



# Notice of Annual General Meeting

## For the financial year ended 31 January 2004

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of Crescendo Corporation Berhad will be held at Sheraton Subang Hotel & Towers, Melati Room, Mezzanine Floor, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 27th July 2004 at 11.00 a.m. for the following purposes :-

### NOTICE OF ANNUAL GENERAL MEETING

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2004 together with the Auditors' Report thereon. Resolution 1
2. To declare a final dividend of 3.5% less tax in respect of the financial year ended 31 January 2004. Resolution 2
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 Resolution 3  
Resolution 4  
Resolution 5
4. To re-elect Mr. Gooi Seong Lim, a Director retiring in accordance with Article 110 of the Articles of Association of the Company. Resolution 6
5. To re-elect the following Directors retiring in accordance with Article 77 of the Articles of Association of the Company:-  
Mr. Gooi Seong Heen  
Mr. Gan Kim Guan Resolution 7  
Resolution 8
6. To re-appoint Messrs CS Tan & Associates as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 9
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. "

Resolution 10

### 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 Malaysia") 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 Malaysia, 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 14,344,824 representing 10% of the issued and paid-up share capital of the Company as at 3 June 2004;



## Notice of Annual General Meeting

### For the financial year ended 31 January 2004 (cont'd)

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 2004 of RM382,293 and RM14,469,295 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 Malaysia 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 Malaysia 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 Malaysia 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 11

#### 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 5 July 2004, 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,

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



## Notice of Annual General Meeting

### For the financial year ended 31 January 2004 (cont'd)

- (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 12

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 Eighth Annual General Meeting, the final dividend of 3.5% less tax in respect of the financial year ended 31 January 2004 will be paid on 20 September 2004 to depositors registered in the Record of Depositors on 30 August 2004.

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 30 August 2004 in respect of ordinary transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Malaysia") on a cum entitlement basis according to the Rules of Bursa Malaysia.

By Order of the Board

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

Petaling Jaya  
5 July 2004





## Notice of Annual General Meeting

### For the financial year ended 31 January 2004 (cont'd)

#### NOTES:

##### (1) Proxy -

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

##### (2) Resolution 10 -

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.

##### (3) Resolution 11 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Circular to Shareholders dated 5 July 2004 which is enclosed together with the Annual Report 2004.

##### (4) Resolution 12 -

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 5 July 2004 which is enclosed together with the Annual Report 2004.





# Statement Accompanying Notice of Annual General Meeting

## Pursuant to Paragraph 8.28 (2) of the Listing Requirements of 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 Mr. Gooi Seong Lim as a Director pursuant to Article 110 of the Articles of Association of the Company.

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

Mr. Gooi Seong Heen  
Mr. Gan Kim Guan

(2) (a) There were six (6) Board of Directors' Meetings during the financial year ended 31 January 2004. All the meetings were held at Lot 18.02, 18th Floor, Public Bank Tower, No. 19, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor except that held on 26 June 2003 at The Puteri Pan Pacific, The Kotaraya, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor. The date and hour of the meetings were as follows:-

Date of Meetings	Time
Thursday, 27 February, 2003	9.45 a.m.
Friday, 28 March, 2003	11.05 a.m.
Thursday, 26 June, 2003	4.40 p.m.
Friday, 22 August, 2003	11.20 a.m.
Monday, 29 September, 2003	3.45 p.m.
Wednesday, 31 December, 2003	11.05 a.m.

(b) Attendance of Directors at the Board Meetings held during the financial year ended 31 January 2004 are as follows -

Name of Directors	Attendance at Meetings	Percentage of Attendance (%)
Datuk Haji Mohd. Zamani bin Samah	6/6	100
Gooi Seong Lim	6/6	100
YBhg Dato' Haji Mohd. Ali bin Hassan	4/6	67
Loo Geok Eng (f)	6/6	100
Gooi Seong Heen	6/6	100
Gooi Seong Chneh	5/6	83
Gooi Seong Gum	6/6	100
Gooi Seow Mee (f)	6/6	100
Yeo Jon Tian @ Eeyo Jon Thiam	6/6	100
Gan Kim Guan	5/6	83
Mathew K. Mathai	4/6	67

(3) The Eighth Annual General Meeting will be held at Sheraton Subang Hotel & Towers, Melati Room, Mezzanine Floor, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 27 July 2004 at 11.00 a.m.

(4) The profile of Directors standing for re-appointment, re-election or election at the Eighth Annual General Meeting are set out in pages 9 to 11 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	
YB. Dato' Haji Mohd. Ali bin Hassan	

### AUDIT COMMITTEE

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

### SECRETARIES

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

### REGISTERED OFFICE

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

### AUDITORS

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

### 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

### PRINCIPAL BANKERS

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

### STOCK EXCHANGE LISTING

Main Board of Bursa  
Malaysia Securities Berhad





## Board of Directors



### ■ SITTING FROM LEFT TO RIGHT

Loo Geok Eng (f)  
Gooi Seong Lim (Managing Director)  
Datuk Haji Mohd. Zamani bin Samah (Chairman)  
Mathew K. Mathai  
YBhg Dato' Haji Mohd. Ali bin Hassan

### ■ STANDING FROM LEFT TO RIGHT

Gooi Seong Gum  
Gooi Seong Chneh  
Gooi Seong Heen  
Yeo Jon Tian @ Eeyo Jon Thiam  
Gan Kim Guan  
Gooi Seow Mee (f)  
Ng Kam May (f) (Company Secretary)  
Chong Fook Sin (Company Secretary)



## Profile of Directors



**DATUK HAJI MOHD. ZAMANI BIN SAMAH**

Datuk Haji Mohd. Zamani Bin Samah, aged 82, 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 Malaysia") 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 six (6) Board meetings held during the financial year 2004.



**GOOI SEONG LIM**

Gooi Seong Lim, aged 56, 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 six (6) Board meetings held during the financial year 2004.



**LOO GEOK ENG**

Loo Geok Eng (f), aged 85, 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 six (6) Board meetings held during the financial year 2004.





## Profile of Directors (cont'd)



**GOOI SEONG HEEN**

Gooi Seong Heen, aged 54, 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 six (6) Board meetings held during the financial year 2004.



**GOOI SEONG CHNEH**

Gooi Seong Chneh, aged 50, 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 five (5) out of the six (6) Board meetings held during the financial year 2004.



**GOOI SEONG GUM**

Gooi Seong Gum, aged 49, 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 six (6) Board meetings held during the financial year 2004.



## Profile of Directors (cont'd)



**GOOI SEOW MEE**

Gooi Seow Mee (f), aged 47, 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 six (6) Board meetings held during the financial year 2004.



**MATHEW K. MATHAI**

Mathew K. Mathai, aged 71, 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 Malaysia) 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 four (4) of the six (6) Board meetings held during the financial year 2004.



**GAN KIM GUAN**

Gan Kim Guan, aged 42, a Malaysian, was appointed to the Board of CCB as an Independent Non-executive Director on 29 March 2001. He is currently the Senior Independent Non-executive Director of CCB. He was appointed as a member of the Audit Committee on 5 May 2001 and currently 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 five (5) of the six (6) Board meetings held during the financial year 2004.



## Profile of Directors (cont'd)



**YEO JON TIAN@EEYO JON THIAM**

Yeo Jon Tian @ Eeyo Jon Thiam, aged 64, 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 is 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 six (6) Board meetings held during the financial year 2004.



**YBhg DATO' HAJI MOHD. ALI BIN HASSAN**

YBhg Dato' Haji Mohd. Ali Bin Hassan, aged 65, a Malaysian, was appointed to the Board of CCB on 15 May 2001. He is currently an Independent Non-executive Director of CCB. He was the Ahli Parlimen of Tebrau, Ahli Dewan Undangan Negeri Kawasan Tiram, Ahli Majlis Mesyuarat Kerajaan Negeri (EXCO) and Speaker of Dewan Undangan Negeri. He is the Ketua UMNO Bahagian Tebrau, Ketua Barisan Nasional Bahagian Tebrau, Setiausaha Badan Perhubungan UMNO Negeri Johor and Setiausaha Barisan Nasional Negeri Johor. He also sits on the board of Plantation & Development (Malaysia) Berhad and several private companies.

YBhg Dato' Haji Mohd. Ali has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 10 years. He attended four (4) of the six (6) Board meetings held during the financial year 2004.

### 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.







Touching Lives

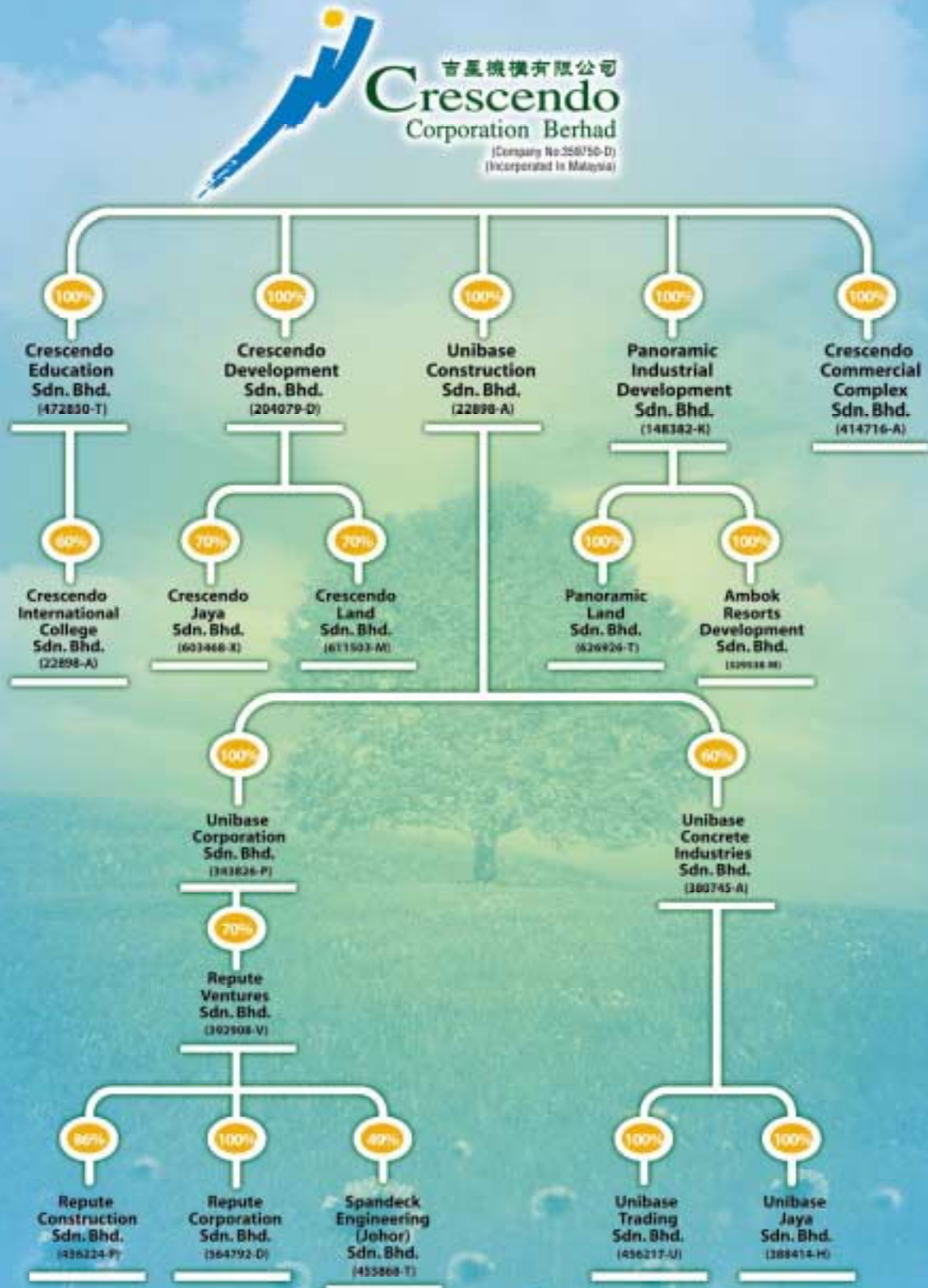
Fulfilling Dreams







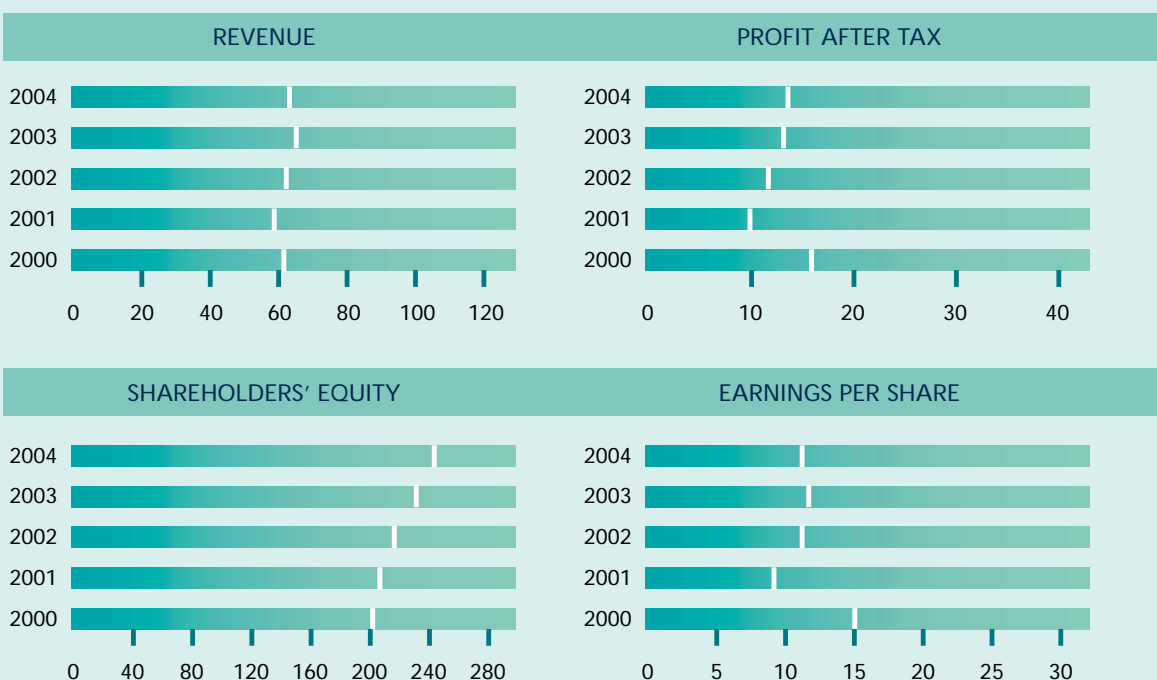
## Group Structure As at 31 January 2004





## Group Financial Highlights

Income Statement (RM'000)	2004	2003	2002	2001	2000
Revenue	62,433	62,525	62,109	59,863	62,161
Profit before tax	17,642	17,286	17,747	14,692	21,722
Profit after tax	13,308	13,003	11,844	9,995	16,699
Dividend (%)	6.0	5.0	5.0	5.0	5.0
<b>Balance Sheet (RM'000)</b>					
Paid-up share capital	117,985	111,166	108,496	108,496	108,496
Shareholders' equity	247,253	232,399	220,183	212,329	204,785
Total assets	341,706	330,407	245,943	238,634	236,633
<b>Per Share (sen)</b>					
Earnings	11	12	11	9	15
Net tangible assets	210	209	203	196	189
Weighted average number of shares in issue ('000)	113,649	109,296	108,496	108,496	108,496
<b>Financial Ratio (%)</b>					
Return on shareholders' equity (Pre-tax)	7.1	7.4	8.1	6.9	10.6
Return on total assets (Pre-tax)	5.2	5.2	7.2	6.2	9.2





# Statement on Corporate Governance

The Board of Crescendo Corporation Berhad ("CCB") is committed to ensure that the standards of corporate governance are practised throughout CCB and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group. The Board fully supports the recommendations of the Malaysian Code of Corporate Governance ("the Code") and believes that good corporate governance is essential to attain the Group's business and social objectives.

