Annual Report 2022

crescendo

Crescendo Corporation Berhad
199501030544 (359750-D)

26TH ANNUAL GENERAL MEETING

Place :
Ruby 1 & 2, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak,
80000 Johor Bahru, Johor Darul Takzim

Time :
Wednesday, 27 July 2022 at 2.00 p.m.

what's inside?

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NOTICE IS HEREBY GIVEN that the Twenty-sixth Annual General Meeting of Crescendo Corporation Berhad will be held at the Ruby 1 & 2, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 27 July 2022 at 2.00 p.m. for the following purposes -

AGENDA

As Ordinary Business

1. To receive the Directors' Report and the Audited Financial Statements for the financial year ended 31 January 2022 together with the Auditors' Report thereon.

2. To declare a final single tier dividend of 2 sen per share in respect of the financial year ended 31 January 2022. **(Ordinary Resolution 1)**

3. To approve the following payment to Directors –

   (a) Fees totalling RM347,500 for the financial year ended 31 January 2022. **(Ordinary Resolution 2)**

   (b) Benefits of up to RM40,000 from this Annual General Meeting until the next annual general meeting of the Company. **(Ordinary Resolution 3)**

4. To re-elect the following Directors retiring in accordance with Clause 88 of the Constitution of the Company -

   (a) Mr. Gooi Seong Gum **(Ordinary Resolution 4)**

   (b) Mr. Gan Kim Guan **(Ordinary Resolution 5)**

   (c) Mr. Gooi Seong Lim **(Ordinary Resolution 6)**

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

As Special Business, to consider and if thought fit, to pass the following resolutions -

6. **AUTHORITY TO ALLOT AND ISSUE SHARES** **(Ordinary Resolution 8)**

   "THAT subject always to the Companies Act, 2016, the Constitution of the Company and the approval of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, 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 number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

7. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** **(Ordinary Resolution 9)**

"THAT subject to compliance with all applicable rules, regulations and orders made pursuant to the Companies Act, 2016 ("the Act"), the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, approval be and is hereby given to renew the authority for the Company to purchase its own shares through Bursa Securities, subject to the following -

(a) the maximum number of shares which may be purchased by the Company (which includes the shares already purchased and held as treasury shares) shall be 28,046,249 representing 10% of the total number of issued shares of the Company as at 22 April 2022;

(b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the audited retained profits of the Company as at 31 January 2022 of RM167,839,379;

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

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

   (i) to cancel the shares so purchased; or

   (ii) to retain the shares so purchased in treasury for distribution as dividend to the shareholders of the Company and/or resell through Bursa Securities and/or subsequently cancel the treasury shares and/or transfer the treasury shares for the purposes of or under an employees' share scheme or as purchase consideration; 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 Section 127 of the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

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

8. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** **(Ordinary Resolution 10)**

"THAT Mr. Yeo Jon Tian @ Eeyo Jon Thiam, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021."

9. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** **(Ordinary Resolution 11)**

"THAT Mr. Gan Kim Guan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021."

10. **RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR** **(Ordinary Resolution 12)**

"THAT Mr. Tan Ah Lai, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021."

11. 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 Twenty-sixth Annual General Meeting, the final single tier dividend of 2 sen per share in respect of the financial year ended 31 January 2022 will be paid on 29 August 2022 to depositors registered in the Record of Depositors on 12 August 2022.

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

(a) shares transferred into the Depositor's Securities Account before 4.30 p.m. on 12 August 2022 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

CHONG FOOK SIN (CCM PC No.202008000484) (MACS 00681)
KAN CHEE JING (CCM PC No.202008000596) (MAICSA 7019764)
CHUA YOKE BEE (CCM PC No.202008000604) (MAICSA 7014578)
Company Secretaries

Petaling Jaya
30 May, 2022

IMPORTANT NOTICE
Due to COVID-19, the Company has put in place the rules and controls for this Annual General Meeting in order to safeguard the health of attendees at the meeting. Shareholder is requested to read and adhere to the Administrative Guide which can be downloaded from the Company's website or via announcement in Bursa Malaysia's website.

NOTES:

(1) A member whose name appears in the Record of Depositors as at 20 July 2022 shall be regarded as a member entitled to attend, speak and vote at the meeting.

(2) **Proxy** -

A member entitled to attend and vote at the meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(3) Audited Financial Statements for the financial year ended 31 January 2022 -

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

(4) **Ordinary Resolution 3 -**

The Directors' benefits comprise the following –

(a) Meeting allowance of RM500 per meeting day; and

(b) Training benefits.

(5) **Ordinary Resolution 8 -**

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

The approval is a renewed general mandate and is sought to provide flexibility and to avoid delay and cost in convening a general meeting for such issuance of shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last annual general meeting held on 28 July 2021 and which will lapse at the conclusion of the Twenty-sixth Annual General Meeting.

Should there be a decision to issue new shares after the authority is sought, the Company will make an announcement of the actual purpose and utilization of proceeds arising from such issuance of shares.

(6) **Ordinary Resolution 9 -**

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 30 May 2022 which is enclosed together with the Annual Report 2022.

(7) **Ordinary Resolutions 10, 11 & 12 –**

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

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

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

(c) Their in-depth knowledge of the Group's businesses and their extensive knowledge, commitment and expertise continue to provide invaluable contributions to the Board.

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

(e) They are independent as they have shown great integrity and have not entered into any related party transaction with the Group.

(f) They are currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Group.

Shareholders' approval for Ordinary Resolutions 10, 11 & 12 will be sought on a single tier voting basis.

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

(1) The following Directors are standing for re-election pursuant to Clause 88 of the Constitution of the Company at the Twenty-sixth Annual General Meeting -

(a) Mr. Gooi Seong Gum
(b) Mr. Gan Kim Guan
(c) Mr. Gooi Seong Lim

The profiles of the Directors standing for re-election as mentioned in paragraph above at the Twenty-sixth Annual General Meeting are set out in the Annual Report 2022 under the section named Profile of Directors.

(2) The statement relating to the general mandate for authority to allot and issue shares is set out in Note 5 to the Notice of the Twenty-sixth Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Gooi Seong Lim
Chairman and Managing Director

Gooi Seong Heen
Executive Director

Gooi Seong Chneh
Executive Director

Gooi Seong Gum
Executive Director

Gan Kim Guan
Senior Independent Non-Executive Director

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

Tan Ah Lai
Independent Non-Executive Director

Chew Ching Chong
Independent Non-Executive Director

Gooi Khai Shin
Alternate Director to Gooi Seong Lim

Gooi Chuen Howe
Alternate Director to Gooi Seong Heen

AUDIT COMMITTEE

Chairman
Gan Kim Guan

Member
Yeo Jon Tian @ Eeyo Jon Thiam
Tan Ah Lai
Chew Ching Chong

COMPANY SECRETARIES

Chong Fook Sin
(CCM PC No.202008000484)
(MACS 00681)

Kan Chee Jing
(CCM PC No.202008000596)
(MAICSA 7019764)

Chua Yoke Bee
(CCM PC No.202008000604)
(MAICSA 7014578)

REGISTERED OFFICE

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

Tel : 03 7118 2688
Fax : 03 7118 2693

REGISTRAR

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

Tel : 03 7118 2688
Fax : 03 7118 2693

AUDITORS

Raki CS Tan & Ramanan
(Firm No. AF 0190)
Chartered Accountants
Suite 23.04, 23rd Floor,
Menara Zurich,
No. 15, Jalan Dato' Abdullah Tahir,
80300 Johor Bahru,
Johor Darul Takzim.

PRINCIPAL BANKER

OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
Public Bank Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

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

GROUP STRUCTURE

As at 31 January 2022

Crescendo Corporation Berhad

crescendo construction	100%	Unibase Construction Sdn. Bhd.
crescendo investment	100%	Panoramic Land Sdn. Bhd.
	100%	Crescendo Commercial Complex Sdn. Bhd.
	100%	Crescendo Properties Sdn. Bhd.
crescendo development	100%	Crescendo Development Sdn. Bhd.
	100%	Medini Capital Sdn. Bhd.
	100%	Panoramic Industrial Development Sdn. Bhd.
	70%	Panoramic Jaya Sdn. Bhd.
crescendo services	100%	Crescendo Education Sdn. Bhd.

100% Unibase Corporation Sdn. Bhd.

70% Repute Ventures Sdn. Bhd.

86% Repute Construction Sdn. Bhd.

87.36% Unibase Resources Sdn. Bhd.

1.65%

70% Unibase Quarry Industries Sdn. Bhd.

60% Unibase Concrete Industries Sdn. Bhd.

100% Unibase Trading Sdn. Bhd.

80% Unibase Jaya Sdn. Bhd.

20%

12%

48% Unibase Pre-cast Sdn. Bhd.

100% UPC Concrete Sdn. Bhd.

95% Crescendo Land Sdn. Bhd.

70% Crescendo Jaya Sdn. Bhd.

100% Ambok Resorts Development Sdn. Bhd.

100% Crescendo Supreme Sdn. Bhd.

100% Crescendo Vision Sdn. Bhd.

100% Crescendo Horizon Sdn. Bhd.

100% Crescendo Evergreen Sdn. Bhd.

100% Crescendo Landmark Sdn. Bhd.

100% Crescendo Prestige Sdn. Bhd.

100% Crescendo Majestic Sdn. Bhd.

70% Crescendo International School Sdn. Bhd.

55% Crescendo International College Sdn. Bhd.

GROUP FINANCIAL HIGHLIGHTS

		FINANCIAL YEAR				
		2018 (Restated)	2019	2020	2021	2022
STATEMENT OF COMPREHENSIVE INCOME (RM'MIL)						
Revenue		277.16	295.59	258.25	222.90	**217.12**
EBITDA		64.47	73.97	70.81	62.50	**57.08**
Profit before tax		47.23	54.05	50.13	42.40	**33.84**
Profit after tax		34.26	37.35	27.97	29.78	**23.98**
Net profit attributable to equity holders		32.13	34.33	26.30	26.80	**21.52**
STATEMENT OF FINANCIAL POSITION (RM'MIL)						
Paid-up share capital		299.57	299.57	299.57	299.57	**299.57**
Shareholders' equity		874.79	893.24	900.83	914.28	**918.23**
Total assets		1,420.93	1,445.87	1,441.70	1,405.19	**1,415.92**
Total borrowings		346.22	351.59	352.90	314.09	**331.73**
FINANCIAL INDICATORS						
Return on shareholders' equity [Pre-tax]	%	5.4	6.1	5.6	4.6	**3.7**
Return on total assets [Pre-tax]	%	3.3	3.7	3.5	3.0	**2.4**
PE ratio	times	13.2	10.4	13.3	10.2	**15.0**
Gearing ratio	times	0.40	0.39	0.39	0.34	**0.36**
Interest cover	times	3.30	3.52	3.34	3.51	**3.23**
Earnings per share	Sen	11	12	9	10	**8**
Net assets per share	RM	3.13	3.20	3.22	3.27	**3.29**
Gross dividend per share	Sen	6	6	3	6	**4**
Gross dividend yield	%	4.1	4.8	2.5	5.9	**3.3**
Share price at financial year end	RM	1.45	1.25	1.20	1.02	**1.20**

Revenue RM'Million

2018	277.16
2019	295.59
2020	258.25
2021	222.90
2022	217.12

Profit Before Tax RM'Million

2018	47.23
2019	54.05
2020	50.13
2021	42.40
2022	33.84

Shareholders' Equity RM'Million

2018	874.79
2019	893.24
2020	900.83
2021	914.28
2022	918.23

Total Assets RM'Million

2018	1,420.93
2019	1,445.87
2020	1,441.70
2021	1,405.19
2022	1,415.92

Earnings Per Share SEN

2018	11
2019	12
2020	9
2021	10
2022	8

Net Assets Per Share RM

2018	3.13
2019	3.20
2020	3.22
2021	3.27
2022	3.29

Spurring Development by Building Sustainable Communities

We are committed to creating communities that exceed the expectations of our customers while caring for the environment. Our growth is fuelled by the dedication of our employees who are encouraged to fulfill their true potential while embracing new ideas. Heartened by our success, we are forging ahead into a bright future.

BOARD OF DIRECTORS

Director

01 — Gooi Seong Lim
Chairman and Managing Director

02 — Gooi Seong Heen
Executive Director

03 — Gooi Seong Chneh
Executive Director

04 — Gooi Seong Gum
Executive Director

05 — Gan Kim Guan
Senior Independent Non-Executive Director

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

07 — Tan Ah Lai
Independent Non-Executive Director

08 — Chew Ching Chong
Independent Non-Executive Director

09 — Gooi Khai Shin
Alternate Director to Mr. Gooi Seong Lim

10 — Gooi Chuen Howe
Alternate Director to Mr. Gooi Seong Heen

Company Secretary

11 — Chong Fook Sin
12 — Kan Chee Jing
13 — Chua Yoke Bee

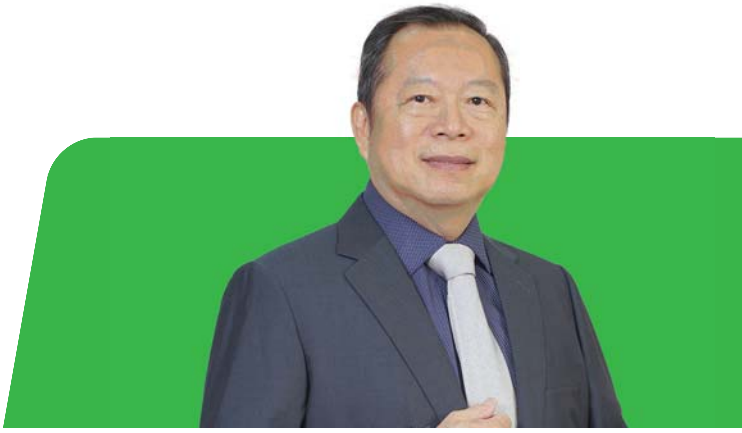
PROFILE OF DIRECTORS

Gooi Seong Lim
Chairman and Managing Director

Malaysian | Male / Age 73

Mr. Gooi Seong Lim was appointed to the Board of Crescendo Corporation Berhad ("CCB") on 15 September 1995. He is currently the Chairman and Managing Director of CCB and was a member of the Remuneration Committee between 27 March 2002 and 30 January 2018. He graduated from the University of Toronto, Canada, with a Bachelor of Applied Science degree in Mechanical Engineering in 1972 and a Master's degree in Mechanical Engineering in 1975. Since 1975, he has been the Managing Director of Sharikat Kim Loong Sendirian Berhad ("SKL"), a company which owns a controlling stake in CCB and Kim Loong Resources Berhad ("KLR"), a public company listed on Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). He has also been a director of Kim Loong Palm Oil Sdn. Bhd. ("KLPO") since 1977 where the Company is involved in palm oil milling. The success of the Group owes much to his extensive involvement in construction and property development. He is the Executive Chairman of KLR and also sits on the Board of several other private companies.

Mr. Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended three (3) of the five (5) Board meetings held during the financial year 2022.



Gooi Seong Heen
Executive Director

Malaysian | Male / Age 71

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

Mr. Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Gooi Seong Chneh
Executive Director

Malaysian | **Male / Age 67**

Mr. Gooi Seong Chneh was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director 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 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 as well as oil palm and cocoa estate management. Since 1976, he has been a Director of SKL, a company which owns a controlling stake in CCB and KLR. He has been responsible for the development and management of oil palm and cocoa estates in Johor, Sabah & Sarawak since 1985. He is also a director of KLR and several other private companies.

Mr. Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Gooi Seong Gum
Executive Director

Malaysian | **Male / Age 66**

Mr. Gooi Seong Gum 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 and 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. Since 1980, he has been a Director of SKL, a company which owns a controlling stake in CCB and KLR. He has also been a director of KLPO Group since 1983 which is involved in palm oil milling. He currently sits on the Board of KLR and several other private companies.

Mr. Gooi has no personal interest in any business arrangement involving CCB, except that he is deemed interested in the transactions entered into with SKL Group (excluding CCB) which are carried out in the ordinary course of business, by virtue of his directorship and shareholding in SKL. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Gan Kim Guan
Senior Independent Non-Executive Director

Malaysian | Male / Age 59

Mr. Gan Kim Guan 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 also appointed as a member of the Audit Committee on 29 March 2001 and currently serves as the Chairman of the Audit Committee since 5 May 2001. He sits as a member of both the Nominating and Remuneration Committees since 27 March 2002 and was appointed as the Chairman of the Nominating Committee from 31 December 2012. He has extensive experience in auditing, investigation, financial planning and financing related work. He is also a director of KLR.

Mr. Gan is a Chartered 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 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all of the five (5) Board meetings held during the financial year 2022.

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

Malaysian | Male / Age 81

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

Mr. Yeo has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Tan Ah Lai
Independent Non-Executive Director

Malaysian | Male / Age 53

Mr. Tan Ah Lai was appointed as an Independent Non-Executive Director of CCB and a member of the Audit Committee on 1 November 2007. He also sits as a member of both the Nominating and Remuneration Committees since 26 February 2009. He is a fellow member of the Association of Chartered Certified Accountants, UK and a Chartered Accountant of the Malaysian Institute of Accountants. He started his career in 1990 as an audit assistant in a public accounting firm. In 2011, he incorporated his own consulting firm which provides financial and management consultation, tax and accounting related services. He has extensive experience in corporate finance, management and tax related work. Currently, he is independent Non-Executive Chairman of Guan Chong Berhad.

Mr. Tan has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Chew Ching Chong
Independent Non-Executive Director

Malaysian | Male / Age 67

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

Mr. Chew has no personal interest in any business arrangement involving CCB. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022. He attended all the five (5) Board meetings held during the financial year 2022.

Gooi Khai Shin

Alternate Director to Mr. Gooi Seong Lim

Malaysian | **Male / Age 33**

Mr. Gooi Khai Shin was appointed as an Alternate Director to Mr. Gooi Seong Lim on 31 March 2016. He graduated with a Master's degree in Chemistry from the University of Edinburgh in year 2012. During his studies, he took a gap year and worked as a synthetic chemist in GlaxoSmithKline (UK) from 2010 to 2011. He joined CCB in year 2012 and has been involved in the business operation since then. He is currently the Project Director of CCB.

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 being a person connected to Mr. Gooi Seong Lim. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Gooi Chuen Howe

Alternate Director to Mr. Gooi Seong Heen

Malaysian | **Male / Age 38**

Mr. Gooi Chuen Howe was appointed as an Alternate Director to Mr. Gooi Seong Heen on 31 March 2016. He holds a Master of Business Administration from London Business School and a Master of Science degree in Applied Finance from the Singapore Management University. He started his career as an investment analyst in asset management companies from 2008 to 2009. Subsequently, he worked as an investment manager in Primevest Holdings Private Limited from 2010 to 2015. Since then, he has been involved in the business operation of CCB. Currently he is also the Marketing & Mill Director of KLR.

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 being a person connected to Mr. Gooi Seong Heen. He has not been convicted of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Family Relationship

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

Gooi Seong Lim is Gooi Khai Shin's father and Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum, are Gooi Khai Shin's uncles.

Gooi Seong Heen is Gooi Chuen Howe's father and Gooi Seong Lim, Gooi Seong Chneh and Gooi Seong Gum, are Gooi Chuen Howe's uncles.

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

PROFILE OF KEY SENIOR MANAGEMENT

The executive function in the Group is spearheaded by **Mr. Gooi Seong Lim** as Executive Chairman and Managing Director whose profile is included under the section on Directors' profile on page 15 of this Annual Report. The following Directors assist him with day to day running of the various operations of the Group.

Gooi Seong Heen Executive Director (Profile on Page 15 of this Annual Report)	**Gooi Seong Chneh** Executive Director (Profile on Page 16 of this Annual Report)	**Gooi Seong Gum** Executive Director (Profile on Page 16 of this Annual Report)	**Gooi Khai Shin** Project Director (Profile on Page 19 of this Annual Report)

The profiles of the other Key Senior Management members are set out below.

01 02 03 04

Ir. Puen Tak Hong
Contract Director

01

Malaysian | Male / Age 71

Ir. Puen Tak Hong, joined the Group in 1988 and was appointed as Contract Director of Crescendo Corporation Berhad ("CCB") in 2017. He graduated with a Bachelor of Science (Hons) from University of Strathclyde, United Kingdom. He is a Professional Engineer and fellow member of Institution of Engineers, Malaysia ("IEM"). He is also the Principal Interviewer for candidates sitting IEM profession accreditation and the past Chairman of Institution of Engineers, Southern Branch and Council Member of IEM, Malaysia for 2001/2002 and 2002/2003. He has more than forty seven (47) years of design, constructional, project management and professional working experience. Upon graduating from Singapore Polytechnic, he worked in Singapore for 6 months in the construction industry. He then joined the Selangor Development Corporation as a Technical Assistant and latter as the Site Agent for Wisma PKNS and completed the supervision of the 22-storey building before leaving for UK in 1976 to pursue and complete his degree in 1978. Upon returning to Malaysia, he joined the consultancy firm and worked as their Design Engineer, Project Manager and Resident Engineer for Wisma Sime Darby, KL, worked with the late Professor Ir. Chin Fung Kee as an understudy for a short duration. He was in the consultancy line for 10 years before joining the Development industry.

He joined the Group as the Project Manager in 1988 and oversee the planning and implementation for the Group's first development project at Taman Desa Cemerlang, a 750-acre mixed residential and commercial housing development and all the subsequent projects of the Group. He oversees the construction arms of the Group from business planning, contract awarding, project management, compliance with regulations and ISO 9000-2008 Certification to human resource development and training of staff. Being a Contract Director, he plays an active role in the planning and supervision of various development projects and is a member of the tender and evaluation committee of various subsidiaries of CCB.

Ir. Puen does not hold any directorship of public companies and CCB. He does not have any family relationship with any director and/or substantial shareholder of CCB, nor any conflict of interest with CCB. He has no conviction of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Dr. Khing Kim Hock
General Manager (Construction)

02

Malaysian | Male / Age 57

Dr. Khing Kim Hock, joined CCB in 2002 as Senior Project Manager and is currently the General Manager (Construction) of CCB. He holds a Bachelor of Science and Master of Science degree in Civil Engineering and Mechanics and Ph.D in Engineering Science, specialized in Geotechnical Engineering from Southern Illinois University at Carbondale, Illinois USA. He is a member of American Society of Civil Engineering. He has more than 27 years' experience in the property development, building and construction industries. He has worked in various companies involved in the construction of high-rise building, deep basement structure, geo-technical works, treatment plants, bridges and infra-structure works in Malaysia and Singapore.

Dr. Khing does not hold any directorship of public companies and CCB. He does not have any family relationship with any director and/or substantial shareholder of CCB, nor any conflict of interest with CCB. He has no conviction of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Lee Kim Chai
General Manager (Sales & Marketing)

03

Malaysian | Male / Age 70

Lee Kim Chai, joined CCB as Senior Manager in 2006 and was promoted to General Manager (Sales & Marketing) in 2016. He graduated with a Bachelor of Science (Hons), Civil Engineering from University of Strathclyde, United Kingdom. He is a professional engineer with the Board of Engineers Malaysia and a member of Institution of Engineers Malaysia. He joined Public Works Department in Johor as project engineer from 1977 to 1981. During his tenure in Public Works Department, he was responsible for implementing building and highway project. He then joined Pelangi Berhad, a property development company, from 1981 to 2006, where he gained extensive experience in project planning and project management. He was also the Chairman for Real Estate and Housing Developers' Association (REHDA), Johor from 2008 to 2010. Currently he oversees the Property, Sales and Marketing Department of CCB Group and is responsible for the sales and marketing of the properties within the Group.

Mr. Lee does not hold any directorship of public companies and CCB. He does not have any family relationship with any director and/or substantial shareholder of CCB, nor any conflict of interest with CCB. He has no conviction of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

Yuen Suh Chin
Group Financial Controller

04

Malaysian | Female / Age 49

Yuen Suh Chin, joined CCB in 2004 and is currently the Group Financial Controller of CCB. She graduated with a Bachelor of Arts majoring in Accounting & Finance from University of Strathclyde, United Kingdom. She is a fellow member of Association of Chartered Certified Accountants (ACCA) and a Chartered Accountant with Malaysian Institute of Accountants. She started her career as an audit assistant at Ernst & Young and her last position at Ernst & Young was Senior Manager with the Assurance and Advisory Business Services. Her portfolio includes both public listed and private companies involving in various industries. She was also involved in Initial Public Offering (IPO) exercises and due diligence audits for business acquisitions/ joint ventures besides auditing. She is currently heading the Accounting & Finance Department of CCB and she is involved in various corporate exercises including group restructuring, funds raising and joint ventures. She has extensive experience in auditing, accounting, tax and financial related work.

Ms. Yuen does not hold any directorship of public companies and CCB. She does not have any family relationship with any director and/or substantial shareholder of CCB, nor any conflict of interest with CCB. She has no conviction of any offences within the past 5 years and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

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 2022 ("FY 2022").

Gooi Seong Lim
Chairman and Managing Director

FINANCIAL RESULTS

The FY 2022 has been a challenging but productive year for the group. Against this challenging backdrop, we continued to deliver a full year's group revenue of RM217.1 million resulting in a profit attributable to shareholders of RM21.5 million as compared to RM222.9 million in revenue and RM26.8 million in profit attributable to shareholders in FY 2021.

It has been another challenging year as we entered the second year of the COVID-19 pandemic that has led to disruptions in the business operations of the Group. Our continuing prudent approach to managing business risks has enabled the Group to weather the challenges we faced and remain profitable in this difficult period.

DIVIDEND

The Board maintains a balanced approach to its dividend payments and ensures that sufficient funds are maintained to enable the Group to remain resilient during this challenging period.

In view of this, the Board has recommended to the shareholders for approval of a final single tier dividend of 2.0 sen per share (2021: 2.0 sen per share) for FY2022, making a total single tier dividend of 4.0 sen per share for the current financial year (2021: 6.0 sen per share).

OUTLOOK AND PROSPECTS

Looking ahead, the property markets will continue to remain challenging in the short to medium-term due to rising cost of building materials, commodities and shortage of workers caused by the prolonged COVID-19 pandemic/endemic. With the continuous evolving of COVID-19 situation and development from the conflict between Russia and Ukraine, the Group will continue to monitor its development activities closely and remain proactive in mitigating any potential impacts to the businesses of the Group.

The Group will continue to be prudent in its development launches to ensure that the Group's business activities remain resilient and able to adapt to the current fast changing environment. This includes strategizing the product designs to suit the evolving lifestyle needs of the future property market. We will also continue to drive agility, innovation and expertise across the Group to seize growth opportunities in our core businesses and support the uptake of any new property designs or models. The committed sales in hand and unbilled revenue as at 17 May 2022 is RM93.4 million for the property development operation.

We continue to be optimistic of our long-term prospects, and based on the above, the Board expects the Group to continue to perform satisfactorily for the coming financial year.

The Group will continue to develop a coherent, credible and comprehensive long-term strategy on its core businesses and financial performance, and build a long-term sustainable business where all our valued customers, suppliers, business partners, employees and investors can benefit from the long-term shared value of our business success.

APPRECIATION

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

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

Gooi Seong Lim
Chairman and Managing Director
Johor Bahru, Johor
Date: 17 May 2022

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT FOR FINANCIAL YEAR 2022

With the COVID-19 pandemic now in its second year, most businesses are working in a highly volatile environment, with challenges on all fronts including continuous evolving measures for COVID-19 that have led to a shortage of labour, increasing labour costs, fluctuating material costs and freight costs, all of which have impacted both the national and global economies. In view of the closure of international borders and weak business sentiments, the Group has been very prudent in its launches of new phases of development in FY2022.

GROUP'S BUSINESS AND STRATEGIES

Crescendo Corporation Berhad ("CCB") Group is principally involved in Property Development & Construction, Manufacturing & Trading of Building Materials, Property Investment and Education & Management Services.

The core business of CCB Group is Property Development & Construction with a total development landbank of approximately 2,700 acres in Johor Bahru. The current main development projects are Bandar Cemerlang, Desa Cemerlang, Taman Perindustrian Cemerlang and Taman Dato' Chellam. CCB Group develops a wide range of properties, from low cost to medium high cost residential properties, shop offices, and small terrace factories to large detached factories, all of which are targeted to meet a wide spectrum of customers' needs.

For the Manufacturing & Trading of Building Materials Division, the pre-cast plants manufacture 'U' drain, concrete pipes/culverts, piles, and other pre-cast concrete products for local and international markets.

For the Property Investment Division, there are 17 plots of land measuring 48 acres located at Taman Perindustrian Nusa Cemerlang, Gelang Patah, of which 11 units of factories have been completed and tenanted. Construction on another 3 units of detached factories is currently in progress.

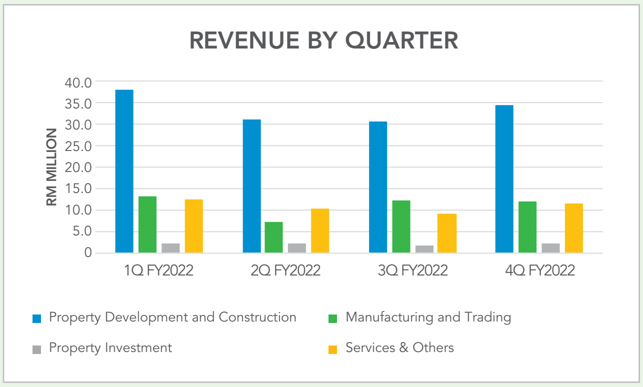
For the Services division, CCB Group has established Crescendo International College ("CIC") and Crescendo-HELP International School ("CHIS") under the education division and both are situated in Desa Cemerlang. CIC caters to Cambridge A-Levels, tertiary education, and professional qualifications, while CHIS offers primary and secondary education based on the International General Certificate of Secondary Education ("IGCSE") syllabus and Cambridge A-Levels. As a purpose-built campus, CHIS is equipped with state-of-the-art facilities and staffed with highly qualified and experienced local and foreign teachers. CCB also provides management services to its subsidiaries and related companies.

