

**CRESCENDO CORPORATION BERHAD**

199501030544 (359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.4.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.4.2023 RM'000	CURRENT YEAR TO-DATE 30.4.2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.4.2023 RM'000
Revenue	527,277	58,336	527,277	58,336
Cost of sales	(138,853)	(32,386)	(138,853)	(32,386)
<b>Gross profit</b>	<b>388,424</b>	<b>25,950</b>	<b>388,424</b>	<b>25,950</b>
Other income	6,699	4,462	6,699	4,462
Administration expenses	(9,939)	(8,717)	(9,939)	(8,717)
Finance costs	(2,567)	(2,880)	(2,567)	(2,880)
<b>Profit before tax</b>	<b>382,617</b>	<b>18,815</b>	<b>382,617</b>	<b>18,815</b>
Tax expenses	(92,833)	(5,327)	(92,833)	(5,327)
<b>Profit for the period</b>	<b>289,784</b>	<b>13,488</b>	<b>289,784</b>	<b>13,488</b>
<b>Other comprehensive income, net of tax</b>				
Net movement on cash flow hedges	4	12	4	12
Tax relating to cash flow hedges	(1)	(3)	(1)	(3)
<b>Total other comprehensive income for the period, net of tax</b>	<b>3</b>	<b>9</b>	<b>3</b>	<b>9</b>
<b>Total comprehensive income for the period</b>	<b>289,787</b>	<b>13,497</b>	<b>289,787</b>	<b>13,497</b>
<b>Profit attributable to:</b>				
Owners of the Company	289,031	13,203	289,031	13,203
Non-controlling interests	753	285	753	285
	<b>289,784</b>	<b>13,488</b>	<b>289,784</b>	<b>13,488</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	289,034	13,212	289,034	13,212
Non-controlling interests	753	285	753	285
	<b>289,787</b>	<b>13,497</b>	<b>289,787</b>	<b>13,497</b>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	103.44	4.73	103.44	4.73

