

Annual
Report
2024



Crescendo Corporation Berhad
199501030544 (359750-D)

28th

ANNUAL GENERAL MEETING

Wednesday

3 July 2024

—

2.00 p.m.

—

Junior Ballroom,

Level 11,

DoubleTree by

Hilton, No. 12, Jalan

Ngee Heng, 80000

Johor Bahru, Johor

Darul Takzim



BUILDING LIVES & GROWING OPPORTUNITIES

Since 1989, we have built a high performing platform of development infrastructures steadily with effective solutions, ensuring growth and stability, delivering values for the property industry through fair dealing.



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Form of Proxy





BUILDING DREAMS WITH CARE

Crescendo Corporation Berhad is a home-grown property development company in the southern region of Johor, Malaysia. We have grown from strength to strength while shaping Malaysia's future.

Today, we offer a range of services that revolve around property development and construction, trading and manufacturing, and education. We are committed to constantly adding value to what we do, as we advance confidently into the future.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-eighth Annual General Meeting of Crescendo Corporation Berhad will be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 3 July 2024 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 2024 together with the Auditors' Report thereon.
- 2.** To approve the following payment to Directors –
 - (a) Fees totalling RM262,000 for the financial year ended 31 January 2024. **(Ordinary Resolution 1)**
 - (b) Benefits of up to RM40,000 from this Annual General Meeting until the next annual general meeting of the Company. **(Ordinary Resolution 2)**
- 3.** To re-elect the following Directors retiring in accordance with Clause 88 of the Constitution of the Company -
 - (a) Mr. Gooi Seong Chneh **(Ordinary Resolution 3)**
 - (b) Mr. Gooi Seong Gum **(Ordinary Resolution 4)**
- 4.** 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 5)**





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

5. AUTHORITY TO ALLOT AND ISSUE SHARES

(Ordinary Resolution 6)

“THAT subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company and the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) and other governmental/regulatory bodies, where such approval shall be necessary, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as they may in their absolute discretion 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 Securities 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; AND THAT the shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85 of the Act to be read with the Constitution of the Company to be first offered new shares of the Company ranking equally to the existing issued shares arising from any issue of new shares in the Company pursuant to Sections 75 and 76 of the Act.”

6. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

(Ordinary Resolution 7)

“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 25 April 2024;
- (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 2024 of RM194,418,416;

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

- (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.”

7. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

“THAT Mr. Chew Ching Chong, 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.”

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

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, 2024

(Ordinary Resolution 8)

NOTES:

(1) A member whose name appears in the Record of Depositors as at 26 June 2024 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 2024 -

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 2 -

The Directors' benefits comprise the following –

- (a) Meeting allowance of RM500 per meeting day; and
- (b) Training benefits.

(5) Ordinary Resolution 6 -

This resolution, if passed, 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 they may in their absolute discretion deem fit and 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 27 July 2023 and which will lapse at the conclusion of the Twenty-eighth 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.

By passing this resolution, the shareholders of the Company have waived their pre-emptive rights to be first offered new shares of the Company which will result in a dilution of their shareholding percentage in the Company.

(6) Ordinary Resolution 7 -

The detailed text on this resolution on the Proposed Renewal of Authority for Share Buy-Back is included in the Statement to Shareholders dated 30 May 2024 which is enclosed together with the Annual Report 2024.

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

(7) Ordinary Resolutions 8 -

Both the Nominating Committee and the Board have assessed the independence of Mr. Chew Ching Chong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, and recommended him to be retained as an Independent Non-Executive Director of the Company based on the following justifications:—

- (a) He has fulfilled the criteria under the definition of an Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, he would be able to provide independent judgement, objectivity and check and balance to the Board.
- (b) He performs his duties and responsibilities diligently and in the best interests of the Company without being subject to influence of the management.
- (c) His in-depth knowledge of the Group's businesses and his extensive knowledge, commitment and expertise continue to provide invaluable contributions to the Board.
- (d) He, having been with the Company for more than 9 years, is familiar with the Group's business operations and has devoted sufficient time and attention to his professional obligations and attended the Board and Committee meetings for an informed and balanced decision making.
- (e) He is independent as he has shown great integrity and has not entered into any related party transaction with the Group.
- (f) He is 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 Resolution 8 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-eighth Annual General Meeting -

- (a) Mr. Gooi Seong Chneh
- (b) Mr. Gooi Seong Gum

The profiles of the Directors standing for re-election as mentioned in paragraph above at the Twenty-eighth Annual General Meeting are set out in the Annual Report 2024 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-eighth 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

Yong Chung Sin

Senior Independent
Non-Executive Director

Chew Ching Chong

Independent Non-Executive Director

Soh Ban Ting

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 Yong Chung Sin

Member Chew Ching Chong
Soh Ban Ting

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
Email: ypchong@tacsco.com.my

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
Email: ypchong@tacsco.com.my

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 BANKERS

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

STOCK EXCHANGE LISTING

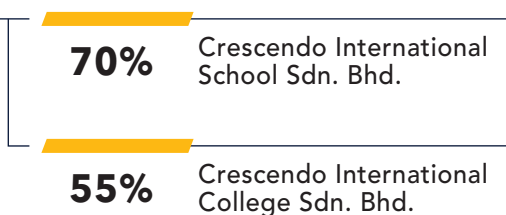
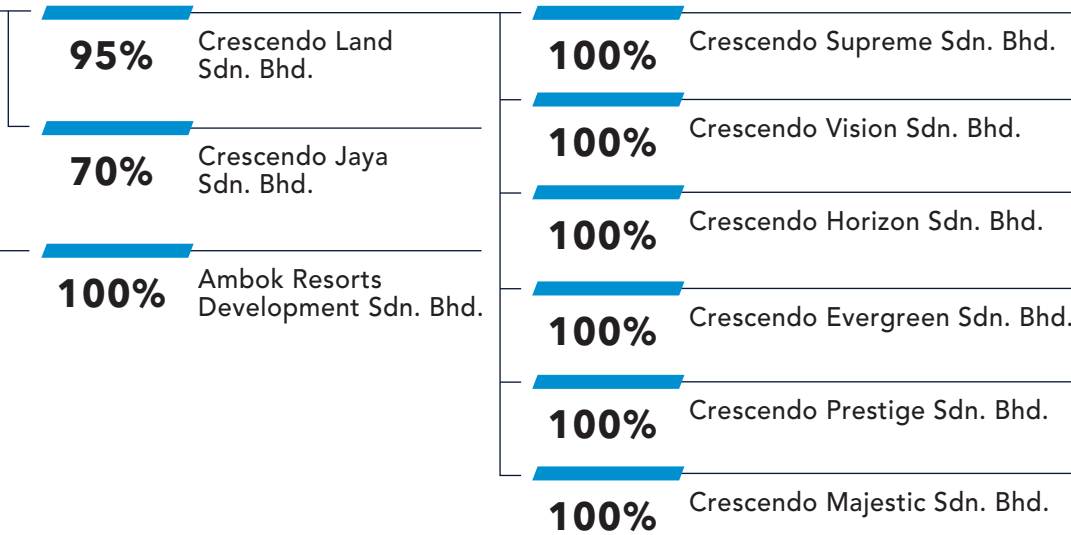
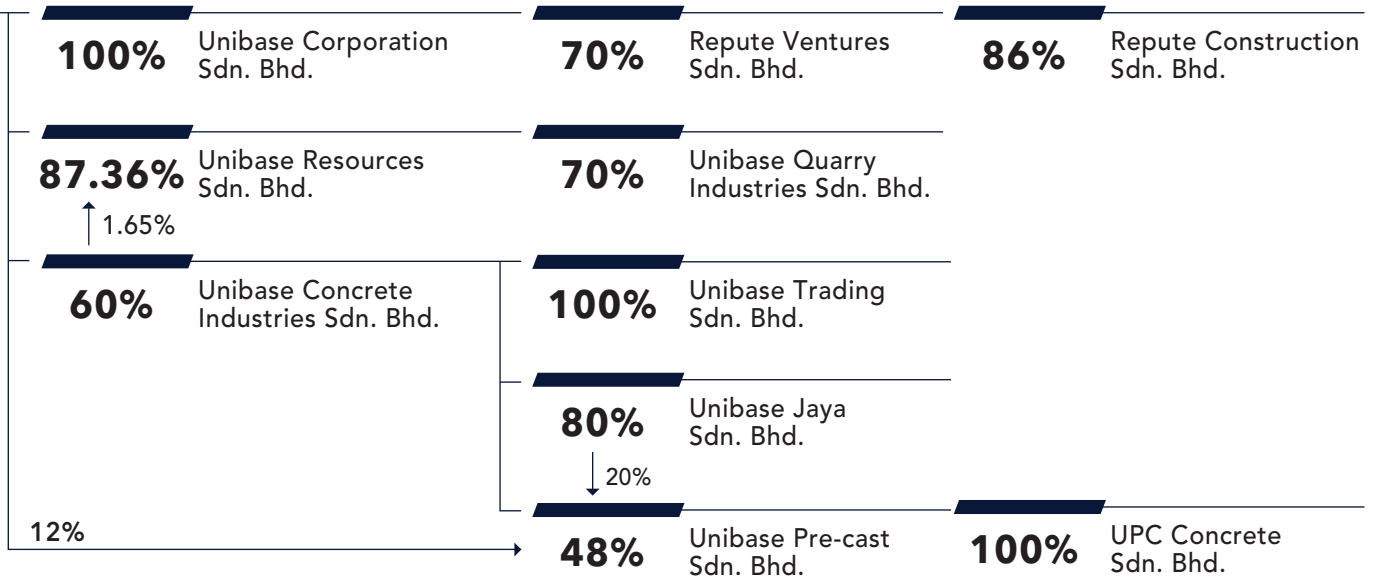
Main Market of Bursa Malaysia Securities Berhad
Stock Short Name : CRESNDO
Stock Code : 6718



GROUP STRUCTURE

As at 31 January 2024



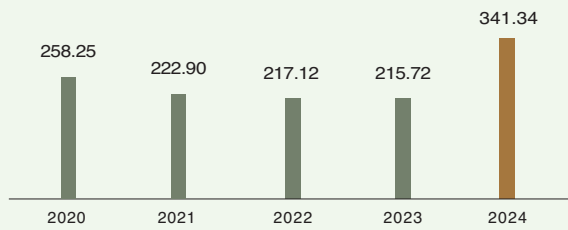


GROUP FINANCIAL HIGHLIGHTS

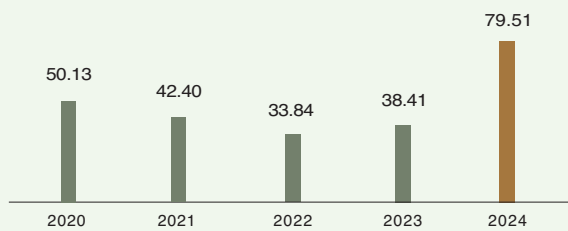


	FINANCIAL YEAR					
	2020	2021	2022	2023	2024	
STATEMENT OF COMPREHENSIVE INCOME (RM'MIL)						
Revenue	258.25	222.90	217.12	215.72	341.34	
EBITDA	70.81	62.50	57.08	59.29	100.89	
Profit before tax	50.13	42.40	33.84	38.41	79.51	
Profit after tax	27.97	29.78	23.98	25.87	57.03	
Net profit attributable to equity holders	26.30	26.80	21.52	24.52	56.67	
STATEMENT OF FINANCIAL POSITION (RM'MIL)						
Paid-up share capital	299.57	299.57	299.57	299.57	299.57	
Shareholders' equity	900.83	914.28	918.23	929.04	980.16	
Total assets	1,441.70	1,405.19	1,415.92	1,392.93	1,546.11	
Total borrowings	352.90	314.09	331.73	285.07	348.87	
FINANCIAL INDICATORS						
Return on shareholders' equity [Pre-tax]	%	5.6	4.6	3.7	4.1	8.1
Return on total assets [Pre-tax]	%	3.5	3.0	2.4	2.8	5.1
PE ratio	times	13.3	10.2	15.0	13.0	13.8
Gearing ratio	times	0.39	0.34	0.36	0.31	0.36
Interest cover	times	3.34	3.51	3.23	4.06	7.08
Earnings per share	Sen	9	10	8	9	20
Net assets per share	RM	3.22	3.27	3.29	3.32	3.51
Gross dividend per share	Sen	3	6	4	5	18
Gross dividend yield	%	2.5	5.9	3.3	4.3	6.5
Share price at financial year end	RM	1.20	1.02	1.20	1.17	2.75

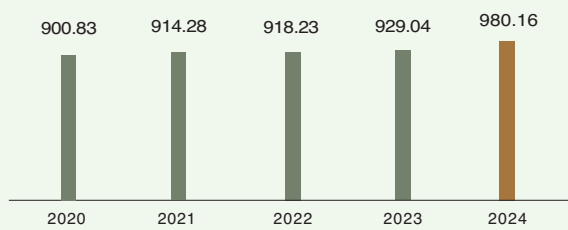
Revenue (RM'mil)



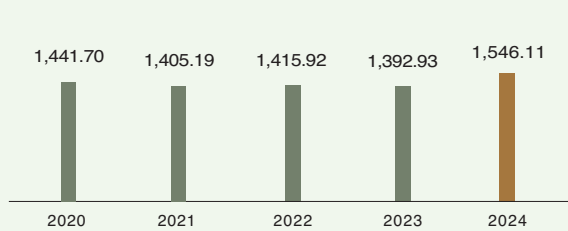
Profit Before Tax (RM'mil)



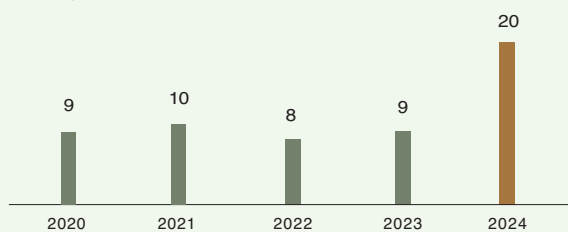
Shareholders' Equity (RM'mil)



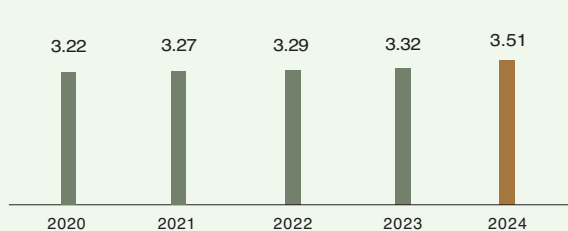
Total Assets (RM'mil)



Earnings Per Share (sen)



Net Assets Per Share (RM)



BOARD OF DIRECTORS



Gooi Seong Lim
Chairman and Managing Director



Chew Ching Chong
*Independent
Non-Executive Director*



Chong Fook Sin
Company Secretary



Gooi Seong Heen
Executive Director



Soh Ban Ting
*Independent
Non-Executive Director*



Kan Chee Jing
Company Secretary



Gooi Seong Chneh
Executive Director



Gooi Khai Shin
*Alternate Director
to Mr. Gooi Seong Lim*



Chua Yoke Bee
Company Secretary



Gooi Seong Gum
Executive Director



Gooi Chuen Howe
*Alternate Director
to Mr. Gooi Seong Heen*



Yong Chung Sin
*Senior Independent
Non-Executive Director*

PROFILE OF DIRECTORS



Gooi Seong Lim

Chairman and Managing Director



Mr. Gooi Seong Lim, male, aged 75, a Malaysian, was appointed to the Board of Crescendo Corporation Berhad (“CCB”) on 15 September 1995. He is currently the Chairman and Managing Director of CCB 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

Age / Gender / Nationality

75 / Male / Malaysian

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 2024. He attended all the five (5) Board meetings held during the financial year 2024.



Gooi Seong Heen

Executive Director



Mr. Gooi Seong Heen, male, aged 73, a Malaysian, 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

Age / Gender / Nationality

73 / Male / Malaysian

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 2024. He attended four (4) of the five (5) Board meetings held during the financial year 2024.

PROFILE OF DIRECTORS

(Cont'd)

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

Mr. Gooi Seong Chneh, male, aged 69, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB. He graduated with a Bachelor 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

Age / Gender / Nationality**69 / Male / Malaysian**

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 2024. He attended four (4) of the five (5) Board meetings held during the financial year 2024.

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

Mr. Gooi Seong Gum, male, aged 68, a Malaysian, was appointed to the Board of CCB on 15 September 1995. He is currently an Executive Director of CCB. He graduated with a Bachelor's degree in Civil Engineering from the University of Ottawa, Canada in 1980 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.

Age / Gender / Nationality**68 / Male / Malaysian**

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 2024. He attended all the five (5) Board meetings held during the financial year 2024.



Yong Chung Sin

Senior Independent
Non-Executive Director



Mr. Yong Chung Sin, male, aged 52, a Malaysian, was appointed to the Board of CCB as an Independent Non-Executive Director on 15 September 2022. He is currently the Senior Independent Non-Executive Director of CCB. He was appointed as a member of the Audit, Nominating and Remuneration Committees on 15 September 2022 and currently, he is the chairman of the Audit, Nominating and Remuneration Committees. He is a fellow member of the Association of Chartered Certified Accountants and a Chartered Accountant of the Malaysian Institute of Accountants. He also graduated with a Master in Business Administration from the University of Keele, United Kingdom. He has vast experience in Audit and Assurance Services, having served as Audit Partner of RSM Malaysia before

Age / Gender / Nationality

52 / Male / Malaysian

joining Kreston John & Gan. He is also involved in multiple corporate exercises and special engagements including financial due diligence review, investigative audit, business valuation, reporting accountant for IPO, reverse take-over, private debt securities and other corporate restructuring exercises. He is also a director of KLR.

Mr. Yong 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 2024. He attended all the five (5) Board meetings held during the financial year 2024.



Chew Ching Chong

Independent Non-Executive Director



Mr. Chew Ching Chong, male, aged 69, a Malaysian, 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 Strathclyde 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.

Age / Gender / Nationality

69 / Male / Malaysian

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 2024. He attended all the five (5) Board meetings held during the financial year 2024.

PROFILE OF DIRECTORS

(Cont'd)

**Soh Ban Ting****Independent Non-Executive Director**

Ms. Soh Ban Ting, female, aged 53, a Malaysian, was appointed to the Board of CCB as an Independent Non-Executive Director on 15 September 2022. She is a member of the Audit Committee of CCB with effect from 15 September 2022. She also sits as a member of both the Nominating and Remuneration Committees with effect from 15 September 2022. She graduated with a Degree in Economics majoring in Accounting from the University of LaTrobe, Melbourne, Australia. She is a member of the Malaysian Institute of Accountants and a Certified Practising Accountant of CPA Australia. She started her career in Ernst & Young in 1992, where she transitioned from corporate insolvency to corporate restructuring practices in the firm. In 2013 she left Ernst & Young and diversified her

skills sets and experience into corporate finance advisory to complement her restructuring experience. Her advisory experience, in firms such as RSM Malaysia and 27 Capital Sdn Bhd, includes provision of advisory services such as strategic business planning, fund raising, financial modelling & valuation and corporate re-organization. She is also a director of KLR.

Ms. Soh has no personal interest in any business arrangement involving CCB. She 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 2024. She attended all the five (5) Board meetings held during the financial year 2024.

Age / Gender / Nationality**53 / Female / Malaysian****Gooi Khai Shin****Alternate Director
to Mr. Gooi Seong Lim**

Mr. Gooi Khai Shin, male, aged 35, a Malaysian, 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 2024.

Age / Gender / Nationality**35 / Male / Malaysian**



Gooi Chuen Howe

Alternate Director
to Mr. Gooi Seong Heen



Mr. Gooi Chuen Howe, male, aged 40, a Malaysian, 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.

Age / Gender / Nationality

40 / Male / Malaysian

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 2024.

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 18
of this Annual Report)



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

- 1 – **Ir. Puen Tak Hong**
Contract Director
- 2 – **Dr. Khing Kim Hock**
General Manager (Construction)
- 3 – **Lee Kim Chai**
General Manager (Sales & Marketing)
- 4 – **Yuen Suh Chin**
Group Financial Controller

IR. PUEN TAK HONG ➔ **Contract Director**

Age / Gender
73 / Male

Nationality
Malaysian

Ir. Puen Tak Hong, male, aged 73, a Malaysian, joined the Group in 1988 and was appointed as Contract Director of Crescendo Corporation Bhd ("CCB") in 2017. He graduated with a Bachelor of Science (Hons) from University of Strathclyde, United Kingdom. He is a Professional Engineer and a fellow member of Institution of Engineers, Malaysia. He has more than fifty (50) years of working experience in the various infra works, housings, commercial and industrial developments (from planning, design/supervision, construction, cost/quality control and monitoring, progress payments; continuing to improve, streamline operations and reduce costs). Upon graduating from Singapore Polytechnic in 1972, he had worked in the Selangor Development Corporation (PKNS) as a Technical Assistant/Site Agent for 5 years, supervising various Selangor State projects; involved in the completion of the supervision of the 22-storey Wisma PKNS, KL before leaving for UK to complete his engineering degree. He had 10 years in the consultancy practices (from 1978

to 1988) as Design Engineer, Project Manager and Resident Engineer for Wisma Sime Darby, KL before joining the Group in 1988. He is part of the management team that oversee the development projects of the Group and the construction arms of the Group from business planning, projects implementation, contract awarding, project management, compliance with regulations and ISO 9000-2008 Certification to human resource development and training of technical staff. He is also a member of the tender and evaluation committee of the 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 2024.

**DR. KHING
KIM HOCK**
**General Manager
(Construction)**

Age / Gender
59 / Male

Nationality
Malaysian

➔ Dr. Khing Kim Hock, male, aged 59, a Malaysian, 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 30 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 2024.

LEE KIM CHAI
**General Manager
(Sales & Marketing)**

Age / Gender
72 / Male

Nationality
Malaysian

➔ Lee Kim Chai, male, aged 72, a Malaysian, 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 2024.

YUEN SUH CHIN
**Group Financial
Controller**

Age / Gender
51 / Female

Nationality
Malaysian

➔ Yuen Suh Chin, female, aged 51, a Malaysian, 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 2024.

CHAIRMAN'S STATEMENT

FINANCIAL RESULTS

In FY2024, we had to restructure, adapt and navigate carefully through the opportunities and challenges that came our way in a very dynamic environment that continued to change the property market outlook on top of managing the impact from cost escalations and labour shortage.

Notwithstanding the various challenges faced by the Group, the Group managed to deliver a stronger full year's revenue of RM341.3 million resulting in a profit attributable to shareholders of RM56.7 million as compared to RM215.7 million in revenue and RM24.5 million in profit attributable to shareholders in FY2023.

DIVIDEND

The Board maintains a balanced approach to its dividend payments and ensures that sufficient funds are maintained for future growth of the Group.

In view of this and the good performance of the Group with a profit attributable to shareholders of RM56.7 million as compared to previous year of RM24.5 million, the Board has declared a total of 18.0 sen per ordinary share of single tier dividend for FY2024 (FY2023: 5.0 sen per ordinary share). The 18.0 sen dividend comprised an interim single tier dividend of 5.0 sen per ordinary share and a special single tier dividend of 13.0 sen per ordinary share.

OUTLOOK AND PROSPECTS

As we enter FY2025, the outlook for the property market in Johor Bahru appears promising. However, the Group remains cautious amidst the rapid changes in the market environment. Fluctuations in building materials costs, driven by currency depreciation and inflationary pressures, pose significant challenges for property developers.

The anticipated positive impact of Budget 2024 on the property sector, aimed at boosting homeownership, is encouraging. Additionally, the influx of foreign direct investments into Johor signifies a strong demand for industrial properties, which is expected to continue growing.



On behalf of the Board of Directors of Crescendo Corporation Berhad, I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 January 2024 ("FY2024").

Currently, over 350,000 Malaysians commute daily across the Johor-Singapore Causeway. The upcoming Johor Bahru-Singapore Rapid Transport System ("RTS") link, scheduled for completion by the end of 2026, is poised to revolutionize connectivity between the two countries. With travel time reduced to just 5 minutes between Woodlands North station in Singapore and Bukit Chagar terminal in Johor Bahru, this development is expected to catalyze the revitalization of Johor Bahru City Centre.

The proposed Johor-Singapore special economic zone aims to strengthen business ties and enhance cross-border flow of goods and people. While its potential benefits await official announcements, the demand for serviced apartments near the RTS terminal and residential/commercial properties in Iskandar Malaysia region has surged significantly.

In light of this demand, our Group is gearing up to launch a serviced apartment project in the latter half of FY2025. This project will encompass approximately 1,200 units and boast a gross development value ("GDV") of RM1 billion. Situated along Jalan

Senyum, in close proximity to the RTS terminal at Bukit Chagar, this development aims to cater to the burgeoning market needs.

In Nusa Cemerlang Industrial Park ("NCIP"), the Group's balance landbank available for sales is approximately 60 acres and we remain optimistic about sales opportunities, especially given the strong demand for data centres in Johor Bahru.

Furthermore, our forthcoming 500-acre industrial park at Bandar Cemerlang underscores our commitment to meeting market demand. We are set to launch the first phase for sale within the next three years.

