

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

(The figures have not been audited)

Quarterly report on consolidated results for the fourth quarter ended 31/01/2006

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/01/06 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/05 RM'000	CURRENT YEAR TO DATE 31/01/06 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/05 RM'000

**SUMMARY OF KEY FINANCIAL INFORMATION**

1 Revenue	23,701	19,774	84,463	83,904
2 Profit / (loss) before tax	7,978	5,090	25,534	23,083
3 Profit / (loss) after tax and minority interest	5,887	3,210	18,199	16,057
4 Net profit / (loss) for the period	5,887	3,210	18,199	16,057
5 Basic earnings / (loss) per share (sen)	4.16	2.26	12.85	11.80
6 Dividend per share (sen)	4.00	4.00	7.00	7.00

			<b>AS AT END CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
7 Net assets per share (RM)			2.17	2.09

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>AS AT END OF CURRENT QUARTER 31/01/06 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	54,795	54,858
Long term investments	9,949	9,729
Other long term assets - Land held for property development	224,312	216,374
Deferred tax assets	594	71
	<u>289,650</u>	<u>281,032</u>
<b>CURRENT ASSETS</b>		
Property development costs	36,598	26,822
Inventories	18,968	14,901
Receivables	34,691	41,853
Cash and cash equivalents	6,079	12,950
	<u>96,336</u>	<u>96,526</u>
<b>CURRENT LIABILITIES</b>		
Payables	17,836	27,731
Short term borrowings	20,782	5,939
Provision for tax	2,223	1,495
Dividend payable	-	-
	<u>40,841</u>	<u>35,165</u>
Net Current Assets	55,495	61,361
<b>NON CURRENT LIABILITIES</b>		
Long term borrowings	20,267	29,182
3% ICULS 2002/2007	8,814	8,817
Deferred tax liabilities	4,210	4,425
	<u>33,291</u>	<u>42,424</u>
	<u>311,854</u>	<u>299,969</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	143,752	143,670
Treasury shares	(2,299)	(2,035)
Reserves	166,600	155,215
Shareholders' equity	<u>308,053</u>	<u>296,850</u>
Minority interests	3,801	3,119
	<u>311,854</u>	<u>299,969</u>
Net assets per share (RM)	<u>2.17</u>	<u>2.09</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 31/01/06 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/05 RM'000	CURRENT YEAR TO DATE 31/01/06 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/05 RM'000
Revenue	23,701	19,774	84,463	83,904
Gross profit	9,883	7,918	31,172	29,753
Other operating income	302	697	3,285	2,853
Operating expenses	(2,962)	(2,932)	(9,607)	(9,093)
Gain / (Loss) on disposal of investment (Provision) / Reversal of diminution in value of quoted securities	- 801	- (520)	(17) 801	316 (520)
Profit from operations	8,024	5,163	25,634	23,309
Finance cost	(46)	(73)	(100)	(226)
Profit before tax	7,978	5,090	25,534	23,083
Tax	(1,988)	(1,980)	(6,801)	(6,425)
Profit after tax	5,990	3,110	18,733	16,658
Minority interests	(103)	100	(534)	(601)
Net profit for the financial year	5,887	3,210	18,199	16,057
Earnings per share (sen):-				
Basic	4.16	2.26	12.85	11.80
Diluted	3.95	2.16	12.23	11.20
Dividend per share (sen)	4.00	4.00	7.00	7.00

(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>Twelve months ended 31 January 2006</u></b>					
Balance as at 1 February 2005	143,670	(2,035)	59,202	96,013	296,850
Movement during the period	82	(264)	75	11,310	11,203
Balance as at 31 January 2006	<u>143,752</u>	<u>(2,299)</u>	<u>59,277</u>	<u>107,323</u>	<u>308,053</u>
<b><u>Twelve months ended 31 January 2005</u></b>					
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	9,423	49,597
Balance as at 31 January 2005	<u>143,670</u>	<u>(2,035)</u>	<u>59,202</u>	<u>96,013</u>	<u>296,850</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>12 MONTHS ENDED 31/01/06 RM' 000</b>	<b>12 MONTHS ENDED 31/01/05 RM' 000</b>
<b>Net cash (used in) / generated from operating activities</b>	(4,530)	2,392
<b>Net cash (used in) / generated from investing activities</b>	(349)	2,691
<b>Net cash (used in) / generated from financing activities</b>	<u>(1,952)</u>	<u>(8,950)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	(6,831)	(3,867)
<b>Cash and cash equivalents at the beginning of the financial period</b>	12,645	16,512
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>5,814</u></u>	<u><u>12,645</u></u>
<b>Cash and cash equivalents at the end of the financial period</b>		
Deposits with licensed banks	432	266
Cash and bank balances	5,647	12,428
Bank overdraft	-	(49)
	<u>6,079</u>	<u>12,645</u>
Fixed deposit pledged	(265)	-
	<u>5,814</u>	<u>12,645</u>
As above	<u><u>5,814</u></u>	<u><u>12,645</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 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 2005	1,873
Share buy-back	285
Share cancellations	-
Shares held as treasury shares	<u>2,158</u>
Resale of treasury shares	-
At 31 January 2006	<u>2,158</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 2005	143,670	8,817
Exercise of ESOS	79	-
Conversion of ICULS	3	<u>(3)</u>
At 31 January 2006	<u>143,752</u>	<u>8,814</u>

### A7 Dividends paid

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

- (i) A final dividend of 4 sen less tax per ordinary share in respect of financial year 2005 was paid on 15 August 2005.
- (ii) An interim dividend of 3 sen less tax per ordinary share in respect of financial year 2006 was paid on 12 December 2005.

