

**CRESCENDO CORPORATION BERHAD**  
(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.10.2018  RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.10.2017 (Restated) RM'000	CURRENT YEAR TO-DATE 31.10.2018  RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.10.2017 (Restated) RM'000
Revenue	69,411	71,174	218,776	205,963
Cost of sales	(44,591)	(49,763)	(158,029)	(140,924)
<b>Gross profit</b>	<b>24,820</b>	<b>21,411</b>	<b>60,747</b>	<b>65,039</b>
Other income	3,985	3,095	11,423	8,866
Administration expenses	(8,452)	(8,363)	(25,575)	(23,037)
Finance costs	(2,957)	(2,375)	(8,101)	(6,962)
<b>Profit before tax</b>	<b>17,396</b>	<b>13,768</b>	<b>38,494</b>	<b>43,906</b>
Tax expenses	(4,873)	(3,391)	(8,722)	(10,920)
<b>Profit for the period</b>	<b>12,523</b>	<b>10,377</b>	<b>29,772</b>	<b>32,986</b>
<b>Other comprehensive income, net of tax</b>				
Net movement on cash flow hedges	1,746	(735)	2,975	(3,549)
Tax relating to cash flow hedges	(419)	177	(714)	852
<b>Total other comprehensive income for the period, net of tax</b>	<b>1,327</b>	<b>(558)</b>	<b>2,261</b>	<b>(2,697)</b>
<b>Total comprehensive income for the period</b>	<b>13,850</b>	<b>9,819</b>	<b>32,033</b>	<b>30,289</b>
<b>Profit attributable to:</b>				
Owners of the Company	11,974	9,673	26,205	30,812
Non-controlling interests	549	704	3,567	2,174
	<b>12,523</b>	<b>10,377</b>	<b>29,772</b>	<b>32,986</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	13,297	9,111	28,459	28,106
Non-controlling interests	553	708	3,574	2,183
	<b>13,850</b>	<b>9,819</b>	<b>32,033</b>	<b>30,289</b>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	4.29	3.46	9.38	11.03

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CRESCENDO CORPORATION BERHAD**  
(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 31.10.2018  RM'000	AS AT 31.1.2018 (Restated) RM'000	AS AT 1.2.2017 (Restated) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	150,426	150,502	139,267
Land use rights	5,430	5,668	5,986
Bearer plants	2,772	1,577	1,149
Investment properties	281,922	283,968	286,696
Other investment	16,582	18,231	19,730
Land held for property development	584,065	585,346	569,209
Deferred tax assets	33,090	26,019	21,062
Derivative financial assets	16,251	13,628	22,433
	<u>1,090,538</u>	<u>1,084,939</u>	<u>1,065,532</u>
<b>Current assets</b>			
Property development costs	93,381	114,737	92,579
Inventories	91,852	69,480	78,473
Trade and other receivables	59,975	74,766	81,498
Other current assets	21,110	20,075	20,252
Tax recoverable	2,582	1,407	1,879
Cash and bank balances	68,805	55,569	58,561
	<u>337,705</u>	<u>336,034</u>	<u>333,242</u>
<b>TOTAL ASSETS</b>	<u>1,428,243</u>	<u>1,420,973</u>	<u>1,398,774</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	299,572	299,572	280,462
Share premium	-	-	19,110
Treasury shares	(3,115)	(3,115)	(3,115)
Other reserves	12,012	9,758	15,900
Retained earnings	578,018	568,578	553,158
	<u>886,487</u>	<u>874,793</u>	<u>865,515</u>
<b>Non-controlling interests</b>	<u>47,730</u>	<u>44,558</u>	<u>44,389</u>
<b>Total equity</b>	<u>934,217</u>	<u>919,351</u>	<u>909,904</u>
<b>Non-current liabilities</b>			
Loans and borrowings	273,246	290,058	282,408
Deferred tax liabilities	30,779	30,237	33,192
Derivative financial liabilities	1,039	1,391	2,140
	<u>305,064</u>	<u>321,686</u>	<u>317,740</u>
<b>Current liabilities</b>			
Trade and other payables	108,225	120,279	119,617
Other current liabilities	175	47	55
Loans and borrowings	67,127	56,161	47,548
Tax payable	5,052	3,448	3,910
Dividend payable	8,383	-	-
	<u>188,962</u>	<u>179,935</u>	<u>171,130</u>
<b>Total liabilities</b>	<u>494,026</u>	<u>501,621</u>	<u>488,870</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,428,243</u>	<u>1,420,973</u>	<u>1,398,774</u>
Net assets per share (RM)	<u>3.17</u>	<u>3.13</u>	<u>3.10</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2018 and the accompanying explanatory notes attached to the interim financial statements.

