

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

(The figures have not been audited)

Quarterly report on consolidated results for the fourth quarter ended 31/01/2005

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/01/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2004 RM'000	CURRENT YEAR TO DATE 31/01/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2004 RM'000
SUMMARY OF KEY FINANCIAL INFORMATION				
1 Revenue	19,774	13,775	83,904	62,433
2 Profit / (loss) before tax	4,655	5,513	22,648	17,642
3 Profit / (loss) after tax and minority interest	2,783	4,522	15,630	12,964
4 Net profit / (loss) for the period	2,783	4,522	15,630	12,964
5 Basic earnings / (loss) per share (sen)	1.96	3.86	11.22	11.41
6 Dividend per share (sen)	4.00	3.50	7.00	6.00
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net tangible assets per share (RM)			2.06	2.10

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/01/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2004 RM'000	CURRENT YEAR TO DATE 31/01/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2004 RM'000
Revenue	19,774	13,775	83,904	62,433
Gross profit	7,483	7,448	29,318	22,552
Other operating income	697	40	2,853	2,275
Operating expenses	(2,932)	(3,153)	(9,093)	(8,570)
Gain / (Loss) on disposal of investment	-	(214)	316	64
(Provision) / Reversal of diminution in value of quoted securities	(520)	1,407	(520)	1,407
Profit from operations	4,728	5,528	22,874	17,728
Finance cost	(73)	(15)	(226)	(86)
Profit before tax	4,655	5,513	22,648	17,642
Tax	(1,967)	(938)	(6,412)	(4,335)
Profit after tax	2,688	4,575	16,236	13,307
Minority interests	95	(53)	(606)	(343)
Net profit for the financial period	2,783	4,522	15,630	12,964
Earnings per share (sen):-				
Basic	1.96	3.86	11.22	11.41
Dilluted	1.88	3.11	10.67	9.28
Dividend per share (sen)	4.00	3.50	7.00	6.00

(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
QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31/01/2005 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR 31/01/2004 RM'000
NON CURRENT ASSETS		
Property, plant and equipment	54,918	39,318
Long term investments	9,729	14,330
Other long term assets - Land held for property development	215,894	213,198
Deferred tax assets	99	503
	<u>280,640</u>	<u>267,349</u>
CURRENT ASSETS		
Property development costs	26,822	11,777
Inventories	14,887	13,353
Debtors	41,807	32,702
Cash and cash equivalents	12,950	16,525
	<u>96,466</u>	<u>74,357</u>
CURRENT LIABILITIES		
Creditors	27,730	17,431
Short term borrowings	5,940	31
Provision for tax	1,353	760
	<u>35,023</u>	<u>18,222</u>
Net Current Assets	61,443	56,135
NON CURRENT LIABILITIES		
Long term borrowings	29,182	35,000
3% ICULS 2002/2007	8,817	33,972
Deferred tax liabilities	4,537	4,832
	<u>42,536</u>	<u>73,804</u>
	<u>299,547</u>	<u>249,680</u>
CAPITAL AND RESERVES		
Share capital	143,670	117,985
Treasury shares	(2,035)	(765)
Reserves	154,788	130,033
Shareholders' equity	<u>296,423</u>	<u>247,253</u>
Minority interests	3,124	2,427
	<u>299,547</u>	<u>249,680</u>
Net tangible assets per share (RM)	<u>2.06</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
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 2005</u>					
Balance as at 1 February 2004	117,985	(765)	43,443	86,590	247,253
Movement during the period	25,685	(1,270)	15,759	8,996	49,170
Balance as at 31 January 2005	<u>143,670</u>	<u>(2,035)</u>	<u>59,202</u>	<u>95,586</u>	<u>296,423</u>
<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	<u>111,166</u>	<u>-</u>	<u>43,443</u>	<u>77,790</u>	<u>232,399</u>
Movement during the period	6,819	(765)	-	8,800	14,854
Balance as at 31 January 2004	<u>117,985</u>	<u>(765)</u>	<u>43,443</u>	<u>86,590</u>	<u>247,253</u>

