

**CRESCENDO CORPORATION BERHAD**

(Company No. : 359750-D)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.7.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.7.2006 RM'000	CURRENT YEAR TO DATE 31.7.2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.7.2006 RM'000
Revenue	31,660	18,063	53,986	35,643
Cost of sales	<u>(20,556)</u>	<u>(11,626)</u>	<u>(34,687)</u>	<u>(23,424)</u>
<b>Gross profit</b>	11,104	6,437	19,299	12,219
Other income	1,046	727	1,644	1,298
Administrative expenses	(2,923)	(2,264)	(5,193)	(4,645)
Other expenses	-	-	-	(30)
Finance cost	(694)	(120)	(1,358)	(263)
Gain on disposal of investment	<u>51</u>	<u>300</u>	<u>111</u>	<u>1,177</u>
<b>Profit before tax</b>	8,584	5,080	14,503	9,756
Income tax expenses	<u>(2,385)</u>	<u>(1,417)</u>	<u>(4,255)</u>	<u>(2,700)</u>
<b>Profit for the period</b>	<u>6,199</u>	<u>3,663</u>	<u>10,248</u>	<u>7,056</u>
Attributable to:				
Equity holders of the parent	5,874	3,464	9,909	6,622
Minority interests	<u>325</u>	<u>199</u>	<u>339</u>	<u>434</u>
	<u>6,199</u>	<u>3,663</u>	<u>10,248</u>	<u>7,056</u>
<b>Earnings per share attributable to equity holders of parent:</b>				
Basic, for profit for the period (sen)	3.94	2.45	6.76	4.68
Diluted, for profit for the period (sen)	3.90	2.34	6.70	4.47

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2007 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 JULY 2007**

	<b>AS AT 31.7.2007 RM'000</b>	<b>AS AT 31.1.2007 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	58,932	57,349
Long term investments	2,343	3,200
Land held for property development	265,906	259,744
Deferred tax assets	4,934	4,799
	<u>332,115</u>	<u>325,092</u>
<b>Current assets</b>		
Property development costs	54,908	53,620
Inventories	35,969	30,659
Receivables	47,867	28,341
Cash and cash equivalents	2,640	1,608
	<u>141,384</u>	<u>114,228</u>
<b>TOTAL ASSETS</b>	<u>473,499</u>	<u>439,320</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	154,153	143,793
Share premium	15,483	14,533
Treasury shares	-	(2,553)
Other reserves	15,439	13,608
Retained profits	155,467	150,059
	<u>340,542</u>	<u>319,440</u>
<b>Minority interests</b>	4,500	4,196
<b>Total equity</b>	<u>345,042</u>	<u>323,636</u>
<b>Non-current liabilities</b>		
Long term borrowings	24,687	18,957
3% ICULS 2002/2007	666	8,774
Deferred tax liabilities	2,427	4,311
Other payable	12,000	12,000
	<u>39,780</u>	<u>44,042</u>
<b>Current liabilities</b>		
Payables	32,133	25,431
Short term borrowings	45,132	42,897
Provision for tax	6,911	3,314
Dividend payable	4,501	-
	<u>88,677</u>	<u>71,642</u>
<b>Total liabilities</b>	<u>128,457</u>	<u>115,684</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>473,499</u>	<u>439,320</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.21</u>	<u>2.22</u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2007 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 JULY 2007**

	← Attributable to Equity Holders of the Parent →					Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-distributable →		Other Reserves RM'000	Retained Profits RM'000		
		Share Premium RM'000	Treasury Shares RM'000				
<b>6 months ended 31 July 2006</b>							
<b>Balance as at 1 February 2006</b>	143,752	14,533	(2,299)	43,314	109,287	3,801	312,388
Effects of adopting FRS 3	-	-	-	(28,974)	28,974	-	-
	<u>143,752</u>	<u>14,533</u>	<u>(2,299)</u>	<u>14,340</u>	<u>138,261</u>	<u>3,801</u>	<u>312,388</u>
Profit for the period	-	-	-	-	6,624	434	7,058
Total recognised income and expense for the period	-	-	-	-	6,624	434	7,058
Dividends	-	-	-	-	(4,074)	-	(4,074)
Issue of ordinary shares from conversion of ICULS	7	-	-	-	7	-	7
Issue of ordinary shares pursuant to ESOS	-	-	-	5	-	-	5
Purchase of treasury shares	-	-	(159)	-	-	-	(159)
<b>Balance as at 31 July 2006</b>	<u>143,759</u>	<u>14,533</u>	<u>(2,458)</u>	<u>14,345</u>	<u>140,811</u>	<u>4,235</u>	<u>315,225</u>

