

CRESCENDO CORPORATION BERHAD

(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2007**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.1.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.1.2006 RM'000	CURRENT YEAR TO DATE 31.1.2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.1.2006 RM'000
Revenue	16,414	23,701	74,089	84,463
Cost of sales	(10,091)	(13,818)	(45,619)	(53,291)
Gross profit	6,323	9,883	28,470	31,172
Other income	1,532	302	3,644	3,285
Administrative expenses	(3,562)	(2,962)	(10,818)	(9,607)
Other expenses	18	-	(188)	(17)
Finance cost	(576)	(46)	(1,160)	(100)
Gain/(loss) on disposal of investment	-	-	4,238	-
Reversal of diminution in value of quoted securities	935	801	935	801
Profit before tax	4,670	7,978	25,121	25,534
Income tax expenses	(1,116)	(1,454)	(6,569)	(6,267)
Profit for the period	3,554	6,524	18,552	19,267
Attributable to:				
Equity holders of the parent	3,857	6,421	18,366	18,733
Minority interests	(303)	103	186	534
	3,554	6,524	18,552	19,267
Earnings per share attributable to equity holders of parent:				
Basic, for profit for the period (sen)	2.73	4.53	12.99	13.20
Diluted, for profit for the period (sen)	2.60	4.30	12.36	12.60

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD
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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2007

	AS AT 31.1.2007 RM'000	AS AT 31.1.2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	57,349	54,795
Long term investments	3,200	9,949
Land held for property development	267,510	224,312
Deferred tax assets	4,164	594
	<u>332,223</u>	<u>289,650</u>
Current assets		
Property development costs	45,901	36,598
Inventories	30,580	18,968
Receivables	28,079	34,747
Cash and cash equivalents	1,473	6,079
	<u>106,033</u>	<u>96,392</u>
TOTAL ASSETS	<u>438,256</u>	<u>386,042</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	143,793	143,752
Share premium	14,533	14,533
Treasury shares	(2,553)	(2,299)
Other reserves	13,445	43,313
Retained profits	149,501	109,288
	<u>318,719</u>	<u>308,587</u>
Minority interests	<u>4,186</u>	<u>3,801</u>
Total equity	<u>322,905</u>	<u>312,388</u>
Non-current liabilities		
Long term borrowings	18,957	19,670
3% ICULS 2002/2007	8,774	8,814
Deferred tax liabilities	4,482	3,675
	<u>32,213</u>	<u>32,159</u>
Current liabilities		
Payables	37,214	18,433
Short term borrowings	42,762	20,782
Provision for tax	3,162	2,280
Dividend payable	-	-
	<u>83,138</u>	<u>41,495</u>
Total liabilities	<u>115,351</u>	<u>73,654</u>
TOTAL EQUITY AND LIABILITIES	<u>438,256</u>	<u>386,042</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.22</u>	<u>2.15</u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2007**

	← Attributable to Equity Holders of the Parent →					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	← Non-distributable →			Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000			
12 months ended 31 January 2006								
Balance as at 1 February 2005	143,670	14,525	(2,035)	44,677	96,013	296,850	3,119	299,969
Reversal of prior year overprovision in respect of deferred tax	-	-	-	323	-	323	-	323
Realisation of revaluation surplus, net of tax	-	-	-	(1,686)	1,686	-	-	-
Net income/(expenses) recognised directly in equity	-	-	-	(1,363)	1,686	323	-	323
Profit for the period	-	-	-	-	18,733	18,733	534	19,267
Total recognised income and expense for the period	-	-	-	-	18,733	18,733	534	19,267
Dividends	-	-	-	-	(7,144)	(7,144)	-	(7,144)
Issue of ordinary shares from conversion of ICULS	3	-	-	-	-	3	-	3
Issue of ordinary shares pursuant to ESOS	79	8	-	-	-	87	-	87
Purchase of treasury shares	-	-	(264)	-	-	(264)	-	(264)
Minority interest's share of loss set off against their advances	-	-	-	-	-	-	148	148
Balance as at 31 January 2006	143,752	14,533	(2,299)	43,314	109,288	308,588	3,801	312,389

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2007**

	← Attributable to Equity Holders of the Parent →					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	← Non-distributable →			Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000			
12 months ended 31 January 2007								
Balance as at 1 February 2006	143,752	14,533	(2,299)	43,314	109,288	308,588	3,801	312,389
Effects of adopting FRS 3	-	-	-	(28,974)	28,974	-	-	-
	143,752	14,533	(2,299)	14,340	138,262	308,588	3,801	312,389
Reversal of prior year overprovision in respect of deferred tax	-	-	-	(914)	-	(914)	-	(914)
Net income/(expenses) recognised directly in equity	-	-	-	(914)	-	(914)	-	(914)
Profit for the period	-	-	-	-	18,366	18,366	186	18,552
Total recognised income and expense for the period	-	-	-	-	18,366	18,366	186	18,552
Dividends	-	-	-	-	(7,127)	(7,127)	-	(7,127)
Issue of ordinary shares from conversion of ICULS	40	-	-	-	-	40	-	40
Share-based payment under ESOS	-	-	-	19	-	19	-	19
Purchase of treasury shares	-	-	(254)	-	-	(254)	-	(254)
Minority interest's share of loss set off against their advances	-	-	-	-	-	-	199	199
Balance as at 31 January 2007	143,793	14,533	(2,553)	13,445	149,501	318,719	4,186	322,905