Our recent land sales at NCIP, with a total GDV of RM677.5 million, are anticipated to generate an estimated gain after taxation, of approximately RM390 million upon completion in FY2025. With the committed property sales of RM828.9 million as at 16 May 2024, including land sales at NCIP of RM677.5 million as mentioned above out of which RM458 million has already been completed to date, our financial position has been strengthened substantially. Together with the support from our banking partners, we are confident in our ability to execute and complete all ongoing and planned projects efficiently and on time, ensuring continued success in the years ahead.

APPRECIATION

On behalf of the Board, I wish to express my appreciation to the Management and Staff for their loyalty 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 over the years.

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: 16 May 2024

MANAGEMENT DISCUSSION AND ANALYSIS



OPERATING ENVIRONMENT FOR FINANCIAL YEAR 2024

In the financial year 2024 (“FY2024”), Crescendo Corporation Berhad Group of companies (“CCB Group” or “the Group”) operated in a post-pandemic landscape with a very dynamic environment that provides both opportunities and challenges. The escalation in building materials cost, labour shortages, rising interest rates and an overall cautious sentiment in the property market are some of the challenges that the Group faced throughout FY2024. Over the same period, we have also seen an encouraging flow of both local and foreign investments into Johor. With our operations largely based in Johor, we are well-positioned to explore and monetise the opportunities that came with the renewed optimism in Johor.

We are happy to report that we came off FY2024 with a strong set of financial performance; the Group recorded a 58% increase in revenue and a 2-fold increase in profitability as compared to the previous financial year.

GROUP’S BUSINESS AND STRATEGIES

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 2,600 acres in Johor Bahru. The current main development projects consist of Bandar Cemerlang, Desa Cemerlang, Taman Perindustrian Cemerlang and Taman Dato’ Chellam. CCB Group develops a wide range of properties, from low 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 Division, the concrete product plants manufacture jacking pipes, cladding pipes, slab, chamber rings, steel pipes and other pre-cast concrete products for local and export market. The products have been supplied to several sewerage and portable water pipeline projects in Singapore. This operation was awarded with various certifications under Quality Management System ISO 9001:2015 and Singapore Concrete Institute’s Precaster Accreditation Scheme.

Our Property Investment Division manages the Group’s investment properties which comprise 18 plots of land measuring 51 acres located at Taman Perindustrian Nusa Cemerlang, Gelang Patah, of which 14 units of factories have been completed and tenanted.

Our Services Division, on the other hand, oversees the management of Crescendo International College (“CIC”) and Crescendo-HELP International School (“CHIS”) under the education segment. Both CIC and CHIS are located in Desa Cemerlang. Whilst CIC offers programmes such as Cambridge A-Levels, tertiary education and professional qualifications; 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. Our Services Division also provides management services to subsidiaries within CCB Group and related companies of CCB.

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

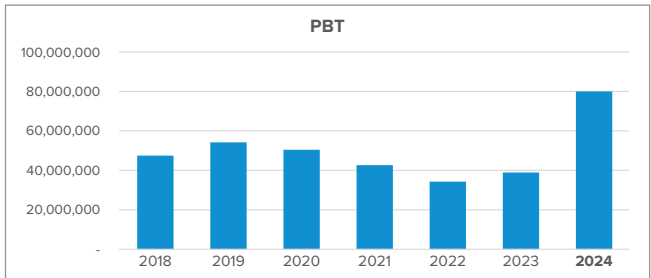
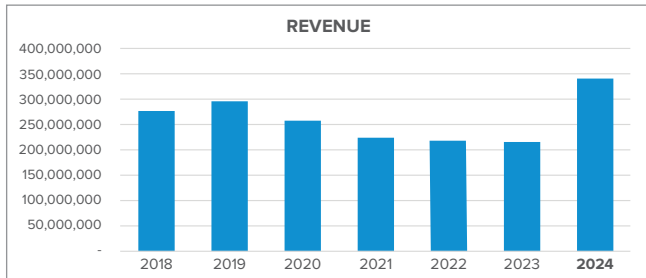
MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

FINANCIAL REVIEW

Group Revenue and Profitability

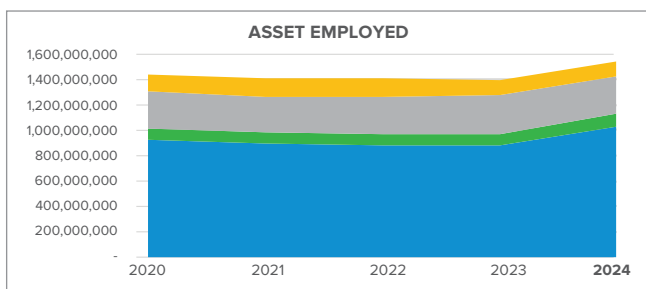
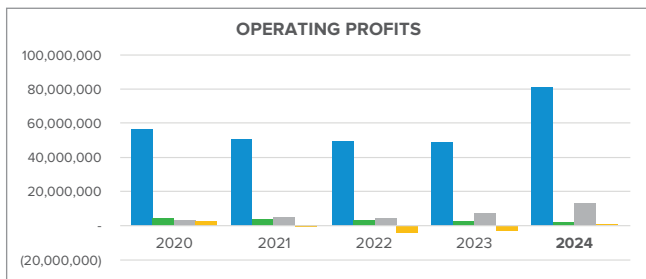
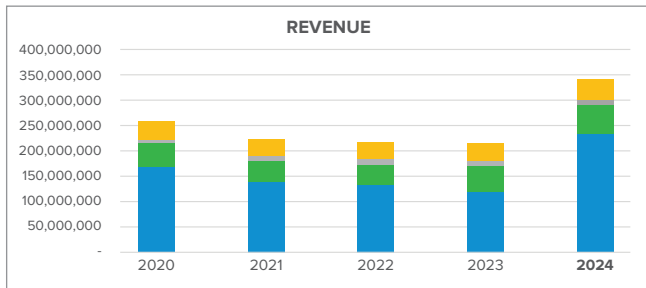
In FY2024, the Group’s revenue surged 58% to a record-high of RM341.34 million from RM215.72 million in FY2023, with profit before tax (“PBT”) more than doubled to RM79.51 million against RM38.41 million of FY2023.



The Group’s revenue and profitability in FY2024 is mainly driven by the strong performance of our property development & construction operation. We have managed to record higher sales for our commercial and industrial properties, as well as closing several high margin industrial land sales during the year.

The Group’s total borrowings increased by RM63.80 million to RM348.87 million in FY2024 (FY2023: RM285.07 million) mainly due to the issuance of RM100 million Medium-Term Notes (“MTN”). The MTN was issued with a tenure ranging from 2 to 5 years under the existing MTN Programme of up to RM300 million. The MTN issued in FY2024 were mainly for the purchase of landbank. Due to the higher borrowings, the Group’s gearing increased marginally to 0.36 times in FY2024 from 0.31 times in FY2023.

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



The Group’s revenue is mainly contributed by our Property Development & Construction Division, followed by our Manufacturing & Trading Division and 2 other operating divisions.

Our Property Development & Construction Division is also the main contributor of profitability. Whilst our Manufacturing & Trading Division has remained profitable, its margin is largely subject to the volatility of production and building material costs. Profitability from our Property Investment Division and Services Division, on the other hand, have been on a steady rise over the years.

Our stock performance for the period from February 2023 till 16 May 2024 is as follows:



■ Property Development & Construction
 ■ Property Investment
 ■ Manufacturing & Trading
 ■ Services & Others

DIVIDEND

On the back of the Group's strong performance in FY2024, the Board declared a total dividend of 18 sen per ordinary share (FY2023: 5 sen per ordinary share) comprising an interim dividend of 5 sen per ordinary share and a special dividend of 13 sen per ordinary share.

DIVISIONAL PERFORMANCE

Property Development & Construction

The Property Development & Construction Division contributed 68% of the total turnover of the Group in FY2024 and recorded a 73% and 67% improvement in revenue and operating profit respectively as compared to last financial year. This exceptional result is mainly due to higher sales in commercial and industrial properties compounded with high margin industrial land sale.

Development Landbank

Project / Taman	Distance from JB (km)	Type of Development	Development Land (acres)
Bandar Cemerlang	20		
- Tebrau, Johor Bahru		Mixed development	733
- Kota Tinggi		Industrial / Residential	636
Taman Perindustrian Cemerlang	16	Industrial	31
Taman Desa Cemerlang	16	Residential & Commercial	60
Taman Dato' Chellam	18	Residential & Commercial	9
Nusa Cemerlang Industrial Park	30	Industrial	# 100
Tanjung Senibong	18	Residential & Commercial	215
Jalan Senyum, Johor Bahru	-	Residential	@ 3
Ambok	67	Resorts / Mixed development	794
Others	20	Residential	5
Total development landbank as at 31 January 2024			2,586

Excluding 103 acres of net land sold via 4 conditional Sale & Purchase Agreements (SPAs) and three of which were completed subsequent to 31 January 2024.

@ Land acquired via a conditional SPA which was subsequently completed in April 2024.

The development landbank above represents gross land.

The Group has in FY2024 entered into 4 separate conditional SPAs for the sales of 103 acres of industrial land in Nusa Cemerlang Industrial Park ("NCIP").

Over the same period, we have also entered into a conditional SPA to acquire 2 plots of land located near the Johor Bahru-Singapore Rapid Transit System ("RTS") terminal in Bukit Chagar. The purchase was subsequently completed in April 2024. The Group plans to launch a serviced apartment project with a total GDV of approximately RM1 billion on this newly acquired land in the second half of FY2025. This serviced apartment project will consist of two towers of 48 storeys with around 1,200 units of serviced apartments of various sizes.

In our effort to continue developing landed properties and to align the evolving property buyers' demand, we plan to launch 167 units of mid to high-end market landed residential properties at Bandar Cemerlang and 57 units of shop offices at Desa Cemerlang with a total gross

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

Type of Properties	Group Sales (RM million)		Increase / (Decrease) (%)	
	FY2024	FY2023	Group	State*
Residential	41.5	108.4	(61.72)	66.06
Commercial	96.9	27.0	258.89	34.43
Industrial	56.2	13.7	310.22	13.25

* Source: Property Market Report 2023, Valuation and Property Services Department, Ministry of Finance Malaysia

The higher sales in industrial properties as shown above for FY2024 as compared to FY2023 is a testament of the strong demand for our industrial properties and the Group's strategy of selling suitable parcels of land to reduce financial gearing whilst continuing its development of residential properties to fulfil the evolving property buyers' demand.

development value ("GDV") of RM237 million within the next one year.

Manufacturing & Trading

The growth in revenue of 21% from this Division, which caters for both in-house and external needs, is derived from higher trading sales of building materials whilst the decline in profit margin to 3.7% as compared to 5.3% in FY2023 is mainly due to higher production cost.

The export sales made up approximately 61% of the total sales for concrete products for FY2024 as compared to 55% for FY2023.

To better manage our business risk in this Division, we are undertaking more stringent customer vetting process, implementing tighter credit control policy and exercising more prudent sales practices to minimize bad and doubtful debts and ensure this Division continues to be profitable.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Property Investment

The revenue and operating profit for this Division increased 11% and 91% respectively for FY2024 as compared to FY2023. The higher operating profit margin is mainly contributed by gain arising from disposal of investment land amounting to RM6.4 million.

Services and Others

This Division consists of two main business activities namely education and management services. The increase in revenue and operating profit of 20% and 52% respectively for FY2024 were mainly contributed by higher management fees.

Education

The education segment comprising CIC and CHIS has reported an increase in revenue of RM4.1 million from RM35.6 million in FY2023 to RM39.7 million in FY2024. The increase is mainly contributed by the higher revenue from the international school as a result of higher student enrolment/in-take.

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.

Management Services

The increase in revenue and operating profit in this segment during the financial year was in line with the increase 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

The Group's major business operations are mainly involved in the property development and construction industry which is subject to the following key 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 cautiously plan our property launches to avoid holding an elevated 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

We are optimistic with the property market outlook, especially in Johor, in the next few years but will remain cautious of the potential challenges, such as escalation in building materials cost and market headwinds affecting property investors' sentiments. Budget 2024, which aimed at boosting homeownership, is anticipated to have a positive impact on the property sector. With the influx of foreign direct investments to Johor, demands for industrial properties remain strong and are expected to grow in the coming years. The ongoing RTS project will serve as a catalyst to revitalise Johor Bahru City Centre development and the property development in the vicinity of the terminal at Bukit Chagar will benefit.

The proposed Johor-Singapore special economic zone ("JS-SEZ") in Johor is expected to foster stronger business ties and attract investments, boost cross-border flow of goods and people and benefit the economies of both Malaysia and Singapore. The extent of economic benefits the project may have on Johor will be clearer once the details of JS-SEZ are announced by the authorities.

The Group will continue to monitor the market situation and adopt a prudent and cautious approach by leveraging on its strategic land bank to develop properties that meet market needs. We believe the demand for landed properties in strategic growth area with good infrastructure and connectivity will improve further. The Group continues to adapt its plans, strategies, product designs, and timing of new launches as part of its strategic response.

In FY2024, the Group launched about 200 acres of industrial land for sales in NCIP and the first phase consisting of 103 acres was sold in FY2024 through several conditional sale and purchase agreements ("SPAs") with a total lock-in sales of RM545 million. Out of these conditional SPAs, three of the SPAs with sales consideration of RM458 million have been completed to date. The Group has entered into another SPA of RM132.5 million in April 2024. The balance landbank at NCIP currently available for sales is approximately 60 acres with a GDV of around RM340 million.

The Group also intends to commence the main infrastructure work of the newly approved 500-acre industrial park at Bandar Cemerlang in FY2025 as we plan to launch the first phase for sales within the next three years. Barring major geopolitical uncertainties and economic headwinds, the Board is positive and confident of the prospects of the Group's upcoming new property development and anticipates that the Group will be operating at optimum capacity in the coming years. Based on committed sales of RM828.9 million, including the land sales at NCIP of RM677.5 million as at 16 May 2024 out of which RM458 million has already been completed to date, the Board expects the Group to have an exceptional year in FY2025.

SUSTAINABILITY STATEMENT

This Sustainability Statement provides an overview of the Group's Environment, Social and Governance ("ESG") impacts, and policies and practices we have enforced to address and mitigate them. We have taken and will continue to take the necessary actions to recalibrate and eventually align our activities to meet the requirements of the Malaysian Code of Corporate Governance 2021 and Bursa Sustainability Guidelines 2022: areas where the Group are in transition to conform are highlighted in this Statement and our Corporate Governance Overview Statement.

This Sustainability Statement covers all our operational and management activities within the Crescendo Corporation Berhad ("CCB") Group. This Statement focuses mainly on updates and activities carried out within the Financial Year 31 January 2024 with comparable prior year statistics, where applicable and available.

Independent Assurance

CCB has not sought third-party assurance for the content of this Statement. However, the Assurance and Governance Department has reviewed the statistics provided herein and is satisfied that the statistics are supported with undelaying records and/or arrived at based management's judgement.

Feedback

If you have any comments or questions regarding the contents of the Sustainability Statement, please contact us on investors-relations@crescendo.com.my.

We are pleased to present CCB's ("Crescendo" or "Company") 2024 Sustainability Statement ("Statement"). In which we will describe our sustainable practices and our initiatives we are pursuing for our Environmental, Social and Governance ("ESG") during the financial year ended 31 January 2024.

REFERENCES AND GUIDELINES

This Statement is prepared with reference to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Bursa Malaysia's Sustainability reporting framework and guide. 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 2024, comprise property development and construction; manufacturing and trading of building materials; education and management services; and property investment.

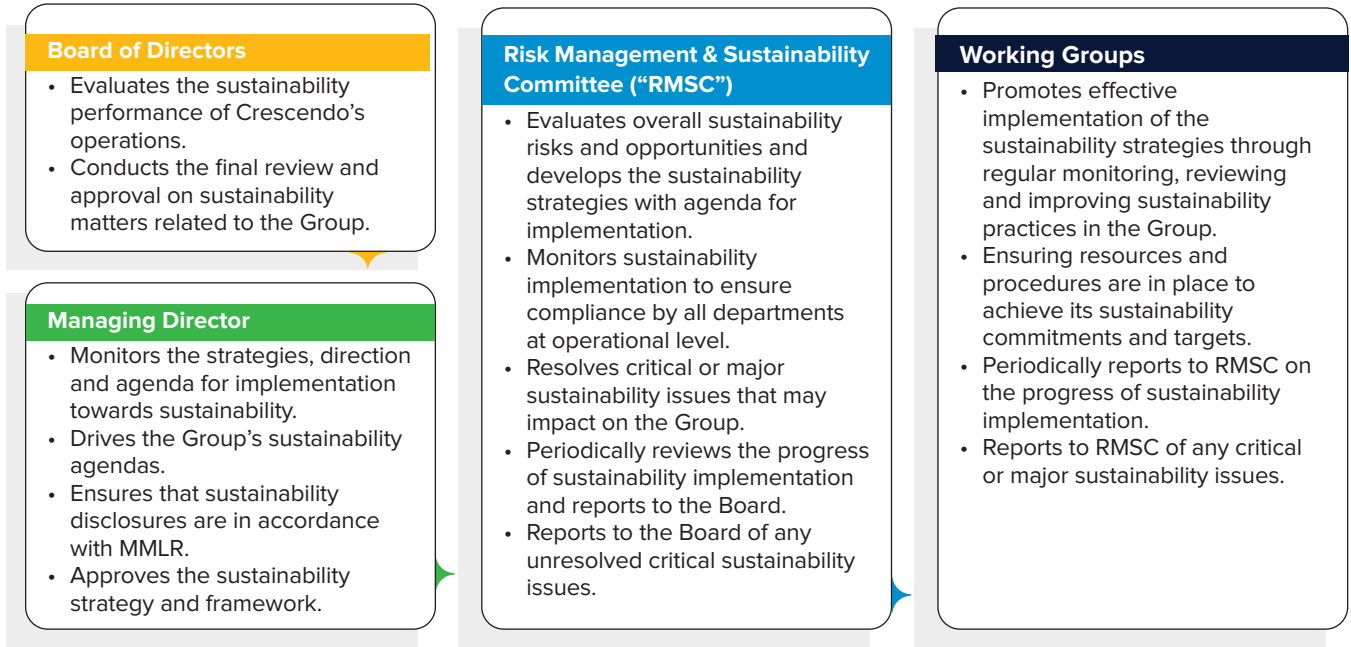
The Company, via its Board of Directors ("Board"), is mindful of the need to have, and support, a growth strategy that incorporates sustainable development and management of economic, environmental and social risks and opportunities. The impact of the Group's business endeavours on living and non-living natural systems ("Environmental") and on the social system ("Social"), as well as salient concerns of the Group's main stakeholders ("Governance") are key consideration influencing our corporate behaviour and activities in delivering the organisation's strategies.

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 and the outcome thereof disseminated to the Board for notification and comments, as may be the case.

SUSTAINABILITY STATEMENT
(Cont'd)

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



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 substantial impact on the Group or upon which the Group has substantial impact. The Group’s businesses affect not only commercial stakeholders but also communities and other entities who have non-financial interest arising from 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.

Stakeholder Group and Prioritisation (Property Development & Construction)		
Method of engagement	Key topics and concerns raised	Group’s Response
EMPLOYEES		
<ul style="list-style-type: none"> Annual appraisal Circular of Internal Policies Sports, Welfare and Recreation activities Meetings Informal gathering to enhance bonding Trainings and development programs Whistle-blowing Channel 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Enhance better understanding and awareness among employees on the Group policies, sustainability requirements and compliance Improve mechanism for channelling complaints and grievances Stricter enforcement on Safety Policy and more Occupational Safety & Health and relevant Safe Operating Procedures trainings Town hall sessions to share company’s direction and performance Provision of job related trainings and workshops Provide work environment that encourages quality performance, high employee satisfaction and loyalty Encourage teamwork

Stakeholder Group and Prioritisation (Property Development & Construction)		
Method of engagement	Key topics and concerns raised	Group's Response
BOARD OF DIRECTORS		
<ul style="list-style-type: none"> Meetings Site Visits On-going communications Directors' training 	<ul style="list-style-type: none"> Progress of ESG initiatives Group's Performance Strategic planning Optimisation of shareholder value Governance, risk and control Investment and expansion strategies 	<ul style="list-style-type: none"> Provide information and progress updates on Group's ESG initiatives Disseminate accurate and timely performance reports Discuss strategic investment and expansion plans / proposals; and potential impact on shareholders' value Highlight potential governance, risk and control issues; and measures taken to mitigate adverse impact (if any)
SUPPLIERS AND CONTRACTORS		
<ul style="list-style-type: none"> Regular Site Meeting Progress Report Performance Review/ Evaluation Site Visit/Inspection Contract Negotiations and bidding opportunities Tender Management System 	<ul style="list-style-type: none"> Legal Compliance Product quality Pricing of services and products Payment Schedule Knowledge sharing Fair procurement process 	<ul style="list-style-type: none"> Promote awareness of Crescendo's sustainability commitments Better understanding of Crescendo's business activities Building of fair and sound business relations Practise fair payment terms and payments timeliness Practise good work ethics Application of new engineering and construction technologies Continuity in business partnership
CUSTOMERS		
<ul style="list-style-type: none"> Road shows One-to-one meeting Company web-site Exhibitions and site visits Advertisements and marketing materials Customer feedback channel Customer Satisfaction Survey Market Research 	<ul style="list-style-type: none"> Product/service pricing and packages Quality, workmanship and product deliverables Timely delivery 	<ul style="list-style-type: none"> Creation of better products and services Provide quality and value focused products and services at an affordable price Prompt response to concerns raised by customers Continuity in business partnership On-line platform to reach out to customers
SHAREHOLDERS		
<ul style="list-style-type: none"> Meetings with shareholders during the Annual General Meetings ("AGM") Announcements to Bursa Securities, details of which may be accessed by shareholders Company's corporate website Annual Reports 	<ul style="list-style-type: none"> Group's Financial and Operating Performance Risk Management and Internal Control System Corporate Governance Reporting Standard Dividend pay-out practices Company Reputation Succession Planning Group's position within the industry 	<ul style="list-style-type: none"> Maintain good investor relation Provide constructive feedback to investors' queries Maintain good corporate brand and reputation with consistent business performance and adoption of sustainable dividend pay-out practices Comply with relevant reporting and disclosure requirements Provide visibility of succession planning through talent recruitment and retention at Board and Senior Management levels
GOVERNMENT AGENCIES, REGULATORY AND CERTIFICATION BODIES		
<ul style="list-style-type: none"> Inspections by the agencies Attends workshops and trainings Meeting with the regulators Correspondences with regulators on requirements 	<ul style="list-style-type: none"> Approval and permits Compliance with legal requirements Labour practices, environmental, health and safety issues Environmental Impact Assessment Product quality, supply chain and evaluation of supplier / contractors' sustainability commitment Compensation process and avenue 	<ul style="list-style-type: none"> Comply with relevant requirements imposed by government agencies and regulatory bodies Support and contribute to the development and where possible achievement of sustainability target set by government agencies and regulatory bodies.

SUSTAINABILITY STATEMENT

(Cont'd)

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 consider any new sustainability matters which we may yet to address. We review 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 the 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 1

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 Securities's Sustainability Reporting Guide) as well as relevant industry-specific references & publications).

Step 3

We examined the results of prioritisation & validated material matters with the RMSC and present the outcome for the Board's approval.

Step 2

From the list of identified matters, we prioritised matters based on the significance of Crescendo's ESG impacts & identified material interests & expectations of various stakeholders. This list of identified matters also form the basis for our dialogue/survey with stakeholders. Based on a structured stakeholder prioritisation exercise, we identify our key stakeholders.

Step 4

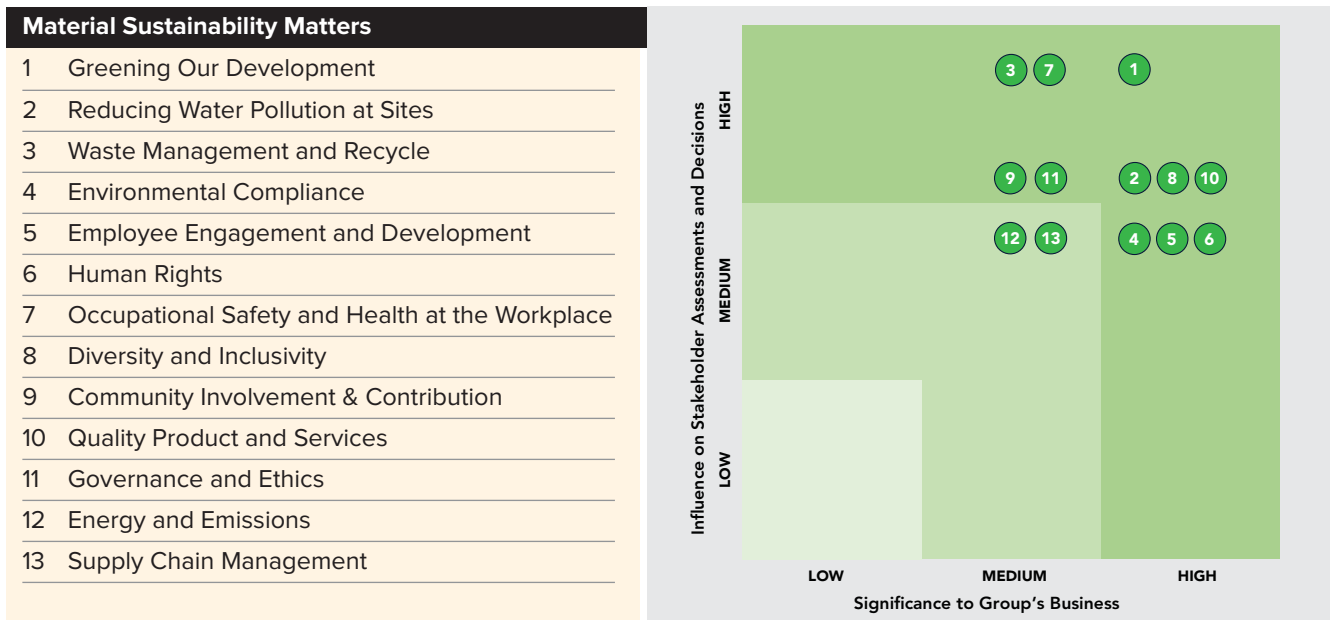
We updated our materiality assessment periodically in light of changes against the business landscape, emerging global & national trends, regulatory development, as well as stakeholder opinions.