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

	← Attributable to Equity Holders of the Parent →					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-distributable →		Other Reserves RM'000	Distributable Retained Profits RM'000			
		Share Premium RM'000	Treasury Shares RM'000					
<b>6 months ended 31 July 2007</b>								
<b>Balance as at 1 February 2007</b>	143,793	14,533	(2,553)	13,608	150,059	319,440	4,196	323,636
Reversal of prior year overprovision in respect of deferred tax	-	-	-	1,789	-	1,789	-	1,789
Net income/(expenses) recognised directly in equity	-	-	-	1,789	-	1,789	-	1,789
Profit for the period	-	-	-	-	9,909	9,909	339	10,248
Total recognised income and expense for the period	-	-	-	-	9,909	9,909	339	10,248
Dividends	-	-	-	-	(4,501)	(4,501)	-	(4,501)
Issue of ordinary shares from conversion of ICULS	8,108	-	-	-	-	8,108	-	8,108
Issue of ordinary shares pursuant to ESOS	2,252	199	-	-	-	2,451	-	2,451
Transfer of reserve arising from exercise of ESOS	-	33	-	(33)	-	-	-	-
Share-based payment under ESOS	-	-	-	75	-	75	-	75
Sales of treasury shares	-	718	2,553	-	-	3,271	-	3,271
Increase/(Decrease) in minority interest's share of loss set off against their advances	-	-	-	-	-	-	(35)	(35)
<b>Balance as at 31 July 2007</b>	<b>154,153</b>	<b>15,483</b>	<b>-</b>	<b>15,439</b>	<b>155,467</b>	<b>340,542</b>	<b>4,500</b>	<b>345,042</b>

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 2007 and the accompanying explanatory notes attached to the interim financial statements.

**CRESCENDO CORPORATION BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2007**

	<b>6 MONTHS ENDED</b>	
	<b>31.7.2007</b>	<b>31.7.2006</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>Net cash (used in)/generated from operating activities</b>	(10,974)	(2,103)
<b>Net cash (used in)/generated from investing activities</b>	(1,602)	3,549
<b>Net cash generated from/(used in) financing activities</b>	<u>12,176</u>	<u>(6,196)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(400)	(4,750)
<b>Cash and cash equivalents at the beginning of the financial period</b>	(12,453)	5,815
<b>Cash and cash equivalents at the end of the financial period</b>	<u>(12,853)</u>	<u>1,065</u>
<b>Cash and cash equivalents at the end of the financial period</b>		
Deposits with licensed banks	154	53
Cash and bank balances	2,486	1,066
Bank overdraft	<u>(15,339)</u>	<u>-</u>
	(12,699)	1,119
Fixed deposit pledged	<u>(154)</u>	<u>(54)</u>
As above	<u>(12,853)</u>	<u>1,065</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 2007 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 2007. 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 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those of the annual financial statements for the year ended 31 January 2007 except for the adoption of the following revised FRSs effective for financial period beginning 1 February 2007:

FRS 117 Leases  
FRS 124 Related Party Disclosures

The adoption of the revised FRS stated above does not have significant impact on the Group.

**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 2007	2,408
Share buy-back	-
Share cancellations	-
Shares held as treasury shares	2,408
Resale of treasury shares	(2,408)
At 31 July 2007	-

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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 2007	143,793	8,774
Exercise of ESOS	2,252	-
Conversion of ICULS	8,108	(8,108)
At 31 July 2007	<u>154,153</u>	<u>666</u>

**A7 Dividends paid**

There was no dividend paid during the current financial period to date.

**A8 Segmental Information**

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	6 months ended		6 months ended	
	31.7.2007	31.7.2006	31.7.2007	31.7.2006
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	22,656	6,795	8,236	3,065
- Residential / commercial properties	14,705	13,459	5,797	3,428
Construction activities	31,962	32,461	1,775	1,332
Manufacturing and trading	14,168	13,230	500	587
Management services and others	4,061	4,826	1,590	2,480
	<u>87,552</u>	<u>70,771</u>	<u>17,898</u>	<u>10,892</u>
Inter-segment elimination	<u>(33,566)</u>	<u>(35,128)</u>	<u>(1,315)</u>	<u>(1,220)</u>
	<u>53,986</u>	<u>35,643</u>	<u>16,583</u>	<u>9,672</u>
Unallocated income			280	1,323
Unallocated expenses			(1,002)	(976)
Finance cost			(1,358)	(263)
			<u>14,503</u>	<u>9,756</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 September 2007 is as follows:-

