

CRESCENDO CORPORATION BERHAD

QUARTERLY REPORT

(The figures have not been audited)

Quarterly report on consolidated results for the fourth quarter ended 31/01/2004.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/01/2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2003 RM'000	CURRENT YEAR TO DATE 31/01/2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2003 RM'000
SUMMARY OF KEY FINANCIAL INFORMATION				
1 Revenue	13,775	16,035	62,433	62,525
2 Profit / (loss) before tax	6,727	4,100	18,856	17,286
3 Profit / (loss) after tax and minority interest	5,414	3,361	13,856	12,724
4 Net profit / (loss) for the period	5,414	3,361	13,856	12,724
5 Basic earnings / (loss) per share (sen)	4.62	3.08	12.19	11.64
6 Dividend per share (sen)	3.50	2.50	6.00	5.00
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net tangible assets per share (RM)			2.11	2.09

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/01/2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2003 RM'000	CURRENT YEAR TO DATE 31/01/2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2003 RM'000
Revenue	13,775	16,035	62,433	62,525
Gross profit	7,448	6,151	22,552	20,929
Other operating income	40	371	2,275	3,149
Operating expenses	(3,153)	(2,396)	(8,570)	(7,420)
Gain / (Loss) on disposal of investment	(214)	-	64	728
Reversal of diminution in value of quoted securities	2,621	-	2,621	-
Profit from operations	6,742	4,126	18,942	17,386
Finance cost	(15)	(26)	(86)	(100)
Profit before tax	6,727	4,100	18,856	17,286
Tax	(1,260)	(978)	(4,657)	(4,276)
Profit after tax	5,467	3,122	14,199	13,010
Minority interests	(53)	239	(343)	(286)
Net profit for the financial period	5,414	3,361	13,856	12,724
Earnings per share (sen):-				
Basic	4.62	3.08	12.19	11.64
Dilluted	3.70	2.62	9.88	10.44
Dividend per share (sen)	3.50	2.50	6.00	5.00

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2003)

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31/01/2004 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR 31/01/2003 RM'000
NON CURRENT ASSETS		
Property, plant and equipment	60,117	193,880
Long term investments	15,545	7,453
Other long term assets - Land held for property development	192,398	50,080
Deferred tax assets	503	699
	<u>268,563</u>	<u>252,112</u>
CURRENT ASSETS		
Property development costs	11,777	7,155
Inventories	13,353	16,752
Debtors	32,702	26,295
Cash and cash equivalents	16,525	28,093
	<u>74,357</u>	<u>78,295</u>
CURRENT LIABILITIES		
Creditors	17,431	14,213
Short term borrowings	31	131
Provision for tax	760	685
	<u>18,222</u>	<u>15,029</u>
Net Current Assets	56,135	63,266
NON CURRENT LIABILITIES		
Long term borrowings	35,000	35,032
3% ICULS 2002/2007	33,972	40,781
Deferred tax liabilities	4,832	5,157
	<u>73,804</u>	<u>80,970</u>
	<u>250,894</u>	<u>234,408</u>
CAPITAL AND RESERVES		
Share capital	117,985	111,166
Treasury shares	(765)	-
Reserves	131,247	121,233
Shareholders' equity	<u>248,467</u>	<u>232,399</u>
Minority interests	2,427	2,009
	<u>250,894</u>	<u>234,408</u>
Net tangible assets per share (RM)	<u>2.11</u>	<u>2.09</u>

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2003)

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Non distributable Reserves RM'000	Distributable Reserves RM'000	Total RM'000
<u>Twelve months ended 31 January 2004</u>					
Balance as at 1 February 2003					
As previously stated	111,166	-	43,443	77,161	231,770
Prior year adjustments	-	-	-	629	629
As restated	111,166	-	43,443	77,790	232,399
Movement during the period	6,819	(765)	322	9,692	16,068
Balance as at 31 January 2004	117,985	(765)	43,765	87,482	248,467
<u>Twelve months ended 31 January 2003</u>					
Balance as at 1 February 2002					
As previously stated	108,496	-	44,478	67,209	220,183
Prior year adjustments	-	-	-	1,189	1,189
As restated	108,496	-	44,478	68,398	221,372
Movement during the period	2,670	-	(1,035)	9,952	11,587
Balance as at 31 January 2003	111,166	-	43,443	78,350	232,959