Set out below is the manner with which the Company's application of the principles and the extent to which the Company has complied with the Code during the financial year ended 31st January 2004.

## THE BOARD OF DIRECTORS

The Board has the overall responsibility to instill a corporate culture that emphasises good corporate governance and is practised throughout the Group. 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 interest 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, three (3) Independent Directors (of which, one is a Senior Independent Director) and one (1) Non-executive Director. Together, the Directors bring characteristics which allow a mix of qualification, skills and experience necessary for the successful guidance of the Group. A brief profile of each Director is presented on pages 9 to 12 of this Annual Report.

The Group practises a division of responsibilities between the Independent Chairman and the Group Managing Director. Their roles are separated and clearly defined, and are held by two different persons. The Independent Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Group Managing Director has the responsibility over the business units, organisational effectiveness and implementation of the Board's policies, strategies and decisions.

There is also a balance in the Board as reflected by the presence of Independent Non-executive Directors with the necessary calibre to carry sufficient weight in Board decisions. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined, and take into account the long term interests, not only of the shareholders, but also of employees, customers, suppliers, and the many communities in which the Group conducts its business.



## Statement on Corporate Governance (cont'd)

### Composition and Balance (cont'd)

All the Independent Non-executive Directors are independent of management and are free from any relationship that could materially interfere with the exercise of their independent judgement. The Company's Independent Directors are persons of high calibre with exposure in various important posts in the government and/or private sector.

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 experience 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 to whom any concerns regarding the Group may be conveyed.

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

### Board Meetings

Meetings of the Board are scheduled every quarter, with additional meetings convened as and when required. During the financial year ended 31 January 2004, six (6) Board meetings were held. A majority of the Directors attended 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	All 6 meetings
Gooi Seong Lim	Group Managing Director	All 6 meetings
Loo Geok Eng (f)	Executive Director	All 6 meetings
Gooi Seong Heen	Executive Director	All 6 meetings
YBhg Dato' Haji Mohd Ali bin Hassan	Independent Director	4 out of 6 meetings
Gooi Seong Chneh	Executive Director	5 out of 6 meetings
Gooi Seong Gum	Executive Director	All 6 meetings
Gooi Seow Mee (f)	Executive Director	All 6 meetings
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Director	All 6 meetings
Mathew K. Mathai	Director	4 out of 6 meetings
Gan Kim Guan	Senior Independent Director	5 out of 6 meetings





## Statement on Corporate Governance (cont'd)

### Appointment and election to the Board

The Code endorses, as good practice, a formal procedure for appointments to the Board, with a Nomination Committee making recommendations to the Board. 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.

In accordance with the Company's Articles of Association, all directors appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Article further provides that at least one third (1/3) or the nearest one third of the Board members, except for the Managing Director and Directors retiring under other Articles or the Companies Act, 1965 requirement, retire at regular intervals by rotation and are eligible for re-election. Directors who are above 70 years of age are retire at every Annual General Meeting ("AGM") as required under section 129(2) of the Companies Act, 1965 and are subject to re-appointment by the shareholders of the Company

The Managing Director is appointed for a period of three years and is only subject to retirement at the end of the period and can be re-appointed.

### Director's Training

As an integral element of the process of appointing new directors, the Nomination Committee ensures that there is an orientation and education programme for new Board members. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks.

All Directors have successfully completed the Mandatory Accreditation Programme. During the year, the Directors also attended other Bursa Malaysia accredited continuing education programme for directors of public listed companies. Apart from these trainings, the Group encourages its Directors to attend training programmes on a continuous basis to enhance their understanding and to keep abreast with current developments.

### 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 provided with relevant documents and information to enable the Directors to obtain further explanation, 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 business 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.



## Statement on Corporate Governance (cont'd)

### Information for the Board (cont'd)

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.

The Board, whether as a full board or in their individual capacity, in furtherance of their duties, may seek independent professional advice at the Company's expenses.

### Board Committee

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	3 meetings

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 29 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.

### Directors' 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.



## Statement on Corporate Governance (cont'd)

### Directors' Remuneration (cont'd)

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 shareholders, determines fees payable to Non-executive Directors after considering comparable industry rates and the level of responsibilities undertaken by Non-executive Directors.

#### 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.

#### Benefits-in-kind

Executive Directors are also entitled to other customary benefits such as private medical cover and car.

A summary of the remuneration of the Directors for the year ended 31 January 2004, 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 and Other Emoluments	1,372	12	1,384



## Statement on Corporate Governance (cont'd)

### Directors' Remuneration (cont'd)

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	1	
RM150,001 – RM200,000	1	
RM200,001 – RM250,000	3	
RM250,000 – RM300,000		
RM300,000 – 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 Bursa Malaysia and the Malaysian Accounting Standards Board. The Annual Report has comprehensive information pertaining to the Group, while various disclosures on quarterly and annual results provide investors with financial information.

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 Malaysia. Other public information and significant items affecting the Group are reported through Bursa Malaysia from time to time via Bursa Malaysia announcements. In addition, the Group has also set up a website to link and reach out to all interest parties. Efforts are being taken to update the website with comprehensive information on the Group.





## Statement on Corporate Governance (cont'd)

### 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. The quarterly results announcements reflect the Board's commitment to give regular updated assessment on the Group's performance.

A Statement on Directors of their responsibilities in preparing the financial statement is set out in page 27 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 24 to 26 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.

There were no non-audit fees paid to the External Auditors during the financial year 2004.

The role of the Audit Committee in relation to the External Auditors is set out in page 31 of this Annual report.

This Statement is made in accordance with a resolution of the Board dated 28 June 2004.





Inspiring Growth

Enhancing Value





# Statement on Internal Control

## INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Listing Requirements of Bursa Malaysia require directors of listed companies to include a statement in Annual Report on the state of their internal controls. The Bursa Malaysia's Statement on Internal Control: Guidance for directors of Public Listed Companies ("the Guidance") provides guidance for compliance with these requirements. Set out below is the Board's Internal Control Statement, which has been prepared in accordance with the Guidance.

## BOARD RESPONSIBILITY

The Board recognises that the overall responsibilities for maintaining a reliable system of internal control lies with them and is achieved by ensuring a proper balance between risk undertaken and the potential returns to shareholders. This is achieved through the process of reviewing the adequacy and integrity of the Group's internal control systems, information systems and monitoring for compliance with the applicable laws, rules, regulations, directives, guidelines, internal policies and procedures. However, it should be noted that procedures have been designed to manage rather than eliminate the risk of failure to achieve business objectives. Therefore, it can only provide reasonable and not absolute assurance against material misstatement of management and financial information and records against financial losses or material error, loss or fraud.

Effective internal control system is essential to ensure that the affairs and management of the Group are conducted responsibly with clear lines of control and accountability. The rationale of the system of internal control is to enable the Group to achieve its corporate objective within acceptable risk profile and effectiveness of internal control has to be viewed in such context since elimination of risk is not absolutely assured.

The Board recognises that the pivotal role of strong internal control system in keeping the Group on course of maximising shareholders values. The Board sets the policy on internal controls after conducting a proper assessment of operational and financial risk 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.

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 financial statements is sound and sufficient to safeguard the shareholders' investment, the interest of customers, regulators and employees and the Group's assets.

## RISK MANAGEMENT

The Board accepts that the Group operates in an environment that demands greater accountability. Risk Management is now recognised as an integral part of good management practice that strengthens the business planning processes, thereby providing opportunities for consistent quality returns to stakeholders.

The Board undertakes an ongoing review in identifying, evaluating and managing significant risks faced by the Group. This process includes updating the system of internal control when there are changes in the business environment on key commercial and financial risks faced by the Group's business activities together with more general risks such as those relating to compliance with laws and regulations. The monitoring arrangements in place give reasonable assurance that the structure on control and operations is appropriate to the Group's situation at an acceptable level of risk throughout the Group's business.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal control to mitigate and control such risks.



## Statement on Internal Control (cont'd)

### RISK MANAGEMENT (cont'd)

As a result, risk management and controls play an integral part of achieving this objective. The delivery of superior stakeholder returns depends on achieving the appropriate balance between risk and return in the day-to-day business and strategic management of balance sheet and capital. Thus, internal control mechanisms are embedded in the Group's work processes.

The Group adopts an enterprise-wide risk management policy. This policy framework has since identified and managed the significant risks affecting the Group as a whole taking into consideration of both the internal and external factors. The Board reviews this policy framework on a periodic basis, while the risk reports are examined on a quarterly basis.

The Board has delegated the responsibilities of risk management to the Risk Management Committee ("RMC") comprising the Managing Director, several Executive Directors, key management and internal audit personnel. The RMC reports to the Audit Committee who in turn reports to the Board. The Audit Committee in its quarterly meetings also discuss the Board's attitude towards various types of risk and what risks are generally accepted by the Board. The risks and the measures taken are deliberated and the committee recommends suitable follow-up actions to be taken.

Currently, the RMC is under-going a process of significant risk review by identifying, evaluating and trying to manage all significant risks that may affect the achievement of its business objectives. This provides the management with a comprehensive view of the enterprise-wide operational risk exposure of the Company on a single common platform. In addition, it facilitates the prioritisation of risk issues for the Company to plan its resources and address them accordingly.

### INTERNAL AUDIT FUNCTION

The internal audit function is performed by the Internal Audit Department of the holding company ("Internal Auditors"). They provide assurance of the effectiveness of the system of internal control within the Group. The Internal Auditors conduct independent reviews of the key activities within the Group based on an annual internal audit program which is approved by the Audit Committee.

The Internal Auditors regularly report 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 key activities of the internal audit function are set in the Audit Committee Report on page 31 of this Annual Report.

### INTERNAL CONTROL

The Group's internal audit function undertakes regular reviews of the Group's operations and their system of internal control. It provides continuous improvement to the control 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.





## Statement on Internal Control (cont'd)

### INTERNAL CONTROL (cont'd)

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.

It is in our opinion that the quarterly and annual reports are effective in communicating a balanced and understandable account of the Group's position. The Board is of the opinion that there exists within the Group an efficient and effective system of internal control.

### OTHER KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the procedures established by the Board 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 the relevant Board Committee, 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.
- 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' performance through the monthly management accounts and ensures 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 Company are controlled to safeguard assets and reduce the risk against unauthorised access.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Internal Control for the inclusion in the Annual Report of the Group for the financial year ended 31 January 2004 and reported to the Board that the Statement appropriately reflects the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

This Statement is made in accordance with a resolution of the Board dated 28 June 2004



## Statement on Directors' Responsibilities in Respect of The Audited Financial Statement

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 Malaysia, the Financial Statements have been prepared in accordance with the applicable approved accounting standards in Bursa 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 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 dated 28 June 2004.





Striving Together

Growing Together





# Audit Committee Report

## COMPOSITION OF MEMBERS

### 1. MEMBERS

The Audit Committee presently comprises the following members:

Chairman	:	Gan Kim Guan
Members	:	Yeo Jon Tian @ Eeyo Jon Thiam Gooi Seong Heen
Secretaries	:	Chong Fook Sin Ng Kam May



### 2. MEETINGS

During the financial year ended 31 January 2004, 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:

Composition of Audit Committee	Number of Committee Meetings	
	Held	Attended
Gan Kim Guan <i>Chairman / Independent Non-executive Director</i> <i>(Member of Malaysian Institute of Accountants)</i>	4	4
Yeo Jon Tian @ Eeyo Jon Thiam <i>Member / Independent Non-executive Director</i>	4	4
Gooi Seong Heen <i>Member / Executive Director</i>	4	4

#### Details of meeting

- 2.1 To form a quorum in respect of a meeting of the Audit Committee, the majority of members present must be Independent Directors
- 2.2 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 reviewed by the Audit Committee before presenting to the Board for approval.
- 2.3 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.



## Audit Committee Report (cont'd)

### 2. MEETINGS (cont'd)

- 2.4 Other Directors, representatives of the External Auditors, Group Accountant, Internal Auditors and any member of senior management or any other relevant employee within the Group may be invited to attend as determined by the Chairman.
- 2.5 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.

### TERMS OF REFERENCE

#### 1. Membership

The Committee shall be appointed by the Board from among the Directors of the Company 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 Malaysia.

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 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.

#### 2. Attendance at meeting

Other Directors and employees of the Group may only attend any particular Audit Committee meeting at the Committee's invitation.

#### 3. Frequency and Procedures of Meetings

- (1) Meetings shall be held not less than four times a financial year.
- (2) 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)

### 4. Function of Audit Committee

The Audit Committee shall amongst others, discharge the following functions:

- (1) To review the following and report the same to the Board;
  - a. with the External Auditors, the audit plan;
  - b. with the External Auditor, their evaluation of the system of internal controls;
  - c. with the External Auditor, the audit report;
  - d. the assistance given by employees of the Group to the External Auditor;
  - 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 transaction and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - i. any letter of resignation from the External Auditors of the Company; and
  - j. whether there is reason (supported by grounds) to believe that the Company's External Auditor are not suitable for re-appointment.
- (2) To recommend the nomination of a person or persons as External Auditors and the external audit fee.

### 5. 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.



## Audit Committee Report (cont'd)

### REPORTS AND MINUTES

During the year, the Audit Committee has discharged all its duties and responsibilities as set out below:

#### 1. Details of Meetings

The principal business of these meetings were:

##### a. Meeting with Internal Auditors

- To review and approve the proposed internal audit plan and programme;
- To monitor the implementation of the internal audit plan;
- To review and approve changes to the internal audit plan;
- To review and evaluate the effectiveness of the internal audit procedures;
- To consider the findings of the Internal Auditors, obtain necessary explanation from management where deemed necessary and make recommendations to the Board as appropriate; and
- To ensure that the Internal Auditors have adequate resource and appropriate standing within the Group.

