

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

(The figures have not been audited)

Quarterly report on consolidated results for the first quarter ended 30/04/2005

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/04/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2004 RM'000	CURRENT YEAR TO DATE 30/04/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2004 RM'000
SUMMARY OF KEY FINANCIAL INFORMATION				
1 Revenue	18,431	12,505	18,431	12,505
2 Profit / (loss) before tax	5,410	3,207	5,410	3,207
3 Profit / (loss) after tax and minority interest	3,732	1,997	3,732	1,997
4 Net profit / (loss) for the period	3,732	1,997	3,732	1,997
5 Basic earnings / (loss) per share (sen)	2.63	1.50	2.63	1.50
6 Dividend per share (sen)	-	-	-	-
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net tangible assets per share (RM)			2.09	2.07

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2004 RM'000	CURRENT YEAR TO DATE 30/04/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2004 RM'000
Revenue	18,431	12,505	18,431	12,505
Gross profit	6,304	4,353	6,304	4,353
Other operating income	1,210	900	1,210	900
Operating expenses	(2,103)	(2,042)	(2,103)	(2,042)
Gain / (Loss) on disposal of investment	-	13	-	13
(Provision) / Reversal of diminution in value of quoted securities	-	-	-	-
Profit from operations	5,411	3,224	5,411	3,224
Finance cost	(1)	(17)	(1)	(17)
Profit before tax	5,410	3,207	5,410	3,207
Tax	(1,443)	(907)	(1,443)	(907)
Profit after tax	3,967	2,300	3,967	2,300
Minority interests	(235)	(303)	(235)	(303)
Net profit for the financial period	3,732	1,997	3,732	1,997
Earnings per share (sen):-				
Basic	2.63	1.50	2.63	1.50
Dilluted	2.51	1.43	2.51	1.43
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 2005)

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30/04/2005 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR 31/01/2005 RM'000
NON CURRENT ASSETS		
Property, plant and equipment	55,293	54,858
Long term investments	9,626	9,729
Other long term assets - Land held for property development	213,276	216,374
Deferred tax assets	170	71
	<u>278,365</u>	<u>281,032</u>
CURRENT ASSETS		
Property development costs	31,767	26,822
Inventories	15,067	14,901
Receivables	36,230	41,853
Cash and cash equivalents	16,033	12,950
	<u>99,097</u>	<u>96,526</u>
CURRENT LIABILITIES		
Payables	22,093	27,731
Short term borrowings	8,068	5,939
Provision for tax	2,386	1,495
	<u>32,547</u>	<u>35,165</u>
Net Current Assets	66,550	61,361
NON CURRENT LIABILITIES		
Long term borrowings	27,589	29,182
3% ICULS 2002/2007	8,814	8,817
Deferred tax liabilities	4,102	4,425
	<u>40,505</u>	<u>42,424</u>
	<u>304,410</u>	<u>299,969</u>
CAPITAL AND RESERVES		
Share capital	143,673	143,670
Treasury shares	(2,035)	(2,035)
Reserves	159,270	155,215
Shareholders' equity	<u>300,908</u>	<u>296,850</u>
Minority interests	3,502	3,119
	<u>304,410</u>	<u>299,969</u>
Net tangible assets per share (RM)	<u>2.09</u>	<u>2.07</u>

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2005)

**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>Three months ended 30 April 2005</u>					
Balance as at 1 February 2005	143,670	(2,035)	59,202	96,013	296,850
Movement during the period	3	-	323	3,732	4,058
Balance as at 30 April 2005	<u>143,673</u>	<u>(2,035)</u>	<u>59,525</u>	<u>99,745</u>	<u>300,908</u>
<u>Three months ended 30 April 2004</u>					
Balance as at 1 February 2004	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	<u>143,445</u>	<u>(1,020)</u>	<u>43,498</u>	<u>88,587</u>	<u>274,510</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 2005)

**CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT**

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 MONTHS ENDED 30/04/2005 RM' 000	3 MONTHS ENDED 30/04/2004 RM' 000
Net cash (used in) / generated from operating activities	3,593	7,459
Net cash (used in) / generated from investing activities	(632)	60
Net cash (used in) / generated from financing activities	169	782
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	3,130	8,301
Cash and cash equivalents at the beginning of the financial period	12,645	16,525
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period	<u>15,775</u>	<u>24,826</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	11,325	7,228
Cash and bank balances	4,708	17,598
	<hr/>	<hr/>
	16,033	24,826
Fixed deposit pledged	(258)	-
	<hr/>	<hr/>
As above	<u>15,775</u>	<u>24,826</u>
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(The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2005)

EXPLANATORY NOTES

A1 Basis of preparation

These interim financial statements which are unaudited, have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134: Interim Financial Reporting (previously known as MASB 26) issued by the Malaysian Accounting Standards Board 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 2005. 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 2005.

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 2005.

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 period.

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 2005	1,873
Share buy-back	-
Share cancellations	-
Shares held as treasury shares	1,873
Resale of treasury shares	-
At 30 April 2005	1,873

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 2005	143,670	8,817
Exercise of ESOS	-	-
Conversion of ICULS	3	(3)
At 30 April 2005	143,673	8,814

A7 Dividends paid

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

A8 Segmental Information

Major segments by activity:-	Revenue		Results	
	3 months ended		3 months ended	
	30.04.2005	30.04.2004	30.04.2005	30.04.2004
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	6,492	3,621	2,561	1,099
- Residential / commercial properties	4,687	3,794	1,585	375
Construction activities	9,226	11,457	347	1,068
Manufacture of concrete products	5,066	1,804	784	306
Management services and others	1,989	2,085	981	1,030
	<u>27,460</u>	<u>22,761</u>	<u>6,258</u>	<u>3,878</u>
Less: Inter-segment elimination	<u>(9,029)</u>	<u>(10,256)</u>	<u>(414)</u>	<u>(203)</u>
	<u>18,431</u>	<u>12,505</u>	<u>5,844</u>	<u>3,675</u>
Less: Unallocated expenses	-	-	(433)	(451)
Profit from operations	<u>18,431</u>	<u>12,505</u>	<u>5,411</u>	<u>3,224</u>

A9 Valuation of property, plant and equipment

The valuations of property, plant and equipment stated in the previous annual financial statements have been brought forward without amendment.

A10 Material subsequent event

Subsequent material event that has not been reflected in the financial statements for the current financial period up to 21 June 2005 is 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	-	-
Exercise of ESOS	79	-
	<u>79</u>	<u>-</u>

- (ii) Share buy-back

	No. of shares (' 000)	Weighted average price (RM)	Purchase price (RM' 000)
Number of shares bought	<u>18</u>	<u>1.0216</u>	<u>18</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 period 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 Crescendo Creative Education Sdn Bhd ("CCESB") on 6 April 2005. Currently, the issued and paid up capital of CCESB is RM2 divided into 2 shares of RM1.00 each. The intended principal activity is providing education services.

A12 Contingent Liabilities

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

	RM' 000
Secured	4,274
Unsecured	-
	<u>4,274</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 47.2% in revenue for the first quarter of the financial year ending 31 January 2006. This represents an increase of RM5.9 million as compared to corresponding period in the prior financial year of RM12.5 million. The increase in revenue is mainly due to higher revenue from properties development operations arising from sales of properties and higher sales of concrete products.

As a result of higher revenue, the profit before tax ("PBT") increased by RM2.2 million or 68.8% to RM5.4 million as compared to the corresponding period in the prior financial year. The increase in PBT is mainly contributed by the properties development operations 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 increased by RM0.3 million or 5.9% in the first quarter of this financial year as compared to the preceding quarter mainly due to the higher sales of residential properties.

B3 Current year financial prospects

The residential and industrial property operations are expected to be the main profit contributor for the second quarter of the financial year 2006.

