

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.7.2018	PRECEDING YEAR CORRESPONDING QUARTER 31.7.2017 (Restated)	CURRENT YEAR TO-DATE 31.7.2018	PRECEDING YEAR CORRESPONDING PERIOD 31.7.2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	94,913	86,938	149,365	134,789
Cost of sales	(70,579)	(55,308)	(113,438)	(91,161)
Gross profit	24,334	31,630	35,927	43,628
Other income	4,411	2,588	7,438	5,771
Administration expenses	(9,333)	(7,677)	(17,123)	(14,674)
Finance costs	(2,755)	(2,349)	(5,144)	(4,587)
Profit before tax	16,657	24,192	21,098	30,138
Tax expenses	(5,428)	(6,440)	(3,849)	(7,529)
Profit for the period	11,229	17,752	17,249	22,609
Other comprehensive income, net of tax				
Net movement on cash flow hedges	1,702	(1,364)	1,229	(2,814)
Tax relating to cash flow hedges	(408)	327	(295)	675
Total other comprehensive income for the period, net of tax	1,294	(1,037)	934	(2,139)
Total comprehensive income for the period	12,523	16,715	18,183	20,470
Profit attributable to:				
Owners of the Company	10,991	17,367	14,231	21,139
Non-controlling interests	238	385	3,018	1,470
	11,229	17,752	17,249	22,609
Total comprehensive income attributable to:				
Owners of the Company	12,285	16,329	15,162	18,995
Non-controlling interests	238	386	3,021	1,475
	12,523	16,715	18,183	20,470
Earnings per share attributable to owners of the Company:				
Basic (sen)	3.93	6.22	5.09	7.57

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
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.7.2018	AS AT 31.1.2018 (Restated)	AS AT 1.2.2017 (Restated)
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	149,650	150,502	139,267
Land use rights	5,510	5,668	5,986
Bearer plants	1,545	1,577	1,149
Investment properties	282,604	283,968	286,696
Other investment	17,266	18,231	19,730
Land held for property development	580,181	585,346	569,209
Deferred tax assets	31,931	26,019	21,062
Derivative financial assets	14,662	13,628	22,433
	<u>1,083,349</u>	<u>1,084,939</u>	<u>1,065,532</u>
Current assets			
Property development costs	86,755	114,737	92,579
Inventories	91,986	69,480	78,473
Trade and other receivables	62,743	74,766	81,498
Other current assets	21,942	20,075	20,252
Tax recoverable	2,044	1,407	1,879
Cash and bank balances	83,576	55,569	58,561
	<u>349,046</u>	<u>336,034</u>	<u>333,242</u>
TOTAL ASSETS	<u>1,432,395</u>	<u>1,420,973</u>	<u>1,398,774</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	299,572	299,572	280,462
Share premium	-	-	19,110
Treasury shares	(3,115)	(3,115)	(3,115)
Other reserves	10,689	9,758	15,900
Retained earnings	574,426	568,578	553,158
	<u>881,572</u>	<u>874,793</u>	<u>865,515</u>
Non-controlling interests	<u>47,579</u>	<u>44,558</u>	<u>44,389</u>
Total equity	<u>929,151</u>	<u>919,351</u>	<u>909,904</u>
Non-current liabilities			
Loans and borrowings	282,153	290,058	282,408
Deferred tax liabilities	30,261	30,237	33,192
Derivative financial liabilities	1,195	1,391	2,140
	<u>313,609</u>	<u>321,686</u>	<u>317,740</u>
Current liabilities			
Trade and other payables	101,163	120,279	119,617
Other current liabilities	69	47	55
Loans and borrowings	75,553	56,161	47,548
Tax payable	4,467	3,448	3,910
	<u>189,635</u>	<u>179,935</u>	<u>171,130</u>
Total liabilities	<u>503,244</u>	<u>501,621</u>	<u>488,870</u>
TOTAL EQUITY AND LIABILITIES	<u>1,432,395</u>	<u>1,420,973</u>	<u>1,398,774</u>
Net assets per share (RM)	<u>3.16</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