(i) Increase in issued and paid up capital through:

	No. of shares ( ' 000)	No. of ICULS (RM' 000)
Conversion of ICULS	666	(666)
Exercise of ESOS	214	-
	<u>880</u>	<u>(666)</u>

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**A11 Changes in the composition of the Group**

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

**A12 Contingent Liabilities**

The contingent liabilities of the Group as at 21 September 2007 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	4,843
Unsecured	<u>4</u>
	<u>4,847</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 first half of the financial year ending 31 January 2008 is RM53.9 million which represents an increase of RM18.3 million or 51.4% as compared to the corresponding period in the prior financial year of RM35.6 million. The increase in revenue is mainly due to the increase in sales in industrial and commercial properties.

There is a substantial increase in profit before tax ("PBT") by approximately RM4.7 million or 48.0% to RM14.5 million as compared to the corresponding period in the prior financial year of RM9.8 million. The increase in PBT is mainly contributed by the higher sales in industrial and commercial properties which have a higher profit margin.

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

The PBT of the Group increased by RM2.6 million or 45.8% in the second quarter of the this financial year as compared to the preceding quarter mainly due to higher sales in industrial properties which have a higher profit margin.

**B3 Prospects**

The outlook of the property and construction sectors for Johor is expected to be good especially in the Iskandar Development Region (IDR). As the Group's land bank is substantially located within IDR, the Group would be the prime beneficiary of this strong uptrend in property sector and expects the sales of the Group to be better for the financial year ending 31 January 2008. As at to date, the total committed unbilled property sales is RM68 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 QUARTER 31.7.2007 RM' 000	CURRENT YEAR TO DATE 31.7.2007 RM' 000
Income tax:		
Current year	2,703	4,485
Prior year under / (over) provision	-	-
Deferred tax:		
Current year	(318)	(386)
Prior year under / (over) provision	-	156
	<u>2,385</u>	<u>4,255</u>

The effective tax rates for the current quarter and financial period to date are higher than the statutory rate principally due to the certain expenses which are not deductible for tax purposes.

**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 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.

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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 period to date are as follows:-

	CURRENT QUARTER 31.7.2007 RM' 000	CURRENT YEAR TO DATE 31.7.2007 RM' 000
Total purchase consideration	-	-
Total sale proceeds	431	626
Total profit / (loss) on disposal	51	111

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

	RM' 000
(i) At cost	2,553
(ii) At carrying value/book value	1,788
(iii) At market value	1,910

**B8 Status of corporate proposals**

There were no corporate proposals announced but not completed as at 21 September 2007.

**B9 Group borrowings and debt securities**

Group borrowings as at 31 July 2007 were as follows:

	RM' 000
(a) Secured borrowings	69,819
Unsecured borrowings	-
	69,819
ICULS - Unsecured	666
	70,485
(b) Short term borrowings	
- Overdraft	15,339
- Revolving credit	20,000
- Banker acceptance	888
- Term Loan	8,760
- Hire purchase	145
	45,132
Long term borrowings	
- Term loan	24,530
- Hire purchase	157
- ICULS	666
	70,485

(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 2007 is RM663,905.

**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.

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**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 26% tax for the financial year ending 31 January 2008 as follows:-
- (i) Amount per share : 3.0 sen less 26% tax;
  - (ii) Previous corresponding period : 3.0 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 26% 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 31.7.2007	CURRENT YEAR TO DATE 31.7.2007
Profit attributable to ordinary equity holders of the parent (RM'000)	5,874	9,909
Weighted average number of ordinary shares in issue ('000)	149,129	146,631
Basic earnings per share (Sen)	3.94	6.76

(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 31.7.2007	CURRENT YEAR TO DATE 31.7.2007
Profit attributable to ordinary equity holders of the parent (RM'000)	5,874	9,909
After-tax effect on interest on ICULS (RM'000)	4	7
Profit attributable to ordinary equity holders of the parent including assumed conversion (RM'000)	5,878	9,916
Weighted average number of ordinary shares in issue ('000)	149,129	146,631
Effect of dilution:		
ICULS ('000)	666	666
Share options ('000)	986	755
Adjusted weighted average number of shares in issue and issuable ('000)	150,781	148,052
Diluted earnings per share (Sen)	3.90	6.70