##### b. Before the release of quarterly results,

- To review the quarterly report on results for adequate and appropriate disclosure; and
- To discuss the impact of any changes in accounting or financial reporting policies, significant adjustment, significant unusual transaction and the going concern assumption.

##### c. After the completion of the annual audit,

- To review the draft financial statements and the External Auditor's report, and any significant adjustments required as a result of the audit, significant or unusual transaction and make the necessary recommendation to the Board for the approval of the financial statements; and
- To review the nature and impact of any changes in accounting policies adopted by the Group during the financial year.

#### 2. Summary of Activities During the Financial Year

During the financial year 2004, the Audit Committee carried out its duties as set in its terms of reference. The main activities undertaken by the Audit Committee were as follows:

##### Risks and Controls

- Reviewed the progress of the risk management function in its ongoing identification and monitoring of key organisational risks, and the controls implemented by the respective departments in managing those risks; and
- Evaluated the overall effectiveness of the system of internal control through the review of the results of work performed by internal and external auditors and discussions with key senior management.

##### Financial Results

- Reviewed the quarterly results and the audited financial statements of the Group with the management and the external auditors before recommending to the Board for their approval and release of the Group's results to Bursa Malaysia focusing on the following areas, where relevant.
  - Listing Requirements of Bursa Malaysia;
  - Provisions of the Companies Act, 1965;
  - Applicable approved accounting standards.



## Audit Committee Report (cont'd)

### 2. Summary of Activities During the Financial Year (cont'd)

#### External Audit

- Reviewed with the External Auditors their audit plan, strategy and scope of the statutory audits of the Group for the financial year 2004;
- Reviewed the results and issues arising from their audit of the year end financial statements and their resolution of such issues highlighted in their report to the Committee; and
- Reviewed their performance and independence before recommending to the Board their re-appointment and remuneration.

#### Internal Audit

- Reviewed with the Internal Auditors their audit plan for the financial year 2004 ensuring the principal risk areas (identified by the Risk Management framework) are adequately identified and covered in the plan;
- Reviewed the scope and coverage of the audit over the activities of the respective business units of the Group and the basis of assessment and risk rating of the proposed areas of audit;
- Reviewed and deliberated the internal audit reports on assignments and follow-up reports conducted by the Internal Auditors;
- Reviewed the results of ad-hoc investigations performed by internal audit and the action taken relating to those investigations;
- Reviewed the adequacy of resources and the competencies of staff within the internal audit function to execute the plan, as well as the audit programmes used in the execution of the Internal Auditors' work and the results of their work;
- Reviewed the necessary corrective action taken by management in addressing and resolving issues as well as ensuring that all issues are adequately addressed on a timely basis; and
- Reviewed the adequacy of the terms of reference of the Committee and Internal Auditors.

#### Related Party Transactions

- Reviewed related party transactions for compliance with the Listing Requirements of Bursa Malaysia and the appropriateness of such transactions before recommending to the Board for its approval.

### 3. Internal Audit Function

The internal auditing function is performed by the Internal Audit Department of the holding company. The Internal Auditors report to the Audit Committee and is responsible in providing independent assessments for adequate, efficient and effective internal control systems in anticipating potential risks exposures over key business processes within the Group.

The activities carried out by internal audit include amongst others, the review of the adequacy of risk management, the effectiveness and efficiency of the system of internal controls, compliance with established procedures, guidelines, laws and regulations, reliability and integrity of information and safeguarding of assets. Areas audited include finance, human resource and subsidiaries' operations. The Internal Auditors also attended stock-takes within the Group as an independent observer to ensure due processes have been observed. These were carried out in accordance with the annual audit plan or as special ad-hoc audit at Management's request. The resulting reports of the audits undertaken were presented to the Audit Committee and forwarded to the Management concerned for attention and necessary actions.

The Internal Auditors carry out their audits according to the audit plan approved by the Audit Committee. Risk identification and assessment are carried out as a routine audit process, where audit emphasis is given to high and critical risk areas. When a major serious weakness is identified, significant audit resources would be directed to investigate the weakness and to recommend corrective actions.



# 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 of 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 member 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 decision 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 three (3) times during the financial year 2004. All members attended these meetings.

The Committee reviewed the current remuneration of the Executive Directors and recommended the level of remuneration of Executive Directors for the financial year 2004.





# 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 3, a majority of whom are Independent Director.

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 member 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 year.

### 3. Authority

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



## Nomination Committee Report (cont'd)

### 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 / Chief Executive Officer 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 on Board Committee.
- (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 ended 31 January 2004. All members attended these meetings.


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





# 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 2004.



Datuk Haji Mohd.  
Zamani bin Samah  
Independent Chairman



## Chairman's Statement (cont'd)

### FINANCIAL RESULTS

The Group recorded a marginal decrease in revenue of RM0.1 million or 0.2% and a marginal increase in profit before tax ("PBT") of RM0.3 million or 1.7% as compared to the previous financial year 2003. The revenue and PBT for the financial year 2004 are RM62.4 million and RM17.6 million respectively as compared to RM62.5 million and RM17.3 million respectively for the financial year 2003.

There is no significant changes in revenue for the financial year 2004 as compared to the previous financial year 2003.

The 1.7% increase in PBT is mainly due to the reversal of diminution in value of quoted securities of RM1.4 million.

### DIVIDEND

The Board is pleased to recommend for the financial year ended 31 January 2004 a final dividend of 3.5 sen per share, less 28% tax (2003: 2.5 sen per share, less 28% tax), making a total dividend of 6 sen per share, less 28% tax (2003: 5 sen per share, less 28% tax).

### CORPORATE DEVELOPMENTS

The Group undertook the following corporate exercises during the financial year 2004: -

- i. The Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM43.4 million with a coupon rate of 3.0% per annum was issued on 26 August 2002 and listed on Bursa Malaysia Securities Berhad on 3 September 2002. The proceeds from ICULS were utilised to repay the advance of RM29.0 million from the holding company, part payment of a subsidiary's term loan of RM13.4 million and payment for expenses relating to the issuance of ICULS and acquisition of land of RM1.0 million. During the financial year, 6,809,090 ICULS were converted into ordinary shares and the total ICULS converted into ordinary shares as at 31 January 2004 was 9,426,220 shares.
- ii. The acquisition of 71.4375 acres of land in the Mukim and District of Kota Tinggi and Mukim of Tebrau, District of Johor Baharu from Kulim (Malaysia) Berhad for a purchase consideration of RM4.0 million was completed on 1 July 2003.
- iii. The Employees' Share Option Scheme was implemented on 26 June 2002. Share options to subscribe for 5,069,000 shares and 472,000 shares were issued on 4 July 2002 and 2 April 2003 respectively. The number of share options exercised during the financial year ended 31 January 2004 was 10,000 shares and the total share options exercised as at 31 January 2004 was 63,000 shares.
- iv. The share buy-back of up to 10% of the total paid up capital of the Company was approved by the shareholders on 28 January 2002. As at 18 June 2004, the Company had bought-back 1,412,700 shares which are currently treated as treasury stock.

### REVIEW OF BUSINESS ACTIVITIES

#### INDUSTRIAL PROPERTY DEVELOPMENT

The industrial property operation has recorded revenue of RM26.1 million in the financial year under review as compared to RM25.5 million in the previous financial year. This represents an increase in revenue of RM0.6 million or 2.4%.





## Chairman's Statement (cont'd)

### INDUSTRIAL PROPERTY DEVELOPMENT (CONT'D)

The profit margin for the industrial property sector improved from 35.3% in the financial year 2003 to 45.6% in the financial year 2004 is due to higher sales of higher profit margin industrial properties.

Industrial property operation is expected to remain as an important segment to the Group in the financial year 2005.

### RESIDENTIAL AND COMMERCIAL DEVELOPMENT

The residential property operation recorded revenue of RM13.3 million in the financial year under review as compared to RM17.5 million in the previous financial year. This represents a decrease in revenue of RM4.2 million or 24%. The decrease in revenue is mainly due to the lower recognition of revenue from committed residential property sales.

The profit margin for the residential property sector dropped from 26.3% in the financial year 2003 to 13.5% in the financial year 2004 due to higher infrastructure costs, decrease in the net saleable land owing to the amendment of the layout plan and increase in overheads costs.

We expect the residential and commercial development operation to perform better in the financial year 2005 and will become the main contributor to the Group's profit.

### CONSTRUCTION

The construction operation recorded a decrease in PBT from RM3.7 million in the financial year 2003 to RM2.2 million in the financial year 2004.

The lower PBT margin for construction operations is due to lower sales and higher overhead costs.

The Group is actively sourcing for new contracts.

### MANUFACTURE OF CONCRETE PRODUCTS

The manufacture of concrete products operation recorded revenue of RM7.2 million in the financial year under review as compared to RM2.3 million in the previous financial year. This represents an increase in revenue of RM4.9 million or 213%. 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 Bandar Cemerlang project.

### CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to be a responsible corporate citizen and firmly believes that the community is also its 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 healthy environment. These beautifying and greening activities exceed the local authorities' requirements.





## Chairman's Statement (cont'd)

### DEVELOPMENT AND PROSPECTS

For the financial year 2005, the Group will be constructing double storey terrace houses and three storey shop-offices in Desa Cemerlang worth approximately RM50 million. The Group will also construct detached and semi-detached factories worth about RM27 million in the second half of year 2004.

In the medium to long term, the Group will develop the newly acquired landbank, the proposed Bandar Cemerlang, which is expected to generate strong cash inflow for the next 12 to 15 years. The Group expects to launch affordable double storey link houses and double storey cluster houses in the initial phases. To minimise 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. The scheduled completion of the interchange at Desa Cemerlang at the end of 2004 will further enhance the attractiveness of the already well accepted residential garden and industrial park.

The Group has entered into a joint venture with Chellam Investments Sdn Bhd to acquire a parcel of 38.3 acres of mixed development land for immediate development to enhance its earning capacity. This project is undertaken by Panoramic Jaya Sdn Bhd, a 70% owned subsidiary of the Group and is expected to generate approximately RM120 million in revenue over a period of 5 to 6 years.

The Group has entered into a conditional development agreement and an option to purchase agreement with Prolink Development Sdn Bhd, a subsidiary of UEM World Bhd for the proposed development of an industrial park measuring approximately 341.88 acres. This project will be undertaken by Panoramic Industrial Development Sdn Bhd, a 100% owned subsidiary of the Group.

The Group also expects the education services to contribute approximately RM1.3 million to the Group's revenue in the financial year ending 31 January 2005. Crescendo International College will be able to achieve higher growth when the new campus of 7.5-acre at Desa Cemerlang is completed and operational in 3 to 5 years to admit foreign students. The present city college in the heart of Johor Bahru City center has established a good reputation in running diploma and degree courses in accountancy, finance, law, management and ACCA professional qualifications.

For the financial year 2005, the warming of relationship with Singapore under the leadership of the new Prime Minister may stimulate higher demand by Singaporean for the Johor properties. The good commodity prices, ample liquidity, low interest rate and improving domestic and global economies will certainly stimulate growth in the property and construction sectors in the medium term.

Barring unforeseen circumstances, the Board expects the Group's performance for the financial year ending 31 January 2005 to be satisfactory.

### 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

18 June 2004



# Penyata Pengerusi

## PENYATA PENERUSI

Bagi pihak Lembaga Pengarah Crescendo Corporation Berhad, saya dengan segala hormatnya membentangkan kepada anda Laporan Tahunan dan Penyata Kewangan Teraudit bagi tahun kewangan berakhir 31 Januari 2004.

## PRESTASI KEWANGAN

Kumpulan telah mencatatkan penurunan yang marginal dalam hasil sebanyak RM 0.1 juta atau bersamaan dengan 0.2% dan peningkatan yang marginal dalam keuntungan sebelum cukai ('PBT') sebanyak RM 0.3 juta atau 1.7 % berbanding dengan tahun kewangan 2003. Jumlah hasil dan PBT bagi tahun kewangan 2004 masing – masing adalah sebanyak RM 62.4 juta dan RM 17.6 juta berbanding dengan RM 62.5 juta dan RM 17.3 juta bagi tahun kewangan 2003.

Berbanding dengan tahun kewangan 2003, tiada perubahan yang ketara dalam hasil bagi tahun kewangan 2004.

Peningkatan PBT sebanyak 1.7% disebabkan oleh pembalikan dari pengurangan nilai sekuriti disenaraikan sebanyak RM1.4 juta.

## DIVIDEN

Lembaga Pengarah dengan sukacitanya mencadangkan dividen akhir sebanyak 3.5 sen sesaham, tolak 28% cukai bagi tahun kewangan berakhir 31 Januari 2004 ( 2003 : 2.5 sen sesaham, tolak 28% cukai ). Ini menjadikan jumlah dividen sebanyak 6 sen sesaham, tolak 28 % cukai ( 2003 : 5 sen sesaham, tolak 28% cukai ).

## PERKEMBANGAN KORPORAT

Kumpulan telah melaksanakan usaha - usaha korporat dalam tahun kewangan 2004 seperti berikut:

- i. Stok Pinjaman Tidak Bercagar Boleh Tukar Tidak Boleh Tebus ("ICULS") sebanyak RM 43.4 juta dengan kadar kupon 3.0% setahun telah diterbitkan pada 26 Ogos 2002 dan disenaraikan di Bursa Malaysia Securities Berhad pada 3 September 2002. Hasil daripada "ICULS" telah digunakan untuk membayar kembali pendahuluan sebanyak RM 29.0 juta kepada Syarikat pemegang, sebahagian daripadanya untuk bayaran pinjaman bertempoh sebanyak RM 13.4 juta yang dihutang oleh sebuah anak syarikat dan perbelanjaan yang berkaitan dengan penerbitan "ICULS" dan pengambilalihan tanah yang bernilai RM 1.0 juta. Dalam tahun kewangan 2004, 6,809,090 "ICULS" telah ditukar menjadi saham biasa dan jumlah "ICULS" yang ditukar menjadi saham biasa setakat 31 Januari 2004 adalah 9,426,220 saham.
- ii. Pengambilalihan tanah seluas 71.4375 ekar di Mukim dan Daerah Kota Tinggi dan Mukim Tebrau, Daerah Johor Baharu daripada Kulim (Malaysia) Berhad ('Kulim') dengan harga berjumlah RM 4.0 juta telah ditunaikan pada 1 Julai 2003.
- iii. Skim Opsyen Saham Kakitangan telah dilaksanakan pada 26 Jun 2002. Opsyen saham sebanyak 5,069,000 dan 472,000 saham masing-masing telah diterbitkan pada 4 Julai 2002 dan 2 April 2003. Opsyen saham yang dilaksanakan dalam tahun kewangan berakhir 31 Januari 2004 adalah berjumlah 10,000 saham dan jumlah opsyen saham yang dilaksanakan setakat 31 Januari 2004 adalah sebanyak 63,000 saham.
- iv. Pembelian balik saham sehingga 10% daripada jumlah modal berbayar Syarikat telah diluluskan oleh para pemegang saham pada 28 Januari 2002. Pada 18 Jun 2004, syarikat telah membeli balik 1,412,700 saham yang kini dianggap sebagai saham perbendaharaan.