The Group's materiality assessment review takes into consideration:

- i. the significance of the sustainability matter and its impact in relation to our businesses; and
- ii. how substantively the sustainability matter affects key stakeholders' assessments and decisions.

The materiality assessment review was conducted systematically, facilitated via a ratings-based assessment tool.

Our Material Sustainability Matters are presented in the following materiality matrix.



1. GREENING OUR DEVELOPMENT

Functional and strategically designed green spaces significantly affect the economic life of urban centres. As towns and cities increasingly compete to attract investment, the presence of parks, squares and gardens becomes a vital economic lever to attract potential investors. These green space may also be seen as a value enhancer as investors are increasing willing to pay a premium to be near them.

The Group continues to invest in the delivery of well designed space in its key development projects. Generous open green spaces, parks and roads are among the key features of our projects in Bandar Cemerlang, Desa Cemerlang, Taman Perindustrian Cemerlang, Taman Dato' Chellam, Nusa Cemerlang Industrial Park and Tanjung Senibong.

As part of our greening process, we have created a beautiful and peaceful modern tropical style living spaces. Approximately 19 hectares of land was allocated for the project and approximately 60,000 plants including aquatic plants with more than 200 species were planted. During the year approximately RM200,000 was spent to maintain the park.

2. REDUCING WATER POLLUTION AT SITES

We have undertaken the following practices to reduce water pollution in our construction project sites:

- Install silt trap according to specification;
- Conduct proper and good silt trap maintenance; and
- Install 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.

All vehicles leaving the worksites are required to drive through wash troughs to maintain the cleanliness of public roads. Dust pollution is minimised by spraying water (rain harvested water) on the access roads within the worksites.

3. WASTE MANAGEMENT AND RECYCLE

Efficient waste management is a key component of our environmental stewardship, aimed at curbing Green House Gases ('GHG') emissions. Among these emissions, methane from landfills significantly contributes to global warming. Therefore, our dedication to waste reduction efforts not only minimises methane emissions, but also helps us address the pollution and health hazards associated with improper waste disposal.

To fulfil this commitment, stringent waste management procedures have been integrated throughout our organisation. These encompass the entire waste management lifecycle, from collection and transportation to treatment and disposal.

We are mindful of the environmental impact of the electronic waste ("e-waste") we generate. To this end, we have constituted responsible e-waste practices, assuring that devices are disposed in compliance with environmental regulations.

Where possible, the Group avoids the use of hazardous or environmentally harmful substances and products containing such substances. If paper must be used, double-sided printing is encouraged. We encourage on-line research to reduce paper usage. We also promote practices that generate less waste with the adoption of a paperless approach in our office environment by digitalising our records and minimising generation of physical copies. This not only decreases our paper usage but also enhances the security of sensitive and confidential information.

As for the Group's hazardous waste, we engage a third-party licensed contractor in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005 to manage said waste. This guarantees that our scheduled wastes are responsibly handled, treated, and disposed of to prevent harm to the environment and public health.

At the same time, we actively encourage the recycling of materials, including e-waste and other recyclable materials. By diverting materials away from landfills, we are contributing to a more sustainable future, where resources are conserved and repurposed, reducing the impact of said waste on our planet.

To reduce our freshwater consumption, we recycle and harvest rainwater. Rainwater and surface runoff from large catchment are channelled into retention ponds or reservoirs at our development sites for storage and subsequently used for landscape irrigation. Aside from reducing wastage, rainwater harvesting is energy efficient and requires no chemical treatment. This substantially reduces our fresh water consumption.

Installing drinking water fountains around our school and campus for our students and staff has reduced the need to purchase bottled water. This lowers the usage and disposal of single use plastic bottles.

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

SUSTAINABILITY STATEMENT

(Cont'd)

4. ENVIRONMENTAL COMPLIANCE

We understand that our duty to manage our impact on the environment and do so by undertaking the necessary actions to adhere to environmental regulations and standards set by the authorities, including the Environmental Quality Act 1974, and its applicable guidelines.

We have established proper procedures and processes across the Group as part of our efforts to manage environmental risks and impact. We have put into action a Sustainability Policy to better manage environmental compliance and prevent pollution. The policy seeks to maintain and advance our sustainability goals by ensuring that our operations are carried out with due consideration of key ESG priorities.

The Group emphasises environmental pollution at all its worksites and a “No Open Burning” policy has been imposed on its contractors. All unwanted wastes, materials and by-products from the construction sites of its various ongoing projects are either recycled or properly disposed by our contractors.

No major incidences involving fines, penalties or non-monetary sanctions for noncompliance with environmental laws and regulations occurred during the financial year.

5. EMPLOYEE ENGAGEMENT AND DEVELOPMENT

The Group believes that human capital is its most valuable resource. We subscribe to the practice of continuous learning and improvement when it comes to our strategy in human resource management. The Group focuses on development, motivation and retention of talents as well as emphasises on the employees’ well-being at the workplace. Through investing in our employees, we aim to develop their capabilities to contribute as a high-performing member of the organisation. This practice will only serve to reinforce our reputation as a progressive and equitable employer and further differentiate us from our competitors.

We believe that fair employment practices lead to favourable business outcomes. We recognise and appreciate the significance of our employees’ contribution and are committed to ensure that our employees are fairly rewarded. Remuneration structure is reviewed annually based on qualifications, experience, and performance to ensure our remuneration package remains competitive.

An array of employee benefits which are above the minimum legal requirement and at par with best practices standards are provided to our employees. This includes various types of paid leave, universal health and medical care, subsidised vacation for staff and their family. Benefits commensurate with tenure and positions in the Group and are constantly reviewed against industry best practices.

Our full-time and part-time employees are provided with the following benefits:

Leave	Reimbursement & Entitlements
<ul style="list-style-type: none"> Annual Calamity Medical & hospitalisation Compassionate Marriage Paternity Maternity Prolonged illness 	<ul style="list-style-type: none"> Mileage, toll, and parking reimbursements Overtime Business trip entitlements Accommodation & transportation entitlements Staff property discount.
Medical	
<ul style="list-style-type: none"> Medical treatment claims Group Hospitalisation & healthcare and accident insurance 	

We are committed to respecting human rights and are guided by the Malaysian Government’s Employment Laws.

These principles and laws cover the following:

- Prohibiting child and forced labour
- Ensuring non-discrimination and equal opportunity
- Providing a safe and healthy workplace
- Supporting a harassment free and violence-free workplace
- Ensuring compliance with laws governing working hours and wages

Our Human Resource Department (“HRD”) coordinates all employer-employee dealings across the Group based on related Human Resource procedures to ensure decisions are made objectively and without any element of discrimination. The HRD manages talent acquisition strategies and organises recruitment processes to promptly fill vacancies and reduce any disruptions arising from employee turnover.

We review, monitor and track employees' performance through annual performance appraisal. Regular and effective performance reviews are one of the essential tools employed by the Group to engage employees on their performance and serves as a two-way communication platform to receive employees' feedback on work related issues. Respective head of department, managers, superiors are encouraged to conduct reviews with employees under their supervision who can then provide valuable feedback and coaching, when required.

Training & Development

The Group inculcates a learning culture in the organisation. Employees at all levels are equipped with the necessary knowledge, skills and exposure to be effective in carrying out their jobs and to prepare them for their career progression. Some of our learning activities during the financial year involved:

- 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.

6. HUMAN RIGHTS

The Group ensures that there is no forced or bonded labour and we actively take preventive measures to prevent the use of such labour through periodic and random checks at our project sites. We are also committed to ensure no children are employed by our contractors.

Ensuring Workers' Rights and Welfare

As a responsible construction group, we take all measures including precautionary measures to ensure that the rights of workers, especially foreign workers, have not been infringed upon. This extends to all workers working on the Group's sites, including third party workers.

We are guided by the following commitments:

- Workers are provided safe working and living conditions.
- Workers have access to healthcare, food, sanitation and decent accommodation.
- Workers are fairly compensated as provided by the laws of the country.
- Workers have freedom of access, including retaining possession of their identification documents and where relevant, the right to return to their countries of origin upon expiry of their contracts.

The Group expects subcontractors to abide by the same principles. Failure to do so would lead to suspension / termination of contracts and reporting to the relevant authorities.

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

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

7. OCCUPATIONAL SAFETY AND HEALTH AT THE WORKPLACE

We abide by the Occupational Safety and Health Act 1994 (OSHA 1994). This is the main legislation that outlines the legal framework for occupational safety and health in Malaysia. It places responsibilities on employers, employees, and other stakeholders to ensure the safety and health of individuals at all of our working sites.

We acknowledge that health and safety of everyone present at our premises is important. A safe and healthy working environment gives security to our people, establishes trust and plays a central role in ensuring the sustainability of our business. It is therefore our obligation and responsibility to implement comprehensive practices and measures to prevent risk of accidental injuries and occupational related illnesses to our employees, customers and the general public. Our aim is to instil amongst our stakeholders a mindset of prioritising safety and health at all times: we are committed to go beyond the requirements of regulations alone. We strive to set exemplary practices in health and safety matters in our industry.

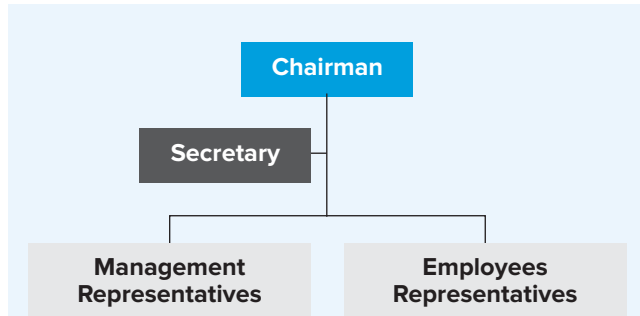
For our property and construction segment, health and safety requirements are included in the tender and contract documents for all the projects. The Site Office will coordinate with every contractor to ensure health and safety are always at the forefront of their minds. Contractors are responsible for the safety of their workers on all sites and ensure various precautionary measures are in place.

All our offices are equipped with emergency response equipment such as first aid kits, fire extinguishers and fire alarm systems. In addition, all employees are covered by adequate insurance for personal accidents and medical requirements in the event of hospitalisation and surgical requirements.

SUSTAINABILITY STATEMENT

(Cont'd)

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.

Other Occupational Safety and Health precautionary measures carried out by the Group during the financial year under review include:

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

Some topics discussed at a toolbox meeting

1. Importance of safety.
2. Recent Incidents and lesson learnt by discussing any recent accidents, near misses, or safety concerns.
3. Hazard Identification by reviewing how to identify hazards in the workplace.
4. Risk Assessment by discussing the process for assessing and mitigating risks.
5. Safety Rules - Review company safety policies and procedures.
6. Emergency Procedures - Ensure everyone knows what to do in case of fire, medical emergencies, etc.
7. First Aid - Review the location of first aid kits and basic first aid procedures.
8. Personal Protective Equipment (PPE) by emphasising the importance of wearing the correct PPE for the task.
9. Safe Lifting Techniques - Demonstrate proper lifting techniques to prevent injuries.
10. Tool Safety - Discuss proper use, maintenance, and storage of tools.
11. Electrical Safety - Review procedures for working with electricity safely.
12. Chemical Safety - Discuss handling, storage, and disposal procedures for hazardous chemicals.
13. Fire Safety: Review fire extinguisher locations and how to use them.
14. Fall Protection - Discuss procedures for working at heights and using fall protection equipment.
15. Machine Guarding - Review the importance of machine guarding to prevent accidents.
16. Confined Space Entry - Discuss procedures for working in confined spaces safely.
17. Heat Stress Prevention - Review the signs of heat stress and how to prevent it.
18. Fatigue Management - Discuss the importance of rest and proper sleep for safety.
19. Vehicle Safety - Review safe driving practices and vehicle inspection procedures.
20. Traffic Control - Discuss procedures for working near traffic and controlling traffic flow safety.

OUR SAFETY & HEALTH ACHIEVEMENT

ZERO

major work incidents

fine or monetary sanction imposed related to occupational safety and health aspects

cases of work-related ill health

8. DIVERSITY AND INCLUSIVITY

As a progressive and socially responsible organisation, we believe that we are able to contribute towards reducing and eliminating work and market-place discrimination by adopting diversity and inclusivity in our human resource management and stakeholder engagement strategies.

We provide fair and equal employment opportunities with an unbiased recruitment process. The Group offers equal access to employment and work opportunities regardless of background, race, religion, age, gender, ethnicity, national origin, disability, or any other relevant characteristics at all levels of the organisation. To attract talents and retain the existing workforce, the Group offers comprehensive workforce benefits and competitive remuneration to all employees. Fair and equal learning opportunities are extended to employees at all job levels to help them advance in their career paths and realise their personal goals. Our relationship with our employees is one based on mutual trust and respect. We embrace a philosophy of openness and empathy; differences of opinions, thoughts, experiences and contributions are acknowledged and celebrated. Everyone should be able to enjoy a happy healthy life in vibrant, inclusive communities and workplaces.

Despite the challenges we faced, we are fortunate to be able to maintain a strong team of employees and reliable group of service providers to ensure our business operations continue to grow sustainably. Our workforce comprises a diverse group of individuals from various ethnic backgrounds and demographics. The Group also has a healthy balance of staff in key age groups ensuring a sustainable talent pipeline.

9. COMMUNITY INVOLVEMENT & CONTRIBUTION

Over the years, the Group has heeded the Government's call to build more affordable and 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 our community development program. Crescendo Education Sdn. Bhd. ("CESB"), 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 2024, 571 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.

Crescendo International School Sdn. Bhd., another subsidiary of CESB, operates an international school, under a joint venture with HELP Education Group. The number of students enrolled as at 31 January 2024 was 1273 students from various nationalities.

Community contribution

During the financial year under review, the Group made various contributions and donations amounting to approximately RM42,000 to worthy causes and organisations, including governmental and non-governmental organisations, to support their charitable causes in sports, cultural, social and welfare activities.

The Group through Crescendo-HELP International School ("CHIS") has responded to the Syria Earthquake appeal by coordinating a community driven donation. Four tonnes of supplies were obtained and sent to the victims. CHIS also initiated a food bank donation drive for Persatuan Kebajikan Rumah Memperbaharui Johor Bahru (PKRMJB), an organisation which supports children and teenagers requiring full care and assistance. We hope that the donations made will make a difference to the daily lives of the people supported by PKRMJB.

SUSTAINABILITY STATEMENT

(Cont'd)

10. QUALITY PRODUCT AND SERVICES

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. We also aim for continuous improvement towards creating value for building long term relationships with, all our stakeholders.

Company Involved	Membership to Organisation/Certification
Crescendo Corporation Berhad	<ul style="list-style-type: none"> International Real Estate Federation (FIABCI) Malaysian International Chamber of Commerce and Industry (MICCI).
Panoramic Industrial Development Sdn Bhd Crescendo Development Sdn Bhd	Real Estate and Housing Developers' Association Malaysia (REHDA).
Unibase Corporation Sdn Bhd Unibase Construction Sdn Bhd	ISO 9001:2008 (BS EN 9001: 2008)
Unibase Pre-Cast Sdn Bhd	<ul style="list-style-type: none"> ISO 9001:2015 ISO 45001:2018 Precaster Accreditation Scheme (Singapore Concrete Institute) Certificate of Conformity (Ready-Mixed Concrete Certification) Certificate of Conformity (Chamber Ring and Manhole Chamber Ring Cover) Certificate of Conformity (Jacking Pipe)
Crescendo-HELP International School	<ul style="list-style-type: none"> Federation of British International Schools in Asia (FOBISIA) - Associate membership Association of International Malaysian Schools (AIMS) International Primary Curriculum (IPC) – Recognition since June 2022 Council of International Schools (CIS)
Crescendo International College	University of London – Recognised teaching centre

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.

The Group will strive to ensure all development projects are completed according to the approved plan and specified time frame. The development works shall be monitored closely in order to keep the project on schedule to meet the completion deadline by maintaining good relationship and communication with its contractors.

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. We carry out joint inspection to ensure that our products meet the expectations prior to the delivery to purchasers.

Apart from the QCLASSIC assessments, we also conduct Pre-Delivery Inspections (PDI) which involves inspection of our properties by internal staff prior to handing them over to purchasers, clients and customers. Our inhouse staff are required to check and ensure best industry practices are implemented. We learn from the defects of completed projects and pay particular attention to drive continuous improvement during the design stage in future projects.

We always target to adhere to our unit delivery schedule and maintain continuous communication with our homebuyers through our sales team on matters pertaining to delivery including updates on progress and to address any of our homebuyers' concerns. We endeavour to resolve all defect liability claims within 30 days from submission.

To this end, we have a process for the systematic reporting and monitoring of project development progress including monthly progress tracking and regular quality checks as discussed above. We engage and communicate closely with project contractors to collaborate and work towards achieving quality development. Furthermore, understanding that the capability of contractors is a crucial determining factor for quality products and services, we perform assessments and evaluations of our contractors periodically before engaging them to ensure the contractors meet our expectations.

11. GOVERNANCE AND ETHICS

Good Governance

We are committed to good corporate governance and ethical practices at our workplace. Our governance practices are guided by the recommendations of the Malaysian Code on Corporate Governance and Bursa Securities' Listing Requirements. Further information on our Corporate Governance structure and initiatives during the year can be found in the Corporate Governance Overview Statement from pages 43 to 59.

Code of Conduct

A key element to our sustainability framework is our Code of Conduct which serves as our go-to guide for ethical business policies and practices.

The Government in line with its anti-corruption drive has since 1 June 2020 enforced Section 17A MACC Amendment Act (2018). In response to the enactment of S17A, we have reviewed and expanded our Code of Conduct to include all associated persons as defined under the Act. The changes made are as follows:

- We have a zero-tolerance to fraud, bribery, and corruption and this applies to all dealings by our directors, employees, suppliers, consultants, agents and any persons associated with us.
- As a responsible corporate citizen, we shall continue to give scholarships and donations to deserving recipients on the condition that the donations are not corruptly given as defined under Section 17 A(1) of MACC Amendment Act 2018.
- We do not prohibit the giving of meals and gifts in the course of business dealings as long as these are of reasonable value, not in cash and are not corruptly given.
- Corruption and bribery risk assessment was done and adequate procedures have been put in place to minimize the exposure to the Group.
- Directors and officers have attended training to familiarize themselves with S17A(1) MACC Amendment Act (2018). In-house anti-bribery training has been and will continue to be conducted in all operating units. Associated persons like contractors, agents, consultants and suppliers with bribery risks have been made aware and they have undertaken to comply with this Act.
- The Head of Assurance and Governance Department has been designated as the Compliance Officer responsible for anti-corruption compliance matters and he is to report all his findings on this area to the Chairman of the Audit Committee who is an independent director. The Chairman of the Audit Committee shall after deliberation at the Audit Committee report the findings to the Board.

SUSTAINABILITY STATEMENT

(Cont'd)

Policy**Code of Conduct and Ethics****Purpose**

The Code of Conduct and Ethics applies to every employee within the Group and is an integral part of their Terms and Conditions of Service. It sets forth the expectation for employees to uphold a strong set of personal and professional values in all aspects of their work, business interactions, and decision-making.

During the financial year, awareness and training programs were conducted for all new hires to ensure they were adequately informed. It is the responsibility of employees to familiarise themselves with and have a comprehensive understanding of the Code's requirements and directives.

Policy**Anti-Bribery and Anti-Corruption Policy****Purpose**

The Group has a zero-tolerance approach towards corruption, fraud, and bribery.

Our Anti-Bribery and Anti-Corruption ("ABAC") Policy, aligned with relevant laws and regulations, applies to all employees, directors, and associates.

Compliance with the policy is mandatory, supported by annual refresher training and declarations. We are committed to upholding the highest ethical standards across our business operations. During the financial year, briefings were conducted for all employees, emphasising the policy's importance and its application to the Group's operations. The compliance rate for signing and adhering to the policy was 100%.

Policy**Whistleblowing Policy****Purpose**

The Group upholds a culture of transparency and accountability through our Whistleblowing Policy and Procedure. We encourage all employees and those in our value chain to report any concerns related to unethical behaviour or noncompliance. The policy ensures protection for whistle blowers, in accordance with relevant legislation. All reports are treated confidentially, without the risk of reprisal. Whistleblowers have the option to submit reports anonymously through various channels such as via dedicated email, telephone or mail. We are committed to addressing any reported issues promptly and taking appropriate actions to maintain the integrity of our operations.

No reported cases were noted for the Group in FY2024.

Policy**Conflict of Interest Policy****Purpose**

The Group has a robust Conflict of Interest Policy that guides employees in identifying, preventing, and managing potential conflicts of interest. The policy emphasises the importance of acting in the company's best interests and avoiding situations that could compromise judgment. Employees are required to disclose any conflicts of interest, and appropriate measures are taken to address reported conflicts. Regular training programs ensure awareness and promote a culture of transparency and accountability.

Policy**Occupational Safety and Health Policy (OSH Policy)****Purpose**

The Group prioritises the health and safety, and well-being of our employees, stakeholders, and the communities in which we operate. Our OSH Policy outlines our commitment to maintaining high standards and compliance with relevant laws and regulations. We implement robust safety protocols and provide regular training to mitigate risks and prevent accidents in our workplaces. We strive for environmentally responsible practices, including the efficient use of resources, waste reduction, and pollution prevention.

Continuous monitoring, audits, and assessments ensure that our operations align with best practices for health, safety, and environmental sustainability.

No major reported incidents were noted for FY2024.

Policy**Data Protection and Privacy Policy****Purpose**

The Group values data protection and privacy. Our policy is designed to safeguard personal information, ensuring its security and confidentiality.

We adhere to data protection laws, implement robust security measures, and handle data with utmost care and transparency. We regularly review and enhance our practices to maintain compliance and protect the privacy of individuals.

No reported breaches were noted for the Group in FY2024.

Policy**Directors' Fit and Proper Policy****Purpose**

The Group upholds a Directors' Fit and Proper Policy to ensure the suitability and integrity of our directors. This policy sets clear criteria and standards for assessing qualifications, experience, and character. We conduct due diligence and maintain high ethical standards to ensure a capable and responsible Board of Directors.

Employee Handbook

All employees including new staff are provided with an employee handbook to promote awareness of Crescendo's corporate governance standards and its policies. The handbook is available for download at the Company's intranet drive.

Anti-Corruption Practices

We avoid all forms of corruption at the workplace. We have 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. To date, we have not had any cases of corrupt practices at our offices.

Sexual Harassment Policy

Crescendo has a sexual harassment policy in place which must be observed by all our workforce, contractors and suppliers. This policy prohibits all forms of harassment behaviour that may create an atmosphere of hostility and intimidation of any kind at the workplace. No one should be subjected to any form of sexual harassment while carrying out their duties.

For FY2024, no sexual harassment or related cases was reported in the Group.

Grievance Procedure

We have set up grievance procedure as a channel for all stakeholders to raise concerns of any breaches of our sustainability policy commitments by our business or suppliers. Since then, we have continued our commitment to responding promptly and effectively to any grievance raised.

Available reporting channels include:

For Employees

Employees may log in their concerns and issues regarding employee rights through the Whistle-blowing channel to protect their anonymity.

For External Stakeholders

(e.g. government, suppliers, NGOs)

Grievance Submission Form:

External stakeholders can submit a form to report any corruption, harassment or criminal acts. All reports received will be investigated.

For further details on our reporting channels for reporting grievances, kindly visit our website.

SUSTAINABILITY STATEMENT

(Cont'd)

12. ENERGY AND EMISSIONS

Amidst growing environmental apprehensions and the tightening of regulatory measures, a notable drive towards sustainability and energy efficiency has become evident. The real estate sector, in particular, has been undergoing significant transformations to tackle issues related to energy consumption and emissions.

Therefore, the Group is cognisant of the ramifications of energy consumption that, in turn, contributes to climate change. We embrace the adoption of energy-efficient measures and practices that conserve energy in office buildings.

Our commitment are as follows:

1. Demonstrate stewardship in energy management in our properties
2. Comply with energy-related regulations
3. Embrace renewables energy to minimise emissions
4. Employ efficient practices and technologies for better performance

We have launched a pilot project for solar energy and completed the installation of solar panels at CHIS with a potential capacity up to 460 kWp. We are awaiting for the approval from the relevant Authorities before energising the solar panels.