CCB Group believes in providing quality products and services to its customers. To achieve this, we value feedbacks from customers and other stakeholders and we have set up a framework to manage and monitor our product quality. Apart from that, proactive customer engagement will remain as a key strategy to reach our customers and enhance our brand identity, visibility, and awareness.

FINANCIAL REVIEW

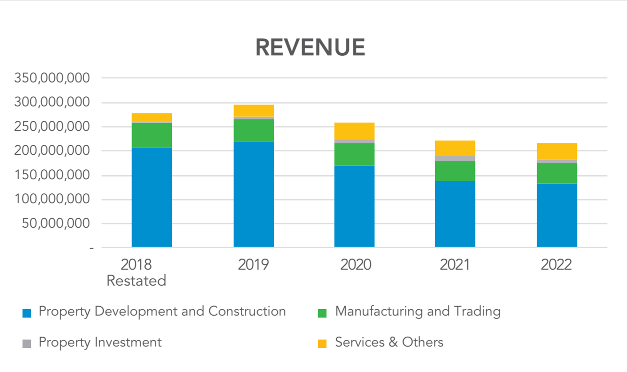
In FY 2022, the Group's revenue amidst a challenging operating environment stood at RM217.1 million, a slight decrease of 3% from last financial year. Profit before tax ("PBT") decreased by RM8.6 million mainly due to higher finance costs.

New property sales have dropped significantly from the pre-COVID period and construction progress has also been slowed due to various Movement Control Orders. However, demand for properties has begun to rebound gradually in the last quarter of FY2022 from relaxed restrictions on economic activities. Stamp duty exemption and uplifting of the loan margin have been helpful in encouraging home purchases.

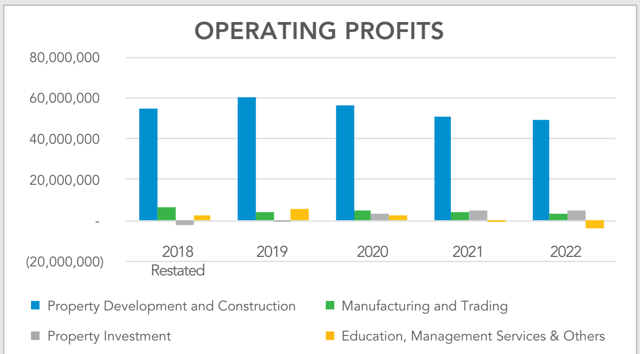


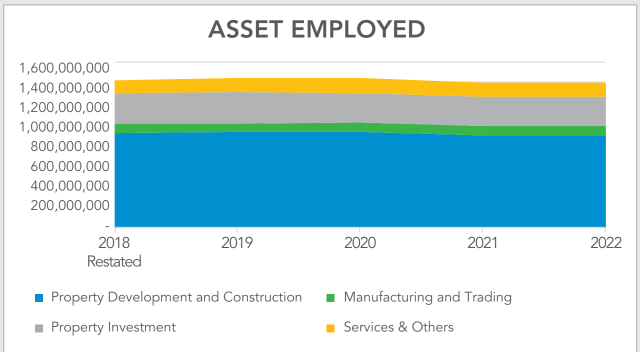
The Group's total borrowings increased by RM18 million to RM332 million in FY 2022 from 314 million in FY 2021 mainly due to the issuance of Medium Term Notes ("MTN") to repay the existing loans of the Group, as well as meeting the working capital, capital expenditure and general corporate funding requirements of the Group. The MTN of RM200 million issued during the year in nominal value has a tenure ranging from 3 to 7 years with a mixture of fixed and floating rates to take advantage of the current low interest rate. Due to higher borrowings, the Group's gearing increased to 0.36 times in FY 2022 from 0.34 times in FY 2021.

The five years' performance of the Group is as below:



The Property Development & Construction Division remains the major contributor to the Group's revenue and profit while the Manufacturing & Trading of Building Materials Division has contributed consistent and continuous revenues and profits to the Group.





Our stock performance for the period from February 2021 till 17 May 2022 is as follows:

Source: Bursa Securities

DIVIDEND

For the current financial year, after taking into account the results achieved with a profit attributable to shareholders of RM21.5 million for FY2022 and ensuring that sufficient funds are maintained for capital expenditure commitments and other planning requirements of the Group, the Board of Directors declared a total dividend of 4 sen per ordinary share to its shareholders for FY2022.

DIVISIONAL PERFORMANCE

Property Development and Construction

The Property Development & Construction division recorded a marginal decline in both revenue and operating profit of 3% and 2% respectively as compared to last financial year.

The decline in revenue and operating margins was mainly due to lower sales in affordable residential properties in FY2022.

Property development & construction operations of the Group contributed 61% of the total turnover in FY 2022.

Our property sales compared to the sales in the state of Johor:

Type of Properties	Group Sales (RM million)		Increase / (Decrease) (%)	
	FY 2022	FY 2021	Group	State*
Residential	67.4	61.4	9.77	3.92
Commercial	13.3	19.7	(32.49)	31.05
Industrial	23.9	29.7	(19.53)	19.36

* Source: Annual Property Market Report 2021, Valuation and Property Services Department, Ministry of Finance Malaysia

The above trend reflects the Group's strategies of deferring the new launches of commercial and industrial properties amidst the weak business environment as the international borders remained closed during FY2022. Instead, the Group continued its focus on the development of residential properties to fulfil the domestic demand.

Development Landbank

Project / Taman	Distance from JB (km)	Type of Development	Development Land (acres)
Bandar Cemerlang	20		
- Tebrau, Johor Bahru		Mixed	787
- Kota Tinggi		Mixed	526
Taman Perindustrian Cemerlang	16	Industrial	36
Taman Desa Cemerlang	16	Residential & Commercial	60
Taman Dato' Chellam	18	Residential & Commercial	9
Nusa Cemerlang Industrial Park	30	Industrial	204
Tanjung Senibong	18	Residential & Commercial	219
Ambok	67	Resorts/Mixed development	794
Others	20	Residential	5
Total development landbank as at 31 Jan 2022			**2,640**

During the FY 2022, CCB Group launched 36 units of shop offices and 124 units of mid to high-end market landed residential properties with a total GDV of RM150 million at Bandar Cemerlang.

In our effort to continue developing landed properties and to align to changing market trends and demand, both current and future, we planned to launch 8 units of detached and semi-detached factories at Taman Perindustrian Cemerlang and 258 units of affordable housing at Taman Dato' Chellam with a total GDV of RM86 million for the next one year.

Manufacturing & Trading of Building Materials

Sales from the ready-mix concrete plant and concrete products that cater to both in-house and external needs increased marginally by 3% which was mainly contributed by higher margin concrete products. However, the operating profit was offset by the additional expenses incurred pursuant to the temporary cessation of operation by a subsidiary.

The export sales made up approximately 55% of the total sales for pre-cast products for FY 2022 as compared to 50% for FY 2021.

To better manage our business risk, new customers are vetted carefully before the commencement of new supply. In addition, tighter credit control and prudent practices have been implemented to minimize bad debts and ensure this Division continues to be profitable.

Property Investment

There is no material fluctuation in revenue and operating profit for FY 2022 as compared to FY 2021. As at to date, all the 11 units are tenanted.

Services and Others

This Division consists of two main business activities namely Education and Management Services.

Education

The education sector comprising CIC and CHIS has experienced a decrease in revenue of RM0.2 million from RM34.4 million in FY 2021 to RM34.2 million in FY 2022. This is mainly caused by the lower student number in CIC. Online digital education that proceeded into the second year from the periodic imposition of various MCOs has allowed the students to continue to study from home and learn to telecommute.

As part of the Group's effort in "Returning to the Society", we continue to award scholarships to students based on merit and on a need basis to keep its promise of offering quality education to Malaysian students.

Management Services

The decrease in revenue and operating profit in this Division during the financial year was in line with the decrease in business activities in the Property Development & Construction Division where the management fees are charged based on the turnover of the respective divisions.

RISK EXPOSURE AND MITIGATIONS

COVID-19 Pandemic

During the FY 2022, the business operations of our Group were disrupted during the reimposition of the nationwide lockdown measures to curb the resurgence of COVID-19 cases.

The Group continues to actively and regularly reviewing and managing its liquidity funding structure to maintain sufficiently high liquidity and implement strict cashflow management to meet the financial obligations. With the recurrent income and cash flows generated from the business activities, the Group has adequate financial resources in meeting the funding requirements of its ongoing business operations.

To ensure the wellbeing of our workforce, the Group continues to implement measures at all our offices such as social distancing, contactless temperature checks, mandatory usage of face masks within the organization, sanitizing of the premises, compulsory for workers of contractors at our project sites to undergo COVID-19 swab tests and to be certified COVID-19 free prior to commencement of work, postponing group events and face-to-face training, conducting Board and management meetings via virtual platforms, implementing work-from-home arrangements as well as educating and reminding all employees of adherence to the SOPs.

In ensuring all our staff are fully vaccinated to minimize the risk of contracting the COVID-19 virus, the Group had enrolled in the Program Imunisasi Industri COVID-19 Kerjasama Awam-Swasta ("PIKAS") led by MITI.

Business Risk

The Group's major business operations are the property development and construction industry which is subject to the following major risks that may have a material effect on the Group's operations, performance, financial condition, and liquidity:

a) General economic condition;
b) Changes in law, by-laws, and/or government policy that affect the property and construction industry;
c) Changes by Bank Negara and commercial banks on their credit policy and fluctuation in bank interest rates; and
d) Shortage of skilled labour and movement in building materials cost leading to increased cost.

The Management will constantly monitor the development and changes in the conditions of the property markets and plan our property launches accordingly to avoid holding a high level of stock. The Group will also take proactive measures to maintain its competitiveness through reasonably priced quality products that meet customers' expectations.

OUTLOOK AND PROSPECTS

The property market will continue to remain challenging in the short and medium-term due to the rising cost of building materials and shortage of workers caused by the prolonged pandemic/endemic and uncertainties created by the conflict between Russia and Ukraine. It is also challenging to predict the full extent and duration of its impact on the Group at this juncture, but we do expect in the medium-term a significant drop in new property sales as compared to the pre-COVID period. The Group will continue to monitor both global and local developments closely and remain proactive and vigilant in mitigating any potential impacts on the businesses of the Group. The Group will maintain a prudent approach and will adapt its plans, strategies, product designs, and timing of new launches as part of its strategic response.

The roll-out of the National COVID-19 Immunisation program has helped in controlling the COVID-19 pandemic and the transition to the endemic phase. The extension of the Home Ownership Campaign to 31 December 2021, reduction of Real Property Gains Tax rate for disposal made by individuals in the 6th year onwards from 5% to 0% are expected to contribute positively and support a recovery in the property sector. With the full reopening of economic sectors and relaxation of border restrictions, it would further boost the recovery of the Malaysian economy and improve consumer and business confidence.

Looking ahead, the Group will continue to leverage its strategic land bank to develop properties that meet market needs as we believe the demand for residential landed properties in strategic growth areas with good accessibility and connectivity will improve gradually.

Based on the unbilled revenue from the total committed property sales of RM93.4 million as at 17 May 2022, the Group is expected to continue to perform satisfactorily in FY2023.

ABOUT THE SUSTAINABILITY STATEMENT

We are pleased to present Crescendo Corporation Berhad's ("Crescendo") Sustainability Statement ("Statement"). The contents provide the information, initiatives and performance overview of our Economic, Environmental, Social and Governance ("EESG") values within the Group during the financial year ended 31 January 2022.

REFERENCES AND GUIDELINES

This Statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). It sets out what the Board considers as material sustainability risks and opportunities, collectively known as Material Sustainability Matters ("MSMs"), that impact the way the Group's operations are carried out as well as how such MSMs are managed to achieve the strategic objectives of the Group. This Statement also explains the governance structure of the Group in overseeing sustainability matters and how measures are being deployed to manage these MSMs. In preparing this Statement, the Board has considered the Sustainability Reporting Guide issued by Bursa Securities.

The Group's principal activities, which remained largely unchanged during the financial year ended 31 January 2022, comprise property development and construction; manufacturing and trading of building materials; education and management services; and property investment.

As a responsible corporate citizen, the Company, via its Board of Directors ("Board"), is mindful of the need to have, and supports, a growth strategy that incorporates sustainable development and management of economic, environmental and social risks and opportunities, based on a foundation of considering the impact of the Group's business endeavours on the economic conditions of its stakeholders ("Economic"), on living and non-living natural systems ("Environmental") and on the social system ("Social"), taking into consideration the salient concerns of the Group's key stakeholders ("Governance").

Sustainability Governance

The Group has established a Risk Management and Sustainability Committee ("RMSC"), helmed by the Managing Director with the other Executive Directors of the Company as well as Heads of Business Units of the Group as Committee members. The RMSC, which assists and reports directly to the Board on risk management and sustainability matters facing by the Group, is supported by a working group comprising the Executive Directors, Heads of Business Units and key Management staff. The working group is involved in the identification of MSMs as well as the management of MSMs which are deliberated at the RMSC.

The roles of each team in the Sustainability Governance Structure are as follows:

Board of Directors

- Evaluates the sustainability performance of Crescendo's operations
- Conducts the final review and approval on sustainability matters related to the Group

Managing Director

- Monitors the strategies, direction and agenda for implementation towards sustainability
- Drives the Group's sustainability agendas
- Ensures that sustainability disclosures are in accordance with MMLR
- Approves the sustainability strategy and framework

Risk Management & Sustainability Committee ("RMSC")

- Evaluates overall sustainability risks and opportunities and develops the sustainability strategies with agenda for implementation.
- Monitors sustainability implementation to ensure compliance from all departments at operational level.
- Resolves critical or major sustainability issues that may impact on the Group.
- Periodically reviews the progress of sustainability implementation and reports to the Board.
- Reports to the Board of any unresolved critical sustainability issues.

Working Groups

- Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in the Group.
- Ensuring resources and procedures are in place to achieve its sustainability commitments and targets.
- Periodically reports to RMSC on the progress of sustainability implementation.
- Reports to RMSC of any critical or major sustainability issues.

Materiality Assessment

We adopted a structured materiality assessment process to identify and assess the significance of sustainability matters to our business and most importantly, our stakeholder groups. We considered both internal and external factors such as risks arising from rapid changing environment, regulatory requirements and stakeholders' expectations, and also considered any new sustainability matters which we may not have addressed. We reviewed the significance of each sustainability matter to the Group, by taking into account the degree of impact and likelihood of the occurrence of events associated with these identified sustainability matters. The materiality assessment process enables us to prioritise the sustainability matters which have the most impact on our ability to create long-term value to our stakeholders.

Our structured materiality assessment processes are as follow: -

Step 01

We reviewed the relevancy of sustainability matters using information from internal (i.e., management data, risk register, interviews' feedback from stakeholders) & external sources (e.g., Bursa Malaysia's Sustainability Reporting Guide) & relevant industry-specific references & publications).

Step 02

From the list of identified matters, we prioritised matters based on the significance of Crescendo's EESG impacts & identified material interests & expectations of various stakeholders. This list of identified matters also formed the basis for our dialogue with stakeholders. Based on a structured stakeholder prioritisation exercise, we have identified our key stakeholders – with a high level of influence & dependence on the Group, who were subsequently engaged to rank the list of sustainability matters & provide feedback on any additional issues which they deemed as important to our business.

Step 03

We examined the results of prioritisation & validated material matters with the RMSC & Board. The outcome of the materiality assessment is presented and approved by Board.

Step 04

We updated our materiality assessment periodically in light of changes against the business landscape, emerging global & national trends, regulatory development, as well as stakeholder opinions.

Based on the Materiality Matrix, the following are the material sustainability matters which are consistent with last year's.

ECONOMIC

- Covid-19
- Quality Products and Services
- Safety and Health at workplace
- Security and assets
- Anti-corruption practices

ENVIRONMENTAL

- Reducing water pollution at sites
- Compliance with rules and regulations
- Prudent Use of Paper Practices

SOCIAL

- Diversity, Inclusivity and Social Justice
- Human capital development and retention
- Human Rights
- Labour Standards

GOVERNANCE

- Anti-Corruption
- Corporate governance and fiduciary duties
- Whistleblower protection

Our Stakeholder Engagement and Prioritisation

The Group's stakeholder identification process is based on an exercise of identifying key external and internal stakeholders groups which have a substantial impact on the Group or upon which the Group has a substantial impact. The Group's businesses affect not only commercial stakeholders but also communities and other entities who have non-financial interest in the impact of the Group's activities.

Although it is the Group's aim to enhance stakeholder identification processes going forward, the Board believes that the present list of stakeholders provides a fair and representative assessment of groups that affect or are affected by our business activities. These stakeholders which are prioritised in importance to the Group, i.e., categorised as critical, high and moderate, are set out below, the findings of which were subsequently presented raised to the Board of Directors who endorsed both the process and the outcome:

Stakeholder group and prioritisation

EMPLOYEES

Method of engagement

- Annual appraisal
- Circular of Internal Policies
- Meetings
- Informal gathering to enhance bonding
- Trainings and development programs
- Whistle-blowing Channel

Key topics and concerns raised

- Operational concerns
- Occupational, Safety and Health ("OSH") issues
- Other organisation – wide issues
- Corporate Direction and Growth Plans
- Career Development and Training Opportunities
- Rewards and recognition
- Workplace safety
- Work-life balance

Group's Response

- Enhance better understanding and awareness among employees on Group Policies, sustainability requirements and compliance
- Improve mechanism for complaints and grievances
- Stricter enforcement on Safety Policy and more OSH and relevant Safe Operating Procedures training
- Town hall sessions to share company's direction and performance
- Provision of job related training and workshops
- Provide and stimulate work environment that encourages quality performance, high employee satisfaction and loyalty
- Teamwork

BOARD OF DIRECTORS

Method of engagement

- Meetings
- Site Visits
- On-going communications
- Directors' training

Key topics and concerns raised

- Progress of sustainable matters
- Group's Performance
- Strategic planning
- Maximising shareholder value
- Governance, risk and control
- Investment and expansion strategy

Group's Response

- Better understanding of Group's sustainability progress and initiatives

SUPPLIERS AND CONTRACTORS

Method of engagement

- Regular Site Meeting
- Progress Report
- Performance Review/ Evaluation
- Site Visit/Inspection
- Contract Negotiations and bidding opportunities
- Tender Management System

Key topics and concerns raised

- Legal Compliance
- Product quality
- Pricing of services and products
- Payment Schedule
- Knowledge sharing
- Fair procurement process

Group's Response

- Raised awareness of Crescendo Group's sustainability commitments
- Better understanding of Crescendo's business activities
- Building of fair and sound business relations
- Payment terms and timeliness
- Work Ethics
- Application of new engineering and construction technologies
- Continuity in business partnership

CUSTOMERS

Method of engagement

- Road shows
- One-to-one meeting
- Company web-site
- Exhibitions and site visits
- Advertisement
- Customer feedback channel
- Customer Satisfaction Survey
- Market Research

Key topics and concerns raised

- Product/service pricing and packages
- Quality, workmanship and product deliverables
- Timely delivery

Group's Response

- Creation of better products and services
- Provide quality and value focused products and services at an affordable price
- Prompt response to operational concerns
- Continuity in business partnership
- Reach out to customers via on-line platform in view of the COVID-19 pandemic.

SHAREHOLDERS

Method of engagement

- Meetings with shareholders (Annual General Meetings ("AGM"))
- Announcements to Bursa Securities, details of which may be accessed by shareholders
- Company's corporate website
- Annual Reports

Key topics and concerns raised

- Group's Financial and Operating Performance
- Risk Management and Internal Control System
- Corporate Governance
- Reporting Standard
- Dividend
- Company Reputation
- Succession Planning
- Impact of Covid-19 to the Group's performance and cash flow
- Group's position within the industry

Group's Response

- Maintain good relationship and positive reputation amongst investors constructive feedback
- Provide timely updates of business performance
- Create sustainable shareholder value

GOVERNMENT AGENCIES AND REGULATORY BODIES

Method of engagement

- Inspections by the agencies
- Attends workshops and trainings
- Meeting with the regulators
- Correspondences with regulators on requirements

Key topics and concerns raised

- Approval and permits
- Compliance with legal requirements
- Labour practices, environmental and health issues
- Environmental Impact Assessment
- Product quality, supply chain and evaluation of supplier / contractors' sustainability commitment
- Compensation process and avenue

Group's Response

- Support and contribute to the development of sustainability

ECONOMIC

COVID-19: Protecting Our Business Community

In the light of the Movement Control Orders ("MCOs") in the country during the financial year, Crescendo has continued to respond to these challenges of the unprecedented COVID-19 pandemic. The Group maintained its strict Standard Operating Procedures ("SOP") including health screenings and compulsory check-ins using MySejahtera mobile application, provision of hand sanitiser, temperatures taking and provision of face masks. Furthermore, the MCO has accelerated the use of online platforms for virtual meetings and training. In addition, the Group has implemented a Work From Home ("WFH") arrangement for employees on a rotational basis with strict compliance to the SOP by the Government.

In line with the country's target of fully vaccinating its adult population against COVID-19 by October 2021, the Group has also taken its steps to ensure all its employees are vaccinated.

This would allow the Group to better manage the risk of COVID-19 outbreak at the workplace, and also prepares the Group towards meeting the Government's expected requirement to open certain economic sectors.

Combat against Covid-19

√ New working arrangement i.e., split team, work from home, etc.
√ Various SOPs and guidelines in combat of Covid-19
√ Ensure regular sharing and communication to employees on the latest updates and preventive measures
√ Daily temperature check on staff
√ Temperature check on guests, customers, suppliers, visitors, contractors, etc.
√ Provide hand sanitisers at common areas
√ Distribute face masks to all employees every month
√ Ensure employees wear masks at all time
√ Regular disinfectant and sanitisation of work premises
√ Notices and posters on Covid-19 preventive measures
√ Encourage virtual meeting
√ Encourage social distancing
√ Limit number of person in lift / surau at one time
√ Swab test as and when necessary
√ Home quarantine for close contact
√ Restrict visitors to work place
√ Restrict inter floor employees interaction and provide drop box at each floor for collection / drop off documents
√ Register for Covid-19 vaccination programs

Quality products, and procurement of services

The Group is committed to provide quality products and services, delivered on a timely basis, to our customers through our available resources. It also aims for continuous improvement towards creating value to, and building long term relationships with, all its stakeholders. The Company is a member of the International Real Estate Federation (FIABCI) and the Malaysian International Chamber of Commerce and Industry (MICCI). Two (2) subsidiaries, namely Panoramic Industrial Development Sdn Bhd and Crescendo Development Sdn Bhd, are members of the Real Estate and Housing Developers' Association Malaysia (REHDA). Two (2) other subsidiaries, namely Unibase Corporation Sdn Bhd and Unibase Construction Sdn Bhd, have been accredited ISO 9001:2008 (BS EN 9001: 2008) certified companies by TQCS International (Group) Pty Ltd.

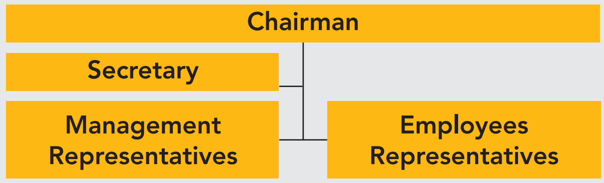
As the quality of the Group's property development units is crucial, we have adopted the industry's best practices, where the procurement and services is controlled to ensure conformance to specified requirements. Stringent quality checks are applied at all stages of construction and finishing, including tested and commissioned utilities, external and internal fittings, and aesthetic appeal that are packaged in the comfort of a secured and well-built home.

Quality Control QLASSIC (Quality Assessment System for Building Construction Work), which is a benchmark for quality workmanship for building construction, provides a standard assessment system for the management of quality control in construction. Crescendo's Contract Department conducts an Internal Pre-QLASSIC assessment prior to the actual QLASSIC and certification by the Construction Industry Development Board (CIDB). Crescendo has implemented a Standard Operating Procedure (SOP) on Physical Product Quality Workmanship, a practical guideline for the Project and Operations teams on how to excel in quality. The SOP stipulates the requirement for Site Quality Assessments to be conducted on a periodic basis at construction sites to ensure the structure conforms to the approved building design.

Safety and health at the workplace

We continue to improve our Occupational Safety & Health (OSH) performance by committing to continuous compliance and improvement, as outlined in the OSH Policy A safety and health of our employees is of utmost importance to us. We are also committed to building a culture of safety and health within the organisation in which employees are trained to be aware of and adopt the safe practices and healthy lifestyle.

A Safety and Health Committee ("SHC") is established at business units in line with the requirements of the Occupational Safety and Health Act, 1994.



SHC Responsibilities:

- Assist in the development of health and safety rules and a safe working system;
- Review the effectiveness of safety and health programmes;
- Analyse trends of accidents, near-miss incidents, dangerous occurrences, occupational poisoning and occupational disease occurring at the workplace;
- Report any unsafe or unhealthy work conditions or practices at the workplace to the management together with recommendations for corrective actions;
- Conduct workplace inspections at least once every three months;
- Conduct investigations on accidents occurring at the workplace; and
- Promote and conduct Occupational Safety and Health (OSH) activities such as health and safety campaigns, competitions, and promotions.

During the financial year under review, the following measures were carried out by the Group to address health and safety at the workplace:

o Providing appropriate Personal Protective Equipment for employees;
o Conducting safety programmes that included fire prevention, fire-fighting and rescue training; and
o Safe Operating Procedures.

The Group has not suffered any serious accidents or fatality during the financial year 2022.

Security And Assets

The Security Department is responsible for protecting all the assets from any possible risk, threat, damage, and losses. For security monitoring purposes, patrolling procedures and surveillance monitoring are implemented at business units.

Anti-Corruption Practices

The Group avoids all forms of corruption at the workplace and has in place mitigation measures such as operational limits of authority and procedures for all directors and employees to declare any conflicts of interest. In addition, our 'open-door' policy promotes open channels of communication at the workplace.

As we recognise the importance of formalising our values and workplace practices, we have established our own Code of Ethics to guide our management and employees in a structured manner.

Our Whistle-Blowing Policy has been formalised and enforced to further endorse a safe and secure platform to report any incidents

ENVIRONMENTAL

Reducing water pollution at sites

We have implemented certain environmental practices to reduce water pollution in our construction project sites, which comprise the following:
- Install a silt trap according to specification;
- Conduct proper and good silt trap maintenance; and
- Install a silt fence, sandbag, silt curtain, check dam and temporary earth drain.

Site Managers and operation team are responsible to conduct daily, weekly and monthly inspections at the site to ensure silt traps are in good condition

Compliance with rules and regulations governing the business

The Group complies strictly with the rules and directives set by the authorities regarding environmental safety and protection. Besides installing silt traps to minimise site pollution, all unwanted wastes, materials and by-products resulting from construction sites are either recycled or disposed of properly via transportation to designated disposal sites timely and efficiently to avoid daily disruption to the community.

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

Prudent Use of Paper Practices

We acknowledge that the environmental impact of paper usage is significant. Our approach is to avoid unnecessary paper consumption and waste generation, where possible and appropriate. We always look at ways to reduce paper usage and encourage the usage of electronic platforms such as WhatsApp social media, SMS and email as efficient alternative modes of communication with our suppliers and customers and for our day-to-day internal operations, and we use recycled paper to print any document where possible.

Electronic Publication

To reduce the consumption of paper, the Annual Report of the Company is published on the Company's website for access by shareholders and investors.

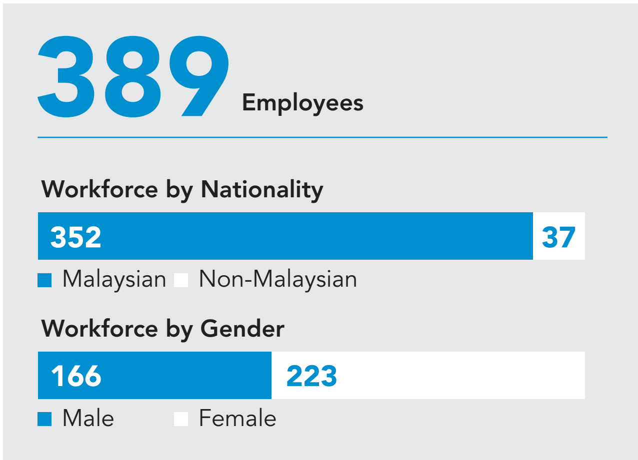
SOCIAL

Diversity, Inclusivity and Social Justice

We respect people as individuals, care for their wellbeing, and welcome diversity in proficiency and background. We continuously aim to attract and build loyalty by creating a conducive workplace that embraces diversity and mutual respect. We endeavour to create a workforce that is diverse and has a balanced distribution in terms of age and gender. We prohibit discrimination in hiring and employment practices including race, religion, gender, age, and nationalities.

Human capital development and retention

As the Group believes that human capital is vital asset to its operations on a sustainable basis, it focuses on development, motivation and retention of talents as well as emphasises on the health and safety of employees at the workplace. The Group's workforce as at 31 January 2022 stood at 389 personnels.