(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 2003)

**CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT**

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	AS AT END OF CURRENT QUARTER 31/01/2004 RM' 000
Net cash (used in) / generated from operating activities	4,381
Net cash (used in) / generated from investing activities	(10,970)
Net cash (used in) / generated from financing activities	<u>(4,887)</u>
Net (decrease) / increase in cash and cash equivalents	(11,476)
Cash and cash equivalents at the beginning of the financial period/year	28,001
Cash and cash equivalents at the end of the financial period/year	<u><u>16,525</u></u>
Cash and cash equivalents at the end of the financial period/year	
Deposits with licensed banks	5,192
Cash and bank balances	11,333
Bank overdraft	-
As above	<u><u>16,525</u></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 2003)

EXPLANATORY NOTES

A1 Basis of preparation

These interim financial statements which are unaudited, have been prepared in accordance with the requirements of MASB 26 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Kuala Lumpur Stock Exchange.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2003. 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 2003.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 January 2003, except for the adoption of MASB 25, MASB 27, MASB 28 and MASB 29. The adoption of MASB 27, MASB 28 and MASB 29 have not given rise to any adjustments to the opening balances of retained profits of the prior year and the current period or to changes in comparatives. The changes and effects of adopting MASB 25 which resulted in prior year adjustments are as follows.

(a) Change in Accounting Policy

MASB 25 : Income Taxes

Under MASB 25, deferred tax liabilities are recognised for all material taxable temporary differences. Previously, deferred tax liabilities were provided for based on timing differences which are expected to materialise in the foreseeable future. In addition, the Group and the Company have commenced recognition of deferred tax assets for all material deductible temporary differences, when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised. Previously, deferred tax assets were not recognised unless there was reasonable expectation of their realisation.

(b) Prior Year Adjustments

The change in accounting policy has been applied retrospectively and comparatives have been restated. The effects of change in accounting policy is as follows:-

	2003		2002	
	RM' 000		RM' 000	
Effects on retained profits:				
At 1 February, as previously stated		77,161		67,209
Effects of adopting MASB 25		629		1,189
At 1 February, as restated		<u>77,790</u>		<u>68,398</u>
	3 months ended		12 months ended	
	31.01.2004	31.01.2003	31.01.2004	31.01.2003
Effects on net profit for the period:				
Net profit before changes in accounting policies	5,528	3,196	14,049	13,284
Effects of adopting MASB 25	(114)	165	(193)	(560)
Net profit for the period	<u>5,414</u>	<u>3,361</u>	<u>13,856</u>	<u>12,724</u>

Comparative amounts as at 31 January 2003 has been restated as follows:-

	Previously stated	Adjustments	Restated
	RM' 000	RM' 000	RM' 000
Deferred tax assets	-	699	699
Deferred tax liabilities	(5,110)	(47)	(5,157)
Minority interests	(1,986)	(23)	(2,009)

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/construction sectors.

A4 Unusual items

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

A5 Material changes in estimates

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

A6 Debt and equity securities

The share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date are as follows:-

	No. of shares (' 000)
At 1 February 2003	-
Share buy-back	776
Share cancellations	-
Shares held as treasury shares	<u>776</u>
Resale of treasury shares	-
At 31 January 2004	<u><u>776</u></u>

The issuance and repayment of debt and equity securities for the current financial year to date are as follows:-

	No. of shares (' 000)	No. of ICULS (RM' 000)
At 1 February 2003	111,166	40,781
Exercise of ESOS	10	-
Conversion of ICULS	6,809	(6,809)
At 31 January 2004	<u><u>117,985</u></u>	<u><u>33,972</u></u>

A7 Dividends paid

The gross dividends paid during the current financial year to date are as follows:-

- (i) 2.5 sen per ordinary share, less tax which is a final dividend in respect of financial year 2003 paid on 19 September 2003.
- (ii) 2.5 sen per ordinary share, less tax which is an interim dividend in respect of financial year 2004 paid on 16 January 2004.

