeting at the Committee's invitation.
- 4.7 The Audit Committee shall regulate its own procedures, in particular:
- a. the calling of meetings;
  - b. the notice to be given of such meeting;
  - c. the voting and proceedings of such meetings;
  - d. the keeping of the minutes; and
  - e. the custody, production and inspection of such minutes.



# AUDIT

## COMMITTEE REPORT (CONT'D)

### TERMS OF REFERENCE (cont'd)

#### 5. Activities During the Financial Year

During the year 2005, 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:

- Reviewed the external auditors' scope of work and their annual audit plan and discuss results of their examinations and recommendations.
- Reviewed with the external auditors the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of the audit that require appropriate actions and the Management's responses thereon.
- Reviewed the audited Financial Statements before recommending them to the Board of Director's approval.
- Review the Company's compliance, in particular the quarterly results with the Listing Requirements of Bursa Securities and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
- Reviewed the Internal Audit Department resource requirement, programmes and plan for the financial year to ensure adequate coverage over the activities of the respective subsidiaries.
- Reviewed the internal audit reports presented by the Internal Audit Department on findings, recommendations and management responses thereto and ensure that material findings are adequately addressed by management. Where required, members of the Audit Committee would carry out ground visits to verify significant issues highlighted in the Internal Audit Report.
- Reviewed and recommended for Board approval the quarterly results for announcement to the Bursa Securities in compliance with its Listing Requirements.
- Reviewed the statements included in the Annual Report namely the Statement of Corporate Governance and Statement on Internal Control.
- Reviewed the disclosure on related party transactions entered by the Company and the Group and the appropriateness of such transactions before recommending to the Board for its approval.
- Reviewed the annual audited financial statements of the Company and the Group with the external auditors prior to submission to the Board for approval. The review would entail due compliance with the provisions of the Companies Act, 1965, Listing Requirements of Bursa Securities, applicable approved accounting standards in Malaysia as well as other legal and regulatory requirements.

## AUDIT COMMITTEE REPORT (CONT'D)

### TERMS OF REFERENCE (cont'd)

#### 5. Activities During the Financial Year (cont'd)

- Reviewed the outcome of the risk management programme, including key risk identified, the potential impact and the likelihood of the risk occurring, existing controls and action plans.
- Reviewed the list of eligible employees and the allocation of options to be offered to them in accordance with the By-Laws of CCB Employees' Share Option Scheme.

#### 6. Internal Audit Function

The Internal Audit Function has been outsourced to the Internal Audit Department (IAD) of the Group's major shareholder, Sharikat Kim Loong Sendirian Berhad. The Board has chosen to outsource this audit function as the Board is of the opinion that the operations of the Group by itself cannot support an effective IAD in terms of availability of appropriate skills and resources.

The IAD carries out their audits according to the audit plan approved by the Audit Committee. Risk identification and assessment is carried out as part of the routine audit process, where audit emphasis was given on high and critical risk areas and compliance regulatory guidelines. When a major risk was identified, significant audit resources would be directed to investigate the weakness and to recommend corrective actions.

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. The IAD is independent of the activities they audit and duties are performed with impartiality. The IAD have conducted the evaluation of the system of internal control that encompasses the Group's governance, operations, and information systems. The internal audit reports were deliberated by the Audit Committee and recommendations were duly acted upon by management.

This Statement is made in accordance with a resolution of the Board of Directors dated 28 June 2005.



# REMUNERATION COMMITTEE REPORT

## COMPOSITION OF MEMBERS

### (1) Members

The Remuneration Committee comprises the following members: -

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

**Members** : Gan Kim Guan  
Gooi Seong Lim  
Mathew K Mathai

**Secretaries** : Chong Fook Sin  
Ng Kam May

## TERMS OF REFERENCE

### (1) Membership

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

The members of the Remuneration 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 Remuneration 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 Remuneration Committee.

### (2) Frequency of Meeting

Meeting shall be held not less than once a financial year.

### (3) Authority

The Remuneration Committee is authorised to draw from outside advice 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 on their own remuneration and should abstain from discussion of their own remuneration.

### (4) Function of Remuneration Committee

The primary function of this Committee is to recommend to the Board the structure and level of remuneration of Executive Directors.

## REPORTS AND MINUTES

### (1) Reporting Procedures

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

### (2) Summary of Activities of the Remuneration Committee

The Committee met once during the financial year 2005. All members attended the meeting.

The Committee reviewed the current remuneration of the Executive Directors and recommended the levels of remuneration of Executive Directors for the financial year 2005.

# NOMINATION COMMITTEE REPORT

## COMPOSITION OF MEMBERS

### (1) Members

The Nomination Committee comprises the following members: -

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

**Members** : Gan Kim Guan  
Mathew K Mathai

**Secretaries** : Chong Fook Sin  
Ng Kam May

## TERMS OF REFERENCE

### (1) Membership

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

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

In order to form a quorum in respect of a meeting of the Nomination 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 Nomination Committee.

### 2. Frequency of Meeting

Meeting shall be held not less than once a financial year.



## NOMINATION COMMITTEE REPORT (CONT'D)

### TERMS OF REFERENCE (cont'd)

#### 3. Authority

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

#### 4. Function of Nomination Committee

The duties of the Nomination Committee shall be: -

- (i) to recommend to the Board, candidates for all directorship 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 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

### REPORT AND MINUTES

#### 1. Reporting Procedures

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

#### 2. Summary of Activities of the Nomination Committee

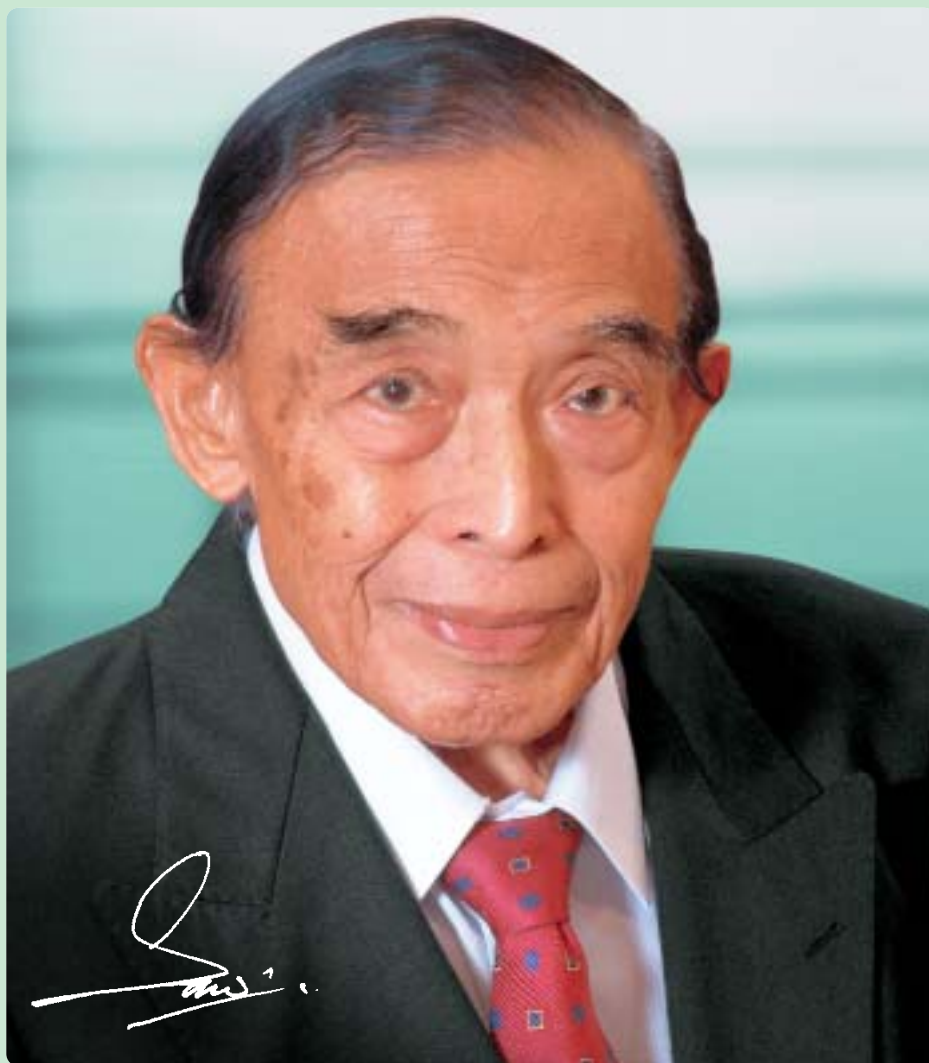
The Committee met twice during the financial year 2005. All members attended the meeting.

The Committee reviewed the overall effectiveness of the Board and recommended for re-election of Board members retiring at the AGM.



# 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 2005.



Datuk Haji Mohd. Zamani bin Samah  
*Independent Chairman*



# CHAIRMAN'S STATEMENT (CONT'D)

## FINANCIAL RESULTS

The Group recorded an impressive 34.5% increase in revenue of RM21.5 million and 31.3% increase in profit before tax ("PBT") of RM5.5 million as compared to the previous financial year 2004. The revenue and PBT for the financial year 2005 are RM83.9 million and RM23.1 million respectively as compared to RM62.4 million and RM17.6 million respectively for the financial year 2004.

The increase in revenue and PBT is mainly contributed by the sales of industrial properties and manufacturing of concrete products.

## DIVIDEND

The Board is pleased to recommend for the financial year ended 31 January 2005 a final dividend of 4.0 sen per share, less 28% tax (2004: 3.5 sen per share, less 28% tax), making a total dividend of 7 sen per share, less 28% tax (2004: 6 sen per share, less 28% tax).

## CORPORATE DEVELOPMENTS

- (i) At an Extraordinary General Meeting ("EGM") held on 6 January 2005, the shareholders of the Company approved the acquisitions by Panoramic Industrial Development Sdn Bhd ("PID"), a wholly owned subsidiary of the Company, up to 341.8827 acres of land pursuant to a conditional Development Agreement and Option to Purchase Agreement with Bandar Nusajaya Development Sdn Bhd ("BNDSB") (formerly known as Prolink Development Sdn Bhd), a wholly owned subsidiary of UEM World Berhad. The said lands will be developed into an industrial park known as Taman Perindustrian Nusa Cemerlang.

The acquisitions are in line with the Group's expansion plan for its core business activity of property development. The proposed Taman Perindustrian Nusa Cemerlang will be developed from financial year 2006 onwards and is expected to contribute positively to the medium and long term profitability of the Group.

Both the Development Agreement and Option to Purchase Agreement will become unconditional upon fulfillment of all Conditions Precedent.



# CHAIRMAN'S STATEMENT (CONT'D)

## CORPORATE DEVELOPMENTS (cont'd)

- (ii) On 24 March 2005 PID further entered into a conditional Sale and Purchase Agreement with BNDSB to acquire 40.61 acres of land adjacent to Taman Perindustrian Nusa Cemerlang. This acquisition will increase the size of Taman Perindustrian Nusa Cemerlang from 341.8827 acres to 382.4927 acres.

Currently the completion of the Sale and Purchase Agreement is pending the fulfillment of Conditions Precedent.

## REVIEW OF BUSINESS ACTIVITIES

### INDUSTRIAL PROPERTY DEVELOPMENT

The industrial property operation has recorded revenue of RM46.1 million in the financial year under review as compared to RM26.1 million in the previous financial year. This represents 76.6% increase in revenue of RM20.0 million arising mainly from the sales of detached factories.

Industrial property operation is expected to remain as an important segment to the Group in the financial year 2006.

### RESIDENTIAL AND COMMERCIAL DEVELOPMENT

The residential property operation recorded revenue of RM11.0 million in the financial year under review as compared to RM13.3 million in the previous financial year. This represents 17.3% decrease in revenue of RM2.3 million. The decrease in revenue is mainly due to the lower volume of sales.

The profit margin for the residential property sector improved from 13.5% in the financial year 2004 to 14.5% in the financial year 2005 due to higher sales of residential and commercial properties with higher profit margin.

We expect the residential and commercial development operation to perform better in the financial year 2006 and will become the main contributor to the Group's profit.

### CONSTRUCTION

The construction operation recorded an increase in PBT from RM2.9 million in the financial year 2004 to RM3.6 million in the financial year 2005.

The improvement in PBT margin for construction operations is due to higher sales.

The Group is actively sourcing for new external contracts.



## CHAIRMAN'S STATEMENT (CONT'D)

### MANUFACTURE OF CONCRETE PRODUCTS

The manufacture of concrete products operation has recorded revenue of RM17.9 million in the financial year under review as compared to RM6.5 million in the previous financial year. This represents an increase in revenue of RM11.4 million or 175.4%. The increase in revenue is mainly due to the higher demand for culvert pipes and ready-mixed concrete products.

We expect the manufacture of concrete products operation to perform better with the activation of the proposed Taman Cemerlang Utama and Taman Perindustrian Nusa Cemerlang project.

### DEVELOPMENT AND PROSPECTS

Despite the slow down in the economy, the property market looks promising due to the low interest rate regimes and ample liquidity in the banking system which provides property buyers easy access to affordable financing. Furthermore Johor Bahru is also expected to benefit from the spill over effect from the recently awarded Integrated Resort projects in Singapore. Based on the above, we expect the property and construction sector to benefit therefrom and its performance improved.

For the financial year 2006, the Group will be constructing double storey terrace houses in Desa Cemerlang and detached and semi-detached factories in Taman Perindustrian Cemerlang. The completion of the interchange at Desa Cemerlang will further enhance the attractiveness of the already well accepted residential garden and industrial park.

In the medium to long term, the Group will develop the proposed Taman Cemerlang Utama which is expected to generate strong cash inflows for the next 12 to 15 years. The Group expects to launch affordable double storey link houses during the initial phases of this project.

Taman Dato Chellam, a mixed development project under a joint venture with Chellam Investments Sdn Bhd which is ready for immediate development, is expected to enhance the Group's earning capacity.

The Group expects to have good demand from both local and foreign investors as well as industrialists for the soon to be developed Taman Perindustrian Nusa Cemerlang. This new development project is strategically located close to the Port of Tanjung Pelepas with exposure and access from the Linkedua Expressway and a network of major highways linking Johor Bahru, Pasir Gudang and Senai Airport. Foreign investors and industrialists, especially those from Singapore, will be interested in investing in the industrial properties of this project as a result of the increasing attractiveness of Malaysia as a destination for foreign direct investment. This project is expected to contribute positively to the medium and long term profitability of the Group.



