

CRESCENDO CORPORATION BERHAD

199501030544 (359750-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.10.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.10.2023 RM'000	CURRENT YEAR TO-DATE 31.10.2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.10.2023 RM'000
Revenue	231,241	101,789	1,079,975	221,240
Cost of sales	(88,971)	(67,833)	(354,640)	(145,507)
Gross profit	142,270	33,956	725,335	75,733
Other income	8,931	3,722	23,795	12,058
Administration expenses	(12,066)	(9,360)	(35,579)	(27,190)
Finance costs	(1,480)	(2,988)	(6,339)	(8,765)
Profit before tax	137,655	25,330	707,212	51,836
Tax expenses	(34,130)	(7,897)	(172,672)	(15,997)
Profit for the period	103,525	17,433	534,540	35,839
Other comprehensive income, net of tax				
Net movement on cash flow hedges	-	11	4	46
Tax relating to cash flow hedges	-	(3)	(1)	(11)
Total other comprehensive income for the period, net of tax	-	8	3	35
Total comprehensive income for the period	103,525	17,441	534,543	35,874
Profit attributable to:				
Owners of the Company	102,993	17,972	532,860	35,456
Non-controlling interests	532	(539)	1,680	383
	103,525	17,433	534,540	35,839
Total comprehensive income attributable to:				
Owners of the Company	102,993	17,980	532,863	35,491
Non-controlling interests	532	(539)	1,680	383
	103,525	17,441	534,543	35,874
Earnings per share attributable to owners of the Company:				
Basic (sen)	12.28	2.14 *	63.54 *	4.23 *

* Adjusted for subdivision of every 1 existing ordinary share into 3 ordinary shares ("Share Split") completed in September 2024.

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.10.2024 RM'000	AS AT 31.1.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	177,759	135,708
Right-of-use assets	3,525	3,764
Bearer plants	3,786	4,043
Investment properties	288,717	287,978
Inventories	759,565	661,130
Deferred tax assets	45,417	40,867
	<u>1,278,769</u>	<u>1,133,490</u>
Current assets		
Inventories	242,290	208,086
Receivables	220,975	120,404
Contract assets	3,742	14,419
Prepaid operating expenditure	10,070	13,914
Tax recoverable	1,387	895
Short term funds	53,208	-
Cash and bank balances	229,156	54,899
	<u>760,828</u>	<u>412,617</u>
TOTAL ASSETS	<u>2,039,597</u>	<u>1,546,107</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	299,572	299,572
Treasury shares	(2,801)	(3,115)
Other reserves	-	(3)
Retained earnings	1,116,155	683,704
	<u>1,412,926</u>	<u>980,158</u>
Non-controlling interests	53,412	53,247
Total equity	<u>1,466,338</u>	<u>1,033,405</u>
Non-current liabilities		
Loans and borrowings	111,851	232,257
Deferred tax liabilities	32,143	31,712
	<u>143,994</u>	<u>263,969</u>
Current liabilities		
Trade and other payables	168,358	103,697
Contract liabilities	18,176	20,963
Loans and borrowings	25,784	116,614
Tax payable	166,633	7,455
Dividend payable	50,314	-
Derivative financial liabilities	-	4
	<u>429,265</u>	<u>248,733</u>
Total liabilities	<u>573,259</u>	<u>512,702</u>
TOTAL EQUITY AND LIABILITIES	<u>2,039,597</u>	<u>1,546,107</u>
Net assets per share (RM)	<u>1.68</u>	<u>1.17</u> *

* Adjusted for subdivision of every 1 existing ordinary share into 3 ordinary shares ("Share Split") completed in September 2024.

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
	← 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	RM'000
9 months ended 31 October 2024							
Balance as at 1 February 2024	1,033,405	980,158	299,572	(3)	683,704	(3,115)	53,247
Total comprehensive income	534,543	532,863	-	3	532,860	-	1,680
Transactions with owners							
Issuance of ordinary shares in subsidiaries	220	-	-	-	-	-	220
Preference dividend paid to non-controlling interests	(1,735)	-	-	-	-	-	(1,735)
Resale of treasury shares	515	515	-	-	201	314	-
Dividends	(100,610)	(100,610)	-	-	(100,610)	-	-
Total transactions with owners	(101,610)	(100,095)	-	-	(100,409)	314	(1,515)
Balance as at 31 October 2024	1,466,338	1,412,926	299,572	-	1,116,155	(2,801)	53,412
9 months ended 31 October 2023							
Balance as at 1 February 2023	981,531	929,041	299,572	(40)	632,624	(3,115)	52,490
Total comprehensive income	35,874	35,491	-	35	35,456	-	383
Transactions with owners							
Dividends	(5,588)	(5,588)	-	-	(5,588)	-	-
Balance as at 31 October 2023	1,011,817	958,944	299,572	(5)	662,492	(3,115)	52,873