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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	
6 months ended 31 July 2018								
Balance as at 1 February 2018	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	-	-
Balance as at 1 February 2018 (Restated)	919,351	874,793	299,572	-	9,758	568,578	(3,115)	44,558
Total comprehensive income	18,183	15,162	-	-	931	14,231	-	3,021
Transactions with owners								
Dividends	(8,383)	(8,383)	-	-	-	(8,383)	-	-
Balance as at 31 July 2018	929,151	881,572	299,572	-	10,689	574,426	(3,115)	47,579
6 months ended 31 July 2017								
Balance as at 1 February 2017	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	-	-
Balance as at 1 February 2017 (Restated)	909,904	865,515	280,462	19,110	15,900	553,158	(3,115)	44,389
Total comprehensive income	21,650	20,175	-	-	(2,144)	22,319	-	1,475
Transactions with owners								
Acquisition of interest in a subsidiary	(1,883)	57	-	-	-	57	-	(1,940)
Dividends	(8,383)	(8,383)	-	-	-	(8,383)	-	-
Total transactions with owners	(10,266)	(8,326)	-	-	-	(8,326)	-	(1,940)
Balance as at 31 July 2017 (Restated)	921,288	877,364	280,462	19,110	13,756	567,151	(3,115)	43,924

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED	
	31.7.2018	31.7.2017
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers	157,007	142,715
Cash paid to suppliers and employees	(119,862)	(115,225)
Cash generated from operations	<u>37,145</u>	<u>27,490</u>
Deposit interest received	830	858
Interest paid	(9,277)	(8,318)
Tax paid	(9,651)	(6,574)
Net cash from operating activities	<u>19,047</u>	<u>13,456</u>
Cash flows from investing activities		
Acquisition of biological assets, land use rights and property, plant and equipment	(3,987)	(16,140)
Acquisition of additional shares in a subsidiary	-	(1,883)
Acquisition of other investment	-	(574)
Capital realisation from investment	1,368	380
Pledge of time deposits	(4)	(4)
Proceeds from disposal of plant and equipment	90	52
Net cash used in investing activities	<u>(2,533)</u>	<u>(18,169)</u>
Cash flows from financing activities		
Proceeds from loans and borrowings	28,139	29,861
Repayment of loans and borrowings	(17,471)	(14,767)
Net cash from financing activities	<u>10,668</u>	<u>15,094</u>
Net increase in cash and cash equivalents	27,182	10,381
Cash and cash equivalents at the beginning of the financial period	43,075	41,190
Cash and cash equivalents at the end of the financial period	<u>70,257</u>	<u>51,571</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	19,090	16,451
Cash and bank balances	64,486	46,750
Bank overdrafts	(8,717)	(7,036)
	<u>74,859</u>	<u>56,165</u>
Time deposits pledged	(4,602)	(4,594)
	<u>70,257</u>	<u>51,571</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
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
As at 1.2.2017			
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)
As at 31.1.2018			
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
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Preceding year corresponding quarter ended 31.7.2017			
Cost of sales	(54,626)	(682)	(55,308)
Gross profit	32,312	(682)	31,630
Profit before tax	24,874	(682)	24,192
Tax expenses	(6,532)	92	(6,440)
Profit for the period	18,342	(590)	17,752
Total comprehensive income for the period	17,305	(590)	16,715
Profit attributable to Owners of the Company	17,957	(590)	17,367
Total comprehensive income attributable to Owners of the Company	16,919	(590)	16,329
Basic earnings per share (sen)	6.43	(0.21)	6.22
Preceding year corresponding period ended 31.7.2017			
Cost of sales	(89,797)	(1,364)	(91,161)
Gross profit	44,992	(1,364)	43,628
Profit before tax	31,502	(1,364)	30,138
Tax expenses	(7,713)	184	(7,529)
Profit for the period	23,789	(1,180)	22,609
Total comprehensive income for the period	21,650	(1,180)	20,470
Profit attributable to Owners of the Company	22,319	(1,180)	21,139
Total comprehensive income attributable to Owners of the Company	20,175	(1,180)	18,995
Basic earnings per share (sen)	7.99	(0.42)	7.57

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 10 and MFRS128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The MASB has also issued a revised Conceptual Framework for Financial Reporting and Amendments to References to the Conceptual Framework in MFRS Standards to fourteen MFRS Standards and IC Interpretations which are effective for financial period beginning on or after 1 January 2020.

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 six months ended 31 July 2018.

A7 Dividends paid

There was no dividend paid during the six months ended 31 July 2018.