(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
QUARTERLY REPORT**

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 MONTHS ENDED 31/01/2005 RM' 000	12 MONTHS ENDED 31/01/2004 RM' 000
Net cash (used in) / generated from operating activities	1,764	4,381
Net cash (used in) / generated from investing activities	3,562	(10,970)
Net cash (used in) / generated from financing activities	<u>(8,950)</u>	<u>(4,887)</u>
Net increase / (decrease) in cash and cash equivalents	(3,624)	(11,476)
Cash and cash equivalents at the beginning of the financial period	16,525	28,001
Cash and cash equivalents at the end of the financial period	<u><u>12,901</u></u>	<u><u>16,525</u></u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	522	5,192
Cash and bank balances	12,428	11,333
Bank overdraft	(49)	-
	<u><u>12,901</u></u>	<u><u>16,525</u></u>
As above		

(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 Securities").

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 and the policy to revalue all land under property, plant and equipment by Directors based on valuation carried out by independent professional valuer at least once every five years. The adoption of MASB 32 and the policy of revaluation of land have 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 year to date are as follows:-

	No. of shares (' 000)
At 1 February 2004	776
Share buy-back	1,097
Share cancellations	-
Shares held as treasury shares	<u>1,873</u>
Resale of treasury shares	-
At 31 January 2005	<u><u>1,873</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 2004	117,985	3,972
Exercise of ESOS	530	-
Conversion of ICULS	<u>25,155</u>	<u>25,155</u>
At 31 January 2005	<u><u>143,670</u></u>	<u><u>8,817</u></u>

A7 Dividends paid

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

- (i) 3.5 sen less tax per ordinary share, which is in respect of final dividend of financial year 2004 and paid on 20 September 2004.
- (ii) 3.0 sen less tax per ordinary share, which is in respect of an interim dividend of financial year 2005 and paid on 15 December 2004.

A8 Segmental Information

Major segments by activity:-	Revenue		Results	
	12 months ended		12 months ended	
	31.01.2005	31.01.2004	31.01.2005	31.01.2004
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	46,077	26,051	13,598	11,876
- Residential / commercial properties	10,959	13,283	1,265	1,843
Construction activities	43,393	38,639	2,675	2,242
Manufacture of concrete products	18,697	7,183	2,483	1,051
Management services and others	9,040	6,169	4,795	1,996
	128,166	91,325	24,816	19,008
Less: Inter-segment elimination	(44,262)	(28,892)	386	691
	83,904	62,433	25,202	19,699
Less: Unallocated expenses	-	-	(2,328)	(1,971)
Profit from operations	83,904	62,433	22,874	17,728

A9 Valuation of property, plant and equipment

All the land under property, plant and equipment of the Group have been revalued during the quarter in accordance with the new policy of revaluation by Directors based on valuation carried out by independent professional valuer at least once every five years. The revaluation surplus arising during the quarter amounts to RM15.7 million.

A10 Material subsequent event

There were no subsequent material events that have not been reflected in the financial statements for the current financial year up to 21 March 2005.

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 following:-

The Group has procured the incorporation of a new company called Panoramic Jaya Sdn Bhd ("PJSB") on 11 May 2004. Currently, the issued and paid up capital of PJSB is RM300,000 divided into 300,000 shares of RM1.00 each. PJSB is 70% owned by the Group and the principal activity is property development. PJSB has acquired a piece of development land located at Mukim of Plentong, District of Johor Bahru for RM9.28 million.

A12 Contingent Liabilities

The contingent liabilities of the Group as at 21 March 2005 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	4,279
Unsecured	-
	<u>4,279</u>

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

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

The Group recorded a significant increase of 34.5% in revenue for the financial year 2005. This represents an increase of RM21.5 million as compared to prior financial year of RM62.4 million. The increase in revenue is mainly due to higher revenue from industrial properties arising from sales of detached factories and higher sales of concrete products.

As a result of higher revenue, the profit before tax ("PBT") increased by RM5.0 million or 28.4% to RM22.6 million as compared to prior financial year. The increase in PBT is mainly contributed by the industrial properties and manufacture of concrete products operations.