13. SUPPLY CHAIN MANAGEMENT

We understand the significance of a robust and responsible supply chain to safeguard our business operations from ethical quandaries. We are committed to ensuring the responsible management of our supply chain based on the principles of merit, free and fair competition, social and environmental compliance, and support of local vendors.

In particular, local procurement has the potential to greatly stimulate local economies through job creation and business growth.

Accordingly, the Group is committed to promoting local procurement within our supply chain. Crescendo Procurement Policy upholds responsible sourcing and employment practices that align with our sustainability commitments. We give priority to locally sourced materials to minimise the risk of disruptions to our supply chain.

In FY2024, 100% of our suppliers Group-wide were locally-registered companies with 95% of our spendings were on local suppliers.

In addition to prioritising local procurement, we have put in place an annual assessment process to measure our suppliers' performance score against criteria that includes quality, health and safety, and environmental considerations.

ESG PERFORMANCE DATA

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform, and is included in this Sustainability Statement as mandated by Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100
Executive	Percentage	100
Non-executive/Technical Staff	Percentage	100
General Workers	Percentage	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	77,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	350
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
<i>Age Group by Employee Category</i>		
Management Under 30	Percentage	0
Management Between 30-50	Percentage	57
Management Above 50	Percentage	43
Executive Under 30	Percentage	20
Executive Between 30-50	Percentage	70
Executive Above 50	Percentage	10
Non-executive/Technical Staff Under 30	Percentage	18
Non-executive/Technical Staff Between 30-50	Percentage	65
Non-executive/Technical Staff Above 50	Percentage	17
General Workers Under 30	Percentage	0
General Workers Between 30-50	Percentage	70
General Workers Above 50	Percentage	30
<i>Gender Group by Employee Category</i>		
Management Male	Percentage	66
Management Female	Percentage	34
Executive Male	Percentage	30
Executive Female	Percentage	70
Non-executive/Technical Staff Male	Percentage	25
Non-executive/Technical Staff Female	Percentage	75
General Workers Male	Percentage	90
General Workers Female	Percentage	10
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	89
Female	Percentage	11
Under 30	Percentage	0
Between 30-50	Percentage	22
Above 50	Percentage	78

SUSTAINABILITY STATEMENT

(Cont'd)

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	2110
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	104
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	145
Executive	Hours	324
Non-executive/Technical Staff	Hours	80
General Workers	Hours	5
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	7
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	3
Non-executive/Technical Staff	Number	0
General Workers	Number	2
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	47

Note

All indicators have been subjected to an internal assurance process

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 16 May 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THIS STATEMENT HAS BEEN PREPARED IN COMPLIANCE WITH MMLR AND IT IS TO BE READ TOGETHER WITH THE CORPORATE GOVERNANCE REPORT 2024 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 REPORT.

The Board of Directors of Crescendo Corporation Berhad (“Crescendo” or “Company”) acknowledges the importance of good corporate governance (“CG”) in ensuring the long-term sustainability of the businesses of the Company and its group of companies (“Group”). 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.

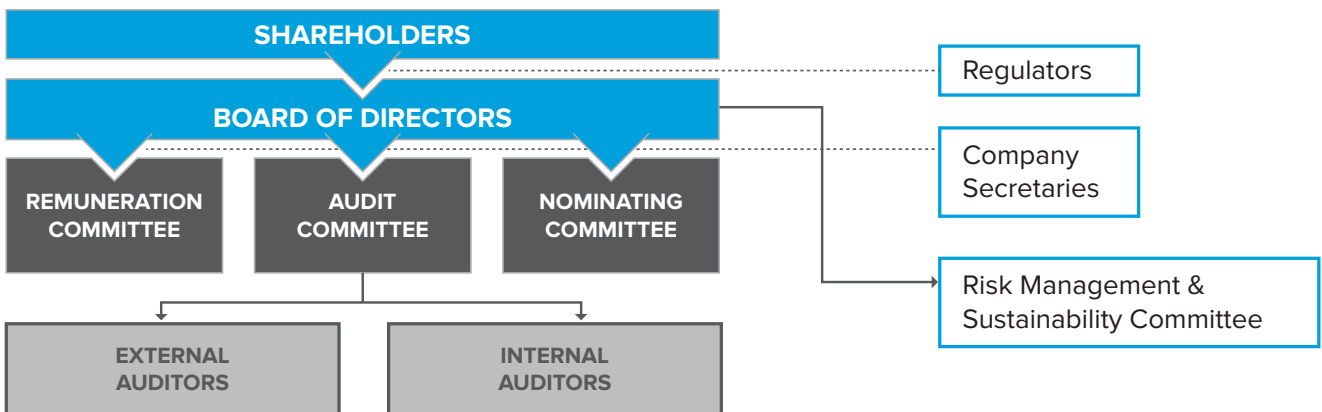
The Board believes that good CG practices add value to its businesses and enhances the Group’s ability to protect shareholders’ interest. To this end, the Board will play an active role in guiding and supporting the Management in instilling a strong ethical organisation culture with sound and effective CG practices.

The Board is pleased to disclose the manner and 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 ended 31 January 2024 (“FY2024”).

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 the prescribed 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 in 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 Group’s CG practices undertaken throughout FY2024. These CG practices take into consideration the following three (3) key CG principles as set out in the MCCG:

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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 available on 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 Sustainable Policy
- Board Charter
- Roles, 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 three (3) Independent Non-Executive Directors out of seven (7) 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.

As of now, the Board does not believe that it should urgently increase the independent directors to form at least half of the Board composition to comply with the recommendations of MCCG because the current number of independent directors is sufficient to ensure effective check and balance in the Board.

However, the Board will continuously review and evaluate such recommendation.

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

- Ensures 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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 constructive contributions to the Board's decision making process. The Independent Directors are encouraged to:
 - 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, objectivity and impartiality

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 with the responsibility 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 responsibility for organising information necessary for the Board to constructively deal with matters listed in the Board's agenda and ensuring all Directors have full and timely access to such information.

In exercising their duties, all Directors have the same right of access to all information within the Group and, the Directors may as they deem necessary, make further enquiries or request for additional information to be provided by the Group. The Directors have access to advice and services of the Company Secretaries, on matters relating but not limited to Board meeting procedures and applicable rules and regulations. If necessary, senior management personnel may be requested to provide information and address any queries or concerns of the Directors.

All Directors are provided with an agenda and a set of comprehensive Board papers, issued within sufficient time prior to Board meetings to allow the Directors to appreciate issues to be deliberated on, and provide constructive input during Board discussion. Board papers may include reports, presentations, or such other document containing relevant and accurate information to facilitate the Board's decision-making process. Senior management staff and/or 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 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 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 declare their interest (if any) 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)(a) of the MMLR which stipulates that at least two Directors or 1/3 of the Board, whichever is higher, must be 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 in the Board's decision-making process. 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 with expertise in their respective field, enable a more robust deliberation process with greater impartiality and objectivity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

i. Annual Assessment of Independent Directors (Cont'd)

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 have demonstrated their ability to act impartially and objectively during Board deliberations 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 nine (9) 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 (9) 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 Chew Ching Chong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to be retained as Independent Non-Executive Director of the Company based on the following justifications:

- a) He has fulfilled the criteria under the definition of an Independent Director as stated in the MMLR, and thus he would be able to provide independent judgement, objectivity and check and balance to the Board;
- b) He performs his duties and responsibilities diligently and in the best interests of the Company without being subject to influence of the management;

- c) His in-depth knowledge of the Group's businesses and his extensive knowledge, commitment and expertise continue to provide invaluable contributions to the Board;
- d) He, having been with the Company for more than nine (9) years, is familiar with the Group's business operations and has devoted sufficient time and attention to his professional obligations and attended the Board and Committee meetings for an informed and balanced decision making;
- e) He is independent as he has shown great integrity and he has not entered into any related party transaction with the Group;
- f) He is 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 Chew Ching Chong and his continued service will serve the interest of the Company and its shareholders.

The Board holds the view that term limits should not be considered as the primary determinant for assessing the independence of a long-tenured independent director. Assessing the independence of long-tenured directors based on term limits may pose a potential drawback for company to retain highly effective and experienced director while maintaining the current board dynamics. The Board acknowledges the importance of regularly assessing the performance of the independent directors and strives to maintain a balance of continuity of company-specific knowledge and infusion of fresh perspectives for the Board to remain responsive to the evolving circumstances. Hence, the Board will endeavour to source new independent directors and appointing suitable candidates to the Board in the near future. It is crucial to identify individuals who possess a diverse set of skills, relevant experience, and extensive knowledge that can fill the knowledge gaps and contribute to an effective board composition.

The Board is unanimous in its opinion that Mr Chew Ching Chong, who has served on the Board as Independent Director, exceeding a cumulative term of nine (9) years, continues to fulfil the criteria and definition of Independent Director as set out under Paragraph 1.01 of MMLR.

ii. Tenure of Independent Director (Cont'd)

In this respect, the Board has approved the continuation of Mr Chew Ching Chong as Independent Director 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 Chew Ching Chong as Independent Non-Executive Director and will be tabling Ordinary Resolution 8 to shareholders at the 28th AGM for the said purpose. Shareholders' approval for the Ordinary Resolution 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 an Independent Director but will seek approval of the shareholders through a single tier voting process for retention of an Independent Director who has served for a cumulative term of more than nine (9) 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 comprises 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

The Board acknowledges the importance of boardroom diversity in terms of gender, ethnicity, regional and industry experience, cultural and geographical background, age and perspective.

However, the Board is of the collective opinion that there was no necessity to adopt a formal diversity policy as the Group is committed to providing 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.

During the last financial year, one female Director was appointed to the Board.

The Company does not set any specific target for boardroom diversity.

As at 31 January 2024, the diversity of the Directors is as follows:

Number of Director by Gender

Male	Female
6	1

Number of Director by Nationality

Malaysian	Foreigners (Non-Malaysian)
7	0

Number of Director by Age Group (Years)

Below 50	50-60	60-70	Above 70
0	2	3	2

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.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

Board Meetings (Cont'd)

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 of time.

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	5	100
Gooi Seong Heen	Executive Director	4	80
Gooi Seong Chneh	Executive Director	4	80
Gooi Seong Gum	Executive Director	5	100
Yong Chung Sin	Senior Independent Non-Executive Director	5	100
Chew Ching Chong	Independent Non-Executive Director	5	100
Soh Ban Ting	Independent Non-Executive Director	5	100

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 each of the Board members 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.

During the year, there were no changes to the Board composition.

As at the end of the financial year ended 31 January 2024, the Board comprised seven (7) members of which three (3) are Independent Non-Executive Directors and four (4) are Executive Directors.

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.

Directors also receive briefing from key senior management, 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:

TITLE	PARTICIPANTS
Campus with a Conscience Series: Sustainability and the Climate Emergency: Delivering on Our Commitment Organiser: Sunway University Date: 22 February 2023 Speaker: Professor Simon Guy	Chew Ching Chong
Professional Ethics in the light of S17A of MACC (Amendment) Act Organiser: The Association of Consulting Engineers Malaysia Date: 2 March 2023	Chew Ching Chong
Navigating ESG Data into Decisions Organiser: Institute of Corporate Director Malaysia Date: 21 March 2023	Soh Ban Ting
A Dialogue with Bursa Malaysia – FTSE4GOOD ESG Rating for All PLCs Organiser: Institute of Corporate Director Malaysia Date: 14 April 2023	Soh Ban Ting
Sustainability Governance, Management and Reporting – Roles of the Board of Directors and Management in overseeing the Environmental, Social, and Governance (“ESG”) agenda in the Group’s business Organiser: Kim Loong Resources Berhad & Crescendo Corporation Berhad Date: 28 April 2023 Speaker: Mr Lee Min On	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum Yong Chung Sin Chew Ching Chong Soh Ban Ting Gooi Khai Shin Gooi Chuen Howe
Corruption Section 17A - MACC ACT 2009 & ADEQUATE PROCEDURES Organiser: Crescendo International College Date: 3 August 2023 Speaker: Dato’ Sri Akhbar Satar	Gooi Seong Lim Gooi Seong Heen Gooi Seong Chneh Gooi Seong Gum Yong Chung Sin Chew Ching Chong Soh Ban Ting Gooi Khai Shin Gooi Chuen Howe

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

2.6 Directors Training (Cont'd)

TITLE	PARTICIPANTS
Tax Series with Inland Revenue Board, Malaysia : Budget 2024 Dialogue with IRB Organiser: CPA Australia Date: 3 November 2023	Soh Ban Ting
The Securities Commission's Audit Oversight Board Conversation with Audit Committee Organiser : Securities Commission Malaysia Date: 27 November 2023	Soh Ban Ting

2.7 Board Committees

In order to assist in the execution of the Board's responsibilities, 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.

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 69 to 71 of this Annual Report. The works of the Audit Committee during the financial year ended 31 January 2024 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 key 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 key 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.

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 is 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. Upon completion of the assessment, the Nominating Committee will present their 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 the required core competencies to discharge its duties in an effective manner. The Board continuously reviews its size and composition to ensure that it can carry out its function effectively.

The Board has a Fit and Proper Policy (accessible on the Company's website at www.crescendo.com.my) to ensure that a person to be appointed or elected/re-elected as Directors possesses the necessary quality and character as well as integrity, competency and commitment. This policy serves as a guide for the Nominating Committee and the Board in their review and assessment of potential board candidates as well as Directors who are seeking for re-election.

The Board appoints its members through a selection process. All potential Board candidates will be considered and evaluated by the Nominating Committee. The Committee will recommend candidates they deemed suitable for the approval and appointment 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.

3. REMUNERATION

3.1 The remuneration policy of the Company aims 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 the Directors concerned 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

The remuneration received or to be received by Directors of the Company from the Group and Company for the financial year ended 31 January 2024 amounted to RM7,467,453 and RM5,135,398 respectively. Details of the remuneration for each of the Directors on a named basis are as set out below.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

iii. Disclosure (Cont'd)

Group Aggregate Remuneration

	Directors' Fees (RM)	Basic Salary (RM)	Bonus (RM)	Benefit- in-kind (RM)	Other Emoluments (RM)	Total (RM)
Executive Directors						
Gooi Seong Lim	10,000	1,020,000	675,000	22,258	184,602	1,911,860
Gooi Seong Heen	10,000	912,000	540,000	9,900	282,338	1,754,238
Gooi Seong Chneh	10,000	912,000	540,000	20,905	282,338	1,765,243
Gooi Seong Gum	10,000	912,000	540,000	21,774	282,838	1,766,612
Independent Directors						
Yong Chung Sin	91,000	-	-	-	2,500	93,500
Chew Ching Chong	85,500	-	-	-	2,500	88,000
Soh Ban Ting	85,500	-	-	-	2,500	88,000
Total	302,000	3,756,000	2,295,000	74,837	1,039,616	7,467,453

Company Aggregate Remuneration

	Directors' Fees (RM)	Basic Salary (RM)	Bonus (RM)	Benefit- in-kind (RM)	Other Emoluments (RM)	Total (RM)
Executive Directors						
Gooi Seong Lim	-	540,000	675,000	22,258	97,292	1,334,550
Gooi Seong Heen	-	432,000	540,000	9,900	187,423	1,169,323
Gooi Seong Chneh	-	432,000	540,000	20,905	187,423	1,180,328
Gooi Seong Gum	-	432,000	540,000	21,774	187,923	1,181,697
Independent Directors						
Yong Chung Sin	91,000	-	-	-	2,500	93,500
Chew Ching Chong	85,500	-	-	-	2,500	88,000
Soh Ban Ting	85,500	-	-	-	2,500	88,000
Total	262,000	1,836,000	2,295,000	74,837	667,561	5,135,398

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. 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 senior management is appropriately remunerated based on their 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 (if any)
- Significant adjustment arising from external audit process (if any)
- Qualification of the External Auditor's report (if any)
- Going concern assumption
- Adequacy and appropriateness of disclosures

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 on a quarterly basis 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 reports 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 2024, 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 2024, the External Auditors were not engaged for any significant services other than the statutory audit.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

4.2 External Auditors (Cont'd)

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 the External Auditors' 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") which 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 the adequacy, integrity and effectiveness of the Group's systems of internal controls;
- Support the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and codevelop 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 tasked 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.

4.6 Internal Control (Cont'd)

The review on the systems of internal control is set out under the Statement on Risk Management & Internal Control as set out on pages 62 to 68 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 ("ABAC") policy, the Group practises zero tolerance policy against all forms of bribery and corruption. The ABAC 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 ABAC 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 ABAC policy, please refer to the Company's website at www.crescendo.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

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.

If the Board deems it is necessary, a press conference may be 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 may consider conducting 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.

e) Annual General Meeting (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.

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 on 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 on its website at www.bursamalaysia.com.

COMPLIANCE STATEMENT

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 16 May 2024.

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 2024, 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 2024 are set out on pages 75 to 144. The preparation thereof was supervised by the Group Financial Controller and approved by the Board of Directors on 16 May 2024.

This Statement has been reviewed and approved by the Board of Directors at a meeting held on 16 May 2024.

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 Malaysia (“SC”) and completed the issuance of MTN amounting to RM200 million on 30 September 2021. The Company had further issued another RM100 million on 16 November 2023.

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

- i. to refinance existing loans of the Crescendo’s group;
- ii. for the working capital, capital expenditure and general corporate funding requirements of the Crescendo 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 net proceeds raised from the issuance of MTN as at 31 January 2024 is as follow:

Description of utilisation	Proposed utilisation (RM’mil)	Actual utilisation (RM’mil)	Balance unutilised (RM’mil)	Estimated timeframe for utilisation
Acquisition of landbank	100.0	50.0	50.0*	3 months
Repayment of bank borrowings	65.9	65.9	-	N/A
Project development	50.0	50.0	-	N/A
Working Capital	84.1	84.1	-	N/A
Total	300.0	250.0	50.0	

* The MTN was fully utilised in April 2024.

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 2024 were as follows:

Group (RM’000)	Company (RM’000)
315	48

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 2024 were as follows:

Group (RM’000)	Company (RM’000)
5	5

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 29 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 16 May 2024.

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 MMLR WITH REGARDS TO THE STATE OF INTERNAL CONTROL OF CRESCENDO CORPORATION BERHAD (“CCB” OR THE COMPANY) AND ITS SUBSIDIARY COMPANIES (THE COMPANY AND ITS SUBSIDIARY COMPANY SHALL COLLECTIVELY BE HEREIN REFERRED TO AS “THE GROUP”).

The Board of Directors (“the Board”) of CCB 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 Principles of 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 and internal control is 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 the effectiveness of its monitoring mechanism. Whilst the Executive Chairman and Managing Director and his Management team (“the Management”) carry out the process of implementation and maintenance of the Group’s 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.

MANAGEMENT’S RESPONSIBILITY

Management is accountable to the Board and is responsible for effective implementation of risk management and control mechanisms, including:

- providing executive leadership in the management of risk within their work responsibilities
- identifying and evaluating risks faced by the Group
- formulating and implementing internal control and risk management actions and mechanisms
- implementing remedial actions in response to significant risks, and to address compliance and control issues
- the overall achievement of business objectives and strategies

Management is committed to operating a sound system of internal control and the internal control system will continue to be reviewed, updated and improved upon in line with changes in the operating environment. Key to this is to identify significant threats and opportunities, evaluate the risk profile and drive mitigation strategies on a regular basis. All heads of departments, managers and senior executives are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business and decision-making processes.

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 (if any) will be brought to the attention of the Audit Committee by the Internal Auditors and the Management.

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 periodically reviewed 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 analysed, and corrective actions 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 respective head of business unit reports on progress and performance, discuss and resolve the business unit's key operational and 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 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, human capital training and retention initiatives are in place, to build and maintain a team of employees who are equipped with the necessary knowledge, skills and abilities to carry out their responsibility effectively.

Emphasis is being placed on enhancing the skills and competency of employees through a process of

continuous learning. Employees' competencies are assessed annually through the annual appraisal system. Skill development and training requirements are highlighted to Heads of Departments and business units for approval and implementation.

- **Management Style**

The Board entrusted the responsibility of the day-to-day management of the Group's operation to the Executive Chairman and Managing Director, Executive Directors and key management team; all of whom are highly experienced individuals with proven performance record.

The Executive Chairman and Managing Director and management adopt a "hands on" approach in managing the businesses of the Group and steering the Group towards the strategic direction set by the Board. This enables timely and effective identification and resolution of any significant issue and serve as an effective internal control feature.

- **Other Key Elements of Internal Control**

Other key elements of internal control established by the Board include amongst others:

- 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 protect the Group from any potential financial losses in the event of any unforeseen circumstances (such as fire damage, theft etc).
- 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.
- Training and development programs are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(Cont'd)

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

Among the policies and procedures established and embedded in the CG Manual to assist the Board in maintaining a sound internal control system are:

- The Code of Ethics and Conduct: The code defines acceptable behaviour for staff in dealing with key stakeholders and is made available to all staff.
- Corporate Integrity Policy – Anti Fraud Policy: The policy sets out the framework for the prevention, detection and management of any fraudulent act within the Group (including any irregularity, or suspected irregularity, involving employees, shareholders, consultants, vendors, contractors, and external parties).
- Whistle-Blowing Policy: The policy is formulated to provide a channel for employees to report in good faith and in confidence, without fear of reprisals, any concerns about possible improprieties within the Group. Allegations of improprieties reported via the whistle-blowing channel are appropriately followed up upon and the outcome(s) reported to the Audit Committee.
- Employee Handbook: The Group has in place the Employee Handbook to set the ethical standards for all employees and directors in their dealings with fellow employees, customers, shareholders, suppliers, authorities and the community.

- **Anti-Bribery and Anti-Corruption Policy**

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2007, it has been established that a commercial organisation has a criminal liability (“Corporate Liability”) for the corrupt activities of its employees and/or persons associated with the commercial organisation where such corrupt activities are carried out for the commercial organisation’s benefits or advantages. In connection to this, the Group adopts a zero-tolerance policy against all forms of bribery and corruption.

The Group is committed to conduct its businesses professionally, fairly and with integrity and transparency in compliance with all applicable anti-bribery and corruption laws. Any breach of the Anti-Bribery and Corruption Policy or applicable local law could result in disciplinary action being taken and ultimately could result in dismissal and/or termination of the business dealing. Further legal action may also be taken as a result of non-compliance and/or misconduct.

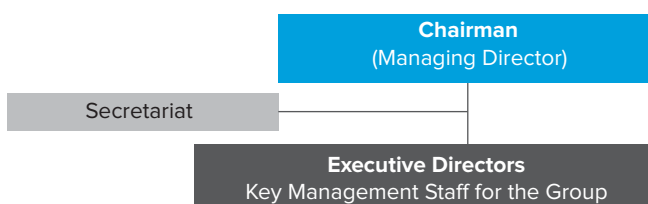
The Group’s policies and procedures are periodically reviewed and updated by the Management to factor in any changes in business, operational, statutory and regulatory requirements to keep up with the changing risk environment.

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. Members of the RMSC are tasked with the role to identify risks relating to their areas; likelihood of these risks occurring; consequences if they do occur; and 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 (as the case may be).

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

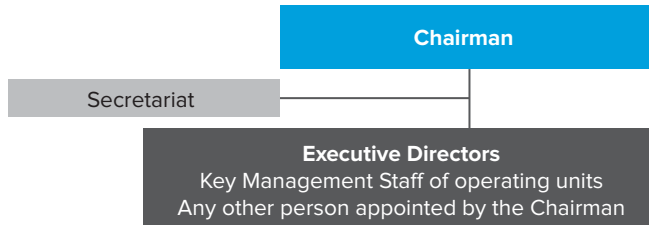
Risk Management & Sustainability Committee



Key Roles of the RMSC in the area of risk management:

- Develop Group strategies and policies
- Monitoring sustainable performance

Risk Management & Sustainability Committee - Working Group



Key roles of Working Group in the area of risk management:

- 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

KEY RISKS AND MITIGATION

The Group has established three lines of defence in managing risks routinely on a daily basis in the following manner:

- First line of defence by Management and employees
- Second line of defence by the oversight functions
- Third line of defence by the internal auditors

To manage and minimise our risks, we identify them, rate their potential severity, and put in place actions as well as mitigating plans.