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 30/04/2005 RM' 000	CURRENT YEAR TO DATE 30/04/2005 RM' 000
Income tax:		
Current year	1,542	1,542
Deferred tax:		
Current year	(99)	(99)
Prior year		-
	<u>1,443</u>	<u>1,443</u>

There is no significant difference between the effective tax rate and the statutory tax rate for the current quarter and current year to date.

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

There were no gain/(loss) on disposal of unquoted investments for the current quarter and financial period to date and 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) There were no profit/loss arising on any sale of quoted securities for the current quarter and financial period to date.

(b) Total investments in quoted securities as at 30 April 2005:-

	RM' 000
(i) At cost	<u>13,156</u>
(ii) At carrying value/book value	<u>8,263</u>
(iii) At market value	<u>9,410</u>

B8 Status of corporate proposals

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

- (a) At an Extraordinary General Meeting (“EGM”) held on 6 January 2005, the shareholders of the Company approved the acquisitions by Panoramic Industrial Development Sdn Bhd (“PID”), a wholly owned subsidiary of the Company, up to 341.8827 acres of land pursuant to a conditional Development Agreement and Option to Purchase Agreement with Bandar Nusajaya Development Sdn Bhd (“BNDSB”) (formerly known as Prolink Development Sdn Bhd), a wholly owned subsidiary of UEM World Berhad. The said lands will be developed into an industrial park known as Taman Perindustrian Nusa Cemerlang.

The acquisitions are in line with the Group’s expansion plan for its core business activity of property development. The proposed Taman Perindustrian Nusa Cemerlang will be developed from financial year 2006 onwards and is expected to contribute positively to the medium and long term profitability of the Group.

Both the Development Agreement and Option to Purchase Agreement will become unconditional upon fulfillment of all Conditions Precedent.

- (b) On 24 March 2005 PID further entered into a conditional Sale and Purchase Agreement with BNDSB to acquire 40.61 acres of land adjacent to Taman Perindustrian Nusa Cemerlang. This acquisition will increase the size of Taman Perindustrian Nusa Cemerlang from 341.8827 acres to 382.4927 acres.

Currently the completion of the Sale and Purchase Agreement is pending the fulfillment of Conditions Precedent.

B9 Group borrowings and debt securities

Group borrowings as at 30 April 2005 were as follows:

	RM' 000
(a) Secured borrowings	35,060
Unsecured borrowings	-
	<hr/>
	35,060
ICULS - Unsecured	8,814
	<hr/>
	43,874
(b) Short term borrowings	
- Bank overdraft	-
- Term Loan	8,030
- Hire purchase	38
	<hr/>
	8,068
Long term borrowings	
- Term loan	26,970
- Hire purchase	22
- ICULS	8,814
	<hr/>
	43,874

- (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 2005 is RM754,405.

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 ("EPS")**

(a) Numerator used to calculate Basic and Diluted EPS and reconciliation to net profit or loss for the financial period are as follows:-

	CURRENT QUARTER 30/04/2005 RM' 000	CURRENT YEAR TO DATE 30/04/2005 RM' 000
Net profit	3,732	3,732
Adjustment for after-tax effect on interest on ICULS	46	46
Adjusted earnings	<u>3,778</u>	<u>3,778</u>

(b) Weighted average number of ordinary shares used as denominator to calculate Basic and Diluted EPS and reconciliation to each other are as follows:-

	CURRENT QUARTER 30/04/2005 (' 000)	CURRENT YEAR TO DATE 30/04/2005 (' 000)
<u>Weighted average number of ordinary shares in issue</u>		
At beginning of year	143,670	143,670
Treasury shares	(1,873)	(1,873)
Effect of shares issued during the period	2	2
Weighted average number of shares for Basic EPS	<u>141,799</u>	<u>141,799</u>
Adjustment for assumed conversion of ESOS	-	-
Adjustment for assumed conversion of ICULS	8,814	8,814
Number of ESOS shares that would have been issued at fair value	-	-
Adjusted weighted average number of shares for Diluted EPS	<u>150,613</u>	<u>150,613</u>

The share option are anti-dilutive for the current quarter and are ignored in the calculation of Diluted EPS.