## Penyata Pengerusi (samb)

### ULASAN AKTIVITI – AKTIVITI PERNIAGAAN

#### PEMBANGUNAN HARTANAH INDUSTRI

Operasi hartanah industri telah mencatatkan hasil sebanyak RM 26.1 juta bagi tahun kewangan 2004 berbanding dengan RM 25.5 juta bagi tahun kewangan 2003. Ini melambangkan peningkatan dalam hasil sebanyak RM 0.6 juta atau bersamaan dengan 2.4 %.

Margin untung bagi sektor hartanah industri meningkat daripada 35.3 % bagi tahun kewangan 2003 ke 45.6 % bagi tahun kewangan 2004 adalah disebabkan oleh peningkatan jualan hartanah industri yang memberi margin untung yang lebih tinggi.

Operasi hartanah industri dijangka akan terus kekal sebagai segmen penting bagi Kumpulan dalam tahun kewangan 2005.

#### PEMBANGUNAN PERUMAHAN DAN KOMERSIAL

Operasi hartanah perumahan telah mencapai hasil sebanyak RM 13.3 juta bagi tahun kewangan 2004 berbanding dengan RM 17.5 juta bagi tahun kewangan 2003. Ini melambangkan penurunan hasil sebanyak RM 4.2 juta atau 24 %. Penurunan ini berpunca terutamanya daripada pengenalian hasil yang lebih rendah daripada jualan hartanah perumahan.

Margin untung bagi sektor perumahan menurun daripada 26.3 % dalam tahun kewangan 2003 kepada 13.5 % dalam tahun kewangan 2004 disebabkan kos infrastruktur yang lebih tinggi, kekurangan tanah yang boleh dijual akibat daripada perubahan pelan pembinaan dan peningkatan kos overhead.

Kami menjangka operasi pembangunan perumahan dan komersial akan mencapai prestasi yang lebih baik dalam tahun kewangan 2005 dan akan menjadi penyumbang utama kepada keuntungan Kumpulan.

#### PEMBINAAN

Operasi pembinaan telah mencatatkan penurunan dalam PBT dari RM 3.7 juta bagi tahun kewangan 2003 kepada RM 2.2 juta bagi tahun kewangan 2004.

Pencapaian margin PBT yang lebih rendah dalam operasi pembinaan adalah disebabkan oleh jualan yang lebih rendah dan kos overhead yang meningkat.

Kumpulan kini sedang berusaha mendapatkan kontrak baru.

#### PEMBUATAN PRODUK KONKRIT

Operasi pembuatan produk konkrit mencatatkan hasil sebanyak RM 7.2 juta bagi tahun kewangan 2004 berbanding dengan RM 2.3 juta bagi tahun kewangan 2003. Ini melambangkan peningkatan dalam hasil sebanyak RM 4.9 juta atau bersamaan dengan 213 %. 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 projek cadangan Bandar Cemerlang.

#### TANGGUNGJAWAB SOSIAL WARGA KORPORAT

Sesungguhnya Kumpulan komited untuk menjadi sebuah warga korporat yang bertanggungjawab dan berpegang teguh kepada kepercayaan bahawa komuniti merupakan pemegang saham kepentingannya. Kumpulan sentiasa berusaha gigih melaksanakan projek landskap di kawasan tanah lapang, taman dan jalan raya untuk mengindahkan dan menghijaukan Desa Cemerlang dan Taman Perindustrian Cemerlang demi menyediakan persekitaran kehidupan yang lebih bersih dan sihat. Semua aktiviti – aktiviti pengindahan dan penghijauan ini melebihi syarat yang diwajibkan oleh pihak berkuasa tempatan.





## Penyata Pengerusi (samb)

### PEMBANGUNAN DAN PROSPEK

Bagi tahun kewangan 2005, Kumpulan akan membina rumah teres dua tingkat dan kedai pejabat tiga tingkat di Desa Cemerlang yang dianggar bernilai RM 50 juta. Kumpulan juga akan membina kilang sesebuah dan berkembar yang medianngar bernilai sebanyak RM 27 juta dalam suku kedua tahun kewangan 2004.

Dalam tempoh jangka pertengahan hingga tempoh jangka panjang, Kumpulan akan membangunkan 'landbank' yang baru diambilalih, iaitu Bandar Cemerlang, dijangka berupaya menjanakan aliran masuk tunai yang kukuh dalam tempoh 12 hingga 15 tahun yang akan datang. Kumpulan telah merancang untuk melancarkan rumah teres dua tingkat dan rumah berkelompok dua tingkat yang mampu dimiliki pada fasa permulaan. Pihak operasi pembinaan Kumpulan juga sedang gigih menyelidik sistem pembinaan perumahan automatik dan Teknologi "Precast" demi mengurangkan pergantungan terhadap buruh asing dan untuk berselaras dengan objektif Kumpulan untuk mencapai operasi pembinaan yang lebih kos efektif. Persimpangan utama di Desa Cemerlang yang dijadualkan siap pada akhir tahun 2004 akan lebih menarik perhatian para pembeli terhadap taman perumahan dan taman perindustrian yang telah menerima sambutan yang baik.

Kumpulan juga telah bergabung usahasama dengan Chellam Investment Sdn Bhd untuk mengambilalih sebuah pembangunan bercampur seluas 38.3 ekar untuk pembangunan segera untuk meningkatkan prestasi perniagaan Kumpulan. Projek ini diuruskan oleh Panoramic Jaya Sdn Bhd, sebuah 70% anak syarikat yang dimiliki Kumpulan dan dijangka akan menjana hasil sebanyak lebih kurang RM 120 juta dalam tempoh 5 hingga 6 tahun yang akan datang.

Kumpulan telah memeterai perjanjian bersyarat dan perjanjian beropsyen pengambilalihan dengan Prolink Development Sdn Bhd, sebuah anak syarikat UEM World Bhd, untuk cadangan pembangunan sebuah taman perindustrian seluas 341.88 ekar. Projek ini akan diuruskan oleh Panoramic Industrial Development Sdn Bhd, 100% anak syarikat yang dimiliki Kumpulan.

Kumpulan juga menjangka bahawa operasi pendidikan akan menyumbang kira – kira RM 1.3 juta kepada hasil Kumpulan bagi tahun kewangan berakhir 31 Januari 2005. Crescendo International College akan mancapai perkembangan pesat dengan palancaran Kampus seluas 7.5 ekar di Desa Cemerlang yang menerima pelajar – pelajar luar negeri dijangka akan beroperasi dalam 3 hingga 5 tahun yang akan datang. Kolej yang kini terletak di Pusat Bandar Johor Bahru memiliki reputasi yang baik dalam pengurusan kursus diploma dan sarjana muda dalam perakaunan, kewangan, perundangan, pengurusan dan kursus profesional ACCA.

Bagi tahun kewangan 2005, perhubungan mesra dengan Singapura di bawah pimpinan Perdana Menteri baru akan merangsangkan peningkatan permintaan warganegara Singapura terhadap hartanah Negeri Johor. Dengan adanya harga komoditi yang baik, likuiditi yang memadai, kadar faedah yang rendah dan kemajuan ekonomi dalam negeri dan global juga pasti akan dapat merangsang perkembangan sektor hartanah dan pembinaan dalam tempoh jangka pertengahan.

Jika tiada sebarang peristiwa yang tidak diduga, Lembaga Pengarah menjangka prestasi Kumpulan yang memuaskan bagi tahun kewangan berakhir 31 Januari 2005.

### PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan saya kepada pihak Pengurusan dan kakitangan atas taat berkhidmat dan dedikasi mereka terhadap Kumpulan ini. Saya juga ingin mengucapkan sekian terima kasih kepada jabatan – jabatan dan agensi – agensi kerajaan, bank – bank, para pelanggan dan rakan perniagaan atas kerjasama dan sokongan mereka.

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

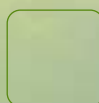
**Datuk Haji Mohd. Zamani bin Samah**  
Pengerusi,  
Johor Bahru, Johor

18 Jun 2004



*Signing Ceremony of Development Agreement with Prolink Development Sdn Bhd.*

# Our Projects





# Financial Statements

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## 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 2004.

### 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	13,307,570	1,008,969
Minority interests	(343,450)	-
Net profit for the financial year	12,964,120	1,008,969

### 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 2003 as shown in the Directors' Report of that year, a final gross dividend of 2.5 sen per share on 113,353,110 ordinary shares, less tax, paid on 19 September 2003	2,040,356
In respect of the financial year ended 31 January 2004, interim gross dividend of 2.5 sen per share on 117,985,150 ordinary shares, less tax, paid on 16 January 2004	2,123,733
	<u>4,164,089</u>

The Directors recommend the payment of a final gross dividend of 3.5 sen per share less tax in respect of the financial year ended 31 January 2004, 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) 6,809,090 ordinary shares of RM1 each arising from the conversion of RM6,809,090 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) 10,000 ordinary shares of RM1 each by virtue of the exercise of options pursuant to the Company's Employee Share Option Scheme at an exercise price of RM1 per share.

### SHARE BUY-BACK AND TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at the Seventh Annual General Meeting held on 30 July 2003, approved the Company's plan to repurchase its own shares up to a maximum of 11,262,189 ordinary shares of RM1 each representing approximately 10% of the total issued and paid up share capital on Bursa Malaysia Securities Berhad ("Bursa Malaysia"). 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 776,000 of its issued share capital from the open market on Bursa Malaysia for RM765,302. The average price paid for the shares repurchased was approximately RM0.99 per share.

### 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 options granted (shares) and unexercised as at 31 January 2004	Percentage of options exercisable in financial year			
		2004 %	2005 %	2006 %	2007 %
Below 10,000	246,000	100			
10,000 to less than 50,000	995,000	63	33	4	
50,000 to less than 100,000	1,293,000	20	30	31	2
100,000 and above	2,858,000	38	20	20	22
	<u>5,392,000</u>				





## 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.

### 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 (Alternate director to Gooi Seong Heen, resigned w.e.f 12.6.2003 and appointed as executive director w.e.f 12.6.2003)

Gooi Seong Gum

Gooi Seow Mee (f)

Mathew K. Mathai

Gan Kim Guan

Yeo Jon Tian @ Eeyo Jon Thiam

YBhg Dato' Haji Mohd. Ali bin Hassan

In accordance with Article 84 of the Articles of Association, GOOI SEONG CHNEH who was appointed during the financial year, retired from the Board at the Annual General Meeting held on 30 July 2003, and being eligible, offered himself for re-election and was re-elected.

In accordance with Article 77 of the Articles of Association, GOOI SEONG HEEN, GAN KIM GUAN and YBHG DATO' HAJI MOHD ALI BIN HASSAN retire by rotation from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election except for YBHG DATO' HAJI MOHD ALI BIN HASSAN who does not wish to seek re-election.

In accordance with Article 110 of the Articles of Association, GOOI SEONG LIM is required to retire from the Board at the forthcoming Annual General Meeting, and being eligible, offers himself 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 1.2.2003	Bought / Converted	Sold	At 31.1.2004
Gooi Seong Lim				
- direct interest	1,277,026	-	-	1,277,026
- indirect interest	72,771,065	-	-	72,771,065
Gooi Seong Heen				
- direct interest	1,352,026	-	-	1,352,026
- indirect interest	72,771,065	-	-	72,771,065
Loo Geok Eng (f)				
- direct interest	1,142,734	-	-	1,142,734
- indirect interest	72,771,065	-	-	72,771,065
Gooi Seong Chneh				
- direct interest	1,267,026	-	-	1,267,026
- indirect interest	72,771,065	-	-	72,771,065
Gooi Seong Gum				
- direct interest	1,311,027	-	-	1,311,027
- indirect interest	72,771,065	-	-	72,771,065
Gooi Seow Mee (f)				
- direct interest	1,964,036	-	-	1,964,036
- indirect interest	72,771,065	-	-	72,771,065

	Number of ICULS of RM1 nominal value each in the Company			
	At 1.2.2003	Bought	Converted	At 31.1.2004
Gooi Seong Lim				
- direct interest	510,810	-	-	510,810
- indirect interest	29,108,058	100,000	-	29,208,058
Gooi Seong Heen				
- direct interest	668,809	-	-	668,809
- indirect interest	29,108,058	100,000	-	29,208,058
Loo Geok Eng (f)				
- direct interest	457,093	-	-	457,093
- indirect interest	29,108,058	100,000	-	29,208,058



## Directors' Report (cont'd)

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

	Number of ICULS of RM1 nominal value each in the Company			
	At 1.2.2003	Bought	Converted	At 31.1.2004
Gooi Seong Chneh				
- direct interest	506,810	-	-	506,810
- indirect interest	29,108,058	100,000	-	29,208,058
Gooi Seong Gum				
- direct interest	524,410	-	-	524,410
- indirect interest	29,108,058	100,000	-	29,208,058
Gooi Seow Mee (f)				
- indirect interest	29,108,058	100,000	-	29,208,058

	Number of options under ESOS over ordinary shares of RM1 each in the Company			
	At 1.2.2003	Granted	Exercised	At 31.1.2004
Gooi Seong Lim	308,000	-	-	308,000
Gooi Seong Heen	308,000	-	-	308,000
Loo Geok Eng (f)	266,000	21,000	-	287,000
Gooi Seong Chneh	266,000	21,000	-	287,000
Gooi Seong Gum	266,000	21,000	-	287,000
Gooi Seow Mee (f)	213,000	-	-	213,000

	Number of ordinary shares of RM1 each in related corporations			
	At 1.2.2003	Bought	Sold	At 31.1.2004
<b>Kim Loong Resources Berhad</b>				
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
<b>Crescendo Overseas Corporation Sdn. Bhd.</b>				
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



## Directors' Report (cont'd)

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

	Number of ordinary shares of RM1 each in related corporations			
	At 1.2.2003	Bought	Sold	At 31.1.2004
<b>Panoramic Housing Development Sdn. Bhd.</b>				
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

	Number of ordinary shares of RM100 each in Sharikat Kim Loong Sendirian Berhad (Holding company)			
	At 1.2.2003	Bought	Sold	At 31.1.2004
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.