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 2024 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 30.4.2024 RM'000</b>	<b>AS AT 31.1.2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	137,576	135,708
Right-of-use assets	3,684	3,764
Bearer plants	3,960	4,043
Investment properties	289,405	287,978
Inventories	628,016	661,130
Deferred tax assets	43,883	40,867
	<u>1,106,524</u>	<u>1,133,490</u>
<b>Current assets</b>		
Inventories	254,984	208,086
Receivables	198,572	120,404
Contract assets	8,534	14,419
Prepaid operating expenditure	13,756	13,914
Tax recoverable	918	895
Short term funds	107,271	-
Cash and bank balances	164,480	54,899
	<u>748,515</u>	<u>412,617</u>
<b>TOTAL ASSETS</b>	<u><b>1,855,039</b></u>	<u><b>1,546,107</b></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)
Retained earnings	922,440	683,704
	<u>1,218,897</u>	<u>980,158</u>
<b>Non-controlling interests</b>	53,295	53,247
<b>Total equity</b>	<u><b>1,272,192</b></u>	<u><b>1,033,405</b></u>
<b>Non-current liabilities</b>		
Loans and borrowings	122,122	232,257
Deferred tax liabilities	31,780	31,712
	<u>153,902</u>	<u>263,969</u>
<b>Current liabilities</b>		
Trade and other payables	102,858	103,697
Contract liabilities	22,302	20,963
Loans and borrowings	154,773	116,614
Tax payable	98,717	7,455
Dividend payable	50,295	-
Derivative financial liabilities	-	4
	<u>428,945</u>	<u>248,733</u>
<b>Total liabilities</b>	<u><b>582,847</b></u>	<u><b>512,702</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,855,039</b></u>	<u><b>1,546,107</b></u>
Net assets per share (RM)	<u>4.36</u>	<u>3.51</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 2024 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
	Total Equity RM'000	Total RM'000	Share Capital RM'000	Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000	
<b>3 months ended 30 April 2024</b>							
Balance as at 1 February 2024	1,033,405	980,158	299,572	(3)	683,704	(3,115)	53,247
<b>Total comprehensive income</b>	289,787	289,034	-	3	289,031	-	753
<b>Transactions with owners</b>							
Issuance of ordinary shares in subsidiaries	220	-	-	-	-	-	220
Preference dividend paid to non-controlling interests	(925)	-	-	-	-	-	(925)
Dividends	(50,295)	(50,295)	-	-	(50,295)	-	-
Total transactions with owners	(51,000)	(50,295)	-	-	(50,295)	-	(705)
<b>Balance as at 30 April 2024</b>	<b>1,272,192</b>	<b>1,218,897</b>	<b>299,572</b>	<b>-</b>	<b>922,440</b>	<b>(3,115)</b>	<b>53,295</b>
<b>3 months ended 30 April 2023</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>	13,497	13,212	-	9	13,203	-	285
<b>Balance as at 30 April 2023</b>	<b>995,028</b>	<b>942,253</b>	<b>299,572</b>	<b>(31)</b>	<b>645,827</b>	<b>(3,115)</b>	<b>52,775</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 2024 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 MONTHS ENDED</b>	
	<b>30.4.2024</b>	<b>30.4.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	435,977	53,725
Cash paid to suppliers and employees	(144,729)	(47,270)
Cash generated from operations	<u>291,248</u>	<u>6,455</u>
Deposit interest received	1,857	503
Interest paid	(2,484)	(3,035)
Tax paid	(4,543)	(3,161)
Net cash from operating activities	<u>286,078</u>	<u>762</u>
<b>Cash flows from investing activities</b>		
Acquisition of bearer plants, right-of-use assets, investment properties and property, plant and equipment	3,062	(7,822)
Pledge of time deposits	629	(15)
Net investment / (proceeds from disposal) of short term funds	(107,074)	506
Proceeds from disposal of Investment properties, and property, plant and equipment	197	191
Net cash used in investing activities	<u>(103,186)</u>	<u>(7,140)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	1,500	11,900
Repayment of loans and borrowings	(73,496)	(13,230)
Dividend paid to non-controlling interests	(925)	-
Proceeds from issuance of shares to non-controlling interests	220	-
Net cash used in financing activities	<u>(72,701)</u>	<u>(1,330)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	110,191	(7,708)
<b>Cash and cash equivalents at the beginning of the financial period</b>	44,844	78,750
<b>Cash and cash equivalents at the end of the financial period</b>	<u>155,035</u>	<u>71,042</u>
<b>Cash and cash equivalents at the end of the financial period</b>		
Deposits with licensed banks and other financial institution	103,972	38,807
Cash and bank balances	60,508	42,467
Bank overdrafts	(5,968)	(7,578)
	<u>158,512</u>	<u>73,696</u>
Time deposits pledged	(3,477)	(2,654)
	<u>155,035</u>	<u>71,042</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 2024 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 2024. 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 2024.

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 2024 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 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 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 current financial period except for the Company had on 29 March 2024 made a voluntary early redemption of Medium Term Notes ("MTN") of RM40 million in nominal value under the existing MTN Programme.

**A7 Dividends paid**

There was no dividend paid during the three months ended 30 April 2024.

**A8 Segmental information**

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	3 months ended		3 months ended	
	30.4.2024	30.4.2023	30.4.2024	30.4.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	510,465	37,499	382,961	18,065
Manufacturing and trading	17,349	11,235	1,225	886
Property investment	3,579	2,626	2,503	1,753
Services and others	23,427	12,455	17,056	6,278
	<u>554,820</u>	<u>63,815</u>	<u>403,745</u>	<u>26,982</u>
Inter-segment eliminations	<u>(27,543)</u>	<u>(5,479)</u>	<u>(17,884)</u>	<u>(4,569)</u>
	<u>527,277</u>	<u>58,336</u>	<u>385,861</u>	<u>22,413</u>
Unallocated expenses			(677)	(718)
Finance costs			(2,567)	(2,880)
			<u>382,617</u>	<u>18,815</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 period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations except for 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.

**A11 Material subsequent events**

As at 25 June 2024, there were no material subsequent events that have not been reflected in the financial statements for the current financial period except for:

- (a) Completion of the following sale and purchase agreement ("SPA") entered by Panoramic Industrial Development Sdn Bhd ("PID"), a wholly-owned subsidiary of the Company:
  - (i) A SPA entered on 7 November 2023 with cash consideration of RM86.9 million was completed on 18 June 2024; and
  - (ii) A SPA entered on 4 April 2024 with cash consideration of RM132.5 million was completed on 28 May 2024.
- (b) PID had on 11 Jun 2024 entered into a conditional SPA for the disposal of freehold vacant land for a total cash consideration of RM115.9 million.

