

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

(The figures have not been audited)

Quarterly report on consolidated results for the first quarter ended 30/04/2004

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/04/2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2003 RM'000	CURRENT YEAR TO DATE 30/04/2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2003 RM'000
SUMMARY OF KEY FINANCIAL INFORMATION				
1 Revenue	12,505	11,512	12,505	11,512
2 Profit / (loss) before tax	3,207	2,541	3,207	2,541
3 Profit / (loss) after tax and minority interest	1,997	1,906	1,997	1,906
4 Net profit / (loss) for the period	1,997	1,906	1,997	1,906
5 Basic earnings / (loss) per share (sen)	1.50	1.71	1.50	1.71
6 Dividend per share (sen)	-	-	-	-
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net tangible assets per share (RM)			1.91	2.10
	CURRENT YEAR QUARTER 30/04/2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2003 RM'000	CURRENT YEAR TO DATE 30/04/2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2003 RM'000
ADDITIONAL INFORMATION				
1 Profit / (loss) from operations	3,224	2,561	3,224	2,561
2 Gross interest income	250	257	250	257
3 Gross interest expense	(17)	(20)	(17)	(20)

CRESCENDO CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2003 RM'000	CURRENT YEAR TO DATE 30/04/2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2003 RM'000
Revenue	12,505	11,512	12,505	11,512
Gross profit	4,353	3,772	4,353	3,772
Other operating income	900	392	900	392
Operating expenses	(2,042)	(1,603)	(2,042)	(1,603)
Gain / (Loss) on disposal of investment	13	-	13	-
Reversal of diminution in value of quoted securities	-	-	-	-
Profit from operations	3,224	2,561	3,224	2,561
Finance cost	(17)	(20)	(17)	(20)
Profit before tax	3,207	2,541	3,207	2,541
Tax	(907)	(657)	(907)	(657)
Profit after tax	2,300	1,884	2,300	1,884
Minority interests	(303)	22	(303)	22
Net profit for the financial period	1,997	1,906	1,997	1,906
Earnings per share (sen):-				
Basic	1.50	1.71	1.50	1.71
Dilluted	1.43	1.40	1.43	1.40
Dividend per share (sen)	-	-	-	-

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2004)

CRESCENDO CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30/04/2004 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR 31/01/2004 RM'000
NON CURRENT ASSETS		
Property, plant and equipment	39,256	39,318
Long term investments	14,071	14,330
Other long term assets - Land held for property development	214,092	213,198
Deferred tax assets	490	503
	<u>267,909</u>	<u>267,349</u>
CURRENT ASSETS		
Property development costs	16,137	11,777
Inventories	11,782	13,353
Debtors	25,305	32,702
Cash and cash equivalents	24,826	16,525
	<u>78,050</u>	<u>74,357</u>
CURRENT LIABILITIES		
Creditors	18,215	17,431
Short term borrowings	21	31
Provision for tax	1,620	760
	<u>19,856</u>	<u>18,222</u>
Net Current Assets	58,194	56,135
NON CURRENT LIABILITIES		
Long term borrowings	35,000	35,000
3% ICULS 2002/2007	9,031	33,972
Deferred tax liabilities	4,832	4,832
	<u>48,863</u>	<u>73,804</u>
	<u>277,240</u>	<u>249,680</u>
CAPITAL AND RESERVES		
Share capital	143,445	117,985
Treasury shares	(1,020)	(765)
Reserves	132,085	130,033
Shareholders' equity	<u>274,510</u>	<u>247,253</u>
Minority interests	2,730	2,427
	<u>277,240</u>	<u>249,680</u>
Net tangible assets per share (RM)	<u>1.91</u>	<u>2.10</u>

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2004)

CRESCENDO CORPORATION BERHAD
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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>Three months ended 30 April 2004</u>					
Balance as at 1 February 2004					
As previously stated	117,985	(765)	43,443	86,590	247,253
Prior year adjustments	-	-	-	-	-
As restated	117,985	(765)	43,443	86,590	247,253
Movement during the period	25,460	(255)	55	1,997	27,257
Balance as at 30 April 2004	143,445	(1,020)	43,498	88,587	274,510
<u>Three months ended 30 April 2003</u>					
Balance as at 1 February 2003					
As previously stated	111,166	-	43,443	77,161	231,770
Prior year adjustments	-	-	-	749	749
As restated	111,166	-	43,443	77,910	232,519
Movement during the period	595	(110)	323	1,906	2,714
Balance as at 30 April 2003	111,761	(110)	43,766	79,816	235,233