A8 Segmental information

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	6 months ended		6 months ended	
	31.7.2018	31.7.2017	31.7.2018	31.7.2017
				Restated
	RM'000	RM'000	RM'000	RM'000
Property development and construction	112,377	102,639	21,366	31,177
Manufacturing and trading	28,832	27,235	3,364	3,229
Property investment	1,637	861	(523)	(996)
Education, management services and others	18,791	14,747	9,331	8,065
	<u>161,637</u>	<u>145,482</u>	<u>33,538</u>	<u>41,475</u>
Inter-segment eliminations	<u>(12,272)</u>	<u>(10,693)</u>	<u>(5,832)</u>	<u>(5,297)</u>
	<u>149,365</u>	<u>134,789</u>	<u>27,706</u>	<u>36,178</u>
Unallocated expenses			(1,464)	(1,453)
Finance costs			(5,144)	(4,587)
			<u>21,098</u>	<u>30,138</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 September 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 September 2018 which comprise Bankers' guarantees issued by financial institutions in favour of third parties are as follows:-

	RM'000
Secured	30,211
Unsecured	-
	<u>30,211</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	Preceding	Changes	Current	Preceding	Changes
	Year	Year		Year	Year	
	Quarter	Corresponding	Quarter	To-date	Corresponding	
31.7.2018	31.7.2017	Restated	31.7.2018	31.7.2017	Restated	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	94,913	86,938	9%	149,365	134,789	11%
Earnings before interest, tax, depreciation and amortisation	21,583	28,473	-24%	30,500	38,545	-21%
Profit before interest and tax	19,412	26,541	-27%	26,242	34,725	-24%
Profit before tax	16,657	24,192	-31%	21,098	30,138	-30%
Profit after tax	11,229	17,752	-37%	17,249	22,609	-24%
Profit attributable to owners of the Company	10,991	17,367	-37%	14,231	21,139	-33%

Despite the Group's revenue for the current quarter ended 31 July 2018 and the first half of financial year ending 31 January 2019 increased RM8.0 million and RM14.6 million respectively as compared to the corresponding periods in last financial year, the Group's profit before tax ("PBT") for the current quarter and the first half of financial year 2019 declined RM7.5 million and RM9.0 million respectively as compared to the corresponding periods of last financial year mainly due to higher sales of affordable housing which has a lower profit margin.

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

	Revenue			
	Quarter ended		Year ended	
	31.7.2018	31.7.2017	31.7.2018	31.7.2017
		Restated		Restated
	RM'000	RM'000	RM'000	RM'000
Property development and construction	78,399	70,417	112,377	102,639
Manufacturing and trading	12,665	13,568	28,832	27,235
Property investment	1,162	441	1,637	861
Education, management services and others	9,963	8,405	18,791	14,747
	102,189	92,831	161,637	145,482
	Operating profit			
	Quarter ended		Year ended	
	31.7.2018	31.7.2017	31.7.2018	31.7.2017
		Restated		Restated
	RM'000	RM'000	RM'000	RM'000
Property development and construction	17,171	24,386	21,366	31,177
Manufacturing and trading	599	1,221	3,364	3,229
Property investment	182	(522)	(523)	(996)
Education, management services and others	5,235	4,935	9,331	8,065
	23,187	30,020	33,538	41,475

Property development and construction operation

For the current quarter and the first half of financial year 2019, despite the increase in revenue of 11% and 9% respectively, the operating profit decreased 30% and 31% respectively mainly due to higher sales of affordable housing which has a lower profit margin.

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Manufacturing and trading operation

For the current quarter, the drop in profit margin was mainly due to slowdown on property development activity which lead to stiff market competition for concrete products.

Property investment operation

For the current quarter and the first half of financial year 2019, the increases in revenue were mainly contributed by the additional properties rented during the periods.

Education, management services and others

For the current quarter and the first half of financial year 2019, 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 31.7.2018 RM'000	Immediate Preceding Quarter 30.4.2018 Restated RM'000	Changes %
Revenue	94,913	54,452	74%
Earnings before interest, tax, depreciation and amortisation	21,583	8,917	142%
Profit before interest and tax	19,412	6,830	184%
Profit before tax	16,657	4,441	275%
Profit after tax	11,229	6,020	87%
Profit attributable to owners of the Company	10,991	3,240	239%

For the current quarter, the Group's revenue and profit before tax increased RM40.5 million and RM12.2 million respectively as compared to the preceding quarter mainly due to higher sales of mid market landed residential 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.