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**A12 Contingent liabilities**

The contingent liabilities of the Group as at 30 April 2024 are as follows:-

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

	RM'000
Secured	7,900
Unsecured	-
	<u>7,900</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 30 April 2024 are as follows:

	RM'000
Contracted but not accounted for	
- Land for property development	9,600
- Property, plant and equipment	5,400
	<u>15,000</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	Preceding Year	Changes	Current Year	Preceding Year	Changes
	30.4.2024	30.4.2023		30.4.2024	30.4.2023	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	527,277	58,336	804%	527,277	58,336	804%
Earnings before interest, tax, depreciation and amortisation	387,526	23,939	1519%	387,526	23,939	1519%
Profit before interest and tax	385,184	21,695	1675%	385,184	21,695	1675%
Profit before tax	382,617	18,815	1934%	382,617	18,815	1934%
Profit after tax	289,784	13,488	2048%	289,784	13,488	2048%
Profit attributable to owners of the Company	289,031	13,203	2089%	289,031	13,203	2089%

The Group's revenue and profit before tax for the current financial quarter surged to a record-high of RM527 million and RM383 million respectively mainly contributed by the data center land sales in Nusa Cemerlang Industrial Park ("NCIP").

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

	Revenue			
	Quarter ended		Year-to-date ended	
	30.4.2024	30.4.2023	30.4.2024	30.4.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	510,465	37,499	510,465	37,499
Manufacturing and trading	17,349	11,235	17,349	11,235
Property investment	3,579	2,626	3,579	2,626
Services and others	23,427	12,455	23,427	12,455
	<u>554,820</u>	<u>63,815</u>	<u>554,820</u>	<u>63,815</u>

  

	Operating profit			
	Quarter ended		Year-to-date ended	
	30.4.2024	30.4.2023	30.4.2024	30.4.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	382,961	18,065	382,961	18,065
Manufacturing and trading	1,225	886	1,225	886
Property investment	2,503	1,753	2,503	1,753
Services and others	17,056	6,278	17,056	6,278
	<u>403,745</u>	<u>26,982</u>	<u>403,745</u>	<u>26,982</u>

Property development and construction operation

The record-high revenue and operating profit for the current quarter of RM510 million and RM383 million respectively are mainly due to the revenue and profit from data center land sales in NCIP which contributed more than 90% of the revenue and operating profit of this operation for this quarter.

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

Manufacturing and trading operation

The increase in revenue was mainly contributed by higher sales demand in concrete products.

Property investment operation

The increases in revenue and operating profit were mainly contributed by three additional rented units commencing from the fourth quarter of the last financial year.

Services and others

The increases in revenue and operating profit 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 30.4.2024 RM'000	Immediate Preceding Quarter 31.1.2024 RM'000	Changes %
Revenue	527,277	120,105	339%
Earnings before interest, tax, depreciation and amortisation	387,526	33,526	1056%
Profit before interest and tax	385,184	31,158	1136%
Profit before tax	382,617	27,676	1282%
Profit after tax	289,784	21,187	1268%
Profit attributable to owners of the Company	289,031	21,213	1263%

The revenue and profit before tax for the current quarter ended 30 April 2024 increased significantly to RM527 million and RM383 million respectively as compared to the immediate preceding quarter mainly driven by the data center land sales in NCIP.

**B3 Group's Prospect**

We are optimistic with the property market outlook, especially in Johor, in the next few years. However the Group remains cautious amidst the rapid changes in the market environment. Fluctuation in building materials cost driven by currency depreciation and inflationary pressure pose significant challenges for property developers. 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.

As at 30 April 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	728
- 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	# 48
Tanjung Senibong	Residential & commercial	215
Jalan Senyum, Johor Bahru	Residential	3
Ambok	Resort / Mixed development	794
Others	Residential	5
		2,529

The development landbank above represents gross land.

# Excluding 62 acres of net land sold via three conditional Sale & Purchase Agreements (SPAs) and two of which were completed subsequent to 30 April 2024.

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 plans to launch a serviced apartment project situated along Jalan Senyum in close proximity to the RTS terminal at Bukit Chagar in the second half of FY2025. This project will encompass approximately 1,200 units with a gross development value ("GDV") of RM1 billion.

