

**CRESCENDO CORPORATION BERHAD**

199501030544 (359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.1.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.1.2023 RM'000	CURRENT YEAR TO-DATE 31.1.2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.1.2023 RM'000
Revenue	120,105	39,274	341,345	215,718
Cost of sales	(78,933)	(27,624)	(224,440)	(138,400)
<b>Gross profit</b>	<u>41,172</u>	<u>11,650</u>	<u>116,905</u>	<u>77,318</u>
Other income	10,616	3,243	22,674	13,986
Administration expenses	(20,110)	(15,624)	(47,300)	(40,748)
Finance costs	(3,482)	(3,150)	(12,247)	(12,147)
<b>Profit before tax</b>	<u>28,196</u>	<u>(3,881)</u>	<u>80,032</u>	<u>38,409</u>
Tax expenses	(6,614)	43	(22,611)	(12,534)
<b>Profit for the period</b>	<u>21,582</u>	<u>(3,838)</u>	<u>57,421</u>	<u>25,875</u>
<b>Other comprehensive income, net of tax</b>				
Net movement on cash flow hedges	2	(32)	48	340
Tax relating to cash flow hedges	-	7	(11)	(82)
<b>Total other comprehensive income for the period, net of tax</b>	<u>2</u>	<u>(25)</u>	<u>37</u>	<u>258</u>
<b>Total comprehensive income for the period</b>	<u>21,584</u>	<u>(3,863)</u>	<u>57,458</u>	<u>26,133</u>
<b>Profit attributable to:</b>				
Owners of the Company	21,608	(3,637)	57,064	24,525
Non-controlling interests	(26)	(201)	357	1,350
	<u>21,582</u>	<u>(3,838)</u>	<u>57,421</u>	<u>25,875</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	21,610	(3,662)	57,101	24,783
Non-controlling interests	(26)	(201)	357	1,350
	<u>21,584</u>	<u>(3,863)</u>	<u>57,458</u>	<u>26,133</u>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	7.73	(1.30)	20.42	8.78

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CRESCENDO CORPORATION BERHAD**

199501030544 (359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31.1.2024 RM'000</b>	<b>AS AT 31.1.2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	135,708	130,679
Right-of-use assets	3,764	4,081
Bearer plants	4,043	4,802
Investment properties	287,978	289,866
Inventories	667,351	658,248
Deferred tax assets	40,867	39,561
	<u>1,139,711</u>	<u>1,127,237</u>
<b>Current assets</b>		
Inventories	201,179	115,530
Receivables	120,404	43,170
Contract assets	14,419	5,196
Prepaid operating expenditure	14,600	11,738
Tax recoverable	895	3,310
Short term funds	-	504
Cash and bank balances	54,899	86,249
	<u>406,396</u>	<u>265,697</u>
<b>TOTAL ASSETS</b>	<u>1,546,107</u>	<u>1,392,934</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	299,572	299,572
Treasury shares	(3,115)	(3,115)
Other reserves	(3)	(40)
Retained earnings	684,100	632,624
	<u>980,554</u>	<u>929,041</u>
<b>Non-controlling interests</b>	<u>53,247</u>	<u>52,490</u>
<b>Total equity</b>	<u>1,033,801</u>	<u>981,531</u>
<b>Non-current liabilities</b>		
Loans and borrowings	267,257	215,891
Deferred tax liabilities	31,712	31,598
Derivative financial liabilities	-	52
	<u>298,969</u>	<u>247,541</u>
<b>Current liabilities</b>		
Trade and other payables	103,176	74,319
Contract liabilities	20,963	17,571
Loans and borrowings	81,614	69,181
Tax payable	7,580	2,791
Derivative financial liabilities	4	-
	<u>213,337</u>	<u>163,862</u>
<b>Total liabilities</b>	<u>512,306</u>	<u>411,403</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,546,107</u>	<u>1,392,934</u>
Net assets per share (RM)	<u>3.51</u>	<u>3.32</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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	Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000	
<b>Year ended 31 January 2024</b>							
Balance as at 1 February 2023	981,531	929,041	299,572	(40)	632,624	(3,115)	52,490
<b>Total comprehensive income</b>	57,458	57,101	-	37	57,064	-	357
<b>Transactions with owners</b>							
Issuance of ordinary shares in a subsidiary	400	-	-	-	-	-	400
Dividends	(5,588)	(5,588)	-	-	(5,588)	-	-
Total transactions with owners	(5,188)	(5,588)	-	-	(5,588)	-	400
<b>Balance as at 31 January 2024</b>	<b>1,033,801</b>	<b>980,554</b>	<b>299,572</b>	<b>(3)</b>	<b>684,100</b>	<b>(3,115)</b>	<b>53,247</b>
<b>Year ended 31 January 2023</b>							
Balance as at 1 February 2022	970,827	918,229	299,572	(298)	622,070	(3,115)	52,598
<b>Total comprehensive income</b>	26,133	24,783	-	258	24,525	-	1,350
<b>Transactions with owners</b>							
Dividend paid to non-controlling interests	(1,458)	-	-	-	-	-	(1,458)
Dividends	(13,971)	(13,971)	-	-	(13,971)	-	-
Total transactions with owners	(15,429)	(13,971)	-	-	(13,971)	-	(1,458)
<b>Balance as at 31 January 2023</b>	<b>981,531</b>	<b>929,041</b>	<b>299,572</b>	<b>(40)</b>	<b>632,624</b>	<b>(3,115)</b>	<b>52,490</b>