# CRESCENDO CORPORATION BERHAD

(Company No. : 359750-D)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →							Non- Controlling Interests RM'000
	← Non-distributable →			← Distributable →				
	Total Equity RM'000	Total RM'000	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000	
<b>9 months ended 31 October 2018</b>								
<b>Balance as at 1 February 2018</b>	967,282	922,724	299,572	-	79,625	546,642	(3,115)	44,558
Effect of adoption of the MFRS framework	(47,931)	(47,931)	-	-	(69,867)	21,936	-	-
<b>Balance as at 1 February 2018 (Restated)</b>	919,351	874,793	299,572	-	9,758	568,578	(3,115)	44,558
<b>Total comprehensive income</b>	32,033	28,459	-	-	2,254	26,205	-	3,574
<b>Transactions with owners</b>								
Dividend paid to non-controlling interest	(402)	-	-	-	-	-	-	(402)
Dividends	(16,765)	(16,765)	-	-	-	(16,765)	-	-
Total transactions with owners	(17,167)	(16,765)	-	-	-	(16,765)	-	(402)
<b>Balance as at 31 October 2018</b>	934,217	886,487	299,572	-	12,012	578,018	(3,115)	47,730
<b>9 months ended 31 October 2017</b>								
<b>Balance as at 1 February 2017</b>	954,953	910,564	280,462	19,110	85,767	528,340	(3,115)	44,389
Effect of adoption of the MFRS framework	(45,049)	(45,049)	-	-	(69,867)	24,818	-	-
<b>Balance as at 1 February 2017 (Restated)</b>	909,904	865,515	280,462	19,110	15,900	553,158	(3,115)	44,389
<b>Total comprehensive income</b>	30,289	28,106	-	-	(2,706)	30,812	-	2,183
<b>Transactions with owners</b>								
Acquisition of interest in a subsidiary	(1,883)	57	-	-	-	57	-	(1,940)
Dividends	(16,765)	(16,765)	-	-	-	(16,765)	-	-
Total transactions with owners	(18,648)	(16,708)	-	-	-	(16,708)	-	(1,940)
<b>Balance as at 31 October 2017 (Restated)</b>	921,545	876,913	280,462	19,110	13,194	567,262	(3,115)	44,632

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CRESCENDO CORPORATION BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 MONTHS ENDED</b>	
	<b>31.10.2018</b>	<b>31.10.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	232,177	213,191
Cash paid to suppliers and employees	(170,688)	(167,965)
Cash generated from operations	<u>61,489</u>	<u>45,226</u>
Deposit interest received	1,247	1,199
Interest paid	(13,911)	(12,707)
Tax paid	(15,537)	(10,391)
Net cash from operating activities	<u>33,288</u>	<u>23,327</u>
<b>Cash flows from investing activities</b>		
Acquisition of bearer plants, land use rights and property, plant and equipment	(7,589)	(19,564)
Acquisition of additional shares in a subsidiary	-	(1,883)
Acquisition of other investment	-	(574)
Capital realisation from investment	2,052	1,012
Pledge of time deposits	(6)	(6)
Proceeds from disposal of plant and equipment	114	52
Net cash used in investing activities	<u>(5,429)</u>	<u>(20,963)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	23,512	31,190
Repayment of loans and borrowings	(27,726)	(24,365)
Dividend paid	(8,383)	(8,383)
Dividend paid to non-controlling interest	(402)	-
Net cash used in financing activities	<u>(12,999)</u>	<u>(1,558)</u>
<b>Net increase in cash and cash equivalents</b>	14,860	806
<b>Cash and cash equivalents at the beginning of the financial period</b>	43,075	41,190
<b>Cash and cash equivalents at the end of the financial period</b>	<u>57,935</u>	<u>41,996</u>
<b>Cash and cash equivalents at the end of the financial period</b>		
Deposits with licensed banks	23,035	15,492
Cash and bank balances	45,770	37,348
Bank overdrafts	(6,266)	(6,248)
	<u>62,539</u>	<u>46,592</u>
Time deposits pledged	(4,604)	(4,596)
	<u>57,935</u>	<u>41,996</u>

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2018 and the accompanying explanatory notes attached to the interim financial statements.

