

**CRESCENDO CORPORATION BERHAD**  
**QUARTERLY REPORT**

(The figures have not been audited)

Quarterly report on consolidated results for the third quarter ended 31/10/2005

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/10/05 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/04 RM'000	CURRENT YEAR TO DATE 31/10/05 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/04 RM'000
<b>SUMMARY OF KEY FINANCIAL INFORMATION</b>				
1 Revenue	22,421	29,276	60,762	64,130
2 Profit / (loss) before tax	7,048	7,797	17,556	17,993
3 Profit / (loss) after tax and minority interest	5,091	6,271	12,312	12,847
4 Net profit / (loss) for the period	5,091	6,271	12,312	12,847
5 Basic earnings / (loss) per share (sen)	3.59	4.43	8.69	9.27
6 Dividend per share (sen)	-	-	3.00	3.00
			<b>AS AT END CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
7 Net tangible assets per share (RM)			2.10	2.07

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>AS AT END OF CURRENT QUARTER 31/10/05 RM'000</b>	<b>AS AT END OF PRECEDING FINANCIAL YEAR 31/01/2005 RM'000</b>
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	55,706	54,858
Long term investments	9,202	9,729
Other long term assets - Land held for property development	224,448	216,374
Deferred tax assets	486	71
	<u>289,842</u>	<u>281,032</u>
<b>CURRENT ASSETS</b>		
Property development costs	33,720	26,822
Inventories	16,917	14,901
Receivables	37,924	41,853
Cash and cash equivalents	7,675	12,950
	<u>96,236</u>	<u>96,526</u>
<b>CURRENT LIABILITIES</b>		
Payables	22,456	27,731
Short term borrowings	13,773	5,939
Provision for tax	5,369	1,495
Dividend payable	3,062	-
	<u>44,660</u>	<u>35,165</u>
Net Current Assets	51,576	61,361
<b>NON CURRENT LIABILITIES</b>		
Long term borrowings	22,479	29,182
3% ICULS 2002/2007	8,814	8,817
Deferred tax liabilities	4,130	4,425
	<u>35,423</u>	<u>42,424</u>
	<u>305,995</u>	<u>299,969</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	143,752	143,670
Treasury shares	(2,167)	(2,035)
Reserves	160,713	155,215
Shareholders' equity	<u>302,298</u>	<u>296,850</u>
Minority interests	3,697	3,119
	<u>305,995</u>	<u>299,969</u>
Net tangible assets per share (RM)	<u>2.10</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 31/10/05 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/04 RM'000	CURRENT YEAR TO DATE 31/10/05 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/04 RM'000
Revenue	22,421	29,276	60,762	64,130
Gross profit	8,422	9,358	21,289	21,835
Other operating income	935	539	2,983	2,156
Operating expenses	(2,257)	(2,028)	(6,645)	(6,161)
Gain / (Loss) on disposal of investment	-	-	(17)	316
(Provision) / Reversal of diminution in value of quoted securities	-	-	-	-
Profit from operations	7,100	7,869	17,610	18,146
Finance cost	(52)	(72)	(54)	(153)
Profit before tax	7,048	7,797	17,556	17,993
Tax	(1,886)	(1,367)	(4,813)	(4,445)
Profit after tax	5,162	6,430	12,743	13,548
Minority interests	(71)	(159)	(431)	(701)
Net profit for the financial period	5,091	6,271	12,312	12,847
Earnings per share (sen):-				
Basic	3.59	4.43	8.69	9.27
Diluted	3.41	4.20	8.27	8.80
Dividend per share (sen)	-	-	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  
QUARTERLY REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Share Capital RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Non distributable Reserves RM'000</b>	<b>Distributable Reserves RM'000</b>	<b>Total RM'000</b>
<b><u>Nine months ended 31 October 2005</u></b>					
Balance as at 1 February 2005	143,670	(2,035)	59,202	96,013	296,850
Movement during the period	82	(132)	331	5,167	5,448
Balance as at 31 October 2005	<u>143,752</u>	<u>(2,167)</u>	<u>59,533</u>	<u>101,180</u>	<u>302,298</u>
<b><u>Nine months ended 31 October 2004</u></b>					
Balance as at 1 February 2004	117,985	(765)	43,443	86,590	247,253
Movement during the period	25,685	(1,257)	56	6,213	30,697
Balance as at 31 October 2004	<u>143,670</u>	<u>(2,022)</u>	<u>43,499</u>	<u>92,803</u>	<u>277,950</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**