A8 Segmental Information

Major segments by activity:-	Revenue		Results	
	12 months ended 31.01.2004 RM'000	12 months ended 31.01.2003 RM'000	12 months ended 31.01.2004 RM'000	12 months ended 31.01.2003 RM'000
Property development				
- Industrial properties	26,052	25,480	13,090	8,989
- Residential / commercial properties	13,283	17,489	1,843	4,551
Construction activities	35,323	23,008	2,242	3,706
Manufacture of concrete products	6,534	2,294	1,051	(63)
Management services and others	6,169	3,768	1,996	290
	<u>87,361</u>	<u>72,039</u>	<u>20,222</u>	<u>17,473</u>
Less: Inter-segment elimination	<u>(24,928)</u>	<u>(9,514)</u>	<u>691</u>	<u>1,439</u>
	62,433	62,525	20,913	18,912
Less: Unallocated expenses	-	-	(1,971)	(1,526)
Profit from operations	<u><u>62,433</u></u>	<u><u>62,525</u></u>	<u><u>18,942</u></u>	<u><u>17,386</u></u>

The effect of changes of presentation of segmental information is to conform with MASB 22 Segmental reporting and MASB 26 Interim Financial Reporting.

A9 Valuation of property, plant and equipment

Not applicable.

A10 Material subsequent event

Subsequent material events that have not been reflected in the financial statements for the current financial year up to 24 March 2004 are as follows:-

(i) Increase in issued paid up capital and conversion of ICULS

	No. of shares (' 000)	No. of ICULS (RM' 000)
Conversion of ICULS	24,772	(24,772)
Exercised of ESOS	17	-
	<u>24,789</u>	<u>(24,772)</u>

(ii) Shares buy-back

	No. of shares (' 000)	Weighted average price (RM)	Purchase price (RM' 000)
Number of shares bought	<u>114</u>	<u>1.2410</u>	<u>141</u>

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year to date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations except for the followings:-

The 100% owned subsidiary, Panoramic Industrial Development Sdn Bhd ("PID") has procured the incorporation of a new company called Panoramic Land Sdn Bhd ("PLSB") on 2 September 2003. Currently, the issued and paid up capital of PLSB is RM2 divided into 2 shares of RM1.00 each. PLSB is 100% owned by PID and the intended principal activity is property development.

On 3 November 2003, a wholly owned subsidiary, Crescendo Development Sdn Bhd has increased its equity interest in its subsidiary, Crescendo Land Sdn Bhd ("CLSB") from 65% to 70%. Currently, the issued and paid up capital of CLSB is RM120 divided into 120 shares of RM1.00 each.

A12 Contingent Liabilities

The contingent liabilities of the Group as at 24 March 2004 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	2,805
Unsecured	-
	<u>2,805</u>

ADDITIONAL INFORMATION REQUIRED BY THE KLSE LISTING REQUIREMENTS

B1 Review of the performance of the company and its principal subsidiaries

The revenue for the financial year 2004 is RM62.4 million which represents a marginal drop of RM0.1 million or 0.2% as compared to the corresponding period in prior financial year. The decrease in revenue is mainly due to the lower recognition of revenue from committed residential property sales and decrease in external revenue of construction operations. However, the increase in the sales of concrete products has partly offset by the said decrease in revenue.

The profit before tax ("PBT") increased by RM1.6 million or 9.2% to RM18.9 million for the financial year 2004 as compared to the corresponding prior financial year. The increase in PBT is mainly due to the reversal of diminution in value of quoted securities of RM2.6 million.

B2 Comparison of Profit Before Tax for the quarter reported on with the immediate preceding quarter

The PBT of the Group increased by RM1.3 million or 24.1% in the fourth quarter of this financial year as compared to the preceding quarter mainly due to the reversal of diminution in value of quoted securities of RM2.6 million.

B3 Current year financial prospects

The residential and industrial property operations are expected to be the main profit contributor for the first quarter of the financial year 2005.

Barring unforeseen circumstances, the Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2005.

B4 Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee

Not applicable.