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

Human capital development - equipping and learning culture

The Group inculcates a learning culture in the organisation so that employees at all levels are equipped with the necessary knowledge, skills and exposure, and that not only could they be fully effective in their current jobs but also prepared for their career progression and future assignments in support of the Group's objectives and business plan. Activities on equipping and learning during the financial year comprise:
- Engaging experts to share knowledge on a variety of issues that could benefit the employees on a personal and professional level; and

- Conducting in-house training for the staff on human capital, safety, accounting, technical issues and management skills. Where specialist training is required, the staff are sent for external training.

Human Rights

We adhere to all applicable laws and regulations related to human rights. We abide by the Industrial Relation Act 1967.

We respect the human rights of all individuals and groups that may be affected by our operations. This includes protecting the health, safety and wellbeing of our employees, contractors, suppliers, agencies, partners, communities and those affected by our construction activities.

For this financial year, we recorded zero incidents of human rights violations and zero non-compliance incidents of labour standards.

Labour Standards

We recognise that our people are the most valuable assets in creating value and achieving sustainable growth. We abide by the Employment Act 1955 as part of our responsibility to our employees.

As a caring organisation, we care for our employees by providing a conducive and ergonomically-compliant working conditions, fair compensation packages, clearly communicated policies and the basic amenities required.

The Group's policy on labour standards includes the following:
- Pay at least the minimum wage
- Prohibit physical abuse and harassment
- Provide a safe and healthy workplace
- Do not use forced or involuntary labour
- Prohibit discrimination in hiring and employment practices including race, religion, gender, age and nationalities
- Prompt action required by our grievance and whistleblowing procedure/policy

Reporting Channel

It is the Group's policy to provide a working environment that fosters mutual employee respect and a harassment-free working relationship.

The Group strictly prohibits any form of harassment which includes, but is not limited to, unwelcome verbal or physical advances and sexually, racially or otherwise derogatory or discriminatory materials, statements or remarks during the performance of official duties.

Any employee who believes that he has been subjected to harassment and any employee who observes or becomes aware of any harassment should immediately report the incident to his immediate superior or to the Human Resource Department. All reports will be treated as confidential.

Whistleblowing also acts as a channel for employees and other stakeholders to voice genuine concerns in relation to any improper conduct within the Group without fear of punishment or discriminatory treatment.

Community Outreach Programme

Crescendo strongly believes that in playing its role as a socially responsible corporate citizen, it creates business sustainability and enhances value for all its stakeholders. We strive to make a positive difference to the communities in which we live and operate.

Over the years, the Group has heeded the Government's call to build more affordable and high-standard quality residential houses for the people. This is reflected in the Group's townships which are all mixed development in nature, thus catering to all income groups. The Group has also worked with local authorities, local residents and communities within the housing estates on campaigns against dengue, awareness and eradication of mosquitoes as well as other water-borne and air-borne diseases.

Education plays an important role in community development. Crescendo Education Sdn Bhd, through its subsidiaries, namely Crescendo International College Sdn. Bhd. ("CIC"), the tertiary education arm of the Group, has a permanent campus at Desa Cemerlang, Ulu Tiram, Johor. The college provides GCE A Level, diplomas, external degree programs and professional courses at affordable rates.

As at 31 January 2022, 623 students had enrolled in CIC. Bursary and partial scholarships were extended to the needy and deserving students to assist them in their education whilst accommodation was made available within the campus for outstation students as part of the Group's commitment towards training necessary human resources for the community.

Another subsidiary, i.e., Crescendo International School Sdn. Bhd. has entered into a joint venture with HELP Education Group to initiate an international school, Crescendo-HELP International School, to provide quality education to the public. The number of students enrolled as at 31 January 2022 was 1171 students from various nationalities.

Community contribution

During the financial year under review, the Group made various contributions and donations amounting to approximately RM20,000 to worthy causes and organisations, including governmental and non-governmental organisations, to support their charitable causes in sports, cultural, social and welfare activities.

This Statement has been prepared in compliance with MMLR and it is to be read together with the Corporate Governance Report 2022 of the Company ("CG Report") which is available on the Company's website at www.crescendo.com.my. The explanation for departure is further disclosed in the Corporate Governance ("CG") Report.

The Board of Directors of Crescendo Corporation Berhad acknowledges the importance of good corporate governance in protecting and enhancing the interest of shareholders. As such the Board is committed towards adherence to the principles, intended outcome and best practices set out in the Malaysian Code on Corporate Governance ("MCCG" or the "Code") issued by the Securities Commission Malaysia.

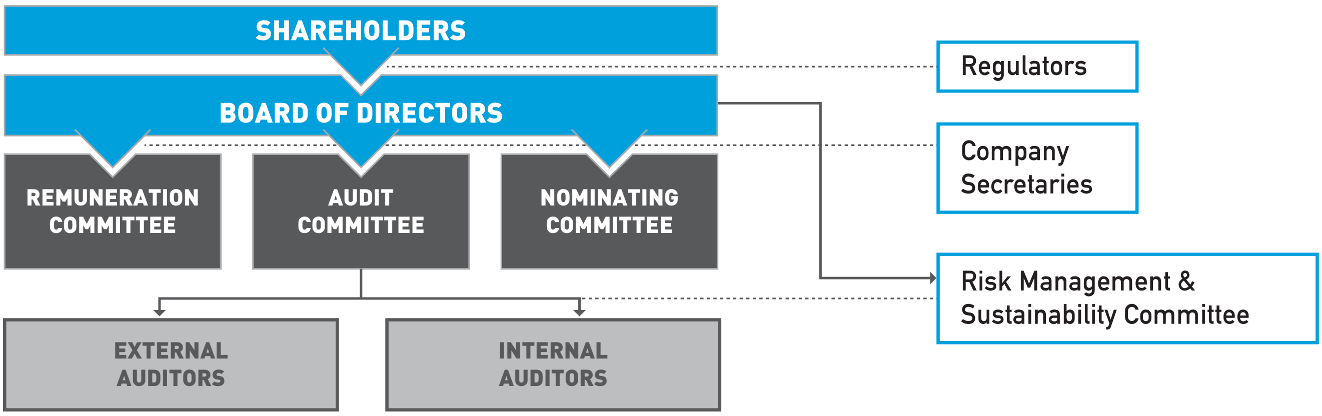
The Board recognises the importance of CG and conscientiously strives to attain high business ethics and governance in conducting the day-to-day business affairs of the Company and its Group of Companies ("Group"), so as to safeguard and enhance shareholders' value, which includes protecting the interests of all stakeholders.

The Board believes that good CG adds value to the business of the Group and will ensure that this practice continues. The Board of Directors believes in playing an active role in guiding the Management through its oversight review while at the same time steering the Group's business direction and strategy.

The Board is pleased to disclose the manner and the extent in which the principles and practices set out in the MCCG and governance standards in accordance with the MMLR that have been adopted by the Company and the Group for all its business dealings and affairs throughout the financial year 31 January 2022.

The Company has provided explanations for the departures from the said Practices which are accompanied by alternative measures that seek to achieve the intended outcome of the departed Practices, measures that the Company has taken or intends to take to adopt Practices as well as timeframe for adoption of the departed Practices. Further details on the Company's application of each Practice of MCCG are available on the Company's CG Report on the Company's website as well as on Bursa Securities' website.

Our Corporate Governance Framework, which is set out below, is vital in contributing to our growth and long-term sustainability.



The Board is pleased to provide an overview of the CG practices, which made reference to the three (3) key CG principles as set out in the MCCG throughout FY 2022, which are as follows:

Principle A : Board Leadership and Effectiveness.
Principle B : Effective Audit and Risk Management.
Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

1.1 Roles of the Board

The Board's pivotal role is to lead and establish the Group's vision, strategic direction, key policies and framework, including the management of the succession planning process of the Group and the appointment of key senior management. In view thereof, the Board's roles and responsibilities include but are not limited to the following:

- Reviewing and approving the strategic business plan developed by Management for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- Identifying and approving policies pertaining to the management of all risk categories including but not limited to, credit, financial, market, liquidity, operational, legal and reputational risks of the Group's business activities and ensure the implementation of appropriate systems to manage these risks;
- Serving as the ultimate approving authority for all significant investment and acquisition/disposal of assets;
- Developing and implementing a shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Approving the remuneration package of both Executive and Non-Executive Directors; and
- Ensuring that the Group adheres to high standards of conduct, ethics and corporate professional behaviour.

The Board has delegated specific responsibilities to the following committees:

i. Audit Committee
ii. Nominating Committee
iii. Remuneration Committee

These Board Committees have been constituted with clear terms of reference and they are actively engaged to ensure that the Group is in adherence with good CG.

1.2 Board Corporate Governance Manual

All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has formalised and adopted a Board Corporate Governance Manual ("Board CG Manual") which provides guidance to the Board in fulfilment of its roles, functions, duties and responsibilities. The Board will review the Board CG Manual as and when required to ensure relevance and compliance with the regulations. Extracts of the Board CG Manual are now available at the Company's website at www.crescendo.com.my. The Board CG Manual is the primary document that elucidates on the governance of the Board, Board Committees and individual Directors.

The Board CG Manual sets out the role, functions, composition, operation and processes of the Board to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board CG Manual also acts as a source of reference and primary induction literature in providing insights to Board members and senior management.

The Board CG Manual, covers amongst others, the following matters:

- Policies on Corporate Social Responsibilities, Gender Equality and Sustainability
- Board Charter
- Role, Responsibilities and Power of the Board, Individual Directors, Chairman & Managing Director
- Role of Board Committees
- Role of Company Secretary
- Board & General Meetings
- Corporate Disclosure Policy
- Whistle-blowing Policy
- Code of Ethics and Conduct
- Corporate Integrity Policy - Anti Fraud Policy
- Risk Management Policy
- Investors Relations Policy

This Board CG Manual will be reviewed and updated in accordance with the needs of the Company and any new regulations. Any amendments to the Board CG Manual shall be approved by the Board. The Board CG Manual was adopted on 17 May 2018.

1.3 Roles and Responsibilities of the Executive Chairman and Managing Director, Executive Directors, Senior Independent Non-Executive Director and Independent Non-Executive Directors

Office of Executive Chairman and Managing Director

The Company's Chairman is an Executive Director and there are four (4) Independent Non-Executive Directors out of eight (8) board members, (excluding the two (2) Alternate Directors).

Mr. Gooi Seong Lim is essentially functioning as Managing Director and Chairman of the Board. The Board is mindful that the convergence of the two roles is not in compliance with best practice but took into consideration the fact that he has a controlling shareholding and there is an advantage of shareholder leadership with natural alignment. In respect of potential conflict of interest, the Board is comfortable that there is no undue risk involved as all related party transactions are strictly dealt with in accordance with the MMLR.

The Nominating Committee has assessed, reviewed and determined that the chairmanship of Mr. Gooi Seong Lim remains based on the following justifications / aspects contributed by him, as a member of the Board:

- He has acted and will continue to act in the best interest of shareholders as a whole. Since the Chairman represents shareholders with a substantial interest in the Company, he is well placed to act on behalf of the shareholders and in their best interests;
- His vast experience in managing the operations of the Group's property development and construction would enable him to provide the Board with a diverse set of experience, expertise and skills to better manage and run the Group;
- He has exercised his due care in the interest of the Company and shareholders during his tenure as an Executive Chairman and Managing Director of the Company;
- He has provided objectivity in decision making and ensured effective check and balance in the proceedings of the Board; and
- He has shown tremendous commitment and played an integral role in stewardship.

Under the Code, it recommends that at least half of the Board of Directors comprises independent directors. The Board composition is in compliance with Paragraph 15.02(1) of the MMLR which stipulates that at least two Directors or 1/3 of the Board, whichever is higher, must be Independent Directors and also the recommendation by the MCCG to have at least half of the Board comprises independent directors. The Board is of the opinion that the current number of independent directors is sufficient to ensure effective check and balance of power and authority on the Board.

Roles and Responsibilities of Directors

GENERAL ROLES AND RESPONSIBILITIES OF EACH INDIVIDUAL DIRECTOR

- Acting in good faith and the best interests of the Group;
- Demonstrating good stewardship and acting professionally with sound mind;
- Acting with reasonable care, skill and diligence subject to the business judgement rule;
- Avoiding conflicts of interest with the Group in a personal or professional capacity, including improper use of the property, information and opportunity of the Group;
- Exercising greater vigilance and professional scepticism in understanding and shaping the strategic direction of the Company and the Group; and
- Complying with the Companies Act 2016 of Malaysia, Securities Commission Malaysia's regulations, and the MMLR.

EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

- Ensure that the Board functions effectively, cohesively and independently of Management
- Promotes the highest standards of corporate governance
- Leads the Board, including presiding over Board meetings and Company meetings and directs Board discussions to effectively use the time available to address the critical issues facing the Company
- Promotes constructive and respectful relationship among Board members and between Board members and Management
- Ensures that there is effective communication between the Company and/or Group and its shareholders and relevant stakeholders
- Develops the strategic direction of the Group
- Ensures that the Company and/or the Group's business is properly and efficiently managed by ensuring that the executive team implements the policies and strategies adopted by the Board and its Committees
- Ensures that the objectives and standards of performance are understood by the Management and employees
- Ensures that the operational planning and control systems are in place
- Monitors performance results against plans
- Takes remedial action, where necessary

EXECUTIVE DIRECTOR

- Under the leadership of the Group Managing Director, makes and implements decisions in all matters affecting the operations, performance and strategy of the Group's business
- Provides specialist knowledge and experience to the Board
- Charts the overall business direction of the Group
- Designs, develops and implements strategic plans
- Deals with day-to-day operations of the Group

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

- Acts as a sounding board for the Chairman and Executive Directors
- Acts as a conduit for the views of other Non-Executive Directors
- Conducts the Chairman's annual performance appraisal
- Helps resolve shareholders' concerns

INDEPENDENT NON-EXECUTIVE DIRECTOR

Independent Non-Executive Directors act as a bridge between Management, shareholders and other stakeholders. They provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied. The Companies Act 2016, makes no distinction between Executive and Non-Executive Director in terms of the legal duties that are imposed on Directors. All directors, whether independent or not, are required to act in the best interest of Company and to exercise unfettered and independent judgement.

The roles of Independent Directors are as follows:

i. Not to be involved in day to day operations of the Company or running of the business; and
ii. Protects the interests of shareholders and makes significant contributions to the Company's decision making by bringing in the quality of detached impartiality by
    - Challenge constructively
    - Help develop and set the Group strategy
    - Actively participate in Board decision making
    - Scrutinise management performance
    - Satisfy themselves on the integrity of financial information
    - Review the Group's risk exposures and controls
    - Provide independent judgement, experience and objectivity

1.4 Qualified and Competent Company Secretaries

The Board is supported by three (3) qualified Companies Secretaries who are members of professional bodies such as the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) or the Malaysian Association of Company Secretaries (MACS) and are qualified to act as company secretary under Section 235(2)(a) of the Companies Act, 2016.

Key roles and responsibilities of the Company Secretaries are

- Advises the Board
- Ensures accurate and timely information and required support are provided to Directors
- Organises Directors' induction and training
- Communicates with shareholders as appropriate and ensures due regard is paid to their interests

The Company Secretaries are external Company Secretary from Tacs Corporate Services Sdn. Bhd. with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel.

The Company Secretaries are entrusted to record the Board's and their Committees deliberations, in terms of issues discussed, and the conclusions and the minutes of the previous Board meeting are distributed to the Directors prior to the Board meeting for their perusal before confirmation of the minutes at the commencement of the following Board meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation and signed by the Chairman of the meeting as a correct record of the proceedings of the meeting.

All Directors have direct access to the advice and services of the Company Secretaries whether as a full Board or in their individual capacity, in discharging their duties.

The Company Secretaries, who are qualified, experienced and competent, is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, corporate governance best practices, procedures and regulation and the resultant implications to the Company and the Board in discharging their duties and responsibilities.

The appointment and removal of the Company Secretaries is a matter for the Board as a whole. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions.

1.5 Access to Information and advice

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

In exercising their duties, all Directors have the same right of access to all information within the Group and they have a duty to make further enquiries which they may require in discharging their duties. The Directors also have access to advice and services of the Company Secretaries, who are available to provide them with appropriate advice and services to ensure that Board meeting procedures are followed, and all applicable rules and regulations are complied with. If necessary, the services of other senior management will be arranged to brief and help the Directors to clear any doubt or concern to further facilitate the decision-making process.

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

The Board papers prepared for the quarterly scheduled meetings include, among others, the following:
- Minutes of previous Board meeting
- Minutes of the Board Committee's meeting
- Reports on matters arising
- Quarterly financial report
- Reports on operations

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

1.6 Independent Professional Advice

The Directors, whether acting as a full Board member or in their individual capacity, in the furtherance of their duties, may obtain independent professional advice at the Company's expense, in the event that circumstances warrant the same. The Company has placed internal procedures for the application and appointment process for the services.

1.7 Conflict of Interest and Related Party Transactions

The Directors are responsible at all times to determine whether they have a potential or actual conflict of interest in relation to any matter, which comes before the Board. All the directors are required to make declarations on whether they have any interest in transactions tabled at Board meetings. The Directors acknowledge that they have to declare any interest they have in the Company and its subsidiaries and abstained from the deliberation and voting on the related resolutions at the Board or any general meetings convened to consider the matter. In the event that a corporate proposal is required to be approved by shareholders, interested directors will abstain from voting in respect of their shareholdings in Crescendo Corporation Berhad on the resolution related to the corporate proposal and will further ensure that persons related to them also refrain from voting on the resolution.

2. BOARD COMPOSITION

2.1 Board Composition

The Board composition is in compliance with Paragraph 15.02(1) of the MMLR which stipulates that at least two Directors or 1/3 of the Board, whichever is higher, must be Independent Directors and also the recommendation by the MCCG to have at least half of the Board comprises independent directors.

Details of the current individual director's qualifications and experiences is presented in the Board of Directors' Profile from pages 15 to 19 of this Annual Report.

2.2 Independent Non-Executive Directors

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

i. Annual Assessment of Independent Directors

The Board recognises the importance of independence and objectivity in its decision making process. The Independent Directors who are professionals of high calibre and integrity and possess in-depth knowledge of the Group's business, bring their independent and objective views and judgement to Board deliberations.

During the financial year, the Board through the Nominating Committee performed an evaluation of all Directors including the Independent Directors and was satisfied that the Independent Directors continued to exercise independent and objective judgement and acted in the interest of the Company and its stakeholders.

ii. Tenure of Independent Director

The Board noted the recommendation of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the 9 (nine) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends of retaining an individual as independent director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process.

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

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

a) They have fulfilled the criteria under the definition of an Independent Director as stated in the MMLR, and thus they would be able to provide independent judgement, objectivity and check and balance to the Board;
b) They perform their duties and responsibilities diligently and in the best interests of the Company without being subject to influence of the management;
c) Their in-depth knowledge of the Group's businesses and their extensive knowledge, commitment and expertise continue to provide invaluable contributions to the Board;
d) They, having been with the Company for more than 9 (nine) years, are familiar with the Group's business operations and have devoted sufficient time and attention to their professional obligations and attended the Board and Committee meetings for an informed and balanced decision making;
e) They are independent as they have shown great integrity and they have not entered into any related party transaction with the Group; and
f) They are currently not sitting on the board of any other public and/or private companies having the same nature of business as that of the Group.

Both the Nominating Committee and the Board also recognise the benefits of the experience, valuable insights, expertise and stability brought by Mr Gan Kim Guan, Mr Yeo Jon Tian @ Eeyo Jon Thiam and Mr Tan Ah Lai and their continued service will serve the interest of the Company and its shareholders.

ii. Tenure of Independent Director (Cont'd)

The Board is unanimous in its opinion that Mr Gan Kim Guan, Mr Yeo Jon Tian @ Eeyo Jon Thiam and Mr Tan Ah Lai, who have served on the Board as Independent Directors, exceeding a cumulative term of 9 (nine) years, continue to fulfill the criteria and definition of Independent Director as set out under Paragraph 1.01 of MMLR.

In this respect, the Board has approved the continuation of Mr Gan Kim Guan, Mr Yeo Jon Tian @ Eeyo Jon Thiam and Mr Tan Ah Lai as Independent Directors of the Company. The Board believes that it is in the best position to identify, evaluate and determine whether any Independent Director can continue acting in the best interests of the Company and bringing independent and professional judgement to board deliberations. Accordingly, the Board strongly recommends retaining Mr Gan Kim Guan, Mr Yeo Jon Tian @ Eeyo Jon Thiam and Mr Tan Ah Lai as Independent Non-Executive Directors and will be tabling Ordinary Resolutions 10, 11 and 12 to shareholders at the 26th AGM for the said purpose. Shareholders' approval for the Ordinary Resolutions will be sought on a single tier voting process.

iii. Shareholders' approval for retention of Independent Director

The Board takes cognizance of the recommendation of the Code regarding tenure of Independent Directors but will seek approval of the shareholders through a single tier voting process for retention of Independent Directors who have served for a cumulative term of more than 9 (nine) years. This is in line with the general rule on voting as provided in the Companies Act, 2016 which states that every shareholder has one vote for every share he holds, and resolutions are to be decided by a simple majority for ordinary resolutions and 75% of votes for special resolutions through a single tier voting process.

iv. Independent Directors and balance of power

The Code recommends that at least half of the Board must comprise Independent Directors. The Board is of the opinion that the current number of independent directors is sufficient to ensure balance of power and authority on the Board.

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

2.3 Board Diversity

Whilst acknowledging the recommendation of the Code on Gender Diversity, the Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.

When appointing a Director, the Nominating Committee and the Board will always evaluate and match the criteria of the candidate to the Board based on individual merits, experience, skill, competency, knowledge and potential contribution, whilst the Code will also be given due consideration for boardroom diversity.

The Company does not set any specific target for boardroom diversity and female representation will be considered when suitable candidates are identified.

2.4 Foster Commitment of the Director

Board Meetings

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

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

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

Time Commitment and Protocol for Accepting New Directorships

The Directors are aware of the time commitment expected from them to attend to matters of the Group in general, including attendance at meetings of the Board and Board Committees and other types of meetings. Meetings for each financial year are scheduled in advance for Directors to plan their schedule ahead.

Time Commitment and Protocol for Accepting New Directorships (Cont'd)

The Board is satisfied with the level of time commitment given by the Directors in the discharge of their roles and responsibilities as the Directors of the Company as evidenced by their attendance at the respective meetings set out below:

Name of Director	Status of Directorship	Number of Meetings Attended	Percentage (%)
Gooi Seong Lim	Executive Chairman and Managing Director	3	60
Gooi Seong Heen	Executive Director	5	100
Gooi Seong Chneh	Executive Director	5	100
Gooi Seong Gum	Executive Director	5	100
Gan Kim Guan	Senior Independent Non-Executive Director	5	100
Yeo Jon Tian @ Eeyo Jon Thiam	Independent Non-Executive Director	5	100
Tan Ah Lai	Independent Non-Executive Director	5	100
Chew Ching Chong	Independent Non-Executive Director	5	100

Note
All Board meetings were held virtually via video conference during the financial year

All Directors have complied with the minimum 50% attendance requirements in respect of board meetings as stipulated by the MMLR.

Under the existing practice, the Directors shall inform the Board before accepting new directorships in other companies and ensure that their number of directorships in public listed companies is in compliance with the MMLR.

2.5 Overall Board Effectiveness

The Board reviews its performance and that of the Board Committees and individual Directors on an annual basis based on a set of predetermined criteria on a process that is facilitated by the Nominating Committee.

A comprehensive and independent assessment of the candidate will be conducted by the Nominating Committee without any influence from the major controlling shareholders, Managing Director or Executive Directors.

In the evaluation of Directors, the Nominating Committee takes into account the following criteria:
- skills, knowledge, expertise and experience;
- character, integrity and professionalism;
- perceived ability to work cohesively with other members of the Board;
- number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution;
- diversity in age, gender and experience/background; and
- such other relevant factors as may be determined by the Nominating Committee which would contribute to the Board's collective skills,

whilst taking into account the current and future needs of the Company, boardroom diversity and other soft attributes required as Directors.

There is no change to the composition of the Board during the financial year.

2.6 Directors Training

All Directors including the alternate directors have completed the "Mandatory Accreditation Programme for Directors of Public Listed Companies" pursuant to Paragraph 15.08 of the MMLR. During the financial year under review, the Board has discussed training programmes proposed for the Directors' attendance. Directors are also encouraged to participate in seminars and/or conferences organised by relevant regulatory authorities, professional bodies and commercial entities providing training. This is part of their Continuous Education Programme to keep abreast with relevant new developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfil their duties as Directors.

2.6 Directors Training (Cont'd)

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

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

	Gooi Seong Lim	Gooi Seong Heen	Gooi Seong Chneh	Gooi Seong Gum	Gan Kim Guan	Yeo Jon Tian @ Eeyo Jon Thiam	Tan Ah Lai	Chew Ching Chong	Gooi Khai Shin	Gooi Chuen Howe
15 & 16 March 2021, Audit Committee Conference 2021 Organised by Malaysian Institute of Accountants & The Institute of Internal Auditors Malaysia							X			
28 & 29 June 2021, MIA WEBINAR SERIES - Finance for Non-Finance Managers The 'New Normal' in Financial Sense Organised by Malaysian Institute of Accountants								X		
15 July 2021, Recent Amendment to Companies Act – Beneficial Owners Organised by Crescendo International College Speaker: Mr Lee Ting Kiat	X	X	X	X	X	X	X	X	X	X
19 August 2021, The Malaysia Code on Corporate Governance (Updated 28 April 2021) - Updates to the MCCG and their implications to Listed Corporations, Directors & Management Organised by Kim Loong Resources Berhad Speaker: Mr Lee Min On	X	X	X	X	X	X	X	X	X	X
18 November 2021, 2022 Budget Seminar Organised by Chartered Tax Institute of Malaysia							X			
14 December 2021, Workshop on Malaysian Property Tax, Estates and Trusts Organised by Chartered Tax Institute of Malaysia							X			
16 December 2021, Workshop on Tax Incentives Organised by Chartered Tax Institute of Malaysia							X			

2.7 Board Committees

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

The Board periodically reviews the Committees' terms of reference.

i. Audit Committee

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

i. Audit Committee (Cont'd)

The Committee has full access to the auditors both internal and external, who in turn, have access at all times to the Chairman of the Audit Committee.

In line with good corporate governance practices, none of the Executive Directors are members of the Audit Committee. The Terms of Reference of the Audit Committee is available on the Company's website at www.crescendo.com.my and the Report of the Audit Committee is disclosed on pages 58 to 60 of this Annual Report. The works of the Audit Committee during the financial year ended 31 January 2022 are also set out in the Report of the Audit Committee.

ii. Remuneration Committee

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

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

The Terms of Reference of the Remuneration Committee is available on the Company's website at www.crescendo.com.my and at the Report of the Remuneration Committee is on page 61 of this Annual Report.

iii. Nominating Committee

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

The objective of the assessment of the effectiveness of the Board as a whole, the Board Committee and the contribution of each Director was to improve the Board and the Committee's effectiveness and to enhance the Director's awareness of the key areas that need to be addressed. The evaluation result was tabled for consideration of the Nominating Committee and its recommendations to the Board.

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

The Board appoints its members through a selection process. All new appointees will be considered and evaluated by the Nominating Committee for the candidates' ability to discharge responsibilities as expected from them. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

The Terms of Reference of the Nominating Committee are available on the Company's website at www.crescendo.com.my and at the Report of the Nominating Committee is on page 62 of this Annual Report.

3. REMUNERATION

3.1 The remuneration policy of the Company is based on the philosophy to enable the Company to attract and retain Directors and senior management of calibre and relevant experience and expertise to manage the Group successfully. For an Executive Director and senior management, their remuneration will depend on the achievement of goals including targets and personal achievement and is linked to Group and individual performance. In the case of a Non-Executive Director, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned. All Independent Non-Executive Directors are paid Director's fees for serving as Directors on the Board and its Committees. The Company also reimburses reasonable expenses incurred by these Directors in the course of their duties.

i. The level and make up of Remuneration

The remuneration package of the Executive Directors and senior management is reviewed by the Remuneration Committee for consideration of the Board. The remuneration of all Non-Executive Directors is reviewed by the Board, based on their experience and expertise and the level of responsibilities of the Directors concerned as well as the condition of the industry.

ii. Procedure

The Remuneration Committee recommends to the Board the remuneration package of the Executive Directors and senior management. The Executive Directors do not participate in decisions regarding their own remuneration packages. The Board as a whole determines the remunerations of Non-Executive Directors with individual Directors abstaining from making decisions in respect of their individual remunerations. The Directors' fees and meeting allowance are approved at the AGM by shareholders.

iii. Disclosure

A summary of the remuneration of the Directors of the Company and the Group for the year ended 31 January 2022, distinguishing between Executive and Non-Executive Directors, with categorisation into appropriate components is set out as below:

Group	Directors' Fees (RM)	Basic Salary (RM)	Bonus (RM)	Benefit-in-kind (RM)	Other emoluments (RM)	Total (RM)
Gooi Seong Lim (Executive Chairman and Managing Director)	10,000	1,020,000	450,000	20,874	278,597	1,779,471
Gooi Seong Heen (Executive Director)	10,000	912,000	360,000	9,900	241,977	1,533,877
Gooi Seong Chneh (Executive Director)	10,000	912,000	360,000	22,876	241,977	1,546,853
Gooi Seong Gum (Executive Director)	10,000	912,000	360,000	21,502	241,976	1,545,478
Gan Kim Guan (Senior Independent Non-Executive Director)	91,000	-	-	-	2,500	93,500
Yeo Jon Tian @ Eeyo Jon Thiam (Independent Non-Executive Director)	85,500	-	-	-	2,500	88,000
Tan Ah Lai (Independent Non-Executive Director)	85,500	-	-	-	2,500	88,000
Chew Ching Chong (Independent Non-Executive Director)	85,500	-	-	-	2,500	88,000
Total	**387,500**	**3,756,000**	**1,530,000**	**75,152**	**1,014,527**	**6,763,179**

iii. **Disclosure (Cont'd)**

Company	Directors' Fees (RM)	Basic Salary (RM)	Bonus (RM)	Benefit-in-kind (RM)	Other emoluments (RM)	Total (RM)
Gooi Seong Lim (Executive Chairman and Managing Director)	-	540,000	450,000	20,874	190,193	1,201,067
Gooi Seong Heen (Executive Director)	-	432,000	360,000	9,900	153,573	955,473
Gooi Seong Chneh (Executive Director)	-	432,000	360,000	22,876	153,573	968,449
Gooi Seong Gum (Executive Director)	-	432,000	360,000	21,502	153,572	967,074
Gan Kim Guan (Senior Independent Non-Executive Director)	91,000	-	-	-	2,500	93,500
Yeo Jon Tian @ Eeyo Jon Thiam (Independent Non-Executive Director)	85,500	-	-	-	2,500	88,000
Tan Ah Lai (Independent Non-Executive Director)	85,500	-	-	-	2,500	88,000
Chew Ching Chong (Independent Non-Executive Director)	85,500	-	-	-	2,500	88,000
Total	**347,500**	**1,836,000**	**1,530,000**	**75,152**	**660,911**	**4,449,563**

3.2 Remuneration Disclosure For Top Five (5) Key Senior Management

The Company has an existing policy whereby the remuneration of employees is classified as confidential.