	6 months ended 31.7.2018				
	New launches		Units sold ¹	Sales value ¹ RM'mil	Unbilled sales ² RM'mil
	Units	GDV RM'mil			
Industrial	17	25.5	16	33.6	79.9
Commercial	24	27.5	9	11.2	34.2
Residential	306	109.9	409	96.0	99.4
	347	162.8	434	140.8	213.5

¹ Includes sales of units from prior years launches

² Unbilled sales from total committed sales up to 21 September 2018

During the six months ended 31 July 2018, the Group has launched 17 units of 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 July 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	817
- Kota Tinggi	Mixed development	526
Taman Perindustrian Cemerlang	Industrial	78
Taman Desa Cemerlang	Residential & commercial	70
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
		2,728

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 23 units of detached, semi-detached and cluster factories at Taman Perindustrian Cemerlang as well as 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 RM213.5 million as at 21 September 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 31.7.2018 RM'000	Financial Year-to-date Ended 31.7.2018 RM'000
Current tax		
Current year	4,809	7,950
Prior years	1,747	2,083
Deferred tax:		
Relating to origination and reversal of temporary difference	(16)	(5,072)
Prior years	(1,112)	(1,112)
	5,428	3,849

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 September 2018.

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B7 Group borrowings and debt securities

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

	As at 31 July 2018		
	Long term RM'000	Short term RM'000	Total RM'000
Secured:			
Bank overdrafts	-	8,717	8,717
Revolving credit	-	25,300	25,300
Term Loans	282,153	41,536	323,689
	<u>282,153</u>	<u>75,553</u>	<u>357,706</u>

	As at 31 July 2017		
	Long term RM'000	Short term RM'000	Total RM'000
Secured:			
Bank overdrafts	-	7,036	7,036
Revolving credit	-	10,500	10,500
Term Loans	297,370	24,397	321,768
	<u>297,370</u>	<u>41,933</u>	<u>339,304</u>

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

(c) As at 31 July 2018, the weighted average interest rate of loan and borrowings were ranging from 5.2% to 8.0% (31.7.2017: 4.9% to 7.6%) and after taking into account the effect of an interest rate swap, approximately 35% (31.7.2017: 40%) of the loans and borrowings are at fixed rate of interest.

(d) Included in term loans is a term loan of RM44.9 million (31.7.2017: RM47.8 million) denominated in USD. The Group had a cross currency interest rate swap ("CCIRS") agreement in place with a notional principal of USD14.3 million (31.7.2017: USD15.3 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 RM44.9 million (31.7.2017: RM47.8 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 July 2018 is RM4.11 million.

B8 Derivatives

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

Type of Derivatives	Notional value RM'000	Fair value RM'000
(i) Interest rate swap ("IRS")	<u>73,433</u>	<u>(1,195)</u>
(ii) Cross currency interest rate swap ("CCIRS")	<u>44,850</u>	<u>14,662</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 September 2018, there is no material litigation against the Group.

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B10 Dividend

- (a) The Board is pleased to declare an interim dividend for the financial year ending 31 January 2019 as follows:-
- (i) amount per share : 3 sen single tier;
 - (ii) previous corresponding period : 3 sen single tier;
 - (iii) date of payment is 22 November 2018; and
 - (iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 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 31.7.2018	Financial Year-to-date Ended 31.7.2018
Profit net of tax attributable to owners of the Company (RM'000)	<u>10,991</u>	<u>14,231</u>
Weighted average number of ordinary shares in issue ('000)	<u>279,419</u>	<u>279,419</u>
Basic earnings per share (Sen)	<u>3.93</u>	<u>5.09</u>

B12 Notes to the statement of comprehensive income

	Current Quarter Ended 31.7.2018 RM'000	Financial Year-to-date Ended 31.7.2018 RM'000
(a) Interest income	800	1,065
(b) Other income including investment income	3,586	6,731
(c) Interest expenses	(2,755)	(5,144)
(d) Depreciation and amortisation	(2,171)	(4,258)
(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)	25	(358)
(j) Gain or (loss) on derivatives	1,702	1,229
(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.