B5 Income tax

	CURRENT QUARTER 31/01/2004 RM' 000	CURRENT YEAR TO DATE 31/01/2004 RM' 000
Current tax	1,148	4,466
Prior year under / (over) provision	(1)	(1)
Deferred tax	113	192
	<u>1,260</u>	<u>4,657</u>

The effective rate of tax for the current quarter is lower than the statutory tax rate as certain income are not taxable for income tax purposes.

B6 Profits/(losses) on sale of unquoted investments and/or properties

Gain/(loss) on disposal of unquoted investments for the current quarter and financial year to date are as follows:-

	CURRENT QUARTER 31/01/2004 RM' 000	CURRENT YEAR TO DATE 31/01/2004 RM' 000
Gain/(loss) on disposal of unquoted investments	<u>(214)</u>	<u>(199)</u>

There were no profits/(losses) on any sale of properties outside the ordinary course of the Group's business for the financial year under review.

B7 Quoted securities

(a) Total purchase consideration and sale proceeds of quoted securities for the current quarter and financial year to date and profit/loss arising therefrom are as follows:-

	CURRENT QUARTER 31/01/2004 RM' 000	CURRENT YEAR TO DATE 31/01/2004 RM' 000
Total purchase consideration	<u>3</u>	<u>1,305</u>
Total sale proceeds	<u>-</u>	<u>919</u>
Total profit / (loss) on disposal	<u>-</u>	<u>263</u>
 (b) Total investments in quoted securities as at 31 January 2004:-		
		RM' 000
(i) At cost		<u>13,128</u>
(ii) At carrying value/book value		<u>10,018</u>
(iii) At market value		<u>10,018</u>

B8 Status of corporate proposals

There were no corporate proposals announced but not completed as at 24 March 2004.

B9 Group borrowings and debt securities

Group borrowings as at 31 January 2004 were as follows:

	RM' 000
(a) Secured borrowings	35,031
Unsecured borrowings	-
	<u>35,031</u>
ICULS - Unsecured	<u>33,972</u>
	<u>69,003</u>
 (b) Short term borrowings	
- Bank overdraft	-
- Hire purchase	31
	<u>31</u>
Long term borrowings	
- Term loan	35,000
- Hire purchase	-
- ICULS	<u>33,972</u>
	<u>69,003</u>

(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the property, plant and equipment for the financial year ended 31 January 2004 is RM3,294,519.

B10 Financial Instruments with Off Balance Sheet risk

There were no financial instruments with off balance sheet risk for the current financial year to date.

B11 Material Litigation

The Group is not engaged in any material litigation for the current financial year to date.

B12 Dividend

- (a) The Board is pleased to recommended a final dividend of 3.5% less 28% tax for the financial year ended 31 January 2004 as follows:-
- (i) Amount per share : 3.5 sen less 28% tax;
 - (ii) Previous corresponding period : 2.5 sen less 28% tax;
 - (iii) Date payable will be announced at a later date; and
 - (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be announced at a later date.
- (b) Total dividend for the current financial year : 6.0 sen per share less 28% tax.

B13 Earnings Per Share

- (a) Numerator used to calculate basic and diluted earnings per share and reconciliation to net profit or loss for the financial year are as follows:-

	CURRENT QUARTER 31/01/2004 RM' 000	CURRENT YEAR TO DATE 31/01/2004 RM' 000
Net profit	5,414	13,856
Adjustment for after-tax effect on interest on ICULS	185	734
Adjusted earnings	<u>5,599</u>	<u>14,590</u>

- (b) Weighted average number of ordinary shares used as denominator to calculate basic and diluted earnings per share and reconciliation to each other are as follows:-

	CURRENT QUARTER 31/01/2004 (' 000)	CURRENT YEAR TO DATE 31/01/2004 (' 000)
<u>Weighted average number of ordinary shares in issue</u>		
At beginning of year	111,166	111,166
Treasury shares	(776)	(776)
Effect of shares issued during the period	6,787	3,259
Weighted average number of shares for Basic EPS	<u>117,177</u>	<u>113,649</u>
Adjustment for assumed conversion of ICULS	33,972	33,972
Adjusted weighted average number of shares for Diluted EPS	<u>151,149</u>	<u>147,621</u>

The share option are anti-dilutive and are ignored in the calculation of diluted earnings per share.