## CHAIRMAN'S STATEMENT (CONT'D)

### DEVELOPMENT AND PROSPECTS (cont'd)

As competition gets tougher, the challenge for the industry will be to manage the escalating cost of building materials and shortage of selected materials in order to maintain the cost efficiency of existing and future projects. To minimize the reliance on foreign labour and in line with the Group's objective to make the construction operations more cost effective, mechanisation using system formworks and precast technology are being investigated by its construction arm.

Based on the above factors and barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the financial year ending 31 January 2006.

### APPRECIATION

On behalf of the Board, I wish to express my appreciation to the Management and Staff for their loyal and dedicated service and to various government authorities and agencies, bankers, customers 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.

**Datuk Haji Mohd Zamani Bin Samah**

Chairman

Johor Bahru, Johor

28 June 2005



# PENYATA PENGGERUSI

Bagi pihak Lembaga Pengarah Crescendo Corporation Berhad, saya dengan sukacitanya membentangkan Laporan Tahunan dan Akaun Teraudit bagi tahun kewangan 31 Januari 2005

## PRESTASI KEWANGAN

Kumpulan mencatatkan peningkatan 34.5% dalam hasil yang membanggakan sebanyak RM21.5 juta dan peningkatan 31.3% dalam keuntungan sebelum cukai ("PBT") sebanyak RM5.5 juta berbanding dengan tahun kewangan 2004. Jumlah hasil dan PBT bagi tahun kewangan 2005 masing-masing adalah sebanyak RM83.9 juta dan RM23.1 juta berbanding dengan RM62.4 juta dan RM17.6 juta bagi tahun kewangan 2004.

Peningkatan dalam hasil dan PBT terutamanya disumbangkan oleh penjualan hartanah-hartanah perindustrian dan pembuatan produk-produk konkrit.

## DIVIDEN

Lembaga Pengarah dengan sukacitanya mencadangkan dividen akhir sebanyak 4.0 sen sesaham, tolak 28% cukai bagi tahun kewangan berakhir 31 Januari 2005 (2004 : 3.5 sen sesaham, tolak 28% cukai). Ini menjadikan jumlah dividen sebanyak 7 sen sesaham, tolak 28% cukai (2004 : 6 sen sesaham, tolak 28% cukai).

## PERKEMBANGAN KORPORAT

- i. Pada Mesyuarat Agung Luar Biasa ("EGM") yang diadakan pada 6 Januari 2005, para pemegang saham Syarikat telah meluluskan pengambilalihan oleh Panoramic Industrial Development Sdn Bhd ("PID"), sebuah subsidiari milik penuh Syarikat, tanah seluas 341.8827 ekar menurut Perjanjian Pembangunan dan Perjanjian Opsyen untuk Membeli bersyarat dengan Bandar Nusajaya Development Sdn Bhd ("BNDSB") (yang sebelum ini dikenali sebagai Prolink Development Sdn Bhd), sebuah anak syarikat milik penuh UEM World Berhad. Tanah tersebut akan dimajukan menjadi taman perindustrian yang dikenali sebagai Taman Perindustrian Nusa Cemerlang.

Pengambilalihan ini adalah sejajar dengan rancangan pengembangan aktiviti perniagaan teras Kumpulan dalam pembangunan hartanah. Cadangan Taman Perindustrian Nusa Cemerlang akan dimajukan mulai tahun kewangan 2006 dan dijangka akan menyumbang secara positif kepada keuntungan jangka sederhana dan panjang Kumpulan.

Kedua-dua Perjanjian Pembangunan dan Perjanjian Opsyen untuk Membeli akan menjadi tanpa bersyarat selepas semua Syarat Terdahulu ditunaikan.

- ii. Pada 24 Mac 2005, PID seterusnya memeterai Perjanjian Jual Beli bersyarat dengan BNDSB untuk mengambilalih sebidang tanah seluas 40.61 ekar yang berhampiran dengan Taman Perindustrian Nusa Cemerlang. Pengambilalihan ini akan menambah keluasan Taman Perindustrian Nusa Cemerlang dari 341.8827 ekar kepada 382.4927 ekar.

Pada masa ini, penyempurnaan Perjanjian Jual Beli sedang menunggu penunaian Syarat Terdahulu.

## ULASAN AKTIVITI-AKTIVITI PERNIAGAAN

### PEMBANGUNAN HARTANAH INDUSTRI

Operasi hartanah industri telah mencatatkan hasil sebanyak RM46.1 juta bagi tahun kewangan yang ditinjau berbanding dengan RM26.1 juta bagi tahun kewangan yang lepas. Ini menunjukkan peningkatan 76.6% dalam hasil sebanyak RM20.0 juta yang mana sebahagian besarnya disumbangkan oleh penjualan hartanah kilang-kilang.

Operasi hartanah industri dijangka akan terus kekal sebagai segmen penting bagi Kumpulan dalam tahun kewangan 2006.

## PENYATA PENGURUSI (SAMB)

### PEMBANGUNAN PERUMAHAN DAN KOMERSIAL

Operasi hartanah perumahan telah mencapai hasil sebanyak RM11.0 juta bagi tahun kewangan yang ditinjau berbanding dengan RM13.3 juta bagi tahun kewangan lepas. Ini menunjukkan penurunan 17.3% dalam hasil sebanyak RM2.3 juta. Penurunan ini berpunca terutamanya daripada unit jualan yang lebih rendah.

Margin keuntungan bagi sektor perumahan meningkat daripada 13.5% dalam tahun kewangan 2004 kepada 14.5% dalam tahun kewangan 2005 disebabkan oleh pertumbuhan jualan hartanah perumahan dan komersial yang membawa margin keuntungan yang lebih tinggi.

Kami menjangka operasi pembangunan perumahan dan komersial akan mencapai prestasi yang lebih baik dalam tahun kewangan 2006 dan akan menjadi penyumbang utama kepada keuntungan Kumpulan.

### PEMBINAAN

Operasi pembinaan telah mencatatkan peningkatan dalam PBT daripada RM2.9 juta bagi tahun kewangan 2004 kepada RM3.6 juta bagi tahun kewangan 2005.

Pencapaian margin PBT yang lebih baik dalam operasi pembinaan adalah disebabkan oleh jualan yang lebih tinggi.

Kumpulan kini sedang berusaha mendapatkan kontrak baru.

### PEMBUATAN PRODUK KONKRIT

Operasi pembuatan produk konkrit mencatatkan hasil sebanyak RM17.9 juta bagi tahun kewangan yang ditinjau berbanding dengan RM6.5 juta bagi tahun kewangan lepas. Ini melambangkan peningkatan dalam hasil sebanyak RM11.4 juta atau bersamaan dengan 175.4%. Peningkatan hasil terutamanya adalah disebabkan oleh permintaan yang lebih tinggi terhadap paip pembentung dan produk konkrit siap campur.

Kami meramalkan operasi pembuatan produk konkrit akan menunjukkan prestasi yang lebih baik dengan pelancaran cadangan projek Taman Cemerlang Utama dan Taman Perindustrian Nusa Cemerlang.

### PERKEMBANGAN DAN PROSPEK

Walaupun mengalami suasana ekonomi yang kurang memberangsangkan, prospek pasaran hartanah masih kekal cerah kerana kadar faedah yang rendah dan wujudnya kecairan yang tinggi dalam sistem perbankan yang menawarkan pemilik rumah akses mudah pembiayaan perumahan yang mampu dinikmati. Tambahan lagi, Johor Bahru dijangka dapat menikmati hasil sampingan daripada projek Resort Bersepadu yang baru diluluskan oleh kerajaan Singapura. Berdasarkan faktor-faktor di atas, kami meramalkan sektor hartanah dan pembinaan akan memanfaatkan perkembangan ini untuk mencapai prestasi yang lebih baik.



## PENYATA PENGGERUSI (SAMB)

### PERKEMBANGAN DAN PROSPEK (samb)

Bagi tahun kewangan 2006, Kumpulan akan membina rumah teres dua tingkat di Desa Cemerlang dan kilang sesebuah dan berkembar di Taman Perindustrian Cemerlang. Penyempurnaan persimpangan utama di Desa Cemerlang akan terus meningkatkan lagi tarikan taman perumahan dan perindustrian yang kini mendapat sambutan baik.

Dalam tempoh jangka sederhana dan panjang, Kumpulan akan memajukan cadangan projek Taman Cemerlang Utama yang dijangka akan berupaya menjana aliran masuk tunai yang kukuh dalam tempoh 12 hingga 15 tahun yang akan datang. Kumpulan telah merancang untuk melancarkan rumah teres dua tingkat yang mampu dimiliki pada fasa permulaan projek.

Taman Dato Chellam, sebuah projek pembangunan bercampur usaha sama Chellam Investments Sdn Bhd yang kini sedia dimajukan, dijangka akan meningkatkan perolehan Kumpulan.

Kumpulan menjangka akan menerima permintaan yang baik daripada pelabur tempatan dan asing serta usahawan untuk Taman Perindustrian Nusa Cemerlang yang akan dimajukan tidak lama lagi. Projek pembangunan baru ini terletak secara strategik berhampiran dengan Pelabuhan Tanjung Pelepas dengan akses mudah dari Linkedua Expressway dan rangkaian lebuh raya utama yang menghubungkan Johor Bahru, Pasir Gudang dan Lapangan Terbang Senai. Pelabur asing dan usahawan, terutamanya dari Singapura, akan berminat melabur di projek hartanah perindustrian ini kerana daya tarikan Malaysia yang semakin kuat sebagai destinasi pelaburan langsung asing. Projek ini dijangka akan menyumbang secara positif kepada keuntungan jangka sederhana dan panjang Kumpulan.

Memandangkan persaingan menjadi semakin sengit, cabaran industri ini ialah menangani peningkatan kos bahan binaan tertentu yang timbul akibat kekurangan bekalan bagi mengekalkan keefisienan kos projek-projek semasa dan akan datang. Demi mengurangkan pergantungan terhadap buruh asing dan sejajar dengan objektif Kumpulan menjadikan operasi-operasi pembinaan lebih kos efektif, penjenteraan dengan menggunakan sistem pembinaan perumahan automatik dan teknologi "precast" kini dikaji selidik oleh pihak operasi pembinaan.

Berdasarkan faktor-faktor yang dinyatakan di atas dan jika tiada sebarang peristiwa yang tidak diduga, Lembaga Pengarah menjangka prestasi Kumpulan yang memuaskan bagi tahun kewangan berakhir 31 Januari 2006.

### Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan saya kepada pihak Pengurusan dan Kakitangan atas taat berkhidmat dan dedikasi mereka terhadap Kumpulan. Ucapan terima kasih juga saya tujukan kepada jabatan-jabatan dan agensi-agensi kerajaan, bank-bank, para pelanggan dan rakan perniagaan atas kerjasama dan sokongan berterusan mereka.

Akhir sekali, saya ingin mengucapkan terima kasih kepada rakan-rakan seperjuangan saya dalam Lembaga Pengarah atas sokongan mereka serta para pemegang saham atas keyakinan kalian terhadap Lembaga Pengarah dan Pengurusan Kumpulan.

**Datuk Haji Mohd Zamani Bin Samah**

Pengerusi

Johor Bahru, Johor

28 Jun 2005

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# FINANCIAL STATEMENTS



# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2005.

## PRINCIPAL ACTIVITIES

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

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

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

## FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit after tax	16,658,135	7,159,326
Minority interests	(601,135)	-
Net profit for the financial year	16,057,000	7,159,326

## DIVIDENDS

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

	RM
In respect of the financial year ended 31 January 2004 as shown in the Directors' Report of that year, a final gross dividend of 3.5 sen per share on 141,716,534 ordinary shares, less tax, paid on 20 September 2004	3,571,257
In respect of the financial year ended 31 January 2005, interim gross dividend of 3.0 sen per share on 141,804,637 ordinary shares, less tax, paid on 15 December 2004	3,062,980
	6,634,237

The Directors recommend the payment of a final gross dividend of 4.0 sen per share less tax in respect of the financial year ended 31 January 2005, subject to the approval of members at the forthcoming Annual General Meeting.

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND SHARE OPTIONS

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

- (i) 25,154,290 ordinary shares of RM1 each arising from the conversion of RM25,154,290 3% Irredeemable Convertible Unsecured Loan Stocks 2002 / 2007 ("ICULS") at the rate of RM1 nominal value of ICULS for one fully paid ordinary share; and



# DIRECTORS'

## REPORT (CONT'D)

### ISSUE OF SHARES AND SHARE OPTIONS (cont'd)

- (ii) 531,000 ordinary shares of RM1 each by virtue of the exercise of 398,000 and 133,000 share options pursuant to the Company's Employees' Share Option Scheme at the exercise price of RM1.14 and RM1 per share respectively.

### SHARE BUY-BACK AND TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at the Eighth Annual General Meeting held on 27 July 2004, approved the Company's plan to repurchase its own shares up to a maximum of 14,344,824 ordinary shares of RM1 each representing approximately 10% of the total issued and paid up share capital on the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors of the Company are committed to enhancing the shareholders' value and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 1,097,400 of its issued share capital from the open market on the Bursa Securities for RM1,269,627. The average price paid for the shares repurchased was approximately RM1.16 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

### EMPLOYEES' SHARE OPTION SCHEME

The Company implemented an Employees' Share Option Scheme ("ESOS") which came into effect on 26 June 2002 for a period of 5 years. The ESOS is governed by the By-Laws which was approved by the Securities Commission and shareholders on 28 November 2001 and 8 February 2002 respectively.