The Board is of the view that disclosure on a named basis of the top five (5) Senior Management's remuneration components in bands of RM50,000 as being disadvantageous to the Group given the competitiveness in the property industry for talent due to confidentiality of remuneration packages. It could also possibly give rise to unnecessary staff rivalry and disillusionment. Additionally, as the components of the remuneration of Senior Management are subject to the Personal Data Protection Act 2010, the Board has opted not to disclose personal data of its Senior Management to the public at large.

The performance of senior management is evaluated on an annual basis and measured against pre-determined targets including responsibilities. The Board will ensure that the remuneration for senior management is appropriately commensurate with their performance, in order to attract, retain and motivate them to contribute positively to the Group's performance. The Board will continuously undertake a robust internal process to ensure that the remuneration of Senior Management is competitive and fair.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

4.1 Compliance of Financial Statements with Applicable Financial Reporting Standards

The Audit Committee is tasked with assisting the Board in maintaining a sound system of internal control across the Group. Accurate and reliable financial statements are a key outcome of a sound system of internal control and towards this end, the Audit Committee considers the following on a regular basis:

- Changes in accounting policies, practices and implementation thereof
- Significant adjustment arising from external audit process
- Qualification of the External Auditor's report (if any)
- Going concern assumption
- Adequacy and appropriateness of disclosures

4.1 Compliance of Financial Statements with Applicable Financial Reporting Standards (Cont'd)

The Audit Committee also meets with the External Auditors without the presence of Management, and this is a forum at which the External Auditors may raise, among other matters, any concern they may have on the compliance aspect of the financial statements.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates. All accounting standards which the Board considers to be applicable have been adopted, subject to any explanation for material departures disclosed in the notes to the financial statements.

The Group Financial Controller updates the Audit Committee regularly on the Group's financial performance and highlights key issues in connection with the preparation of the results, including the adoption of new accounting standards/policies. The Group Financial Controller is responsible for ensuring that the Group is aware of impending changes to the accounting standards and also the relevant regulatory requirements, recognises the implication of those changes and complies with the requirements.

The Company's financial statements are prepared in accordance with the requirements of the Companies Act, 2016 and Malaysian Financial Reporting Standards. The Board is responsible to ensure that the financial statements give a true and fair view and balanced and understandable assessment of the state of affairs of the Company and of the Group. The Audit Committee assists the Board to ensure accuracy and adequacy of all information for disclosure and compliance with accounting standards.

The Board presents a balanced and meaningful assessment of the Group's financial performance and prospects to the shareholders, investors and regulatory authorities, primarily through the quarterly financial results and annual financial statements, Chairman's Statements and Management Discussion & Analysis in the Annual Report.

4.2 External Auditors

The Board through the establishment of the Audit Committee, has established a good working relationship with its External Auditors i.e., Messrs Raki CS Tan & Ramanan. The Group also maintains a transparent and professional relationship with its External Auditors in seeking professional advice and ensuring compliance with the applicable Financial Reporting Standards in Malaysia. Messrs Raki CS Tan & Ramanan report to the shareholders of the Company on their opinion which is included as part of the Group's Annual Report with respect to their audit on each year's statutory financial statements. The Company's External Auditors are appointed every year during the AGM.

The External Auditors are invited to attend the Audit Committee meetings and AGM and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of their audit report.

The Board has adopted a procedure in relation to the provision of non-audit services by the Company's External Auditors to ensure that it is not in conflict with the role of the External Auditors or their independence. The External Auditors are required to declare their independence annually.

The Audit Committee is responsible to review all the non-audit services provided by the External Auditors and the aggregate amount of fees paid to them. Details of the amounts paid to the External Auditors for non-audit services performed during the year are set out in the Additional Compliance Information of this Annual Report.

The Audit Committee is also aware of the recommendation of the Code to have policies and procedures in place to assess the suitability and independence of External Auditors. Considering the expertise and existing business knowledge of the current External Auditors and the location of the Company and its subsidiaries, the Audit Committee is of the opinion that the current External Auditors are still suitable for re-appointment. While assessing the independence of the External Auditors, the Audit Committee is satisfied and agreed with the representation by the External Auditors in their Audit Planning Memorandum for the audit of the financial year ended 31 January 2022, that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practise) of the Malaysian Institute of Accountants. Furthermore, during the financial year ended 31 January 2022, the External Auditors were not engaged for any significant services other than the statutory audit.

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

4.3 Internal Audit Function

The Group's internal audit function is performed by the Company's Assurance and Governance Department ("Internal Auditors") and acts independently from the activities and operations of the Group. The Assurance and Governance team reports to the Head of Assurance and Governance and the Audit Committee.

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

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

4.4 Related Party Transactions

Directors recognise that they have to declare their respective interests in transactions with the Company and with the Group, and abstain from deliberation and voting on the relevant resolution in respect of such transactions at the Board or at any general meetings convened to consider the matter. The Company has an internal framework to ensure it complies with the related party transactions as prescribed in the MMLR. The related party transactions are recorded and presented to the Audit Committee on a half-yearly basis for review and discussion should any concern arise. All related party transactions are reviewed as part of the annual internal audit plan, and the Audit Committee reviews any related party transactions and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that causes questions of management integrity to arise.

4.5 Risk Management Framework

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

The risk registers are eventually compiled to form the Group Risk Profile for reporting to the RMSC and the Audit Committee.

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

4.6 Internal Control

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

The review on the systems of internal control is set out under the Statement on Risk Management & Internal Control as set out on pages 53 to 57 of this Annual Report.

The Statement on Risk Management & Internal Control provides an overview of the risk management framework and state of internal control within the Group.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

5.1 Strengthening Integrity and Ethics

The Board acknowledges its role in establishing a corporate culture with uncompromising ethical conduct. In line with this principle, the Group has in place the following policies to ensure the conduct of business of the Group and the employees are consistently carried out ethically and with integrity.

a) Code of Ethics and Conduct

The Code of Ethics and Conduct ("COEC") of the Group contains detailed policy statements on the standards of behaviour and ethical conduct expected of all Directors and employees and business partners of the Group. The COEC not only promotes legal and procedural compliance but also provides a moral compass to ensure that the individual's behaviour is in line with the Group's Core Values and business objectives.

All employees are expected to understand the principles and standards stipulated and must comply with them not only in their form but also in the substance of the ethical principles and conduct stated in the COEC.

Further details on the COEC are available on the Company's website at www.crescendo.com.my.

b) Whistleblowing Policy

The Group's Whistleblowing Policy ("WP") provides a transparent mechanism and avenue for all stakeholders to report or raise genuine concerns on any misconduct without fear of retaliation and intimidation. Confidentiality and anonymity are assured to stakeholders who disclose their concerns in good faith and in doing so, had followed the appropriate disclosure procedures, accordingly. The WP sets a clear procedural guide for stakeholders to follow in raising their concerns to ensure that issues are addressed by the appropriate personnel and definitive action can be taken.

c) Gift, Entertainment and Travel Policy

The Gift, Entertainment and Travel Policy is intended to enable the Directors, Management and employees to conduct the Group's business with integrity and maintain strong professional relationships with all of their counterparts and business partners based on merit and performance.

d) Anti-Bribery and Anti-Corruption Policy

With the adoption of the Anti-Bribery and Anti-Corruption (ABC) policy, the Group practises zero tolerance policy against all forms of bribery and corruption. The ABC policy elaborates upon those principles and provides guidance to employees on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of conducting business. The ABC policy is also applicable to all employees, directors, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of Group.

Continuous engagement activities are conducted to spread awareness of the policies and to address any concerns.

For more information on the ABC policy, please refer to the Company's website at www.crescendo.com.my

e) Corporate Liability

The Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009") has been amended to include a corporate liability provision that imposes liability on a commercial organisation for corruption committed by persons associated with the organisation to obtain a business advantage. Taking cognisance of the provision under Section 17A of the MACC Act 2009 which came into effect on 1 June 2020, the Company has taken proactive actions to ensure that it has adequate procedures in place designed to prevent associated persons from undertaking conduct that would be in breach of the said section.

5.2 Effective Communication with Stakeholders

a) Corporate Disclosure Policy

The Company's Corporate Disclosure Policy provides a framework for the Board, management and relevant staff to communicate effectively with shareholders, investors, other stakeholders and the public generally. The policy encompasses the following objectives:

- to raise awareness and provide guidance to the Board and employees of the Group on the Company's disclosure obligations and practices;
- to provide policies and guidelines in disseminating information to, and in dealing with shareholders, financial analysts, media, regulators, the investing community and other stakeholders;
- to ensure compliance with applicable legal and regulatory requirements on disclosure of material information; and
- to build good relations with the investing community to foster trust and confidence.

The Corporate Disclosure policy regulates the review and release of information to the stock exchange as well as through the Company's website, facilitating timely and accurate disclosure of the Company's affairs.

b) Leveraging on Information Technology for Effective Dissemination of Information

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

The Company's website has become a key communication channel for the Company to reach its shareholders and general public. The website has a number of sections which provide up-to-date information on Group activities, Board Charter, financial results, announcements released to Bursa Securities, annual reports and company profile, corporate presentations and other information on the Company and can be found on the Company's website at www.crescendo.com.my to further enhance investors and shareholders communication.

c) Insider Trading

Directors and senior management are prohibited from dealing in securities if they have knowledge of any price sensitive information which has not been publicly disclosed in accordance with the MMLR and the relevant regulatory provisions.

d) Dialogue between the Group and Investors

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

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

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

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

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

e) **AGM**

The AGM is the principal forum of dialogue with shareholders. In accordance with the Company's Constitution, Notice of AGM together with a copy of the Company's Annual Report is sent to shareholders at least twenty-one (21) days prior to the meeting.

Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution.

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

All Directors attended the fully virtual AGM held during the financial year.

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

Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity.

f) **Poll Voting**

The Company has always made the necessary preparation for poll voting for all resolutions tabled at the AGM. The Company will explore the suitability and feasibility of employing electronic means for poll voting.

In line with Paragraph 8.29A of the MMLR, the Company has ensured that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company always appoints at least one (1) scrutineer to validate the votes cast at the general meeting.

The Company conducted poll voting in respect of all resolutions put before the shareholders at the last AGM as required by the MMLR. The poll results of each resolution were announced to Bursa Securities after the AGM via Bursa Link on the same day.

g) **Annual Report**

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on the business activities, the Group strives to improve the contents of the Annual Report in line with the developments in corporate governance practices. The Company's Annual Report can be accessed at the Company's website at www.crescendo.com.my. Bursa Securities also provides facilities for the Company to electronically publish all its announcements, including full version of its quarterly results announcements and Annual Report at its website at www.bursamalaysia.com.

COMPLIANCE STATEMENT

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

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 17 MAY 2022.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Board is required under paragraph 15.26(a) of the MMLR to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors are required by the Companies Act, 2016 (the Act) to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the financial year end and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have:
- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent; and
- prepared the annual financial statements in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Act and the MMLR.

The Directors are responsible for ensuring that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy at any time the financial position of each company and which enable them to ensure that the financial statements comply with the requirements of the Act.

The Directors consider that, in preparing the financial statements of CRESCENDO CORPORATION BERHAD for the financial year ended 31 January 2022, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates.

The Directors also consider that all applicable Malaysian Financial Reporting Standards, have been complied with and confirm that the financial statements have been prepared on a going concern basis.

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

BOARD APPROVAL FOR FINANCIAL STATEMENTS

The annual financial statements for the financial year ended 31 January 2022 are set out on pages 76 to 143. The preparation thereof was supervised by the Group Financial Controller and approved by the Board of Directors on 17 May 2022.

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 17 MAY 2022.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the MMLR, the following information is provided:

Utilisation of Proceeds from Corporate Proposal

The Company had on 15 June 2021 completed the lodgement of the Medium Term Notes ("MTN") Programme with the Securities Commission ("SC") Malaysia and completed the issuance of MTN amounting to RM200 million on 30 September 2021.

The proceeds of the MTN Programme shall be utilised by the Company for the following: -

(i) to refinance existing loans of the Group;
(ii) for the working capital, capital expenditure and general corporate funding requirements of the Group;
(iii) to refinance any outstanding MTN issued under the MTN Programme.

OCBC Bank (Malaysia) Berhad is the Principal Adviser, Lead Arranger, Lead Manager, Facility Agent and Security Agent for the MTN Programme.

The status of utilisation of proceeds raised from the issuance of MTN as at 31 January 2022 is as follow:

Description of utilisation	Proposed utilisation (RM'MIL)	Actual utilisation (RM'MIL)	Balance unutilised (RM'MIL)	Estimated timeframe for utilisation
Repayment of bank borrowings	65.9	65.9	-	N/A
Project development	50.0	11.3	38.7	12 months
Working Capital	84.1	84.1	-	N/A
Total	**200.0**	**161.3**	**38.7**	

Audit and Non-audit fees

The audit fees paid or payable to the External Auditors, Messrs Raki CS Tan & Ramanan, by the Company and the Group during the financial year 2022 were as follows:

Group (RM'000)	Company (RM'000)
207	28

The non-audit fees paid or payable to the External Auditors, Messrs Raki CS Tan & Ramanan, by the Company and the Group during the financial year 2022 were as follows:

Group (RM'000)	Company (RM'000)
3	3

Material Contracts Involving Directors and Major Shareholders' Interest

There were no material contracts for the Company and/or its subsidiaries involving Directors and major shareholders' interest either subsisting at the end of the financial year or entered into since the end of the previous financial year.

Recurrent Related Party Transactions

Details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 30 to the Financial Statements. The Group did not seek for shareholders' mandate for recurrent related party transactions at the last AGM as the aggregate value of transactions was not expected to exceed the threshold prescribed under the MMLR.

This Statement is made in accordance with a resolution of the Board dated 17 May 2022.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

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

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

BOARD RESPONSIBILITIES

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

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

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

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

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

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

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

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

i. **Control Environment**

- **Policies and Procedures**

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

- **Operations Review and Monitoring**

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

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

- **Organisation Structure and Authorisation Procedures**

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

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

- **Human Capital Policy**

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

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

- **Management Style**

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

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

- **Quality Control**

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

- **Other Key Elements of Internal Control**

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

  - The Finance Department monitors the activities and performance of the subsidiaries through the monthly management accounts and ensures control accounts are reconciled with the subsidiary's records.
  - Adequate insurance and physical safeguarding of major assets are in place to ensure these assets are sufficiently covered against any mishap that may result in material losses to the Group.
  - Proposals for major capital expenditures of the Group are reviewed and approved by the Executive Directors.
  - Regular Board and management meetings to assess performance of business units.
  - All recurrent related party transactions are dealt with in accordance with the MMLR. The Audit Committee and the Board review the recurrent related party transactions at the respective meetings of the Audit Committee and the Board.
  - Budgetary controls for its projects.
  - Reporting mechanism whereby Executive Directors receive monthly performance and production statistics with explanations and justification.

- **Code of Ethics and Conduct and other related Policies**

  In addition, the following Internal Control components have been embedded and defined in the CG Manual to assist the Board in maintaining sound internal control system:

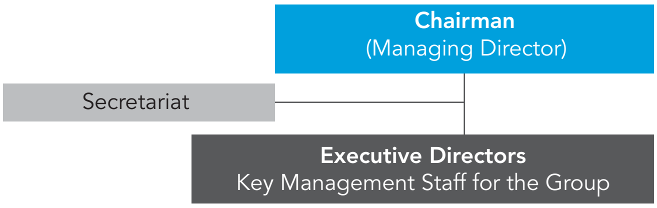
  - The Code of Ethics and Conduct defines acceptable behaviour for staff in dealing with key stakeholders and is made available to all staff through their respective Head of Department.
  - Corporate Integrity Policy – Anti Fraud Policy has been developed to define consistent and clear process focused on the prevention, detection and management of fraud and applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, external parties doing business with employees within the Group.
  - Whistle-Blowing Policy had been formulated to encourage and provide a channel to employees to report in good faith and in confidence, without fear of reprisals, of concerns about possible improprieties. Allegations of improprieties which had been reported via the whistle-blowing channel are appropriately followed up upon and the outcome(s) reported at the Audit Committee meetings.

ii. Risk Management Framework

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

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

Risk Management & Sustainability Committee



Key Roles:
- Develop Group strategies and policies
- Monitoring sustainable performance

Risk Management & Sustainability Committee -Working Group

Roles:
- To monitor the implementation of sustainability practices and standards
- Raising sustainability practices awareness amongst employees
- Continues stakeholders engagement efforts

Note:
The Chairman of the Working Group can be a member of the Risk Management & Sustainability Committee or appointed by the Risk Management & Sustainability Committee

CORONAVIRUS PANDEMIC (COVID-19)

The COVID-19 outbreak is first and foremost a human tragedy, affecting hundreds of thousands of people. It has cast uncertainties for the business environment along with the disruptions caused by global trade uncertainties, policy changes and commodity fluctuations. Domestically, the current uncertainties has impacted both our local market sentiments and foreign investments. As such, market conditions are expected to remain challenging as we head into the new financial year.

We will remain focused as a sustainable property player and continue to direct our efforts on improving operational efficiency, adjusting our property launches to offer quality products that is reasonable with the changing needs and sentiments of customers, building townships with vibrant and thriving communities whilst remaining committed to be a preferred developer, all the while striving to improve our performance and create value for our shareholders and other stakeholders.

OUR ACTIONS

Crescendo has established an Ad-hoc Management Team headed by the Managing Director. Other members to the team consist of Executive Director, Head of Business Units and other key Management staffs to address the COVID-19 issues and identify incidents with serious repercussions to business operations and propose a corresponding action plan. The Ad-hoc Management team is also responsible to monitor and track pandemic related matters and communicate their recommendations and suggestions to the Senior Management to implement.

Several guidelines were put in place to ensure employee health as well as to minimise contact and any transmission risks and are in compliance with the Standard Operating Procedure issued by the authorities.

OUR ACTIONS (Cont'd)

Tabulated below are other key risks faced by the Group and the mitigation strategies

Key Risk	Effect on us	Mitigation strategies
Softening Market Demand and competition from competitors	The risk arising from the weak macroeconomics that may have an adverse impact on the Group's revenue and lead to higher competition.	This is an Inherent Risk. In order to mitigate the risk, the Management conducts market studies to identify and to understand the needs of customers and ensure our products and services are competitive.
Project Management & Delivery Risk	The risk is associated with potential weak services to customers as well as late deliverables of product and services.	Putting in place an actively managed operational risk management system to ensure the products and services meets expectation, quality checks and controls are performed, and the delivery timelines are closely monitored.
Changes in Regulatory requirements and government policies	Risk that some of the changes could have a negative impact on the Group's operations, environment and possibly financial performance.	Management actively monitors changes in the legal and regulatory requirements to adapt and adopt to ensure compliance. Maintaining regular communication with the Authorities to ensure updates on the changes that have an impact on the Group. In addition, the relevant Departments carry out the following measures: • Liaising closely with government officials and external institutions; • Maintaining close working relationships with financial institutions to counter the cooling policies; and • Adopting methods that are less dependent on labour, whilst improving the productivity and quality of construction work.
Operational Risk: Escalating operational costs and shortage of skilled labour	Movement of building material costs due to external factors e.g. weak Ringgit, increase in inflation and shortage of skilled labour will lead to increasing cost. The construction industry is highly dependent on foreign workers and any change in Government policies may lead to shortage of labour	Before any new launches, if possible, we will lock in the construction cost with our contractors to keep our costs in check.
Workplace Health and Safety Risk	Safety risks are pronounced during the construction phase of projects. During the pandemic situation, compliance with the regulatory requirements and standard operating procedures is emphasised to ensure zero tolerance to non-compliance	• We have defined health and safety policies and procedures. • Constantly raise awareness of health and safety via training. • Seek continuously to adopt safer construction methods and ensure our contractors are up-todate on best practices. • Enforce controls and regulations on-site. • Health and safety practices includes monitoring compliance with standard operating procedures (SOP) issued by Ministry of Malaysian National Security Council (MKN) and Ministry of International Trade and Industry (MITI).

iii. Internal Audit Function

The roles, responsibilities and activities of the Internal Audit functions are described and detailed on page 47 under Corporate Governance Overview Statement of this Annual Report.

There were neither major weaknesses in the system identified during the year, nor any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. Those areas of non-compliance with the procedures and policies and those which require improvements as highlighted by the Internal Auditors during the period have been or are being addressed.

iv. Information and Communication

Information critical to meeting Group's business objectives are communicated through established reporting lines across the Group. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and resolution on a timely basis.

v. Review and Monitoring Process

The Group's management teams carry out monthly monitoring and review of the Group's operations and performance, including financial results and forecasts for all business operations within the Group.

In addition to the above, scheduled and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues as and when necessary. The Board monitors the Group's performance by reviewing its quarterly results and operations and examines the announcement to Bursa Securities. These are usually reviewed by the Audit Committee before they are tabled to the Board for approval.

CONFIDENTIAL REPORTING

The Group's whistleblowing policy enables staff, in confidence, to raise concerns about possible improprieties in financial and other matters and to do so without fear of reprisal. Details of the policy are set out on the Company's website at www.crescendo.com.my. The Audit Committee receives reports on whistleblowing incidents and remains satisfied that the procedures in place are satisfactory to enable independent investigation and follow up action of all matters reported. No major issues have been reported in financial year 2022 (major issues being defined for this purpose as matters having a financial impact greater than RM10,000).

ASSURANCE PROVIDED BY THE EXECUTIVE CHAIRMAN & MANAGING DIRECTOR AND GROUP FINANCIAL CONTROLLER

In line with the Guidelines, the Executive Chairman & Managing Director and the Group Financial Controller have provided assurance to the Board that the Group's risk management and internal control systems have been operated adequately and effectively, in all material aspects, to meet the Group's business objectives during the financial year under review. The Executive Chairman & Managing Director and the Group Financial Controller have in turn obtained relevant assurance from the business heads in the Group.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the Annual Report for the financial year ended 31 January 2022.

The External Auditors have reviewed this Statement on Risk Management & Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management & Internal Control included in the Governance & Financial Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the Governance & Financial Report of the Group for the year ended 31 January 2022, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Report of the Group, in all material aspects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, or
(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management & Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in this Report will, in fact, remedy the problems.

CONCLUSION

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

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

This Statement is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

REPORT OF THE AUDIT COMMITTEE

OVERVIEW

The Board of Directors of CRESCENDO CORPORATION BERHAD is pleased to present the Report of the Audit Committee which lays out the activities held throughout the financial year ended 31 January 2022 and in compliance with Paragraph 15.15 (1) of the Bursa Securities Main Market Listing Requirements ('MMLR').

MEMBERS OF THE AUDIT COMMITTEE

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

The members are:

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

MEMBERSHIP

Membership

The Audit Committee is appointed by the Board of Directors from amongst the Non-Executive Directors and consists of four (4) members, all of whom are Independent Non- Executive Directors.

Mr. Gan Kim Guan, the Chairman of the Audit Committee is a member of Malaysian Institute of Accountants ("MIA") and Mr. Tan Ah Lai, another member of the Audit Committee is a Fellow of the Association of Chartered Certified Accountants and a member of MIA. The Company has therefore complied with Paragraph 15.09(1)(c)(i) of the MMLR.

Meeting

During the financial year 2022, the Audit Committee held a total of six (6) meetings with the attendance of the Group Financial Controller, Financial Controller, Head of Assurance & Governance, senior representative of the External Auditors and the Company Secretaries.

A quorum consists of two (2) members present and both of whom must be Independent Directors. Other Board members and Senior Management may attend meetings upon the invitation of the Audit Committee. Both the Internal and External Auditors, too, may request a meeting if they consider that one is necessary.

During the financial year, the Chairman of the Audit Committee had engaged on a continuous basis with Senior Management, Head of Internal Audit and the External Auditors, in order to keep abreast of matters and issues affecting the Group.

The Company Secretary acts as the secretary to the Audit Committee. Minutes of each meeting are distributed electronically to each Board member, and the Chairman of the Audit Committee reports on key issues discussed at each meeting to the Board.

Details of the Audit Committee members' attendance are tabled below:

Member	Total number of meetings held in the financial year during Member's tenure in Office	Meeting attended by member
Gan Kim Guan	6	6
Yeo Jon Tian @ Eeyo Jon Thiam	6	6
Tan Ah Lai	6	6
Chew Ching Chong	6	6

TERMS OF REFERENCE

The details of the Terms of Reference of the Audit Committee are available on the Company's website at www.crescendo.com.my

SUMMARY OF WORKS OF THE AUDIT COMMITTEE

The Audit Committee met at scheduled times with due notices of meetings issued, and with agenda planned and itemised so that issues raised were deliberated and discussed in a focused and detailed manner.

During the financial year 2022, the Audit Committee discharged its duties and responsibilities in accordance with its terms of reference.

The Chairman of the Committee reported on each meeting to the Board. Detailed audit reports by the External Auditors, Internal Auditors and the respective Management response were circulated to members of the Committee before each Meeting.

The main works undertaken by the Audit Committee were as follows:

Financial and Operations Review

- Reviewed and recommended for the Board's approval the quarterly reports for announcement to Bursa Securities in compliance with the Malaysian Financial Reporting Standards and adhered to other legal and regulatory requirements;
- Reviewed the annual audited financial statements of the Group and the Company. The Audit Committee discussed with the management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements;
- Reviewed the impact of new or proposed changes in accounting standards and regulatory requirements of the Company; and
- Reviewed the application of the corporate governance principles and the extent of the Group's compliance with Best Practices set under the Code in conjunction with the preparation of the Corporate Governance Overview Statement and Statement of Risk Management & Internal Control.

External Audit

- Reviewed the External Auditor's annual audit plan and audit strategy for the financial year ended 31 January 2022 to ensure their scope of work adequately covered the activities of the Group and the Company;
- Discussed with the management and the External Auditors the Malaysian Financial Reporting Standards applicable to the financial statements of the Group and the Company that were applied and their judgement of the items that may affect the financial statements;
- Reviewed with the External Auditors, the result of the audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of the audit that required appropriate actions and the Management's responses thereon;
- Inquired of the External Auditors whether they have become aware of any items relating to the detection of material illegal acts or material related party transactions during the course of their procedures;
- Reviewed and evaluated the External Auditors and their performance, objectivity and independence during the year before recommending to the Board for reappointment and remuneration;
- Review the assistance given by the Assurance and Governance Department to the External Auditors;
- Held independent meeting (without the presence of Management) with the External Auditors; and
- Reviewed and approved the provision of non-audit services by the external auditors that were agreed to prior to their commencement of such work and confirmed as permissible for them to undertake, as provided under the By-Laws of the MIA.

The amount of audit and non-audit fees incurred for the financial year ended 31 January 2022 were as follows:

Fee Incurred	Audit Fees RM'000	Non-Audit Fees RM'000
The Company	28	3
The Group	207	3

Internal Audit

- Reviewed and approved the Assurance and Governance Department's plans for the financial year to ensure adequate coverage over the activities of the respective subsidiaries;
- Reviewed the internal audit reports presented by the Assurance and Governance Department on findings, recommendations and management responses thereto and ensured that material findings were adequately addressed by Management and reported relevant issues to the Board;
- Held independent meeting (without the presence of Management) with the Internal Auditors;
- Reviewed whistleblowing activities to monitor the actions taken by the Group in respect of whistleblowing reports received; and
- Monitored the implementation of the audit recommendation to ensure all the key risks and controls have been addressed.

Risk Management

- Reviewed the outcome of the risk management programme, including key risks identified, the potential impacts and the likelihood of the risks occurring, existing controls which can mitigate the risks and action plans; and
- Reviewed the RMSC's reports and assessment.