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>YEAR ENDED</b>	
	<b>31.1.2024</b>	<b>31.1.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	298,620	243,128
Cash paid to suppliers and employees	(344,776)	(164,878)
Cash (absorbed by)/generated from operations	(46,156)	78,250
Deposit interest received	1,634	1,920
Interest paid	(11,569)	(12,421)
Tax paid	(16,611)	(15,262)
Net cash (used in)/from operating activities	<u>(72,702)</u>	<u>52,487</u>
<b>Cash flows from investing activities</b>		
Acquisition of bearer plants, right-of-use assets, investment properties and property, plant and equipment	(19,080)	(14,809)
Pledge of time deposits	(1,467)	(42)
Proceeds from disposal of investments	506	3,000
Proceeds from disposal of Investment properties, and property, plant and equipment	1,316	101
Net cash used in investing activities	<u>(18,725)</u>	<u>(11,750)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	116,031	7,000
Repayment of loans and borrowings	(53,322)	(55,572)
Dividend paid	(5,588)	(13,971)
Dividend paid to non-controlling interests	-	(1,458)
Proceeds from issuance of shares to non-controlling interest	400	-
Net cash from / (used in) financing activities	<u>57,521</u>	<u>(64,001)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(33,906)</b>	<b>(23,264)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>78,750</b>	<b>102,014</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b><u>44,844</u></b>	<b><u>78,750</u></b>
<b>Cash and cash equivalents at the end of the financial year</b>		
Deposits with licensed banks and other financial institution	19,939	57,236
Cash and bank balances	34,960	29,013
Bank overdrafts	(5,949)	(4,860)
	<u>48,950</u>	<u>81,389</u>
Time deposits pledged	(4,106)	(2,639)
	<u>44,844</u>	<u>78,750</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

## **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 2023. 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 2023.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those of the annual financial statements for the year ended 31 January 2023 except for the adoption of the following new and amended MFRSs and Issues Committee ("IC") Interpretations relevant to the current operations of the Group:

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
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 Group has not elected for early adoption of the following new and amended MFRSs relevant to the current operations of the Group, which were issued but not yet effective:

		Effective for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 Jan 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 Jan 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 Jan 2024
Amendments to MFRS 121	Lack of Exchangeability	1 Jan 2025
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 are not expected to have any significant impact on the financial statements of the Group 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.

### **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 financial year ended 31 January 2024 except for the Company had on 16 November 2023 completed the issuance of Medium Term Notes ("MTN") of RM100 million in nominal value under the existing MTN Programme. The MTN issued has a tenure ranging from 2 to 5 years.

**A7 Dividends paid**

The dividend paid during the financial year ended 31 January 2024 was a final single tier dividend of 2 sen per ordinary share in respect of financial year 2023, paid on 29 August 2023.

**A8 Segmental information**

Major segments by activity:-	Revenue		Results	
	Year ended		Year ended	
	31.1.2024	31.1.2023	31.1.2024	31.1.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	237,694	137,574	81,226	48,539
Manufacturing and trading	63,640	52,516	2,348	2,786
Property investment	11,343	10,232	13,297	6,959
Services and others	53,483	44,671	20,233	13,325
	<u>366,160</u>	<u>244,993</u>	<u>117,104</u>	<u>71,609</u>
Inter-segment eliminations	<u>(24,815)</u>	<u>(29,275)</u>	<u>(19,545)</u>	<u>(15,892)</u>
	<u>341,345</u>	<u>215,718</u>	<u>97,559</u>	<u>55,717</u>
Unallocated expenses			(5,280)	(5,161)
Finance costs			<u>(12,247)</u>	<u>(12,147)</u>
			<u>80,032</u>	<u>38,409</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.