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 2006 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2007**

	12 MONTHS ENDED	
	31.1.2007	31.1.2006
	RM' 000	RM' 000
Net cash used in operating activities	(27,280)	(4,539)
Net cash generated from / (used in) investing activities	9,190	(348)
Net cash used in financing activities	(178)	(1,943)
Net decrease in cash and cash equivalents	(18,268)	(6,830)
Cash and cash equivalents at the beginning of the financial period	5,815	12,645
Cash and cash equivalents at the end of the financial period	<u>(12,453)</u>	<u>5,815</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	-	432
Cash and bank balances	1,473	5,647
Bank overdraft	(13,926)	-
	<u>(12,453)</u>	<u>6,079</u>
Fixed deposit pledged	-	(264)
As above	<u>(12,453)</u>	<u>5,815</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 2006 and the accompanying explanatory notes attached to the interim financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

The interim financial statements which are unaudited, have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: 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 2006. 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 2006.

A2 Change in accounting policies

The MASB issued a total of 21 new and amended Financial Reporting Standards and other interpretations out of which 18 FRSs have become effective for financial period commencing 1 January 2006.

The significant accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 January 2006 except for the adoption of the following new/revised FRS effective for financial period beginning 1 February 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets

The adoption of the FRS listed above, other than those stated below, are consistent with current practices and does not have significant impact on the Group. The effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are stated below:-

(a) FRS 2: Share-based Payment

FRS 2 requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

The Company operates an equity-settled, share-based compensation plan for the employees of the Group, Crescendo Corporation Berhad's Employees' Share Option Scheme ("ESOS"). Prior to 1 February 2006, no compensation expense was recognised in profit and loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit and loss over the vesting periods of the grants with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. The fair value of the share options is computed using Black-Scholes model. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit and loss and a corresponding adjustment to equity over the remaining vesting period.

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Under the transitional provision of FRS 2, this FRS must be applied to share options that were granted after 31 December 2004 and had not yet vested on 1 January 2006. The financial impact to the Group arising from this change in accounting policy is as follows:

	12 months ended	
	31.1.2007	31.1.2006
	RM'000	RM'000
Decrease in profit for the period	19	-

(b) **FRS 3: Business Combinations**

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in profit and loss. In accordance with the transitional provision of FRS 3, the negative goodwill as at 1 February 2006 of RM28,973,700 was derecognised with a corresponding increase in retained profits.

(c) **FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interest, and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the net profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

A3 Audit qualification

The auditor's report of the preceding annual financial statements of the Group did not contain any qualification.

A4 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.

A5 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.

A6 Material changes in estimates

There were no changes in estimates that have had a material effect in the current quarter.

A7 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 2006	2,158
Share buy-back	250
Share cancellations	-
Shares held as treasury shares	2,408
Resale of treasury shares	-
At 31 January 2007	2,408

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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 2006	143,752	8,814
Conversion of ICULS	40	(40)
At 31 January 2007	<u>143,793</u>	<u>8,774</u>

A8 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 2006 was paid on 18 August 2006.
- (ii) An interim dividend of 3 sen less tax per ordinary share in respect of financial year 2007 was paid on 18 December 2006.

A9 Segmental Information

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	12 months ended		12 months ended	
	31.1.2007	31.1.2006	31.1.2007	31.1.2006
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	11,949	33,704	7,541	13,504
- Residential / commercial properties	37,579	20,768	10,301	6,340
Construction activities	67,659	45,047	3,720	2,968
Manufacture of concrete products	22,903	21,198	660	2,073
Management services and others	10,581	9,449	9,949	4,623
	<u>150,671</u>	<u>130,166</u>	<u>32,171</u>	<u>29,508</u>
Less: Inter-segment elimination	<u>(76,581)</u>	<u>(45,703)</u>	<u>(3,454)</u>	<u>(1,704)</u>
	<u>74,090</u>	<u>84,463</u>	<u>28,717</u>	<u>27,804</u>
Less: Unallocated expenses			(2,436)	(2,170)
Less: Finance cost			(1,160)	(100)
			<u>25,121</u>	<u>25,534</u>

A10 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.

A11 Material subsequent event

Subsequent material event that has not been reflected in the financial statements for the current financial period up to 22 March 2007 is as follows:-

- (i) Increase in issued and paid up capital

	No. of shares (' 000)
Exercise of ESOS	<u>9</u>

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A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial year to date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations.

A13 Contingent Liabilities

The contingent liabilities of the Group as at 22 March 2007 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	4,261
Unsecured	3
	<u>4,264</u>

PART B - 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 financial year ended 31 January 2007 is RM74.1 million which represents a decrease of RM10.4 million or 12.3% as compared to the prior financial year of RM84.5 million. The decrease in revenue is mainly due to the decrease in sales of industrial properties.