Related Party Transactions

- The Audit Committee reviewed all significant related party transactions and recurrent related party transaction entered by the Group and the Company to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective before recommending to the Board for approval.

Reporting Responsibilities

- Regularly reports to the Board of Directors about the Committee's activities, issues and related recommendations.
- Provides an open avenue of communication between Internal Auditors, the External Auditors and the Board of Directors.
- Reports annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by MMLR, including approval of non-audit services.
- Reviewed any other reports the Company issues that relate to the Committee's responsibilities.

Trainings

During the year, all the Audit Committee members attended various seminars, training programmes and conferences. Kindly refer to the CG Overview Statement on page 42 for the training.

Internal Audit Function

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

The Internal Auditors communicate and report directly to the Audit Committee on their activities based on the approved Annual Internal Audit Plan to ensure their independent status within the Group. The total cost incurred in respect of the internal audit function during the financial year was approximately RM572,000. (2021:RM508,000)

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

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

CONCLUSION

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its terms of reference and held discussions with the Internal Auditors, External Auditors and relevant members of Management. The Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

This Report is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

REPORT OF THE REMUNERATION COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

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

TERMS OF REFERENCE

The details of the Terms of Reference of the Remuneration Committee are available on the Company's website at www.crescendo.com.my

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2022. The attendance of the members of the Committee of the meeting is as follows:

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

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

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

This Report is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

REPORT OF THE NOMINATING COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

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

TERMS OF REFERENCE

The details of the Terms of Reference of the Nominating Committee are available on the Company's website at www.crescendo.com.my

SUMMARY OF ACTIVITIES OF THE COMMITTEE

The Committee met once during the financial year 2022.

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

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

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

a) Reviewed the re-election of Directors retiring at the AGM under Clause 88 of the Constitution of the Company;
b) Assessed the independence of Independent Directors;
c) Reviewed the composition and the required mix of skills, experience and other qualities of the Board and gender diversity;
d) Reviewed the effectiveness of the Board as a whole and the Board Committees and performance of each of the Board Members; and
e) Reviewed and recommended retention of Independent Directors.

This Report is made in accordance with a resolution of the Board of Directors dated 17 May 2022.

financial statements

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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 2022.

PRINCIPAL ACTIVITIES

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

The subsidiaries are principally engaged in property development, investment holding, construction, property investment and management, trading and manufacturing of concrete products, trading in building materials and providing educational services, as detailed in Note 7 to the financial statements.

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

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit attributable to:		
Owners of the Company	**21,524,595**	**22,725,877**
Non-controlling interests	**2,456,801**	**-**
Profit net of tax	**23,981,396**	**22,725,877**

DIVIDENDS

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

	RM
In respect of the financial year ended 31 January 2021:	
Special single tier dividend of 2 sen per share on 279,418,698 ordinary shares, paid on 22 February 2021	5,588,374
Final single tier dividend of 2 sen per share on 279,418,698 ordinary shares, paid on 30 August 2021	5,588,374
In respect of the financial year ended 31 January 2022:	
Interim single tier dividend of 2 sen per share on 279,418,698 ordinary shares, paid on 18 November 2021	5,588,374
	16,765,122

The Directors recommend the payment of a final single tier dividend of 2 sen per share in respect of the financial year ended 31 January 2022, subject to the approval of members at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2023.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES, SHARE OPTIONS AND DEBENTURES

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

TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at the Twenty-fifth Annual General Meeting held on 28 July 2021, approved the Company's plan to repurchase its own shares up to a maximum of 28,046,249 ordinary shares representing approximately 10% of the total number of issued shares on the Bursa Malaysia Securities Berhad ("Bursa Securities").

The Directors of the Company are committed to enhancing the shareholders' value and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, there was no repurchase of ordinary shares from the open market on the Bursa Securities.

DIRECTORS

The Directors who have held office since the beginning of the financial year to the date of this report are as follows:

Gooi Seong Lim *	
Gooi Seong Heen *	
Gooi Seong Chneh *	
Gooi Seong Gum *	
Gan Kim Guan	
Yeo Jon Tian @ Eeyo Jon Thiam	
Tan Ah Lai	
Chew Ching Chong	
Gooi Khai Shin **	(Alternate Director to Gooi Seong Lim)
Gooi Chuen Howe	(Alternate Director to Gooi Seong Heen)

* These Directors are also Directors of the Company’s subsidiaries.
** Gooi Khai Shin is also an Alternate Director to Gooi Seong Lim in certain of the Company’s subsidiaries.

DIRECTORS (Cont'd)

The name of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Chow Kok Hiang	
Datuk Venkata Chellam A/L Subramaniam	
Sacher Ezra Bin Rizal Shah	
Dato' Tan Sui Hou	
Lim Thai San	
Lim Bok Hek	
Soh Choong Boon	
Cheah Kee Nguan	(Alternate Director: Cheah Zhi Sin)
Chan Eu-Khin	
Dr. D Gerard Joseph Louis	
Gooi Tsih Ern	(Alternate Director to Gooi Seong Lim)
Chong Chai Pin	
Fang Kiam Hui	
Chong Chin Yee	
Poh Siong Chet	

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 Note 25 and Note 30 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the Directors who held office at the end of the financial year had, according to the Register of Directors' Shareholdings pursuant to Section 59 of the Companies Act, 2016, 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 in the Company			
	At 1.2.2021	Bought	Sold	At 31.1.2022
Gooi Seong Lim				
- direct interest	1,130,452	-	-	1,130,452
- indirect interest	196,063,786	-	-	196,063,786
Gooi Seong Heen				
- direct interest	4,559,121	-	-	4,559,121
- indirect interest	192,216,114	-	-	192,216,114
Gooi Seong Chneh				
- direct interest	4,144,124	-	-	4,144,124
- indirect interest	192,148,114	-	-	192,148,114
Gooi Seong Gum				
- indirect interest	192,148,114	-	-	192,148,114
Yeo Jon Tian @ Eeyo Jon Thiam				
- direct interest	60,000	-	-	60,000
- indirect interest	19,000	-	-	19,000
Chew Ching Chong				
- direct interest	10,000	-	-	10,000
Gooi Khai Shin				
- indirect interest	3,775,672	-	-	3,775,672

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

	Number of ordinary shares in the related corporations			
	At 1.2.2021	Bought	Sold	At 31.1.2022
Kim Loong Resources Berhad				
Gooi Seong Lim				
- direct interest	5,756,400	346,132	-	6,102,532
- indirect interest	602,519,603	29,916,369	-	632,435,972
Gooi Seong Heen				
- direct interest	5,303,736	265,186	-	5,568,922
- indirect interest	598,511,606	29,699,170	-	628,210,776
Gooi Seong Chneh				
- direct interest	4,883,736	244,186	-	5,127,922
- indirect interest	598,511,606	29,715,970	-	628,227,576
Gooi Seong Gum				
- direct interest	397,800	-	-	397,800
- indirect interest	598,679,606	29,699,170	-	628,378,776
Gooi Khai Shin				
- indirect interest	2,999,997	149,999	-	3,149,996
Crescendo Overseas Corporation Sdn. Bhd.				
Gooi Seong Lim				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Heen				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Chneh				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Gooi Seong Gum				
- direct interest	12,250	-	-	12,250
- indirect interest	51,000	-	-	51,000
Panoramic Housing Development Sdn. Bhd.				
Gooi Seong Lim				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Heen				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Chneh				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200
Gooi Seong Gum				
- direct interest	5,700	-	-	5,700
- indirect interest	1,444,200	-	-	1,444,200

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

	Number of warrants 2018/2025 in the related corporation			
	At 1.2.2021	Bought	Exercised	At 31.1.2022
Kim Loong Resources Berhad				
Gooi Seong Lim				
- direct interest	102,532	-	102,532	-
- indirect interest	29,916,369	-	29,916,369	-
Gooi Seong Heen				
- direct interest	265,186	-	265,186	-
- indirect interest	29,715,970	-	29,699,170	16,800
Gooi Seong Chneh				
- direct interest	244,186	-	244,186	-
- indirect interest	29,715,970	-	29,715,970	-
Gooi Seong Gum				
- direct interest	19,890	-	-	19,890
- indirect interest	29,724,370	-	29,699,170	25,200
Gooi Khai Shin				
- indirect interest	149,999	-	149,999	-

	Number of ordinary shares in the holding company – Sharikat Kim Loong Sendirian Berhad			
	At 1.2.2021	Bought	Sold	At 31.1.2022
Gooi Seong Lim				
- direct interest	22,125	-	10	22,115
- indirect interest	11,250	10	-	11,260
Gooi Seong Heen				
- direct interest	22,125	-	10	22,115
- indirect interest	11,250	10	-	11,260
Gooi Seong Chneh				
- direct interest	22,125	-	10	22,115
- indirect interest	11,250	10	-	11,260
Gooi Seong Gum				
- direct interest	22,125	-	10	22,115
- indirect interest	11,250	10	-	11,260

By virtue of their interests in the shares in the holding company, Sharikat Kim Loong Sendirian Berhad, Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh and Gooi Seong Gum, are also deemed to have interests in the shares in the Company and its related corporations to the extent that the holding company has interests in accordance with Section 8 of the Companies Act, 2016.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the Director, officer or auditor of the Company.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

(i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

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

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

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

HOLDING AND ULTIMATE HOLDING COMPANY

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

SIGNIFICANT EVENT

Significant event during the financial year is disclosed in Note 38 to the financial statements.

AUDITORS

The total amount receivable by the auditors as remuneration are disclosed in Note 23 to the financial statements.

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

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

GOOI SEONG LIM Director	**GOOI SEONG CHNEH** Director

Dated: 17 MAY 2022

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, GOOI SEONG LIM and GOOI SEONG CHNEH, 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 76 to 143 are drawn up in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 January 2022 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

GOOI SEONG LIM
Director

GOOI SEONG CHNEH
Director

Dated: 17 MAY 2022

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, YUEN SUH CHIN, being the Officer primarily responsible for the financial management of CRESCENDO CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 76 to 143 are, in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed YUEN SUH CHIN)
at Johor Bahru in the State of Johor Darul)
Takzim on 17 MAY 2022.)

YUEN SUH CHIN
Officer

Before me,

SERENA KAUR
No: J252
Commissioner of Oaths
Johor Bahru

INDEPENDENT AUDITORS' REPORT

To the Members of Crescendo Corporation Berhad 199501030544 (359750-D)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Crescendo Corporation Berhad, which comprise the statements of financial position as at 31 January 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 76 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
Inventories of Property Development Activities	
Inventories of property development activities are disclosed in Note 9 to the financial statements and are carried at the lower of cost and net realisable values as stated in Note 2.3(g)(i), (ii), (iii) to the financial statements. The carrying values of these at 31 January 2022 comprise: i. Land held for development RM606.39 million ii. Properties development cost RM42.83 million iii. Completed properties RM77.03 million As stated in Note 2.4(b)(ii), net realisable values for inventories of property development activities are based on estimated selling prices, net of the estimated cost necessary to complete the sales. Significant judgement is required in estimating the selling price.	In respect of inventories of property development activities, we have sighted, on a sample basis, the titles to ascertain ownership of properties. We have reviewed, on a sample basis, management's determination of net realisable values based on estimated selling prices of the respective inventories of property development activities.

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
Investment Properties	
Investment properties are disclosed in Note 6 to the financial statements and as explained in Note 2.3(e), the Group elected to measure investment properties at its deemed cost less accumulated depreciation and impairment losses, if any. The net carrying amount of investment properties amounted to RM275.48 million. As mentioned in Note 2.3(t), the Group assesses at each reporting date whether there is an indication that an asset may be impaired. As stated in Note 2.4(b)(iii), indicators of impairment are assessed by comparing the net carrying amount of investment properties to recoverable amounts. The recoverable amounts are determined based on the higher of fair values less cost to sell and value in use. Judgement is required in estimating selling price and discounted cash flows projections, whichever is applicable.	In respect of investment properties, we have sighted, on a sample basis, the titles to ascertain ownership of properties. We have reviewed, on a sample basis, management's determination of the estimated recoverable amounts of investment properties.
Property Development Activities and Construction Contracts	
The Group's revenue of RM128.44 million from the Property Development Activities and construction contracts are stated in Note 21 to the financial statements and are accounted for in accordance with Notes 2.3(g), (h), (k) and (o) to the financial statements. As stated in Note 2.4(b)(i), significant judgement is required in determining the measure of progress, the extent of the costs incurred, the estimation of revenue and costs, as well as the recoverability of costs.	Our audit approach includes, inter alia, the following: Review on a sample basis of material on-going projects. Review of management's policy on recognition of revenue and management's judgement and estimations used in determining the measure of progress, revenue and costs relating to property development and construction activities, as well as the recoverability of costs. We corroborated, on a sample basis, the stage of completion, the level of completion of the physical proportion of contract work to date and contract assets, to the certificates of professional consultants. We have checked on a sample basis, revenue and cost recognised to contracts, letter of awards, variation orders, subcontractors claims, architect and other specialist certificates.

Independent Auditors' Report

To the Members of Crescendo Corporation Berhad 199501030544 (359750-D)
(Incorporated in Malaysia) (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguard applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

MOHAMMAD NIZAM BIN JOHARI
Chartered Accountant
Approval Number: 03226/02/2024 J
Partner

Johor Bahru,
Dated: 17 MAY 2022

STATEMENTS OF FINANCIAL POSITION

As as 31 January 2022

	Note	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	**156,799,248**	159,341,015	**3,131,707**	2,976,006
Right-of-use assets	4	**4,398,472**	4,715,950	**-**	-
Bearer plants	5	**5,081,551**	4,972,438	**-**	-
Investment properties	6	**275,484,497**	275,783,465	**-**	-
Investment in subsidiaries	7	**-**	-	**193,065,279**	193,065,279
Other investment	8	**-**	11,793,912	**-**	-
Inventories	9	**606,386,019**	609,417,108	**-**	-
Deferred tax assets	10	**36,689,000**	32,751,593	**475,000**	404,000
Derivative financial assets	11	**-**	9,439,182	**-**	-
Amount owing by subsidiaries	12	**-**	-	**450,727,636**	259,782,315
		1,084,838,787	1,108,214,663	**647,399,622**	456,227,600
Current assets					
Inventories	9	**141,895,405**	171,331,380	**-**	-
Receivables	12	**56,733,055**	59,283,874	**6,399,643**	24,747,680
Contract assets	13	**5,842,675**	2,342,212	**-**	-
Prepaid operating expenditure		**11,821,481**	9,148,178	**325,119**	221,204
Tax recoverable		**3,759,506**	828,518	**446,860**	295,222
Short term fund	14	**3,472,174**	-	**-**	-
Cash and bank balances	15	**107,555,233**	54,042,015	**14,832,677**	2,624,073
		331,079,529	296,976,177	**22,004,299**	27,888,179
TOTAL ASSETS		**1,415,918,316**	1,405,190,840	**669,403,921**	484,115,779

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

		GROUP		COMPANY	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	**299,572,064**	299,572,064	**299,572,064**	299,572,064
Treasury shares	16	**(3,114,728)**	(3,114,728)	**(3,114,728)**	(3,114,728)
Hedging reserve	17	**(297,670)**	6,100,320	**-**	-
Other capital reserve		**-**	426,200	**-**	-
Retained earnings	18	**622,069,606**	611,295,559	**167,839,379**	156,290,250
		918,229,272	914,279,415	**464,296,715**	452,747,586
Non-controlling interests		**52,598,210**	51,677,992	**-**	-
Total equity		**970,827,482**	965,957,407	**464,296,715**	452,747,586
Non-current liabilities					
Loans and borrowings	19	**269,212,220**	152,783,768	**200,000,000**	-
Deferred tax liabilities	10	**32,266,872**	34,243,796	**-**	-
Derivative financial liabilities	11	**391,671**	1,094,088	**-**	-
		301,870,763	188,121,652	**200,000,000**	-
Current liabilities					
Payables	20	**65,090,854**	68,250,098	**5,107,206**	25,779,819
Contract liabilities	13	**13,266,738**	13,701,028	**-**	-
Loans and borrowings	19	**62,516,224**	161,303,201	**-**	-
Dividend payable		**-**	5,588,374	**-**	5,588,374
Tax payable		**2,346,255**	1,942,892	**-**	-
Derivative financial liabilities	11	**-**	326,188	**-**	-
		143,220,071	251,111,781	**5,107,206**	31,368,193
Total liabilities		**445,090,834**	439,233,433	**205,107,206**	31,368,193
TOTAL EQUITY AND LIABILITIES		**1,415,918,316**	1,405,190,840	**669,403,921**	484,115,779

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 January 2022

	Note	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Revenue	21	**217,119,835**	222,897,622	**32,193,593**	38,431,889
Cost of sales		**(139,248,347)**	(144,772,881)	**-**	-
Gross profit		**77,871,488**	78,124,741	**32,193,593**	38,431,889
Other items of income					
Interest income		**1,202,733**	1,539,372	**10,961,121**	10,648,107
Rental income		**8,505,081**	9,647,260	**-**	-
Other income		**992,716**	3,615,251	**13,552**	109,473
Other items of expense					
Administrative expenses		**(40,328,422)**	(39,350,200)	**(19,355,395)**	(20,108,060)
Finance costs	22	**(14,404,478)**	(11,175,525)	**(934,632)**	(299,046)
Profit before tax	23	**33,839,118**	42,400,899	**22,878,239**	28,782,363
Tax	26	**(9,857,722)**	(12,621,461)	**(152,362)**	(86,778)
Profit net of tax		**23,981,396**	29,779,438	**22,725,877**	28,695,585
Other Comprehensive Income, net of tax					
Net movements on cash flow hedges	17	**(8,410,577)**	(2,853,035)	**-**	-
Tax relating to cash flow hedges	10	**2,018,539**	684,728	**-**	-
		(6,392,038)	(2,168,307)	**-**	-
Total comprehensive income for the year		**17,589,358**	27,611,131	**22,725,877**	28,695,585
Profit attributable to:					
Owners of the Company		**21,524,595**	26,801,177	**22,725,877**	28,695,585
Non-controlling interests		**2,456,801**	2,978,261	**-**	-
		23,981,396	29,779,438	**22,725,877**	28,695,585
Total comprehensive income attributable to:					
Owners of the Company		**15,126,605**	24,621,224	**22,725,877**	28,695,585
Non-controlling interests		**2,462,753**	2,989,907	**-**	-
		17,589,358	27,611,131	**22,725,877**	28,695,585
Earnings per share attributable to owners of the Company (sen)					
Basic	27	**7.7**	9.6		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 January 2022

			Attributable to owners of the Company						
				Non-distributable			Distributable		
	Note	Total Equity RM	Total RM	Share Capital RM	Hedging Reserve RM	Other Capital Reserve RM	Retained Earnings RM	Treasury Shares RM	Non-Controlling Interests RM
2022									
At 1.2.2021		**965,957,407**	**914,279,415**	**299,572,064**	**6,100,320**	**426,200**	**611,295,559**	**(3,114,728)**	**51,677,992**
Total comprehensive income		**17,589,358**	**15,126,605**	**-**	**(6,397,990)**	**-**	**21,524,595**	**-**	**2,462,753**
Realisation of capital reserve		**-**	**-**	**-**	**-**	**(426,200)**	**426,200**	**-**	**-**
Transactions with owners									
Dividend paid to non-controlling interests		**(1,542,535)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,542,535)**
Dividends	28	**(11,176,748)**	**(11,176,748)**	**-**	**-**	**-**	**(11,176,748)**	**-**	**-**
Total transactions with owners		**(12,719,283)**	**(11,176,748)**	**-**	**-**	**-**	**(11,176,748)**	**-**	**(1,542,535)**
At 31.1.2022		**970,827,482**	**918,229,272**	**299,572,064**	**(297,670)**	**-**	**622,069,606**	**(3,114,728)**	**52,598,210**
2021									
At 1.2.2020		953,236,080	900,834,939	299,572,064	8,280,273	426,200	595,671,130	(3,114,728)	52,401,141
Total comprehensive income		27,611,131	24,621,224	-	(2,179,953)	-	26,801,177	-	2,989,907
Transactions with owners									
Issuance of redeemable preference shares in a subsidiary		297,000	-	-	-	-	-	-	297,000
Dividend paid to non-controlling interests		(4,010,056)	-	-	-	-	-	-	(4,010,056)
Dividends	28	(11,176,748)	(11,176,748)	-	-	-	(11,176,748)	-	-
Total transactions with owners		(14,889,804)	(11,176,748)	-	-	-	(11,176,748)	-	(3,713,056)
At 31.1.2021		965,957,407	914,279,415	299,572,064	6,100,320	426,200	611,295,559	(3,114,728)	51,677,992

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 January 2022

	Note	Total Equity RM	Non-distributable Share Capital RM	Distributable Retained Earnings RM	Distributable Treasury Shares RM
2022					
At 1.2.2021		**452,747,586**	**299,572,064**	**156,290,250**	**(3,114,728)**
Total comprehensive income		**22,725,877**	**-**	**22,725,877**	**-**
Transactions with owners					
Dividends	28	**(11,176,748)**	**-**	**(11,176,748)**	**-**
Total transactions with owners		**(11,176,748)**	**-**	**(11,176,748)**	**-**
At 31.1.2022		**464,296,715**	**299,572,064**	**167,839,379**	**(3,114,728)**
2021					
At 1.2.2020		435,228,749	299,572,064	138,771,413	(3,114,728)
Total comprehensive income		28,695,585	-	28,695,585	-
Transactions with owners					
Dividends	28	(11,176,748)	-	(11,176,748)	-
Total transactions with owners		(11,176,748)	-	(11,176,748)	-
At 31.1.2021		452,747,586	299,572,064	156,290,250	(3,114,728)

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year Ended 31 January 2022

	Note	2022 RM	2021 RM
Operating activities			
Cash receipts from customers		**225,680,844**	230,148,165
Cash paid to suppliers and employees		**(145,001,361)**	(165,604,858)
Cash generated from operations		**80,679,483**	64,543,307
Deposit interest received		**1,112,539**	1,459,035
Interest paid		**(14,875,667)**	(15,719,970)
Tax paid		**(16,281,139)**	(12,787,534)
Net cash from operating activities		**50,635,216**	37,494,838
Investing activities			
Acquisition of property, plant and equipment	A	**(3,694,407)**	(3,709,918)
Acquisition of bearer plants		**(280,000)**	(1,240,000)
Acquisition of investment properties	B	**(1,276,940)**	-
Capital realisation from other investment		**11,793,912**	1,368,000
Investment in short term fund		**(3,467,209)**	-
Pledge of time deposits		**(1,975,992)**	(6,705)
Proceeds from disposal of property, plant and equipment		**468,828**	365
Net cash from/(used in) investing activities		**1,568,192**	(3,588,258)
Financing activities			
Proceeds from issuance of shares to minority shareholders in subsidiary		**-**	297,000
Proceeds from loans and borrowings		**201,500,000**	31,277,679
Repayment of loans and borrowings		**(177,777,707)**	(72,145,995)
Dividends paid		**(16,765,122)**	(5,588,374)
Dividends paid to non-controlling interests		**(1,542,535)**	(4,010,056)
Net cash from/(used in) financing activities		**5,414,636**	(50,169,746)
Net increase/(decrease) in cash and cash equivalents		**57,618,044**	(16,263,166)
Cash and cash equivalents at the beginning of the financial year		**44,395,568**	60,658,734
Cash and cash equivalents at the end of the financial year	29	**102,013,612**	44,395,568

Notes to Consolidated Statement of Cash Flows

		Note	2022 RM	2021 RM
A	Acquisition of property, plant and equipment			
	Property, plant and equipment acquired	3	**3,876,276**	4,356,693
	Unpaid balance included under payables		**(660,006)**	(478,137)
	Cash paid in respect of prior year acquisition		**478,137**	242,535
	Deposits paid in prior year		**-**	(411,173)
	Cash paid		**3,694,407**	3,709,918
B	Acquisition of investment properties			
	Investment properties acquired	6	**2,429,264**	-
	Unpaid balance included under payables		**(1,152,324)**	-
	Cash paid		**1,276,940**	-

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

COMPANY STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 January 2022

	Note	2022 RM	2021 RM
Operating activities			
Cash receipts from customers		**9,325,780**	9,040,638
Dividends received from subsidiaries		**23,200,000**	29,155,003
Cash paid to suppliers and employees		**(17,294,712)**	(19,462,129)
Cash generated from operations		**15,231,068**	18,733,512
Interest received		**10,961,121**	10,648,107
Interest paid		**(934,632)**	(299,046)
Tax paid		**(375,000)**	(603,424)
Net cash from operating activities		**24,882,557**	28,479,149
Investing activities			
Acquisition of plant and equipment	3	**(889,222)**	(328,631)
Acquisition of redeemable preference shares in a subsidiary		**-**	(1,500,000)
Proceeds from disposal of plant and equipment		**129,000**	-
Pledge of time deposits		**(2,008,250)**	-
Advance to subsidiaries		**(204,984,138)**	(37,867,467)
Repayment from subsidiaries		**32,448,619**	1,491,839
Net cash used in investing activities		**(175,303,991)**	(38,204,259)
Financing activities			
Advance from related companies		**-**	6,568
Advance from subsidiaries		**-**	16,269,604
Proceeds from loans and borrowings		**200,000,000**	-
Repayment to a related company		**(20,279)**	-
Repayment to subsidiaries		**(22,592,811)**	(66,367)
Dividends paid		**(16,765,122)**	(5,588,374)
Net cash from financing activities		**160,621,788**	10,621,431
Net increase in cash and cash equivalents		**10,200,354**	896,321
Cash and cash equivalents at the beginning of the financial year		**2,624,073**	1,727,752
Cash and cash equivalents at the end of the financial year	29	**12,824,427**	2,624,073

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

1. GENERAL INFORMATION

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

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

The subsidiaries are principally engaged in property development, investment holding, construction, property investment and management, trading and manufacturing of concrete products, trading in building materials and providing educational services, as detailed in Note 7 to the financial statements.

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

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

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

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

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

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

(f) Authorisation for issue of financial statements

These financial statements were authorised for issue by the Board of Directors on 17 MAY 2022.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies in Note 2.3 and comply with applicable Malaysian Financial Reporting Standards (''MFRS''), International Financial Reporting Standards (''IFRS'') and the requirements of the Companies Act, 2016 in Malaysia.

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

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

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

The Group and the Company adopted the following new and amended MFRSs and Interpretations relevant to the current operations of the Group and of the Company for the financial year ended 31 January 2022:

MFRS and Interpretations	
Amendment to MFRS 16	Covid-19-Related Rent Concessions
Interpretation to MFRS 123	Borrowing cost relating to over time transfer of constructed good
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform-Phase 2

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

Standards issued but not yet effective

The Group and the Company have not elected for early adoption of the following new and amended MFRSs relevant to the current operations of the Group and of the Company, which were issued but not yet effective for the financial year ended 31 January 2022:

MFRS		Effective for financial periods beginning on or after
Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standards 2018 – 2020		1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

These new and amended MFRSs are not expected to have any significant impact on the financial statements of the Group and of the Company upon their initial application.

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

2.3 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

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

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

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

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

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

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

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

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

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

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

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

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

2.3 Summary of significant accounting policies (Cont'd)

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

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

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

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(b) Property, plant and equipment and bearer plants

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

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(t).

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

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses in accordance with Note 2.3(t). Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting.

New planting and replanting expenditure incurred on land clearing, development and upkeep of immature oil palms (including interest incurred) during the pre-maturity period (pre-cropping costs) is not depreciated. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss. Depreciation commences when the bearer plants mature.

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

	No. of years
Buildings	10 – 50
Bearer plants	20
Plant and machinery	5 – 10
Equipment, furniture & fittings and renovation	5 – 10
Motor vehicles	10

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

2.3 Summary of significant accounting policies (Cont'd)

(b) Property, plant and equipment and bearer plants (Cont'd)

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

An item of property, plant and equipment and bearer plants is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of assets is included in the profit or loss in the year the asset is derecognised.

(c) Biological assets

The biological assets of the Group comprises fresh fruit bunches ("FFB") prior to harvest. Biological assets are classified as current assets for bearer plants that are expected to be harvested and sold or used for production on a date not more than 14 days after the reporting date.

Biological assets are measured at fair value less costs to sell are recognised in profit or loss. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

(d) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	No. of years
Land use rights	20 – 30

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The method of assessing impairment of the right-of-use assets is as disclosed in Note 2.3(t). Impairment losses are recognised in profit or loss.

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

2.3 Summary of significant accounting policies (Cont'd)

(d) Leases (Cont'd)

i. As a Lessee (Cont'd)

- Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

ii. As a Lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

When the assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. The accounting policy for rental income is set out Note 2.3(o)(v).

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

2.3 Summary of significant accounting policies (Cont'd)

(e) Investment properties

Investment properties which are held to earn rentals or for capital appreciation or both, including properties that are being constructed or developed for future use as investment properties, are carried at cost less accumulated depreciation and accumulated impairment losses Note 2.3(t), if any. Transaction costs are included in the initial measurement.

Freehold land, which has an unlimited useful life, is not depreciated.

Depreciation of buildings is calculated to write off the cost of the assets to their residual values on a straight line basis over the estimated useful life of the buildings of 50 years.

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

(f) Other investment

The Group has under a collaboration agreement with a third party agreed to contribute an agreed sum to the project costs of a restaurant project. The sum contributed is to be returned to the Group through a scheduled capital realisation scheme over an estimated period of 10 years. The Group is also entitled to receive a share of profits before depreciation and tax of the project annually until full capital realisation. After the full capital realisation, the Group is entitled to receive a share of profits before tax or a minimum guarantee sum, whichever higher for eight consecutive years. The Group does not have any participative or management rights in the investee.