The main features of the ESOS are :

- (i) The total number of new ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid up ordinary shares of the Company, such that not more than 50% of the shares available under ESOS is allocated in aggregate, to directors and senior management.
- (ii) Not more than 10% shares available under ESOS is allocated to any individual director or employee who, either singly or collectively through his / her associates, holds 20% or more in the issued and paid up capital of the Company.
- (iii) Only staff and executive directors of the Group are eligible to participate in the scheme. Executive directors are those involved in the day-to-day management and on the payroll of the Group.
- (iv) The option price under the ESOS is the five (5) days weighted average market price of the shares of the Company at the time the option is granted, subject to a discount of not more than ten percent (10%) which the Company may at its discretion decide to give, or the par value of the shares of the Company of RM1, whichever is the higher.
- (v) The options granted may be exercised at any time before the expiry of the ESOS on 25 June 2007.
- (vi) The basis on which the options may be exercised by virtue of By-Law 7.4 of the ESOS is as follows :

Size of share options holdings	Number of share options granted and unexercised as at 31 January 2005	Percentage of options exercisable in financial year		
		2005 %	2006 %	2007 %
Below 10,000	233,000	100		
10,000 to less than 50,000	1,217,000	88	8	4
50,000 to less than 100,000	1,003,000	66	32	2
100,000 and above	2,524,000	53	23	24
	4,977,000			

# DIRECTORS'

## REPORT (CONT'D)

### EMPLOYEES' SHARE OPTION SCHEME (cont'd)

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

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

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

### DIRECTORS

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

Datuk Haji Mohd. Zamani bin Samah  
Gooi Seong Lim  
Gooi Seong Heen  
Loo Geok Eng (f)  
Gooi Seong Chneh  
Gooi Seong Gum  
Gooi Seow Mee (f)  
Mathew K. Mathai  
Gan Kim Guan  
Yeo Jon Tian @ Eeyo Jon Thiam  
YB. Dato' Haji Mohd. Ali bin Hassan (Retired on 27.7.2004)

In accordance with Article 77 of the Articles of Association, GOOI SEONG GUM and GOOI SEOW MEE (f) are required to retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DATUK HAJI MOHD. ZAMANI BIN SAMAH, LOO GEOK ENG (f) and MATHEW K. MATHAI, retire pursuant to Section 129(2) of the Companies Act, 1965 and resolutions will be proposed for their re-appointment as Directors under the provisions of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

### DIRECTORS' BENEFITS

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

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

# DIRECTORS'

## REPORT (CONT'D)

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Number of ordinary shares of RM1 each in the Company			
	At 1.2.2004	Bought / Converted	Sold	At 31.1.2005
Gooi Seong Lim				
- direct interest	1,277,026	510,810	-	1,787,836
- indirect interest	72,771,065	21,603,058	-	94,374,123
Gooi Seong Heen				
- direct interest	1,352,026	790,809	-	2,142,835
- indirect interest	72,771,065	21,603,058	-	94,374,123
Loo Geok Eng (f)				
- direct interest	1,142,734	579,093	-	1,721,827
- indirect interest	72,771,065	21,603,058	-	94,374,123
Gooi Seong Chneh				
- direct interest	1,267,026	628,810	-	1,895,836
- indirect interest	72,771,065	21,603,058	-	94,374,123
Gooi Seong Gum				
- direct interest	1,311,027	524,410	-	1,835,437
- indirect interest	72,771,065	21,603,058	-	94,374,123
Gooi Seow Mee (f)				
- direct interest	1,964,036	-	-	1,964,036
- indirect interest	72,771,065	21,603,058	-	94,374,123

	Number of ICULS at nominal value of RM1 each in the Company			
	At 1.2.2004	Bought	Converted	At 31.1.2005
Gooi Seong Lim				
- direct interest	510,810	-	(510,810)	-
- indirect interest	29,208,058	-	(21,208,058)	8,000,000
Gooi Seong Heen				
- direct interest	668,809	-	(668,809)	-
- indirect interest	29,208,058	-	(21,208,058)	8,000,000
Loo Geok Eng (f)				
- direct interest	457,093	-	(457,093)	-
- indirect interest	29,208,058	-	(21,208,058)	8,000,000
Gooi Seong Chneh				
- direct interest	506,810	-	(506,810)	-
- indirect interest	29,208,058	-	(21,208,058)	8,000,000
Gooi Seong Gum				
- direct interest	524,410	-	(524,410)	-
- indirect interest	29,208,058	-	(21,208,058)	8,000,000
Gooi Seow Mee (f)				
- indirect interest	29,208,058	-	(21,208,058)	8,000,000

# DIRECTORS'

## REPORT (CONT'D)

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

	Number of options under ESOS over ordinary shares of RM1 each in the Company			
	At 1.2.2004	Granted	Exercised	At 31.1.2005
Gooi Seong Lim	308,000	21,000	-	329,000
Gooi Seong Heen	308,000	21,000	(122,000)	207,000
Loo Geok Eng (f)	287,000	-	(122,000)	165,000
Gooi Seong Chneh	287,000	-	(122,000)	165,000
Gooi Seong Gum	287,000	-	-	287,000
Gooi Seow Mee (f)	213,000	-	-	213,000

	Number of ordinary shares of RM1 each in related corporations			
	At 1.2.2004	Bought	Sold	At 31.1.2005
Kim Loong Resources Berhad				
Datuk Haji Mohd. Zamani bin Samah	50,000	-	-	50,000
Gooi Seong Lim	220,000	-	-	220,000
Gooi Seong Heen	170,000	-	-	170,000
Loo Geok Eng (f)	410,000	-	-	410,000
Gooi Seong Chneh	170,000	-	-	170,000
Gooi Seong Gum	155,000	-	-	155,000
Gooi Seow Mee (f)	210,000	-	-	210,000
Crescendo Overseas Corporation Sdn. Bhd.				
Gooi Seong Lim	9,800	-	-	9,800
Gooi Seong Heen	9,800	-	-	9,800
Gooi Seong Chneh	9,800	-	-	9,800
Gooi Seong Gum	9,800	-	-	9,800
Gooi Seow Mee (f)	9,800	-	-	9,800
Panoramic Housing Development Sdn. Bhd.				
Gooi Seong Lim	4,560	-	-	4,560
Gooi Seong Heen	4,560	-	-	4,560
Gooi Seong Chneh	4,560	-	-	4,560
Gooi Seong Gum	4,560	-	-	4,560
Gooi Seow Mee (f)	4,560	-	-	4,560

# DIRECTORS'

## REPORT (CONT'D)

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

	Number of ordinary shares of RM100 each in Sharikat Kim Loong Sendirian Berhad (Holding company)			
	At 1.2.2004	Bought	Sold	At 31.1.2005
Gooi Seong Lim				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seong Heen				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Loo Geok Eng (f)				
- direct interest	1,250	-	-	1,250
Gooi Seong Chneh				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seong Gum				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250
Gooi Seow Mee (f)				
- direct interest	17,500	-	-	17,500
- indirect interest	11,250	-	-	11,250

By virtue of their interests in the holding company, Gooi Seong Lim, Gooi Seong Heen, Loo Geok Eng (f), Gooi Seong Chneh, Gooi Seong Gum and Gooi Seow Mee (f), are also deemed to have interests in the shares in the Company and its related corporations to the extent the holding company has an interest.

No debentures have been issued by its related corporations.

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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



# DIRECTORS'

## REPORT (CONT'D)

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

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

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

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

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

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year ended 31 January 2005 were not substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

### HOLDING AND ULTIMATE HOLDING COMPANY

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

### AUDITORS

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

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

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**GOOI SEONG LIM**  
Director

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**GOOI SEONG GUM**  
Director

Dated : 26 May 2005

# STATEMENT BY DIRECTORS

Pursuant To Section 169(15) Of The Companies Act, 1965

We, GOOI SEONG LIM and GOOI SEONG GUM, being two of the Directors of CRESCENDO CORPORATION BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 55 to 98 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2005 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

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

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**GOOI SEONG LIM**  
Director

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**GOOI SEONG GUM**  
Director

Dated : 26 May 2005

# STATUTORY DECLARATION

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

I, GOOI SEONG LIM, being the Director primarily responsible for the financial management of CRESCENDO CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 55 to 98 are, in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the )  
above named )  
GOOI SEONG LIM )  
at Johor Bahru in the State of Johor )  
this 26 May 2005 )

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**GOOI SEONG LIM**  
Director

Before me,

Commissioner for Oaths

# REPORT OF THE AUDITORS

To The Members Of Crescendo Corporation Berhad

We have audited the financial statements of CRESCENDO CORPORATION BERHAD set out on pages 55 to 98. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with the applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of :
  - (i) the financial position of the Group and of the Company as at 31 January 2005 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Companies Act, 1965.

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**C S TAN & ASSOCIATES**

Firm Number : AF 1144  
Chartered Accountants

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**TAN CHEE SENG**

Approval Number : 1732 / 11 / 05 (J)

Dated : 26 May 2005

# BALANCE SHEETS

As At 31 January 2005

	Note	GROUP 2005 RM	2004 RM	COMPANY 2005 RM	2004 RM
<b>NON CURRENT ASSETS</b>					
Property, plant and equipment	4	54,858,532	39,317,499	720,737	452,671
Investment in subsidiaries	5	-	-	126,065,279	125,855,279
Associated company	6	-	-	-	-
Investments	7	9,729,094	14,330,486	-	-
Land held for property development	8	216,373,752	213,197,725	-	-
Deferred tax assets	17	71,000	503,000	-	30,000
		281,032,378	267,348,710	126,786,016	126,337,950
<b>CURRENT ASSETS</b>					
Property development costs	8	26,821,587	11,776,701	-	-
Inventories	9	14,902,060	13,353,700	-	-
Amounts due from customers	10	2,749,443	1,842,379	-	-
Tax recoverable		3,003,965	7,061,179	1,495,747	1,584,254
Receivables	11	36,098,994	23,798,297	38,945,962	40,181,790
Deposits with licensed banks	12	521,692	5,191,963	-	450,000
Cash and bank balances	13	12,428,421	11,332,930	2,933	443,687
		96,526,162	74,357,149	40,444,642	42,659,731
<b>CURRENT LIABILITIES</b>					
Payables	14	27,731,195	17,431,353	1,123,905	2,954,465
Short term borrowings	15	5,939,623	31,440	49,355	-
Provision for tax		1,494,783	759,478	-	-
		35,165,601	18,222,271	1,173,260	2,954,465
Net Current Assets		61,360,561	56,134,878	39,271,382	39,705,266
<b>NON CURRENT LIABILITIES</b>					
Hire purchase payable	16	21,872	-	-	-
Deferred tax liabilities	17	4,424,661	4,831,656	172,000	-
Irredeemable convertible unsecured loan stocks	18	8,817,490	33,971,780	8,817,490	33,971,780
Term loan	19	29,160,000	35,000,000	-	-
		42,424,023	73,803,436	8,989,490	33,971,780
		299,968,916	249,680,152	157,067,908	132,071,436
<b>CAPITAL AND RESERVES</b>					
Share capital	20	143,670,440	117,985,150	143,670,440	117,985,150
Reserves		153,180,173	129,267,834	13,397,468	14,086,286
Shareholders' equity		296,850,613	247,252,984	157,067,908	132,071,436
Minority interests		3,118,303	2,427,168	-	-
		299,968,916	249,680,152	157,067,908	132,071,436

# INCOME STATEMENTS

For The Financial Year Ended 31 January 2005

	Note	GROUP 2005 RM	2004 RM	COMPANY 2005 RM	2004 RM
<b>REVENUE</b>	26	83,904,395	62,432,906	15,128,310	6,418,489
Cost of sales	26	(54,151,527)	(39,880,591)	-	-
Gross profit		29,752,868	22,552,315	15,128,310	6,418,489
Other operating income		2,853,031	2,275,594	677,564	5,690
Administration expenses		(9,092,846)	(8,570,127)	(5,671,831)	(4,760,321)
Gain on disposal of investment		316,274	63,749	-	-
(Diminution) / Reversal in value of shares		(520,738)	1,406,711	-	-
<b>Profit from operations</b>	27	23,308,589	17,728,242	10,134,043	1,663,858
Finance cost	28	(225,866)	(86,171)	(37,161)	(44,228)
<b>Profit before tax</b>		23,082,723	17,642,071	10,096,882	1,619,630
<b>Tax</b>	31	(6,424,588)	(4,334,501)	(2,937,556)	(610,661)
<b>Profit after tax</b>		16,658,135	13,307,570	7,159,326	1,008,969
<b>Minority interests</b>		(601,135)	(343,450)	-	-
<b>Net profit for the financial year</b>		16,057,000	12,964,120	7,159,326	1,008,969
<b>Earnings per share (sen)</b>	32				
- basic		11.8	11.4		
- diluted		11.2	9.3		
<b>Dividends per share (sen)</b>	33	7.0	6.0		

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 January 2005

	Note	Share Capital RM	Non-distributable				Distributable	Total RM
			Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Reserve on Consolidation RM	Retained Profits RM	

**2004**

Balance as at 1.2.2003

As previously stated	111,166,060	14,469,295	-	-	28,973,700	77,161,037	231,770,092
Prior year adjustment							
- on deferred tax	34	-	-	-	-	629,073	629,073

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As restated	111,166,060	14,469,295	-	-	28,973,700	77,790,110	232,399,165
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Net profit for the year

	-	-	-	-	-	12,964,120	12,964,120
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Issue of shares / ICULS

- Exercise of share option	20(b)	10,000	-	-	-	-	10,000
- Conversion from ICULS	18	6,809,090	-	-	-	-	6,809,090

Purchase of treasury shares

	20(a)	-	-	(765,302)	-	-	(765,302)
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Dividend paid for year ended :

- 31 January 2003	-	-	-	-	-	(2,040,356)	(2,040,356)
- 31 January 2004	-	-	-	-	-	(2,123,733)	(2,123,733)

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Balance as at 31.1.2004	117,985,150	14,469,295	(765,302)	-	28,973,700	86,590,141	247,252,984
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# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

For The Financial Year Ended 31 January 2005

	Note	Share Capital RM	Non-distributable			Distributable		Total RM
			Share Premium RM	Treasury Shares RM	Revaluation Reserve RM	Reserve on Consolidation RM	Retained Profits RM	
<b>2005</b>								
Balance as at 1.2.2004		117,985,150	14,469,295	(765,302)	-	28,973,700	86,590,141	247,252,984
Net profit for the year		-	-	-	-	-	16,057,000	16,057,000
Issue of shares / ICULS								
- Exercise of share option	20(b)	531,000	55,720	-	-	-	-	586,720
- Conversion from ICULS	18	25,154,290	-	-	-	-	-	25,154,290
Purchase of treasury shares	20(a)	-	-	(1,269,627)	-	-	-	(1,269,627)
Surplus on revaluation	21	-	-	-	15,703,483	-	-	15,703,483
Dividend paid for year ended :								
- 31 January 2004		-	-	-	-	-	(3,571,257)	(3,571,257)
- 31 January 2005		-	-	-	-	-	(3,062,980)	(3,062,980)
Balance as at 31.1.2005		143,670,440	14,525,015	(2,034,929)	15,703,483	28,973,700	96,012,904	296,850,613