The PBT for the financial year 2007 is RM25.1 million which represents a marginal drop of RM0.4 million or 1.5% as compared to the prior financial year of RM25.5 million. The drop in PBT is mainly due to lower sales in industrial properties which was partly offset by the gain on disposal of quoted securities of RM4.2 million.

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

The PBT of the Group decreased by RM6.0 million or 56.3% in the fourth quarter as compared to the third quarter of the financial year 2007 mainly due to lower sales in residential/commercial properties and gain on disposal of quoted securities of RM3.0 million in the third quarter.

B3 Prospects

The outlook of the property and construction sector for Johor is expected to have an optimistic growth in view of the relaxation of the Foreign Investment Committee (FIC) requirements and tax incentives within the Iskandar Development Region (IDR), the abolishment of real property gains tax (RPGT) and the spillover wealth effects from Singapore's two Integrated Resort projects. With the substantial landbank in South Johor, the Group would be the prime beneficiary of this strong uptrend in property sector.

With the above development, the Board expects the sales of the Group will be better for the financial year ending 31 January 2008. As at to date, the total committed sales for the financial year 2008 is RM38 million.

Barring unforeseen circumstances, the Board expects a better performance by the Group for the financial year ending 31 January 2008.

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

Not applicable.

B5 Tax

	CURRENT CURRENT QUARTER 31.1.2007 RM' 000	CURRENT YEAR TO DATE 31.1.2007 RM' 000
Income tax:		
Current year	3,771	8,880
Prior year under / (over) provision	390	1,366
Deferred tax:		
Current year	(3,024)	(3,577)
Prior year under / (over) provision	(21)	(100)
	<u>1,116</u>	<u>6,569</u>

The effective tax rates for the current quarter and financial year to date are lower than the statutory rate principally due to the certain income which is not taxable.

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

There were no gain/(loss) on disposal of unquoted investments for the current 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 period under review.

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B7 Quoted securities

(a) Total purchase consideration, sale proceeds of quoted securities and profit/loss arising therefrom for the current quarter and current financial year to date are as follows:-

	CURRENT QUARTER 31.1.2007 RM' 000	CURRENT YEAR TO DATE 31.1.2007 RM' 000
Total purchase consideration	-	-
Total sale proceeds	-	11,702
Total profit / (loss) on disposal	-	4,238

(b) Total investments in quoted securities as at 31 January 2007:-

	RM' 000
(i) At cost	3,962
(ii) At carrying value/book value	2,303
(iii) At market value	2,303

B8 Status of corporate proposals

There were no corporate proposals announced but not completed as at 22 March 2007.

B9 Group borrowings and debt securities

Group borrowings as at 31 January 2007 were as follows:

	RM' 000
(a) Secured borrowings	61,719
Unsecured borrowings	-
	<u>61,719</u>
ICULS - Unsecured	8,774
	<u>70,493</u>
(b) Short term borrowings	
- Overdraft	13,926
- Revolving credit	20,000
- Term Loan	8,760
- Hire purchase	76
	<u>42,762</u>
Long term borrowings	
- Term loan	18,910
- Hire purchase	47
- ICULS	8,774
	<u>70,493</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 January 2007 is RM1,848,181.

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.

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B12 Dividend

- (a) The Board is pleased to recommend a final dividend of 4.0% less 27% tax for the financial year ended 31 January 2007 as follows:-
- (i) Amount per share : 4.0 sen less 27% 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.
- (b) Total dividend for the current financial year : 3.0 sen per share less 28% tax and 4.0 sen per share less 27% tax.

B13 Earnings Per Share ("EPS")

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the current period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	CURRENT QUARTER 31.1.2007	CURRENT YEAR TO DATE 31.1.2007
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>3,857</u>	<u>18,366</u>
Weighted average number of ordinary shares in issue ('000)	<u>141,379</u>	<u>141,357</u>
Basic earnings per share (Sen)	<u>2.73</u>	<u>12.99</u>

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the effects of dilutive potential ordinary shares from conversion of ICULS. The amount of the profit attributable to ordinary equity holders of the parent for the current financial period is adjusted by the after-tax effect on interest expense recognised during the current 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 31.1.2007	CURRENT YEAR TO DATE 31.1.2007
Profit attributable to ordinary equity holders of the parent (RM'000)	3,857	18,366
After-tax effect on interest on ICULS (RM'000)	<u>49</u>	<u>193</u>
Profit attributable to ordinary equity holders of the parent including assumed conversion (RM'000)	<u>3,906</u>	<u>18,559</u>
Weighted average number of ordinary shares in issue ('000)	141,379	141,357
Effect of dilution:		
ICULS ('000)	<u>8,774</u>	<u>8,774</u>
Adjusted weighted average number of shares in issue and issuable ('000)	<u>150,153</u>	<u>150,131</u>
Diluted earnings per share (Sen)	<u>2.60</u>	<u>12.36</u>

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