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

	9 MONTHS ENDED	
	31.10.2024	31.10.2023
	RM'000	RM'000
Cash flows from operating activities		
Cash received from customers	986,795	182,020
Cash paid to suppliers and employees	(441,255)	(180,531)
Cash generated from operations	<u>545,540</u>	<u>1,489</u>
Deposit interest received	6,841	1,284
Interest paid	(8,192)	(9,053)
Tax paid	(18,106)	(7,262)
Net cash from / (used in) operating activities	<u>526,083</u>	<u>(13,542)</u>
Cash flows from investing activities		
Acquisition of bearer plants, right-of-use assets, investment properties and property, plant and equipment	(48,263)	(16,516)
Withdrawal / (Pledge) of time deposits (Net investment in short term funds) / proceeds from disposal of short term funds	1,588	(50)
Proceeds from disposal of Investment properties, and property, plant and equipment	(50,857)	506
Proceeds from disposal of Investment properties, and property, plant and equipment	9,826	270
Net cash used in investing activities	<u>(87,706)</u>	<u>(15,790)</u>
Cash flows from financing activities		
Resale of treasury shares	515	-
Proceeds from loans and borrowings	-	39,087
Repayment of loans and borrowings	(210,529)	(47,141)
Dividend paid	(50,295)	(5,588)
Dividend paid to non-controlling interests	(1,735)	-
Proceeds from issuance of shares to non-controlling interests	220	-
Net cash used in financing activities	<u>(261,824)</u>	<u>(13,642)</u>
Net increase / (decrease) in cash and cash equivalents	176,553	(42,974)
Cash and cash equivalents at the beginning of the financial period	44,844	78,750
Cash and cash equivalents at the end of the financial period	<u>221,397</u>	<u>35,776</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks and other financial institution	175,463	20,039
Cash and bank balances	53,693	28,249
Bank overdrafts	(5,242)	(9,824)
	<u>223,914</u>	<u>38,464</u>
Time deposits pledged	(2,517)	(2,688)
	<u>221,397</u>	<u>35,776</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 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 Jan 2026
Amendments to MFRS 18	Presentation and Disclosure in Financial Statements	1 Jan 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

These new and amended MFRSs are not expected to have any significant impact on the financial statements of the Group 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 year-to-date.

A5 Material changes in estimates

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

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the nine months ended 31 October 2024 except for:

- (a) the Company had made prepayments of Medium Term Notes ("MTN") of RM170 million in nominal value under the existing MTN Programme of which RM140 million was voluntary early redemptions.
- (b) resale of 105,000 treasury shares in the open market for a total consideration of RM514,876 at an average price of RM4.90 per share (before the completion of share split).
- (c) On 26 September 2024, the Company has completed the listing of and quotation for 841,387,494 subdivided shares on the Main Market of Bursa Securities arising from subdivision of every 1 ordinary share in the Company into 3 ordinary shares.

As at 31 October 2024, the Company held as treasury shares a total of 2,816,400 of its 841,387,494 issued ordinary shares.

A7 Dividends paid

The dividends paid during the nine months ended 31 October 2024 were as follows:

- (i) An interim single tier dividend of 5 sen per share* in respect of financial year 2024, paid on 15 May 2024.
- (ii) A special single tier dividend of 13 sen per share* in respect of financial year 2024, paid on 15 May 2024.

* Rate of dividend paid before the completion of share split.