<p>Risk Type Market</p> <p>Risk Tolerance Unchanged</p> <p>Key Risk COST ESCALATION AND DISRUPTION OF SUPPLY CHAIN</p>	<p>Effect</p> <p>Substantial increase in the cost of materials, fuel, employees and labour. At the same time, supply chains were disrupted, especially for items produced/manufactured in countries or regions impacted by the Russia-Ukraine conflict.</p>	<p>Response And Mitigating Actions</p> <ul style="list-style-type: none"> • Strategic participation in selected tenders with equitable risk allocation • Close examination of trends in materials and labour pricing • Review and enlarge network of suppliers for materials and labour • Seek alternative supply options 	<p>Results</p> <p>We have prioritised development projects that have a cascading effect on economic growth. Coupled with a strategy to improve operational efficiencies and cost competitiveness via close engagement with local suppliers.</p>
<p>Risk Type Market</p> <p>Risk Tolerance Increased</p> <p>Key Risk WEAKENING OVERALL MARKET CONDITIONS</p>	<p>Effect</p> <p>General lacklustre market sentiments in the overall economy, may cause heightened caution among buyers and investors; and its impact may bleed into the property market. This may, in turn, affects the Company's sales performance, profit margin and liquidity.</p> <p>However, news of the government's intention to revitalise the state of Johor coupled with the encouraging progress of the Johor Bahru-Singapore Transit System (RTS), may improve economic prospect in select-pockets of land in Johor.</p>	<p>Response And Mitigating Actions</p> <ul style="list-style-type: none"> • Exercise vigilance in monitoring factors that influence market sentiments such as economic indicators, geopolitical events, government policies, investors' behaviour, etc. • Research shows a shift to purchase for own occupation rather than speculative investment. This will reduce market size in the residential segment and affect home buying requirement. In respond to this, we have incorporated sustainable housing features (i.e. energy and water savings, improved ventilation and natural lighting) to enhance the features of our products. In addition, we are trying to broaden our collaboration with an expanded pool of reputable estate agents for a wider market reach. • Continue to be on the look out for land with favourable development potentials and near to our existing projects. 	<p>Results</p> <p>The Group's prudently planned project launches (for residential units and industrial land) over the financial year have achieved satisfactory sales.</p> <p>The Group has during the financial year acquired 2 separate parcels of development land in the vicinity of the RTS project and its existing project in Bandar Cemerlang.</p>

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(Cont'd)

<p>Risk Type Financial</p> <p>Risk Tolerance Unchanged</p> <p>Key Risk CAPITAL AND LIQUIDITY RISK</p>	<p>Effect</p> <p>The Group's capital and liquidity requirements are mainly fulfilled with funds generated from property sales and borrowings. Any deficit in the Group's capital and liquidity position may have adverse impact on its ongoing developments and may cause deferment of its future project launches. From a longer-term perspective, any deficiency in liquidity may also impede the Group's ability to pursue its strategic business plans (such as acquisition of new land bank).</p> <p>Response And Mitigating Actions</p> <ul style="list-style-type: none"> • Regularly review our debts, cashflow and liquidity • Maintain an adequate level of cash/cash equivalents through constant monitoring of financial risks. • Review and monitor credit facilities while maintaining a healthy gearing ratio at all time • Diversify sources of funds to increase the pool of capital providers • Intensify efforts to monetise our assets by selling completed property units. • Adjusting its mix of property launches to match the market demand <p>Results</p> <p>The Group records a positive overall net cashflow and low gearing ratio, with good loan service track record and favourable credit rating. The Group maintains good rapport with supportive capital providers, enhancing its ability to raise funding in the future if the need arises.</p>
<p>Risk Type Regulatory</p> <p>Risk Tolerance Unchanged</p> <p>Key Risk CHANGES IN GOVERNMENT POLICY</p>	<p>Effect</p> <p>As a publicly listed organisation, we are regulated by various policies on governance, health and safety, employee relations and financial management, among others – all of which serve to protect our shareholders and other stakeholders. In addition, our two core businesses – construction and property development – are subject to environmental-related regulations. These policies change according to various factors in our operating environment. It is important to comply with these policies to maintain our licence to operate.</p> <p>Response And Mitigating Actions</p> <ul style="list-style-type: none"> • Close monitoring of changes in government policies • Compliance with changes in policies or additional policies (e.g. keeping abreast of and aligning with the amendments of the Malaysia's Employment Act, Workers Minimum Housing Act) <p>In addition, the relevant Departments carry out the following measures:</p> <ul style="list-style-type: none"> • 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. <p>Results</p> <p>Management actively monitors changes in the legal and regulatory requirements to adapt and adopt to ensure compliance.</p> <p>Maintaining regular communication with the Authorities.</p>
<p>Risk Type Operational</p> <p>Risk Tolerance Unchanged</p> <p>Key Risk SAFETY AT THE WORKPLACE</p>	<p>Effect</p> <p>Serious workplace accidents may result in stop work orders, causing project delays. In addition, any non-compliance with environmental and safety regulations will result in the imposition of penalties and cause reputational damage.</p> <p>Response And Mitigating Actions</p> <ul style="list-style-type: none"> • Train and engage personnel to develop and enforce procedures in accordance with regulations and standards • Regular Safety, Health and Environment meetings with employees and subcontractors to monitor and ensure compliance with regulations • Prioritise the health and safety of employees by setting target to achieve zero fatality and reduce recordable work-related injuries <p>Results</p> <p>The Group continues to elevate its safety and health performance through risk assessments.</p>

<p>Risk Type Operational</p> <p>Risk Tolerance Increase</p> <p>Key Risk INCREASE IN CONSTRUCTION COSTS</p>	<p>Effect Affect pricing strategies and Group margin</p> <hr/> <p>Response And Mitigating Actions</p> <p>Product</p> <ul style="list-style-type: none"> To balance our supply chain and resources to ensure long term growth; Effective tenders for award of lump sum construction contracts; Value re-engineering to bring down overall cost Engagement of specialist to provide consultancy services for technically complicated works. <p>Contractors</p> <ul style="list-style-type: none"> Contractor performance appraisal; Close monitoring contractor performance; Adopting good industry construction practices; Robust contractors' selection and evaluation process 	<p>Results</p> <ul style="list-style-type: none"> Economic performance, Labour practices and decent work
<p>Risk Type Environment</p> <p>Risk Tolerance Increase</p> <p>Key Risk Risks include excessive rainfall, flash floods, drought, rising temperatures and vector borne diseases, all of which, if not effectively managed can cause serious disruptions to business operations.</p>	<p>Effect Climate change</p> <hr/> <p>Response And Mitigating Actions</p> <ul style="list-style-type: none"> The results from climate change vulnerability studies would enable better understanding of climate change related risks and impacts, which would then potentially fuel an improved mitigation response to identified physical and transition risks. With the identification of potential vulnerabilities and based on future projections, the Group would look into design and planning of future development as well as improve developed townships e.g. on drainage and landscaping to enable a higher degree of climate resilience. The opportunities of addressing physical risks include the conservation of urban parks for community recreational purpose, which also function to mitigate flood and alleviate heat island effect. 	<p>Results Environmental footprint and product responsibility</p>

iii. Internal Audit Function

The roles, responsibilities and activities of the Internal Audit functions are described and detailed on page 56 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

Scheduled Management meetings are conducted at least once every quarterly and on an ad hoc basis, when required, to provide a forum for regular dialogues and feedback in a timely, transparent and confidential manner. The Executive Directors and Senior Management are updated on relevant financial and operational issues, including any significant changes in the external business environment during these meetings.

The respective divisions are required to generate financial, management and other relevant reports on a regular basis for the Management's review. Any financial or operational issues raised in the reports and/or discussed during the scheduled meeting will be addressed by the Management on a timely basis.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

(Cont'd)

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.

Engagement of specialist to provide consultancy services for technically complicated works.

CONFIDENTIAL REPORTING

The Group's whistleblowing policy enables staff to raise concerns about possible improprieties in financial and other matters and to do so in confidence 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 2024 (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 2024.

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 2024, 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 16 May 2024.

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 2024 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 three (3) Directors of the Board, all of whom are Independent Non-Executive Directors.

The members are:

Chairman	: Yong Chung Sin
Members	: Chew Ching Chong Soh Ban Ting
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 three (3) members, all of whom are Independent Non-Executive Directors.

Mr. Yong Chung Sin, the Chairman of the Audit Committee is a Fellow of the Association of Chartered Certified Accountants and a Chartered Accountant of Malaysian Institute of Accountants ("MIA") and Ms. Soh Ban Ting, another member of the Audit Committee is a Certified Practising Accountant of CPA Australia 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 2024, the Audit Committee held a total of eight (8) meetings with the attendance of the Group Financial Controller, Financial Controller, Head of Assurance & Governance Department, 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 Assurance & Governance 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	Number of meetings attended by member
Yong Chung Sin	8	8
Chew Ching Chong	8	8
Soh Ban Ting	8	8

REPORT OF THE AUDIT COMMITTEE

(Cont'd)

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 2024, 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 Group; 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 2024 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' performance, objectivity and independence during the year before recommending to the Board for their reappointment and remuneration;
- Reviewed 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 2024 were as follows:

Fee Incurred	Audit Fees RM'000	Non-Audit Fees RM'000
The Company	48	5
The Group	315	5

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 in particular material findings, recommendations and management responses thereto and ensured that these material findings were adequately addressed by Management and reported to the Board;
- Held independent meeting (without the presence of Management) with the Internal Auditors; 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 pages 51 to 52 for the training.

Site Visit

On 27 December 2023, Member of the Audit Committee accompanied by Mr Puen Tak Hong, the Contract Director, and the Head of Assurance and Governance visited Repute Construction Sdn Bhd's (Repute) project site at Indahpura, Kulai. Mr Soh Chong Boon, the Executive Director of Repute, briefed the team on overall progress of the project in Indahpura and led the team to inspect the completed construction.

The Members of the Audit Committee and the team also extended their visit to the Group's on-going project sites at Bandar Cemerlang, Ulu Tiram. Mr Calvin Kok, a key management personnel of the Company briefed the team on the overall master plan of Bandar Cemerlang, the status of construction and showcase some of the Group's recycle and reusing initiatives.

INTERNAL AUDIT FUNCTION

The role of the Internal Audit function (Internal Auditors) is undertaken by the Assurance and Governance ("AnG") Department.

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 by the Internal Auditors to ensure that the recommendations for improvement have been implemented by Management on a timely basis.

The AnG Department consists of six (6) independent personnel and is headed by Mr S Subhash Chandran K Sekaran Nair, Deputy General Manager. Reporting to the Deputy General Manager are one (1) Manager, 1 Senior Executive and three (3) Executives. The AnG Department team consists of one (1) Masters of Business Administration holder who is also a member of Institute of Internal Auditors Malaysia, one (1) Fellow of the Association of Chartered Certified Accountants, three (3) Accounting & Finance Degree holders and one (1) Diploma in Accounting holder. Two of the team members have more than ten (10) years working experiences in auditing and the rest ranging from one to five years' experience in relevant fields.

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 RM608,000.

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, including its subsidiary companies.
- 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, 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 16 May 2024.

REPORT OF THE REMUNERATION COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	: Yong Chung Sin
Members	: Chew Ching Chong Soh Ban Ting
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 twice during the financial year 2024. 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	Number of meetings attended by member
Yong Chung Sin	2	2
Chew Ching Chong	2	2
Soh Ban Ting	2	2

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 16 May 2024.

REPORT OF THE NOMINATING COMMITTEE

COMPOSITION OF MEMBERS

Members

The Committee comprises the following members:

Chairman	: Yong Chung Sin
Members	: Chew Ching Chong Soh Ban Ting
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 2024. The attendance of the members of the Committee of the meeting was as follows:

Member	Total number of meetings held in the financial year during Member's tenure in Office	Number of meetings attended by member
Yong Chung Sin	1	1
Chew Ching Chong	1	1
Soh Ban Ting	1	1

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

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

REPORT OF THE NOMINATING COMMITTEE

(Cont'd)

FORMALISED DIRECTORS' FIT AND PROPER POLICY

On 17 May 2022, the Company established the Directors' Fit and Proper Policy for the appointment and re-election of Directors of the Company and its subsidiaries as required by Paragraph 15.01A of Bursa Securities Main Market Listing Requirements. The Directors' Fit and Proper Policy serves as a guide to the Nominating Committee and the Board in their review and assessment of candidates that are to be appointed to the Board of the Company and its subsidiaries as well as Directors who are seeking for re-election at the AGM. This is to ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his / her role as a Director of the Company and its subsidiaries.

The Directors' Fit and Proper Policy is available on the Company's website at www.crescendo.com.my.

ANNUAL EVALUATION

The annual assessment on the Board, its Committees and each individual Director and Audit Committee member is carried out internally using self-evaluation forms extracted from the Corporate Governance Guide issued by Bursa Securities.

In conducting the evaluation, the following criteria were adopted by the Nominating Committee –

- Board mix and composition;
- Quality of information and decision making;
- Boardroom activities;
- Board's relationship with the management;
- Board committee's evaluation;
- Fit and proper;
- Contribution and performance;
- Caliber and personality;
- Financial literacy; and
- Controls, risk management and compliance.

The results of the duly completed self-evaluation forms received from the Directors and Audit Committee members were tabled to the Nominating Committee for consideration. The Nominating Committee is satisfied that the Board has a good mix of skills, experience and qualities and each of the Directors has the professionalism, competence, experience, time commitment, integrity and character to effectively discharge the role as a Director.

The Nominating Committee is also satisfied with the performance of the Audit Committee and each of Audit Committee members who has carried out his/her duties in accordance with the Terms of Reference of the Audit Committee.

The results from the Nominating Committee were reported to the Board.

This Report is made in accordance with a resolution of the Board of Directors dated 16 May 2024.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2024.

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	56,668,875	22,073,211
Non-controlling interests	357,548	-
Profit net of tax	57,026,423	22,073,211

DIVIDENDS

The dividends declared or 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 2023:	
Final single tier dividend of 2 sen per share on 279,418,698 ordinary shares, declared on 30 March 2023 and paid on 29 August 2023	5,588,374
In respect of the financial year ended 31 January 2024:	
Interim single tier dividend of 5 sen per share on 279,418,698 ordinary shares, declared on 27 March 2024 and paid on 15 May 2024	13,970,935
Special single tier dividend of 13 sen per share on 279,418,698 ordinary shares, declared on 27 March 2024 and paid on 15 May 2024	36,324,431
	55,883,740

The Directors do not propose any final dividend for the current financial year.

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-seventh Annual General Meeting held on 27 July 2023, 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 *	
Yong Chung Sin	
Chew Ching Chong	
Soh Ban Ting	
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.

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)
Fang Kiam Hui	
Poh Siong Chet	
Chong Chai Pin	(Removed on 16 August 2023)
Chong Chin Yee	(Removed on 16 August 2023)

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 24 and Note 29 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' REPORT

(Cont'd)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the Directors who held office at the end of the financial year had, according to the Register of Directors' Shareholdings 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 31.1.2024
	At 1.2.2023	Bought	Sold	
Gooi Seong Lim				
- direct interest	1,130,452	170,000	-	1,300,452
- 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				
- direct interest	-	40,000	-	40,000
- indirect interest	192,148,114	-	-	192,148,114
Chew Ching Chong				
- direct interest	10,000	-	-	10,000
Gooi Khai Shin				
- indirect interest	3,775,672	-	-	3,775,672
	Number of ordinary shares in the related corporations			
	At 1.2.2023	Bought	Sold	At 31.1.2024
Kim Loong Resources Berhad				
Gooi Seong Lim				
- direct interest	6,102,532	-	-	6,102,532
- indirect interest	632,435,972	-	-	632,435,972
Gooi Seong Heen				
- direct interest	5,568,922	-	-	5,568,922
- indirect interest	628,227,576	-	-	628,227,576
Gooi Seong Chneh				
- direct interest	5,127,922	-	-	5,127,922
- indirect interest	628,227,576	-	-	628,227,576
Gooi Seong Gum				
- direct interest	397,800	19,890	-	417,690
- indirect interest	628,378,776	25,200	-	628,403,976
Gooi Khai Shin				
- indirect interest	3,149,996	-	-	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

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

	Number of ordinary shares in the related corporations			At 31.1.2024
	At 1.2.2023	Bought	Sold	
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

	Number of warrants 2018/2025 in the related corporation			At 31.1.2024
	At 1.2.2023	Bought	Exercised	

Kim Loong Resources Berhad

Gooi Seong Gum				
- direct interest	19,890	-	19,890	-
- indirect interest	25,200	-	25,200	-

**Number of ordinary shares in the holding company –
Sharikat Kim Loong Sendirian Berhad**

	Number of ordinary shares in the holding company – Sharikat Kim Loong Sendirian Berhad			At 31.1.2024
	At 1.2.2023	Bought	Converted	
Gooi Seong Lim				
- direct interest	22,115	-	22,115	-
- indirect interest	61,135	-	11,260	49,875
Gooi Seong Heen				
- direct interest	22,115	-	22,115	-
- indirect interest	61,135	-	11,260	49,875
Gooi Seong Chneh				
- direct interest	22,115	-	22,115	-
- indirect interest	61,135	-	11,260	49,875
Gooi Seong Gum				
- direct interest	22,115	-	22,115	-
- indirect interest	61,135	-	11,260	49,875

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.

DIRECTORS' REPORT

(Cont'd)

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 EVENTS AND EVENTS AFTER REPORTING PERIOD

Significant events during the financial year and events after the reporting period are disclosed in Note 37 and Note 38 respectively to the financial statements.

AUDITORS

The total amount receivable by the auditors as remuneration are disclosed in Note 22 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 CHNEH
Director

GOOI SEONG GUM
Director

Dated: 16 May 2024

STATEMENT BY DIRECTORS

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

We, GOOI SEONG CHNEH and GOOI SEONG GUM, being two of the Directors of CRESCENDO CORPORATION BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 87 to 144 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 2024 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 CHNEH
Director

GOOI SEONG GUM
Director

Dated: 16 May 2024

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 87 to 144 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 16 May 2024)

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 2024 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 material accounting policies, as set out on pages 87 to 144.

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 2024, 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
<p>Inventories of Property Development Activities</p> <p>Inventories of property development activities are disclosed in Note 8 to the financial statements and are carried at the lower of cost and net realisable values as stated in Note 2.3(e)(i), (ii), (iii) to the financial statements. The carrying values of these at 31 January 2024 comprise:</p> <ul style="list-style-type: none"> i. Land held for development RM638.82 million ii. Properties development cost RM131.29 million iii. Completed properties RM68.99 million <p>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.</p>	<p>In respect of inventories of property development activities, we have sighted, on a sample basis, the titles to ascertain ownership of properties.</p> <p>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.</p>

INDEPENDENT AUDITORS' REPORT

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

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Property Development Activities and Construction Contracts</p> <p>The Group's revenue of RM230.16 million from the Property Development Activities and construction contracts are stated in Note 20 to the financial statements and are accounted for in accordance with Notes 2.3(e), (f), (h) and (i) to the financial statements.</p> <p>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.</p>	<p>Our audit approach includes, inter alia, the following:</p> <p>Review on a sample basis of material on-going projects.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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.
- 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.

INDEPENDENT AUDITORS' REPORT

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

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

Johor Bahru,
Dated: 16 May 2024

MOHAMMAD NIZAM BIN JOHARI

Chartered Accountant
Approval Number: 03226/02/2026 J
Partner

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2024

	Note	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	135,707,936	130,679,250	2,459,110	2,716,544
Right-of-use assets	4	3,763,516	4,080,994	-	-
Bearer plants	5	4,042,942	4,801,858	-	-
Investment properties	6	287,978,379	289,865,843	-	-
Investment in subsidiaries	7	-	-	186,465,281	154,965,279
Inventories	8	661,129,970	658,247,724	-	-
Deferred tax assets	9	40,867,100	39,561,100	665,000	564,000
Amount owing by subsidiaries	10	-	-	519,040,860	513,677,067
		1,133,489,843	1,127,236,769	708,630,251	671,922,890
Current assets					
Inventories	8	208,086,085	115,530,446	-	-
Receivables	10	120,404,407	43,169,721	83,738,607	1,702,175
Contract assets	11	14,419,018	5,195,708	-	-
Prepaid operating expenditure		13,913,815	11,737,723	420,087	315,313
Tax recoverable		895,319	3,310,344	-	258,835
Short term fund	12	-	504,383	-	-
Cash and bank balances	13	54,899,026	86,248,633	6,913,942	6,772,225
		412,617,670	265,696,958	91,072,636	9,048,548
TOTAL ASSETS		1,546,107,513	1,392,933,727	799,702,887	680,971,438
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	299,572,064	299,572,064	299,572,064	299,572,064
Treasury shares	14	(3,114,728)	(3,114,728)	(3,114,728)	(3,114,728)
Hedging reserve	15	(3,270)	(39,665)	-	-
Retained earnings	16	683,704,138	632,623,637	194,418,416	177,933,579
		980,158,204	929,041,308	490,875,752	474,390,915
Non-controlling interests		53,247,214	52,489,666	-	-
Total equity		1,033,405,418	981,530,974	490,875,752	474,390,915
Non-current liabilities					
Loans and borrowings	17	232,256,934	215,890,672	230,000,000	200,000,000
Deferred tax liabilities	9	31,711,940	31,598,447	-	-
Derivative financial liabilities	18	-	52,191	-	-
		263,968,874	247,541,310	230,000,000	200,000,000
Current liabilities					
Payables	19	103,696,880	74,318,595	8,050,301	6,580,523
Contract liabilities	11	20,962,592	17,570,466	-	-
Loans and borrowings	17	116,614,403	69,181,396	70,000,000	-
Tax payable		7,455,043	2,790,986	776,834	-
Derivative financial liabilities	18	4,303	-	-	-
		248,733,221	163,861,443	78,827,135	6,580,523
Total liabilities		512,702,095	411,402,753	308,827,135	206,580,523
TOTAL EQUITY AND LIABILITIES		1,546,107,513	1,392,933,727	799,702,887	680,971,438

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

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 January 2024

	Note	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	20	341,344,608	215,717,644	29,492,729	32,571,124
Cost of sales		(224,440,429)	(138,399,845)	-	-
Gross profit		116,904,179	77,317,799	29,492,729	32,571,124
Other items of income					
Interest income		1,581,583	1,975,808	16,153,789	12,360,794
Rental income		9,990,827	9,780,305	-	-
Other income		11,101,483	2,230,663	1,536,945	17,986
Other items of expense					
Administrative expenses		(47,818,427)	(40,748,427)	(23,334,841)	(20,573,080)
Finance costs	21	(12,246,987)	(12,147,396)	-	-
Profit before tax	22	79,512,658	38,408,752	23,848,622	24,376,824
Tax	25	(22,486,235)	(12,534,330)	(1,775,411)	(311,689)
Profit net of tax		57,026,423	25,874,422	22,073,211	24,065,135
Other comprehensive income, net of tax					
Net movements on cash flow hedges	15	47,888	339,480	-	-
Tax relating to cash flow hedges	9	(11,493)	(81,475)	-	-
		36,395	258,005	-	-
Total comprehensive income for the year		57,062,818	26,132,427	22,073,211	24,065,135
Profit attributable to:					
Owners of the Company		56,668,875	24,524,966	22,073,211	24,065,135
Non-controlling interests		357,548	1,349,456	-	-
		57,026,423	25,874,422	22,073,211	24,065,135
Total comprehensive income attributable to:					
Owners of the Company		56,705,270	24,782,971	22,073,211	24,065,135
Non-controlling interests		357,548	1,349,456	-	-
		57,062,818	26,132,427	22,073,211	24,065,135
Earnings per share attributable to owners of the Company (sen)					
Basic	26	20.28	8.78		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 January 2024

	Attributable to owners of the Company							Non-controlling Interests RM
	Total RM	Share Capital RM	Hedging Reserve RM	Retained Earnings RM	Treasury Shares RM	Distributable		
2024								
At 1.2.2023	981,530,974	929,041,308	299,572,064	(39,665)	632,623,637	(3,114,728)	52,489,666	
Total comprehensive income	57,062,818	56,705,270	-	36,395	56,668,875	-	357,548	
Transactions with owners								
Issuance of shares	400,000	-	-	-	-	-	400,000	
Dividends	(5,588,374)	(5,588,374)	-	(5,588,374)	-	-	-	
Total transactions with owners	(5,188,374)	(5,588,374)	-	(5,588,374)	-	-	400,000	
At 31.1.2024	1,033,405,418	980,158,204	299,572,064	(3,270)	683,704,138	(3,114,728)	53,247,214	
2023								
At 1.2.2022	970,827,482	918,229,272	299,572,064	(297,670)	622,069,606	(3,114,728)	52,598,210	
Total comprehensive income	26,132,427	24,782,971	-	258,005	24,524,966	-	1,349,456	
Transactions with owners								
Dividend paid to non-controlling interests	(1,458,000)	-	-	-	-	-	(1,458,000)	
Dividends	(13,970,935)	(13,970,935)	-	(13,970,935)	-	-	-	
Total transactions with owners	(15,428,935)	(13,970,935)	-	(13,970,935)	-	-	(1,458,000)	
At 31.1.2023	981,530,974	929,041,308	299,572,064	(39,665)	632,623,637	(3,114,728)	52,489,666	

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 January 2024

	Note	Total Equity RM	Non- distributable Share Capital RM	← Distributable Retained Earnings RM →	Treasury Shares RM
2024					
At 1.2.2023		474,390,915	299,572,064	177,933,579	(3,114,728)
Total comprehensive income		22,073,211	-	22,073,211	-
Transactions with owners					
Dividends	27	(5,588,374)	-	(5,588,374)	-
Total transactions with owners		(5,588,374)	-	(5,588,374)	-
At 31.1.2024		490,875,752	299,572,064	194,418,416	(3,114,728)
2023					
At 1.2.2022		464,296,715	299,572,064	167,839,379	(3,114,728)
Total comprehensive income		24,065,135	-	24,065,135	-
Transactions with owners					
Dividends	27	(13,970,935)	-	(13,970,935)	-
Total transactions with owners		(13,970,935)	-	(13,970,935)	-
At 31.1.2023		474,390,915	299,572,064	177,933,579	(3,114,728)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 January 2024

	Note	2024 RM	2023 RM
Operating activities			
Cash receipts from customers		298,620,064	243,127,546
Cash paid to suppliers and employees		(345,133,676)	(164,877,702)
		(46,513,612)	78,249,844
Cash (used in)/generated from operations		1,634,026	1,920,291
Deposit interest received		(11,568,977)	(12,421,263)
Interest paid		(16,611,153)	(15,262,437)
Tax paid			
Net cash (used in)/from operating activities		(73,059,716)	52,486,435
Investing activities			
Acquisition of property, plant and equipment	A	(9,420,481)	(4,242,063)
Acquisition of investment properties	B	(9,302,039)	(10,567,136)
Pledge of time deposits		(1,467,026)	(41,641)
Proceeds from disposal of investments		505,692	3,000,000
Proceeds from disposal of property, plant and equipment		316,042	101,475
Proceeds from disposal of investment properties		1,000,000	-
Net cash used in investing activities		(18,367,812)	(11,749,365)
Financing activities			
Proceeds from issuance of shares to minority shareholders of subsidiary		400,000	-
Proceeds from loans and borrowings		116,031,000	7,000,000
Repayment of loans and borrowings		(53,321,548)	(55,571,548)
Dividends paid		(5,588,374)	(13,970,935)
Dividends paid to non-controlling interests		-	(1,458,000)
Net cash from/(used in) financing activities		57,521,078	(64,000,483)
Net decrease in cash and cash equivalents		(33,906,450)	(23,263,413)
Cash and cash equivalents at the beginning of the financial year		78,750,199	102,013,612
Cash and cash equivalents at the end of the financial year	28	44,843,749	78,750,199
Notes to Consolidated Statement of Cash Flows			
A Acquisition of property, plant and equipment			
Property, plant and equipment acquired	3	11,229,728	3,770,326
Unpaid balance included under payables		(1,970,547)	(169,561)
Cash paid in respect of prior year acquisition		161,300	641,298
Cash paid		9,420,481	4,242,063
B Acquisition of investment properties			
Investment properties acquired	6	4,080,194	17,109,578
Unpaid balance included under payables		(1,320,597)	(6,542,442)
Cash paid in respect of prior year acquisition		6,542,442	-
Cash paid		9,302,039	10,567,136

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

COMPANY STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 January 2024

	Note	2024 RM	2023 RM
Operating activities			
Cash receipts from customers		11,576,889	9,219,237
Dividends received from subsidiaries		15,700,000	23,530,192
Cash paid to suppliers and employees		(21,282,576)	(18,165,669)
		5,994,313	14,583,760
Cash generated from operations		16,143,475	12,360,794
Interest received		(840,742)	(212,664)
Tax paid			
Net cash from operating activities		21,297,046	26,731,890
Investing activities			
Acquisition of plant and equipment	3	(421,232)	(151,064)
Proceeds from disposal of plant and equipment		36,000	-
Acquisition of ordinary shares in a subsidiary		(2)	-
Proceeds from redemption of preference shares in a subsidiary		-	19,000,000
Proceeds from reduction of capital in a subsidiary		-	2,900,000
Pledge of time deposits		(1,459,598)	(36,534)
Advance to subsidiaries		(115,532,411)	(49,904,507)
Repayment from subsidiaries		361,125	7,285,982
Net cash used in investing activities		(117,016,118)	(20,906,123)
Financing activities			
(Repayment to)/Advance from related companies		(646)	24,313
(Repayment to)/Advance from a subsidiary		(9,789)	23,869
Proceeds from loans and borrowings		100,000,000	-
Dividends paid		(5,588,374)	(13,970,935)
Net cash from/(used in) financing activities		94,401,191	(13,922,753)
Net decrease in cash and cash equivalents		(1,317,881)	(8,096,986)
Cash and cash equivalents at the beginning of the financial year		4,727,441	12,824,427
Cash and cash equivalents at the end of the financial year	28	3,409,560	4,727,441

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024

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 16 May 2024.