**A10 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial year including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations except for the Company had on 24 August 2023 acquired from Crescendo Land Sdn. Bhd., a 95% owned subsidiary of Crescendo Development Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, a total of 2 ordinary shares fully paid representing 100% equity interest in Crescendo Landmark Sdn. Bhd. ("CLMSB"), for a total consideration of RM2.

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.

**A11 Material subsequent events**

As at 21 March 2024, there were no material subsequent events that have not been reflected in the financial statements for the current financial year except for:

- Panoramic Industrial Development Sdn Bhd ("PID"), a wholly-owned subsidiary of the Company, had on 7 November 2023 entered into two separate conditional sale and purchase agreements for the disposal of freehold vacant lands for a total cash consideration of RM117,020,709. One of the sale and purchase agreements has become unconditional in accordance with its terms and conditions on 14 March 2024.
- PID had on 17 November 2023 entered into a conditional sale and purchase agreement for the disposal of freehold vacant lands for a total cash consideration of RM315,165,648.67. The sale and purchase agreement was completed on 21 February 2024.

**A12 Contingent liabilities**

The contingent liabilities of the Group as at 31 January 2024 are as follows:-

(a) Banker guarantees issued by licensed banks in favour of third parties

	RM'000
Secured	8,915
Unsecured	-
	<u>8,915</u>

(b) An unsecured corporate guarantee was issued by the Company 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.

**A13 Capital Commitments**

The capital commitments of the Group as at 31 January 2024 are as follows:

	RM'000
Contracted but not accounted for	
- Land for property development	72,700
- Property, plant and equipment	7,700
	<u>80,400</u>

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

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes %	Current Year To-date	Preceding Year Corresponding Period	Changes %
	31.1.2024	31.1.2023	%	31.1.2024	31.1.2023	%
Revenue	120,105	39,274	206%	341,345	215,718	58%
Earnings before interest, tax, depreciation and amortisation	34,046	1,442	2261%	101,409	59,291	71%
Profit before interest and tax	31,678	(731)	-4434%	92,279	50,556	83%
Profit before tax	28,196	(3,881)	-827%	80,032	38,409	108%
Profit after tax	21,582	(3,838)	-662%	57,421	25,875	122%
Profit attributable to owners of the Company	21,608	(3,637)	-694%	57,064	24,525	133%

The Group's revenue and profit before tax for the current financial quarter and the financial year increased significantly as compared to previous corresponding periods mainly due to better performance from the Property development and construction operation as further illustrated in the segmental performance analysis below.

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

	Revenue			
	Quarter ended		Year ended	
	31.1.2024	31.1.2023	31.1.2024	31.1.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	88,968	27,585	237,694	137,574
Manufacturing and trading	19,347	11,108	63,640	52,516
Property investment	3,320	2,590	11,343	10,232
Services and others	16,631	11,608	53,483	44,671
	<u>128,266</u>	<u>52,891</u>	<u>366,160</u>	<u>244,993</u>

  

	Operating profit			
	Quarter ended		Year ended	
	31.1.2024	31.1.2023	31.1.2024	31.1.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	28,990	4,498	81,226	48,539
Manufacturing and trading	(583)	(641)	2,348	2,786
Property investment	8,320	1,769	13,297	6,959
Services and others	3,293	1,136	20,233	13,325
	<u>40,020</u>	<u>6,762</u>	<u>117,104</u>	<u>71,609</u>

Property development and construction operation

The revenue and operating profit for the current quarter and financial year 2024 increased significantly as compared to the corresponding periods in last year mainly due to contribution from higher properties sales compounded with the high margin industrial land sale.

The property development and construction division remains as the major contributor to the Group's revenue and profit.

Manufacturing and trading operation

For the current quarter and financial year, the increases in revenue were mainly contributed by higher trading sales of building materials.

The decreases in profit margin for current quarter and financial year as compared to the corresponding periods in last financial year were mainly due to lower sales demand in concrete products.

Property investment operation

The increase in operating profit for the current quarter and financial year as compared to the corresponding periods in last financial year were mainly contributed by gain arising from disposal of investment land amounting to RM6.4 million.

Services and others

The increases in revenue and operating profit for the current quarter and the financial year were mainly due to higher management fees. This is in line with the increase in business activities in property development and construction division where the management fees are charged according to the turnover of the respective divisions. The international school has also contributed higher revenue and operating profit.