A8 Segmental information

	<u>Revenue</u>		<u>Results</u>	
	9 months ended		9 months ended	
Major segments by activity:-	31.10.2024	31.10.2023	31.10.2024	31.10.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	1,004,621	148,726	697,472	52,236
Manufacturing and trading	49,860	44,293	3,328	2,931
Property investment	10,733	8,023	7,266	4,977
Services and others	60,110	36,852	41,905	16,940
	<u>1,125,324</u>	<u>237,894</u>	<u>749,971</u>	<u>77,084</u>
Inter-segment eliminations	<u>(45,349)</u>	<u>(16,654)</u>	<u>(32,599)</u>	<u>(14,273)</u>
	<u>1,079,975</u>	<u>221,240</u>	<u>717,372</u>	<u>62,811</u>
Unallocated expenses			(3,820)	(2,210)
Finance costs			<u>(6,339)</u>	<u>(8,765)</u>
			<u>707,213</u>	<u>51,836</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-to-date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations except for:

- (a) A wholly-owned subsidiary of the Company, Crescendo Landmark Sdn. Bhd. ("CLMSB"), had on 8 February 2024 increased its issued and fully paid-up capital from RM2.00 consisting of 2 ordinary shares to RM2,000,000 consisting of 2,000,000 ordinary shares. As a result, CLMSB is now a 99% owned subsidiary of the Company.

CRESCENDO CORPORATION BERHAD

199501030544 (359750-D)

- (b) The Company had on 12 September 2024 acquired the entire issued and paid-up share capital comprises of 500,000 ordinary shares of Melewar TE Sdn. Bhd. [now known as Microtelecom Sdn. Bhd. ("MTSB")] at the purchase price of RM1,415,000. As a result, MTSB is now a wholly owned subsidiary of the Company.
- (c) A wholly-owned subsidiary of the Company, Crescendo Education Sdn. Bhd. had on 30 September 2024 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 Vision Sdn. Bhd. [now known as Agensi Pekerjaan Myjobsearch Sdn. Bhd.], for a total consideration of RM2.
- (d) The Company had on 15 October, 2024 acquired the entire issued and paid-up share capital comprises of 8,750,000 ordinary shares of SGR Land Development Sdn. Bhd. ("SGR") at the purchase price of RM10,787,803.50. As a result, SGR is now a wholly owned subsidiary of the Company.

A11 Material subsequent events

As at 23 December 2024, there were no material subsequent events that have not been reflected in the financial statements for the current financial period except for:

- (a) Establishment of an Executives' Share Option Scheme ("ESOS") involving up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS to be granted to the Eligible Executives. The implementation of the ESOS is effective from 12 November 2024.
- (b) A conditional sale and purchase agreement entered by Panoramic Industrial Development Sdn Bhd ("PID"), a wholly-owned subsidiary of the Company, on 6 December 2024 for the disposal of freehold vacant land for a total cash consideration of RM120.06 million.

A12 Contingent liabilities

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

- (a) Banker guarantees issued by licensed banks in favour of third parties
- | | |
|-----------|--------|
| | RM'000 |
| Secured | 8,582 |
| Unsecured | - |
| | 8,582 |
- (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 October 2024 are as follows:

	RM'000
Contracted but not accounted for	
- Land for property development	9,600
- Property, plant and equipment	998
- Investment properties	35,567
	46,165

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		
	Preceding Year		Changes	Preceding Year		Changes
	Current Year Quarter	31.10.2023 Corresponding Quarter		Current Year To-date	31.10.2023 Corresponding Period	
	31.10.2024	31.10.2023	%	31.10.2024	31.10.2023	%
Revenue	231,241	101,789	127%	1,079,975	221,240	388%
Earnings before interest, tax, depreciation and amortisation	141,489	30,603	362%	720,597	67,363	970%
Profit before interest and tax	139,135	28,318	391%	713,551	60,601	1077%
Profit before tax	137,655	25,330	443%	707,212	51,836	1264%
Profit after tax	103,525	17,433	494%	534,540	35,839	1392%
Profit attributable to owners of the Company	102,993	17,972	473%	532,860	35,456	1403%

The Group's revenue and profit before tax recorded RM231.24 million and RM137.66 million respectively for the current quarter ended 31 October 2024 and a record-high of RM1,079.98 million and RM707.21 million respectively for the nine months ended 31 October 2024 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	
	31.10.2024	31.10.2023	31.10.2024	31.10.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	202,716	74,459	1,004,621	148,726
Manufacturing and trading	15,653	18,559	49,860	44,293
Property investment	3,634	2,705	10,733	8,023
Services and others	17,855	12,541	60,110	36,852
	<u>239,858</u>	<u>108,264</u>	<u>1,125,324</u>	<u>237,894</u>