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with 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 have been prepared on a historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia ("RM").

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

The Group and the Company adopted the following new and amended MFRSs relevant to the current operations of the Group and of the Company for the financial year ended 31 January 2024:

MFRS

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

The above new and amended MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for:

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

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

Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)

The Amendments to MFRS 101 requires entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

To support the Amendments to MFRS 101, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The Amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

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 2024:

MFRS		Effective for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
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.

2.3 Material accounting policies

(a) Subsidiaries and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

2.3 Material accounting policies (Cont'd)

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

When the Group loses control over a subsidiary, the Group would derecognise all assets (including goodwill), liabilities and non-controlling interests at their carrying amount of the subsidiary and to recognise the fair value of the consideration received.

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.

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.

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.

(b) Property, plant and equipment and bearer plants

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

2.3 Material accounting policies (Cont'd)

(c) Leases

i. As a Lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. 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 lease income is set out in Note 2.3(i)(v).

ii. As a Lessee

- Right-of-use assets

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:

	Number of years
Land use rights	20 – 30

- Lease liabilities

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.

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

The Group and the Company apply the short-term lease recognition exemption to its short-term leases (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 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.

(d) 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.

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.

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

2.3 Material accounting policies (Cont'd)

(e) 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 where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

ii. Property development cost

The cost of land, related development costs common to entire development project 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

Completed development properties represent completed residential, industrial and commercial properties.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

2.3 Material accounting policies (Cont'd)

(f) 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.

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.

(g) Financial instruments

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as and subsequently measured at:

- Financial assets at amortised cost (debt instruments)

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 profit or loss

This category comprises the Group's short term funds.

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 statements of comprehensive income.

Impairment of financial 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.

For trade receivables, 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 recognises a loss allowance based on lifetime ECLs at each reporting date.

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

2.3 Material accounting policies (Cont'd)

(g) Financial instruments (Cont'd)

i. Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

The Group and the Company consider a financial asset in default when contractual payments are 12 months past due. 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.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, 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

For purposes of subsequent measurement, trade and other payables and loans and borrowings of the Group and of the Company are measured at amortised cost.

(h) 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 customer 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 asset is stated at cost less accumulated impairment. Contract assets are subject to impairment in accordance with MFRS 9 Financial Instruments.

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.

(i) Revenue recognition

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

2.3 Material accounting policies (Cont'd)

(i) Revenue recognition (Cont'd)

i. Revenue from property development (Cont'd)

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.

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 risks 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.

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

2.3 Material accounting policies (Cont'd)

(i) Revenue recognition (Cont'd)

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.

(j) 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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.

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.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

2. MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

2.4 Significant accounting judgements and estimates (Cont'd)

(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.

ii. Inventories

The Group and the Company recognise inventories at the lower of cost and net realisable value. 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 8.

iii. Deferred tax assets

Deferred tax assets are recognised for 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 management's estimates of future taxable profits are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position.

Further details on deferred tax assets are disclosed in Note 9.

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 2024						
Cost						
At 1.2.2023	120,498,445	16,630,726	29,332,904	15,069,991	3,674,466	185,206,532
Additions	1,603,935	1,769,856	2,181,603	949,808	4,724,526	11,229,728
Disposal/Write off	-	(371,536)	(692,461)	(1,026,626)	-	(2,090,623)
Reclassification	-	266,870	287,000	-	(553,870)	-
At 31.1.2024	122,102,380	18,295,916	31,109,046	14,993,173	7,845,122	194,345,637
Accumulated depreciation						
At 1.2.2023	10,694,385	14,465,819	19,276,104	10,090,974	-	54,527,282
Depreciation charge for the year:	1,527,052	1,001,014	2,767,303	718,188	-	6,013,557
Recognised in profit or loss (Note 22)	1,527,052	709,598	2,767,303	612,483	-	5,616,436
Contract assets (Note 11)	-	291,416	-	105,705	-	397,121
Disposal/Write off	-	(368,053)	(660,640)	(874,445)	-	(1,903,138)
At 31.1.2024	12,221,437	15,098,780	21,382,767	9,934,717	-	58,637,701
Net carrying amount						
At 31.1.2024	109,880,943	3,197,136	9,726,279	5,058,456	7,845,122	135,707,936
Net carrying amount of assets under restriction of title due to loans and borrowings	52,190,938	-	-	-	-	52,190,938

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

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 2023						
Cost						
At 1.2.2022	143,334,614	17,145,795	28,602,203	15,319,549	2,606,707	207,008,868
Additions	94,431	178,040	919,250	242,445	2,336,160	3,770,326
Reclassification	1,158,400	-	110,001	-	(1,268,401)	-
Disposal/Write off	-	(693,109)	(298,550)	(492,003)	-	(1,483,662)
Transfer to inventories {Note 8(a)}	(24,089,000)	-	-	-	-	(24,089,000)
At 31.1.2023	120,498,445	16,630,726	29,332,904	15,069,991	3,674,466	185,206,532
Accumulated depreciation						
At 1.2.2022	9,175,423	14,166,345	17,053,597	9,814,255	-	50,209,620
Depreciation charge for the year: Recognised in profit or loss (Note 22)	1,518,962	954,764	2,519,148	664,026	-	5,656,900
Contract assets (Note 11)	1,518,962	766,419	2,519,148	605,121	-	5,409,650
Disposal/Write off	-	(655,290)	(296,641)	(387,307)	-	(1,339,238)
At 31.1.2023	10,694,385	14,465,819	19,276,104	10,090,974	-	54,527,282
Net carrying amount						
At 31.1.2023	109,804,060	2,164,907	10,056,800	4,979,017	3,674,466	130,679,250
Net carrying amount of assets under restriction of title due to loans and borrowings	53,309,042	-	-	-	-	53,309,042

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Properties of the Group:

GROUP	Freehold land RM	Buildings RM	Total RM
At 31 January 2024			
Cost			
At 1.2.2023	57,491,914	63,006,531	120,498,445
Addition	1,603,935	-	1,603,935
At 31.1.2024	59,095,849	63,006,531	122,102,380
Accumulated depreciation			
At 1.2.2023	-	10,694,385	10,694,385
Depreciation charge for the year: Recognised in profit or loss	-	1,527,052	1,527,052
At 31.1.2024	-	12,221,437	12,221,437
Net carrying amount At 31.1.2024	59,095,849	50,785,094	109,880,943
At 31 January 2023			
Cost			
At 1.2.2022	81,580,914	61,753,700	143,334,614
Addition	-	94,431	94,431
Reclassification	-	1,158,400	1,158,400
Transfer to inventories {Note 8(a)}	(24,089,000)	-	(24,089,000)
At 31.1.2023	57,491,914	63,006,531	120,498,445
Accumulated depreciation			
At 1.2.2022	-	9,175,423	9,175,423
Depreciation charge for the year: Recognised in profit or loss	-	1,518,962	1,518,962
At 31.1.2023	-	10,694,385	10,694,385
Net carrying amount At 31.1.2023	57,491,914	52,312,146	109,804,060

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY	Equipment, furniture & fittings and renovation RM	Motor vehicles RM	Total RM
At 31 January 2024			
Cost			
At 1.2.2023	3,505,739	3,239,596	6,745,335
Additions	421,232	-	421,232
Disposal/Write off	(275,498)	(35,000)	(310,498)
At 31.1.2024	3,651,473	3,204,596	6,856,069
Accumulated depreciation			
At 1.2.2023	2,555,503	1,473,288	4,028,791
Depreciation charge for the year:			
Recognised in profit or loss (Note 22)	378,297	249,394	627,691
Disposal/Write off	(253,077)	(6,446)	(259,523)
At 31.1.2024	2,680,723	1,716,236	4,396,959
Net carrying amount			
At 31.1.2024	970,750	1,488,360	2,459,110
At 31 January 2023			
Cost			
At 1.2.2022	3,384,546	3,239,596	6,624,142
Additions	151,064	-	151,064
Disposal/Write off	(29,871)	-	(29,871)
At 31.1.2023	3,505,739	3,239,596	6,745,335
Accumulated depreciation			
At 1.2.2022	2,256,065	1,236,370	3,492,435
Depreciation charge for the year:			
Recognised in profit or loss (Note 22)	328,502	236,918	565,420
Disposal/Write off	(29,064)	-	(29,064)
At 31.1.2023	2,555,503	1,473,288	4,028,791
Net carrying amount			
At 31.1.2023	950,236	1,766,308	2,716,544

A parcel of freehold land of a subsidiary with net carrying amount of RM12,540,574 (2023: RM12,540,574) is registered in the name of vendor. The said subsidiary is the beneficial owner of the freehold land.

4. RIGHT-OF-USE ASSETS

	2024 RM	GROUP 2023 RM
Land use rights		
Cost		
At 31 January 2024/2023	6,401,996	6,401,996
Accumulated depreciation		
At 1 February 2023/2022	2,321,002	2,003,524
Depreciation charge for the year: Recognised in profit or loss (Note 22)	317,478	317,478
At 31 January 2024/2023	2,638,480	2,321,002
Net carrying amount		
At 31 January 2024/2023	3,763,516	4,080,994

5. BEARER PLANTS

	2024 RM	GROUP 2023 RM
Cost		
At 1 February 2023/2022	5,593,867	5,593,867
Write off	(831,286)	-
At 31 January 2024/2023	4,762,581	5,593,867
Accumulated depreciation		
At 1 February 2023/2022	792,009	512,316
Depreciation charge for the year: Recognised in profit or loss (Note 22)	270,536	279,693
Write off	(342,906)	-
At 31 January 2024/2023	719,639	792,009
Net carrying amount		
	4,042,942	4,801,858

Biological assets comprise fresh fruit bunches ("FFB") prior to harvest. No biological assets have been recognised as the rights for harvesting has been outsourced to harvesting contractors and hence all biological assets belong to harvesting contractors.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

6. INVESTMENT PROPERTIES

GROUP	Freehold land RM	Buildings RM	Assets under construction RM	Total RM
At 31 January 2024				
Cost				
At 1 February 2023	156,096,240	130,600,161	19,538,842	306,235,243
Addition	-	-	4,080,194	4,080,194
Reclassification	-	23,619,036	(23,619,036)	-
Disposal	(3,042,600)	-	-	(3,042,600)
At 31 January 2024	153,053,640	154,219,197	-	307,272,837
Accumulated depreciation				
At 1 February 2023	-	16,369,400	-	16,369,400
Depreciation charge for the year: Recognised in profit or loss (Note 22)	-	2,925,058	-	2,925,058
At 31 January 2024	-	19,294,458	-	19,294,458
Net carrying amount	153,053,640	134,924,739	-	287,978,379
At 31 January 2023				
Cost				
At 1 February 2022	156,096,240	130,600,161	2,429,264	289,125,665
Addition	-	-	17,109,578	17,109,578
At 31 January 2023	156,096,240	130,600,161	19,538,842	306,235,243
Accumulated depreciation				
At 1 February 2022	-	13,641,168	-	13,641,168
Depreciation charge for the year: Recognised in profit or loss (Note 22)	-	2,728,232	-	2,728,232
At 31 January 2023	-	16,369,400	-	16,369,400
Net carrying amount	156,096,240	114,230,761	19,538,842	289,865,843

The fair value of the freehold land and buildings excluding assets under construction as at 31 January 2024 was RM388 million (2023: RM314 million). The fair value was arrived at after taking into consideration the valuation performed by a firm of professional valuers. The fair value is categorised within Level 2 of the fair value hierarchy.

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.

Investment properties amounting to RM287,978,379 (2023: RM286,823,243) are pledged to licensed banks as security for the Medium Term Notes ("MTN") issued by the Company (Note 17).

Direct operating expenses (including repairs and maintenance) recognised in profit or loss during the year for:

	GROUP	
	2024 RM	2023 RM
Income generating investment properties	3,760,713	3,306,098
Non-income generating investment properties	229,529	133,570

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024 RM	2023 RM
Unquoted shares, at cost		
At 1 February 2023/2022	154,965,279	193,065,279
Add: Acquisition of ordinary shares in a subsidiary	2	-
Add: Acquisition of redeemable preference shares in a subsidiary	30,000,000	800,000
Add: Cost adjustment from share capital reduction in a subsidiary	1,500,000	-
Less: Redemption of redeemable preference shares in a subsidiary	-	(19,000,000)
Less: Reduction of capital in a subsidiary	-	(19,900,000)
At 31 January 2024/2023	186,465,281	154,965,279

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	
		2024	2023
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%
Crescendo Landmark Sdn. Bhd.*	Property development	100%	95%
Unibase Construction Sdn. Bhd.	Building and general contractors, civil engineering work and investment holding	100%	100%
Crescendo Education Sdn. Bhd.	Investment holding	100%	100%
Panoramic Land Sdn. Bhd.	Property investment	100%	100%
Crescendo Commercial Complex Sdn. Bhd.	Dormant	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%

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

Name	Principal activities	Proportion of effective ownership interest	
		2024	2023
Held by Crescendo Education Sdn. Bhd. (Cont'd)			
Crescendo International School Sdn. Bhd.	Providing educational services	70%	70%
Held by Unibase Construction Sdn. Bhd.			
Unibase Concrete Industries Sdn. Bhd.	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%	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 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%

* The subsidiary was held by Crescendo Land Sdn. Bhd. as at 31 January 2023.

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.

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

	2024 RM	2023 RM
(i) Summarised statement of financial position		
Non-current assets	49,713,763	46,771,324
Current assets	112,312,855	86,586,174
Total assets	162,026,618	133,357,498
Current liabilities	85,010,386	56,081,155
Non-current liabilities	2,493,934	3,254,602
Total liabilities	87,504,320	59,335,757
Net assets	74,522,298	74,021,741
Equity attributable to owners of the Company	46,874,659	46,451,672
Non-controlling interests	27,647,639	27,570,069
	74,522,298	74,021,741
(ii) Summarised statement of comprehensive income		
Revenue	175,814,961	122,610,696
Profit before tax	851,931	2,025,824
Profit net of tax	100,557	1,155,723
Total comprehensive income attributable to:		
- owners of the Company	422,987	957,172
- non-controlling interests	(322,430)	198,551
	100,557	1,155,723
(iii) Summarised statement of cash flows		
Net cash flows used in operating activities	(8,228,991)	(3,027)
Net cash flows (used in)/from investing activities	(3,019,504)	1,947,455
Net cash flows from/(used in) financing activities	5,889,332	(3,229,668)
Net decrease in cash and cash equivalents	(5,359,163)	(1,285,240)
Cash and cash equivalents at beginning of the year	11,060,124	12,345,364
Cash and cash equivalents at end of the year	5,700,961	11,060,124
(iv) Dividends paid to non-controlling interests		
Dividend paid to non-controlling interests	-	1,188,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

8. INVENTORIES

	2024 RM	GROUP 2023 RM
Non-current		
At cost		
Land held for property development {Note 8(a)}	638,821,681	635,939,435
Completed properties not ready for sale	22,308,289	22,308,289
	661,129,970	658,247,724
Current		
At cost		
Raw materials	10,491,705	4,404,816
Work in progress	6,044,170	6,108,830
Finished goods	13,578,062	10,531,647
Completed properties for sale	46,078,459	34,090,139
Property development cost {Note 8(b)}	131,293,689	49,153,554
	207,486,085	104,288,986
At net realisable value		
Completed properties for sale	600,000	-
Property development cost {Note 8(b)}	-	11,241,460
	600,000	11,241,460
Total inventories (current)	208,086,085	115,530,446
Recognised in profit or loss:		
Inventories recognised as cost of sales	102,368,774	85,239,433
Inventories written off	-	115,986
Inventories written back	(188,299)	(379,411)

Certain completed properties amounting to RM4,913,764 (2023: RM4,913,764) are pledged to licensed banks as security for the loans and borrowings (Note 17).

(a) Land held for property development

GROUP	Land RM	Development costs RM	Total RM
At 31 January 2024			
Cost			
At 1 February 2023	325,975,588	309,963,847	635,939,435
Cost incurred during the year	74,872,617	23,076,898	97,949,515
Transfer to property development cost {Note 8(b)}	(56,206,672)	(38,860,597)	(95,067,269)
At 31 January 2024	344,641,533	294,180,148	638,821,681

8. INVENTORIES (Cont'd)

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

GROUP	Land RM	Development costs RM	Total RM
At 31 January 2023			
Cost			
At 1 February 2022	302,663,547	303,722,472	606,386,019
Cost incurred during the year	126,608	8,946,183	9,072,791
Transfer to property development cost {Note 8(b)}	(903,567)	(2,704,808)	(3,608,375)
Transfer to property, plant and equipment (Note 3)	24,089,000	-	24,089,000
At 31 January 2023	325,975,588	309,963,847	635,939,435
		GROUP 2024 RM	GROUP 2023 RM
Carrying amount of assets under restriction of title due to loans and borrowings and bank guarantees issued		101,745,849	139,874,357

Included in land held for property development cost incurred during the financial year is interest expenses amounting to RM704,899 (2023: RM316,729) (Note 21).

Certain land held for development amounting to RM196,368,614 (2023: RM168,350,097) are currently being used for oil palm plantations until the locations are economically ready for development.

(b) Property development cost

GROUP	Land RM	Development costs RM	Total RM
At 31 January 2024			
Cumulative property development cost			
At 1 February 2023	8,005,676	128,991,228	136,996,904
Cost incurred during the year	-	73,058,975	73,058,975
Transfer from land held for property development {Note 8(a)}	56,206,672	38,860,597	95,067,269
Reversal of completed projects	(2,537,932)	(87,450,461)	(89,988,393)
Unsold completed properties transferred to inventories	(659,851)	(25,844,247)	(26,504,098)
At 31 January 2024	61,014,565	127,616,092	188,630,657
Cumulative costs recognised in profit or loss			
At 1 February 2023	(1,572,172)	(74,836,858)	(76,409,030)
Recognised during the year	(3,565,388)	(67,350,943)	(70,916,331)
Reversal of completed projects	2,537,932	87,450,461	89,988,393
At 31 January 2024	(2,599,628)	(54,737,340)	(57,336,968)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

8. 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 2023	-	(192,860)	(192,860)
Recognised during the year	-	(252,336)	(252,336)
Reversal during the year	-	270,474	270,474
Reversal of completed projects	-	174,722	174,722
At 31 January 2024	-	-	-
Property development cost as at 31 January 2024	58,414,937	72,878,752	131,293,689
At 31 January 2023			
Cumulative property development cost			
At 1 February 2022	7,539,497	85,600,828	93,140,325
Cost incurred during the year	-	43,486,097	43,486,097
Transfer from land held for property development {Note 8(a)}	903,567	2,704,808	3,608,375
Reversal of completed projects	(437,388)	(1,611,779)	(2,049,167)
Unsold completed properties transferred to inventories	-	(1,188,726)	(1,188,726)
At 31 January 2023	8,005,676	128,991,228	136,996,904
Cumulative costs recognised in profit or loss			
At 1 February 2022	(735,044)	(49,003,039)	(49,738,083)
Recognised during the year	(1,274,516)	(27,445,598)	(28,720,114)
Reversal of completed projects	437,388	1,611,779	2,049,167
At 31 January 2023	(1,572,172)	(74,836,858)	(76,409,030)
Cumulative write-down to net realisable value			
At 1 February 2022	-	(572,271)	(572,271)
Recognised during the year	-	379,411	379,411
At 31 January 2023	-	(192,860)	(192,860)
Property development cost as at 31 January 2023	6,433,504	53,961,510	60,395,014

Certain parcels of the land included in land held for property development and property development cost with carrying amount of RM44,824,660 (2023: RM45,143,583) 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.