# COMPANY STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 January 2005

			Non-distributable		Distributable	
	Note RM	Share Capital RM	Share Premium RM	Treasury Shares RM	Retained Profits RM	Total
<b>2004</b>						
Balance as at 1.2.2003						
As previously stated		111,166,060	14,469,295	-	3,514,413	129,149,768
Prior year adjustment						
- on deferred tax	34	-	-	-	23,000	23,000
As restated		111,166,060	14,469,295	-	3,537,413	129,172,768
Net profit for the year		-	-	-	1,008,969	1,008,969
Issue of shares / ICULS						
- Exercise of share option	20(b)	10,000	-	-	-	10,000
- Conversion from ICULS	18	6,809,090	-	-	-	6,809,090
Purchase of treasury shares	20(a)			(765,302)		(765,302)
Dividend paid for year ended :						
- 31 January 2003		-	-	-	(2,040,356)	(2,040,356)
- 31 January 2004		-	-	-	(2,123,733)	(2,123,733)
Balance as at 31.1.2004		117,985,150	14,469,295	(765,302)	382,293	132,071,436
<b>2005</b>						
Balance as at 1.2.2004		117,985,150	14,469,295	(765,302)	382,293	132,071,436
Net profit for the year		-	-	-	7,159,326	7,159,326
Issue of shares / ICULS						
- Exercise of share option	20(b)	531,000	55,720	-	-	586,720
- Conversion from ICULS	18	25,154,290	-	-	-	25,154,290
Purchase of treasury shares	20(a)	-	-	(1,269,627)	-	(1,269,627)
Dividend paid for year ended :						
- 31 January 2004		-	-	-	(3,571,257)	(3,571,257)
- 31 January 2005		-	-	-	(3,062,980)	(3,062,980)
Balance as at 31.1.2005		143,670,440	14,525,015	(2,034,929)	907,382	157,067,908

# CONSOLIDATED CASH FLOW STATEMENT

For The Financial Year Ended 31 January 2005

	Note	2005 RM	2004 RM
<b>Cash flows from operating activities</b>			
Cash receipts from customers		73,320,239	54,750,501
Cash paid to suppliers and employees		(67,858,645)	(44,609,220)
Cash generated from operations		5,461,594	10,141,281
Dividends received		357,715	298,180
Deposit interest received		338,487	448,997
Interest paid		(2,767,563)	(3,376,722)
Tax paid		(998,522)	(3,130,446)
Net cash from operating activities		2,391,711	4,381,290
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	A	(1,666,948)	(5,739,521)
Acquisition of subsidiary company	B	-	-
Fixed deposits pledged		(243,061)	(12,750)
Acquisition of investments		(34,587)	(10,008,748)
Proceeds from disposal of investments		4,499,305	4,629,481
Proceeds from disposal of plant and equipment		136,065	149,100
Net cash from / (used in) investing activities		2,690,774	(10,982,438)
<b>Cash flows from financing activities</b>			
Repayment of hire purchase payable		(59,300)	(39,232)
Hire purchase interest		(4,194)	(3,968)
Proceeds from issuance of shares		586,720	10,000
Proceeds from issuance of shares to minority shareholders in subsidiary		90,000	75,035
Advance from holding company		5,953	-
Repayment to related companies		(1,664,996)	-
Acquisition of treasury shares		(1,269,627)	(765,302)
Dividend paid		(6,634,237)	(4,164,089)
Net cash used in financing activities		(8,949,681)	(4,887,556)
<b>Net decrease in cash and cash equivalents</b>		(3,867,196)	(11,488,704)
<b>Cash and cash equivalents at the beginning of the financial year</b>		16,512,143	28,000,847
<b>Cash and cash equivalents at the end of the financial year</b>	35	12,644,947	16,512,143

# CONSOLIDATED

## CASH FLOW STATEMENT (CONT'D)

For The Financial Year Ended 31 January 2005

### Notes to Consolidated Cash Flow Statement

#### A) Acquisition of property, plant and equipment

	2005 RM	2004 RM
Property, plant and equipment acquired	1,766,948	9,829,288
Less :		
Adjustment in respect of land cost understated in prior year	-	(395,198)
Deposits previously paid	-	(400,050)
Interest expenses	-	(3,294,519)
Hire purchase financing	(100,000)	-
Cash paid	1,666,948	5,739,521

#### B) Acquisition of subsidiary company

The effect of the acquisition of subsidiary on the financial position during the financial year 2005 is as follows :

	RM
Current assets	4
Minority interest	-
Net assets acquired	4
Less : Cash and cash equivalents of subsidiary acquired	(4)
Cash outflow on acquisition	-

# COMPANY

## CASH FLOW STATEMENT

For The Financial Year Ended 31 January 2005

	Note	2005 RM	2004 RM
<b>Cash flows from operating activities</b>			
Cash receipts from customers		15,765,244	3,287,726
Cash paid to suppliers and employees		(5,695,979)	(3,978,191)
Cash generated from / (utilised by) operations		10,069,265	(690,465)
Dividend received		-	3,412,500
Deposit interest received		10,005	5,317
Interest paid		(37,161)	(44,228)
Tax paid		(2,647,049)	(781,393)
Net cash from operating activities		7,395,060	1,901,731
<b>Cash flow from investing activities</b>			
Acquisition of plant and equipment		(387,499)	(478,816)
Acquisition of subsidiary company		(4)	-
Additional investment in existing subsidiary company		(209,996)	-
Net cash used in investing activities		(597,499)	(478,816)
<b>Cash flow from financing activities</b>			
Advance to holding company		(521)	-
Advance (to) / from subsidiaries		(467,359)	4,262,016
Advance from related company		47,354	-
Proceeds from issuance of shares and share premium		586,720	10,000
Acquisition of treasury shares		(1,269,627)	(765,302)
Dividend paid		(6,634,237)	(4,164,089)
Net cash used in financing activities		(7,737,670)	(657,375)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(940,109)	765,540
<b>Cash and cash equivalents at the beginning of the financial year</b>		893,687	128,147
<b>Cash and cash equivalents at the end of the financial year</b>	35	(46,422)	893,687

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 January 2005

## 1. GENERAL INFORMATION

(a) The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Bursa Malaysia Securities Berhad.

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

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

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

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

### (d) Authorisation for issue of financial statements

These financial statements were authorised for issue by the Board of Directors on 26 May 2005.

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### Foreign currency exchange risk

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

### Credit risk

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

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

### Market risk

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

### Interest rate risk

The Group's policy is to borrow principally on fixed rate but to retain a proportion of floating rate debt. The objectives for the mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## **2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

### **Liquidity and cash flow risks**

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

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Basis of preparation**

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

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

During the financial year ended 31 January 2005, the Group adopted the following MASB Standard for the first time :

MASB 32 : Property Development Activities

The adoption of MASB 32 has not given rise to any adjustment to the opening balances of retained profits of the prior and current year or to any changes in the comparatives.

### **(b) Subsidiary companies and basis of consolidation**

Investment in subsidiary companies is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(u). A company is considered as a subsidiary when the company owns directly or indirectly more than one half of the voting power of that company or the company controls the composition of the board of directors or equivalent governing body.

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The results of the subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statements from the date of their acquisition or up to the date of their disposal. Intercompany transactions and balances are eliminated on consolidation.

Goodwill or reserve arising on consolidation represents the difference between the acquisition cost of shares in the subsidiary companies and the fair value of the attributable net assets acquired as at the date of acquisition. The carrying amount is reviewed annually and the policy for the recognition and measurement of impairment losses on goodwill is in accordance with Note 3(u).

### **(c) Associated company**

Investment in associated company is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(u). An associated company is a company in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated company but not control over those policies. Investment in associated company are accounted for in the consolidated financial statements by the equity method of accounting.

The Group's share of losses less tax of the associated company is included in the consolidated income statements and is deducted from the cost of investment in the consolidated balance sheet.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (d) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(u).

Freehold land is stated at valuation less impairment losses, if any. The Group had adopted the policy of revaluing their freehold land on a regular basis at least once in every five years.

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

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

### (e) Investments

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

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

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

### (f) Property development activities

#### i. Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(u).

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

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Company's normal operating cycle of one to two years.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (f) Property development activities (cont'd)

#### ii. Property development costs

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

Where the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

Where the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; property development costs on the development units sold are recognised when incurred.

Irrespective of whether the outcome of a development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

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

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

### (g) Inventories

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

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

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

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

### (h) Construction contracts

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

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; contract costs are recognised when incurred.

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (h) Construction contracts (cont'd)

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

### (i) Income taxes

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

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

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

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

### (j) Receivables

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

### (k) Payables

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

### (l) ICULS

As permitted under the transitional provision of MASB 24 : Financial Instruments : Disclosure and Presentation, the ICULS which were issued before the effective date of MASB 24, are classified in accordance to the predominant nature of the ICULS of either equity or liability.

### (m) Hire purchase transactions

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

### (n) Employee benefits

#### i. Short term benefits

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (n) Employee benefits (cont'd)

#### ii. Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

#### iii. Equity compensation benefits

The Employee Share Options Scheme ("ESOS") allows the Group's employees to acquire ordinary shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

### (o) Revenue recognition

Sales are recognised upon delivery of finished goods and customer acceptance or performance of services, net of sales taxes and discounts, and after eliminating sales within the Group.

Sale of development properties is recognised on the percentage of completion method (based on architects' certificates, where applicable). Allowance is made for any foreseeable losses.

Sale of completed properties is recognised on the execution and completion of sale and purchase agreement.

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

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

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

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

### (p) Dividends

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

### (q) Interest capitalisation

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

### (r) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, unpledged deposits and net of bank overdraft.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (s) Financial instruments

#### i. Recognition of financial instruments

The particular recognition method adopted for financial instruments is disclosed in the individual policy statements associated with each instrument.

#### ii. Fair value estimation for disclosure purposes

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

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

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

### (t) Foreign currencies

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

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

Foreign currency	2005 RM	2004 RM
1 US Dollar	3.80	3.80
1 Singapore Dollar	2.32	2.23

### (u) Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (u) Impairment of assets (cont'd)

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

## 4. PROPERTY, PLANT AND EQUIPMENT

	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
<b>GROUP</b>					
<b>Net Book Value</b>					
At 1 February 2004	35,920,821	984,651	795,281	1,616,746	39,317,499
Additions	509,343	192,042	304,331	761,232	1,766,948
Revaluation surplus	15,094,941	-	-	-	15,094,941
Disposals	-	-	(118,373)	(11,340)	(129,713)
Write off	-	(6,921)	(40,128)	-	(47,049)
Reclassifications	-	59,146	(59,146)	-	-
Depreciation charge	(14,068)	(291,615)	(226,802)	(611,609)	(1,144,094)
<b>At 31 January 2005</b>	<b>51,511,037</b>	<b>937,303</b>	<b>655,163</b>	<b>1,755,029</b>	<b>54,858,532</b>
<b>At 31 January 2005</b>					
Cost	143,849	2,509,998	2,125,725	5,114,123	9,893,695
Valuation	51,453,459	-	-	-	51,453,459
Accumulated depreciation	(86,271)	(1,572,695)	(1,470,562)	(3,359,094)	(6,488,622)
<b>Net book value</b>	<b>51,511,037</b>	<b>937,303</b>	<b>655,163</b>	<b>1,755,029</b>	<b>54,858,532</b>
<b>At 31 January 2004</b>					
Cost	35,993,024	2,265,731	2,039,041	4,364,231	44,662,027
Accumulated depreciation	(72,203)	(1,281,080)	(1,243,760)	(2,747,485)	(5,344,528)
<b>Net book value</b>	<b>35,920,821</b>	<b>984,651</b>	<b>795,281</b>	<b>1,616,746</b>	<b>39,317,499</b>
<b>Depreciation charge for the year 2004</b>	<b>13,859</b>	<b>265,874</b>	<b>241,081</b>	<b>508,989</b>	<b>1,029,803</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Information on properties is as follows :

	Freehold land RM	Buildings RM	Total RM
<b>Net Book Value</b>			
At 1 February 2004	35,853,925	66,896	35,920,821
Additions	504,593	4,750	509,343
Revaluation surplus	15,094,941	-	15,094,941
Depreciation charge	-	(14,068)	(14,068)
At 31 January 2005	51,453,459	57,578	51,511,037
<b>At 31 January 2005</b>			
Cost	-	143,849	143,849
Valuation	51,453,459	-	51,453,459
Accumulated depreciation	-	(86,271)	(86,271)
Net book value	51,453,459	57,578	51,511,037
<b>At 31 January 2004</b>			
Cost	35,853,925	139,099	35,993,024
Accumulated depreciation	-	(72,203)	(72,203)
Net book value	35,853,925	66,896	35,920,821

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
<b>COMPANY</b>			
<b>Net Book Value</b>			
At 1 February 2004	32,986	419,685	452,671
Additions	216,838	170,661	387,499
Depreciation charge	(15,452)	(103,981)	(119,433)
At 31 January 2005	234,372	486,365	720,737
<b>At 31 January 2005</b>			
Cost	278,218	748,144	1,026,362
Accumulated depreciation	(43,846)	(261,779)	(305,625)
Net book value	234,372	486,365	720,737
<b>At 31 January 2004</b>			
Cost	61,380	577,483	638,863
Accumulated depreciation	(28,394)	(157,798)	(186,192)
Net book value	32,986	419,685	452,671
Depreciation charge for the year 2004	4,965	66,857	71,822

Valuation of freehold land was carried out on 24 January 2005 and reported on 17 March 2005 by the following qualified valuer using the comparison method to reflect fair value :

Chan An Nee, member of the Institute of Surveyors, Malaysia, a registered valuer with CCO & Associates, Chartered Surveyors.

The Directors adjusted the net book value of freehold land to reflect the new value and the resultant surplus was credited to revaluation reserve.

	2005 RM	2004 RM
Net book value of revalued freehold land, had these assets been carried at cost	35,891,672	35,853,925

Certain parcels of freehold land of the subsidiary companies are registered in the name of a related company, Kim Loong Plantations Sdn. Bhd. and the holding company. The said subsidiaries are the beneficiary owners for the freehold land.

The freehold land of one of the subsidiary companies is pledged to a licensed bank as collateral for the banking facilities granted to the holding company and a subsidiary company.