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

The PBT of the Group decreased by RM3.1 million or 39.7% in the fourth quarter as compared to the third quarter of the financial year 2005 mainly due to the lower sales in fourth quarter.

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 2006.

The Group plan to launch the proposed Bandar Cemerlang and Taman Perindustrian Nusa Cemerlang projects in the financial year 2006 which are expected to contribute positively to future group earnings.

Barring unforeseen circumstances, the Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2006.

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

Not applicable.

B5 Tax

	CURRENT QUARTER 31/01/2005 RM' 000	CURRENT YEAR TO DATE 31/01/2005 RM' 000
Income tax:		
Current tax	1,390	6,340
Prior year under / (over) provision	(649)	(646)
Deferred tax:		
Current year	490	462
Prior year over provision	736	256
	<u>1,967</u>	<u>6,412</u>

The effective rates of tax for the current quarter and current year to date are higher than the statutory tax rate as certain expenses are not deductible for income tax purposes and certain subsidiaries losses are not recognised as deferred tax assets.

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 is as follows:-

	CURRENT QUARTER 31/01/2005 RM' 000	CURRENT YEAR TO DATE 31/01/2005 RM' 000
Gain/(loss) on disposal of unquoted investments	<u>(1)</u>	<u>303</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 31/01/2005 RM' 000	CURRENT YEAR TO DATE 31/01/2005 RM' 000
Total purchase consideration	-	<u>35</u>
Total sale proceeds	-	<u>125</u>
Total profit / (loss) on disposal	-	<u>13</u>

(b) Total investments in quoted securities as at 31 January 2005:-

	RM' 000
(i) At cost	<u>13,167</u>
(ii) At carrying value/book value	<u>8,274</u>
(iii) At market value	<u>9,837</u>

B8 Status of corporate proposals

The corporate proposals announced but not completed as at 21 March 2005 are as follows:-

(a) On 31 May 2004, Panoramic Industrial Development Sdn Bhd, a 100% owned subsidiary of the Group entered into a conditional agreement with Bandar Nusajaya Development Sdn Bhd (formerly known as 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. Approvals were obtained from the Foreign Investment Committee and the shareholders for the above arrangement on 25 September 2004 and 6 January 2005 respectively but pending fulfilment of conditions precedent set out under the above agreement.

B9 Group borrowings and debt securities

Group borrowings as at 31 January 2005 were as follows:

	RM' 000
(a) Secured borrowings	35,122
Unsecured borrowings	-
	<u>35,122</u>
ICULS - Unsecured	8,817
	<u>43,939</u>
(b) Short term borrowings	
- Bank overdraft	49
- Term Loan	5,840
- Hire purchase	51
	<u>5,940</u>
Long term borrowings	
- Term loan	29,160
- Hire purchase	22
- ICULS	8,817
	<u>43,939</u>

(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development for the financial year ended 31 January 2005 is RM2,545,891.

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 recommend a final dividend of 4.0% less 28% tax for the financial year ended 31 January 2005 as follows:-

- (i) Amount per share : 4.0 sen less 28% tax;
- (ii) Previous corresponding period : 6.0 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 : 7.0 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 31/01/2005 RM' 000	CURRENT YEAR TO DATE 31/01/2005 RM' 000
Net profit	2,783	15,630
Adjustment for after-tax effect on interest on ICULS	48	190
Adjusted earnings	<u>2,831</u>	<u>15,820</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 31/01/2005 (' 000)	CURRENT YEAR TO DATE 31/01/2005 (' 000)
<u>Weighted average number of ordinary shares in issue</u>		
At beginning of year	117,985	117,985
Treasury shares	(1,873)	(1,873)
Effect of shares issued during the period	25,685	23,252
Weighted average number of shares for Basic EPS	<u>141,797</u>	<u>139,364</u>
Adjustment for assumed conversion of ESOS	-	4,977
Adjustment for assumed conversion of ICULS	8,817	8,817
Number of ESOS shares that would have been issued at fair value	-	(4,888)
Adjusted weighted average number of shares for Diluted EPS	<u>150,614</u>	<u>148,270</u>

The share option are anti-dilutive for the current quarter and are ignored in the calculation of diluted earning per share.