(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 2004)

**CRESCENDO CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 MONTHS ENDED 30/04/2004 RM' 000	3 MONTHS ENDED 30/04/2003 RM' 000
Net cash (used in) / generated from operating activities	7,459	357
Net cash (used in) / generated from investing activities	60	(1,688)
Net cash (used in) / generated from financing activities	782	(46)
Net (decrease) / increase in cash and cash equivalents	8,301	(1,377)
Cash and cash equivalents at the beginning of the financial period	16,525	28,000
Cash and cash equivalents at the end of the financial period	<u>24,826</u>	<u>26,623</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	7,228	12,538
Cash and bank balances	17,598	14,455
Bank overdraft	-	(370)
As above	<u>24,826</u>	<u>26,623</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 2004)

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 Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2004. 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 2004.

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 2004, except for the adoption of MASB 32. The adoption of MASB 32 has not given rise to any adjustments to the opening balances of condensed balance sheet, retained profits of the prior year and the current period or to changes in comparatives.

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 period to date are as follows:-

	No. of shares (' 000)
At 1 February 2004	776
Share buy-back	204
Share cancellations	-
Shares held as treasury shares	980
Resale of treasury shares	-
At 30 April 2004	980

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

	No. of shares (' 000)	No. of ICULS (RM' 000)
At 1 February 2004	117,985	33,972
Exercise of ESOS	519	-
Conversion of ICULS	24,941	(24,941)
At 30 April 2004	143,445	9,031

A7 Dividends paid

No dividend was paid during the current financial period to date.

A8 Segmental Information

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	3 months ended		3 months ended	
	30.04.2004	30.04.2003	30.04.2004	30.04.2003
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	3,621	3,186	1,099	1,412
- Residential / commercial properties	3,794	1,734	375	380
Construction activities	11,457	7,158	1,068	490
Manufacture of concrete products	1,804	1,129	306	158
Management services and others	2,085	1,173	1,030	338
	<u>22,761</u>	<u>14,380</u>	<u>3,878</u>	<u>2,778</u>
Less: Inter-segment elimination	(10,256)	(2,868)	(203)	36
	<u>12,505</u>	<u>11,512</u>	<u>3,675</u>	<u>2,814</u>
Less: Unallocated expenses	-	-	(451)	(253)
Profit from operations	<u>12,505</u>	<u>11,512</u>	<u>3,224</u>	<u>2,561</u>

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 period up to 23 June 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	3	(3)
Exercised of ESOS	3	-
	<u>6</u>	<u>(3)</u>

- (ii) Shares buy-back

	No. of shares (' 000)	Weighted average price (RM)	Purchase price (RM' 000)
Number of shares bought	<u>473</u>	<u>1.1023</u>	<u>521</u>

- (iii) On 12 May 2004, Panoramic Jaya Sdn Bhd, a 70% owned subsidiary of the Group entered into a Sale and Purchase Agreement with Petunas Development Sdn Bhd as the Vendor and Chellam Investments Sdn Bhd as the Proprietor to acquire a parcel of 38.3 acres of mixed development land at a total consideration of RM9.28 million for immediate development to enhance its earning capacity. The Project is expected to generate approximately RM120 million in revenue over a period of 5 to 6 years.

- (iv) On 31 May 2004, Panoramic Industrial Development Sdn Bhd, a 100% owned subsidiary of the Group entered into a conditional agreement with Prolink Development Sdn Bhd, a subsidiary of UEM World Bhd, for the rights at a consideration of RM2 million to develop approximately 341.88 acres of land into an industrial park and an option agreement to purchase the aforesaid land over an eight-year period.

A11 Changes in the composition of the Group

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

A12 Contingent Liabilities

There were no changes in contingent liabilities of the Group since the last balance sheet as at 31 January 2004.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA

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

The revenue for the first 3 months of the financial year ending 31 January 2005 is RM12.5 million which represents an increase of RM1.0 million or 8.7% as compared to the corresponding period in the prior financial year. The increase in revenue is mainly due to higher revenue from residential property operations.

The profit before tax ("PBT") increased by RM0.7 million or 28.0% to RM3.2 million as compared to the corresponding period in the prior financial year. The increase in PBT is mainly contributed by the construction operations as a result of higher construction activity.