Included in the Group's property, plant and equipment are assets acquired under hire purchase financing with net book value of RM113,334 (2004 : RM63,707).

The cost of fully depreciated plant and equipment of the Group but still in use amounts to RM1,989,995 (2004 : RM1,767,216).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 5. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2005 RM	2004 RM
Unquoted shares, at cost	126,065,279	125,855,279

The subsidiary companies which are incorporated in Malaysia are as follows :

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2005 %	2004 %
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holding	8,820,002	100	100
Ambok Resorts Development Sdn. Bhd.	Resort development	100,000	100	100
Panoramic Land Sdn. Bhd.	Dormant	2	100	100
Panoramic Jaya Sdn. Bhd.	Property development	300,000	70	-
Crescendo Development Sdn. Bhd.	Property development	45,430,000	100	100
Crescendo Jaya Sdn. Bhd.	Property development	250,000	70	70
Crescendo Land Sdn. Bhd.	Dormant	120	70	70
Unibase Construction Sdn. Bhd.	Buildings construction and investment holding	750,000	100	100
Unibase Corporation Sdn. Bhd.	Buildings construction	750,000	100	100
Repute Ventures Sdn. Bhd.	Investment holding	100,000	70	70
Repute Construction Sdn. Bhd.	Buildings construction	750,100	60	60
Repute Corporation Sdn. Bhd.	Buildings construction	2	70	70
Unibase Concrete Industries Sdn. Bhd.	Trading and manufacturing of concrete products	500,000	60	60
Unibase Jaya Sdn. Bhd.	Civil engineering works	750,000	60	60
Unibase Trading Sdn. Bhd.	Trading of building materials	100,000	60	60
Crescendo Education Sdn. Bhd.	Investment holding	2	100	100
Crescendo International College Sdn. Bhd.	Providing education services	200,000	60	60
Crescendo Commercial Complex Sdn. Bhd.	Property investment	6	100	100

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 6. ASSOCIATED COMPANY

	GROUP 2005 RM	2004 RM
Unquoted shares, at cost		
- ordinary shares	588,000	588,000
- 0.5% redeemable cumulative preference shares	980,000	980,000
	1,568,000	1,568,000
Less : Reclassification to investment	(1,568,000)	-
	-	1,568,000
Diminution in value of shares in associated company	1,568,000	1,568,000
Less : Reclassification to investment	(1,568,000)	-
	-	1,568,000
	-	-

The Group's share of net tangible assets as at 31 January 2005 are Nil (2004 : Nil).

The investment in the associated company represents the effective net tangible assets of the investee company at the date of acquisition.

The associated company which is incorporated in Malaysia is as follows :

Name of company	Principal activity	Group's effective equity interest 2005 %	2004 %
Spandeck Engineering (Johor) Sdn. Bhd.	Dormant	34	34

The financial statements of this associated company are not audited by C S Tan & Associates.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 7. INVESTMENTS

	GROUP	
	2005 RM	2004 RM
Securities quoted in Malaysia, at cost	11,441,131	11,487,752
Less : Diminution in value of investments	(4,893,106)	(4,341,575)
	6,548,025	7,146,177
Securities quoted outside Malaysia, at cost	1,726,001	1,658,210
Total quoted securities, net of diminution in value of investments (A)	8,274,026	8,804,387
Market value of quoted securities		
In Malaysia	6,548,025	7,146,177
Outside Malaysia	3,289,287	2,872,300
	9,837,312	10,018,477
Unquoted securities at cost		
In Malaysia	2,300,477	4,803,508
Outside Malaysia	662,591	662,591
	2,963,068	5,466,099
Less : Write off	(1,568,000)	-
	1,395,068	5,466,099
Less : Diminution in value of investment	1,568,000	1,568,000
Less : Write off	(1,568,000)	-
	-	1,568,000
Golf club membership (D)	60,000	60,000
Total investments, net of diminution in value of investments {(A)+(B)+(C)+(D)}	9,729,094	14,330,486

During the financial year, investment amounting to RM1,568,000 previously disclosed under Associated Company was reclassified to Investments as the Group no longer exercises significant influence over this company. A provision for diminution in value of the investment has been fully provided for.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 8. PROPERTY DEVELOPMENT ACTIVITIES

### (a) Land held for property development

	GROUP 2005 RM	2004 RM
Freehold land		
At 1 February	165,585,916	23,270,586
Land acquired during the financial year	9,280,000	-
Cost incurred during the financial year	3,079,248	12,168
Reclassification (to) / from development costs	(419,930)	705
Transfer to property development costs	(5,761,110)	(1,020,321)
Transfer from property, plant and equipment	-	143,322,778
At 31 January	171,764,124	165,585,916
Leasehold land		
At 1 February	19,756,411	-
Transfer from property, plant and equipment	-	19,756,411
At 31 January	19,756,411	19,756,411
Development costs		
At 1 February	27,855,398	26,809,049
Cost incurred during the financial year	33,667,493	13,714,116
Reclassification from / (to) freehold land	419,930	(705)
Reclassification from prepayments	-	490,232
Transfer to property development costs	(37,089,604)	(13,157,294)
At 31 January	24,853,217	27,855,398
	216,373,752	213,197,725

Freehold land with net book value of RM7,141,984 (2004 : RMNil) owned by a subsidiary company, Panoramic Jaya Sdn. Bhd., are registered in the name of a shareholder of the subsidiary company, Chellam Investment Sdn. Bhd. The said subsidiary is the beneficiary owner for the freehold land.

Certain parcels of the subsidiary's freehold land are pledged to a licensed bank as collateral for the term loan granted to the subsidiary company, Crescendo Development Sdn. Bhd. The net book value of the said land held for property development under restriction on title due to the term loan is RM122,760,073 (2004 : RM119,885,801) (Note 19).

Interest expense on borrowings directly related to the acquisitions of land has been capitalised as part of the additions of the Company during the financial year which amounted to RM2,545,891 (2004 : RM3,294,519).

Certain parcels of the freehold land are pledged to a licensed bank as collaterals for the overdraft facilities granted to the Company and two subsidiary companies, Panoramic Industrial Development Sdn. Bhd. and Crescendo Development Sdn. Bhd. (Note 15).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 8. PROPERTY DEVELOPMENT ACTIVITIES (cont'd)

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

Included in development costs is an amount of RM2 million (2004 : RMNil) being payment made to secure the right to develop eight parcels of the freehold land totalling 341.8827 acres in Mukim of Pulai, District of Johor Bahru into an industrial park by a subsidiary company, Panoramic Industrial Development Sdn. Bhd. {Note 41(b)}

### (b) Property development costs

	2005 RM	2004 RM
<b>Freehold land</b>		
At 1 February	175,365	337,497
Transfer from land held for property development	5,761,110	1,020,321
Less : Transfer to cost of sales	(549,922)	(847,561)
Less : Transfer to inventories	(2,310,269)	(334,892)
At 31 January	3,076,284	175,365
<b>Leasehold land</b>		
At 1 February	5,031,202	-
Transfer from property, plant and equipment	-	5,031,202
Less : Transfer to cost of sales	(3,870,498)	-
At 31 January	1,160,704	5,031,202
<b>Development costs</b>		
At 1 February	6,570,134	1,786,318
Cost incurred during the financial year	9,592,001	9,504,618
Transfer from land held for property development	37,089,604	13,157,294
Less : Transfer to cost of sales	(26,341,254)	(14,318,783)
Less : Transfer to inventories	(4,325,886)	(3,559,313)
At 31 January	22,584,599	6,570,134
	26,821,587	11,776,701

Certain parcels of the freehold land are registered in the name of the holding company, Sharikat Kim Loong Sendirian Berhad. Two subsidiary companies, Panoramic Industrial Development Sdn. Bhd. and Crescendo Development Sdn. Bhd. are the beneficiary owners for the said freehold land.

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 9. INVENTORIES

	GROUP 2005 RM	2004 RM
<b>At cost</b>		
Raw materials	141,212	105,804
Finished goods for culvert pipe	167,881	318,504
Completed properties for sale	14,592,967	12,929,392
	14,902,060	13,353,700

## 10. CONSTRUCTION CONTRACTS

	GROUP 2005 RM	2004 RM
Contract in progress		
- accumulated contract cost	222,057,106	176,865,999
- accumulated attributable profits	20,888,783	31,648,765
	242,945,889	208,514,764
Less : Progress billings	(240,196,446)	(206,672,385)
Amounts due from customers	2,749,443	1,842,379
There is no amount due to customers for the financial years 2005 and 2004.		
Contract in progress included the following items incurred during the financial year :		
Depreciation of property, plant and equipment	144,396	136,993
Hire of equipment	278,819	314,968
Staff costs (Note 29)	449,115	428,789

Included in the Group's progress billings is an amount of RM6,834,999 (2004 : RM7,576,705) being retention sums receivable by the Group.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 11. RECEIVABLES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade receivables	27,043,134	19,560,214	-	3,942
Other receivables, deposits and prepayments	5,734,956	2,575,373	189,611	71,486
Amounts owing by related companies (Note 23)	3,320,904	1,662,710	32,905	79,800
Amounts owing by subsidiary companies (Note 24)	-	-	38,723,446	40,026,562
	36,098,994	23,798,297	38,945,962	40,181,790

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

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

## 12. DEPOSITS WITH LICENSED BANKS

Included in the Group's deposits with licensed banks is an amount of RM255,811 (2004 : RM12,750) pledged to a licensed bank as security for the banker's guarantee issued to government agencies.

The weighted average interest rate of deposits with licensed banks that was effective during the financial year was 3.0% (2004 : 2.8%) per annum for the Group.

Deposits have an average maturity of 30 days from the end of the financial year (2004 : 26 days) for the Group.

## 13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash and bank balances	12,235,320	2,693,866	2,933	443,687
Cash at bank in Housing Development Account	193,101	8,639,064	-	-
	12,428,421	11,332,930	2,933	443,687

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 14. PAYABLES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade payables	17,020,607	7,921,173	-	-
Other payables and accruals (Note 22)	10,505,544	9,304,287	1,073,316	1,133,339
Amounts owing to related companies (Note 23)	33,664	40,466	2,861	2,402
Amount owing to a subsidiary company (Note 24)	-	-	-	1,770,475
Amount owing to the holding company (Note 25)	171,380	165,427	47,728	48,249
	27,731,195	17,431,353	1,123,905	2,954,465

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

## 15. SHORT TERM BORROWINGS - SECURED

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Bank overdraft	49,355	-	49,355	-
Hire purchase payable (Note 16)	50,268	31,440	-	-
Term loan (Note 19)	5,840,000	-	-	-
	5,939,623	31,440	49,355	-

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

The subsidiary companies' banking facilities are secured by way of a lien-holder's caveat and fixed charges over certain parcels of the subsidiaries' landbanks included in property, plant and equipment and land held for property development {Note8(a)}.

The effective interest rate of bank overdraft for the financial year is 7.5% (2004 : 7.6%).

At the end of the financial year, the Group have unutilised overdraft and revolving credit facilities of RM19,000,000 (2004 : RM19,000,000) and RM12,000,000 (2004 : RM12,000,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 16. HIRE PURCHASE PAYABLE

	GROUP 2005 RM	2004 RM
Payable within one year	53,298	32,400
Payable between one and two years	22,208	-
	75,506	32,400
Less : Finance charges	(3,366)	(960)
	72,140	31,440
Representing hire purchase payable :		
Due within 12 months (Note 15)	50,268	31,440
Due after 12 months	21,872	-
	72,140	31,440

Effective interest rate of hire purchase for the financial year is 6.8% (2004 : 7.5%).

## 17. DEFERRED TAX

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

	GROUP 2005 RM	2004 RM	COMPANY 2005 RM	2004 RM
Disclosed as :				
Deferred tax assets	71,000	503,000	-	30,000
Deferred tax liabilities	(4,424,661)	(4,831,656)	(172,000)	-
	(4,353,661)	(4,328,656)	(172,000)	30,000
At 1 February	(4,328,656)	(4,458,664)	30,000	23,000
(Charged) / Credited to income statement (Note 31)				
- property, plant and equipment	(70,000)	326,008	(172,000)	-
- tax losses	(432,000)	(196,000)	(30,000)	7,000
	(502,000)	130,008	(202,000)	7,000
- Prior year (under) provision	(273,547)	-	-	-
Reversal of prior year overprovision	750,542	-	-	-
At 31 January	(4,353,661)	(4,328,656)	(172,000)	30,000



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 17. DEFERRED TAX (cont'd)

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>Subject to income tax</b>				
Deferred tax assets (before offsetting)				
Tax losses	107,000	516,000	-	43,000
Offsetting	(36,000)	(13,000)	-	(13,000)
Deferred tax assets (after offsetting)	71,000	503,000	-	30,000
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(553,547)	(1,988,656)	(172,000)	(13,000)
Land held for property development	(2,856,000)	(2,856,000)	-	-
Offsetting	36,000	13,000	-	13,000
Deferred tax liabilities (after offsetting)	(3,373,547)	(4,831,656)	(172,000)	-
<b>Subject to real property gains tax</b>				
Deferred tax liabilities				
Property, plant and equipment	(1,051,114)	-	-	-
	(4,424,661)	(4,831,656)	(172,000)	-

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through the future available profits is probable. The Directors are of the opinion that the Group will be able to generate sufficient profit in the foreseeable future to fully utilise the deferred tax assets.

Deferred tax assets and liabilities arising from temporary differences subject to income tax are calculated based on income tax rate of 28% (2004 : 28%).

Deferred tax arising from temporary differences subject to real property gains tax are calculated based on tax rate of 5% (2004 : Nil).

The amounts of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax asset is recognised in the balance sheet are as follows :

	GROUP	
	2005 RM	2004 RM
Deductible temporary differences	302,000	272,000
Tax losses	506,687	441,137

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 18. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS - UNSECURED

On 26 August 2002, the Company issued RM43,398,000 of five year 3% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of RM1 each to its shareholders, based on a renounceable rights issue on the basis of RM2 nominal value of the loan stocks for every five (5) existing ordinary shares held, for cash to part finance the acquisition of lands by its subsidiary company, Crescendo Development Sdn. Bhd.