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**PART A - EXPLANATORY NOTES**

**A1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2018 which were prepared under Financial Reporting Standards ("FRS"). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2018.

The Group is adopting the MFRS framework for the current financial period beginning 1 February 2018 and MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards has been applied. The Group has consistently applied the same accounting policies in its opening MFRS Statement of Financial Position as at 1 February 2017, being the transition date, and throughout all comparable interim financial statements presented, as if these policies had always been in effect.

A number of new standards and amendments to Standards and Issues Committee ("IC") Interpretations are effective for the current financial period beginning 1 February 2018. None of these is expected to have a significant effect on the consolidated financial statements of the Group except for the following set out below:

- (a) MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
- (b) MFRS 15: Revenue from Contracts with Customers

Based on the assessment undertaken to date, the Group does not expect any significant change in revenue being recognised arising from the adoption of MFRS 15.

In accordance with the exemption in MFRS 1, the Group has elected to measure freehold land and investment properties at fair value as at 1 February 2011 and 1 February 2017 respectively as their deemed cost as at that date. The impact to the Group's reported Financial Position and Comprehensive Income are as follows:

	As previously reported (FRS) RM'000	Effect of restatement RM'000	As restated (MFRS) RM'000
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>			
<b>As at 1.2.2017</b>			
Property, plant and equipment	167,587	(28,320)	139,267
Deferred tax assets	22,162	(1,100)	21,062
Revaluation reserve	(69,867)	69,867	-
Retained earnings	(528,340)	(24,818)	(553,158)
Deferred tax liabilities	(17,563)	(15,629)	(33,192)
<b>As at 31.1.2018</b>			
Property, plant and equipment	178,822	(28,320)	150,502
Investment properties	287,245	(3,277)	283,968
Deferred tax assets	27,119	(1,100)	26,019
Revaluation reserve	(69,867)	69,867	-
Retained earnings	(546,642)	(21,936)	(568,578)
Deferred tax liabilities	(15,004)	(15,233)	(30,237)

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	As previously reported (FRS) RM'000	Effect of restatement RM'000	As restated (MFRS) RM'000
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>Preceding year corresponding quarter ended 31.10.2017</b>			
Cost of sales	(49,081)	(682)	(49,763)
Gross profit	22,093	(682)	21,411
Profit before tax	14,450	(682)	13,768
Tax expenses	(3,483)	92	(3,391)
Profit for the period	10,967	(590)	10,377
Total comprehensive income for the period	10,409	(590)	9,819
Profit attributable to Owners of the Company	10,263	(590)	9,673
Total comprehensive income attributable to Owners of the Company	9,701	(590)	9,111
Basic earnings per share (sen)	3.67	(0.21)	3.46
<b>Preceding year corresponding period ended 31.10.2017</b>			
Cost of sales	(138,878)	(2,046)	(140,924)
Gross profit	67,085	(2,046)	65,039
Profit before tax	45,952	(2,046)	43,906
Tax expenses	(11,196)	276	(10,920)
Profit for the period	34,756	(1,770)	32,986
Total comprehensive income for the period	32,059	(1,770)	30,289
Profit attributable to Owners of the Company	32,582	(1,770)	30,812
Total comprehensive income attributable to Owners of the Company	29,876	(1,770)	28,106
Basic earnings per share (sen)	11.66	(0.63)	11.03

The Group has not elected for early adoption of the following new and amended MFRSs and IC Interpretations relevant to the current operations of the Group, which were issued but not yet effective for the financial year ending 31 January 2019:

	Effective for financial periods beginning on or after
Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 Jan 2019
MFRS 16 Leases	1 Jan 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 Jan 2019
Amendments to MFRS 3 Definition of a Business	1 Jan 2020
Amendments to MFRS 101 Definition of Material	1 Jan 2020
Amendments to MFRS 108 Definition of Material	1 Jan 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 Jan 2020
Amendments to MFRS 10 and MFRS128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

**A2 Audit qualification**

The auditor's report of the preceding annual financial statements of the Group did not contain any qualification.

**A3 Seasonal or cyclical factors**

There were no significant seasonal factors affecting the operations of the Group. However, the economic cyclical factors will have an impact on property development and construction sector.