	Operating profit			
	Quarter ended		Year-to-date ended	
	31.10.2024	31.10.2023	31.10.2024	31.10.2023
	RM'000	RM'000	RM'000	RM'000
Property development and construction	131,988	26,029	697,472	52,236
Manufacturing and trading	841	1,248	3,328	2,931
Property investment	2,562	1,465	7,266	4,977
Services and others	12,588	5,454	41,905	16,940
	<u>147,979</u>	<u>34,196</u>	<u>749,971</u>	<u>77,084</u>

Property development and construction operation

The revenue and operating profit recorded RM202.72 million and RM131.99 million respectively for the current quarter ended 31 October 2024 and a record-high of RM1,004.62 million and RM697.47 million respectively for the nine months ended 31 October 2024 mainly due to the revenue and profit from data center land sales in NCIP.

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

Manufacturing and trading operation

The fluctuations of revenue for the current quarter and financial year to-date arose mainly from the trading operation which highly depending on demand in building materials from the surrounding construction projects.

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 31.10.2024 RM'000	Immediate Preceding Quarter 31.7.2024 RM'000	Changes %
Revenue	231,241	321,457	-28%
Earnings before interest, tax, depreciation and amortisation	141,489	191,582	-26%
Profit before interest and tax	139,135	189,232	-26%
Profit before tax	137,655	186,940	-26%
Profit after tax	103,525	141,231	-27%
Profit attributable to owners of the Company	102,993	140,836	-27%

The revenue and profit before tax for the current quarter ended 31 October 2024 decreased to RM231.24 million and RM137.66 million respectively as compared to the immediate preceding quarter mainly due to less revenue from data center land in NCIP in the current quarter.

B3 Group's Prospect

We are optimistic with the property market outlook, especially in Johor, in the next few years. 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 Johor Bahru-Singapore Rapid Transit System ("RTS") Link project will serve as a catalyst to revitalise Johor Bahru City Centre development.

The proposed Johor-Singapore special economic zone("JS-SEZ") in Johor aims to strengthen business ties, enhance bilateral relations, boost cross-border flow of goods and people. The collaboration is expected to improve the business ecosystems of both nations and attract new investments. The extent of economic benefits the project may have on Johor will be clearer once the details and special incentives of JS-SEZ are announced by the authorities.

The Group will continue to monitor the market situation and the impact from the uncertainty on global economic outlook which will lead to fluctuating material costs and currency volatility. The minimum wages adjustments and subsidy rationalisation are expected to have an impact on our cost. The Group will adopt a prudent 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 continue to improve. The Group continues to adapt its strategies, product designs, and timing of new launches as part of its strategic response.

As at 31 October 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	719
- Kota Tinggi	Industrial/Residential	636
Taman Perindustrian Cemerlang	Industrial	29
Taman Desa Cemerlang	Residential & commercial	52
Taman Dato' Chellam	Residential & commercial	9
Nusa Cemerlang Industrial Park	Industrial	# 26
Tanjung Senibong	Residential & commercial	215
Jalan Senyum, Johor Bahru	Residential	3
Ambok	Resort / Mixed development	794
Others	Residential	5
		2,488

The development landbank above represents gross land.

Excluding 38.8 acres of net land sold via two conditional Sale & Purchase Agreements and one of which had become unconditional on 6 September 2024.

The Group has launched 57 units of shop offices at Desa Cemerlang with a gross development value ("GDV") of RM142 million during the financial year 2025. In our effort to continue developing landed properties, we plan to launch 167 units of mid to high-end market landed residential properties at Bandar Cemerlang with a GDV of RM135 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 by first quarter of 2025. This project will encompass approximately 1,200 units with a GDV of RM1 billion.

The Group has commenced the main infrastructure work of the industrial park at Bandar Cemerlang during 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 RM288 million as at 23 December 2024, including land sale at NCIP of RM120 million, the Board expects the Group to have a very good 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 31.10.2024 RM'000	Financial Year-to-date Ended 31.10.2024 RM'000
Income Tax		
Current tax:		
Current year	34,205	176,792
Deferred tax:		
Relating to origination and reversal of temporary difference	(139)	(4,099)
Prior years	64	(21)
	34,130	172,672

The effective tax rates for the current quarter and financial year-to-date were slightly higher than the income tax rate of 24% mainly due to certain expenses are not tax deductible.