## Directors' Report (cont'd)

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

In the opinion of the directors, the results of the operations of the Group and the Company during the financial year ended 31 January 2004 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

Dated : 25 May 2004

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GOOI SEONG GUM  
Director





## 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 95 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 January 2004 and of the results, the changes in equity 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 : 25 May 2004



## 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 95 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the )  
abovenamed GOOI SEONG LIM )  
at Johor Bahru in the State of Johor )  
this 25 May 2004 )

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GOOI SEONG LIM  
Director

Before me,

Commissioner for Oaths



## Report of the Auditors to the Members of Crescendo Corporation Berhad (Incorporated in Malaysia)

We have audited the financial statements of CRESCENDO CORPORATION BERHAD set out on pages 55 to 95. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the applicable Approved Auditing Standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance that 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 state of affairs of the Group and of the Company as at 31 January 2004 and of the results, the changes in equity 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 : 25 May 2004



## Balance Sheets as at 31 January 2004

	Note	GROUP		COMPANY	
		2004 RM	2003 RM	2004 RM	2003 RM
<b>NON CURRENT ASSETS</b>					
Property, plant and equipment	4	39,317,499	193,880,214	452,671	180,110
Investment in subsidiaries	5	-	-	125,855,279	125,855,279
Associated company	6	-	-	-	-
Investments	7	14,330,486	7,452,822	-	-
Land held for property development	8	213,197,725	50,079,635	-	-
Deferred tax assets	17	503,000	699,000	30,000	23,000
		267,348,710	252,111,671	126,337,950	126,058,389
<b>CURRENT ASSETS</b>					
Property development costs	8	11,776,701	7,155,017	-	-
Inventories	9	13,353,700	16,752,016	-	-
Amounts due from customers	10	1,842,379	2,613,824	-	-
Tax recoverable		7,061,179	8,320,948	1,584,254	1,420,522
Debtors	11	23,798,297	15,360,748	40,181,790	43,833,897
Deposits with licensed banks	12	5,191,963	13,588,250	450,000	-
Cash and bank balances	13	11,332,930	14,504,361	443,687	128,147
		74,357,149	78,295,164	42,659,731	45,382,566
<b>CURRENT LIABILITIES</b>					
Creditors	14	17,431,353	14,212,834	2,954,465	1,487,317
Short term borrowings	15	31,440	130,996	-	-
Provision for tax		759,478	685,184	-	-
		18,222,271	15,029,014	2,954,465	1,487,317
<b>NET CURRENT ASSETS</b>					
		56,134,878	63,266,150	39,705,266	43,895,249
<b>NON CURRENT LIABILITIES</b>					
Hire purchase creditor	16	-	31,440	-	-
Deferred tax liabilities	17	4,831,656	5,157,664	-	-
Irredeemable convertible unsecured loan stocks	18	33,971,780	40,780,870	33,971,780	40,780,870
Term loan	19	35,000,000	35,000,000	-	-
		73,803,436	80,969,974	33,971,780	40,780,870
		249,680,152	234,407,847	132,071,436	129,172,768
<b>CAPITAL AND RESERVES</b>					
Share capital	20	117,985,150	111,166,060	117,985,150	111,166,060
Reserves		129,267,834	121,233,105	14,086,286	18,006,708
Shareholders' equity		247,252,984	232,399,165	132,071,436	129,172,768
Minority interests		2,427,168	2,008,682	-	-
		249,680,152	234,407,847	132,071,436	129,172,768



## Income Statements

for the financial year ended 31 January 2004

	Note	GROUP		COMPANY	
		2004 RM	2003 RM	2004 RM	2003 RM
REVENUE	25	62,432,906	62,524,624	6,418,489	5,940,962
Cost of sales	25	(39,880,591)	(41,595,492)	-	-
Gross profit		22,552,315	20,929,132	6,418,489	5,940,962
Other operating income		2,275,594	3,148,793	5,690	28,911
Administration expenses		(8,570,127)	(7,419,650)	(4,760,321)	(3,746,312)
Other operating expenses		-	(445)	-	-
Gain on disposal of investment		63,749	727,727	-	-
Diminution in value of shares no longer required		1,406,711	-	-	-
Profit from operations	26	17,728,242	17,385,557	1,663,858	2,223,561
Finance cost	27	(86,171)	(99,448)	(44,228)	(39,618)
Profit before tax		17,642,071	17,286,109	1,619,630	2,183,943
Tax	30	(4,334,501)	(4,283,217)	(610,661)	(587,969)
Profit after tax		13,307,570	13,002,892	1,008,969	1,595,974
Minority interests		(343,450)	(308,986)	-	-
Net profit for the financial year		12,964,120	12,693,906	1,008,969	1,595,974
Earnings per share (sen)	31				
- basic		11.4	11.6		
- diluted		9.3	10.4		
Dividends per share (sen)	32	6.0	5.0		



## Consolidated Statement of Changes in Equity for the financial year ended 31 January 2004

	Note	Share Capital RM	Non-Distributable			Distributable	
			Share Premium RM	Treasury Shares RM	Reserve on Consolidation RM	Retained Profits RM	Total RM
2003							
Balance as at 1.2.2002							
As previously stated		108,495,930	15,503,920		- 28,973,700	67,209,120	220,182,670
Prior year adjustment - on deferred tax	34	-	-	-	-	1,841,000	1,841,000
As restated		108,495,930	15,503,920		- 28,973,700	69,050,120	222,023,670
Net profit for the year		-	-	-	-	12,693,906	12,693,906
Issue of shares / ICULS							
- Exercise of share option	20(b)	53,000	7,420	-	-	-	60,420
- Conversion from ICULS	18	2,617,130	-	-	-	-	2,617,130
- Shares / ICULS issue cost		-	(1,042,045)	-	-	-	(1,042,045)
Dividend paid for year ended :							
- 31 January 2002		-	-	-	-	(1,952,927)	(1,952,927)
- 31 January 2003		-	-	-	-	(2,000,989)	(2,000,989)
Balance as at 31.1.2003		111,166,060	14,469,295		- 28,973,700	77,790,110	232,399,165
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
As restated		111,166,060	14,469,295		- 28,973,700	77,790,110	232,399,165
Net profit for the year		-	-	-	-	12,964,120	12,964,120
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)	28,973,700	86,590,141	247,252,984





## Statement of Changes in Equity

for the financial year ended 31 January 2004

	Note	Share Capital RM	Non-Distributable Share Premium RM	Treasury Shares RM	Distributable Retained Profits RM	Total RM
<b>2003</b>						
Balance as at 1.2.2002						
As previously stated		108,495,930	15,503,920	-	5,875,355	129,875,205
Prior year adjustment						
- on deferred tax	34	-	-	-	20,000	20,000
As restated		108,495,930	15,503,920	-	5,895,355	129,895,205
Net profit for the year		-	-	-	1,595,974	1,595,974
Issue of shares / ICULS						
- Exercise of share option	20(b)	53,000	7,420	-	-	60,420
- Conversion from ICULS	18	2,617,130	-	-	-	2,617,130
- Shares / ICULS issue cost		-	(1,042,045)	-	-	(1,042,045)
Dividend paid for year ended :						
- 31 January 2002		-	-	-	(1,952,927)	(1,952,927)
- 31 January 2003		-	-	-	(2,000,989)	(2,000,989)
Balance as at 31.1.2003		111,166,060	14,469,295	-	3,537,413	129,172,768
<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



## Consolidated Cash Flow Statement

for the financial year ended 31 January 2004

	Note	2004 RM	2003 RM
<b>Cash flows from operating activities</b>			
Cash receipts from customers		54,940,014	64,847,402
Cash paid to suppliers and employees		(44,609,220)	(30,669,911)
Cash generated from operations		10,330,794	34,177,491
Dividends received		298,180	300,718
Interest received		259,484	920,931
Interest paid		(3,376,722)	(3,146,453)
Tax paid		(3,130,446)	(7,906,882)
Net cash from operating activities		4,381,290	24,345,805
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	A	(5,739,521)	(123,360,871)
Acquisition of subsidiary company		-	(1)
Acquisition of investments		(10,008,748)	(667,824)
Proceeds from disposal of investments		4,629,481	2,261,500
Proceeds from disposal of plant and equipment		149,100	215,160
Net cash used in investing activities		(10,969,688)	(121,552,036)
<b>Cash flows from financing activities</b>			
Repayment of hire purchase creditor		(39,232)	(67,408)
Hire purchase interest		(3,968)	(3,892)
Proceeds from issuance of shares / ICULS			
- Share option scheme exercised		10,000	60,420
- Issue of ICULS		-	43,398,000
- Shares / ICULS issue cost		-	(654,496)
Proceeds from issuance of shares to minority shareholders in two of the subsidiaries		75,035	-
Proceeds from term loans		-	50,000,000
Repayment of bank loan		-	(15,000,000)
Acquisition of treasury shares		(765,302)	-
Dividend paid		(4,164,089)	(3,953,916)
Net cash (used in) / from financing activities		(4,887,556)	73,778,708
Net decrease in cash and cash equivalents		(11,475,954)	(23,427,523)
Cash and cash equivalents at the beginning of the financial year		28,000,847	51,428,370
Cash and cash equivalents at the end of the financial year	35	16,524,893	28,000,847



## Consolidated Cash Flow Statement for the financial year ended 31 January 2004 (cont'd)

### Notes to Consolidated Cash Flow Statement

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

	2004 RM	2003 RM
Property, plant and equipment acquired	9,829,288	139,124,184
Less : Adjustment in respect of land cost understated in prior year	(395,198)	-
Deposits previously paid	(400,050)	(12,632,416)
Interest expenses	(3,294,519)	(3,050,897)
Hire purchase financing	-	(80,000)
Cash paid	<u>5,739,521</u>	<u>123,360,871</u>



## Cash Flow Statement

for the financial year ended 31 January 2004

	Note	2004 RM	2003 RM
<b>Cash flows from operating activities</b>			
Cash receipts from customers		3,287,726	1,089,273
Cash paid to suppliers and employees		(3,978,191)	(3,709,609)
Cash utilised by operations		(690,465)	(2,620,336)
Dividend received		3,412,500	4,543,000
Interest received		5,317	28,911
Interest paid		(44,228)	(39,618)
Tax paid		(781,393)	(1,048,338)
Net cash from operating activities		1,901,731	863,619
<b>Cash flow from investing activities</b>			
Acquisition of plant and equipment		(478,816)	-
Net cash used in investing activities		(478,816)	-
<b>Cash flow from financing activities</b>			
Advance from / (to) subsidiaries		4,262,016	(42,902,106)
Proceeds from issuance of shares / ICULS			
- Share option scheme exercised		10,000	60,420
- Issue of ICULS		-	43,398,000
- Shares / ICULS issue cost		-	(654,496)
Acquisition of treasury shares		(765,302)	-
Dividend paid		(4,164,089)	(3,953,916)
Net cash used in financing activities		(657,375)	(4,052,098)
Net increase / (decrease) in cash and cash equivalents		765,540	(3,188,479)
Cash and cash equivalents at the beginning of the financial year		128,147	3,316,626
Cash and cash equivalents at the end of the financial year	35	893,687	128,147



# Notes to the Financial Statements

## for the financial year ended 31 January 2004

### 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.

### 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

Credit risk 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.

#### 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.





## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 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 new applicable approved accounting standards adopted in these financial statements are as follows :

##### i. Retrospective application

The following new Malaysian Accounting Standards Board ("MASB") Standards have been applied retrospectively :

- MASB Standard No. 25 ("MASB 25") : "Income Taxes"
- MASB Standard No. 27 ("MASB 27") : "Borrowing Costs"
- MASB Standard No. 29 ("MASB 29") : "Employee Benefits"

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

Investment in subsidiary companies is stated at cost. 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 off during the financial year are included in the consolidated income statements from the date of their acquisition or up to the date of their disposal. Inter-company transactions 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. No amortisation is provided on goodwill or reserve on consolidation. The carrying amount is reviewed annually, and goodwill is written down when, in the opinion of the Directors, its value has deteriorated or when it ceases to have a useful life.

#### (c) Associated company

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 for the financial year ended 31 January 2004 (cont'd)

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

#### (d) Property, plant and equipment

Freehold land is stated at cost less impairment losses, if any. Freehold land includes the related expenditure incurred to Balance Sheet date. Freehold lands are not depreciated.

Leasehold land is stated at cost less accumulated amortisation and impairment losses, if any. Cost consists of the purchase price and incidental expenditure on acquisition. A long lease is a lease with an unexpired period of 50 years or more. Leasehold land with original lease period of 999 years are not amortised if the cumulative effect is not material to the financial statements. Other leasehold land is amortised over the period of the respective leases on a straight line basis.

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of 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 accumulated impairment losses, if any.

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. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

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

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

##### i. Land held for property development (cont'd)

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.

##### 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.

#### (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.



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

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

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

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.

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 gain 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) Debtors

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

##### (k) 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.

##### (l) 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 for the financial year ended 31 January 2004 (cont'd)

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

#### (l) 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.

#### (m) 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.

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

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

#### (n) Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits in the period when they are declared.

#### (o) Interest capitalisation

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

#### (p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.





# Notes to the Financial Statements

## for the financial year ended 31 January 2004 (cont'd)

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

#### (q) 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 face values for financial assets and liabilities with a maturity period of less than one year are assumed to approximate their fair values.

#### (r) Foreign currencies

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

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

Foreign currency	2004 RM	2003 RM
1 US Dollar	3.80	3.80
1 Singapore Dollar	2.23	2.18

#### (s) 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.

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.



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 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>					
<u>Net Book Value</u>					
At 1 February 2003	190,177,655	1,036,348	908,347	1,757,864	193,880,214
Additions	8,836,214	214,177	132,223	646,674	9,829,288
Transfer to land held for property development	(163,079,189)	-	-	-	(163,079,189)
Disposals / Write-off	-	-	(4,208)	(278,803)	(283,011)
Depreciation charged	(13,859)	(265,874)	(241,081)	(508,989)	(1,029,803)
At 31 January 2004	35,920,821	984,651	795,281	1,616,746	39,317,499
<u>At 31 January 2004</u>					
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)
Net book value	35,920,821	984,651	795,281	1,616,746	39,317,499
<u>At 31 January 2003</u>					
Cost	190,235,999	2,051,554	1,932,822	4,114,212	198,334,587
Accumulated depreciation	(58,344)	(1,015,206)	(1,024,475)	(2,356,348)	(4,454,373)
Net book value	190,177,655	1,036,348	908,347	1,757,864	193,880,214
Depreciation charged for the year 2003	10,421	263,089	208,662	419,356	901,528



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

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

Information on properties is as follows :

	Freehold land RM	Long leasehold land RM	Buildings RM	Total RM
<b><u>Net Book Value</u></b>				
At 1 February 2003	170,341,940	19,756,411	79,304	190,177,655
Additions	8,834,763	-	1,451	8,836,214
Transfer to land held for property development	(143,322,778)	(19,756,411)	-	(163,079,189)
Depreciation charged	-	-	(13,859)	(13,859)
At 31 January 2004	35,853,925	-	66,896	35,920,821
<b><u>At 31 January 2004</u></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
<b><u>At 31 January 2003</u></b>				
Cost	170,341,940	19,756,411	137,648	190,235,999
Accumulated depreciation	-	-	(58,344)	(58,344)
Net book value	170,341,940	19,756,411	79,304	190,177,655

	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
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#### COMPANY

##### Net Book Value

At 1 February 2003	22,151	157,959	180,110
Additions	15,800	463,016	478,816
Written off	-	(134,433)	(134,433)
Depreciation charged	(4,965)	(66,857)	(71,822)
At 31 January 2004	32,986	419,685	452,671



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

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

	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
<u>At 31 January 2004</u>			
Cost	61,380	577,483	638,863
Accumulated depreciation	(28,394)	(157,798)	(186,192)
Net book value	32,986	419,685	452,671
<u>At 31 January 2003</u>			
Cost	45,580	316,115	361,695
Accumulated depreciation	(23,429)	(158,156)	(181,585)
Net book value	22,151	157,959	180,110
Depreciation charged for the year 2003	4,558	51,776	56,334

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. However, these properties are beneficially held in trust for the respective subsidiary companies.