The details of the ICULS are as follows :

- (i) The ICULS bear interest at 3% per annum payable annually on 31 January calculated in respect of the period commencing from the date of the issue of ICULS on 26 August 2002.
- (ii) The ICULS are convertible at any time from the date of issuance to the maturity date on 25 August 2007 into new ordinary shares of the Company at the conversion rate of one ICULS for one ordinary share of RM1 each.
- (iii) The ICULS will not be redeemable for cash. All outstanding ICULS will be convertible into new ordinary shares of RM1 each on the maturity date.
- (iv) The new ordinary shares allotted and issued upon conversion of the ICULS will be considered as fully paid up and will rank pari passu in all respects with the existing ordinary shares of the Company.

	GROUP / COMPANY	
	2005 RM	2004 RM
3% Irredeemable Convertible Unsecured Loan Stocks 2002 / 2007 ("ICULS")		
At 1 February	33,971,780	40,780,870
Amount converted into the ordinary shares during the financial year	(25,154,290)	(6,809,090)
At 31 January	8,817,490	33,971,780

Interest expense on the ICULS amounting to RM264,658 (2004 : RM1,019,521) has been capitalised as part of land cost of the subsidiary company, Crescendo Development Sdn. Bhd.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 19. TERM LOAN - SECURED

	GROUP 2005 RM	2004 RM
7 years term loan		
Current (Note 15)	5,840,000	-
Non current	29,160,000	35,000,000
	35,000,000	35,000,000
Repayment of term loan :		
Payable within one year	5,840,000	-
Payable between one and two years	8,760,000	5,840,000
Payable between two and five years	20,400,000	29,160,000
	35,000,000	35,000,000

The term loan of the subsidiary company, Crescendo Development Sdn. Bhd., is secured by way of first party first and second fixed charges up to RM35 million over certain parcels of the freehold land of the subsidiary company included in the land held for property development {Note 8(a)}.

The said term loan bears interest at a fixed rate of 6.5% per annum from first to seventh year and is repayable over 48 monthly instalments commencing from June 2005.

## 20. SHARE CAPITAL

	GROUP / COMPANY 2005 RM	2004 RM
<b>Authorised :</b>		
500,000,000 ordinary shares of RM1 each	500,000,000	500,000,000
<b>Issued and fully paid :</b>		
At 1 February	117,985,150	111,166,060
Shares issued pursuant to ESOS	531,000	10,000
Shares issued upon conversion of ICULS	25,154,290	6,809,090
At 31 January	143,670,440	117,985,150

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 20. SHARE CAPITAL (cont'd)

### (a) Treasury shares

During the financial year, the Company repurchased 1,097,400 of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM1,269,627. The average price paid for the shares repurchased was approximately RM1.16 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased has been sold as at 31 January 2005.

Of the total 143,670,440 (2004 : 117,985,150) issued and fully paid ordinary shares as at 31 January 2005, 1,873,400 (2004 : 776,000) are held as treasury shares by the Company. As at 31 January 2005, the number of outstanding ordinary shares in issue after setting off treasury shares is 141,797,040 (2004 : 117,209,150).

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

The ESOS is governed by the By-Laws which was approved by the Securities Commission and shareholders on 28 November 2001 and 8 February 2002 respectively. The Company implemented the ESOS on 26 June 2002 for a period of 5 years.

The movements during the financial year in the share option scheme of the Company are as follows :

Grant date	Expiry date	Exercise price RM per share	Number of Share Options				
			At 1 February '000	Granted '000	Exercised '000	Lapsed '000	At 31 January '000
2005							
4.7.2002	25.6.2007	1.14	4,930	-	(398)	(290)	4,242
2.4.2003	25.6.2007	1.00	462	-	(133)	(20)	309
10.5.2004	25.6.2007	1.20	-	454	-	(28)	426
			5,392	454	(531)	(338)	4,977
2004							
4.7.2002	25.6.2007	1.14	4,930	-	-	-	4,930
2.4.2003	25.6.2007	1.00	-	472	(10)	-	462
			4,930	472	(10)	-	5,392

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 20. SHARE CAPITAL (cont'd)

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

Details of share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follows :

Exercise date	Exercise price RM per share	Fair value of ordinary shares RM	Number of share options	Considerations received RM
<b>2005</b>				
February ~ April	1.14	1.15 ~ 1.20	395,000	450,300
February ~ April	1.00	1.15 ~ 1.20	124,000	124,000
May ~ July	1.14	1.19 ~ 1.20	3,000	3,420
May ~ July	1.00	1.19 ~ 1.20	9,000	9,000
			531,000	586,720
Less : Par value of ordinary shares				(531,000)
Share premium				55,720
<b>2004</b>				
31.10.2003	1.00	1.20	10,000	10,000
Less : Par value of ordinary shares				(10,000)
Share premium				-

## 21. REVALUATION RESERVE

	2005 RM	GROUP 2004 RM
At 1 February	-	-
Reserve arising from revaluation, net of deferred tax	15,703,483	-
At 31 January	15,703,483	-
Representing :		
Surplus arising from revaluation of freehold land	19,610,598	-
Less : Deferred tax on revaluation surplus	(3,907,115)	-
Revaluation reserve net of deferred tax	15,703,483	-

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 22. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Other payables	1,399,545	466,339	-	-
Deposits and other prepayments from property buyers	1,844,419	2,487,001	-	-
Accruals				
- Accrued development or contract costs for work done but not billed by contractors	4,880,783	4,073,360	-	-
- Accrued operating expenditure	2,380,797	2,277,587	1,073,316	1,133,339
	10,505,544	9,304,287	1,073,316	1,133,339

## 23. AMOUNTS OWING BY / (TO) RELATED COMPANIES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>Amounts owing by related companies :</b>				
Panoramic Housing Development Sdn. Bhd.	2,663,726	1,607,550	26,269	79,800
Crescendo Technologies Sdn. Bhd.	9,500	37,500	-	-
Unigolf Sdn. Bhd.	16,000	8,000	-	-
Kim Loong Plantations Sdn. Bhd.	-	9,660	-	-
Panoramic Plaza Sdn. Bhd.	631,678	-	6,636	-
	3,320,904	1,662,710	32,905	79,800
<b>Amounts owing to related companies :</b>				
Kim Loong Plantations Sdn. Bhd.	3,772	626	-	-
Kim Loong Palm Oil Mills Sdn. Bhd.	29,892	39,840	2,861	2,402
	33,664	40,466	2,861	2,402

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

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

## 24. AMOUNTS OWING BY / (TO) SUBSIDIARY COMPANIES

Included in the amounts owing by subsidiary companies are RM8,817,490 (2004 : RM33,971,780) and RM11,155,794 (2004 : RMNil) which bear interest of 3% (2004 : 3%) and 7% (2004 : Nil) per annum respectively. All other balances are non-interest bearing, unsecured and have no fixed terms of repayment.

## 25. AMOUNT OWING TO HOLDING COMPANY

The amount owing to holding company is non-interest bearing, unsecured and has no fixed terms of repayment.



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 26. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>Revenue</b>				
Sales of industrial properties	46,077,135	26,051,627	-	-
Sales of residential / commercial properties	10,959,094	13,282,776	-	-
Construction revenue	5,168,811	13,230,548	-	-
Sale of concrete products	17,900,435	6,534,396	-	-
Management services and others	3,798,920	3,333,559	5,492,754	3,005,989
Gross dividend from subsidiary companies	-	-	9,635,556	3,412,500
	83,904,395	62,432,906	15,128,310	6,418,489
<b>Cost of sales</b>				
Cost of industrial properties	27,990,232	15,005,319	-	-
Cost of residential / commercial properties	6,796,006	10,818,154	-	-
Construction cost	3,449,414	7,959,101	-	-
Cost of concrete products	14,967,689	5,189,769	-	-
Management services and others	948,186	908,248	-	-
	54,151,527	39,880,591	-	-

## 27. PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
The following items have been charged / (credited) in arriving at profit from operations :				
Allowance for doubtful debts	-	11,777	-	-
Auditors' remuneration				
- current year	80,300	78,470	18,000	18,000
- prior year underprovision	1,700	-	2,000	-
Depreciation of property, plant and equipment	1,144,094	1,029,803	119,433	71,822
Hire of equipment	281,119	185,670	-	-
Incorporation fees	4,500	5,100	-	-
Plant and equipment written off	47,049	136,462	-	134,433
Rental of premises	300,696	234,104	45,600	45,600
Rental of motor vehicle	18,960	-	18,960	-
Staff costs (Note 29)	5,540,951	5,199,675	4,219,329	3,452,039
Non-executive Directors' remuneration (Note 30)	283,500	284,600	283,500	284,000
Diminution / (Reversal) in value of shares	520,738	(1,406,711)	-	-
Gain on disposal of plant and equipment	(7,185)	(2,553)	-	-
Gross dividends from quoted investments	(357,715)	(298,180)	-	-
Gross dividends from subsidiary companies	-	-	(9,635,556)	(3,412,500)
Deposits interest received	(338,487)	(448,997)	(10,005)	(5,317)
Other interest received	(252,282)	(491,775)	(507,515)	(373)
Rental income	(1,366,236)	(596,172)	-	-
Unrealised foreign exchange gain	(82,739)	(32,657)	-	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 27. PROFIT FROM OPERATIONS (cont'd)

	GROUP 2005 RM	2004 RM
Profit from existing continuing operations	23,419,858	17,735,173
Loss from newly acquired subsidiary companies	(111,269)	(6,931)
	23,308,589	17,728,242

## 28. FINANCE COST

	GROUP 2005 RM	2004 RM	COMPANY 2005 RM	2004 RM
Interest expenses on :				
Bank overdraft	85,275	82,203	37,161	44,228
Hire purchase	4,194	3,968	-	-
ICULS	264,658	1,019,521	264,658	1,019,521
Revolving credit	136,397	-	-	-
Interest income from subsidiary	-	-	(264,658)	(1,019,521)
	490,524	1,105,692	37,161	44,228
Less interest expenses capitalised in assets :				
- Land held for property development {Note 8(a)}	(264,658)	(1,019,521)	-	-
	225,866	86,171	37,161	44,228

Borrowing costs capitalised in the assets during the financial year arose on the ICULS based on a capitalisation rate of 3.0% (2004 : 3.0%) per annum.

## 29. STAFF COSTS

	GROUP 2005 RM	2004 RM	COMPANY 2005 RM	2004 RM
Wages and salaries	5,408,573	5,059,625	3,823,932	3,080,854
Defined contribution plan - EPF	546,650	534,603	376,938	354,190
Social security cost - SOCSO	34,843	34,236	18,459	16,995
Less : Amount capitalised to cost of construction contracts (Note 10)	(449,115)	(428,789)	-	-
	5,540,951	5,199,675	4,219,329	3,452,039

Included in staff costs of the Group and of the Company are Executive Directors' remuneration amounting to RM1,620,228 (2004 : RM1,613,478) and RM1,620,228 (2004 : RM1,409,944) respectively as further disclosed in Note 30.

The number of staff (including Executive Directors) in the Group and in the Company at the end of the financial year were 160 (2004 : 155) and 71 (2004 : 53) respectively.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 30. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Executive Directors :				
Fees	38,000	38,000	38,000	38,000
Salaries and other emoluments	1,439,200	1,461,682	1,439,200	1,280,000
Defined contribution plan - EPF	143,028	113,796	143,028	91,944
	1,620,228	1,613,478	1,620,228	1,409,944
Non-executive Directors :				
Fees	272,000	272,600	272,000	272,000
Other emoluments	11,500	12,000	11,500	12,000
	283,500	284,600	283,500	284,000
	1,903,728	1,898,078	1,903,728	1,693,944

Executive Directors of the Company have been granted the following number of options under the Employee Share Option Scheme on the same terms and conditions as those offered to other employees of the Group as follows :

	2005	2004
At 1 February	1,690,000	1,627,000
Granted	42,000	63,000
Exercised	(366,000)	-
At 31 January	1,366,000	1,690,000

## 31. TAX

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>Income tax</b>				
Current year	6,294,589	4,465,700	2,700,400	550,500
Prior years (over) / under provision	(645,548)	(1,191)	35,156	67,161
<b>Deferred tax</b> (Note 17)				
Relating to origination and reversal of temporary differences	502,000	(3,461)	172,000	-
Prior years under / (over) provision	273,547	(322,547)	30,000	-
Effect of adopting MASB 25	-	196,000	-	(7,000)
	6,424,588	4,334,501	2,937,556	610,661

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 31. TAX (cont'd)

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

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Profit before tax	23,082,723	17,642,071	10,096,882	1,619,630
Tax at Malaysian statutory tax rate of 28% (2004 : 28%)	6,463,162	4,939,780	2,827,127	453,496
Effect of tax rate of 20% for subsidiary companies with paid up capital of RM2,500,000 and below	(157,844)	(148,650)	-	-
Expenses not deductible for tax purposes	654,010	390,586	45,273	90,004
Income not subject to tax	(189,493)	(523,477)	-	-
Deferred tax asset not recognised in the income statement	26,754	-	-	-
(Over) / Under provision in prior years				
- income tax	(645,548)	(323,738)	35,156	67,161
- deferred tax	273,547	-	30,000	-
Tax expense for the financial year	6,424,588	4,334,501	2,937,556	610,661

The estimated tax credit available under Section 108(6) of the Income Tax Act, 1967, which is subject to agreement by the Inland Revenue Board, is sufficient to frank in full the Company's retained profits as at 31 January 2005 if paid out as dividends.

## 32. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2005	2004
Net profit for the financial year (RM)	16,057,000	12,964,120
Weighted average number of ordinary shares in issue		
As at 1 February	113,649,016	111,166,060
Treasury shares	(1,097,400)	(776,000)
Effect of :		
- conversion of ICULS	22,837,365	3,248,956
- share options exercised	414,784	10,000
As at 31 January	135,803,765	113,649,016
Basic earnings per share (sen)	11.8	11.4

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 32. EARNINGS PER SHARE (cont'd)

### (b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares arising from conversion of ICULS.

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

	GROUP	
	2005	2004
Net profit for the financial year (RM)	16,057,000	12,964,120
After tax effect of interest on ICULS (RM)	190,458	733,790
Adjusted net profit for the financial year (RM)	16,247,458	13,697,910
Weighted average number of ordinary shares in issue	135,803,765	113,649,016
Effect of dilution from conversion of ICULS	8,817,490	33,971,780
Adjusted weighted average number of ordinary shares	144,621,255	147,620,796
Diluted earnings per share (sen)	11.2	9.3

The share options are anti-dilutive and are ignored in the calculation of diluted earnings per share.