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 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 the committed property sales of RM486 million as at 25 June 2024, including land sales at NCIP of RM335 million out of which RM219 million has already been completed to date, the Board expects the Group to have an exceptional year in FY2025.

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

This is not applicable.

**B5 Tax**

	Current Quarter Ended 30.4.2024 RM'000	Financial Year-to-date Ended 30.4.2024 RM'000
Income Tax		
Current tax:		
Current year	95,782	95,782
Deferred tax:		
Relating to origination and reversal of temporary difference	(2,949)	(2,949)
	92,833	92,833

The effective tax rate was slightly higher than the income tax rate of 24% mainly due to certain expenses are not tax deductible.

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**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 11 June 2024, entered into a conditional sale and purchase agreement with Digital Halo Pte Ltd (“Digital Halo” or the “Purchaser”, which the expression includes the nominee as may be appointed by Digital Halo), for the disposal of a vacant industrial land measuring approximately 20.463 acres or 891,368.28 square feet, held under land title no. H.S.(D) 629092 PTD 227197 in the Mukim of Pulai, District of Johor Bahru, State of Johor (“Subject Property”) for a total cash consideration of RM115,877,876.40 (“Disposal Consideration”) (“SPA”).

UOBKH has on 14 June 2024 submitted the valuation report in relation to the Subject Property to Bursa Malaysia Securities Berhad for their perusal.

**B7 Group borrowings and debt securities**

(a) The Group loans and borrowings as at 30 April 2024 and 30 April 2023 were as follows:

	<u>As at 30 April 2024</u>		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured:			
Bank overdrafts	-	5,968	5,968
Revolving credit	-	3,000	3,000
Trade facilities	-	2,346	2,346
Term Loans	2,122	3,459	5,581
Medium Term Notes	120,000	140,000	260,000
	<u>122,122</u>	<u>154,773</u>	<u>276,895</u>
	<u>As at 30 April 2023</u>		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured:			
Bank overdrafts	-	7,578	7,578
Revolving credit	-	22,900	22,900
Term Loans	9,710	46,272	55,982
Medium Term Notes	200,000	-	200,000
	<u>209,710</u>	<u>76,750</u>	<u>286,460</u>

(b) The decrease in loans and borrowings is mainly due to repayment.

(c) As at 30 April 2024, the weighted average interest rate of loan and borrowings ranged from 3.6% to 7.51% (30.4.2023: 3.6% to 7.6%) and after taking into account the effect of interest rate swap, approximately 58% (30.4.2023: 60%) 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 period ended 30 April 2024 is RM668,000.

**B8 Material litigation**

As at 25 June 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 5 June 2024, the parties were directed to complete the filing of the pre-trial documents by 15 July 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 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 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 19 August 2024 at which the parties will obtain pre-trial 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").

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.

At the case management on 13 May 2024, the court had fixed the hearing for the Order 81 Application 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.

At the hearing for the Order 81 Application on 25 June 2024, the court granted an extension of time for KTC to file its written submission, as requested by KTC's counsel. The court then fixed a new date for the said hearing which will be on 15 July 2024.

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.

**B9 Dividend**

No dividend has been declared or proposed for the current financial quarter ended 30 April 2024.

**B10 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 30.4.2024	Financial Year-to-date Ended 30.4.2024
Profit net of tax attributable to owners of the Company (RM'000)	<u>289,031</u>	<u>289,031</u>
Weighted average number of ordinary shares in issue ('000)	<u>279,419</u>	<u>279,419</u>
Basic earnings per share (Sen)	<u>103.44</u>	<u>103.44</u>

**B11 Notes to the statement of comprehensive income**

	Current Quarter Ended 30.4.2024 RM'000	Financial Year-to-date Ended 30.4.2024 RM'000
(a) Interest income	2,005	2,005
(b) Other income including investment income	4,714	4,714
(c) Interest expenses	(2,567)	(2,567)
(d) Depreciation and amortisation	(2,342)	(2,342)
(e) (Provision for and write off) / write back of receivables	2	2
(f) (Provision for and write off) / write back 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)	(21)	(21)
(j) Gain or (loss) on derivatives	4	4
(k) Exceptional items	-	-