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 RM63,707 (2003 : RM82,529).

Net book value of assets under restriction on title due to bank borrowings is RMNil (2003 : RM115,385,534).

During the financial year, certain parcels of freehold and long leasehold land in the subsidiary companies amounting to RM143,322,778 and RM19,756,411 respectively had been reclassified to property development activities - land held for property development as stated in Note 8(a) to the financial statements.

### 5. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2004 RM	2003 RM
Unquoted shares, at cost	125,855,279	125,855,279



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 5. Investment in Subsidiaries

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

Name of companies	Principal activities	Paid up capital	Group's effective equity interest	
			2004 %	2003 %
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holdings	8,820,002	100	100
Ambok Resorts Development Sdn. Bhd.	Resort development	100,000	100	100
Panoramic Land Sdn. Bhd. #	Dormant	2	100	-
Crescendo Development Sdn. Bhd.	Property development	45,430,000	100	100
Crescendo Jaya Sdn. Bhd.	Property development	250,000	70	50
Crescendo Land Sdn. Bhd.	Dormant	120	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 holdings	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

# The audited financial statements for Panoramic Land Sdn. Bhd. are not available as at 31 January 2004 as this subsidiary was incorporated on 2 September 2003. Its first set of audited financial statements will be for the financial year ending 31 January 2005.



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 6. ASSOCIATED COMPANY

	GROUP	
	2004 RM	2003 RM
Unquoted shares, at cost		
- ordinary shares	588,000	588,000
- 0.5% redeemable cumulative preference shares	980,000	980,000
	<hr/>	<hr/>
	1,568,000	1,568,000
Less : Diminution in value of shares in associated company	(1,568,000)	(1,568,000)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The Group's share of net tangible assets as at 31 January 2004 are Nil (2003 : 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	
		2004 %	2003 %
Spandeck Engineering (Johor) Sdn. Bhd.	Dormant	34	34

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

### 7. INVESTMENTS

	GROUP	
	2004 RM	2003 RM
Securities quoted in Malaysia, at cost	11,487,752	11,059,261
Less : Diminution in value of investments	(4,341,575)	(5,730,646)
	<hr/>	<hr/>
	7,146,177	5,328,615
Securities quoted outside Malaysia, at cost	1,658,210	1,390,512
	<hr/>	<hr/>
Total securities quoted, net of diminution in value of investments	(A) 8,804,387	6,719,127
	<hr/>	<hr/>





## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 7. INVESTMENTS (cont'd)

	GROUP	
	2004 RM	2003 RM
Market value of securities quoted		
In Malaysia	7,146,177	5,423,755
Outside Malaysia	2,872,300	1,474,381
	<u>10,018,477</u>	<u>6,898,136</u>
Securities unquoted		
In Malaysia	4,803,508	735
Outside Malaysia	662,591	672,960
	<u>(B) 5,466,099</u>	<u>673,695</u>
Golf club membership	(C) 60,000	60,000
Total investments, net of diminution in value of investments (A)+(B)+(C)	<u>14,330,486</u>	<u>7,452,822</u>

#### 8. PROPERTY DEVELOPMENT ACTIVITIES

	GROUP	
	2004 RM	2003 RM
(a) Land held for property development		
Freehold land, at cost	22,754,661	22,465,517
Transfer from property, plant and equipment		
- Freehold land	143,322,778	-
- Long leasehold land	19,756,411	-
Development expenditure	27,363,875	27,614,118
Total	<u>213,197,725</u>	<u>50,079,635</u>

Certain parcels of the subsidiary's freehold lands is pledged to a licensed bank as collateral for the term loan granted to the subsidiary company, Crescendo Development Sdn. Bhd. and the net book value of the said land held for property development under restriction on title due to the term loan is RM119,885,801 (2003 : RMNil) (Note 19).

Interest expense on borrowings directly related to the acquisitions of lands has been capitalised as part of the additions of the Company during the financial year which amounted to RM3,294,521 (2003 : RM3,050,897).

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



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

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

#### (b) Property development costs

	GROUP	
	2004 RM	2003 RM
Freehold land, at cost	264,666	1,308,345
Leasehold land, at cost	5,031,202	5,031,202
Development expenditure	6,841,687	2,896,244
Attributable profits	665,946	3,891,439
	<hr/>	<hr/>
	12,803,501	13,127,230
Less : Progress billings	(1,026,800)	(5,972,213)
	<hr/>	<hr/>
	11,776,701	7,155,017

Certain parcels of the freehold land are registered in the name of the holding company, Sharikat Kim Loong Sendirian Berhad. However, these properties are beneficially held in trust for two of the subsidiary companies, Panoramic Industrial Development Sdn. Bhd. and Crescendo Development Sdn. Bhd.

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.

### 9. INVENTORIES

	GROUP	
	2004 RM	2003 RM
At cost		
Raw materials	105,804	73,497
Finished goods for culvert pipe	318,504	186,498
Completed properties for sale	12,929,392	16,492,021
	<hr/>	<hr/>
	13,353,700	16,752,016

### 10. CONSTRUCTION CONTRACTS

	GROUP	
	2004 RM	2003 RM
Contract in progress		
- accumulated contract cost	176,865,999	188,341,552
- accumulated attributable profits	31,648,765	24,172,782
	<hr/>	<hr/>
	208,514,764	212,514,334
Less : Progress billings	(206,672,385)	(209,900,510)
	<hr/>	<hr/>
Amounts due from customers	1,842,379	2,613,824

There is no amount due to customers for the financial years 2004 and 2003.



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 10. CONSTRUCTION CONTRACTS (cont'd)

	GROUP	
	2004 RM	2003 RM
Contract in progress included the following items incurred during the financial year :		
Depreciation of property, plant and equipment	136,993	138,931
Hire of equipment	314,968	175,328
Staff costs (Note 28)	428,789	527,701

Included in the Group's progress billing is an amount of RM7,576,705 (2003: RM5,471,127) being retention sums receivable by the Group.

#### 11. DEBTORS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Trade debtors	19,560,214	12,490,137	3,942	-
Other debtors, deposits and prepayments	2,575,373	1,357,147	71,486	321,590
Amounts owing by related companies (Note 22)	1,662,710	1,513,464	79,800	4,087
Amounts owing by subsidiary companies (Note 23)	-	-	40,026,562	43,508,220
	23,798,297	15,360,748	40,181,790	43,833,897

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.

#### 12. DEPOSITS WITH LICENSED BANKS

Included in the Group's deposits with licensed banks is an amount of RM12,750 (2003 : RM638,250) pledged to a licensed bank as security for the banker's guarantee issued to a government agency.

The weighted average interest rate of deposits with licensed banks that was effective during the financial year was 2.8% and 2.6% per annum for the Group and the Company respectively.

Deposits have an average maturity of 25 and 11 days for the Group and the Company respectively.

#### 13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Cash and bank balances	2,693,866	3,633,440	443,687	128,147
Cash at bank in Housing Development Account	8,639,064	10,870,921	-	-
	11,332,930	14,504,361	443,687	128,147

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 2002.



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 14. CREDITORS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Trade creditors	7,921,173	6,658,212	-	-
Other creditors and accruals (Note 21)	9,304,287	7,441,352	1,133,339	470,068
Amounts owing to related companies (Note 22)	40,466	46,335	2,402	1,219
Amount owing to a subsidiary company (Note 23)	-	-	1,770,475	1,000,000
Amount owing to the holding company (Note 24)	165,427	66,935	48,249	16,030
	<u>17,431,353</u>	<u>14,212,834</u>	<u>2,954,465</u>	<u>1,487,317</u>

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

### 15. SHORT TERM BORROWINGS - SECURED

	GROUP	
	2004 RM	2003 RM
Bank overdraft	-	91,764
Hire purchase creditor (Note 16)	31,440	39,232
	<u>31,440</u>	<u>130,996</u>

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 and development expenditure 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 and development expenditure (Note 8(a)).

The bank overdraft effective interest rate for the financial year is 7.6% (2003 : 7.6%).

At the end of the financial year, the Company and subsidiary companies have unutilised overdraft and revolving credit facilities of RM5,000,000 (2003 : RM5,000,000) and RM26,000,000 (2003 : RM25,908,000) respectively.



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 16. HIRE PURCHASE CREDITOR

	GROUP	
	2004 RM	2003 RM
Payable within one year	32,400	43,200
Payable between one and two years	-	32,400
	32,400	75,600
Less : Finance charges	(960)	(4,928)
	31,440	70,672
Representing hire purchase creditor :		
Due within 12 months (Note 15)	31,440	39,232
Due after 12 months	-	31,440
	31,440	70,672

Effective interest rate on hire purchase for the financial year is 7.5% (2003 : 8.6%).

#### 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		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Disclosed as :				
Deferred tax assets	503,000	699,000	30,000	23,000
Deferred tax liabilities	(4,831,656)	(5,157,664)	-	-
	(4,328,656)	(4,458,664)	30,000	23,000
Balance brought forward	(4,458,664)	(3,222,795)	23,000	20,000
(Charged) / Credited to income statement (Note 30)				
- property, plant and equipment	326,008	131	-	-
- tax losses	(196,000)	(1,236,000)	7,000	3,000
	130,008	(1,235,869)	7,000	3,000
Balance carried forward	(4,328,656)	(4,458,664)	30,000	23,000
Subject to income tax				
Deferred tax assets (before offsetting)				
Tax losses	516,000	699,000	43,000	23,000
Offsetting	(13,000)	-	(13,000)	-
Deferred tax assets (after offsetting)	503,000	699,000	30,000	23,000
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	4,844,656	5,157,664	13,000	-
Offsetting	(13,000)	-	(13,000)	-
Deferred tax liabilities (after offsetting)	4,831,656	5,157,664	-	-



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 17. DEFERRED TAX (cont'd)

Deferred tax assets are recognised for tax loss carried forward to the extent that realisation of the related tax benefit 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% (2003 : 28%).

The amount 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	
	2004 RM	2003 RM
Deductible temporary differences	272,000	304,000
Tax losses	433,000	403,000

### 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	
	2004 RM	2003 RM
3% Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("ICULS")		
Balance brought forward	40,780,870	-
Issued during the financial year	-	43,398,000
Amount converted into the ordinary shares during the financial year	(6,809,090)	(2,617,130)
Balance carried forward	33,971,780	40,780,870

Interest expense on the ICULS amounting to RM1,019,521 (2003 : RM533,234) has been capitalised as part of land cost in the financial statements of the subsidiary company, Crescendo Development Sdn. Bhd.





# Notes to the Financial Statements

## for the financial year ended 31 January 2004 (cont'd)

### 19. TERM LOAN-SECURED

	GROUP	
	2004	2003
	RM	RM
7 years term loan - Non current	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	
	2004	2003
	RM	RM
Authorised :		
500,000,000 ordinary shares of RM1 each	500,000,000	500,000,000
Issued and fully paid :		
Balance brought forward	111,166,060	108,495,930
Shares issued under ESOS	10,000	53,000
Shares issued on the conversion of ICULS	6,809,090	2,617,130
Balance carried forward	117,985,150	111,166,060

#### (a) Treasury shares

During the financial year, the Company repurchased 776,000 of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM765,302. The average price paid for the shares repurchased was approximately RM0.99 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed under 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 2004.

At the balance sheet date, the number of outstanding shares in issue after setting treasury shares off against equity is 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.



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 20. SHARE CAPITAL (cont'd)

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

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

Grant date	Exercise price per share RM	Number of Share Options				At 31 January
		At 1 February	Granted	Exercised	Lapsed	
2004						
4.7.2002	1.14	4,930,000	-	-	-	4,930,000
2.4.2003	1.00	-	472,000	(10,000)	-	462,000
		4,930,000	472,000	(10,000)	-	5,392,000
2003						
4.7.2002	1.14	-	5,069,000	(53,000)	(86,000)	4,930,000

The expiry date of the above share option is on 25 June 2007.

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 per share RM	Fair value of ordinary shares RM	Number of share options	Considerations received RM
<b>2004</b>				
31.10.2003	1.00	1.20	10,000	10,000
Less : Par value of ordinary shares				(10,000)
Share premium				-
<b>2003</b>				
21.08.2002	1.14	1.04	53,000	60,420
Less : Par value of ordinary shares				(53,000)
Share premium				7,420

### 21. OTHER CREDITORS AND ACCRUALS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Other creditors	466,339	603,346	-	-
Deposits and other prepayments from property buyers	2,487,001	2,817,795	-	-
Accruals				
- Accrued for development or contract costs for work done but not billed by contractors	4,073,360	2,766,073	-	-
- Accrued operating expenditure	2,277,587	1,254,138	1,133,339	470,068
	9,304,287	7,441,352	1,133,339	470,068



# Notes to the Financial Statements

## for the financial year ended 31 January 2004 (cont'd)

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

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Amounts owing by related companies :</b>				
Panoramic Housing Development Sdn. Bhd.	1,607,550	1,428,536	79,800	-
Crescendo Technologies Sdn. Bhd.	37,500	37,500	-	-
Unigolf Sdn. Bhd.	8,000	8,000	-	-
Kim Loong Palm Oil Mills Sdn. Bhd.	-	5,341	-	-
Kim Loong Plantations Sdn. Bhd.	9,660	-	-	-
Desa Kim Loong Plantations Sdn. Bhd.	-	30,000	-	-
Kim Loong Resources Berhad	-	4,087	-	4,087
	<u>1,662,710</u>	<u>1,513,464</u>	<u>79,800</u>	<u>4,087</u>
<b>Amounts owing to related companies :</b>				
Kim Loong Plantations Sdn. Bhd.	626	1,337	-	-
Kim Loong Palm Oil Mills Sdn. Bhd.	39,840	44,998	2,402	1,219
	<u>40,466</u>	<u>46,335</u>	<u>2,402</u>	<u>1,219</u>

The amounts owing by / (to) related companies are non-interest bearing, unsecured and have no fixed terms of repayment. The amount owing by Panoramic Housing Development Sdn. Bhd. is trade in nature.