## 33. DIVIDENDS

Dividends declared or proposed in respect of the financial years ended 31 January 2005 and 2004 are as follows :

	2005		2004	
	Gross dividend per share Sen	Amount of dividend, less tax RM	Gross dividend per share Sen	Amount of dividend, less tax RM
Interim dividend paid	3.0	3,062,980	2.5	2,123,733
Proposed final dividend	4.0	4,137,709	3.5	2,973,226
	7.0	7,200,689	6.0	5,096,959

At the forthcoming Annual General Meeting, a final gross dividend of 4.0 sen per share (2004 : 3.5 sen per share) less tax will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 January 2006 when approved by shareholders. The proposed final dividend of RM4,137,709 is subject to change in proportion to changes in the Company's paid up capital, if any.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 34. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENT

During the financial year ended 31 January 2004, the Group had applied MASB 25 "Income Taxes" which resulted in prior year adjustment.

Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of timing differences only to the extent that tax liability was expected to materialise in the foreseeable future. In addition, the Group has commenced recognition of deferred tax assets for all deductible temporary differences, when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised. Previously, deferred tax assets were not recognised unless there was reasonable expectation of their realisation.

## 35. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Deposits with licensed banks	521,692	5,191,963	-	450,000
Cash and bank balances	12,428,421	11,332,930	2,933	443,687
Bank overdraft	(49,355)	-	(49,355)	-
	12,900,758	16,524,893	(46,422)	893,687
Less : Fixed deposits pledged	(255,811)	(12,750)	-	-
	12,644,947	16,512,143	(46,422)	893,687

## 36. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>With holding company :</b>				
Sharikat Kim Loong Sendirian Berhad				
Internal audit fees	148,000	147,000	41,000	48,000
Rental payment	18,000	31,500	-	-
<b>With subsidiary companies :</b>				
Panoramic Industrial Development Sdn. Bhd.				
Management fee	-	-	(1,640,925)	(401,745)
Gross dividend income	-	-	(2,205,000)	-
Crescendo Development Sdn. Bhd.				
Management fee	-	-	(1,385,422)	(1,395,437)
Interest income	-	-	(264,658)	(1,019,521)
Purchase of assets	-	-	81,922	-
Unibase Construction Sdn. Bhd.				
Management fee	-	-	(718,221)	(459,768)
Gross dividend income	-	-	(7,430,556)	(3,412,500)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 36. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>With subsidiary companies :</b>				
Unibase Corporation Sdn. Bhd.				
Management fee	-	-	(1,445,924)	(508,362)
Purchase of assets	-	-	28,633	-
Repute Construction Sdn. Bhd.				
Management fee	-	-	(6,300)	(37,641)
Unibase Trading Sdn. Bhd.				
Management fee	-	-	(44,638)	(32,757)
Panoramic Jaya Sdn. Bhd.				
Interest income	-	-	(506,388)	-
<b>With fellow subsidiaries of the holding company :</b>				
Panoramic Housing Development Sdn. Bhd.				
Rental payment	45,600	85,500	45,600	45,600
Progress billings	(3,978,647)	(755,474)	-	-
Management fee	(197,700)	(122,975)	(197,700)	(122,975)
Panoramic Plaza Sdn. Bhd.				
Progress billings	(1,079,781)	-	-	-
Management fee	(6,320)	-	(6,320)	-
Kim Loong Palm Oil Mills Sdn. Bhd.				
Sales of goods	(56,210)	(135,975)	-	-
Rental income	(6,000)	(6,000)	-	-
Unigolf Sdn. Bhd.				
Rental income	(48,000)	(48,000)	-	-
Aerogolf Sdn Bhd				
Purchases of goods	10,569	-	-	-
Desa Okidville Sdn. Bhd.				
Sales of goods	(15,242)	-	-	-
Okidville Holdings Sdn. Bhd.				
Sales of goods	(7,103)	-	-	-

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

## 37. CONTINGENT LIABILITIES

	GROUP	
	2005 RM	2004 RM
<b>(i) Bank guarantees</b>		
Issued by a licensed bank in favour of third parties		
- Secured	4,243,080	2,703,315
- Unsecured	11,000	7,500
<b>Amounts utilised are as follows :</b>		
- Secured	4,243,080	2,703,315
- Unsecured	11,000	7,500



# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 37. CONTINGENT LIABILITIES (cont'd)

	COMPANY 2005 RM	2004 RM
<b>(ii) Corporate guarantees - unsecured</b>		
Issued to bank for facilities granted to subsidiary companies	61,000,000	61,000,000
Issued to third parties for supplies of goods and services to a subsidiary company	4,900,000	2,900,000
<b>Amounts utilised :</b>		
Issued to bank for facilities granted to subsidiary companies	35,000,000	35,000,000
Issued to third parties for supplies of goods and services to a subsidiary company	4,900,000	2,900,000

The bank guarantees are secured by :

- (i) Deposits with licensed banks of RM255,811 (2004 : RM12,750) which are registered under the name of a subsidiary company, Repute Construction Sdn. Bhd.;
- (ii) A fixed and floating charge over the present and future assets of a subsidiary company, Unibase Trading Sdn. Bhd, and a corporate guarantee of the Company.

## 38. ACQUISITION OF SUBSIDIARY COMPANIES

The effect of the acquisition of subsidiary on the financial results of the Group during the financial year ended 31 January 2005 is shown below :

	RM
Revenue	-
Cost of sales	(138,996)
Gross loss	(138,996)
Administration expenses	(19,959)
Loss from operations	(158,955)
Finance cost	(12,176)
Loss before tax	(171,131)
Tax	34,000
Loss for the financial year	(137,131)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 39. SEGMENTAL INFORMATION

### (a) Primary reporting format - business segments

	Industrial properties development		Residential / commercial properties development		Construction activities		Manufacture of concrete products		Management services and others		Consolidated	
	2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM	2005 RM	2004 RM
<b>Revenue</b>												
Total revenue	46,077,135	26,051,627	10,959,094	13,282,776	43,393,295	38,638,955	18,696,834	7,182,685	9,040,350	6,169,269	128,166,708	91,325,312
Inter-segment sales	-	-	-	-	(38,224,484)	(25,408,407)	(796,399)	(648,289)	(5,241,430)	(2,835,710)	(44,262,313)	(28,892,406)
External sales	46,077,135	26,051,627	10,959,094	13,282,776	5,168,811	13,230,548	17,900,435	6,534,396	3,798,920	3,333,559	83,904,395	62,432,906
<b>Results</b>												
Segment results (external)	13,509,072	11,795,824	1,699,473	1,842,856	3,567,139	2,933,563	2,571,623	1,131,138	4,288,810	1,996,433	25,636,117	19,699,814
Unallocated corporate expenses											(2,327,528)	(1,971,572)
Profit from operations											23,308,589	17,728,242
Finance cost	(127,576)	(37,258)	(56,935)	(717)	-	-	(4,194)	(3,968)	(37,161)	(44,228)	(225,866)	(86,171)
Profit before tax											23,082,723	17,642,071
Tax											(6,424,588)	(4,334,501)
Profit after tax											16,658,135	13,307,570
Minority interests											(601,135)	(343,450)
Net profit for the financial year											16,057,000	12,964,120
<b>Other Information</b>												
Segment assets	163,739,182	148,698,471	176,872,235	164,187,890	18,671,606	17,765,323	9,155,532	2,982,299	9,119,985	8,071,876	377,558,540	341,705,859
Segment liabilities	16,812,008	18,105,192	36,169,875	59,970,311	17,979,458	11,097,922	4,443,849	676,263	2,184,434	2,176,019	77,589,624	92,025,707
Capital expenditure	105,610	4,423,476	555,646	4,504,127	153,198	185,131	455,555	234,478	496,939	482,076	1,766,948	9,829,288
Depreciation	218,360	212,651	91,271	82,631	311,265	331,132	328,425	269,935	194,773	133,454	1,144,094	1,029,803

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 39. SEGMENTAL INFORMATION (cont'd)

### (b) Secondary reporting - Geographical segments

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

## 40. FINANCIAL INSTRUMENTS

### Fair values

#### Recognised financial instruments

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

	GROUP		COMPANY	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>2005</b>				
<b>Financial assets</b>				
Quoted shares	8,274,026	9,837,312	-	-
Unquoted shares	1,455,068	*	-	-
Investment in subsidiaries	-	-	126,065,279	*
<b>Financial liabilities</b>				
ICULS	8,817,490	11,286,387	8,817,490	11,286,387
Long term loan	35,000,000	35,000,000	-	-
<b>2004</b>				
<b>Financial assets</b>				
Quoted shares	8,804,387	10,018,477	-	-
Unquoted shares	5,526,099	*	-	-
Investment in subsidiaries	-	-	125,855,279	*
<b>Financial liabilities</b>				
ICULS	33,971,780	32,952,627	33,971,780	32,952,627
Long term loan	35,000,000	29,927,892	-	-

The fair value of quoted shares and ICULS are determined by reference to the stock exchange quoted market bid prices at the close of the business on the balance sheet date.

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For The Financial Year Ended 31 January 2005

## 41. SIGNIFICANT EVENTS

- (a) On 12 May 2004, the Group entered into a joint venture with Chellam Investments Sdn. Bhd. to acquire a parcel of 37.6 acres of mixed development land in Mukim of Plentong, District of Johor Bahru with a total consideration of RM9,280,000 for immediate development. This project is undertaken by Panoramic Jaya Sdn. Bhd., a 70% owned subsidiary of the Group.
- (b) On 31 May 2004, a subsidiary company, Panoramic Industrial Development Sdn. Bhd. ("PID") entered into a Conditional Development And Option To Purchase Agreement with Bandar Nusajaya Development Sdn Bhd (formerly known as Prolink Development Sdn Bhd) ("BNDSB") as agent of Nusajaya Heights Sdn Bhd (formerly known as Prolink Heights Sdn Bhd) for a total consideration of RM2,000,000 to secure the rights to develop eight parcels of freehold land totalling 341.8827 acres in Mukim of Pulai, District of Johor Bahru into an industrial park. The said agreement granted PID the right to acquire a minimum of 150 acres of the said land within seven years from the development date for an aggregate purchase consideration up to approximately RM59.93 million. PID is also granted an option to purchase the remaining 191.8827 acres of the said land for an aggregate purchase consideration of up to approximately RM109.74 million.

The above proposed acquisition was approved by the Foreign Investment Committee and the shareholders of the Company on 25 September 2004 and 6 January 2005 respectively.

Currently the completion of the Conditional Development And Option To Purchase Agreement is pending the fulfilment of the conditions precedent.

## 42. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 24 March 2005, PID entered into another Sale and Purchase Agreement with BNDSB to acquire a parcel of freehold land of 40.61 acres adjacent to the eight parcels of land as stated in Note 41(b) for a total consideration of RM11,498,315. Currently the completion of the said Sale and Purchase Agreement is pending for the fulfilment of the various conditions precedent.
- (b) On 6 April 2005, Crescendo Education Sdn. Bhd. incorporated a wholly owned subsidiary company, Crescendo Creative Education Sdn. Bhd. ("CCESB"). The intended principal activity of CCESB is the business of provision of pre-primary education. Currently the company has not commenced operations.

# ANALYSIS OF SHAREHOLDINGS

As At 7 June 2005

Authorised Share Capital	:	RM500,000,000.00
Issued & Fully Paid Up Capital	:	RM143,752,440.00
Class of Share	:	Ordinary shares of RM1.00 each fully paid
Voting Right	:	1 vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
less than 100 shares	8	0.12	295	0.00
100 to 1,000 shares	4,563	66.58	4,543,185	3.20
1,001 to 10,000 shares	1,960	28.60	7,139,430	5.03
10,001 to 100,000 shares	281	4.10	7,145,600	5.04
100,001 to less than 5% of issued shares	39	0.57	24,531,630	17.29
5% and above of issued shares	2	0.03	98,517,700	69.44
Total	6,853	100.00	141,877,840*	100.00

\* less 1,874,600 shares bought back and retained as treasury shares

## THIRTY LARGEST SHAREHOLDERS (As per Record of Depositors)

Name of Shareholders	No. of Shares Held	% of Issued Capital*
1. Sharikat Kim Loong Sendirian Berhad	90,833,700	64.02
2. Permodalan Nasional Berhad	7,684,000	5.42
3. Lembaga Tabung Haji	4,025,000	2.84
4. Panoramic Housing Development Sdn. Bhd.	3,145,423	2.22
5. Gooi Seow Mee	1,964,036	1.38
6. Gooi Seong Lim	1,787,836	1.26
7. Gooi Seong Chneh	1,773,836	1.25
8. Loo Geok Eng	1,721,827	1.21
9. Citicorp Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gooi Seong Heen (473561)	1,581,627	1.11
10. Malaysia Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Gooi Seong Gum (10-00040-000)	1,066,292	0.75
11. Citicorp Nominees (Asing) Sdn. Bhd. -UBS AG Singapore For Eternal Profits Trading Limited	790,000	0.56
12. Gooi Seong Gum	769,145	0.54
13. Gooi Seong Heen	433,208	0.31
14. Shoptra Jaya (M) Sdn. Bhd.	425,000	0.30
15. JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Siew Lai	415,000	0.29
16. Sharikat Kim Loong Sendirian Berhad	395,000	0.28
17. ECM Libra Securities Nominees (Tempatan) Sdn. Bhd. ECM Libra Partners Sdn Bhd for Yeap Gek @ Yeap Poh Chim (Pledged)	270,000	0.19
18. Puen Tak Hong	261,700	0.18
19. HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Amdividend Income (4983-401)	237,800	0.17
20. Ng Quek Peng	223,000	0.16
21. Mayban Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Sahedan Bin Din (REM 148-Margin)	207,700	0.15
22. Gooi Seong Chneh	201,000	0.14
23. Tsen Keng Yam	200,000	0.14
24. HDM Nominees (Asing) Sdn. Bhd. UOB Kay Hian Pte Ltd for Goh Tiong Yong	200,000	0.14

# ANALYSIS

## OF SHAREHOLDINGS (CONT'D)

As At 7 June 2005

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

Name of Shareholders	No. of Shares Held	% of Issued Capital*
25. Koh Bee Yong	200,000	0.14
26. Teo Kwee Hock	198,800	0.14
27. Shoon Poo Wing @ Song Poh Wing	190,000	0.13
28. Poon A Chang @ Poon A Cheong	188,100	0.13
29. HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chew Siow Geok	180,000	0.13
30. Lim Chiang How	169,000	0.12
Total	121,738,030	85.80

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

\* less 1,874,600 shares bought back and retained as treasury shares

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

Name of Substantial Shareholders	No. of Shares Held or Beneficially Interested in		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	91,228,700	-	64.30	-
Permodalan Nasional Berhad	7,684,000	-	5.42	-
Loo Geok Eng	1,721,827	94,374,123*	1.21	66.52
Gooi Seong Lim	1,787,836	94,374,123*	1.26	66.52
Gooi Seong Heen	2,142,835**	94,374,123*	1.51	66.52
Gooi Seong Chneh	1,974,836	94,374,123*	1.40	66.52
Gooi Seong Gum	1,835,437***	94,374,123*	1.29	66.52
Gooi Seow Mee	1,964,036	94,374,123*	1.38	66.52

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

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Datuk Haji Mohd. Zamani bin Samah	-	-	-	-
Loo Geok Eng	1,721,827	1.21	94,374,123*	66.52
Gooi Seong Lim	1,787,836	1.26	94,374,123*	66.52
Gooi Seong Heen	2,142,835**	1.51	94,374,123*	66.52
Gooi Seong Chneh	1,974,836	1.40	94,374,123*	66.52
Gooi Seong Gum	1,835,437***	1.29	94,374,123*	66.52
Gooi Seow Mee	1,964,036	1.38	94,374,123*	66.52
Yeo Jon Tian @ Eeyo Jon Thiam	-	-	-	-
Mathew K. Mathai	-	-	-	-
Gan Kim Guan	-	-	-	-

\* Deemed interests by virtue of their interests in Panoramic Housing Development Sdn. Bhd. (3,145,423 shares) and Sharikat Kim Loong Sendirian Berhad (91,228,700 shares).