The Group classifies this as an investment which is initially recognised at cost and capital realisations received are deducted therefrom.

Subsequent to initial recognition, other investment is stated at cost less impairment losses.

(g) Inventories

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

i. Land held for property development

Land held for property development consists of land on which no significant development activities have been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset.

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

Land held for property development are transferred to property development costs within inventories (classified under current assets) when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle of one to three years.

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

2.3 Summary of significant accounting policies (Cont'd)

(g) Inventories (Cont'd)

ii. Property development cost

The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development cost. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

iii. Completed development units

Costs of unit of development properties completed and held for sale comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

iv. Other inventories

(a) Raw material

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.

(b) Work in progress

Cost of work-in-progress includes the cost of direct materials and labour and a proportion of project overheads based on normal operating capacity. The costs are assigned on a first-in first-out basis.

(c) Finished goods

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to be incurred in marketing, selling and distribution.

(h) Contract cost

i. Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

ii. Costs to fulfil a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or of the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

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

2.3 Summary of significant accounting policies (Cont'd)

(h) Contract cost (Cont'd)

These contracts costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the assets relate. An impairment loss is recognised in the profit or loss when carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has impaired, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(i) Income taxes

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

2.3 Summary of significant accounting policies (Cont'd)

(i) Income taxes (Cont'd)

ii. Deferred tax (Cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Financial instruments – Initial recognition and subsequent measurement

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity investment of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

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

2.3 Summary of significant accounting policies (Cont'd)

(j) Financial instruments – Initial recognition and subsequent measurement (Cont'd)

i. Financial assets (Cont'd)

Subsequent measurement

For the purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's and the Company's financial assets are its financial assets at amortised cost (debt instruments), at fair value through OCI and at fair value through profit or loss.

- Financial assets at amortised cost (debt instruments)

  The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

  - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

  And

  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified and impaired.

  The Group's and the Company's financial assets at amortised cost comprise trade and other receivables balances and cash and bank balances.

- Financial assets at fair value through OCI (FVOCI)

  This category comprises debt instrument where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  FVOCI category also comprises investment in equity that is not held for trading and the Group and the Company irrevocably elect to present subsequent changes in the investment's FVOCI. This election is made on an investment-by-investment basis.

  Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under FVOCI reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss. This category comprises the Group's derivative instruments.

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

2.3 Summary of significant accounting policies (Cont'd)

(j) Financial instruments – Initial recognition and subsequent measurement (Cont'd)

i. Financial assets (Cont'd)

Subsequent measurement (Cont'd)

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interests are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

  This category comprises the Group's investment in short term fund.

  Short term funds are investments in unit trust funds carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Group and the Company have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risk and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

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

2.3 Summary of significant accounting policies (Cont'd)

(j) Financial instruments – Initial recognition and subsequent measurement (Cont'd)

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Group's and the Company's financial liability at amortised cost comprise trade and other payables and loans and borrowings.

Derecognition

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

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(k) Contract assets and contract liabilities

A contract asset is the right to consideration for goods or services transferred to the customers. If the Group performs by transferring goods or services to a customer before the customers pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The contract asset will be transferred to trade receivables when the rights to consideration become unconditional.

A contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Group performs under the contract.

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

2.3 Summary of significant accounting policies (Cont'd)

(l) Impairment of financial assets and contract assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when the contractual payments are past due based on historical credit loss experience. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(m) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group or the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(n) Employee benefits

i. Short term benefits

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

ii. Defined contribution plans

The Group and the Company make contributions to the Employees Provident Fund ("EPF"), the national defined contribution plan. Contributions to the defined contribution plan are charged to profit or loss in the period in which they relate. Once the contributions have been paid, the Group has no further payment obligations.

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

2.3 Summary of significant accounting policies (Cont'd)

(o) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

i. Revenue from property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the output method, which is based on the level of completion of the physical proportion of contract work to date, certified by professional consultants.

The promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) as in the attached layout plan in the sale and purchase agreements. The purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group. The Group has the right to payment for performance completed to date, is entitled to continue to transfer the customer the development units promised, and has the rights to complete the construction of the properties and enforce its rights to full payment.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the assets sold.

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

2.3 Summary of significant accounting policies (Cont'd)

(o) Revenue recognition (Cont'd)

ii. Revenue from construction contract

Construction contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices when these are not directly observable, they are estimated based on expected cost-plus margin. The Group recognises construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for the performance completed to date. The stage of completion is measured using the output method, which is based on the level of completion of the physical proportion of contract work to date, certified by professional consultants.

iii. Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

iv. Revenue from services rendered

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

v. Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

vi. Dividend income

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

vii. Others

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

The share of profit from the other investment is recognised on an accrual basis.

(p) Equity instruments

i. Ordinary shares

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

ii. Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

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

2.3 Summary of significant accounting policies (Cont'd)

(p) Equity instruments (Cont'd)

ii. Repurchase of share capital (Cont'd)

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(q) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

(r) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash in hand, cash at bank and unpledged deposits which have an insignificant risk of changes in value, net of outstanding bank overdrafts that form an integral part of the Group's and the Company's cash management.

(s) Foreign currencies

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(t) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGU).

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

2.3 Summary of significant accounting policies (Cont'd)

(t) Impairment of non-financial assets (Cont'd)

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

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

(u) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

(v) Hedge accounting

The Group uses derivatives to manage its exposure to interest rate risk. The Group applies hedge accounting for certain hedging relationships that qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationships are classified as cash flow hedge when the Group is hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Under the cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into hedging reserve, while any ineffective portion is recognised immediately in profit or loss as other operating expenses.

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

2.3 Summary of significant accounting policies (Cont'd)

(v) Hedge accounting (Cont'd)

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

(w) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(x) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

2.3 Summary of significant accounting policies (Cont'd)

(x) Fair value measurement (Cont'd)

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

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

(y) Current versus non-current classification

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

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

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

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

All other liabilities are classified as non-current.

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

2.4 Significant accounting judgements and estimates

(a) Judgements

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

(b) Key sources of estimation uncertainty

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

i. Revenue and cost recognition from property development activities and construction contracts

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

Significant judgement is required in determining the measure of progress, the extent of the costs incurred, the estimated revenue and costs, as well as the recoverability of the costs. In making judgement, the Group evaluates based on past experience and by relying on the work of specialists.

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

2.4 Significant accounting judgements and estimates (Cont'd)

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

ii. Inventories

The Group and the Company recognise inventories at the lower of cost and net realisable value. Net realisable values are based on the estimated selling prices, net of the estimated cost necessary to complete the sale. Estimated selling price of inventories from property development activities are based on recent sales transactions of similar properties or comparable properties in similar or nearby locations; where these are not readily available, a valuation by an independent valuer to determine the valuation of a property at a selected location is obtained and used as a basis to test other properties at similar location.

Significant judgement is required in estimating the selling price, which is subject to inherent uncertainties, in particular the property market.

The Directors exercise due care and attention to make reasonable estimates of selling price and the related cost to complete the sale.

The details of inventories are disclosed in Note 9.

iii. Impairment of property, plant and equipment and investment properties

The Group and the Company assess whether there are any indicators of impairment for property, plant and equipment and investment properties at each reporting date. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

Impairment test is carried out in accordance with Note 2.3(t). Fair value is based on estimated selling price, based on estimates derived from recently transacted properties in the similar or nearby locations; where these are not readily available, a valuation by an independent valuer to determine the valuation of a property at a selected location is obtained and used as a basis to test other properties at similar location.

Significant judgement is required in estimating the selling price and discounted cash flows projections, which is subject to inherent uncertainties, in particular the property market.

The Directors exercise due care and attention to make reasonable estimates of selling price less cost to sell and discounted cash flows projections, whichever is applicable.

The details of property, plant and equipment and investment properties are disclosed in Notes 3 and 6 respectively.

iv. Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowance to the extent that it is probable that taxable profit will be available against which the tax losses, capital allowances and investment tax allowance can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying amount of recognised deferred tax assets arising from unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowance of the Group was RM18,201,000 (2021: RM14,515,000). The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowance of the Group was RM25,079,000 (2021: RM34,255,000).

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
At 31 January 2022						
Cost						
At 1.2.2021	142,975,474	17,432,515	28,343,344	15,510,255	2,059,836	206,321,424
Additions	653,240	261,087	994,292	1,420,786	546,871	3,876,276
Disposal/Write off	(294,100)	(547,807)	(735,433)	(1,611,492)	-	(3,188,832)
At 31.1.2022	143,334,614	17,145,795	28,602,203	15,319,549	2,606,707	207,008,868
Accumulated depreciation						
At 1.2.2021	7,973,258	13,706,599	15,139,804	10,160,748	-	46,980,409
Depreciation charge for the year:	1,494,477	1,000,009	2,620,645	811,937	-	5,927,068
Recognised in profit or loss (Note 23)	1,494,477	805,634	2,620,645	694,378	-	5,615,134
Contract assets (Note 13)	-	194,375	-	117,559	-	311,934
Disposal/Write off	(292,312)	(540,263)	(706,852)	(1,158,430)	-	(2,697,857)
At 31.1.2022	9,175,423	14,166,345	17,053,597	9,814,255	-	50,209,620
Net carrying amount						
At 31.1.2022	134,159,191	2,979,450	11,548,606	5,505,294	2,606,707	156,799,248
Net carrying amount of assets under restriction of title due to loans and borrowings	29,038,503	-	-	-	-	29,038,503

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

GROUP	Properties RM	Plant and machinery RM	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Assets under construction RM	Total RM
At 31 January 2021						
Cost						
At 1.2.2020	141,666,610	16,193,417	27,398,819	15,672,254	1,919,225	202,850,325
Additions	1,308,864	1,310,855	1,596,363	-	140,611	4,356,693
Disposal/Write off	-	(71,757)	(651,838)	(161,999)	-	(885,594)
At 31.1.2021	142,975,474	17,432,515	28,343,344	15,510,255	2,059,836	206,321,424
Accumulated depreciation						
At 1.2.2020	6,496,967	12,841,082	12,800,193	9,418,613	-	41,556,855
Depreciation charge for the year:	1,476,291	930,862	2,885,766	814,913	-	6,107,832
Recognised in profit or loss (Note 23)	1,476,291	744,449	2,885,766	709,558	-	5,816,064
Contract assets (Note 13)	-	186,413	-	105,355		291,768
Disposal/Write off	-	(65,345)	(546,155)	(72,778)	-	(684,278)
At 31.1.2021	7,973,258	13,706,599	15,139,804	10,160,748	-	46,980,409
Net carrying amount						
At 31.1.2021	135,002,216	3,725,916	13,203,540	5,349,507	2,059,836	159,341,015
Net carrying amount of assets under restriction of title due to loans and borrowings	52,132,701	-	-	-	-	52,132,701

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

Properties of the Group:

GROUP	Freehold land RM	Buildings RM	Total RM
At 31 January 2022			
Cost			
At 1.2.2021	**80,927,674**	**62,047,800**	**142,975,474**
Addition	**653,240**	**-**	**653,240**
Disposal/Write off	**-**	**(294,100)**	**(294,100)**
At 31.1.2022	**81,580,914**	**61,753,700**	**143,334,614**
Accumulated depreciation			
At 1.2.2021	**-**	**7,973,258**	**7,973,258**
Depreciation charge for the year:			
Recognised in profit or loss	**-**	**1,494,477**	**1,494,477**
Disposal/Write off	**-**	**(292,312)**	**(292,312)**
At 31.1.2022	**-**	**9,175,423**	**9,175,423**
Net carrying amount			
At 31.1.2022	**81,580,914**	**52,578,277**	**134,159,191**
At 31 January 2021			
Cost			
At 1.2.2020	80,757,625	60,908,985	141,666,610
Addition	170,049	1,138,815	1,308,864
At 31.1.2021	80,927,674	62,047,800	142,975,474
Accumulated depreciation			
At 1.2.2020	-	6,496,967	6,496,967
Depreciation charge for the year:			
Recognised in profit or loss	-	1,476,291	1,476,291
At 31.1.2021	-	7,973,258	7,973,258
Net carrying amount			
At 31.1.2021	80,927,674	54,074,542	135,002,216

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

COMPANY	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
At 31 January 2022			
Cost			
At 1.2.2021	**3,224,868**	**2,885,170**	**6,110,038**
Additions	**170,514**	**718,708**	**889,222**
Disposal/Write off	**(10,836)**	**(364,282)**	**(375,118)**
At 31.1.2022	**3,384,546**	**3,239,596**	**6,624,142**
Accumulated depreciation			
At 1.2.2021	**1,952,947**	**1,181,085**	**3,134,032**
Depreciation charge for the year:			
Recognised in profit or loss (Note 23)	**313,380**	**276,178**	**589,558**
Disposal/Write off	**(10,262)**	**(220,893)**	**(231,155)**
At 31.1.2022	**2,256,065**	**1,236,370**	**3,492,435**
Net carrying amount			
At 31.1.2022	**1,128,481**	**2,003,226**	**3,131,707**
At 31 January 2021			
Cost			
At 1.2.2020	3,209,313	3,042,269	6,251,582
Additions	328,631	-	328,631
Disposal/Write off	(313,076)	(157,099)	(470,175)
At 31.1.2021	3,224,868	2,885,170	6,110,038
Accumulated depreciation			
At 1.2.2020	1,958,062	998,071	2,956,133
Depreciation charge for the year:			
Recognised in profit or loss (Note 23)	305,349	250,893	556,242
Disposal/Write off	(310,464)	(67,879)	(378,343)
At 31.1.2021	1,952,947	1,181,085	3,134,032
Net carrying amount			
At 31.1.2021	1,271,921	1,704,085	2,976,006

Certain parcels of freehold land of the subsidiaries with net carrying amount of RM36,629,574 (2021: RM36,629,574) are registered in the name of vendors. The said subsidiaries are the beneficial owners of the freehold land.

4. RIGHT-OF-USE ASSETS

GROUP	Land use rights RM
At 31 January 2022	
Cost	
At 1 February 2021/31 January 2022	**6,401,996**
Accumulated depreciation	
At 1 February 2021	**1,686,046**
Depreciation charge for the year:	
Recognised in profit or loss (Note 23)	**317,478**
At 31 January 2022	**2,003,524**
Net carrying amount	
At 31 January 2022	**4,398,472**
At 31 January 2021	
Cost	
At 1 February 2020/31 January 2021	6,401,996
Accumulated depreciation	
At 1 February 2020	1,368,567
Depreciation charge for the year:	
Recognised in profit or loss (Note 23)	317,479
At 31 January 2021	1,686,046
Net carrying amount	
At 31 January 2021	4,715,950

5. BEARER PLANTS

	GROUP	
	2022 RM	2021 RM
Cost		
At 1 February 2021/2020	**5,313,867**	4,073,867
Additions	**280,000**	1,240,000
At 31 January 2022/2021	**5,593,867**	5,313,867
Accumulated depreciation		
At 1 February 2021/2020	**341,429**	279,351
Depreciation charge for the year:		
Recognised in profit or loss (Note 23)	**170,887**	62,078
At 31 January 2022/2021	**512,316**	341,429
Net carrying amount	**5,081,551**	4,972,438

No biological assets have been recognised as the amount is immaterial.

6. INVESTMENT PROPERTIES

GROUP	Freehold land RM	Buildings RM	Assets under construction RM	Total RM
At 31 January 2022				
Cost				
At 1 February 2021	**156,096,240**	**130,600,161**	**-**	**286,696,401**
Addition	**-**	**-**	**2,429,264**	**2,429,264**
At 31 January 2022	**156,096,240**	**130,600,161**	**2,429,264**	**289,125,665**
Accumulated depreciation				
At 1 February 2021	**-**	**10,912,936**	**-**	**10,912,936**
Depreciation charge for the year:				
Recognised in profit or loss (Note 23)	**-**	**2,728,232**	**-**	**2,728,232**
At 31 January 2022	**-**	**13,641,168**	**-**	**13,641,168**
Net carrying amount	**156,096,240**	**116,958,993**	**2,429,264**	**275,484,497**
At 31 January 2021				
Cost				
At 1 February 2020/31 January 2021	156,096,240	130,600,161	-	286,696,401
Accumulated depreciation				
At 1 February 2020	-	8,184,702	-	8,184,702
Depreciation charge for the year:				
Recognised in profit or loss (Note 23)	-	2,728,234	-	2,728,234
At 31 January 2021	-	10,912,936	-	10,912,936
Net carrying amount	156,096,240	119,687,225	-	275,783,465

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Certain investment properties amounting to RM272,441,897 (2021: RM183,208,087) are pledged to licensed banks as security for the loans and borrowings and Medium Term Notes ("MTN") issued by the Company during the financial year (Note 19).

Direct operating expenses (including repairs and maintenance) recognised in profit or loss during the year for:

	GROUP 2022 RM	GROUP 2021 RM
Income generating investment properties	**3,397,332**	3,430,355
Non-income generating investment properties	**126,837**	129,485

7. INVESTMENT IN SUBSIDIARIES

	COMPANY 2022 RM	COMPANY 2021 RM
Unquoted shares, at cost		
At 1 February 2021/2020	**193,065,279**	191,565,279
Acquisition of redeemable preference shares in a subsidiary	**-**	1,500,000
At 31 January 2022/2021	**193,065,279**	193,065,279

All these subsidiaries which are incorporated and have their principal place of business in Malaysia as follows:

Name	Principal activities	Proportion of effective ownership interest 2022	Proportion of effective ownership interest 2021
Held by the Company:			
Panoramic Industrial Development Sdn. Bhd.	Property development and investment holding	**100%**	100%
Panoramic Jaya Sdn. Bhd.	Property development	**70%**	70%
Crescendo Development Sdn. Bhd.	Property development and cultivation of oil palm	**100%**	100%
Unibase Construction Sdn. Bhd.	Building and general contractors, civil engineering work and investment holding	**100%**	100%
Crescendo Education Sdn. Bhd.	Investment holding	**100%**	100%
Crescendo Commercial Complex Sdn. Bhd.	Property investment	**100%**	100%
Panoramic Land Sdn. Bhd.	Property investment	**100%**	100%
Medini Capital Sdn. Bhd.	Dormant	**100%**	100%
Crescendo Properties Sdn. Bhd.	Intended for investment holding	**100%**	100%
Held by Panoramic Industrial Development Sdn. Bhd.			
Ambok Resorts Development Sdn. Bhd.	Property development and cultivation of oil palm	**100%**	100%
Held by Crescendo Development Sdn. Bhd.			
Crescendo Jaya Sdn. Bhd.	Property development	**70%**	70%
Crescendo Land Sdn. Bhd.	Property development	**95%**	95%
Held by Crescendo Education Sdn. Bhd.			
Crescendo International College Sdn. Bhd.	Providing educational services	**55%**	55%
Crescendo International School Sdn. Bhd.	Providing educational services	**70%**	70%

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

Name	Principal activities	Proportion of effective ownership interest 2022	2021
Held by Unibase Construction Sdn. Bhd.			
Unibase Concrete Industries Sdn. Bhd.	Trading and manufacturing of concrete products and investment holding	**60%**	60%
Unibase Corporation Sdn. Bhd.	Building and general contractors, civil engineering work and investment holding	**100%**	100%
Unibase Resources Sdn. Bhd.	Investment holding	**88.35%**	88.35%
Held by Unibase Concrete Industries Sdn. Bhd.			
Unibase Pre-cast Sdn. Bhd.	Fabrication, trading and marketing of concrete products	**50.4%**	50.4%
Unibase Trading Sdn. Bhd.	Trading of building materials	**60%**	60%
Unibase Jaya Sdn. Bhd.	Investment holding	**48%**	48%
Held by Unibase Pre-cast Sdn. Bhd.			
UPC Concrete Sdn. Bhd.	Dormant	**50.4%**	-
Held by Unibase Corporation Sdn. Bhd.			
Repute Ventures Sdn. Bhd.	Investment holding	**70%**	70%
Held by Repute Ventures Sdn. Bhd.			
Repute Construction Sdn. Bhd.	Buildings construction	**60.2%**	60.2%
Held by Crescendo Land Sdn. Bhd.			
Crescendo Supreme Sdn. Bhd.	Dormant	**95%**	95%
Crescendo Vision Sdn. Bhd.	Dormant	**95%**	95%
Crescendo Horizon Sdn. Bhd.	Dormant	**95%**	95%
Crescendo Evergreen Sdn. Bhd.	Dormant	**95%**	95%
Crescendo Landmark Sdn. Bhd.	Dormant	**95%**	95%
Crescendo Prestige Sdn. Bhd.	Dormant	**95%**	95%
Crescendo Majestic Sdn. Bhd.	Dormant	**95%**	95%
Held by Unibase Resources Sdn. Bhd.			
Unibase Quarry Industries Sdn. Bhd.	Trading and manufacturing of building materials	**61.85%**	61.85%

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

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

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

	2022 RM	2021 RM
(i) Summarised statement of financial position		
Non-current assets	**47,162,699**	47,568,297
Current assets	**75,065,370**	80,766,131
Total assets	**122,228,069**	128,334,428
Current liabilities	**44,086,781**	41,518,580
Non-current liabilities	**4,087,270**	4,504,938
Total liabilities	**48,174,051**	46,023,518
Net assets	**74,054,018**	82,310,910
Equity attributable to owners of the Company	**45,494,500**	52,981,123
Non-controlling interests	**28,559,518**	29,329,787
	74,054,018	82,310,910
(ii) Summarised statement of comprehensive income		
Revenue	**75,206,119**	81,887,757
Profit before tax	**1,725,000**	5,631,880
Profit net of tax	**485,643**	4,067,388
Total comprehensive income attributable to:		
- owners of the Company	**(286,623)**	1,937,981
- non-controlling interests	**772,266**	2,129,407
	485,643	4,067,388

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

	2022 RM	2021 RM
(iii) Summarised statement of cash flows		
Net cash flows from operating activities	**3,575,978**	2,250,971
Net cash flows used in investing activities	**(4,480,179)**	(2,153,875)
Net cash flows used in financing activities	**(8,252,313)**	(13,223,121)
Net decrease in cash and cash equivalents	**(9,156,514)**	(13,126,025)
Cash and cash equivalents at beginning of the year	**21,501,878**	34,627,903
Cash and cash equivalents at end of the year	**12,345,364**	21,501,878
(iv) Dividends paid to non-controlling interests		
Dividend paid to non-controlling interests	**1,542,535**	4,010,056

UPC Concrete Sdn. Bhd. ("UPCCSB") is a wholly owned subsidiary of Unibase Pre-cast Sdn. Bhd. ("UPCSB"), a private limited company incorporated in Malaysia on 6 April 2021 with its first financial period made up to 31 January 2022. UPCCSB has an issued and paid up capital of RM1 divided into 1 ordinary share.

UPCCSB commenced its operation of producing concrete products and trading of building materials during the financial year and ceased its operation temporarily shortly thereafter.

8. OTHER INVESTMENT

	GROUP 2022 RM	GROUP 2021 RM
At cost		
At 1 February 2021/2020 and 31 January 2022/2021	**23,469,912**	23,469,912
Capital realisation		
At 1 February 2021/2020	**(11,676,000)**	(10,308,000)
Realisation during the year	**(11,793,912)**	(1,368,000)
At 31 January 2022/2021	**(23,469,912)**	(11,676,000)
Net investment		
At 31 January 2022/2021	**-**	11,793,912

This represents the agreed sum contributed to the project costs of a restaurant project pursuant to a collaboration agreement with a third party.

The contribution sum was returned through a scheduled capital realisation scheme over an estimated period of 10 years. During the financial year, both parties have mutually agreed to revise the abovementioned scheme for it to be fully realised in August 2021 and the Group has waived the profit sharing for the period from April 2020 up to December 2022.

9. INVENTORIES

	GROUP 2022 RM	GROUP 2021 RM
Non-current		
At cost		
Land held for property development {Note 9(a)}	**606,386,019**	609,417,108
Current		
At cost		
Raw materials	**4,430,243**	3,477,881
Work in progress	**6,118,809**	6,174,433
Finished goods	**11,420,369**	11,958,849
Completed properties for sale	**76,935,381**	105,302,792
Property development cost {Note 9(b)}	**28,944,360**	28,619,874
	127,849,162	155,533,829
At net realisable value		
Finished goods	**61,632**	-
Completed properties for sale	**99,000**	99,000
Property development cost {Note 9(b)}	**13,885,611**	15,698,551
	14,046,243	15,797,551
Total inventories (current)	**141,895,405**	171,331,380
Recognised in profit or loss:		
Inventories recognised as cost of sales	**91,603,578**	106,345,984
Inventories written off	**810,349**	-
Inventories (written back)/written down	**(114,950)**	405,915

Certain completed properties amounting to RM11,112,299 (2021: RM4,946,900) are pledged to licensed banks as security for the loans and borrowings (Note 19).

(a) Land held for property development

GROUP	Land RM	Development costs RM	Total RM
At 31 January 2022			
Cost			
At 1 February 2021	**304,293,654**	**305,123,454**	**609,417,108**
Cost incurred during the year	**62,570**	**5,256,060**	**5,318,630**
Transfer to property development cost {Note 9(b)}	**(1,692,677)**	**(6,657,042)**	**(8,349,719)**
At 31 January 2022	**302,663,547**	**303,722,472**	**606,386,019**

9. INVENTORIES (Cont'd)

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

GROUP	Land RM	Development costs RM	Total RM
At 31 January 2021			
Cost			
At 1 February 2020	306,304,185	296,373,187	602,677,372
Cost incurred during the year	58,805	17,797,589	17,856,394
Transfer to property development cost {Note 9(b)}	(2,069,336)	(9,047,322)	(11,116,658)
At 31 January 2021	304,293,654	305,123,454	609,417,108

	GROUP 2022 RM	2021 RM
Carrying amount of assets under restriction of title due to loans and borrowings and bank guarantees issued	**166,542,179**	138,405,680

Included in land held for property development cost incurred during the financial year is interest expenses amounting to RM481,091 (2021: RM2,391,086) (Note 22).

(b) Property development cost

GROUP	Land RM	Development costs RM	Total RM
At 31 January 2022			
Cumulative property development cost			
At 1 February 2021	**11,245,737**	**113,656,862**	**124,902,599**
Cost incurred during the year	**-**	**19,800,175**	**19,800,175**
Transfer from land held for property development {Note 9(a)}	**1,692,677**	**6,657,042**	**8,349,719**
Reversal of completed projects	**(3,670,870)**	**(39,485,714)**	**(43,156,584)**
Unsold completed properties transferred to inventories	**(1,728,047)**	**(15,027,537)**	**(16,755,584)**
At 31 January 2022	**7,539,497**	**85,600,828**	**93,140,325**
Cumulative costs recognised in profit or loss			
At 1 February 2021	**(3,888,634)**	**(76,008,319)**	**(79,896,953)**
Recognised during the year	**(517,280)**	**(12,480,434)**	**(12,997,714)**
Reversal of completed projects	**3,670,870**	**39,485,714**	**43,156,584**
At 31 January 2022	**(735,044)**	**(49,003,039)**	**(49,738,083)**

9. INVENTORIES (Cont'd)

(b) Property development cost (Cont'd)

GROUP	Land RM	Development costs RM	Total RM
Cumulative write-down to net realisable value			
At 1 February 2021	**-**	**(687,221)**	**(687,221)**
Reversal during the year	**-**	**114,950**	**114,950**
At 31 January 2022	**-**	**(572,271)**	**(572,271)**
Property development cost as at 31 January 2022	**6,804,453**	**36,025,518**	**42,829,971**
At 31 January 2021			
Cumulative property development cost			
At 1 February 2020	17,486,171	215,274,117	232,760,288
Cost incurred during the year	-	37,820,838	37,820,838
Transfer from land held for property development {Note 9(a)}	2,069,336	9,047,322	11,116,658
Reversal of completed projects	(6,307,803)	(104,748,058)	(111,055,861)
Unsold completed properties transferred to inventories	(2,001,967)	(43,737,357)	(45,739,324)
At 31 January 2021	11,245,737	113,656,862	124,902,599
Cumulative costs recognised in profit or loss			
At 1 February 2020	(7,744,143)	(139,734,371)	(147,478,514)
Recognised during the year	(2,452,294)	(41,022,006)	(43,474,300)
Reversal of completed projects	6,307,803	104,748,058	111,055,861
At 31 January 2021	(3,888,634)	(76,008,319)	(79,896,953)
Cumulative write-down to net realisable value			
At 1 February 2020	-	(281,306)	(281,306)
Recognised during the year	-	(405,915)	(405,915)
At 31 January 2021	-	(687,221)	(687,221)
Property development cost as at 31 January 2021	7,357,103	36,961,322	44,318,425

Included in property development cost incurred during the financial year is interest expenses amounting to RM58,283 (2021: RM1,680,514) (Note 22).

Certain parcels of the land included in land held for property development and property development cost with carrying amount of RM45,580,971 (2021: RM45,580,971) are registered in the name of the vendors. The subsidiaries are the beneficial owners of the said land.