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

The PBT of the Group dropped by RM2.3 million or 41.8% in the first quarter of this financial year as compared to the preceding quarter mainly due to the lower profit from industrial properties as a result of lower sales and profit margin.

B3 Current year financial prospects

The industrial property operations are expected to be the main profit contributor for the second 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 Tax

	CURRENT QUARTER 30/04/2004 RM' 000	CURRENT YEAR TO DATE 30/04/2004 RM' 000
Income tax:		
Current tax	894	894
Prior year under / (over) provision	-	-
Deferred tax:		
Deferred tax assets	(126)	(126)
Reversal of deferred tax assets overprovided	139	139
	<u>907</u>	<u>907</u>

The effective rate of tax for the current quarter is lower than the statutory tax rate as certain income is not chargeable to income tax.

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

There is no gain/(loss) on disposal of unquoted investments for the current quarter and financial period to date.

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

B7 Quoted securities

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

	CURRENT QUARTER 30/04/2004 RM' 000	CURRENT YEAR TO DATE 30/04/2004 RM' 000
Total purchase consideration	<u>35</u>	<u>35</u>
Total sale proceeds	<u>125</u>	<u>125</u>
Total profit / (loss) on disposal	<u>13</u>	<u>13</u>

(b) Total investments in quoted securities as at 30 April 2004:-	RM' 000
(i) At cost	<u>13,098</u>
(ii) At carrying value/book value	<u>8,726</u>
(iii) At market value	<u>10,175</u>

B8 Status of corporate proposals

The corporate proposals announced but not completed as at 23 June 2004 are as follows:-

- (a) On 12 May 2004, Panoramic Jaya Sdn Bhd, a 70% owned subsidiary of the Group has entered into a Sale and Purchase Agreement with Petunas Development Sdn Bhd as the Vendor and Chellam Investments Sdn Bhd ("CISB") as the Proprietor to acquire a parcel of 38.3 acres of mixed development land at a total consideration of RM9.28 million for immediate development to enhance its earning capacity. The above acquisition is pending fulfilment by CISB of the conditions precedent as set out in the Sale and Purchase Agreement.
- (b) On 31 May 2004, Panoramic Industrial Development Sdn Bhd, a 100% owned subsidiary of the Group entered into a conditional agreement with Prolink Development Sdn Bhd, a subsidiary of UEM World Bhd, for the rights at a consideration of RM2 million to develop approximately 341.88 acres of land into an industrial park and an option agreement to purchase the aforesaid land over an eight-year period. The above arrangement is subject to the approval of the Foreign Investment Committee and the shareholders at the Extraordinary General Meeting to be convened.

B9 Group borrowings and debt securities

Group borrowings as at 30 April 2004 were as follows:

	RM' 000
(a) Secured borrowings	35,021
Unsecured borrowings	<u>-</u>
	35,021
ICULS - Unsecured	<u>9,031</u>
	<u>44,052</u>
(b) Short term borrowings	
- Bank overdraft	-
- Hire purchase	<u>21</u>
	21
Long term borrowings	
- Term loan	35,000
- Hire purchase	-
- ICULS	<u>9,031</u>
	<u>44,052</u>

- (c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development for the financial period ended 30 April 2004 is RM624,760.

B10 Financial Instruments with Off Balance Sheet risk

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

B11 Material Litigation

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

B12 Dividend

No dividend has been declared or proposed since the end of previous financial quarter.

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 period are as follows:-

	CURRENT QUARTER 30/04/2004 RM' 000	CURRENT YEAR TO DATE 30/04/2004 RM' 000
Net profit	1,997	1,997
Adjustment for after-tax effect on interest on ICULS	48	48
Adjusted earnings	<u>2,045</u>	<u>2,045</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 30/04/2004 (' 000)	CURRENT YEAR TO DATE 30/04/2004 (' 000)
<u>Weighted average number of ordinary shares in issue</u>		
At beginning of year	117,985	117,985
Treasury shares	(980)	(980)
Effect of shares issued during the period	16,197	16,197
Weighted average number of shares for Basic EPS	<u>133,202</u>	<u>133,202</u>
Adjustment for assumed conversion of ESOS	4,653	4,653
Adjustment for assumed conversion of ICULS	9,031	9,031
Number of ESOS shares that would have been issued at fair value	(4,229)	(4,229)
Adjusted weighted average number of shares for Diluted EPS	<u>142,657</u>	<u>142,657</u>