\*\* 1,581,627 shares are held in bare trust by Citicorp Nominees (Tempatan) Sdn Bhd.

\*\*\* 1,066,292 shares are held in bare trust by Malaysia Nominees (Tempatan) Sdn Bhd.

# ANALYSIS OF 3% IRREDEEMABLE UNSECURED LOAN STOCKS 2002/2007 (“ICULS”) HOLDERS

As At 7 June 2005

Nominal Amount of ICULS	:	RM43,398,000.00
Conversion Price	:	At the par value of the ordinary shares of RM1.00 each
Conversion Period	:	26 August, 2002 to 26 August, 2007
Conversion Method	:	By authorising the deposited ICULS to be debited from the Securities Account of the ICULS Holder with an aggregate nominal value at least equivalent to the Conversion Price
Redeemability	:	Not redeemable for cash. Any outstanding ICULS will be converted into new ordinary shares of RM1.00 each on the Maturity Date.
Coupon Rate	:	3.0% per annum and payable on arrears annually during the 5 years on the ICULS remaining outstanding. The last interest payment shall be made on the Maturity Date.
ICULS converted during the year ended 31 January, 2005	:	25,154,290

## DISTRIBUTION OF ICULS HOLDINGS

Size of ICULS Holdings (RM)	No of ICULS Holders	% of ICULS Holders	Nominal Amount of ICULS (RM)	% of ICULS
Less than 100 ICULS	1	0.28	53	0.00
100 to 1,000 ICULS	225	63.56	201,300	2.28
1,001 to 10,000 ICULS	116	32.77	358,337	4.07
10,001 to 100,000 ICULS	11	3.11	254,800	2.89
100,001 to less than 5% of ICULS	0	0.00	0	0.00
5% and above of ICULS	1	0.28	8,000,000	90.76
Total	354	100.00	8,814,490	100.00

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

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
1. Sharikat Kim Loong Sendirian Berhad	8,000,000	90.76
2. Wong Ta Nooy @ Wong Keng Yong	40,000	0.45
3. Chan Cheok Onn	40,000	0.45
4. Pang Chee Chiang	33,000	0.37
5. Ah Moi @ Teo Hui Bee	31,000	0.35
6. Tio Swee In	20,000	0.23
7. Choong Chiew Nget	18,000	0.20
8. Lai San Chai	16,000	0.18
9. Khew Yit Len	16,000	0.18
10. Lee Tong Sing	16,000	0.18
11. RC Nominees (Tempatan) Sdn. Bhd. Pang Chee Chiang (SBB KT)	14,000	0.16
12. Lee Fook Wing	10,800	0.12
13. Teo Kiyuee	10,000	0.11
14. Ong Peck Choo	10,000	0.11
15. Wee Choo Phua	10,000	0.11
16. Foh Chong @ Sons Sdn. Bhd.	9,000	0.10
17. Pang Sang Loo	9,000	0.10
18. TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Loh Hang Pai @ Low Heng Fong	8,000	0.09



# ANALYSIS OF 3% IRREDEEMABLE UNSECURED LOAN STOCKS 2002/2007 ("ICULS") HOLDERS (CONT'D)

As At 7 June 2005

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

Name of ICULS Holders	Nominal Amount of ICULS Held (RM)	% of ICULS
19. RC Nominees (Tempatan) Sdn. Bhd. Choong Yuen Yoong (SBB KT)	8,000	0.09
20. Goh Poh Choo	7,000	0.08
21. Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tee Eng Leong (GMS)	7,000	0.08
22. Hoong Ching Lai @ Ong Eng Kim	6,000	0.07
23. Choo Kong Thien	5,000	0.06
24. Mok Yee Mooi @ Mok Mei Hoong	5,000	0.06
25. Lau Khiok Hui	5,000	0.06
26. Tan Gee Wu	5,000	0.06
27. Chellam Holdings Sdn. Bhd.	5,000	0.06
28. Choo Kong Bung	5,000	0.06
29. Low Seng Kee	5,000	0.06
30. Fong Swee Chong	5,000	0.06
Total	8,378,800	95.05

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

Name of Directors	Direct Interest ICULS Holdings (RM)	%	Indirect Interest ICULS Holdings (RM)	%
Datuk Haji Mohd. Zamani bin Samah	-	-	-	-
Loo Geok Eng	-	-	8,000,000*	90.76
Gooi Seong Lim	-	-	8,000,000*	90.76
Gooi Seong Heen	-	-	8,000,000*	90.76
Gooi Seong Chneh	-	-	8,000,000*	90.76
Gooi Seong Gum	-	-	8,000,000*	90.76
Gooi Seow Mee	-	-	8,000,000*	90.76
Yeo Jon Tian @ Eeyo Jon Thiam	-	-	-	-
Mathew K. Mathai	-	-	-	-
Gan Kim Guan	-	-	-	-

Note:

\* Deemed interest by virtue of their interest in Sharikat Kim Loong Sendirian Berhad.

# PARTICULARS OF PROPERTIES

Description & Location	Existing Use (Status of Development)	Tenure / Age of Building	Date of Acquisition	Land Area (Acres)	Net Book Value RM'000
<b>Properties Held by PID</b>					
1. Lot 340, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Vacant land approved for residential, commercial and industrial development	Leasehold (999 years commencing from 28/10/1912)	18/11/1996	61.67	19,756
2. Lot Nos. PTD 91814 & 91815, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (completed)	Freehold (9 years)	18/11/1996	0.94 (1)	867
3. Lot Nos. PTD 89358, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Hawker centre (completed)	Freehold (9 years)	18/11/1996	2.11 (1)	1,933
4. Lot Nos. PTD 89526, 91803, 91807, 91875, 91877, 91879, 91882 to 91907, 115788, 115789, 115801, 115802. all within Taman Perindustrian Cemerlang, District of Ulu Tiram, Johor Darul Takzim.	Mixed industrial and commercial plots (development- in-progress)	Freehold	18/11/1996	46.99 (1)	5,760
5. Lot Nos. PTD 153622 & 153634, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (development -in-progress)	Leasehold (999 years commencing from 28/10/1912)	18/11/1996	3.56 (1)	2,688
6. Lot Nos. PTD 89716 to 89726 & 89730. Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (completed)	Freehold (1 year)	18/11/1996	1.89	2,672

## PARTICULARS OF PROPERTIES (CONT'D)

Description & Location	Existing Use (Status of Development)	Tenure / Age of Building	Date of Acquisition	Land Area (Acres)	Net Book Value RM'000
<b>Properties Held by CDSB</b>					
7. Lot Nos. PTD 115193, 115254, 166519 and 166524. Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (completed)	Freehold (7 years)	18/11/1996	6.02 (1)	5,602
8. Lot Nos. PTD 115183, 115191, 115196, 115244, 115309, 115409, 115414 to 115420, 115511, 153757 to 153759, 153761 to 153765, 153767 to 153773, 153776, 153778, 153780 to 153804, 153809 to 153810, 153812 to 153821, 153823, 153824, 166515, 166516, 166518, 166522, 166527 to 166530, 166532, 177194 to 177199. Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Industrial plots (development -in-progress)	Freehold	18/11/1996	85.87	22,059
9. Lot Nos. PTD 113461 to 113470, 113489 to 113498, 113502 to 113598, 113943, 114901, 114954 to 114975, 114983 to 114984, 114991 to 114999, 154056 to 154196, 154208 to 154233, 154238 to 154263, 162725, 162726, 177201, 177202, 177204 to 177258, 177263, 177265 to 177569, 177571 to 177658 and 177660 to 177749. Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Mixed residential and commercial plots (development -in-progress)	Freehold	18/11/1996	146.45 (1)	36,188
10. Lot Nos. 147, 681 and 1468, Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Vacant agriculture land	Freehold	06/01/1999	9.98	5,651

# PARTICULARS

## OF PROPERTIES (CONT'D)

Description & Location	Existing Use (Status of Development)	Tenure / Age of Building	Date of Acquisition	Land Area (Acres)	Net Book Value RM'000
<b>Properties Held by CDSB (cont'd)</b>					
11. Lot Nos. 557 and 1788, Mukim and District of Kota Tinggi, Johor Bahru, Lot Nos. 804 and 806, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.	Vacant agriculture land	Freehold	26/06/2001	1,390.22	145,225
<b>Properties Held by PJSB</b>					
12. Lot Nos. PTD 77812 to 77814, 77817 to 77820, 77822 to 77829, 77831 to 77834, 77838 to 77839, 77841 to 77842, 77844 to 77857, 77897 to 77925, 77928 to 77975, 78244 to 78277 and 78279 to 78280. Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.	Mixed residential and commercial plots (vacant)	Freehold	12/05/2004	36.44 (1)	7,142
13. Lot Nos. PTD 78023 to 78024, 78026 to 78027, 78030, 78032 to 78054 and 78056. Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.	Residential plots (completed)	Freehold (1 year)	12/05/2004	1.15 (1)	3,507
<b>Properties Held by Ambok</b>					
14. Lot 960, 1331, 349, 2, 608, 325, 607, 58, 60, 750, 748, 749, 717, 716, 747, 609 & 116, Mukim Tanjung Surat, District of Kota Tinggi, Johor Darul Takzim.	Oil palm estate (zoned for resort development)	Freehold	18/11/1996 (2)	842.90	40,234
<b>Properties Held by CJSB</b>					
15. Lot Nos. 1492 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Vacant agriculture land	Freehold	30/12/2002	5.24	1,051

## PARTICULARS OF PROPERTIES (CONT'D)

Description & Location	Existing Use (Status of Development)	Tenure / Age of Building	Date of Acquisition	Land Area (Acres)	Net Book Value RM'000
<b>Properties Held by Unibase Concrete</b>					
16. Factory Building No. 1, Jalan Mahir 1, Taman Perindustrian Cemerlang, 81800 District of Ulu Tiram, Johor Darul Takzim.	Readymix concrete plant	8 years	18/11/1996 (3)	Not applicable	19
<b>Properties Held by CE</b>					
17. PTD 154264 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Vacant land for commercial buildings	Freehold	11/01/1999	4.11	5,371
<b>Properties Held by CCC</b>					
18. PTD 113438 Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim.	Vacant land for commercial buildings	Freehold	11/01/1999	8.50	18,520
Total				2,654.04	324,245

Notes : -

1. Gross land are based upon land titles held by PID, CDSB and PJSB as at 31 January, 2005. For PID, the conversion factor from gross to net saleable freehold and leasehold industrial land area are 0.6992 and 0.8169 respectively and for CDSB, the conversion factors from gross to net saleable industrial and residential / commercial land area are 0.6997 and 0.5297 respectively and for PJSB, the conversion factor from gross to net saleable industrial and residential / commercial land area is 0.9787. The conversion factor which is used to compute the net saleable land from the gross saleable land is based on pre-computation areas of all sub-divided lots as stated in qualifying titles (as per approval letters from Pengarah Tanah dan Galian Johor) over the total land areas acquired (as per sale and purchase agreement). The net saleable land area in respect of the gross land area of 46.99 acres under PID is approximately 32.85 acres.
2. The oil palm estate which is an unconverted development land zoned for tourism is currently planted with oil palm trees which are due for replanting.
3. The building is sited on the freehold land Lot No. PTD 91877 held by PID.



## FORM OF PROXY

I/We, \_\_\_\_\_

of \_\_\_\_\_

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

of \_\_\_\_\_

or failing whom, \_\_\_\_\_ of \_\_\_\_\_

or failing whom, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Ninth Annual General Meeting of the Company to be held at Tropicana Golf & Country Resort Berhad, Ballroom 1, 1st Floor, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 July 2005 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below:-

No.	Resolution	For	Against
1.	Adoption of Reports and Audited Financial Statements		
2.	Payment of final dividend		
3.	Re-appointment of Director: Datuk Haji Mohd. Zamani bin Samah		
4.	Re-appointment of Director: Mdm. Loo Geok Eng		
5.	Re-appointment of Director: Mr. Mathew K. Mathai		
6.	Re-election of Director: Mr. Gooi Seong Gum		
7.	That the vacancy arising from the retirement of Ms. Gooi Seow Mee as a Director should not be filled		
8.	Re-appointment of Auditors		
9.	Authority to issue shares		
10.	Proposed Renewal of Authority for Share Buy-Back		
11.	Proposed Renewal of Shareholders' Mandate		

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2005

Number of Shares held	
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\_\_\_\_\_  
Signature of Member(s)

### NOTES:

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

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

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

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

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

fold this flap for sealing

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The Secretary  
**CRESCENDO CORPORATION BERHAD** (359750-D)  
Unit No. 203, 2nd Floor, Block C,  
Damansara Intan,  
No. 1, Jalan SS 20/27,  
47400 Petaling Jaya.

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