**A4 Unusual items**

There were no unusual items that have material effects on the assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

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**A5 Material changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**A6 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the nine months ended 31 October 2018.

**A7 Dividends paid**

The dividend paid during the nine months ended 31 October 2018 was a final single tier dividend of 3 sen per ordinary share in respect of financial year 2018, paid on 29 August 2018.

**A8 Segmental information**

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	9 months ended		9 months ended	
	31.10.2018	31.10.2017	31.10.2018	31.10.2017
	RM'000	RM'000	RM'000	Restated RM'000
Property development and construction	161,631	156,463	38,758	45,290
Manufacturing and trading	43,715	41,558	4,616	4,803
Property investment	2,849	1,308	(236)	(1,486)
Education, management services and others	29,610	23,802	14,553	12,688
	<u>237,805</u>	<u>223,131</u>	<u>57,691</u>	<u>61,295</u>
Inter-segment eliminations	(19,029)	(17,168)	(8,936)	(8,076)
	<u>218,776</u>	<u>205,963</u>	<u>48,755</u>	<u>53,219</u>
Unallocated expenses			(2,160)	(2,351)
Finance costs			(8,101)	(6,962)
			<u>38,494</u>	<u>43,906</u>

**A9 Valuation of non-current assets**

The valuations of property, plant and equipment and investment properties stated in the previous annual financial statements have been brought forward without amendment except for the transition adjustments from FRS to MFRS as shown in note A1.

**A10 Material subsequent events**

As at 21 December 2018, there were no subsequent material events that have not been reflected in the financial statements for the current financial period.

**A11 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations.

**A12 Contingent liabilities**

The contingent liabilities of the Group as at 21 December 2018 which comprise Bankers' guarantees issued by financial institutions in favour of third parties are as follows:-

	RM'000
Secured	30,574
Unsecured	-
	<u>30,574</u>

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**PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1 Financial review for current quarter and financial year to date**

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Corresponding Quarter		To-date	Corresponding Period	
	31.10.2018	31.10.2017		31.10.2018	31.10.2017	
	RM'000	Restated RM'000	%	RM'000	Restated RM'000	%
Revenue	69,411	71,174	-2%	218,776	205,963	6%
Earnings before interest, tax, depreciation and amortisation	22,606	17,958	26%	53,106	56,503	-6%
Profit before interest and tax	20,353	16,143	26%	46,595	50,868	-8%
Profit before tax	17,396	13,768	26%	38,494	43,906	-12%
Profit after tax	12,523	10,377	21%	29,772	32,986	-10%
Profit attributable to owners of the Company	11,974	9,673	24%	26,205	30,812	-15%

Despite the Group's revenue for the nine months ended 31 October 2018 increased 6% as compared to the corresponding period in last financial year, the Group's profit before tax ("PBT") declined 12% mainly due to lower sales of industrial sales which has a higher profit margin.

For the current quarter ended 31 October 2018, the Group's PBT increased 26% as compared to the corresponding quarter in last financial year mainly due to improvement of margin contributed by industrial and mid market landed residential properties.

Performance analysis of the Group's operating segments are as follows:

	Revenue			
	Quarter ended		Year-to-date ended	
	31.10.2018	31.10.2017	31.10.2018	31.10.2017
	Restated	Restated	Restated	Restated
	RM'000	RM'000	RM'000	RM'000
Property development and construction	49,254	53,824	161,631	156,463
Manufacturing and trading	14,883	14,323	43,715	41,558
Property investment	1,212	447	2,849	1,308
Education, management services and others	10,817	9,055	29,610	23,802
	<b>76,166</b>	<b>77,649</b>	<b>237,805</b>	<b>223,131</b>

  

	Operating profit			
	Quarter ended		Year-to-date ended	
	31.10.2018	31.10.2017	31.10.2018	31.10.2017
	Restated	Restated	Restated	Restated
	RM'000	RM'000	RM'000	RM'000
Property development and construction	17,392	14,113	38,758	45,290
Manufacturing and trading	1,252	1,574	4,616	4,803
Property investment	287	(490)	(236)	(1,486)
Education, management services and others	5,222	4,622	14,553	12,688
	<b>24,153</b>	<b>19,819</b>	<b>57,691</b>	<b>61,295</b>

Property development and construction operation

For the nine months ended 31 October 2018, despite the marginal increase of 3% in revenue, the operating profit declined 14% mainly due to lower sales of industrial sales which has a higher profit margin.