9. 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	
	2024 RM	2023 RM	2024 RM	2023 RM
Presented after appropriate offsetting as follows:				
Deferred tax assets	40,867,100	39,561,100	665,000	564,000
Deferred tax liabilities	(31,711,940)	(31,598,447)	-	-
	9,155,160	7,962,653	665,000	564,000
GROUP	At 1.2.2023 RM	Recognised in other comprehensive income RM	Recognised in profit or loss (Note 25) RM	At 31.1.2024 RM
Deferred tax assets				
Subject to income tax:				
Allowance for impairment	39,000	-	(32,000)	7,000
Accrued expenses	60,000	-	41,000	101,000
Advanced service income	2,317,000	-	65,000	2,382,000
Derivatives financial liabilities	12,526	(11,493)	-	1,033
Provision of unutilised annual leave	47,000	-	3,000	50,000
Unrealised foreign exchange	37,000	-	50,000	87,000
Unrealised profits	25,833,000	-	2,220,000	28,053,000
Unused tax losses	1,817,000	-	425,000	2,242,000
Unabsorbed capital allowance	2,259,000	-	(897,000)	1,362,000
Unabsorbed reinvestment allowance	13,295,000	-	-	13,295,000
	45,716,526	(11,493)	1,875,000	47,580,033
Offsetting	(7,826,526)	-	(557,507)	(8,384,033)
Deferred tax assets (after offsetting)	37,890,000	(11,493)	1,317,493	39,196,000
Subject to real property gains tax:				
Unrealised profit	1,671,100	-	-	1,671,100
	1,671,100	-	-	1,671,100
	39,561,100	(11,493)	1,317,493	40,867,100

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

9. DEFERRED TAX (Cont'd)

GROUP	At 1.2.2023 RM	Recognised in other comprehensive income RM	Recognised in profit or loss (Note 25) RM	At 31.1.2024 RM
Deferred tax liabilities				
Subject to income tax:				
Accrued interest	(11,000)	-	6,000	(5,000)
Bearer plants	(1,152,000)	-	182,000	(970,000)
Investment properties	(18,219,000)	-	(462,000)	(18,681,000)
Land held for property development	(3,016,151)	-	-	(3,016,151)
Property, plant and equipment	(9,646,000)	-	(473,000)	(10,119,000)
Rental receivables	(160,000)	-	76,000	(84,000)
	(32,204,151)	-	(671,000)	(32,875,151)
Offsetting	7,826,526	-	557,507	8,384,033
Deferred tax liabilities (after offsetting)	(24,377,625)	-	(113,493)	(24,491,118)
Subject to real property gains tax:				
Investment properties	(6,724,000)	-	-	(6,724,000)
Property, plant and equipment	(496,822)	-	-	(496,822)
	(7,220,822)	-	-	(7,220,822)
	(31,598,447)	-	(113,493)	(31,711,940)
	7,962,653	(11,493)	1,204,000	9,155,160

GROUP	At 1.2.2022 RM	Recognised in other comprehensive income RM	Recognised in profit or loss (Note 25) RM	At 31.1.2023 RM
Deferred tax assets				
Subject to income tax:				
Allowance for impairment	30,000	-	9,000	39,000
Accrued expenses	60,000	-	-	60,000
Advanced service income	2,136,000	-	181,000	2,317,000
Derivatives financial liabilities	94,001	(81,475)	-	12,526
Provision of unutilised annual leave	69,000	-	(22,000)	47,000
Unrealised foreign exchange	8,000	-	29,000	37,000
Unrealised profits	23,319,000	-	2,514,000	25,833,000
Unused tax losses	1,500,000	-	317,000	1,817,000
Unabsorbed capital allowance	3,406,000	-	(1,147,000)	2,259,000
Unabsorbed investment tax allowance	13,295,000	-	-	13,295,000
	43,917,001	(81,475)	1,881,000	45,716,526
Offsetting	(7,228,001)	-	(598,525)	(7,826,526)
Deferred tax assets (after offsetting)	36,689,000	(81,475)	1,282,475	37,890,000
Subject to real property gains tax:				
Unrealised profit	-	-	1,671,100	1,671,100
	36,689,000	(81,475)	2,953,575	39,561,100

9. DEFERRED TAX (Cont'd)

GROUP	At 1.2.2022 RM	Recognised in other comprehensive income RM	Recognised in profit or loss (Note 25) RM	At 31.1.2023 RM
Deferred tax liabilities				
Subject to income tax:				
Accrued interest	(5,000)	-	(6,000)	(11,000)
Bearer plants	(1,245,000)	-	93,000	(1,152,000)
Investment properties	(18,451,000)	-	232,000	(18,219,000)
Land held for property development	(3,016,151)	-	-	(3,016,151)
Property, plant and equipment	(8,835,000)	-	(811,000)	(9,646,000)
Rental receivables	(63,000)	-	(97,000)	(160,000)
	(31,615,151)	-	(589,000)	(32,204,151)
Offsetting	7,228,001	-	598,525	7,826,526
Deferred tax liabilities (after offsetting)	(24,387,150)	-	9,525	(24,377,625)
Subject to real property gains tax:				
Investment properties	(6,724,000)	-	-	(6,724,000)
Property, plant and equipment	(1,155,722)	-	658,900	(496,822)
	(7,879,722)	-	658,900	(7,220,822)
	(32,266,872)	-	668,425	(31,598,447)
	4,422,128	(81,475)	3,622,000	7,962,653

COMPANY	At 1.2.2023 RM	Recognised in profit or loss (Note 25) RM	At 31.1.2024 RM
Deferred tax assets			
Subject to income tax:			
Unabsorbed capital allowances	843,000	62,000	905,000
Offsetting	(279,000)	39,000	(240,000)
Deferred tax assets (after offsetting)	564,000	101,000	665,000
Deferred tax liabilities			
Subject to income tax:			
Property, plant and equipment	(279,000)	39,000	(240,000)
Offsetting	279,000	(39,000)	240,000
Deferred tax liabilities (after offsetting)	-	-	-
	564,000	101,000	665,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

9. DEFERRED TAX (Cont'd)

COMPANY	At 1.2.2022 RM	Recognised in profit or loss (Note 25) RM	At 31.1.2023 RM
Deferred tax assets			
Subject to income tax:			
Unabsorbed capital allowances	757,000	86,000	843,000
Offsetting	(282,000)	3,000	(279,000)
Deferred tax assets (after offsetting)	475,000	89,000	564,000
Deferred tax liabilities			
Subject to income tax:			
Property, plant and equipment	(282,000)	3,000	(279,000)
Offsetting	282,000	(3,000)	279,000
Deferred tax liabilities (after offsetting)	-	-	-
	475,000	89,000	564,000

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 Finance Act 2018 has imposed a time limitation to restrict the carry forward of the unused tax losses. Based on the latest Finance Act 2021, gazetted on 31 December 2021, the time limit for the carry forward of the unused tax losses is 10 years.

Hence, the unused 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 unused losses thereafter shall be disregarded.

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

	2024 RM	GROUP 2023 RM
Unused tax losses		
- expiring on 31 January 2028	10,506,000	10,506,000
- expiring on 31 January 2029	5,546,000	5,546,000
- expiring on 31 January 2030	1,907,000	1,907,000
- expiring on 31 January 2031	2,002,000	2,002,000
- expiring on 31 January 2032	5,086,000	5,107,000
- expiring on 31 January 2033	3,284,000	3,666,000
- expiring on 31 January 2034	3,879,000	-
Unabsorbed capital allowances	13,000	59,000
	32,223,000	28,793,000
Deferred tax @ 24% (2023: 24%)	7,733,520	6,910,320

10. RECEIVABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Trade receivables				
Third parties	93,567,528	33,018,150	-	-
Amounts owing by related companies	194,630	160,880	826	826
Amounts owing by subsidiaries	-	-	3,294,063	1,078,223
	93,762,158	33,179,030	3,294,889	1,079,049
Less: Allowance for impairment	(515,897)	(473,541)	-	-
Trade receivables, net	93,246,261	32,705,489	3,294,889	1,079,049
Other receivables and deposits	27,158,146	10,448,413	137,594	124,495
Amount owing by a related company	-	15,819	-	-
Amounts owing by subsidiaries, non-trade				
- interest bearing	-	-	79,463,201	-
- non-interest bearing	-	-	842,923	498,631
	120,404,407	43,169,721	83,738,607	1,702,175
Non-current				
Amount owing by subsidiaries, non-trade				
- interest bearing	-	-	519,040,860	513,677,067
	-	-	519,040,860	513,677,067
Total trade and other receivables	120,404,407	43,169,721	602,779,467	515,379,242

(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 (2023: 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		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Neither past due nor impaired	70,823,614	19,656,737	3,294,889	1,079,049
1 to 30 days past due not impaired	7,756,526	4,337,377	-	-
31 to 120 days past due not impaired	2,323,974	3,566,032	-	-
More than 121 days past due not impaired	1,305,021	266,879	-	-
Impaired	11,385,521	8,170,288	-	-
	515,897	473,541	-	-
Retention sum	82,725,032	28,300,566	3,294,889	1,079,049
	11,037,126	4,878,464	-	-
	93,762,158	33,179,030	3,294,889	1,079,049

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

10. 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 RM11,385,521 (2023: RM8,170,288) 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:

	2024 RM	GROUP 2023 RM
Trade receivables - nominal amounts	515,897	473,541
Less: Allowance for impairment	(515,897)	(473,541)
	-	-
Lifetime expected credit loss		
Movement in allowance accounts:		
At 1 February 2023/2022	473,541	505,145
Charge for the year	173,978	41,622
Recovered	(16,274)	(13,228)
Written off	(115,348)	(59,998)
At 31 January 2024/2023	515,897	473,541

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.

10. 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) Amount owing by a related company

Related company refers to fellow subsidiary of the ultimate holding company of the Company.

Amount owing by a related company is unsecured and repayable on demand.

(c) Amounts owing by subsidiaries, non-trade

These amounts are unsecured. The interest bearing portion has an effective interest of 4.63% (2023: 4.11%) per annum. The non-current portion has no fixed term of repayment, except for an amount of RM230,000,000 as at 31 January 2024 (2023: RM200,000,000) which is repayable within the range of two to six years.

11. 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 RM78,694,926 (2023: RM99,751,383) 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 RM12,113,470 (2023: RM11,229,348) that was included in contract liabilities at the beginning of the reporting period.

	GROUP	
	2024 RM	2023 RM
Contract in progress included the following items incurred during the financial year:		
Depreciation of property, plant and equipment (Note 3)	397,121	247,250
Employee benefits expenses	2,014,265	1,014,385
Hire of equipment	2,237,950	485,149

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

12. SHORT TERM FUND

	GROUP	
	2024 RM	2023 RM
At fair value through profit or loss		
At 1 February 2023/2022	504,383	3,472,174
Addition	-	2,000,000
Disposal	(505,692)	(5,000,000)
Recognised in profit or loss		
Gain on disposal	4,498	33,986
Loss on fair value changes	(3,189)	(1,777)
At 31 January 2024/2023	-	504,383

Short term fund is investment in income trust fund in Malaysia.

The fair value measurement of the Group's short term fund was categorised within Level 1 of the fair value hierarchy.

13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash on hand and at banks	21,562,903	22,379,101	3,409,560	4,727,441
Cash at bank in Housing Development Account	13,397,421	6,633,431	-	-
Time deposits with licensed banks	19,938,702	57,236,101	3,504,382	2,044,784
	54,899,026	86,248,633	6,913,942	6,772,225

An arrangement has been made with licensed banks whereby certain bank balances can earn interest of 2.23% (2023: 1.92%) per annum for the Group and 2.05% (2023: 1.85%) per annum for the Company on a daily rest basis. As at reporting date, bank balances under this arrangement amounted to RM18,950,317 (2023: RM20,325,513) for the Group and RM3,407,051 (2023: RM4,724,732) 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 RM4,105,612 (2023: RM2,638,586) and RM3,504,382 (2023: RM2,044,784) respectively are pledged to licensed banks as security for the loans and borrowings (Note 17) and the banker's guarantees issued to suppliers (Note 32).

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		COMPANY	
	2024 % per annum	2023 % per annum	2024 % per annum	2023 % per annum
Time deposits with licensed banks	3.10	2.75	3.17	2.71

14. SHARE CAPITAL AND TREASURY SHARES

	GROUP and COMPANY			
	Number of ordinary shares Share capital (Issued and fully paid)	Treasury shares	Amount Share capital (Issued and fully paid) RM	Treasury shares RM
At 31 January 2024/2023	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.

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 (2023: 280,462,498) issued and fully paid ordinary shares as at 31 January 2024, 1,043,800 (2023: 1,043,800) treasury shares are held by the Company. As at 31 January 2024, the number of outstanding ordinary shares in issue after setting off treasury shares is 279,418,698 (2023: 279,418,698).

15. HEDGING RESERVE

	GROUP	
	2024 RM	2023 RM
At 1 February 2023/2022	(39,665)	(297,670)
Recognised in other comprehensive income:		
Net movements on cash flow hedges	47,888	339,480
Tax relating to cash flow hedges	(11,493)	(81,475)
At 31 January 2024/2023	(3,270)	(39,665)

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.

16. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 January 2024 may be distributed as dividends under single tier system.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

17. LOANS AND BORROWINGS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Secured:				
Bank overdrafts	5,949,665	4,859,848	-	-
Banker's acceptance	4,531,000	-	-	-
Medium Term Notes	70,000,000	-	70,000,000	-
Revolving credit	22,500,000	11,000,000	-	-
Term loans	13,633,738	53,321,548	-	-
	116,614,403	69,181,396	70,000,000	-
Non-current				
Secured:				
Medium Term Notes	230,000,000	200,000,000	230,000,000	200,000,000
Term loans	2,256,934	15,890,672	-	-
	232,256,934	215,890,672	230,000,000	200,000,000
Total loans and borrowings				
Bank overdrafts	5,949,665	4,859,848	-	-
Banker's acceptance	4,531,000	-	-	-
Medium Term Notes	300,000,000	200,000,000	300,000,000	200,000,000
Revolving credit	22,500,000	11,000,000	-	-
Term loans	15,890,672	69,212,220	-	-
	348,871,337	285,072,068	300,000,000	200,000,000
Repayment of loans and borrowings:				
On demand or within one year	116,614,403	69,181,396	70,000,000	-
More than one year and up to two years	27,541,668	48,633,738	27,000,000	35,000,000
More than two years and up to five years	204,625,004	116,625,004	203,000,000	115,000,000
More than five years	90,262	50,631,930	-	50,000,000
	348,871,337	285,072,068	300,000,000	200,000,000

The Company completed the second tranche of issuance of Medium Term Notes (MTN) of RM100 million during the current financial year. The outstanding amount as at 31 January 2024 is as follows:

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
21 to 28	100,000,000	2 - 5	Cost of funds + 1.35
	300,000,000		

17. 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 60 months to 144 months.

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

	GROUP		COMPANY	
	2024 % per annum	2023 % per annum	2024 % per annum	2023 % per annum
Bank overdrafts	7.69	7.69	-	-
Banker's acceptance	4.41	-	-	-
Medium Term Notes	4.27	3.93	4.27	3.93
Revolving credit	4.94	3.89	-	-
Term loans	5.16	4.51	-	-

The movements in the loans and borrowings were as follow:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 February 2023/2022	285,072,068	331,728,444	200,000,000	200,000,000
Proceeds	116,031,000	7,000,000	100,000,000	-
Repayment	(53,321,548)	(55,571,548)	-	-
Movement in bank overdrafts	1,089,817	1,915,172	-	-
At 31 January 2024/2023	348,871,337	285,072,068	300,000,000	200,000,000

The unutilised banking facilities are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Bank overdrafts	24,279,000	25,352,000	5,000,000	5,000,000
Revolving credit	80,600,000	94,200,000	-	-
Trade facilities	1,722,000	8,762,000	-	-
	106,601,000	128,314,000	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 13).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

17. 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 and inventories;
- (ii) time deposit of subsidiaries;
- (iii) corporate guarantee from the Company;
- (iv) subordination of advances from a related company; and
- (v) corporate guarantee from a shareholder of a subsidiary.

18. DERIVATIVE FINANCIAL LIABILITIES

	GROUP			
	Notional amount RM	2024 Carrying amount RM	Notional amount RM	2023 Carrying amount RM
Derivatives that are designated as effective hedging instruments carried at fair value				
Interest rate swap	4,980,000	4,303	14,988,000	52,191
Presented as:				
Current liabilities		4,303		-
Non-current liabilities		-		52,191

(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 an IRS agreement in place with notional principal of RM4,980,000 (2023: RM14,988,000) whereby the Group pays a fixed rate of interest of 3.62% per annum and receives 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. The swap will mature on 28 June 2024.

The payments made arising from the IRS of RM50,143 (2023: RM271,841) have been recognised in finance costs.

(b) There are no forecast transactions for which hedge accounting had previously been used.

(c) The fair value changes of financial liabilities arising from IRS was a gain of RM47,888 (2023: RM339,480).

19. PAYABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Trade payables	72,111,004	50,174,617	-	-
Other payables and accruals	31,551,406	24,108,862	8,001,751	6,521,538
Amounts owing to related companies	34,470	35,116	34,470	35,116
Amount owing to a subsidiary	-	-	14,080	23,869
Total trade and other payables	103,696,880	74,318,595	8,050,301	6,580,523

(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 (2023: 30 to 90 days) terms.

(b) Amounts owing to related companies

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 a subsidiary

The amount owing to a subsidiary arose from advances is unsecured and repayable on demand.

20. REVENUE

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers, disaggregated as follows:				
- Sale of properties	182,822,294	107,120,870	-	-
- Construction contract	47,336,091	8,680,742	-	-
- Sale of goods	56,489,735	51,774,429	-	-
- Rendering of services	39,699,758	35,639,380	13,792,729	9,040,932
	326,347,878	203,215,421	13,792,729	9,040,932
Revenue from other source:				
- Rental income	14,996,730	12,502,223	-	-
- Dividend income from subsidiaries	-	-	15,700,000	23,530,192
	341,344,608	215,717,644	29,492,729	32,571,124
Timing of revenue recognition				
- At a point in time	207,149,860	130,527,481	29,492,729	32,571,124
- Over time	134,194,748	85,190,163	-	-
	341,344,608	215,717,644	29,492,729	32,571,124

Defect liability period of 3 months to 2 years are given to property purchasers and construction contract customers.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

21. FINANCE COSTS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expenses on:				
Loans and borrowings	12,951,886	12,464,125	9,441,246	7,882,904
Less: Interest expenses capitalised in assets:				
- Land held for property development (Note 8(a))	(704,899)	(316,729)	-	-
Less: Interest expenses reimbursed from subsidiaries	-	-	(9,441,246)	(7,882,904)
	12,246,987	12,147,396	-	-

22. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
The following items have been charged/ (credited) in arriving at profit before tax:				
Allowance for impairment	173,978	41,622	-	-
Auditors' remuneration:				
- Statutory audit				
- current year	265,400	215,400	40,000	32,000
- under provision in prior year	50,000	11,700	8,000	4,000
- Other services	5,000	7,000	5,000	7,000
Bearer plants written off	488,380	-	-	-
Depreciation				
- property, plant and equipment (Note 3)	5,616,436	5,409,650	627,691	565,420
- right-of-use assets (Note 4)	317,478	317,478	-	-
- bearer plants (Note 5)	270,536	279,693	-	-
- investment properties (Note 6)	2,925,058	2,728,232	-	-
Employee benefits expenses (Note 23)	47,333,079	42,907,822	19,681,144	17,190,010
Hiring of equipment	54,472	49,381	-	-
Inventories written off	-	115,986	-	-
Non-Executive Directors' remuneration (Note 24)	269,500	430,000	269,500	430,000
Plant and equipment written off	35,715	41,805	22,421	807
Rental expenses	490,161	490,190	442,572	444,082
Inventories written back	(188,299)	(379,411)	-	-
Foreign exchange (gain)/loss:				
- realised	(33,960)	(233,194)	-	-
- unrealised	211,869	121,200	-	-
Doubtful debts recovered	(16,274)	(13,228)	-	-
Gain on disposal of plant and equipment	(149,972)	(13,156)	(7,446)	-
Gain on disposal of investment properties	(6,957,400)	-	-	-
Gain on disposal of short term fund	(4,498)	(33,986)	-	-
Loss on fair value changes in short term fund	3,189	1,777	-	-
Interest income from:				
- deposits	(1,478,360)	(1,890,055)	(65,967)	(283,402)
- subsidiaries	-	-	(16,087,822)	(12,077,392)
- others	(103,223)	(85,753)	-	-

23. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages and bonuses	43,442,001	38,492,829	17,070,267	14,808,700
Defined contribution plan - EPF	5,542,755	5,112,926	2,515,859	2,294,187
Social security cost	362,588	316,452	95,018	87,123
Less: Amount capitalised in contract assets	(2,014,265)	(1,014,385)	-	-
	47,333,079	42,907,822	19,681,144	17,190,010

Included in employee benefits expenses of the Group and of the Company are Executive Directors' remuneration amounting to RM7,123,116 (2023: RM6,333,026) and RM4,791,061 (2023: RM4,018,161) respectively as further disclosed in Note 24.

24. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive:				
Fees	40,000	40,000	-	-
Salaries and other emoluments	6,060,000	5,296,000	4,140,000	3,376,000
Defined contribution plan - EPF	1,005,290	981,300	648,090	639,540
Social security cost	17,826	15,726	2,971	2,621
	7,123,116	6,333,026	4,791,061	4,018,161
Estimated money value of benefits-in-kinds	74,837	71,312	74,837	71,312
Total Executive Directors' remuneration (including benefits-in-kinds)	7,197,953	6,404,338	4,865,898	4,089,473
Non-Executive:				
Fees	262,000	419,500	262,000	419,500
Other emoluments	7,500	10,500	7,500	10,500
Total Non-Executive Directors' remuneration	269,500	430,000	269,500	430,000
Total Directors' remuneration	7,467,453	6,834,338	5,135,398	4,519,473

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

25. TAX

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax				
Current year				
Income tax	23,084,142	15,730,571	1,857,000	406,000
Real Property Gains Tax ("RPGT")	640,169	-	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(1,155,000)	(3,504,000)	(101,000)	(88,000)
	22,569,311	12,226,571	1,756,000	318,000
(Over)/under provision of income tax in prior years	(34,076)	425,759	19,411	(5,311)
Under provision of deferred tax assets in prior years	(28,000)	(97,000)	-	(1,000)
Over provision of deferred tax liabilities in prior years	(21,000)	(21,000)	-	-
	22,486,235	12,534,330	1,775,411	311,689

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the year.

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	79,512,658	38,408,752	23,848,622	24,376,824
Taxed at Malaysian statutory tax rate of 24%	19,083,038	9,218,101	5,723,669	5,850,438
Tax effect of income subject to real property gains tax	(896,237)	-	-	-
Expenses not deductible for tax purposes	3,048,019	2,330,186	160,331	114,808
Income not subject to tax	(23,091)	(61,389)	(4,128,000)	(5,647,246)
Deferred tax asset not recognised on current year's tax losses	1,364,726	766,072	-	-
Realisation of revaluation surplus	-	(8,324)	-	-
Expenses eligible for double deduction	(7,144)	(6,180)	-	-
Special deduction for reduction of rental	-	(11,895)	-	-
Effective tax	22,569,311	12,226,571	1,756,000	318,000
Effective taxation rate	28.38%	31.83%	7.36%	1.30%

26. 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	
	2024	2023
Profit net of tax, attributable to owners of the Company (RM)	56,668,875	24,524,966
Weighted average number of ordinary shares in issue	279,418,698	279,418,698
Basic earnings per share (sen)	20.28	8.78

The earnings per share is anti-dilutive.

27. DIVIDENDS

	GROUP and COMPANY			
	Dividends in respect of Year		Dividends recognised in Year	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial year 2022:				
Final single tier dividend of 2 sen per share on 279,418,698 ordinary shares	-	-	-	5,588,374
Financial year 2023:				
Interim single tier dividend of 3 sen per share on 279,418,698 ordinary shares	-	8,382,561	-	8,382,561
Final single tier dividend of 2 sen per share on 279,418,698 ordinary shares	-	5,588,374	5,588,374	-
Financial year 2024:				
Declared on 27 March 2024 (not recognised as at 31 January 2024)				
Interim single tier dividend of 5 sen per share on 279,418,698 ordinary shares	13,970,935	-	-	-
Special single tier dividend of 13 sen per share on 279,418,698 ordinary shares	36,324,431	-	-	-
	50,295,366	13,970,935	5,588,374	13,970,935

Subsequent to the financial year end, on 27 March 2024 the Directors declared an interim single tier dividend of 5 sen per share and a special single tier dividend of 13 sen per share, amounting to a total of approximately RM50,295,366 in respect of the financial year ended 31 January 2024. This is computed based on 279,418,698 ordinary shares as at 31 January 2024 and was paid on 15 May 2024. The financial statements for the current financial year do not reflect these dividends. These dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2025.

The Directors do not propose any final dividend for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

28. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Time deposits with licensed banks	19,938,702	57,236,101	3,504,382	2,044,784
Cash and bank balances	34,960,324	29,012,532	3,409,560	4,727,441
Bank overdrafts (Note 17)	(5,949,665)	(4,859,848)	-	-
	48,949,361	81,388,785	6,913,942	6,772,225
Less: Time deposits pledged	(4,105,612)	(2,638,586)	(3,504,382)	(2,044,784)
	44,843,749	78,750,199	3,409,560	4,727,441

29. 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		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
With subsidiaries				
Interest income	-	-	(25,529,068)	(19,960,296)
Management fees	-	-	(13,561,819)	(8,801,022)
Professional services	-	-	(221,000)	(230,000)
With fellow subsidiaries of the holding company				
Estate management fees	-	69,960	-	-
Management fees	(9,910)	(9,910)	(9,910)	(9,910)
Rental income	(1,989,698)	(1,159,110)	-	-
Sales of goods	(231,656)	(1,869,483)	-	-
Sales of property, plant and equipment	-	(15,100)	-	-
Service expenses	-	26,767	-	-

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		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term employee benefits	9,304,880	8,375,866	7,330,025	6,402,761
Post employment benefits:				
Defined contribution plan - EPF	1,531,251	1,447,836	1,174,051	1,106,076
	10,836,131	9,823,702	8,504,076	7,508,837

29. RELATED PARTY DISCLOSURES (Cont'd)

(b) Compensation of key management personnel (Cont'd)

The remuneration of Directors and other members of key management during the financial year was as follows (Cont'd):

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in the total remuneration of key management personnel are:				
- Executive Directors	7,197,953	6,404,338	4,865,898	4,089,473
- Non-Executive Directors	269,500	430,000	269,500	430,000
	7,467,453	6,834,338	5,135,398	4,519,473

30. 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 (2023: 3 years).