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

10. DEFERRED TAX

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

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Presented after appropriate offsetting as follows:				
Deferred tax assets	**36,689,000**	32,751,593	**475,000**	404,000
Deferred tax liabilities	**(32,266,872)**	(34,243,796)	**-**	-
	4,422,128	(1,492,203)	**475,000**	404,000

GROUP	At 1.2.2021 RM	Recognised in other comprehensive income RM	Recognised in profit or loss (Note 26) RM	At 31.1.2022 RM
Deferred tax assets				
Subject to income tax:				
Allowance for impairment	21,000	-	9,000	30,000
Accrued expenses	68,000	-	(8,000)	60,000
Advanced service income	2,082,000	-	54,000	2,136,000
Derivatives financial liabilities	340,866	(246,865)	-	94,001
Provision of unutilised annual leave	35,000	-	34,000	69,000
Unrealised foreign exchange	-	-	8,000	8,000
Unrealised profits	22,251,000	-	1,068,000	23,319,000
Unused tax losses	1,218,000		282,000	1,500,000
Unabsorbed capital allowance	3,481,000	-	(75,000)	3,406,000
Unabsorbed investment tax allowance	9,816,000	-	3,479,000	13,295,000
	39,312,866	(246,865)	4,851,000	43,917,001
Offsetting	(6,561,273)	-	(666,728)	(7,228,001)
Deferred tax assets (after offsetting)	32,751,593	(246,865)	4,184,272	36,689,000

10. DEFERRED TAX (Cont'd)

GROUP	At 1.2.2021 RM	Recognised in other comprehensive income RM	Recognised in profit or loss (Note 26) RM	At 31.1.2022 RM
Deferred tax liabilities				
Subject to income tax:				
Accrued interest	**(3,000)**	**-**	**(2,000)**	**(5,000)**
Bearer plants	**(1,193,000)**	**-**	**(52,000)**	**(1,245,000)**
Derivative financial assets	**(2,265,404)**	**2,265,404**	**-**	**-**
Investment properties	**(18,690,000)**	**-**	**239,000**	**(18,451,000)**
Land held for property development	**(3,271,943)**	**-**	**255,792**	**(3,016,151)**
Property, plant and equipment	**(7,466,000)**	**-**	**(1,369,000)**	**(8,835,000)**
Rental receivables	**-**	**-**	**(63,000)**	**(63,000)**
Unrealised foreign exchange	**(36,000)**	**-**	**36,000**	**-**
	(32,925,347)	**2,265,404**	**(955,208)**	**(31,615,151)**
Offsetting	**6,561,273**	**-**	**666,728**	**7,228,001**
Deferred tax liabilities (after offsetting)	**(26,364,074)**	**2,265,404**	**(288,480)**	**(24,387,150)**
Subject to real property gains tax:				
Investment properties	**(6,724,000)**	**-**	**-**	**(6,724,000)**
Property, plant and equipment	**(1,155,722)**	**-**	**-**	**(1,155,722)**
	(7,879,722)	**-**	**-**	**(7,879,722)**
	(34,243,796)	**2,265,404**	**(288,480)**	**(32,266,872)**
	(1,492,203)	**2,018,539**	**3,895,792**	**4,422,128**

GROUP	At 1.2.2020 RM	Recognised in other comprehensive income RM	Recognised in profit or loss (Note 26) RM	At 31.1.2021 RM
Deferred tax assets				
Subject to income tax:				
Allowance for impairment	5,000	-	16,000	21,000
Accrued expenses	183,000	-	(115,000)	68,000
Advanced service income	2,207,000	-	(125,000)	2,082,000
Derivatives financial liabilities	341,807	(941)	-	340,866
Provision of unutilised annual leave	-	-	35,000	35,000
Unrealised profits	21,139,000	-	1,112,000	22,251,000
Unused tax losses	679,000	-	539,000	1,218,000
Unabsorbed capital allowance	3,403,000	-	78,000	3,481,000
Unabsorbed investment tax allowance	9,816,000	-	-	9,816,000
	37,773,807	(941)	1,540,000	39,312,866
Offsetting	(5,311,660)	-	(1,249,613)	(6,561,273)
Deferred tax assets (after offsetting)	32,462,147	(941)	290,387	32,751,593

10. DEFERRED TAX (Cont'd)

GROUP	At 1.2.2020 RM	Recognised in other comprehensive income RM	Recognised in profit or loss (Note 26) RM	At 31.1.2021 RM
Deferred tax liabilities				
Subject to income tax:				
Accrued interest	(9,000)	-	6,000	(3,000)
Bearer plants	(911,000)	-	(282,000)	(1,193,000)
Derivative financial assets	(2,951,073)	685,669	-	(2,265,404)
Investment properties	(18,926,000)	-	236,000	(18,690,000)
Land held for property development	(3,539,290)	-	267,347	(3,271,943)
Property, plant and equipment	(6,525,000)	-	(941,000)	(7,466,000)
Unrealised foreign exchange	(13,000)	-	(23,000)	(36,000)
	(32,874,363)	685,669	(736,653)	(32,925,347)
Offsetting	5,311,660	-	1,249,613	6,561,273
Deferred tax liabilities (after offsetting)	(27,562,703)	685,669	512,960	(26,364,074)
Subject to real property gains tax:				
Investment properties	(6,724,000)	-	-	(6,724,000)
Property, plant and equipment	(1,155,722)	-	-	(1,155,722)
	(7,879,722)	-	-	(7,879,722)
	(35,442,425)	685,669	512,960	(34,243,796)
	(2,980,278)	684,728	803,347	(1,492,203)

COMPANY	At 1.2.2021 RM	Recognised in profit or loss (Note 26) RM	At 31.1.2022 RM
Deferred tax assets			
Subject to income tax:			
Unabsorbed capital allowances	**627,000**	**130,000**	**757,000**
Offsetting	**(223,000)**	**(59,000)**	**(282,000)**
Deferred tax assets (after offsetting)	**404,000**	**71,000**	**475,000**
Deferred tax liabilities			
Subject to income tax:			
Property, plant and equipment	**(223,000)**	**(59,000)**	**(282,000)**
Offsetting	**223,000**	**59,000**	**282,000**
Deferred tax liabilities (after offsetting)	**-**	**-**	**-**
	404,000	**71,000**	**475,000**

10. DEFERRED TAX (Cont'd)

COMPANY	At 1.2.2020 RM	Recognised in profit or loss (Note 26) RM	At 31.1.2021 RM
Deferred tax assets			
Subject to income tax:			
Unabsorbed capital allowances	530,000	97,000	627,000
Offsetting	(212,000)	(11,000)	(223,000)
Deferred tax assets (after offsetting)	318,000	86,000	404,000
Deferred tax liabilities			
Subject to income tax:			
Property, plant and equipment	(212,000)	(11,000)	(223,000)
Offsetting	212,000	11,000	223,000
Deferred tax liabilities (after offsetting)	-	-	-
	318,000	86,000	404,000

Deferred tax assets are recognised for unused tax losses, unabsorbed capital allowance and unabsorbed investment tax allowance carried forward to the extent that realisation of the related tax benefits through the future available profits is probable. The Directors are of the opinion that the particular companies will be able to generate sufficient profit in the foreseeable future to fully utilise the deferred tax assets.

Deferred tax assets and liabilities arising from temporary differences subject to income tax are calculated based on income tax rate of 24%.

Deferred tax arising from temporary differences subject to real property gains tax ("RPGT") are calculated based on tax rate of 10%.

The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowance of the Group was RM25,079,000 (2021: RM34,255,000).

The Finance Act 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses. Based on the latest Finance Act 2021, gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years.

As a result of this change, the unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from years of assessment 2019 to 2028) any balance of the unutilised losses thereafter shall be disregarded.

	GROUP 2022 RM	2021 RM
Not recognised as deferred tax assets		
- expiring on 31 January 2028 (2021: 31 January 2025)	**10,506,000**	10,506,000
- expiring on 31 January 2029 (2021: 31 January 2026)	**5,546,000**	5,546,000
- expiring on 31 January 2030 (2021: 31 January 2027)	**1,907,000**	1,907,000
- expiring on 31 January 2031 (2021: 31 January 2028)	**2,002,000**	2,002,000
- expiring on 31 January 2032	**5,106,000**	-

11. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	GROUP			
	2022		2021	
	Notional amount RM	Carrying amount Assets/ (Liabilities) RM	Notional amount RM	Carrying amount Assets/ (Liabilities) RM
Derivatives that are designated as effective hedging instruments carried at fair value				
Interest rate swap	**24,996,000**	**(391,671)**	59,266,667	(1,420,276)
Cross currency interest rate swap	**-**	**-**	34,800,000	9,439,182
Presented as:				
Non-current assets		**-**		9,439,182
Current liabilities		**-**		(326,188)
Non-current liabilities		**(391,671)**		(1,094,088)

(a) Interest rate swap ("IRS")

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

At the reporting date, the Group had IRS agreements in place with notional principals totalling of RM24,996,000 (2021: RM59,266,667) whereby the Group pays a fixed rate of interest ranging from 3.62% to 4.3% per annum and receive variable rates based on one month KLIBOR on the amortised notional amounts. The Management considers the IRS as an effective hedging instrument as the secured loan and the swap have identical critical terms. During the financial year, there were swaps matured on 9 September 2021 and unwound following the full settlement of the underlying borrowings. The remaining swap will mature on 28 June 2024.

The payments made arising from the IRS of RM805,696 (2021: RM1,283,538) have been recognised in finance costs.

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

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

At 31 January 2021, the Group had a CCIRS agreement in place with a notional principal of USD11,111,111 that entitled the Group to receive interest at a floating rate of one month USD LIBOR plus 2% per annum on the USD notional amount and obliged the Group to pay interest at a fixed rate of 4.95% per annum on the RM notional amount of RM34,800,000 (calculated at USD/RM3.132). During the financial year, the CCIRS was unwound following the full settlement of the underlying borrowings.

The CCIRS effectively converted the USD liability into RM liability.

The payments made arising from the CCIRS of RM407,448 (2021: 608,956) had been recognised in finance costs.

(c) There are no forecast transactions for which hedge accounting had previously been used.

(d) The fair value changes of financial liabilities arising from IRS was a gain of RM993,605 (2021: RM3,918).

12. RECEIVABLES

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Current				
Trade receivables				
Third parties	**48,581,189**	50,661,167	**-**	-
Amounts owing by related companies	**116,863**	42,326	**826**	579
Amounts owing by subsidiaries	**-**	-	**1,256,528**	1,588,962
	48,698,052	50,703,493	**1,257,354**	1,589,541
Less: Allowance for impairment	**(505,145)**	(918,124)	**-**	-
Trade receivables, net	**48,192,907**	49,785,369	**1,257,354**	1,589,541
Other receivables and deposits	**8,540,148**	9,498,505	**512,752**	118,800
Amounts owing by subsidiaries, non-trade				
- interest bearing	**-**	-	**4,140,969**	22,500,000
- non-interest bearing	**-**	-	**488,568**	539,339
	56,733,055	59,283,874	**6,399,643**	24,747,680
Non-current				
Amount owing by subsidiaries, non-trade				
- interest bearing	**-**	-	**449,927,636**	258,982,315
- non-interest bearing	**-**	-	**800,000**	800,000
	-	-	**450,727,636**	259,782,315
Total trade and other receivables	**56,733,055**	59,283,874	**457,127,279**	284,529,995

(a) Trade receivables

The Group's and the Company's trade receivables are non-interest bearing and its normal credit terms given to customers are less than 60 days (2021: 60 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Neither past due nor impaired	**34,546,042**	34,913,141	**1,257,354**	1,589,541
1 to 30 days past due not impaired	**3,892,952**	3,415,420	**-**	-
31 to 120 days past due not impaired	**3,148,634**	1,164,623	**-**	-
More than 121 days past due not impaired	**447,545**	798,328	**-**	-
	7,489,131	5,378,371	**-**	-
Impaired	**505,145**	918,124	**-**	-
	42,540,318	41,209,636	**1,257,354**	1,589,541
Retention sum	**6,157,734**	9,493,857	**-**	-
	48,698,052	50,703,493	**1,257,354**	1,589,541

12. RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM7,489,131 (2021: RM5,378,371) that are past due at the reporting date but not impaired. The management is confident that these receivables are recoverable as these accounts are still active.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	GROUP	
	2022 RM	2021 RM
Trade receivables - nominal amounts	**505,145**	918,124
Less: Allowance for impairment	**(505,145)**	(918,124)
	-	-

Lifetime expected credit loss

	GROUP	
	2022 RM	2021 RM
Movement in allowance accounts:		
At 1 February 2021/2020	**918,124**	810,041
Charge for the year	**426,364**	138,568
Recovered	**(11,397)**	(30,485)
Written off	**(827,946)**	-
At 31 January 2022/2021	**505,145**	918,124

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Expected credit loss

Exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The Group and the Company use an allowance matrix to measure expected credit loss ("ECL") of trade receivables except for property development and construction activities. Consistent with the debt recovery process, invoices which are past due based on historical credit loss experience will be considered as credit impaired. The provision rates are based on days past due for grouping of various customer segments that have similar risk nature and is initially based on the Group's and the Company's historical observed default rates.

The Directors of the Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

12. RECEIVABLES (Cont'd)

(a) Trade receivables (Cont'd)

Expected credit loss (Cont'd)

The Group does not have any significant credit risk from its property development activities as its products are predominantly sold to large number of property purchasers with end financing facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties are returned to the Group in the event of default.

The Group's construction contracts are mainly with few external customers, the Group assesses the risk of loss of each customer individually based on their financial information and past trend of payments. All of these customers have low risks of default.

(b) Amounts owing by related companies

Related companies refer to fellow subsidiaries of the ultimate holding company of the Company.

(c) Amounts owing by subsidiaries, non-trade

These amounts are unsecured. The interest bearing portion has an effective interest of 3.76% (2021: 3.95%) per annum. The non-current portion has no fixed term of repayment, except for an amount of RM200,000,000 as at 31 January 2022 which is repayable within the range of three to seven years.

An amount of RM50,000,000 was subordinated to bank borrowings obtained by the subsidiaries in the financial year 2021.

13. CONTRACT ASSETS/(LIABILITIES)

(a) Contract assets

Contract assets primarily relate to the Group's right to consideration for work completed, but which has not been billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Unsatisfied performance obligations

The unsatisfied performance obligations at the end of the reporting period amounting to RM63,841,203 (2021: RM71,617,116) are expected to be recognised within 2 years.

(b) Contract liabilities

Contract liabilities primarily relate to the Group's billings in advance and advanced consideration received from customers at the reporting date. Contract liabilities are recognised as revenue when the services are performed or the goods are delivered to the customer.

Revenue of the Group includes RM10,665,349 (2021: RM9,111,634) that was included in contract liabilities at the beginning of the reporting period.

	GROUP	
	2022 RM	2021 RM
Contract in progress included the following items incurred during the financial year:		
Depreciation of property, plant and equipment (Note 3)	**311,934**	291,768
Employee benefits expenses (Note 24)	**1,412,772**	1,117,074
Hire of equipment	**300,114**	170,016

14. SHORT TERM FUND

	GROUP 2022 RM	GROUP 2021 RM
At fair value through profit or loss		
At 1 February 2021/2020	**-**	-
Addition	**3,467,209**	-
Gain on fair value charged to profit or loss	**4,965**	-
At 31 January 2022/2021	**3,472,174**	-

Short term fund is investment in income trust fund in Malaysia.

The fair value measurement of the Group's short term fund is categorised with Level 1 of the fair value hierarchy.

15. CASH AND BANK BALANCES

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Cash on hand and at banks	**28,811,175**	24,349,530	**6,824,427**	2,624,073
Cash at bank in Housing Development Account	**5,700,915**	2,271,647	**-**	-
Time deposits with licensed banks	**73,042,871**	20,529,312	**8,008,250**	-
Deposits with other financial institution	**272**	6,891,526	**-**	-
	107,555,233	54,042,015	**14,832,677**	2,624,073

An arrangement has been made with licensed banks whereby certain bank balances can earn interest of 1.37% (2021: 1.17%) per annum for the Group and 1.05% (2021: 1.05%) per annum for the Company on a daily rest basis. As at reporting date, bank balances under this arrangement amounted to RM26,254,657 (2021: RM20,876,329) for the Group and RM6,821,527 (2021: RM2,620,066) for the Company.

The Group's cash held under the Housing Development Accounts represent receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Developers (Control and Licensing) Amendment Act 2002. The utilisation of these balances is restricted before completion of the housing development projects and fulfilment of all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

The Group's and the Company's time deposits amounting to RM2,596,945 (2021: RM620,953) and RM2,008,250 (2021: RM Nil) respectively are pledged to licensed banks as security for the loans and borrowings (Note 19) and the banker's guarantees issued to suppliers (Note 33).

Deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of the Group, and earn interests at the respective deposit rates.

The weighted average interest rate for deposits were as follows:

	GROUP 2022 % per annum	GROUP 2021 % per annum	COMPANY 2022 % per annum	COMPANY 2021 % per annum
Time deposits with licensed banks	**1.71**	2.0	**1.77**	-
Deposits with other financial institution	**1.3**	1.8	**-**	-

16. SHARE CAPITAL AND TREASURY SHARES

	GROUP and COMPANY			
	Number of ordinary shares		Amount	
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM	Treasury shares RM
At 1 February 2021/2020 and 31 January 2022/2021	**280,462,498**	**1,043,800**	**299,572,064**	**(3,114,728)**

(a) Share capital

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

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. This is presented as a component within shareholders' equity.

During the financial year, there were no repurchase of its issued share capital from the open market on the Bursa Malaysia Securities Berhad.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended.

Of the total 280,462,498 (2021: 280,462,498) issued and fully paid ordinary shares as at 31 January 2022, 1,043,800 (2021: 1,043,800) treasury shares are held by the Company. As at 31 January 2022, the number of outstanding ordinary shares in issue after setting off treasury shares is 279,418,698 (2021: 279,418,698).

17. HEDGING RESERVE

	GROUP	
	2022 RM	2021 RM
At 1 February 2021/2020	**6,100,320**	8,280,273
Recognised in other comprehensive income:		
Net movements on cash flow hedges	**(8,410,577)**	(2,853,035)
Tax relating to cash flow hedges	**2,018,539**	684,728
Non-controlling interest	**(5,952)**	(11,646)
At 31 January 2022/2021	**(297,670)**	6,100,320

The hedging reserve which represents the cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred as at the reporting date.

18. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 January 2022 may be distributed as dividends under single tier system.

19. LOANS AND BORROWINGS

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Current				
Secured:				
Bank overdrafts	**2,944,676**	9,025,494	**-**	-
Revolving credit	**5,500,000**	52,000,000	**-**	-
Term loans	**54,071,548**	100,277,707	**-**	-
	62,516,224	161,303,201	**-**	-
Non-current				
Secured:				
Medium Term Notes	**200,000,000**	-	**200,000,000**	-
Term loans	**69,212,220**	152,783,768	**-**	-
	269,212,220	152,783,768	**200,000,000**	-
Total loans and borrowings				
Bank overdrafts	**2,944,676**	9,025,494	**-**	-
Medium Term Notes	**200,000,000**	-	**200,000,000**	-
Revolving credit	**5,500,000**	52,000,000	**-**	-
Term loans	**123,283,768**	253,061,475	**-**	-
	331,728,444	314,086,969	**200,000,000**	-
Repayment of loans and borrowings:				
On demand or within one year	**62,516,224**	161,303,201	**-**	-
More than one year and up to two years	**53,321,548**	68,071,548	**-**	-
More than two years and up to five years	**144,717,074**	82,996,954	**130,000,000**	-
More than five years	**71,173,598**	1,715,266	**70,000,000**	-
	331,728,444	314,086,969	**200,000,000**	-

During the financial year, the Company completed the lodgement of a Medium Term Notes (MTN) programme of up to RM300 million in nominal value on 15 June 2021 with the Securities Commission ("SC") Malaysia. The Company completed an issuance of the MTN of RM200 million in nominal value on 30 September 2021 and the outstanding amount as at 31 January 2022 is as follows:

	COMPANY		
Series	Amount RM	Tenure (year)	Coupon rate % per annum
1	20,000,000	3	3.60
2 to 6	40,000,000	3 - 5	3.70
7 to 15	100,000,000	3 - 7	3.90
16 to 20	40,000,000	3 - 5	Cost of funds + 1.35
	200,000,000		

19. LOANS AND BORROWINGS (Cont'd)

The proceeds of the MTN Programme are utilised by the Company for the following:

(i) to refinance existing loans of the Group;
(ii) to refinance any outstanding MTN issued under the MTN Programme; and
(iii) for the working capital, capital expenditure and general corporate funding requirements of the Group.

The principal amounts of term loans are repayable over the repayment tenures ranging from 36 months to 144 months.

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

	GROUP		COMPANY	
	2022 % per annum	2021 % per annum	2022 % per annum	2021 % per annum
Bank overdrafts	**6.76**	6.57	**-**	-
Medium Term Notes	**3.84**	-	**3.84**	-
Revolving credit	**3.67**	4.00	**-**	-
Term loans	**4.37**	4.67	**-**	-

The movements in the loans and borrowings were as follow:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 February 2021/2020	**314,086,969**	352,903,190	**-**	-
Proceeds	**201,500,000**	31,277,679	**200,000,000**	-
Repayment	**(177,777,707)**	(72,145,995)	**-**	-
Movement in bank overdrafts	**(6,080,818)**	2,052,095	**-**	-
At 31 January 2022/2021	**331,728,444**	314,086,969	**200,000,000**	-

The unutilised banking facilities are as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Bank overdrafts	**27,455,000**	21,373,000	**5,000,000**	5,000,000
Revolving credit	**99,750,000**	53,300,000	**-**	-
Trade facilities	**12,000,000**	12,000,000	**-**	-
	139,205,000	86,673,000	**5,000,000**	5,000,000

The Company's overdraft facility is secured by way of a lien-holder's caveat over the freehold land of a subsidiary.

The MTN is secured by:

(i) fixed charge on certain properties of subsidiaries of the Company; and
(ii) first party assignment and charge over the Company's Debt Service Reserve Account ("DSRA"), all monies from time to time standing to the credit thereto and permitted investments as defined in the Assignment and Charge (DSRA) (Note 15).

19. LOANS AND BORROWINGS (Cont'd)

The subsidiaries' banking facilities are secured by:

(i) fixed charges and debentures over certain parcels of the subsidiaries' landbanks and completed properties included in property, plant and equipment, inventories and land held for property development;

(ii) fixed charge over specific investment properties of a subsidiary;

(iii) time deposit of subsidiaries;

(iv) corporate guarantee from the Company;

(v) subordination of advances from the Company to subsidiaries; and

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

20. PAYABLES

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Current				
Trade payables	**42,220,162**	41,998,437	**-**	-
Other payables and accruals	**22,776,969**	26,202,183	**5,096,403**	3,155,926
Amounts owing to related companies	**93,723**	49,478	**10,803**	31,082
Amount owing to subsidiaries	**-**	-	**-**	22,592,811
Total trade and other payables	**65,090,854**	68,250,098	**5,107,206**	25,779,819

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days) terms.

(b) Amounts owing to related companies

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade in nature	**6,360**	6,360	**-**	-
Non-trade in nature	**87,363**	43,118	**10,803**	31,082
	93,723	49,478	**10,803**	31,082

The amounts owing to related companies arose from advances are unsecured, non-interest bearing and repayable on demand.

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

(c) Amount owing to subsidiaries

The amount owing to subsidiaries arose from advances was unsecured, repayable on demand and borne an effective interest of 3.63% per annum.

21. REVENUE

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Revenue from contracts with customers, disaggregated as follows:				
- Sale of properties	**117,738,821**	135,584,845	**-**	-
- Construction contract	**10,705,710**	787,073	**-**	-
- Sale of goods	**44,464,772**	42,712,936	**-**	-
- Rendering of services	**34,275,400**	34,385,373	**8,993,593**	9,276,886
	207,184,703	213,470,227	**8,993,593**	9,276,886
Revenue from other source:				
- Rental income	**9,935,132**	9,427,395	**-**	-
- Dividend income from subsidiaries	**-**	-	**23,200,000**	29,155,003
	217,119,835	222,897,622	**32,193,593**	38,431,889
Timing of revenue recognition				
- At a point in time	**159,474,505**	120,608,345	**32,193,593**	38,431,889
- Over time	**57,645,330**	102,289,277	**-**	-
	217,119,835	222,897,622	**32,193,593**	38,431,889

Defect liability period of 3 months to 2 years are given to property purchasers and construction contract customers.

22. FINANCE COSTS

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Interest expenses on:				
Bank borrowings	**14,943,852**	15,247,125	**-**	24,121
Advances from subsidiaries	**-**	-	**934,632**	274,925
	14,943,852	15,247,125	**934,632**	299,046
Less: Interest expenses capitalised in assets:				
- Land held for property development {Note 9(a)}	**(481,091)**	(2,391,086)	**-**	-
- Property development costs {Note 9(b)}	**(58,283)**	(1,680,514)	**-**	-
	14,404,478	11,175,525	**934,632**	299,046

23. PROFIT BEFORE TAX

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
The following items have been charged/ (credited) in arriving at profit before tax:				
Allowance for impairment	**426,364**	138,568	**-**	-
Auditors' remuneration:				
- Statutory audit				
- current year	**203,700**	198,700	**28,000**	28,000
- under provision in prior year	**3,000**	-	**-**	-
- Other services	**3,000**	3,000	**3,000**	3,000
Depreciation				
- property, plant and equipment (Note 3)	**5,615,134**	5,816,064	**589,558**	556,242
- right-of-use assets (Note 4)	**317,478**	317,479	**-**	-
- bearer plants (Note 5)	**170,887**	62,078	**-**	-
- investment properties (Note 6)	**2,728,232**	2,728,234	**-**	-
Employee benefits expenses (Note 24)	**44,455,045**	43,935,610	**16,546,800**	16,780,608
Hiring of equipment	**57,749**	101,917	**-**	-
Inventories written off	**810,349**	-	**-**	-
Loss on disposal of plant and equipment	**-**	-	**14,389**	-
Non-Executive Directors' remuneration (Note 25)	**357,500**	353,500	**357,500**	353,500
Plant and equipment written off	**25,613**	201,311	**574**	91,832
Rental expenses	**460,780**	465,795	**411,910**	411,590
Inventories (written back)/written down	**(114,950)**	405,915	**-**	-
Foreign exchange loss/(gain):				
- realised	**(67,760)**	152,926	**-**	-
- unrealised	**181,153**	(97,755)	**-**	-
Doubtful debts recovered	**(11,397)**	(30,485)	**-**	-
Gain on disposal of plant and equipment	**(3,466)**	(360)	**-**	-
Gain on fair value of investment in short term fund	**(4,965)**	-	**-**	-
Interest income from:				
- deposits	**(924,267)**	(1,031,679)	**(81,394)**	-
- subsidiaries	**-**	-	**(10,879,727)**	(10,648,107)
- others	**(278,466)**	(507,693)	**-**	-

24. EMPLOYEE BENEFITS EXPENSES

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Salaries, wages and bonuses	**40,287,909**	39,585,736	**14,226,605**	14,399,226
Defined contribution plan - EPF	**5,204,165**	5,128,667	**2,236,127**	2,291,551
Social security cost	**375,743**	338,281	**84,068**	89,831
Less: Amount capitalised in contract assets	**(1,412,772)**	(1,117,074)	**-**	-
	44,455,045	43,935,610	**16,546,800**	16,780,608

Included in employee benefits expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM6,330,527 (2021: RM6,372,427) and RM4,016,911 (2021: RM4,058,811) respectively as further disclosed in Note 25.

25. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive:				
Fees	**40,000**	40,000	**-**	-
Salaries and other emoluments	**5,295,000**	5,291,000	**3,375,000**	3,371,000
Defined contribution plan - EPF	**981,300**	1,027,200	**639,540**	685,440
Social security cost	**14,227**	14,227	**2,371**	2,371
	6,330,527	6,372,427	**4,016,911**	4,058,811
Estimated money value of benefits-in-kinds	**75,152**	77,172	**75,152**	77,172
Total Executive Directors' remuneration (including benefits-in-kinds)	**6,405,679**	6,449,599	**4,092,063**	4,135,983
Non-Executive:				
Fees	**347,500**	347,500	**347,500**	347,500
Other emoluments	**10,000**	6,000	**10,000**	6,000
Total Non-Executive Directors' remuneration	**357,500**	353,500	**357,500**	353,500
Total Directors' remuneration	**6,763,179**	6,803,099	**4,449,563**	4,489,483

26. TAX

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax				
Current year	**12,371,000**	13,542,000	**238,000**	215,000
Deferred tax				
Relating to origination and reversal of temporary differences	**(503,792)**	(808,347)	**(78,000)**	(95,000)
	11,867,208	12,733,653	**160,000**	120,000
Under/(over) provision of income tax in prior years	**1,382,514**	(117,192)	**(14,638)**	(42,222)
(Under)/over provision of deferred tax assets in prior years	**(3,559,000)**	3,000	**7,000**	9,000
Under provision of deferred tax liabilities in prior years	**167,000**	2,000	**-**	-
	9,857,722	12,621,461	**152,362**	86,778

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the year.

26. TAX (Cont'd)

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

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	**33,839,118**	42,400,899	**22,878,239**	28,782,363
Taxed at Malaysian statutory tax rate of 24%	**8,121,388**	10,176,216	**5,490,777**	6,907,767
Expenses not deductible for tax purposes	**3,171,232**	2,171,553	**237,223**	209,434
Income not subject to tax	**(39,812)**	(103,922)	**(5,568,000)**	(6,997,201)
Deferred tax asset not recognised on current year's tax losses	**1,147,375**	794,569	**-**	-
Realisation of revaluation surplus	**(255,792)**	(267,347)	**-**	-
Expenses eligible for double deduction	**(9,698)**	(37,416)	**-**	-
Special deduction for reduction of rental	**(267,485)**	-	**-**	-
Effective tax	**11,867,208**	12,733,653	**160,000**	120,000
Effective taxation rate	**35.07%**	30.03%	**0.70%**	0.42%

27. EARNINGS PER SHARE

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

	GROUP	
	2022	2021
Profit net of tax, attributable to owners of the Company (RM)	**21,524,595**	26,801,177
Weighted average number of ordinary shares in issue	**279,418,698**	279,418,698
Basic earnings per share (sen)	**7.7**	9.6

The earnings per share is anti-dilutive.