For the current quarter ended 31 October 2018, despite the decrease of 8% in revenue, the operating profit increased 23% mainly due to improvement of margin contributed by industrial and mid market landed residential properties.



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Manufacturing and trading operation

For the current quarter and nine months ended 31 October 2018, there is no material fluctuation in revenue and operating profit as compared to the corresponding period in last financial year.

Property investment operation

For the current quarter and nine months ended 31 October 2018, the increases in revenue and operating profit were mainly contributed by the additional properties rented during the financial period.

Education, management services and others

For the current quarter and nine months ended 31 October 2018, the increases in revenue and operating profit were mainly contributed by increase in students number of the international school.

**B2 Financial review for current quarter compared with immediate preceding quarter**

	Current Quarter 31.10.2018	Immediate Preceding Quarter 30.7.2018 Restated	Changes
	RM'000	RM'000	%
Revenue	69,411	94,913	-27%
Earnings before interest, tax, depreciation and amortisation	22,606	21,583	5%
Profit before interest and tax	20,353	19,412	5%
Profit before tax	17,396	16,657	4%
Profit after tax	12,523	11,229	12%
Profit attributable to owners of the Company	11,974	10,991	9%

For the current quarter, despite the decrease in revenue of 27%, the profit before tax increased marginally as compared to the preceding quarter mainly due to higher sales of industrial and commercial properties.

**B3 Group's Prospect**

The Group's major business operation is the property development and construction division. Even though the property development environment for financial year 2019 is expected to remain challenging industry-wide, the demand for landed properties in strategic growth areas with good accessibility and connectivity is expected to remain resilient.

	9 months ended 31.10.2018				
	New launches		Units	Sales	Unbilled
	Units	GDV RM'mil	sold <sup>1</sup>	value <sup>1</sup> RM'mil	sales <sup>2</sup> RM'mil
Industrial	40	86.5	25	59.0	89.8
Commercial	24	27.5	19	25.1	29.0
Residential	306	109.9	572	137.3	108.5
	<u>370</u>	<u>223.9</u>	<u>616</u>	<u>221.4</u>	<u>227.3</u>

<sup>1</sup> Includes sales of units from prior years launches

<sup>2</sup> Unbilled sales from total committed sales up to 21 December 2018

During the nine months ended 31 October 2018, the Group has launched 40 units of detached, semi-detached, cluster and terrace factories at Taman Perindustrian Cemerlang, 24 units of shop offices, 102 units of mid market landed residential properties and 204 units of affordable housing at Bandar Cemerlang.

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As at 31 October 2018, the Group's land bank is as follows:

<u>Location</u>	<u>Type of development</u>	<u>Acres</u>
Bandar Cemerlang		
- Tebrau, Johor Bahru	Mixed development	814
- Kota Tinggi	Mixed development	526
Taman Perindustrian Cemerlang	Industrial	74
Taman Desa Cemerlang	Residential & commercial	69
Taman Dato' Chellam	Residential & commercial	12
Nusa Cemerlang Industrial Park	Industrial	204
Tanjung Senibong	Residential & commercial	222
Ambok	Resort / Mixed development	794
Others	Residential	5
		2,720

The Group will continue to leverage on its strategic land bank to develop properties that meet current market needs. The Group is planning to launch 222 units of affordable housing at Tanjung Senibong. However, the Group remains cautious in its launches to avoid holding high level of stock.

With the unbilled sales of RM227.3 million as at 21 December 2018 for the property development operation, the Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2019.

**B4 Variance of actual profit from forecast profit and shortfall in profit guarantee**

This is not applicable.

**B5 Tax**

	Current Quarter Ended 31.10.2018 RM'000	Financial Year-to-date Ended 31.10.2018 RM'000
Current tax		
Current year	5,933	13,883
Prior years	-	2,083
Deferred tax:		
Relating to origination and reversal of temporary difference	(1,276)	(6,348)
Prior years	216	(896)
	4,873	8,722

The effective tax rate for the current quarter was higher than the statutory tax rate mainly due to certain expenses which are not deductible for tax purposes.

The effective tax rate for the financial year-to-date was lower than the statutory tax rate mainly due to tax incentive enjoyed by a subsidiary.