	<b>9 MONTHS ENDED 31/10/05 RM' 000</b>	<b>9 MONTHS ENDED 31/10/04 RM' 000</b>
<b>Net cash (used in) / generated from operating activities</b>	(413)	(4,350)
<b>Net cash (used in) / generated from investing activities</b>	(1,135)	3,731
<b>Net cash (used in) / generated from financing activities</b>	<u>(3,684)</u>	<u>7,417</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	(5,232)	6,798
<b>Cash and cash equivalents at the beginning of the financial period</b>	12,645	16,525
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>7,413</u></u>	<u><u>23,323</u></u>
<b>Cash and cash equivalents at the end of the financial period</b>		
Deposits with licensed banks	330	632
Cash and bank balances	7,345	22,691
Bank overdraft	-	-
	<u>7,675</u>	<u>23,323</u>
Fixed deposit pledged	(262)	-
	<u>7,413</u>	<u>23,323</u>
As above	<u><u>7,413</u></u>	<u><u>23,323</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	2,000
Resale of treasury shares	-
At 31 October 2005	2,000

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	3	(3)
At 31 October 2005	143,752	8,814

### A7 Dividends paid

The gross dividend paid during the current financial period to date is 3 sen less tax per ordinary share, which is in respect of interim dividend of financial year 2006 and was paid on 12 December 2005.

**A8 Segmental Information**

Major segments by activity:-	Revenue		Results	
	9 months ended		9 months ended	
	31.10.2005	31.10.2004	31.10.2005	31.10.2004
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	21,657	31,009	8,319	9,124
- Residential / commercial properties	15,188	10,665	4,732	1,908
Construction activities	30,663	26,609	2,191	1,847
Manufacture of concrete products	13,579	13,502	1,806	1,852
Management services and others	6,617	7,024	3,228	4,111
	<u>87,704</u>	<u>88,809</u>	<u>20,276</u>	<u>18,842</u>
Less: Inter-segment elimination	<u>(26,942)</u>	<u>(24,679)</u>	<u>(1,355)</u>	<u>785</u>
	60,762	64,130	18,921	19,627
Less: Unallocated expenses	-	-	(1,311)	(1,481)
Profit from operations	<u>60,762</u>	<u>64,130</u>	<u>17,610</u>	<u>18,146</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 12 December 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 educational services.

**A12 Contingent Liabilities**

The contingent liabilities of the Group as at 12 December 2005 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	4,280
Unsecured	-
	<u>4,280</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 nine month of the financial year ending 31 January 2006 is RM60.8 million which represents a decrease of RM3.4 million or 5.3% as compared to corresponding period in the prior financial year of RM64.1 million. The decrease in revenue is mainly due to the decrease in the sales of industrial properties which was partly offset by the increase in the sales of residential properties.

The profit before tax ("PBT") decreased slightly by approximately RM0.4 million or 2.5% to RM17.6 million as compared to the corresponding period in the prior financial year. The marginal decrease in PBT is mainly due to the lower turnover.

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

The PBT of the Group increased by RM1.9 million or 38.2% in the third quarter as compared to the second quarter of the financial year 2006 mainly due to the higher 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 final quarter of the financial year 2006.

Barring unforeseen circumstances, the Board expects the performance of the Group to remain satisfactory for the fourth quarter of 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 31/10/2005 RM' 000	CURRENT YEAR TO DATE 31/10/2005 RM' 000
Income tax:		
Current year	2,227	5,227
Prior year under / (over) provision	(27)	(27)
Deferred tax:		
Current year	(314)	(387)
	<u>1,886</u>	<u>4,813</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 31/10/2005 RM' 000	CURRENT YEAR TO DATE 31/10/2005 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 October 2005:-	RM' 000
(i) At cost	<u>12,997</u>
(ii) At carrying value/book value	<u>8,104</u>
(iii) At market value	<u>10,893</u>

**B8 Status of corporate proposals**

There were no corporate proposals announced but not completed as at 12 December 2005.

**B9 Group borrowings and debt securities**

Group borrowings as at 31 October 2005 were as follows:

	RM' 000
(a) Secured borrowings	35,655
Unsecured borrowings	-
	<u>35,655</u>
ICULS - Unsecured	8,814
	<u>44,469</u>
(b) Short term borrowings	
- Bank overdraft / Revolving credit	5,000
- Term Loan	8,760
- Hire purchase	13
	<u>13,773</u>
Long term borrowings	
- Term loan	21,860
- Hire purchase	22
- ICULS	8,814
	<u>44,469</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 October 2005 is RM1,649,705.

**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) 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 31/10/2005	CURRENT YEAR TO DATE 31/10/2005
Net profit (RM'000)	<u>5,091</u>	<u>12,312</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>82</u>	<u>53</u>
At end of period ('000)	<u>141,752</u>	<u>141,723</u>
Basic earnings per share (sen)	<u>3.59</u>	<u>8.69</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 31/10/2005	CURRENT YEAR TO DATE 31/10/2005
Net profit (RM'000)	5,091	12,312
Adjustment for after-tax effect on interest on ICULS(RM'000)	<u>48</u>	<u>142</u>
Adjusted net profit for the period (RM'000)	<u>5,139</u>	<u>12,454</u>
Weighted average number of ordinary shares in issue ('000)	141,752	141,723
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>150,566</u>	<u>150,537</u>
Diluted earnings per share (sen)	<u>3.41</u>	<u>8.27</u>

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