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

	Current Quarter 31.1.2024	Immediate Preceding Quarter 31.10.2023	Changes %
	RM'000	RM'000	
Revenue	120,105	101,789	18%
Earnings before interest, tax, depreciation and amortisation	34,046	30,603	11%
Profit before interest and tax	31,678	28,318	12%
Profit before tax	28,196	25,330	11%
Profit after tax	21,582	17,433	24%
Profit attributable to owners of the Company	21,608	17,972	20%

The revenue for the current quarter ended 31 January 2024 increased RM18.3 million as compared to the immediate preceding quarter mainly due to higher sales of properties. The increase of RM2.9 million for profit before tax in the current quarter was mainly contributed by gain arising from disposal of investment land.

**B3 Group's Prospect**

The property market will remain challenging in the short and medium-term due to rising cost of construction resulting from fluctuations in building materials cost as a result of currency depreciation and inflationary pressure. Nevertheless the Budget 2024 is expected to have a positive impact on the property sector due to the government efforts to boost homeownership. With the strong pipeline of incoming foreign direct investments to Johor, demands for industrial properties remain strong and are expected to grow in the coming years. The ongoing Johor Bahru-Singapore Rapid Transport System ("RTS") link project will serve as a catalyst to revitalise Johor Bahru City Centre development and the property development in the close vicinity of the terminal at Bukit Chagar will benefit.

The Group will continue to monitor the market situation and adopt a prudent and cautious approach for its new property launches to remain resilient and agile in the current fast changing environment.

As at 31 January 2024, 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	733
- Kota Tinggi	Industrial/Residential	636
Taman Perindustrian Cemerlang	Industrial	31
Taman Desa Cemerlang	Residential & commercial	60
Taman Dato' Chellam	Residential & commercial	9
Nusa Cemerlang Industrial Park	Industrial	# 105
Tanjung Senibong	Residential & commercial	215
Jalan Senyum, Johor Bahru	Residential	@ 3
Ambok	Resort / Mixed development	794
Others	Residential	5
		<u>2,591</u>

# Excluding 103 acres of land sold via 3 conditional Sale & Purchase Agreements.

@ Land acquired via conditional Sale & Purchase Agreement.

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 GDV of RM237 million within the next one year.

The Group also plans to launch 1,200 units of serviced apartments which are located within the vicinity of the RTS terminal at Bukit Chagar with a total GDV of approximately RM1 billion in second half of FY2025.

In the second quarter of this financial year, the Group launched about 100 acres of industrial land for sales in Nusa Cemerlang Industrial Park ("NCIP") and it was fully sold through several conditional sale and purchase agreement ("SPA") with a total lock-in sales of RM545 million. Out of these conditional SPAs, the conditions precedent of SPAs with sales consideration of RM345 million have been fulfilled. The Group has further launched the balance landbank at NCIP of approximately 100 acres for sales with a GDV of around RM500 million. The Group also intends to commence the main infrastructure work of the 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 issues, the Board is positive and confident on the prospects of the Group's upcoming new property development. The Board also expects the Group to perform well in FY2025 as the land sales in NCIP amounting to RM545 million will result in an estimated gain after taxation of approximately RM310 million upon their completion in FY2025.

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

This is not applicable.

**B5 Tax**

	Current Quarter Ended 31.1.2024 RM'000	Financial Year Ended 31.1.2024 RM'000
Income Tax		
Current tax:		
Current year	6,853	23,209
Prior years	(56)	(34)
Deferred tax:		
Relating to origination and reversal of temporary difference	(809)	(1,155)
Prior years	(14)	(49)
Real Property Gain Tax	640	640
	<u>6,614</u>	<u>22,611</u>

The effective tax rate for the current quarter was lower than the income tax rate of 24% mainly due to certain income which is subject to real property gain tax of 10%.

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

**B6 Status of corporate proposals**

UOB Kay Hian Securities (M) Sdn. Bhd., on behalf of the Board, announced that Panoramic Industrial Development Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 17 November 2023 entered into a conditional sale and purchase agreement ("SPA") with Microsoft Payments (Malaysia) Sdn Bhd for the disposal of vacant land measuring an aggregate of approximately 2,626,380.4056 square feet, all located in the Mukim of Pulai, District of Johor Bahru, State of Johor for a total cash consideration of RM315,165,648.67.

This SPA became unconditional on 5 Feb 2024 and was subsequently completed on 21 February 2024.

**B7 Group borrowings and debt securities**

(a) The Group loans and borrowings as at 31 January 2024 and 31 January 2023 were as follows:

	<u>As at 31 January 2024</u>		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured:			
Bank overdrafts	-	5,949	5,949
Revolving credit	-	22,500	22,500
Trade facilities	-	4,531	4,531
Term Loans	2,257	13,634	15,891
Medium Term Notes	265,000	35,000	300,000
	<u>267,257</u>	<u>81,614</u>	<u>348,871</u>

  

	<u>As at 31 January 2023</u>		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured:			
Bank overdrafts	-	4,860	4,860
Revolving credit	-	11,000	11,000
Term Loans	15,891	53,321	69,212
Medium Term Notes	200,000	-	200,000
	<u>215,891</u>	<u>69,181</u>	<u>285,072</u>

(b) The increase in loans and borrowings is mainly due to new issuance of Medium Term Notes.