**A8 Segmental Information**

Major segments by activity:-	Revenue		Results	
	12 months ended		12 months ended	
	31.01.2006	31.01.2005	31.01.2006	31.01.2005
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	33,704	46,077	13,557	13,598
- Residential / commercial properties	20,768	10,959	6,340	1,205
Construction activities	45,047	43,393	2,968	2,675
Manufacture of concrete products	17,370	18,697	2,073	2,483
Management services and others	9,396	9,040	4,570	4,795
	<u>126,285</u>	<u>128,166</u>	<u>29,508</u>	<u>24,756</u>
Less: Inter-segment elimination	<u>(41,822)</u>	<u>(44,262)</u>	<u>(1,704)</u>	<u>880</u>
	84,463	83,904	27,804	25,636
Less: Unallocated expenses	<u>-</u>	<u>-</u>	<u>(2,170)</u>	<u>(2,327)</u>
	<u>84,463</u>	<u>83,904</u>	<u>25,634</u>	<u>23,309</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 year up to 25 March 2006 is as follows:-

- (i) Increase in issued and paid up capital and conversion of ICULS

	No. of shares (' 000)	No. of ICULS (RM' 000)
Conversion of ICULS	3	(3)
Exercised of ESOS	-	-
	<u>3</u>	<u>(3)</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 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 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 25 March 2006 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	4,287
Unsecured	-
	<u>4,287</u>

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

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

There is no significant difference between the revenue for the financial year ended 31 January 2006 and 2005 which amounting to RM84.5 million and RM83.9 million respectively.

The profit before tax ("PBT") increased by approximately RM2.5 million or 10.6% to RM25.5 million as compared to prior financial year. The increase in PBT is mainly due to increase in profit margin as a result of the change in sales mix of industrial and residential/commercial properties operations.

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

The PBT of the Group increased by RM0.9 million or 13.2% in the fourth quarter as compared to the third quarter of the financial year 2006 mainly due to the reversal of diminution in value of quoted securities of RM0.8 million.

**B3 Current financial year prospects**

The residential/commercial and industrial properties operations are expected to be the main profit contributor for the first quarter of the financial year 2007.

Barring unforeseen circumstances, the Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2007.

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

Not applicable.

**B5 Tax**

	CURRENT QUARTER 31/01/2006 RM' 000	CURRENT YEAR TO DATE 31/01/2006 RM' 000
Income tax:		
Current year	2,037	7,264
Prior year under / (over) provision	121	94
Deferred tax:		
Current year	(83)	(470)
Prior year under / (over) provision	(87)	(87)
	<u>1,988</u>	<u>6,801</u>

The effective rates of tax for the current quarter and current year to date are lower than the statutory tax rate mainly due to certain income not subject to taxation and the eligibility of reinvestment allowances by a subsidiary company.

**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 year 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 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 31/01/2006 RM' 000	CURRENT YEAR TO DATE 31/01/2006 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 January 2006:-

RM' 000

(i) At cost	<u>13,050</u>
(ii) At carrying value/book value	<u>8,958</u>
(iii) At market value	<u>11,205</u>

**B8 Status of corporate proposals**

There were no corporate proposals announced but not completed as at 25 March 2006.

**B9 Group borrowings and debt securities**

Group borrowings as at 31 January 2006 were as follows:

RM' 000

(a) Secured borrowings	40,452
Unsecured borrowings	<u>597</u>
	41,049
ICULS - Unsecured	<u>8,814</u>
	<u>49,863</u>
(b) Short term borrowings	
- Bank overdraft / Revolving credit	12,000
- Term Loan	8,760
- Hire purchase	<u>22</u>
	20,782
Long term borrowings	
- Term loan	19,670
- Hire purchase	-
- ICULS	8,814
- Others	<u>597</u>
	<u>49,863</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 2006 is RM2,403,846.

**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 2006 as follows:-

- (i) Amount per share : 4.0 sen less 28% tax;
- (ii) Previous corresponding period : 4.0 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.

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

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

	CURRENT QUARTER 31/01/2006	CURRENT YEAR TO DATE 31/01/2006
Net profit (RM'000)	<u>5,887</u>	<u>18,199</u>
Weighted average number of ordinary shares in issue ('000)		
At beginning of period ('000)	143,670	143,670
Treasury shares ('000)	(2,158)	(2,158)
Effect of shares issued during the period ('000)	<u>82</u>	<u>60</u>
At end of period ('000)	<u>141,594</u>	<u>141,572</u>
Basic earnings per share (sen)	<u>4.16</u>	<u>12.85</u>

**(b) Diluted earnings per share**

For the purpose of calculating diluted earnings per share, the net profit for the current quarter and financial year and the weighted average number of ordinary shares in issue during the current quarter and financial year have been adjusted for the effects of dilutive potential ordinary shares from conversion of ICULS. The amount of the net profit for the current quarter and financial year is adjusted by the after-tax effect on interest expense recognised during the current period and financial year 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 31/01/2006	CURRENT YEAR TO DATE 31/01/2006
Net profit (RM'000)	5,887	18,199
Adjustment for after-tax effect on interest on ICULS (RM'000)	<u>48</u>	<u>190</u>
Adjusted net profit for the period (RM'000)	<u>5,935</u>	<u>18,389</u>
Weighted average number of ordinary shares in issue ('000)	141,594	141,572
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>150,408</u>	<u>150,386</u>
Diluted earnings per share (sen)	<u>3.95</u>	<u>12.23</u>

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