The rental payments to be received are as follows:

	GROUP	
	2024 RM	2023 RM
Not later than one year	22,622,473	13,635,556
Later than one year but not later than two years	11,746,225	5,147,919
Later than two years but not later than three years	2,245,010	364,198
Later than three years but not later than four years	92,400	-
Total undiscounted rental income	36,706,108	19,147,673

(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	
	2024 RM	2023 RM
Future minimum rental payments:		
Not later than one year	428,962	428,962
Later than one year but not later than two years	214,481	428,962
Later than two years but not later than three years	-	214,481
Total undiscounted rental payments	643,443	1,072,405

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

31. CAPITAL COMMITMENTS

	2024 RM	GROUP 2023 RM
Contracted but not accounted for		
- Land held for development	72,700,000	9,600,000
- Property, plant and equipment	7,800,000	1,800,000
- Investment property	-	3,800,000

32. CONTINGENT LIABILITIES

	2024 RM	GROUP 2023 RM
(a) Bank guarantees Issued by licensed banks in favour of third parties		
- Secured	8,914,746	4,729,262

The bank guarantees are secured by:

- (i) A subsidiary's landbank in land held for property development as stated in Note 8;
- (ii) A subsidiary's time deposits as stated in Note 13;
- (iii) Earmarking to overdraft facilities of the subsidiaries and the Company as stated in Note 17; and
- (iv) Corporate guarantees from the Company.

	2024 RM	COMPANY 2023 RM
(b) Corporate guarantees - unsecured		
Issued to bank for facilities granted to subsidiaries	173,476,231	228,581,112
Issued to third parties for supplies of goods and services to a subsidiary	2,600,000	2,200,000
Amounts utilised:		
Issued to bank for facilities granted to subsidiaries	56,105,685	88,023,026
Issued to third parties for supplies of goods and services to a subsidiary	1,046,461	545,446

An unsecured corporate guarantee was issued to a third party to guarantee the due performance of a subsidiary under a construction contract amounting to RM17.6 million and to indemnify the third party against all losses and damages suffered by the third party by reason of any default or breach on the part of the said subsidiary in performing and observing its obligations pursuant to the said contract ("the Losses"). The liability under this corporate guarantee is limited to 60.20% of the Losses.

33. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their product and services, and has four reportable operating segments as follows:

- (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.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

33. SEGMENTAL INFORMATION (Cont'd)

(a) Business segments

GROUP	Property development and construction		Manufacturing and trading		Property investment		Services and others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue										
Total revenue	237,694,146	137,573,660	63,639,792	52,515,931	11,343,086	10,232,240	53,482,577	44,670,402	366,159,601	244,992,233
Inter-segment sales	(3,882,117)	(17,914,408)	(7,150,057)	(2,329,159)	-	-	(13,782,819)	(9,031,022)	(24,814,993)	(29,274,589)
External sales	233,812,029	119,659,252	56,489,735	50,186,772	11,343,086	10,232,240	39,699,758	35,639,380	341,344,608	215,717,644
Results										
Segment results	81,225,831	48,539,736	2,348,450	2,785,717	13,296,973	6,959,320	20,232,986	13,325,458	117,104,240	71,610,231
Inter-segment eliminations									(19,545,238)	(15,892,095)
Segment results (external)									97,559,002	55,718,136
Unallocated expenses									(5,799,357)	(5,161,988)
Finance cost									(12,246,987)	(12,147,396)
Profit before tax									79,512,658	38,408,752
Tax									(22,486,235)	(12,534,330)
Profit after tax									57,026,423	25,874,422
Other Information										
Segment assets	1,029,925,801	884,123,548	94,470,486	84,370,061	299,112,170	302,267,082	121,703,737	118,862,692	1,545,212,194	1,389,623,383
Unallocated assets									895,319	3,310,344
Total assets									1,546,107,513	1,392,933,727
Segment liabilities	322,588,887	235,768,551	34,572,452	25,555,452	120,771,125	118,179,346	27,314,588	29,108,418	505,247,052	408,611,767
Unallocated liabilities									7,455,043	2,790,986
Total liabilities									512,702,095	411,402,753
Capital expenditure	2,789,513	765,983	2,383,310	919,037	4,080,194	17,109,578	6,056,905	2,085,306	15,309,922	20,879,904
Depreciation	1,217,534	1,035,436	1,192,096	1,287,934	2,925,058	2,728,232	4,191,941	3,930,701	9,526,629	8,982,303

33. SEGMENTAL INFORMATION (Cont'd)

(b) Geographical segments

The Group does not identify segments by geographical location as it operates only in Malaysia.

The Group's revenue from external customers by geographical location of customers are solely derived from Malaysia.

The Group's capital expenditure and segments assets are incurred and located in Malaysia.

34. 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	
	2024 RM	2023 RM	2024 RM	2023 RM
(i) Debt instruments measured at amortised cost				
Trade and other receivables	120,404,407	43,169,721	602,779,467	515,379,242
Cash and bank balances	54,899,026	86,248,633	6,913,942	6,772,225
	175,303,433	129,418,354	609,693,409	522,151,467
(ii) Financial liabilities carried at amortised cost				
Trade and other payables	103,696,880	74,318,595	8,050,301	6,580,523
Loans and borrowings	348,871,337	285,072,068	300,000,000	200,000,000
	452,568,217	359,390,663	308,050,301	206,580,523
(iii) Financial liabilities designated as effective hedging instruments carried at fair value				
Derivatives	4,303	52,191	-	-
(iv) Financial assets measured at fair value through profit or loss				
Short term fund	-	504,383	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

34. FINANCIAL INSTRUMENTS (Cont'd)**(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)	10
Payables (current)	19
Loans and borrowings (current and non-current)	17

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.

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				
2024				
Derivatives:				
- Interest rate swap	(4,303)	-	(4,303)	-
2023				
Derivatives:				
- Interest rate swap	(52,191)	-	(52,191)	-
- Short term fund	504,383	504,383	-	-

There were no transfers between the various categories in the hierarchy of fair value measurement during the reporting periods ended 31 January 2024 and 31 January 2023.

35. 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 2024 and 31 January 2023.

36. 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.

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 32.

The Company has assessed the corporate guarantee contracts and concluded that the guarantees are not likely to be called upon by the respective counterparties and accordingly did not recognise the guarantees as financial liabilities as at the reporting date.

The Group's concentration of credit risk arose from exposure to 6 (2023: 3) customers who comprise 46% (2023: 37%) 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 10. 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 10.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)**(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.

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 the Company for managing liquidity risk included short term funds, cash and short term deposits and borrowings as disclosed in Notes 12, 13 and 17.

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
2024				
GROUP				
Financial liabilities:				
Payables	103,696,880	-	-	103,696,880
Loans and borrowings	128,662,967	261,195,655	90,861	389,949,483
Derivative financial liabilities	4,303	-	-	4,303
Total undiscounted financial liabilities	232,364,150	261,195,655	90,861	493,650,666
COMPANY				
Financial liabilities:				
Payables	8,050,301	-	-	8,050,301
Loans and borrowings	81,678,333	258,774,917	-	340,453,250
Total undiscounted financial liabilities	89,728,634	258,774,917	-	348,503,551
2023				
GROUP				
Financial liabilities:				
Payables	74,318,595	-	-	74,318,595
Loans and borrowings	79,445,101	186,462,939	51,755,927	317,663,967
Derivative financial liabilities	-	52,191	-	52,191
Total undiscounted financial liabilities	153,763,696	186,515,130	51,755,927	392,034,753
COMPANY				
Financial liabilities:				
Payables	6,580,523	-	-	6,580,523
Loans and borrowings	8,320,000	170,644,167	51,105,000	230,069,167
Total undiscounted financial liabilities	14,900,523	170,644,167	51,105,000	236,649,690

36. 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 are denominated is mainly Singapore Dollar ("SGD").

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 47% (2023: 61%) 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 (2023: 25) basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM276,000 (2023: RM64,000) 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.

At the reporting date, if interest rates had been 25 (2023: 25) basis points lower/higher, with all other variables held constant, the Company's profit net of tax would have been RM580,000 (2023: RM609,000) lower/higher, arising mainly as a result of lower/higher interest income from bank balances, deposits with financial institutions and amount owing by subsidiaries, offset by lower/higher interest expenses on floating rate loans and borrowings.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

37. SIGNIFICANT EVENTS

- (a) On 12 September 2023, a subsidiary of the Company, Crescendo Landmark Sdn. Bhd. entered into a conditional sale and purchase agreement ("SPA") for the purchase of land amounting to RM72,000,000. This SPA was subsequently completed on 4 April 2024.
- (b) A wholly-owned subsidiary of the Company, Panoramic Industrial Development Sdn. Bhd. ("PIDSB"):
 - i. On 7 November 2023 entered into two separate conditional sale and purchase agreements ("SPA") for the disposal of freehold vacant lands for a total cash consideration of RM117,020,709. One of the SPA with sales consideration of RM30,082,071 was completed on 15 April 2024.
 - ii. On 15 November 2023 entered into a conditional SPA for the disposal of freehold vacant lands for a total cash consideration of up to RM112,773,950.22 when certain condition of the SPA is met. The SPA was completed on 8 May 2024.
 - iii. On 17 November 2023 entered into a conditional SPA for the disposal of freehold vacant lands for a total cash consideration of RM315,165,648.67. The SPA was completed on 21 February 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

38. EVENTS AFTER THE REPORTING PERIOD

- (a) A wholly-owned subsidiary of the Company, Crescendo Landmark Sdn. Bhd. ("CLMSB") had on 8 February 2024 increased its issued and fully paid-up capital from RM2.00 consisting of 2 ordinary shares to RM2,000,000 consisting of 2,000,000 ordinary shares. As a result, CLMSB is now a 99% owned subsidiary of the Company.
- (b) On 1 March 2024, a subsidiary of the Company, Unibase Quarry Industries Sdn. Bhd. entered into a contractor agreement with a third party for the third party to operate a quarry on certain property classified under right-of-use assets.
- (c) On 4 April 2024, a wholly-owned subsidiary of the Company, Panoramic Industrial Development Sdn. Bhd. entered into a conditional SPA for the disposal of freehold vacant lands for a total cash consideration of RM132,471,276. The SPA became unconditional in accordance with its terms and conditions on 13 May 2024.

39. MATERIAL LITIGATION

There was no material litigation since the date of the last annual statement of financial position except for the following:

1. JOHOR BAHRU HIGH COURT CIVIL SUIT NO. JA-22NCVC-52-04/2023

On 27 April 2023, Crescendo Education Sdn. Bhd. ("CESB"), Crescendo International College Sdn. Bhd. ("CICSB") and 5 others (collectively "the Plaintiffs") commenced an action against KTC Human Resource Consultants Sdn. Bhd. ("KTC"), Chong Chai Pin ("CCP") and Allan Gan Chee Haur ("AGCH") (collectively "the Defendants") by way of a Writ of Summons endorsed with a Statement of Claim in the Johor Bahru High Court. The causes of action pleaded by the Plaintiffs were defamation, malicious falsehood and conspiracy to injure by unlawful means, in relation to the publication of the contents of the six letters shared to University of London, United Kingdom ("UOL") on 15 November 2022.

The orders and reliefs sought were, among others, an interim injunction that the Defendants are restrained from repeating The Impugned Words (as defined in the Statement of Claim) until this judgment, and a permanent injunction to that effect from the date of this judgment, an order that the Defendants shall to write UOL to retract the said e-mail dated 15 November 2022 (including its attachments) and apologise to UOL, general damages, and special, aggravated and exemplary damages in the sum of approximately RM51.5 million.

In September 2023, two interlocutory applications were filed by the Defendants, which have been dealt with as follows: -

- (i) On 11 September 2023, AGCH filed an application to cease to be a party to the suit. At the hearing of the application on 11 December 2023, the court dismissed the application with costs of RM3,000.00. AGCH remains as a defendant in this suit.
- (ii) On 21 September 2023, CCP and KTC filed an application to amend their defence. As agreed between the parties and directed by the court, the Defendants filed its amended defence. Accordingly, the Plaintiffs had filed an amended reply to the amended defence.

At the case management on 2 May 2024, the parties were directed to complete the filing of the pre-trial documents by 5 June 2024 on which there will be a case management to update the court on the same.

Trial is scheduled to be held on 9 March 2025 to 12 March 2025 at the Johor Bahru High Court.

The Plaintiffs have been advised that they have a reasonable prospect of succeeding in their claim against the Defendants for defamation, among others.

39. MATERIAL LITIGATION (Cont'd)

2. JOHOR BAHRU HIGH COURT CIVIL SUIT NO. JA-22NCVC-3-01/2024

KTC and CCP (collectively “The Plaintiffs for the 2nd Suit”) commenced an action against CESB, CICSB and 7 others (collectively “the Defendants for the 2nd Suit”) by way of an Originating Summons dated 14 September 2023 in the Johor Bahru High Court pursuant to Section 346 of the Companies Act 2016.

The Originating Summons was filed for, among others, an interim injunction order that the Defendants for the 2nd Suit are restrained from continuing the construction works of the second wing of the college building of Crescendo International College until the disposal of the proceedings of this action, general damages and exemplary and/or compensatory damages as assessed by the court.

On 10 November 2023, an application was filed on behalf of the Defendants for the 2nd Suit for an order that the Originating Summons be continued as if the action had been begun by a Writ of Summons and further directions be given as to the conduct of the action thereto, among others. At the hearing of the application on 20 December 2023, the application was allowed by the court.

Following the court’s order on 20 December 2023, the parties have filed their pleadings under the Writ of Summons action.

The Plaintiffs for the 2nd Suit, through a Statement of Claim filed, has sought for, among others, the following orders and reliefs:-

- (i) that CICSB be wound up by the Court under the provisions of the Companies Act 2016;
- (ii) that the Official Receiver of Malaysia can be appointed as the liquidator for CICSB;
- (iii) interim injunction orders to restrain the Defendants for the 2nd Suit from continuing the construction works of the Second Wing which is being carried out on No. 3, Jalan Lebu Cemerlang, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor, PTD 204100 and from issuing any payment of money from any bank accounts of the Defendants for the 2nd Suit for the said construction works until the disposal of the proceedings of this action;
- (iv) an order for a special audit process held through the appointment of an independent auditor proposed by the Plaintiffs for the 2nd Suit in relation to the issue of building costs, the amount of rent charged by CESB to CICSB and bank loan payment interest for construction works of the Second Wing; and
- (v) all loss of profit and loss of opportunity for CICSB and KTC to generate profits for CICSB and KTC on the dealings of the purchase of land from UEM Land Bhd and the purchase of land from Danga Bay project that has caused CICSB loss of profits to be interpreted and paid to the Plaintiffs for the 2nd Suit.

The next case management is fixed on 19 June 2024 at which the parties will obtain pre-trial directions from the court.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 January 2024 (Cont'd)

39. MATERIAL LITIGATION (Cont'd)

3. JOHOR BAHRU HIGH COURT CIVIL SUIT NO. JA-22NCVC-6-01/2024

CESB commenced an action against KTC and CICSB by way of Writ of Summons dated 24 January 2024 and Amended Statement of Claim dated 1 February 2024 in the Johor Bahru High Court, claiming for, among others, the following orders and reliefs:

- (i) a declaration that KTC had breached the Joint Venture Agreement dated 11 December 1998 (“JVA”) between CESB and KTC;
- (ii) an order for specific performance that KTC shall sell and transfer their 350,000 shares in CICSB to CESB at the price of RM2,079,000 within 7 days of the judgment;
- (iii) an order for specific performance that KTC shall take all the necessary action to sell and transfer its 350,000 shares in CICSB to CESB; and
- (iv) an order for specific performance as against CICSB to take all the necessary action to recognise the sale and transfer of KTC’s 350,000 shares in CICSB to CESB, and to reflect the same in all of its relevant official records and documents including informing third parties of the same.

CICSB is named as defendant in this suit because its shares form the subject matter of this suit and it is necessary for the orders made by the court to bind it directly.

On 6 February 2024, CESB filed an application for a summary judgment pursuant to Order 81, Rule 1 of the Rules of Court, 2012 (“Order 81 Application”).

Subsequently, KTC filed an application supported by an affidavit affirmed by CCP (“Stay Application”) to stay the proceedings of the Writ action and the Order 81 Application until the disposal of the Stay Application on the basis that the disputes between the parties concerning the JVA should be referred to arbitration.

On 6 May 2024, KTC through their solicitors wrote to court proposing that parties resolve the issues through mediation and asked for a stay of all the proceedings under this suit pending the outcome of the proposed mediation.

Following the court’s directions at the case management on 13 May 2024, the parties are in the midst of filing their respective affidavits and written submissions for the Order 81 Application and the Stay Application. The hearing for the Order 81 Application is fixed on 25 June 2024. The court will fix a date for the hearing of the Stay Application and give directions in regard to KTC’s proposal for mediation after the Order 81 Application has been heard and decided on.

CESB has been advised that they have a reasonable prospect of succeeding against the Defendants for an order for specific performance in respect of the sale and transfer of KTC’s shares in CICSB to CESB.

ANALYSIS OF SHAREHOLDINGS

As at 25 April 2024

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	33	0.69	869	0.00
100 to 1,000 shares	2,222	46.79	2,045,524	0.73
1,001 to 10,000 shares	1,756	36.98	7,293,680	2.61
10,001 to 100,000 shares	608	12.80	19,083,750	6.83
100,001 to less than 5% of shares	129	2.72	59,260,213	21.21
5% and above of shares	1	0.02	191,734,662	68.62
Total	4,749	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. Heng Peng Heng	2,067,000	0.74
7. Lim Kuan Gin	1,902,700	0.68
8. Gooi Seow Mee	1,704,392	0.61
9. Pacific Trustees Berhad – Exempt an for ET Smart Wealth Sdn. Bhd. (Clients' Account)	1,598,400	0.57
10. UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. – Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	1,415,452	0.51
11. Cheah Kek Ding @ Chea Kek Ding	1,190,000	0.43
12. Heng Peng Hong	1,172,000	0.42
13. CIMSEC Nominees (Tempatan) Sdn. Bhd. – CIMB for Siow Wong Yen @ Siow Kwang Hwa (PB)	1,000,000	0.36
14. Gan Teng Siew Realty Sdn. Berhad	1,000,000	0.36

ANALYSIS OF SHAREHOLDINGS

As at 25 April 2024 (Cont'd)

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

Name of Shareholders	No. of Shares Held	% of Total Number of Issued Shares
15. Loh Boon Hong	889,300	0.32
16. Lim Khuan Eng	870,000	0.31
17. Citigroup Nominees (Tempatan) Sdn. Bhd. – Exempt an for Bank of Singapore Limited (Local)	800,000	0.29
18. Chua Lee Seng	795,000	0.28
19. CGS International Nominees Malaysia (Asing) Sdn. Bhd. – Exempt an for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	734,300	0.26
20. CIMB Group Nominees (Tempatan) Sdn. Bhd. – Exempt an for DBS Bank Ltd (SFS-PB)	711,452	0.25
21. Maybank Nominees (Tempatan) Sdn. Bhd. – Heng Peng Heng	638,000	0.23
22. Tan Liew Cheun	620,000	0.22
23. RHB Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Hilary Fernandez	600,000	0.21
24. Pang Chee Chiang	571,300	0.20
25. Citigroup Nominees (Asing) Sdn. Bhd. – Exempt an for UBS AG Singapore (Foreign)	560,300	0.20
26. Gooi Seong Chneh	551,000	0.20
27. Loh Lai Kim	541,400	0.19
28. Maybank Nominees (Tempatan) Sdn. Bhd. – Jincan Sdn. Bhd.	538,000	0.19
29. CIMSEC Nominees (Tempatan) Sdn. Bhd. – CIMB for Lee Keng Hong (PB)	500,000	0.18
30. LTK (Melaka) Sdn. Bhd.	463,200	0.17
TOTAL	230,915,523	82.64

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	1,300,452 ^(a)	196,063,786 ^(b)	0.47	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	40,000 ^(h)	192,148,114 ^(f)	0.01	68.77
Wilgain Prosperity Sdn. Bhd.	–	192,148,114 ^(g)	–	68.77
Eternal Profits Worldwide Sdn. Bhd.	–	192,148,114 ^(g)	–	68.77
Ascendant Capital Sdn. Bhd.	–	192,148,114 ^(g)	–	68.77
SG Gooi Holdings Sdn. Bhd.	–	192,148,114 ^(g)	–	68.77

DIRECTORS' SHAREHOLDINGS

(As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	Shareholdings	%	Shareholdings	%
Gooi Seong Lim	1,300,452 ^(a)	0.47	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	40,000 ^(h)	0.01	192,148,114 ^(f)	68.77
Chew Ching Chong	10,000	0.00	–	–
Yong Chung Sin	–	–	–	–
Soh Ban Ting	–	–	–	–
Gooi Khai Shin	–	–	3,775,672 ⁽ⁱ⁾	1.35
Gooi Chuen Howe	–	–	–	–

Notes:-

^(a) 1,300,452 shares held in bare trust by UOB Kay Hian Nominees (Tempatan) Sdn. Bhd.

^(b) Deemed interest by virtue of his interest in Wilgain Prosperity Sdn. Bhd. which in turn has an 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 Eternal Profits Worldwide Sdn. Bhd. which in turn has an 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 his interest in Ascendant Capital Sdn. Bhd. which in turn has an interest in SKL which holds 192,148,114 shares.

^(f) Deemed interest by virtue of his interest in SG Gooi Holdings Sdn. Bhd. which in turn has an interest in SKL which holds 192,148,114 shares.

^(g) Deemed interest by virtue of their interest in SKL which holds 192,148,114 shares.

^(h) 40,000 shares held in bare trust by DB (Malaysia) Nominee (Tempatan) Sdn. Bhd.

⁽ⁱ⁾ 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 2024 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	10.42 ^(a)	12,064
	Industrial plots (completed)	Freehold (6 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	201.64 ^(a)	149,512
	Industrial plots (completed)	Freehold (11 to 13 years)	22 Jul 2005 to 30 Dec 2009	5.91 ^(a)	14,362
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	9.08 ^(a)	3,805
	Industrial plots (completed)	Freehold (17 to 22 years)	18 Nov 1996	9.91 ^(a)	10,902
4. Desa Cemerlang Mukim of Plentong, Johor Bahru, Johor.	Mixed residential and commercial (development-in-progress)	Freehold	18 Nov 1996	47.54 ^(a)	34,019
	Residential plots (completed)	Freehold (14 to 17 years)	18 Nov 1996	12.58 ^(a)	22,308
5. Bandar Cemerlang Mukim of Tebrau, Johor Bahru, Johor.	Mixed residential and commercial (development-in-progress)	Freehold	26 Jun 2001	596.11 ^(a)	190,604
	Oil palm estate (approved for residential and commercial development)	Freehold	26 Jun 2001	128.41 ^(a)	15,024
	Residential and commercial plots (completed)	Freehold (1 to 5 years)	26 Jun 2001	8.35 ^(a)	17,045
PTD 31034, 31035 and 31037, Mukim and District of Kota Tinggi, Johor.	Oil palm estate (approved for industrial development)	Freehold	26 Jun 2001	526.21	65,718
PTD 49031, 49032, 49033 and 49034 Mukim and District of Kota Tinggi, Johor.	Oil palm estate	Freehold	8 Dec 2023	109.87	74,881

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 2024 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	8.85 ^(a)	14,845
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	214.00 ^(a)	167,044
	Residential plots (completed)	Freehold (1 year)	30 Aug 2006	0.99 ^(a)	600
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 (zoned for mixed development) ^(b)	Freehold	(24 Jan 2005)	794.43	44,789
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	1,855
Properties Held by Crescendo Education Sdn. Bhd.					
10. PTD 240100, (Formerly PTD 204446) Desa Cemerlang.	Private college building	Freehold (12 years)	(1 Feb 2011)	2.74	11,422
	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 (7 years)	25 Jan 2017	Not applicable	23,838
	Multi purpose hall ^(c)	Freehold (6 years)	12 Apr 2018	Not applicable	12,442

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 2024 RM'000
Properties Held by Panoramic Land Sdn. Bhd.					
13. 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 (8 to 11 years)	(1 Feb 2017)	25.10	221,397
14. Lot 150579, Lot 150580 and PTD 182005, Mukim of Pulai, Johor Bahru, Johor.	Factory buildings (completed)	Freehold (1 year)	17 Dec 2014	7.22	38,734
15. Lot 150574, Lot 150583 and Lot 150585, Mukim of Pulai, Johor Bahru, Johor.	Vacant land for factory buildings	Freehold	17 Dec 2014	15.45	27,847
Properties Held by Unibase Concrete Industries Sdn. Bhd.					
16. 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
17. 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.					
18. GM 2010 Lot 1350, GM 1969 Lot 1351 and GM 1968 Lot 1352, Mukim Jeram Batu, Pontian, Johor.	Vacant industrial land	Freehold	24 Jul 2013	31.43	15,866
Properties Held by Unibase Quarry Industries Sdn. Bhd.					
19. 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	3,641

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 2024. The conversion factors from gross to net saleable freehold land area are as follows:

Property No.	Conversion Factor
1	0.6996
2	0.9558
3	0.6994
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 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.

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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-eighth Annual General Meeting of the Company to be held at the Junior Ballroom, Level 11, DoubleTree by Hilton, No. 12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim on Wednesday, 3 July 2024 at 2.00 p.m. and at any adjournment thereof in the manner as indicated below:–

No.	Ordinary Resolution	For	Against
1.	Payment of Directors' fees		
2.	Payment of Directors' benefits		
3.	Re-election of Director : Mr. Gooi Seong Chneh		
4.	Re-election of Director : Mr. Gooi Seong Gum		
5.	Re-appointment of Auditors		
6.	Authority to allot and issue shares		
7.	Proposed Renewal of Authority for Share Buy-Back		
8.	Retention of Independent Non-Executive Director: Mr. Chew Ching Chong		

(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 _____ 2024

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 26 June 2024 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.

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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



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199501030544 (359750-D)

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