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

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

Included in the amounts owing by / (to) subsidiary companies is an amount of RM33,971,780 (2003 : RM40,780,870) bearing interest of 3% per annum. All other balances are non-interest bearing, unsecured and have no fixed terms of repayment.

### 24. AMOUNT OWING TO HOLDING COMPANY

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

### 25. REVENUE AND COST OF SALES

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Revenue</b>				
Sales of industrial properties	26,051,627	25,480,559	-	-
Sales of residential / commercial properties	13,282,776	17,488,567	-	-
Construction revenue	13,230,548	14,869,332	-	-
Sale of concrete products	6,534,396	2,293,786	-	-
Management services and others	3,333,559	2,392,380	3,005,989	1,397,962
Gross dividend from subsidiary companies	-	-	3,412,500	4,543,000
	<u>62,432,906</u>	<u>62,524,624</u>	<u>6,418,489</u>	<u>5,940,962</u>



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 25. REVENUE AND COST OF SALES (cont'd)

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Cost of sales</b>				
Cost of industrial properties	15,005,319	17,478,112	-	-
Cost of residential / commercial properties	10,818,154	12,998,142	-	-
Construction cost	7,959,101	8,328,443	-	-
Cost of concrete products	5,189,769	2,206,517	-	-
Management services and others	908,248	584,278	-	-
	<u>39,880,591</u>	<u>41,595,492</u>	<u>-</u>	<u>-</u>

### 26. PROFIT FROM OPERATIONS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
The following items have been charged / (credited) in arriving at profit from operations :				
Allowance for doubtful debts	11,777	-	-	-
Auditors' remuneration				
- current year	78,470	76,800	18,000	18,000
- prior year underprovision	-	3,000	-	-
Bad debts written off	-	4,248	-	-
Depreciation of property, plant and equipment	1,029,803	901,528	71,822	56,334
Hire of equipment	185,670	145,504	-	-
Incorporation fees	5,100	-	-	-
Plant and equipment written off	136,462	5,107	134,433	-
Rental of premises	234,104	360,496	45,600	45,600
Staff costs (Note 28)	5,199,675	4,177,524	3,452,039	2,670,585
Non-executive directors' remuneration (Note 29)	284,600	284,600	284,000	284,000
Diminution in value of shares no longer required	(1,406,711)	-	-	-
Gain on disposal of plant and equipment	(2,553)	(144,319)	-	-
Gross dividends from quoted investments	(298,180)	(300,718)	-	-
Deposits interest received	(259,484)	(920,931)	(5,317)	(28,911)
Other interest received	(681,288)	(918,903)	(373)	-
Rental income	(596,172)	(505,420)	-	-
Unrealised foreign exchange gain	(32,657)	(45,705)	-	-
	<u>17,735,173</u>	<u>17,390,057</u>		
Profit from existing continuing operations	17,735,173	17,390,057		
Loss from newly acquired subsidiary companies	(6,931)	(4,500)		
	<u>17,728,242</u>	<u>17,385,557</u>		



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 27. FINANCE COST

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Interest expenses on :				
Bank overdraft	82,203	95,556	44,228	39,618
Hire purchase	3,968	3,892	-	-
ICULS	1,019,521	1,086,147	1,019,521	1,086,147
Interest income from subsidiary	-	-	(1,019,521)	(1,086,147)
	1,105,692	1,185,595	44,228	39,618
Less interest expenses capitalised in assets :				
Property, plant and equipment	-	(1,086,147)	-	-
Land held for property development	(1,019,521)	-	-	-
	86,171	99,448	44,228	39,618

Borrowing costs capitalised in the assets during the financial year arose on the ICULS based on a capitalisation rate of 3.0% (2003 : 3.0%) per annum.

#### 28. STAFF COSTS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Wages and salaries	5,059,625	4,256,292	3,080,854	2,407,908
Defined contribution plan - EPF	534,603	419,540	354,190	248,039
Social security cost - SOCSO	34,236	29,393	16,995	14,638
Less : Amount capitalised to cost of construction contracts (Note 10)	(428,789)	(527,701)	-	-
	5,199,675	4,177,524	3,452,039	2,670,585

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM1,613,478 (2003 : RM1,008,863) and RM1,409,944 (2003 : RM798,162) respectively as further disclosed in Note 29.

The number of staff (including executive directors) in the Group and in the Company at the end of the financial year were 155 (2003 : 151) and 53 (2003 : 57) respectively.



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 29. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Executive directors :				
Fees	38,000	38,000	38,000	38,000
Salaries and other emoluments	1,461,682	895,251	1,280,000	707,482
Defined contribution plan - EPF	113,796	75,612	91,944	52,680
	<u>1,613,478</u>	<u>1,008,863</u>	<u>1,409,944</u>	<u>798,162</u>
Non-executive directors :				
Fees	272,600	272,600	272,000	272,000
Other emoluments	12,000	12,000	12,000	12,000
	<u>284,600</u>	<u>284,600</u>	<u>284,000</u>	<u>284,000</u>
	<u>1,898,078</u>	<u>1,293,463</u>	<u>1,693,944</u>	<u>1,082,162</u>

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 :

	2004 RM	2003 RM
At 1 February	1,627,000	-
Granted	63,000	1,680,000
Exercised	-	(53,000)
At 31 January	<u>1,690,000</u>	<u>1,627,000</u>

The options were mainly exercised by the Directors in August 2002. The fair value of shares of the Company at the exercise date approximate RM1.04 per share.

	2004 RM	2003 RM
Ordinary share capital - at par	-	53,000
Share premium	-	7,420
Proceeds received on exercise of share options	<u>-</u>	<u>60,420</u>
Fair value at exercise date of shares issued	<u>-</u>	<u>55,120</u>





## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 30. TAX

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Income tax</b>				
Current year	4,465,700	3,462,670	550,500	641,610
Prior years (over) / under provision	(1,191)	(415,322)	67,161	(50,641)
<b>Deferred tax (Note 17)</b>				
Relating to origination and reversal of temporary differences	(3,461)	(131)	-	-
Prior years (over) / under provision	(322,547)	-	-	-
Effect of adopting MASB 25	196,000	1,236,000	(7,000)	(3,000)
	<u>4,334,501</u>	<u>4,283,217</u>	<u>610,661</u>	<u>587,969</u>

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 are as follows :

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Profit before tax	17,642,071	17,286,109	1,619,630	2,183,943
Tax at Malaysian statutory tax rate of 28% (2003 : 28%)	4,939,780	4,840,111	453,496	611,504
Effect of tax rate of 20%	(148,650)	-	-	-
Expenses not deductible for tax purposes	390,586	165,730	90,004	27,106
Income not subject to tax	(523,477)	(261,839)	-	-
Deferred tax assets not recognised on unabsorbed tax losses	-	(27,673)	-	-
Over / (Under) accruals in prior years	(323,738)	(433,112)	67,161	(50,641)
Tax for the financial year	<u>4,334,501</u>	<u>4,283,217</u>	<u>610,661</u>	<u>587,969</u>

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 2004 if paid out as dividends.



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

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

#### (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	
	2004	2003
Net profit for the financial year (RM)	12,964,120	12,693,906
Weighted average number of ordinary shares in issue		
As at 1 February	111,166,060	108,495,930
Treasury shares	(776,000)	-
Effect of :		
- conversion of ICULS	3,248,956	776,010
- share options exercised	10,000	23,668
As at 31 January	113,649,016	109,295,608
Basic earnings per share (sen)	11.4	11.6

#### (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 : 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 to eliminate the applicable interest expense less the associated tax effect.

	GROUP	
	2004	2003
Net profit for the financial year (RM)	12,964,120	12,693,906
Elimination on interest expense on ICULS, net of tax effect	733,790	532,945
Net profit used to determine diluted earnings per share	13,697,910	13,226,851
Weighted average number of ordinary shares in issue	113,649,016	109,295,608
- conversion of ICULS	33,971,780	17,764,817
Weighted average number for diluted earnings per share	147,620,796	127,060,425
Diluted earnings per share (sen)	9.3	10.4

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



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 32. DIVIDENDS

Dividends declared or proposed in respect of the financial year ended 31 January 2004 and 2003 are as follows :

	2004		2003	
	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	2.5	2,123,733	2.5	2,000,989
Proposed final dividend	3.5	2,973,226	2.5	2,000,989
	6.0	5,096,959	5.0	4,001,978

At the forthcoming Annual General Meeting, a final gross dividend of 3.5 sen per share (2003 : 2.5 sen per share) less tax will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability in the financial year ending 31 January 2005 when approved by shareholders. The proposed final dividend of RM2,973,226 is subject to change in proportion to changes in the Company's paid up capital, if any.

#### 33. SIGNIFICANT INTER-COMPANY AND RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
<u>With holding company :</u>				
Sharikat Kim Loong Sendirian Berhad				
Internal audit fees	147,000	148,000	48,000	42,000
Rental payment	31,500	52,500	-	-
Interest expenses	-	552,913	-	-
<u>With subsidiary companies :</u>				
Panoramic Industrial Development Sdn. Bhd.				
Management fee	-	-	(401,745)	(252,390)
Crescendo Development Sdn. Bhd.				
Management fee	-	-	(1,395,437)	(768,357)
Gross dividend income	-	-	-	(4,543,000)
Unibase Construction Sdn. Bhd.				
Management fee	-	-	(459,768)	(11,346)
Gross dividend income	-	-	(3,412,500)	-
Unibase Corporation Sdn. Bhd.				
Management fee	-	-	(508,362)	(244,164)
Repute Construction Sdn. Bhd.				
Management fee	-	-	(37,641)	(84,855)
Unibase Trading Sdn. Bhd.				
Management fee	-	-	(32,757)	(14,086)



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 33. SIGNIFICANT INTER-COMPANY AND RELATED PARTY TRANSACTIONS (cont'd)

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
<u>With fellow subsidiaries of the holding company :</u>				
Panoramic Housing Development Sdn. Bhd.				
Rental payment	85,500	88,900	45,600	45,600
Progress billings	(755,474)	(378,209)	-	-
Management fee	(122,975)	(1,200)	(122,975)	(1,200)
Kim Loong Palm Oil Mills Sdn. Bhd.				
Sales of goods	(135,975)	(80,511)	-	-
Rental income	(6,000)	(6,000)	-	-
Unigolf Sdn. Bhd.				
Rental income	(48,000)	(48,000)	-	-
Crescendo Technologies Sdn. Bhd.				
Rental income	-	(11,000)	-	-
Desa Kim Loong Plantations Sdn. Bhd.				
Sales of plant and equipment	-	(30,000)	-	-
Aerogolf Sdn Bhd				
Purchases of goods	-	21,171	-	-
<u>With director :</u>				
Gooi Seow Mee				
Sales of a factory unit	-	(1,150,000)	-	-

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

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

#### (a) Changes in accounting policies

During the financial year, the Company applied five MASB Standards, which became effective from 1 February 2003, and accordingly modified certain accounting policies. The changes in accounting policies which resulted in the prior year adjustment is as follows :

##### MASB 25 "Income Taxes"

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 Company have 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.



## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 34. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENT (cont'd)

##### (b) Prior year adjustment

The change in accounting policies have been applied retrospectively and comparatives have been restated. The effects of changes in accounting policies are as follows :

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
<b>Effects on retained profits :</b>				
At 1 January, as previously stated	77,161,037	67,209,120	3,514,413	5,875,355
Effects of adopting MASB 25	629,073	1,841,000	23,000	20,000
At 1 January, as restated	<u>77,790,110</u>	<u>69,050,120</u>	<u>3,537,413</u>	<u>5,895,355</u>
<b>Effects on net profit for the financial year :</b>				
Profit before changes in accounting policies	13,156,659	13,905,833	1,001,969	1,592,974
Effects of adopting MASB 25	(192,539)	(1,211,927)	7,000	3,000
Profit for the financial year	<u>12,964,120</u>	<u>12,693,906</u>	<u>1,008,969</u>	<u>1,595,974</u>

Comparatives amounts as at 31 January 2003 have been restated as follows :

	Previously stated RM	Adjustments RM	Restated RM
<b>Consolidated Balance Sheet</b>			
Deferred tax assets	-	699,000	699,000
Deferred tax liabilities	(5,110,454)	(47,210)	(5,157,664)
Minority interests	(1,985,965)	(22,717)	(2,008,682)
<b>Consolidated Income Statement</b>			
Tax	3,094,007	1,189,210	4,283,217
Minority interests	286,269	22,717	308,986
Net profit for the financial year	<u>(13,905,833)</u>	<u>1,211,927</u>	<u>(12,693,906)</u>
<b>Balance Sheet</b>			
Deferred tax assets	-	23,000	23,000
<b>Income Statement</b>			
Tax	590,969	(3,000)	587,969
Net profit for the financial year	<u>(1,592,974)</u>	<u>(3,000)</u>	<u>(1,595,974)</u>

#### 35. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Deposits with licensed banks	5,191,963	13,588,250	450,000	-
Cash and bank balances	11,332,930	14,504,361	443,687	128,147
Bank overdraft	-	(91,764)	-	-
	<u>16,524,893</u>	<u>28,000,847</u>	<u>893,687</u>	<u>128,147</u>



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 36. CONTINGENT LIABILITIES

	GROUP	
	2004 RM	2003 RM
(i) <b>Bank guarantees</b>		
Issued by a licensed bank in favour of third parties		
- Secured	2,703,315	2,703,315
- Unsecured	7,500	7,500
Amounts utilised are as follows :		
- Secured	2,703,315	2,703,315
- Unsecured	7,500	7,500

	GROUP	
	2004 RM	2003 RM
(ii) <b>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	2,900,000	1,700,000
<b>Amounts utilised :</b>		
Issued to bank for facilities granted to subsidiary companies	35,000,000	37,041,764
Issued to third parties for supplies of goods and services to a subsidiary company	2,900,000	1,700,000

The bank guarantees are secured by :

- (i) Deposits with licensed banks of RM12,500 (2003 : RM638,250) 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.