**B6 Status of corporate proposals**

There were no corporate proposals announced but not completed as at 21 December 2018.

**CRESCENDO CORPORATION BERHAD**  
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**B7 Group borrowings and debt securities**

(a) The Group loans and borrowings as at 31 October 2018 and 31 October 2017 were as follows:

	As at 31 October 2018		
	Long term RM'000	Short term RM'000	Total RM'000
Secured:			
Bank overdrafts	-	6,266	6,266
Revolving credit	-	14,400	14,400
Term Loans	273,246	46,461	319,707
	<u>273,246</u>	<u>67,127</u>	<u>340,373</u>

	As at 31 October 2017		
	Long term RM'000	Short term RM'000	Total RM'000
Secured:			
Bank overdrafts	-	6,248	6,248
Revolving credit	-	4,800	4,800
Term Loans	291,822	27,378	319,200
	<u>291,822</u>	<u>38,426</u>	<u>330,248</u>

(b) The increase in loans and borrowings is mainly to finance project expenditure.

(c) As at 31 October 2018, the weighted average interest rate of loan and borrowings were ranging from 5.2% to 8.0% (31.10.2017: 4.8% to 7.7%) and after taking into account the effect of an interest rate swap, approximately 35% (31.10.2017: 41%) of the loans and borrowings are at fixed rate of interest.

(d) Included in term loans is a term loan of RM44 million (31.10.2017: RM47.1 million) denominated in USD. The Group had a cross currency interest rate swap ("CCIRS") agreement in place with a notional principal of USD14 million (31.10.2017: USD15 million) that entitles the Group to receive interest at a floating rate of one month USD LIBOR plus 2% per annum on the USD notional amount and obliges the Group to pay interest at a fixed rate of 4.95% per annum on the RM notional amount of RM44 million (31.10.2017: RM47.1 million) [calculated at USD/RM 3.132]. The CCIRS effectively converts the USD liability into RM liability.

(e) The interest capitalised in the land held for property development and property development costs for the current financial period ended 31 October 2018 is RM5.72 million.

**B8 Derivatives**

The Group outstanding derivatives as at 31 October 2018 are as follows:

Type of Derivatives	Notional value RM'000	Fair value RM'000
(i) Interest rate swap ("IRS")	<u>71,117</u>	<u>(1,039)</u>
(ii) Cross currency interest rate swap ("CCIRS")	<u>44,000</u>	<u>16,251</u>

The Group entered into IRS and CCIRS agreements that are designated as a cash flow hedge to reduce the Group's exposure to adverse fluctuations in interest and exchange rates on underlying debt instruments.

There is no changes on the information disclosed in related to risk, cash requirements, financial risk management and related accounting policy associated with the derivatives since the end of the previous financial year.

**B9 Material litigation**

As at 21 December 2018, there is no material litigation against the Group.

**CRESCENDO CORPORATION BERHAD**  
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**B10 Dividend**

- (a) No dividend has been declared or proposed for the current quarter ended 31 October 2018.
- (b) Total dividend for the current financial year : 3 sen single tier per share.

**B11 Earnings per share ("EPS")**

Basic earnings per share amounts are calculated by dividing profit for the period/year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period/year, excluding treasury shares held by the Company.

	Current Quarter Ended 31.10.2018	Financial Year-to-date Ended 31.10.2018
Profit net of tax attributable to owners of the Company (RM'000)	<u>11,974</u>	<u>26,205</u>
Weighted average number of ordinary shares in issue ('000)	<u>279,419</u>	<u>279,419</u>
Basic earnings per share (Sen)	<u>4.29</u>	<u>9.38</u>

**B12 Notes to the statement of comprehensive income**

	Current Quarter Ended 31.10.2018 RM'000	Financial Year-to-date Ended 31.10.2018 RM'000
(a) Interest income	463	1,528
(b) Other income including investment income	3,475	10,206
(c) Interest expenses	(2,957)	(8,101)
(d) Depreciation and amortisation	(2,253)	(6,511)
(e) Provision for and (write off) / write back of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain or (loss)	47	(311)
(j) Gain or (loss) on derivatives	1,746	2,975
(k) Exceptional items	-	-

**B13 Gains / Losses arising from fair value changes of financial liabilities**

The Group has no financial liabilities measured at fair value through profit or loss for the current quarter and current year-to-date.