

CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT

(The figures have not been audited)

Quarterly report on consolidated results for the second quarter ended 31/07/2005

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/07/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2004 RM'000	CURRENT YEAR TO DATE 31/07/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2004 RM'000
SUMMARY OF KEY FINANCIAL INFORMATION				
1 Revenue	19,910	22,349	38,341	34,854
2 Profit / (loss) before tax	5,098	6,989	10,508	10,196
3 Profit / (loss) after tax and minority interest	3,489	4,579	7,221	6,576
4 Net profit / (loss) for the period	3,489	4,579	7,221	6,576
5 Basic earnings / (loss) per share (sen)	2.46	3.23	5.10	4.79
6 Dividend per share (sen)	3.00	3.00	3.00	3.00
			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
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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31/07/2005 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR 31/01/2005 RM'000
NON CURRENT ASSETS		
Property, plant and equipment	55,503	54,858
Long term investments	9,272	9,729
Other long term assets - Land held for property development	224,871	216,374
Deferred tax assets	172	71
	<u>289,818</u>	<u>281,032</u>
CURRENT ASSETS		
Property development costs	31,887	26,822
Inventories	17,712	14,901
Receivables	36,170	41,853
Cash and cash equivalents	6,922	12,950
	<u>92,691</u>	<u>96,526</u>
CURRENT LIABILITIES		
Payables	22,739	27,731
Short term borrowings	10,786	5,939
Provision for tax	3,393	1,495
Dividend payable	4,082	-
	<u>41,000</u>	<u>35,165</u>
Net Current Assets	51,691	61,361
NON CURRENT LIABILITIES		
Long term borrowings	24,669	29,182
3% ICULS 2002/2007	8,814	8,817
Deferred tax liabilities	4,130	4,425
	<u>37,613</u>	<u>42,424</u>
	<u>303,896</u>	<u>299,969</u>
CAPITAL AND RESERVES		
Share capital	143,752	143,670
Treasury shares	(2,167)	(2,035)
Reserves	158,684	155,215
Shareholders' equity	<u>300,269</u>	<u>296,850</u>
Minority interests	3,627	3,119
	<u>303,896</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 INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2005 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2004 RM'000	CURRENT YEAR TO DATE 31/07/2005 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2004 RM'000
Revenue	19,910	22,349	38,341	34,854
Gross profit	6,563	8,124	12,867	12,477
Other operating income	838	717	2,048	1,617
Operating expenses	(2,285)	(2,091)	(4,388)	(4,133)
Gain / (Loss) on disposal of investment	(17)	303	(17)	316
(Provision) / Reversal of diminution in value of quoted securities	-	-	-	-
Profit from operations	5,099	7,053	10,510	10,277
Finance cost	(1)	(64)	(2)	(81)
Profit before tax	5,098	6,989	10,508	10,196
Tax	(1,484)	(2,171)	(2,927)	(3,078)
Profit after tax	3,614	4,818	7,581	7,118
Minority interests	(125)	(239)	(360)	(542)
Net profit for the financial period	3,489	4,579	7,221	6,576
Earnings per share (sen):-				
Basic	2.46	3.23	5.10	4.79
Dilluted	2.35	3.07	4.86	4.56
Dividend per share (sen)	3.00	3.00	3.00	3.00

(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
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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>Six months ended 31 July 2005</u>					
Balance as at 1 February 2005	143,670	(2,035)	59,202	96,013	296,850
Movement during the period	82	(132)	331	3,138	3,419
Balance as at 31 July 2005	<u>143,752</u>	<u>(2,167)</u>	<u>59,533</u>	<u>99,151</u>	<u>300,269</u>
<u>Six months ended 31 July 2004</u>					
Balance as at 1 February 2004	117,985	(765)	43,443	86,590	247,253
Movement during the period	25,477	(1,098)	56	3,005	27,440
Balance as at 31 July 2004	<u>143,462</u>	<u>(1,863)</u>	<u>43,499</u>	<u>89,595</u>	<u>274,693</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

	6 MONTHS ENDED 31/07/2005 RM' 000	6 MONTHS ENDED 31/07/2004 RM' 000
Net cash (used in) / generated from operating activities	(4,707)	(1,279)
Net cash (used in) / generated from investing activities	(862)	3,924
Net cash (used in) / generated from financing activities	<u>(2,414)</u>	<u>(34)</u>
Net increase / (decrease) in cash and cash equivalents	(7,983)	2,611
Cash and cash equivalents at the beginning of the financial period	12,645	16,525
Cash and cash equivalents at the end of the financial period	<u><u>4,662</u></u>	<u><u>19,136</u></u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	327	1,830
Cash and bank balances	6,595	21,306
Bank overdraft	<u>(2,000)</u>	<u>(4,000)</u>
	4,922	19,136
Fixed deposit pledged	<u>(260)</u>	<u>-</u>
As above	<u><u>4,662</u></u>	<u><u>19,136</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 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	127
Share cancellations	-
Shares held as treasury shares	<u>2,000</u>
Resale of treasury shares	-
At 31 July 2005	<u><u>2,000</u></u>

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	79	-
Conversion of ICULS	<u>3</u>	<u>(3)</u>
At 31 July 2005	<u><u>143,752</u></u>	<u><u>8,814</u></u>

A7 Dividends paid

The gross dividend paid during the current financial period to date is 4 sen less tax per ordinary share, which is in respect of final dividend of financial year 2005 and was paid on 15 August 2005.