B6 Status of corporate proposals

The corporate proposal announced but not completed as at 23 December 2024 is the disposal by Panoramic Industrial Development Sdn Bhd ("PID"), a wholly-owned subsidiary of the Company, of a vacant land for a total cash consideration of RM115.9 million through the execution of a conditional sale and purchase agreement ("SPA") on 12 July 2024.

The proposal was approved at an Extraordinary General Meeting of the Company held on 6 September 2024 and the SPA had become unconditional on the same date.

B7 Group borrowings and debt securities

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

	<u>As at 31 October 2024</u>		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured:			
Bank overdrafts	-	5,242	5,242
Term Loans	1,851	542	2,393
Medium Term Notes	110,000	20,000	130,000
	<u>111,851</u>	<u>25,784</u>	<u>137,635</u>
	<u>As at 31 October 2023</u>		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured:			
Bank overdrafts	-	9,824	9,824
Revolving credit	-	47,500	47,500
Trade facilities	-	2,587	2,587
Term Loans	2,809	19,262	22,071
Medium Term Notes	165,000	35,000	200,000
	<u>167,809</u>	<u>114,173</u>	<u>281,982</u>

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

(c) As at 31 Oct 2024, the weighted average interest rate of loan and borrowings ranged from 3.6% to 7.51% (31.10.2023: 3.6% to 7.6%). Approximately 94% of the loans and borrowings are at fixed rate of interest whereas for the corresponding period last year it was 59% after taking into account also the effect of interest rate swap.

(d) The interest capitalised in the land held for property development and property development costs for the current financial period ended 31 Oct 2024 is RM2.13 million.

B8 Material litigation

As at 23 December 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 November 2024, the parties updated the court that the pre-trial documents as directed by the court have been duly filed. The court fixed 9 February 2026 for a final Case Management before the trial and for parties to exchange witness statements.

Trial is re-scheduled to be held on 23 March 2026 - 27 March 2026 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 2nd Suit") commenced an action against CESB, CICSB and 7 others (collectively "the Defendants for the 2nd Suit") by way of an Originating Summons dated 14 September 2023 in the Johor Bahru High Court pursuant to Section 346 of the Companies Act 2016.

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

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

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

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

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

At the case management on 6 November 2024, the court directed for parties to file the pre-trial documents by 27 November 2024, and fixed 2 January 2025 for a Case Management to update the judge on the status of filing the pre-trial documents.

On 11 December 2024, the Defendants have filed interlocutory applications pursuant to Order 18, Rule 19(1) of the Rules of Court 2012 to strike out this suit. The case management for these applications is fixed on 15 January 2025.

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.

The hearing for the Order 81 Application was held on 1 August 2024. On 28 October 2024, the judge directed that the Stay Application be heard and thereafter decision will be given for both the Order 81 Application and the Stay Application.

The hearing of the Stay Application is fixed on 15 January 2025.

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

- (a) No dividend has been declared or proposed for the current financial quarter ended 31 October 2024 (previous corresponding period: Nil).
- (b) Total dividend for the current financial year : 1 sen single tier per share (interim) and 5 sen single tier per share (special).

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 31.10.2024	Financial Year-to-date Ended 31.10.2024
Profit net of tax attributable to owners of the Company (RM'000)	<u>102,993</u>	<u>532,860</u>
Weighted average number of ordinary shares in issue ('000)	<u>838,571</u>	<u>838,571</u>
Basic earnings per share (Sen)	<u>12.28</u>	<u>63.54</u> *

* Adjusted for subdivision of every 1 existing ordinary share into 3 ordinary shares ("Share Split") completed in September 2024.

B11 Notes to the statement of comprehensive income

	Current Quarter Ended 31.10.2024 RM'000	Financial Year-to-date Ended 31.10.2024 RM'000
(a) Interest income	2,710	7,072
(b) Other income including investment income	6,317	16,836
(c) Interest expenses	(1,480)	(6,339)
(d) Depreciation and amortisation	(2,354)	(7,046)
(e) (Provision for and write off) / write back of receivables	8	11
(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)	(104)	(123)
(j) Gain or (loss) on derivatives	-	4
(k) Exceptional items	-	-