### 37. MATERIAL CAPITAL COMMITMENT

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Amount approved and contracted for				
- Property, plant and equipment	-	3,600,450	-	-
Amount approved but not contracted for	-	-	-	-
Total amount approved	-	3,600,450	-	-





## Notes to the Financial Statements

### for the financial year ended 31 January 2004 (cont'd)

#### 38. ACQUISITION OF SUBSIDIARY COMPANIES

The effect of the acquisition of subsidiaries on the financial results of the Group during the financial year ended 31 January 2004 is shown below :

	RM
Revenue	-
Cost of sales	-
Gross profit	-
Administration expenses	(6,931)
Loss before tax	(6,931)
Tax	-
Loss for the financial year	(6,931)

### 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	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Revenue</b>												
Total revenue	26,051,627	25,480,559	13,282,776	17,488,567	38,638,955	23,008,148	7,182,685	2,293,786	6,169,269	3,767,578	91,325,312	72,038,638
Inter-segment sales	-	-	-	-	(25,408,407)	(8,138,816)	(648,289)	-	(2,835,710)	(1,375,198)	(28,892,406)	(9,514,014)
External sales	<u>26,051,627</u>	<u>25,480,559</u>	<u>13,282,776</u>	<u>17,488,567</u>	<u>13,230,548</u>	<u>14,869,332</u>	<u>6,534,396</u>	<u>2,293,786</u>	<u>3,333,559</u>	<u>2,392,380</u>	<u>62,432,906</u>	<u>62,524,624</u>
<b>Results</b>												
Segment results (external)	11,795,824	8,917,382	1,842,856	4,550,533	2,933,563	5,141,363	1,131,138	12,873	1,996,433	289,717	19,699,814	18,911,868
Unallocated corporate expenses											(1,971,572)	(1,526,311)
Profit from operations											17,728,242	17,385,557
Finance cost	(37,258)	(46,346)	(717)	(9,592)	-	-	(3,968)	(3,892)	(44,228)	(39,618)	(86,171)	(99,448)
Tax											(4,334,501)	(4,283,217)
Profit after tax											13,307,570	13,002,892
Minority interests											(343,450)	(308,986)
Net profit for the financial year											<u>12,964,120</u>	<u>12,693,906</u>
<b>Other Information</b>												
Segment assets	148,698,471	144,495,438	164,187,890	159,358,782	17,765,323	17,982,032	2,982,299	2,290,631	8,071,876	6,279,952	341,705,859	330,406,835
Segment liabilities	18,105,192	18,700,674	59,970,311	66,595,103	11,097,922	8,891,405	676,263	408,402	2,176,019	1,403,404	92,025,707	95,998,988
Capital expenditure	4,423,476	20,938,533	4,504,127	114,061,176	185,131	798,727	234,478	198,573	482,076	3,127,175	9,829,288	139,124,184
Depreciation	212,651	179,747	82,631	78,218	331,132	283,462	269,935	247,463	133,454	112,638	1,029,803	901,528
Non-cash expenses other than depreciation	-	-	-	-	-	5,107	-	4,248	-	-	-	9,355



# Notes to the Financial Statements

## for the financial year ended 31 January 2004 (cont'd)

### 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>Financial assets</b>				
Quoted shares	8,804,387	10,018,477	-	-
Unquoted shares	5,526,099	*	-	-
<b>Financial liabilities</b>				
ICULS	33,971,780	32,952,627	33,971,780	32,952,627

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.

### 41. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the Company has the following events:-

(a) The Company issued 24,941,090 new ordinary shares of RM1 each arising from the conversion of ICULS at the rate of RM1 nominal value of ICULS for one fully paid ordinary share.

(b) The Company bought back 349,000 ordinary shares of RM1 each of its own shares with a purchase consideration of RM414,009 and such shares will be treated as treasury shares until they are cancelled.

As at the date of this report, the cumulative ordinary shares of 1,125,000 was repurchased by the Company from the open market on the Bursa Malaysia Securities Berhad for the consideration of RM1,179,312. The average price paid for the shares repurchased was approximately RM1.05 per share.

(c) The Company issued 522,000 new ordinary shares of RM1 each through the exercise of share option.

(d) The Company's issued and paid up share capital was increased from RM117,985,150 to RM143,448,240 by way of issuance 25,463,090 new ordinary shares of RM1 each through the conversion of ICULS and exercise of share option as stated in Note (b) and (c) above.

(e) On 11 May 2004, the Company incorporated a new subsidiary company, Panoramic Jaya Sdn. Bhd. with an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each and the issued share capital of the said subsidiary is RM4 comprise 4 ordinary shares of RM1 each. The equity interest owned by the Company in this subsidiary company is 70% and the shares are held in trust by directors, Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum on behalf of the Company.



## Notes to the Financial Statements for the financial year ended 31 January 2004 (cont'd)

### 41. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE (cont'd)

- (f) The Group has entered into a joint venture with Chellam Investments Sdn. Bhd. to acquire a parcel of 38.3 acres of mixed development land with a total consideration of RM9,280,000 for immediate development to enhance its earning capacity. This project will be undertaken by Panoramic Jaya Sdn. Bhd., a 70% owned subsidiary of the Group.

### 42. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 25 May 2004.



## Analysis of Shareholdings as at 3 June 2004

Authorised Share Capital	: RM500,000,000.00
Issued & Fully Paid Up Capital	: RM143,448,240.00
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	6	0.08	225	0.00
100 to 1,000 shares	4,789	67.14	4,770,055	3.36
1,001 to 10,000 shares	2,024	28.38	7,344,550	5.16
10,001 to 100,000 shares	275	3.85	7,205,000	5.07
100,001 to less than 5% of issued shares	37	0.52	24,347,710	17.12
5% and above of issued shares	2	0.03	98,517,700	69.29
<b>Total</b>	<b>7,133</b>	<b>100.00</b>	<b>142,185,240*</b>	<b>100.00</b>

\* less 1,263,000 shares bought back and retained as treasury shares

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

Name of Shareholders	No. of Shares Held	% of Issued Capital*
1. Sharikat Kim Loong Sendirian Berhad	90,833,700	63.88
2. Permodalan Nasional Berhad	7,684,000	5.40
3. Lembaga Tabung Haji	4,025,000	2.83
4. Panoramic Housing Development Sdn. Bhd.	3,145,423	2.21
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. Gooi Seong Heen	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. DB (Malaysia) Nominee (Asing) Sdn. Bhd. -UBS AG Singapore For Eternal Profits Trading Limited	790,000	0.56
12. Gooi Seong Gum	769,145	0.54
13. Amanah Raya Nominees (Tempatan) Sdn. Bhd. Public Smallcap Fund	446,000	0.31
14. Gooi Seong Heen	433,208	0.30
15. Shoptra Jaya (M) Sdn. Bhd.	425,000	0.30
16. JF Apex Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teo Siew Lai	415,000	0.29
17. Sharikat Kim Loong Sendirian Berhad	395,000	0.28
18. Mayban Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Sahedan bin Din (REM 148-Margin)	305,800	0.22
19. Puen Tak Hong	250,400	0.18
20. Ng Quek Peng	223,000	0.16
21. Amanah Raya Nominees (Tempatan) Sdn. Bhd. Public Islamic Equity Fund	205,000	0.14



## Analysis of Shareholdings as at 3 June 2004 (cont'd)

Name of Shareholders	No. of Shares Held	% of Issued Capital*
22. Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Ong Teik Kooi	204,600	0.14
23. Thong & Kay Hian Nominees (Asing) Sdn. Bhd. UOB Kay Hian Pte Ltd For Goh Tiong Yong	200,000	0.14
24. Koh Bee Yong	200,000	0.14
25. Poon A Chang @ Poon A Cheong	185,000	0.13
26. Chong Chi Bin	182,000	0.13
27. Mercury Securities Sdn Bhd	177,180	0.12
28. Shoon Poo Wing @ Song Poh Wing	172,000	0.12
29. Lim Chiang How	169,000	0.12
30. Tan Pang Kuan	150,000	0.11

The thirty largest shareholder 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 1,263,000 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	-	64.16	-
Permodalan Nasional Berhad	7,684,000	-	5.40	-
Loo Geok Eng	1,721,827	94,374,123*	1.21	66.37
Gooi Seong Lim	1,787,836	94,374,123*	1.26	66.37
Gooi Seong Heen	2,142,835	94,374,123*	1.51	66.37
Gooi Seong Chneh	1,895,836	94,374,123*	1.33	66.37
Gooi Seong Gum	1,835,437**	94,374,123*	1.29	66.37
Gooi Seow Mee	1,964,036	94,374,123*	1.38	66.37

### 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*	66.37
Gooi Seong Lim	1,787,836	1.26	94,374,123*	66.37
Gooi Seong Heen	2,142,835	1.51	94,374,123*	66.37
Gooi Seong Chneh	1,895,836	1.33	94,374,123*	66.37
Gooi Seong Gum	1,835,437**	1.29	94,374,123*	66.37
Gooi Seow Mee	1,964,036	1.38	94,374,123*	66.37
Yeo Jon Tian @ Eeyo Jon Thiam	-	-	-	-
Mathew K. Mathai	-	-	-	-
Gan Kim Guan	-	-	-	-
Dato' Haji Mohd. Ali bin Hassan	-	-	-	-

Note:

\* 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).

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





## Analysis of 3% Irredeemable Unsecured Loan Stock 2002/2007 (“ICULS”) Holders as at 3 June 2004

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 : 6,809,090 ended 31 January, 2004	

### 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	0.27	53	0.00
100 to 1,000 ICULS	232	63.39	207,500	2.30
1,001 to 10,000 ICULS	120	32.79	368,337	4.08
10,001 to 100,000 ICULS	11	3.01	254,800	2.82
100,001 to less than 5% of ICULS	1	0.27	200,000	2.21
5% and above of ICULS	1	0.27	8,000,000	88.59
Total	366	100.00	9,030,690	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	88.59
2. Tsen Keng Yam	200,000	2.21
3. Wong Ta Nooy @ Wong Keng Yong	40,000	0.44
4. Chan Cheok Onn	40,000	0.44
5. Pang Chee Chiang	33,000	0.37
6. Ah Moi @ Teo Hui Bee	31,000	0.34
7. Tio Swee In	20,000	0.22
8. Choong Chiew Nget	18,000	0.20
9. Lai San Chai	16,000	0.18
10. Khew Yit Len	16,000	0.18
11. Lee Tong Sing	16,000	0.18
12. RC Nominees (Tempatan) Sdn. Bhd. Pang Chee Chiang (SBB KT)	14,000	0.16
13. Lee Fook Wing	10,800	0.12
14. Teo Kiyuee	10,000	0.11
15. Ong Peck Choo	10,000	0.11
16. Wee Choo Phua	10,000	0.11
17. Foh Chong @ Sons Sdn. Bhd.	9,000	0.10
18. Pang Sang Loo	9,000	0.10



## Analysis of 3% Irredeemable Unsecured Loan Stock 2002/2007 (“ICULS”) Holders as at 3 June 2004 (cont’d)

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

### 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*	88.59
Gooi Seong Lim	-	-	8,000,000*	88.59
Gooi Seong Heen	-	-	8,000,000*	88.59
Gooi Seong Chneh	-	-	8,000,000*	88.59
Gooi Seong Gum	-	-	8,000,000*	88.59
Gooi Seow Mee	-	-	8,000,000*	88.59
Yeo Jon Tian @ Eeyo Jon Thiam	-	-	-	-
Mathew K. Mathai	-	-	-	-
Gan Kim Guan	-	-	-	-
Dato’ Haji Mohd. Ali bin Hassan	-	-	-	-

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, 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	64.79	19,756
2. Lot Nos. PTD 91814 & 91815, Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Industrial plots (completed)	Freehold (8 years)	18/11/1996	0.94 (1)	867
3. Lot Nos. PTD 89358 Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Hawker centre (completed)	Freehold (8 years)	18/11/1996	2.11 (1)	1,933
4. Lot Nos. PTD 89526, 89714 to 89730, 91803, 91807, 91865, 91875, 91877, 91879, 91882 to 91907, 115788, 115789, 115801, 115802. all within Taman Perindustrian Cemerlang, Ulu Tiram, Johor Darul Takzim.	Mixed industrial and commercial plots (development- in-progress)	Freehold	18/11/1996	50.15 (1)	7,452
5. Lot Nos. PTD 153622 to 153627, 153629 to 153634. Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Industrial plots (development -in-progress)	Leasehold (999 years commencing from 28/10/1912)	18/11/1996	12.59 (1)	12,588
6. Lot Nos. PTD 91864, Mukim of Plentong, Johor Bahru, Johor Darul Takzim	Industrial plots (completed)	Freehold (1 year)	18/11/1996	0.43	282
<b>Properties Held by CDSB</b>					
7. Lot Nos. PTD 115193, 115247, 115248, 115252, 115254, 115259 to 115261, 115263, 115264, 115280, 115282, 115283, 115300, 166519, 166523, 166524. Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Mixed industrial and commercial plots (completed)	Freehold (6 years)	18/11/1996	10.83 (1)	9,851



## 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
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, Johor Bahru, Johor Darul Takzim.	Mixed industrial and commercial plots (development -in-progress)	Freehold	18/11/1996	85.87	16,257
9. Lot Nos. PTD 113461 to 113470 113489 to 113498, 113502 to 113598, 113943, 114901, 114954 to 114975, 114982 to 114985, 114990 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, Johor Bahru, Johor Darul Takzim.	Mixed residential and commercial plots (development -in-progress)	Freehold	18/11/1996	146.66 (1)	25,084
10. Lot Nos. 147, 681 and 1468. Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Vacant agriculture land	Freehold	18/11/1996	9.98	5,176
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	142,319



## 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 Ambok</b>					
12. 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	27,467
<b>Properties Held by CJSB</b>					
13. Lot Nos. 1492 Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Vacant agriculture land	Freehold	30/12/2002	5.24	1,049
<b>Properties Held by Unibase Concrete</b>					
14. Factory Building No. 1, Jalan Mahir 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim.	Readymix concrete plant	7 years	18/11/1996 (3)	Not applicable	23
<b>Properties Held by CE</b>					
15. PTD 154264 Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Vacant land for commercial buildings	Freehold	11/01/1999	4.11	1,019
<b>Properties Held by CCC</b>					
16. PTD 113438 Mukim of Plentong, Johor Bahru, Johor Darul Takzim.	Vacant land for commercial buildings	Freehold	11/01/1999	8.50	2,274
<b>Total</b>				<b>2,635.32</b>	<b>273,397</b>

### Notes : -

1. Gross land are based upon land titles held by PID and CDSB as at 31 January, 2004. For PID, the conversion factor from gross to net saleable industrial land area is 0.6992 and for CDSB, the conversion factors from gross to net saleable industrial and residential/ commercial land area are 0.6997 and 0.5297 respectively. 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 50.15 acres under PID is approximately 35.06 acres.
2. The oil palm estate which is an uncovered 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 Eighth Annual General Meeting of the Company to be held at Sheraton Subang Hotel & Towers, Melati Room, Mezzanine Floor, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 27 July, 2004 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 Lim		
7.	Re-election of Director: Mr. Gooi Seong Heen		
8.	Re-election of Director: Mr. Gan Kim Guan		
9.	Re-appointment of Auditors		
10.	Authority to issue shares		
11.	Proposed Renewal of Authority for Share Buy-Back		
12.	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 \_\_\_\_\_, 2004

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.



*Please Fold Here*

STAMP

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

*Please Fold Here*