(c) As at 31 January 2024, the weighted average interest rate of loan and borrowings ranged from 3.6% to 7.6% (31.1.2023: 3.6% to 7.7%) and after taking into account the effect of interest rate swap, approximately 47% (31.1.2023: 61%) of the loans and borrowings are at fixed rate of interest.

(d) The interest capitalised in the land held for property development and property development costs for the current financial year ended 31 January 2024 is RM705,000.

**B8 Derivatives**

(a) The Group outstanding derivatives as at 31 January 2024 are as follows:

Type of Derivatives	Notional value RM'000	Fair value RM'000
Interest rate swap ("IRS")	<u>4,980</u>	<u>(4)</u>

(i) The Group entered into IRS agreement that is designated as a cash flow hedge to reduce the Group's exposure to adverse fluctuations in interest rates on underlying debt instrument.

(ii) 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.

(b) Fair value changes of financial liabilities

	Current Quarter Ended 31.1.2024 RM'000	Financial Year Ended 31.1.2024 RM'000
Fair value gain / (loss)		
Interest rate swap ("IRS")	<u>2</u>	<u>48</u>

(i) The fair value is calculated by reference to the difference between fixed and floating interest rates.

(ii) The gain was due to the floating interest rate has moved favourably for the Group from the last measurement date.

**B9 Material litigation**

As at 21 March 2024, 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 RM51.5million.

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 6 March 2024, the parties were directed to complete the filing of the pre-trial documents by 2 May 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.

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

KTC and CCP (collectively “The Plaintiffs for the 2<sup>nd</sup> Suit”) commenced an action against CESB, CICSB and 7 others (collectively “the Defendants for the 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> Suit from continuing the construction works of the Second Wing which is being carried out on No. 3, Jalan Lebuah 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> Suit.

The next case management is fixed on 16 April 2024 at which the parties will obtain further directions from the court.

CESB and CICSB have been advised that they have a reasonable prospect of succeeding to resist the Plaintiffs' claim pursuant to Section 346 of the Companies Act 2016.

### 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 recognize 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"). The hearing is fixed on 16 May 2024.

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.

Following the court's directions at the case management on 27 February 2024, the parties are in the midst of filing their respective pleadings for the Writ action and the Order 81 Application. The next case management is fixed on 2<sup>nd</sup> April 2024 whereby the parties will obtain further directions from the court.

The first mention of the Stay Application is fixed on 2 April 2024. CESB will take the necessary steps to object to the Stay Application.

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.

**B10 Dividend**

The Board is pleased to declare an interim single tier dividend of 5 sen per share and a special single tier dividend of 13 sen per share in respect of the financial year ended 31 January 2024. The Board does not propose any final dividend for the financial year ended 31 January 2024.

- (a) (i) amount per share : 5 sen single tier (interim) and 13 sen single tier (special);
- (ii) previous corresponding period : 2 sen single tier per share;
- (iii) date of payment: 15 May 2024; and
- (iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 25 April 2024.

- (b) total dividend for the current financial year : 5 sen single tier per share (interim) and 13 sen single tier per share (special).

**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 31.1.2024	Financial Year Ended 31.1.2024
Profit net of tax attributable to owners of the Company (RM'000)	<u>21,608</u>	<u>57,064</u>
Weighted average number of ordinary shares in issue ('000)	<u>279,419</u>	<u>279,419</u>
Basic earnings per share (Sen)	<u>7.73</u>	<u>20.42</u>

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

	Current Quarter Ended 31.1.2024 RM'000	Financial Year Ended 31.1.2024 RM'000
(a) Interest income	316	1,582
(b) Other income including investment income	3,922	14,847
(c) Interest expenses	(3,482)	(12,247)
(d) Depreciation and amortisation	(2,368)	(9,130)
(e) (Provision for and write off) / write back of receivables	(158)	(158)
(f) (Provision for and write off) / write back of inventories	563	188
(g) Gain or (loss) on disposal of quoted or unquoted investments or properties	6,402	6,406
(h) Impairment of assets	-	-
(i) Foreign exchange gain or (loss)	(29)	(178)
(j) Gain or (loss) on derivatives	-	46
(k) Exceptional items	-	-