A8 Segmental Information

Major segments by activity:-	Revenue		Results	
	6 months ended		6 months ended	
	31.07.2005	31.07.2004	31.07.2005	31.07.2004
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	11,770	14,189	4,302	3,762
- Residential / commercial properties	11,225	10,156	3,352	1,974
Construction activities	20,416	19,235	746	1,757
Manufacture of concrete products	8,900	4,316	1,379	872
Management services and others	4,287	4,571	2,141	2,713
	<u>56,598</u>	<u>52,467</u>	<u>11,920</u>	<u>11,078</u>
Less: Inter-segment elimination	(18,257)	(17,613)	(482)	254
	<u>38,341</u>	<u>34,854</u>	<u>11,438</u>	<u>11,332</u>
Less: Unallocated expenses	-	-	(929)	(1,055)
Profit from operations	<u>38,341</u>	<u>34,854</u>	<u>10,509</u>	<u>10,277</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

There were no subsequent material events that have not been reflected in the financial statements for the current financial year up to 13 September 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 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. CCESB is 100% owned by the Group and the intended principal activity is providing education services.

A12 Contingent Liabilities

The contingent liabilities of the Group as at 13 September 2005 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	4,276
Unsecured	-
	<u>4,276</u>

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**B1 Review of the performance of the company and its principal subsidiaries**

The revenue for the first half of the financial year ending 31 January 2006 is RM38.3 million which represents an increase of RM3.5 million or 10.0% as compared to corresponding period in the prior financial year of RM34.9 million. The increase in revenue is mainly due to the increase in sales of concrete products.

Despite the increase in revenue, the profit before tax ("PBT") increased slightly by approximately RM0.2 million or 2.3% to RM10.5 million as compared to the corresponding period in the prior financial year. The marginal increase in PBT is mainly due to change in sales mix as the proportion of sales for concrete products operation has increased significantly as compared to a drop in industrial property sales which have a higher profit margin compared to concrete products operation.

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

The PBT of the Group decreased by RM0.3 million or 6.1% in the second quarter as compared to the first quarter of the financial year 2006 despite an increase in revenue of RM1.5 million mainly due to the lower revenue from industrial properties which have a higher profit margin than other products.

B3 Current financial year prospects

The residential and industrial property operations are expected to be the main profit contributor for the third 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 31/07/2005 RM' 000	CURRENT YEAR TO DATE 31/07/2005 RM' 000
Income tax:		
Current year	1,458	3,000
Deferred tax:		
Current year	26	(73)
	<u>1,484</u>	<u>2,927</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) 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 31/07/2005 RM' 000	CURRENT YEAR TO DATE 31/07/2005 RM' 000
Total purchase consideration	<u>-</u>	<u>-</u>
Total sale proceeds	<u>85</u>	<u>85</u>
Total profit / (loss) on disposal	<u>(17)</u>	<u>(17)</u>

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

	RM' 000
(i) At cost	<u>13,015</u>
(ii) At carrying value/book value	<u>8,122</u>
(iii) At market value	<u>10,473</u>

B8 Status of corporate proposals

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.

B9 Group borrowings and debt securities

Group borrowings as at 31 July 2005 were as follows:

	RM' 000
(a) Secured borrowings	34,858
Unsecured borrowings	<u>-</u>
	34,858
ICULS - Unsecured	<u>8,814</u>
	<u>43,672</u>
(b) Short term borrowings	
- Bank overdraft / Revolving credit	2,000
- Term Loan	8,760
- Hire purchase	<u>26</u>
	10,786
Long term borrowings	
- Term loan	24,050
- Hire purchase	22
- ICULS	<u>8,814</u>
	<u>43,672</u>

(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development for the financial period ended 31 July 2005 is RM1,255,252.

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

- (a) The Board is pleased to declare an interim dividend of 3.0% less 28% tax for the financial year ending 31 January 2006 as follows:-
- (i) Amount per share : 3.0 sen less 28% tax;
 - (ii) Previous corresponding period : 3.0 sen less 28% tax;
 - (iii) Date of payment : 12 December 2005; and
 - (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 28 November 2005.
- (b) Total dividend for the current financial year : 3.0 sen per share less 28% tax.

B13 Earnings Per Share ("EPS")**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

	CURRENT QUARTER 31/07/2005	CURRENT YEAR TO DATE 31/07/2005
Net profit (RM'000)	<u>3,489</u>	<u>7,221</u>
Weighted average number of ordinary shares in issue ('000)		
At beginning of period ('000)	143,670	143,670
Treasury shares ('000)	(2,000)	(2,000)
Effect of shares issued during the period ('000)	<u>74</u>	<u>39</u>
At end of period ('000)	<u>141,744</u>	<u>141,709</u>
Basic earnings per share (sen)	<u>2.46</u>	<u>5.10</u>

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the effects of dilutive potential ordinary shares from conversion of ICULS. The amount of the net profit for the period is adjusted by the after-tax effect on interest expense recognised during the financial period which would have been saved on conversion of the outstanding ICULS into ordinary shares. The adjusted weighted average number of ordinary shares is the weighted average number of ordinary shares which would be issued on the conversion of the outstanding ICULS into ordinary shares. The ICULS are deemed to have been converted into ordinary shares at the date of the issue of ICULS (26 August 2002).

	CURRENT QUARTER 31/07/2005	CURRENT YEAR TO DATE 31/07/2005
Net profit (RM'000)	3,489	7,221
Adjustment for after-tax effect on interest on ICULS (RM'000)	<u>48</u>	<u>94</u>
Adjusted net profit for the period (RM'000)	<u>3,537</u>	<u>7,315</u>
Weighted average number of ordinary shares in issue ('000)	141,744	141,709
Adjustment for assumed conversion of ICULS ('000)	<u>8,814</u>	<u>8,814</u>
Adjusted weighted average number of shares in issue and issuable ('000)	<u>150,558</u>	<u>150,523</u>
Diluted earnings per share (sen)	<u>2.35</u>	<u>4.86</u>

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