28. DIVIDENDS

	GROUP and COMPANY			
	Dividends in respect of Year		Dividends recognised in Year	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial year 2021:				
Interim single tier dividend of 2 sen per share on 279,418,698 ordinary shares	**-**	5,588,374	**-**	5,588,374
Special single tier dividend of 2 sen per share on 279,418,698 ordinary shares	**-**	5,588,374	**-**	5,588,374
Final single tier dividend of 2 sen per share on 279,418,698 ordinary shares	**-**	5,588,374	**5,588,374**	-
Financial year 2022:				
Interim single tier dividend of 2 sen per share on 279,418,698 ordinary Shares	**5,588,374**	-	**5,588,374**	-
Recommended for approval at AGM (not recognised as at 31 January 2022)				
Final single tier dividend of 2 sen per share on 279,418,698 ordinary shares	**5,588,374**	-	**-**	-
	11,176,748	16,765,122	**11,176,748**	11,176,748

The Directors recommend the payment of a final single tier dividend of 2 sen per share in respect of the financial year ended 31 January 2022, subject to the approval of members at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2023. The proposed final dividend of RM5,588,374 is subject to change in proportion to changes in the Company's paid up capital, if any.

29. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Time deposits with licensed banks	**73,042,871**	20,529,312	**8,008,250**	-
Deposits with other financial institution	**272**	6,891,526	**-**	-
Cash and bank balances	**34,512,090**	26,621,177	**6,824,427**	2,624,073
Bank overdrafts (Note 19)	**(2,944,676)**	(9,025,494)	**-**	-
	104,610,557	45,016,521	**14,832,677**	2,624,073
Less: Time deposits pledged	**(2,596,945)**	(620,953)	**(2,008,250)**	-
	102,013,612	44,395,568	**12,824,427**	2,624,073

30. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

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

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
With subsidiaries				
Interest expenses	-	-	**934,632**	274,925
Interest income	-	-	**(10,879,727)**	(10,648,107)
Management fees	-	-	**(8,715,662)**	(9,044,540)
Professional services	-	-	**(220,900)**	(225,400)
Purchase of goods	-	-	-	760
Purchase of property, plant and equipment	-	-	**35,000**	-
With fellow subsidiaries of the holding company				
Estate management fees	**76,320**	76,320	-	-
Maintenance fees	**280,000**	1,240,000	-	-
Management fees	**(57,031)**	(6,946)	**(57,031)**	(6,946)
Purchase of goods	-	4,662	-	-
Rental income	**(334,440)**	(21,600)	-	-
Sales of goods	**(2,166,245)**	(1,199,826)	-	-
Service expenses	**35,684**	34,926	-	-

The Directors are of the opinion that the transactions have been entered into in the normal course of business which are at negotiated terms.

(b) Compensation of key management personnel

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

	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Short-term employee benefits	**8,118,835**	7,932,723	**6,146,980**	5,960,867
Post employment benefits:				
Defined contribution plan - EPF	**1,414,123**	1,426,503	**1,072,363**	1,084,743
	9,532,958	9,359,226	**7,219,343**	7,045,610
Included in the total remuneration of key management personnel are:				
- Executive Directors	**6,405,679**	6,449,599	**4,092,063**	4,135,983
- Non-Executive Directors	**357,500**	353,500	**357,500**	353,500
	6,763,179	6,803,099	**4,449,563**	4,489,483

31. RENTAL COMMITMENTS

(a) As a lessor

The Group leases out its properties to third parties under non-cancellable operating leases. The remaining lease period of these leases is within 3 years (2021: 3 years).

The rental payments to be received are as follows:

	GROUP	
	2022 RM	2021 RM
Not later than one year	**16,310,383**	14,192,076
Later than one year but not later than two years	**6,267,777**	8,477,597
Later than two years but not later than three years	**169,800**	2,212,796
Later than three years but not later than four years	**-**	127,400
Total undiscounted rental income	**22,747,960**	25,009,869

(b) As a lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities are as follows:

	GROUP and COMPANY	
	2022 RM	2021 RM
Future minimum rental payments:		
Not later than one year	**214,481**	428,962
Later than one year but not later than two years	**-**	214,481
Total undiscounted rental payments	**214,481**	643,443

The Group and the Company have entered into non-cancellable operating leases contracted for lease of properties which are not accounted for in accordance to MFRS 16 as the financial impact to the financial statements is immaterial.

32. CAPITAL COMMITMENT

	GROUP	
	2022 RM	2021 RM
Contracted but not accounted for		
- Bearer plants	**-**	280,000
- Property, plant and equipment	**737,000**	-
- Investment property	**17,065,000**	-

33. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
(a) **Bank guarantees Issued by licensed banks in favour of third parties**				
- Secured	**3,664,741**	5,295,022	-	18,000

The bank guarantees are secured by:

(i) A subsidiary's landbank in land held for property development as stated in Note 9;
(ii) A subsidiary's time deposits as stated in Note 15;
(iii) Earmarking to overdraft facilities of the subsidiaries and the Company as stated in Note 19; and
(iv) Corporate guarantees from the Company.

	COMPANY	
	2022 RM	2021 RM
(b) **Corporate guarantees - unsecured**		
Issued to bank for facilities granted to subsidiaries	**284,035,993**	425,609,298
Issued to third parties for supplies of goods and services to a subsidiary	**2,550,000**	2,860,000
Amounts utilised:		
Issued to bank for facilities granted to subsidiaries	**133,704,410**	317,045,814
Issued to third parties for supplies of goods and services to a subsidiary	**692,120**	413,361

34. SEGMENTAL INFORMATION

(a) Business Segments

The Group comprises the following main business segments:
(i) Property development and construction - the development of industrial, residential and commercial properties, letting of undeveloped and unsold properties and building construction.
(ii) Manufacturing and trading - manufacturing and trading of building materials.
(iii) Property investment – investment in industrial properties.
(iv) Services and others - providing management services, investment holding, providing educational services and cultivation of oil palm.

(b) Geographical segments

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

(c) Allocation basis and transfer pricing

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

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

34. SEGMENTAL INFORMATION (Cont'd)

GROUP	Property development and construction 2022 RM	Property development and construction 2021 RM	Manufacturing and trading 2022 RM	Manufacturing and trading 2021 RM	Property Investment 2022 RM	Property Investment 2021 RM	Services and others 2022 RM	Services and others 2021 RM	Consolidated 2022 RM	Consolidated 2021 RM
Revenue										
Total revenue	**133,919,091**	138,303,252	**44,792,489**	43,664,435	**8,539,524**	8,536,968	**43,211,962**	43,655,313	**230,463,066**	234,159,968
Inter-segment sales	**(2,183,728)**	-	**(2,222,941)**	(1,992,406)	**-**	-	**(8,936,562)**	(9,269,940)	**(13,343,231)**	(11,262,346)
External sales	**131,735,363**	138,303,252	**42,569,548**	41,672,029	**8,539,524**	8,536,968	**34,275,400**	34,385,373	**217,119,835**	222,897,622
Results										
Segment results	**49,441,385**	50,688,116	**3,116,277**	3,904,513	**4,704,556**	4,870,236	**10,723,793**	10,888,751	**67,986,011**	70,351,616
Inter-segment eliminations									**(14,694,012)**	(11,654,498)
Segment results (external)									**53,291,999**	58,697,118
Unallocated expenses									**(5,048,403)**	(5,120,694)
Finance cost									**(14,404,478)**	(11,175,525)
Profit before tax									**33,839,118**	42,400,899
Tax									**(9,857,722)**	(12,621,461)
Profit after tax									**23,981,396**	29,779,438
Other Information										
Segment assets	**878,569,629**	893,373,429	**83,111,360**	83,944,164	**295,076,286**	286,727,565	**155,401,535**	140,317,164	**1,412,158,810**	1,404,362,322
Unallocated assets									**3,759,506**	828,518
Total assets									**1,415,918,316**	1,405,190,840
Segment liabilities	**267,337,206**	292,477,420	**23,624,711**	17,599,326	**118,183,843**	84,766,655	**33,598,819**	42,447,140	**442,744,579**	437,290,541
Unallocated liabilities									**2,346,255**	1,942,892
Total liabilities									**445,090,834**	439,233,433
Capital expenditure	**1,202,485**	2,591,206	**1,036,031**	1,490,280	**2,429,264**	-	**1,917,760**	1,515,207	**6,585,540**	5,596,693
Depreciation	**1,021,744**	951,403	**1,364,322**	1,360,570	**2,728,232**	2,728,234	**4,029,367**	4,175,416	**9,143,665**	9,215,623

35. FINANCIAL INSTRUMENTS

The financial instruments of the Group and of the Company are categorised into the following classes:

(a) Categories of financial instruments

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
(i) Debt instruments measured at amortised cost				
Trade and other receivables	**56,733,055**	59,283,874	**457,127,279**	284,529,995
Cash and bank balances	**107,555,233**	54,042,015	**14,832,677**	2,624,073
	164,288,288	113,325,889	**471,959,956**	287,154,068
(ii) Financial liabilities carried at amortised cost				
Trade and other payables	**65,090,854**	68,250,098	**5,107,206**	25,779,819
Loans and borrowings	**331,728,444**	314,086,969	**200,000,000**	-
	396,819,298	382,337,067	**205,107,206**	25,779,819
(iii) Financial assets designated as effective hedging instruments carried at fair value				
Derivatives	**-**	9,439,182	**-**	-
(iv) Financial liabilities designated as effective hedging instruments carried at fair value				
Derivatives	**391,671**	1,420,276	**-**	-
(v) Financial assets measured at fair value through profit or loss				
Short term fund	**3,472,174**	-	**-**	-

(b) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of their fair value are:

	Note
Receivables (current and non-current)	12
Payables (current)	20
Loans and borrowings (current and non-current)	19

The carrying amounts of current portion of receivables, payables, loans and borrowings are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of non-current portion of receivables, loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Determination of fair value (Cont'd)

The fair values of derivatives are calculated by reference to forward rates or prices quoted at the reporting date for contracts with similar maturity profiles.

The investment in short term fund is valued at market prices quoted at the reporting date.

(c) Fair value hierarchy

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

GROUP	31 January RM	Level 1 RM	Level 2 RM	Level 3 RM
Assets/(Liabilities) measured at fair value				
2022				
Derivatives:				
- Interest rate swap	**(391,671)**	**-**	**(391,671)**	**-**
- Short term fund	**3,472,174**	**3,472,174**	**-**	**-**
2021				
Derivatives:				
- Interest rate swap	(1,420,276)	-	(1,420,276)	-
- Cross currency interest rate swap	9,439,182	-	9,439,182	-

There were no transfers between the various categories in the hierarchy of fair value measurement during the reporting periods ended 31 January 2022 and 31 January 2021.

36. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in objectives, policies or processes during the years ended 31 January 2022 and 31 January 2021.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

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

(a) Credit risk

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

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

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

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

The Company is contingently liable to the extent of the amount of banking facilities utilised by the subsidiaries and amount of supplies of goods and services by third parties to a subsidiary as disclosed in Note 33.

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

The Group's concentration of credit risk arose from exposure to 3 (2021: 3) customers who comprise 22% (2021: 14%) of trade receivables.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 12. Deposits with banks and other financial institutions and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit rating and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12.

Deposits with licensed banks and other financial institution

Deposits with licensed banks and other financial institution are placed with reputable financial institutions with high credit ratings.

(b) Liquidity risk

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Liquidity risk (Cont'd)

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from the financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, assets held by the Group and Company for managing liquidity risk included short term funds, cash and short term deposits and borrowings as disclosed in Notes 14, 15 and 19.

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2022				
GROUP				
Financial liabilities:				
Payables	**65,090,854**	**-**	**-**	**65,090,854**
Loans and borrowings	**74,223,443**	**242,557,016**	**74,428,983**	**391,209,442**
Derivative financial liabilities	**-**	**391,671**	**-**	**391,671**
Total undiscounted financial liabilities	**139,314,297**	**242,948,687**	**74,428,983**	**456,691,967**
COMPANY				
Financial liabilities:				
Payables	**5,107,206**	**-**	**-**	**5,107,206**
Loans and borrowings	**7,480,000**	**154,012,500**	**73,206,667**	**234,699,167**
Total undiscounted financial liabilities	**12,587,206**	**154,012,500**	**73,206,667**	**239,806,373**
2021				
GROUP				
Financial liabilities:				
Payables	68,250,098	-	-	68,250,098
Loans and borrowings	171,626,052	170,824,633	1,855,188	344,305,873
Derivative financial liabilities	326,188	1,094,088	-	1,420,276
Total undiscounted financial liabilities	240,202,338	171,918,721	1,855,188	413,976,247
COMPANY				
Financial liabilities:				
Payables	25,779,819	-	-	25,779,819
Total undiscounted financial liabilities	25,779,819	-	-	25,779,819

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Foreign currency risk

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

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

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

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

(d) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps. At the reporting date, after taking into account the effect of an interest rate swap, approximately 56% (2021: 30%) of the Group's loans and borrowings are at fixed rates of interest.

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

At the reporting date, if interest rates had been 25 (2021: 25) basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM91,000 (2021: RM327,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings, offset by lower/higher interest income from bank balances and deposits with financial institutions. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

38. SIGNIFICANT EVENT

As we entered into the second year of the COVID-19 pandemic, the various Movement Control Orders imposed by the Government from time to time to contain the pandemic has led to disruptions in the business operations of the Group.

Even though the Group has experienced significant drop in new property sales due to the weaker market sentiment and closure of international borders, the Group has been closely monitoring its fund and operational needs to ensure that it is able to meet all its financial obligations in the coming year. The Group will continue to remain vigilant and adopt a prudent yet proactive approach to ensure that the Group remains resilient and profitable throughout this challenging period.

ANALYSIS OF SHAREHOLDINGS

As at 22 April 2022

Issued and Fully Paid Up Capital	:	RM299,572,064 consisting of 280,462,498 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS
(As per Record of Depositors)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Total Number of Issued Shares
Less than 100 shares	29	0.65	693	0.00
100 to 1,000 shares	2,197	49.14	2,079,124	0.74
1,001 to 10,000 shares	1,599	35.76	6,921,306	2.48
10,001 to 100,000 shares	529	11.83	16,234,500	5.81
100,001 to less than 5% of shares	116	2.60	62,448,413	22.35
5% and above of shares	1	0.02	191,734,662	68.62
Total	**4,471**	**100.00**	**279,418,698** Ω	**100.00**

Ω is equivalent to 280,462,498 less 1,043,800 shares bought back and retained as treasury shares

THIRTY LARGEST SHAREHOLDERS
(As per Record of Depositors)

Name of Shareholders	No of Shares Held	% of Total Number of Issued Shares
1. Sharikat Kim Loong Sendirian Berhad	191,734,662	68.62
2. Amanahraya Trustees Berhad – Public Smallcap Fund	4,531,200	1.62
3. Public Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Gooi Seong Heen (E-JBU)	3,847,669	1.38
4. Citigroup Nominees (Tempatan) Sdn. Bhd. – Exempt an for OCBC Securities Private Limited (Client A/C-RES)	3,775,672	1.35
5. Gooi Seong Chneh	3,593,124	1.29
6. Gooi Seow Mee	2,675,492	0.96
7. Heng Peng Heng	2,018,000	0.72
8. UOB Kay Hian Nominees (Asing) Sdn. Bhd. – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1,415,000	0.51
9. HSBC Nominees (Asing) Sdn. Bhd. – Exempt an for Credit Suisse (SG BR-TST-ASING)	1,351,600	0.48
10. CIMSEC Nominees (Tempatan) Sdn. Bhd. – CIMB for Siow Wong Yen @ Siow Kwang Hwa (PB)	1,239,800	0.44
11. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1,226,452	0.44
12. Lim Kuan Gin	1,139,000	0.41
13. Cheah Kek Ding @ Chea Kek Ding	1,080,000	0.39
14. Chua Lee Seng	1,072,800	0.38

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

Name of Shareholders	No of Shares Held	% of Total Number of Issued Shares
15. Heng Peng Hong	1,031,800	0.37
16. Gan Teng Siew Realty Sdn. Berhad	1,000,000	0.36
17. Teo Kwee Hock	957,000	0.34
18. Lim Khuan Eng	870,000	0.31
19. Citigroup Nominees (Tempatan) Sdn. Bhd. –Exempt an for Bank of Singapore Limited (Local)	781,100	0.28
20. Kenanga Nominees (Asing) Sdn. Bhd. –Exempt an for Phillip Securities Pte Ltd (Client Account)	734,000	0.26
21. CIMB Group Nominees (Tempatan) Sdn. Bhd. –Exempt an for DBS Bank Ltd (SFS-PB)	711,452	0.25
22. Chong Kok Fah	704,000	0.25
23. Pang Chee Chiang	667,600	0.24
24. Loh Lai Kim	665,600	0.24
25. Teoh Guan Kok & Co. Sdn. Berhad	659,400	0.24
26. CGS-CIMB Nominees (Asing) Sdn. Bhd. –Exempt an for CGS-CIMB Securities (Singapore) Pte Ltd (Retail Clients)	658,800	0.24
27. Tan Liew Cheun	620,000	0.22
28. Maybank Nominees (Tempatan) Sdn. Bhd. –Heng Peng Heng	600,000	0.21
29. Public Nominees (Tempatan) Sdn. Bhd. –Pledged Securities Account for Lee Sie Tong @ Lee Ah Tong (E-PLT)	600,000	0.21
30. Gooi Seong Chneh	551,000	0.20
TOTAL	**232,512,223**	**83.21**

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

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

Name of Substantial Shareholders	No. of Shares Held or Beneficially Interested in		% of Total Number of Issued Shares	
	Direct	Indirect	Direct	Indirect
Sharikat Kim Loong Sendirian Berhad	192,148,114	–	68.77	–
Gooi Seong Lim	1,130,452 [(a)]	196,063,786 [(b)]	0.40	70.17
Gooi Seong Heen	4,559,121 [(c)]	192,216,114 [(d)]	1.63	68.79
Gooi Seong Chneh	4,144,124	192,148,114 [(e)]	1.48	68.77
Gooi Seong Gum	–	192,148,114 [(e)]	–	68.77

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

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Gooi Seong Lim	1,130,452 [(a)]	0.40	196,063,786 [(b)]	70.17
Gooi Seong Heen	4,559,121 [(c)]	1.63	192,216,114 [(d)]	68.79
Gooi Seong Chneh	4,144,124	1.48	192,148,114 [(e)]	68.77
Gooi Seong Gum	–	–	192,148,114 [(e)]	68.77
Yeo Jon Tian @ Eeyo Jon Thiam	60,000	0.02	19,000 [(f)]	0.01
Gan Kim Guan	–	–	–	–
Tan Ah Lai	–	–	–	–
Chew Ching Chong	10,000	0.00	–	–
Gooi Khai Shin	–	–	3,775,672 [(g)]	1.35
Gooi Chuen Howe	–	–	–	–

Notes:-

(a) 1,130,452 shares held in bare trust by UOB Kay Hian Nominees (Tempatan) Sdn. Bhd.

(b) Deemed interest by virtue of his interest in Sharikat Kim Loong Sendirian Berhad ("SKL") which holds 192,148,114 shares, and 3,775,672 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Seong Lim is a director and major shareholder, and his spouse, Lim Phaik Ean, who holds 140,000 shares.

(c) 711,452 and 3,847,669 shares held in bare trust by CIMB Group Nominees (Tempatan) Sdn. Bhd. and Public Nominees (Tempatan) Sdn. Bhd. respectively.

(d) Deemed interest by virtue of his interest in SKL which holds 192,148,114 shares and his spouse, Looi Kok Yean, who holds 68,000 shares.

(e) Deemed interest by virtue of their interest in SKL which holds 192,148,114 shares.

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

(g) Deemed interest by virtue of his interest in 3,775,672 shares held in bare trust by Citigroup Nominees (Tempatan) Sdn. Bhd. for Wilgain Holdings Pte. Ltd. of which Gooi Khai Shin is a director and major shareholder.

PARTICULARS OF PROPERTIES

	Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation*)	Land Area [Acres]	Net Carrying Amount As At 31 Jan 2022 RM'000
	Properties Held by Panoramic Industrial Development Sdn. Bhd.					
1.	Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Industrial (development-in-progress)	Freehold	18 Nov 1996	14.34[(a)]	2,906
		Industrial plots (completed)	Freehold (4 years)	18 Nov 1996	2.04[(a)]	3,770
2.	Nusa Cemerlang Industrial Park Mukim of Pulai, Johor Bahru, Johor.	Industrial (development-in-progress)	Freehold	22 Jul 2005 to 30 Dec 2009	196.34[(a)]	133,855
		Industrial plots (completed)	Freehold (9 to 11 years)	22 Jul 2005 to 30 Dec 2009	7.90[(a)]	18,814
	Properties Held by Crescendo Development Sdn. Bhd.					
3.	Taman Perindustrian Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Industrial (development-in-progress)	Freehold	18 Nov 1996	9.17[(a)]	3,803
		Industrial plots (completed)	Freehold (15 to 20 years)	18 Nov 1996	10.38[(a)]	11,321
4.	Desa Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Mixed residential and commercial (development-in-progress)	Freehold	18 Nov 1996	38.23[(a)]	10,674
		Residential and commercial plots (completed)	Freehold (9 to 15 years)	18 Nov 1996	13.00[(a)]	22,968
5.	Bandar Cemerlang Mukim of Tebrau, Johor Bahru, Johor.	Mixed residential and commercial (development-in-progress)	Freehold	26 Jun 2001	186.43[(a)]	145,147
		Oil palm estate (approved for residential and commercial development)	Freehold	26 Jun 2001	594.01[(a)]	69,258
		Residential and commercial plots (completed)	Freehold (2 to 3 years)	26 Jun 2001	5.97[(a)]	20,073
	PTD 31034, 31035 and 31037, Mukim and District of Kota Tinggi, Johor.	Oil palm estate (approved for residential and commercial development)	Freehold	26 Jun 2001	526.21	58,884

Particulars of Properties
(Cont'd)

	Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation*)	Land Area [Acres]	Net Carrying Amount As At 31 Jan 2022 RM'000
	Properties Held by Panoramic Jaya Sdn. Bhd.					
6.	Taman Dato' Chellam Mukim of Tebrau, Johor Bahru, Johor.	Mixed residential and commercial (development-in-progress)	Freehold	12 May 2004	8.87[a]	7,695
		Residential plot (completed)	Freehold (4 years)	12 May 2004	0.02[a]	99
	Properties Held by Crescendo Land Sdn. Bhd.					
7.	Tanjung Senibong Mukim of Plentong, Johor Bahru, Johor.	Mixed residential and commercial (development-in-progress)	Freehold	30 Aug 2006	219.15[a]	175,166
	Properties Held by Ambok Resorts Development Sdn. Bhd.					
8.	Lot 2, 58, 60, 116, 325, 349, 607, 608, 609, 716, 717, 747, 748, 749, 750, 960 and 1331, Mukim of Tanjung Surat, Kota Tinggi, Johor.	Oil palm estate[b] (zoned for mixed development)	Freehold	(24 Jan 2005)	794.43	45,223
	Properties Held by Crescendo Jaya Sdn. Bhd.					
9.	Lot 186622, 186627 to 186638, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for mixed residential and commercial development	Freehold	30 Dec 2002	5.24	1,672
	Properties Held by Crescendo Education Sdn. Bhd.					
10.	PTD 240100 (Formerly PTD 204446) Desa Cemerlang.	Private college building	Freehold (10 years)	(1 Feb 2011)	2.74	11,886
		Land for private education institutions	Freehold	(1 Feb 2011)	11.65	10,153
11.	Lot 80571, Mukim of Plentong, Johor Bahru, Johor.	Vacant residential land	Freehold	18 Dec 2018	4.60	13,449
	Properties Held by Crescendo International School Sdn. Bhd.					
12.	PTD 240100, (Formerly PTD 204446) Desa Cemerlang.	International school building[c]	Freehold (5 years)	25 Jan 2017	Not applicable	25,287
		Multi purpose hall[c]	Freehold (4 years)	12 Apr 2018	Not applicable	13,169
	Property Held by Crescendo Commercial Complex Sdn. Bhd.					
13.	Lot 111187, Mukim of Plentong, Johor Bahru, Johor.	Vacant land for commercial building	Freehold	(1 Feb 2011)	8.50	24,089

	Description & Location	Existing Use / (Status of Development)	Tenure / (Age of Building)	Date of Acquisition / (Revaluation*)	Land Area [Acres]	Net Carrying Amount As At 31 Jan 2022 RM'000
	Properties Held by Panoramic Land Sdn. Bhd.					
14.	PTD 154331, Lot 150553, Lot 150554, Lot 150555, PTD 154327, Lot 150547, Lot 150548, Lot 150550, Lot 150367, Lot 150368 and Lot 150369, Mukim of Pulai, Johor Bahru, Johor.	Factory buildings (completed)	Freehold (6 to 9 years)	(1 Feb 2017)	25.10	226,853
15.	Lot 150579, Lot 150580 and PTD 182005, Mukim of Pulai, Johor Bahru, Johor.	Factory buildings (construction -in-progress)	Freehold	17 Dec 2014	7.22	17,745
16.	Lot 150574, Lot 150583 and Lot 150585, Mukim of Pulai, Johor Bahru, Johor.	Vacant land for factory buildings	Freehold	17 Dec 2014	15.45	27,844
	Property Held by Crescendo Properties Sdn. Bhd.					
17.	PTD 210920, Mukim of Plentong, Johor Bahru, Johor.	Vacant residential land	Freehold	27 Mar 2015	2.71	3,043
	Properties Held by Unibase Concrete Industries Sdn. Bhd.					
18.	GM 2038 Lot 1338 and GM 2040 Lot 1339, Mukim Jeram Batu, Pontian, Johor.	Vacant agricultural land	Freehold	24 Jul 2013	15.74	6,818
19.	GM 2584 Lot 10789, Mukim Jeram Batu, Pontian, Johor.	Vacant agricultural land	Freehold	13 Oct 2015	9.83	9,871
	Properties Held by Unibase Pre-cast Sdn. Bhd.					
20.	GM 2010 Lot 1350, GM 1969 Lot 1351 and GM 1968 Lot 1352, Mukim Jeram Batu, Pontian, Johor.	Vacant agricultural land	Freehold	24 Jul 2013	31.43	14,262
	Properties Held by Unibase Quarry Industries Sdn. Bhd.					
21.	PTD 4222 and PTD 4223, Mukim Ulu Sungai Sedili Besar, District of Kota Tinggi, Johor.	Quarry land	Leasehold - 20 years commencing from 20.10.2015	20 Oct 2015	81.00	4,265

Particulars of Properties
(Cont'd)

Notes:

[(a)] Gross land are based upon land titles held by Panoramic Industrial Development Sdn. Bhd., Crescendo Development Sdn. Bhd., Panoramic Jaya Sdn. Bhd. and Crescendo Land Sdn. Bhd. as at 31 January 2022. The conversion factors from gross to net saleable freehold land area are as follows:

Property No.	Conversion Factor
1	0.6996
2	0.9286
3	0.6996
4	0.5353
5	0.4415
6	0.6609
7	0.4884

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

[(b)] The oil palm estate which is an unconverted development land zoned for mixed development was replanted in 2018.

[(c)] The building is being constructed on land owned by Crescendo Education Sdn. Bhd.

* Date of revaluation includes the date of transition to MFRS of those companies which had elected to regard the fair value/carrying amount of those land and building at date of transition as deemed cost.

Crescendo Corporation Berhad
199501030544 (359750-D)

FORM OF PROXY

CDS Account No.	
Contact No.	

I/We, ____

Company No./NRIC No. (new) ____________________ (old) ____________________

of ____

being (a) member(s) of Crescendo Corporation Berhad do hereby appoint: ____________________

____________________ NRIC No. (new) ____________________ (old) ____________________

of ____

and/or failing whom ____________________ NRIC No. (new) ____________________

(old) ____________________ 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 Twenty-sixth Annual General Meeting of the Company to be held at the Ruby 1 & 2, Level 9, Holiday Inn Johor Bahru City Centre, Jalan Tun Abdul Razak, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 27 July 2022 at 2.00 p.m. and at any adjournment thereof in the manner as indicated below:–

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

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

Dated this _______ day of ____________ 2022

No. of Shares Held	

For appointment of two proxies, percentage of shareholdings to be represented by proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

____

Signature(s)/Common Seal of Member(s)

NOTES:

A member whose name appear in the Record of Depositors as at 20 July 2022 shall be regarded as a member entitled to attend, speak and vote at the meeting.

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

To be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof. If the appointor is a corporation, this Form must be executed under its common seal or under the hand of its attorney.

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

Please fold this flap for sealing

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STAMP

The Secretary

CRESCENDO CORPORATION BERHAD

Unit No. 203, 2nd Floor, Block C,

Damansara Intan,

No. 1, Jalan SS 20/27,

47400 Petaling Jaya,

Selangor Darul Ehsan.

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www.crescendo.com.my

crescendo

Crescendo Corporation Berhad
199501030544 (359750-D)

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