

CRESCENDO CORPORATION BERHAD

(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.01.2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.01.2007 RM'000	CURRENT YEAR TO DATE 31.01.2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.01.2007 RM'000
Revenue	44,083	17,600	124,748	75,275
Cost of sales	(29,227)	(11,190)	(82,650)	(46,718)
Gross profit	14,856	6,410	42,098	28,557
Other income	1,398	1,537	3,644	3,649
Administrative expenses	(3,749)	(3,567)	(12,343)	(10,823)
Other expenses	(38)	18	(38)	(188)
Finance cost	(186)	(576)	(1,610)	(1,160)
Gain on disposal of investment	-	-	111	4,238
Reversal of diminution in value of quoted securities	311	935	311	935
Profit before tax	12,592	4,757	32,173	25,208
Income tax expenses	(2,997)	(624)	(8,722)	(6,076)
Profit for the period	9,595	4,133	23,451	19,132
Attributable to:				
Equity holders of the parent	9,438	4,415	22,542	18,925
Minority interests	157	(282)	909	207
	9,595	4,133	23,451	19,132
Earnings per share attributable to equity holders of parent:				
Basic, for profit for the period (sen)	6.09	3.12	14.95	13.39
Diluted, for profit for the period (sen)	6.07	2.97	14.88	12.73

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 JANUARY 2008

	AS AT 31.01.2008 RM'000	AS AT 31.1.2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	55,480	57,349
Long term investments	2,624	3,200
Land held for property development	294,098	259,744
Deferred tax assets	4,923	4,799
	<u>357,125</u>	<u>325,092</u>
Current assets		
Property development costs	55,863	53,620
Inventories	43,592	30,659
Receivables	47,880	28,341
Cash and cash equivalents	8,875	1,608
	<u>156,210</u>	<u>114,228</u>
TOTAL ASSETS	<u>513,335</u>	<u>439,320</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	155,068	143,793
Share premium	15,517	14,533
Treasury shares	-	(2,553)
Other reserves	15,213	13,608
Retained profits	164,892	150,059
	<u>350,690</u>	<u>319,440</u>
Minority interests	5,549	4,196
Total equity	<u>356,239</u>	<u>323,636</u>
Non-current liabilities		
Long term borrowings	84,749	18,957
3% ICULS 2002/2007	-	8,774
Deferred tax liabilities	2,663	4,311
Other payable	11,000	12,000
	<u>98,412</u>	<u>44,042</u>
Current liabilities		
Payables	31,682	25,431
Short term borrowings	24,091	42,897
Provision for tax	2,911	3,314
Dividend payable	-	-
	<u>58,684</u>	<u>71,642</u>
Total liabilities	<u>157,096</u>	<u>115,684</u>
TOTAL EQUITY AND LIABILITIES	<u>513,335</u>	<u>439,320</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.26</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 JANUARY 2008**

	← Attributable to Equity Holders of the Parent →					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	109,287	3,801	312,388
Effects of adopting FRS 3	-	-	-	(28,974)	28,974	-	-
	143,752	14,533	(2,299)	14,340	138,261	3,801	312,388
Reversal of prior year overprovision in respect of deferred tax	-	-	-	(751)	-	(751)	(751)
Net income/(expenses) recognised directly in equity	-	-	-	(751)	-	(751)	(751)
Profit for the period	-	-	-	-	18,925	207	19,132
Total recognised income and expense for the period	-	-	-	-	18,925	207	19,132
Dividends	-	-	-	-	(7,127)	-	(7,127)
Issue of shares from conversion of ICULS	41	-	-	-	-	-	41
Issue of shares pursuant to ESOS	-	-	-	19	-	-	19
Purchase of treasury shares	-	-	(254)	-	-	-	(254)
Minority interest's share of loss set off against their advances	-	-	-	-	-	188	188
Balance as at 31 January 2007	143,793	14,533	(2,553)	13,608	150,059	4,196	323,636

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2008**

	← Attributable to Equity Holders of the Parent →						Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-distributable →			Retained Profits RM'000	Total RM'000		
		Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000				
Balance as at 1 February 2007	143,793	14,533	(2,553)	13,608	150,059	319,440	4,196	323,636
Realisation of revaluation surplus	-	-	-	(234)	234	-	-	-
Reversal of prior year overprovision in respect of deferred tax	-	-	-	1,789	-	1,789	-	1,789
Net income/(expenses) recognised directly in equity	-	-	-	1,555	234	1,789	-	1,789
Profit for the period	-	-	-	-	22,542	22,542	909	23,451
Total recognised income and expense for the period	-	-	-	-	22,542	22,542	909	23,451
Dividends	-	-	-	-	(7,943)	(7,943)	-	(7,943)
Issue of shares from conversion of ICULS	8,774	-	-	-	-	8,774	-	8,774
Issue of shares pursuant to ESOS	2,501	230	-	-	-	2,731	-	2,731
Transfer of reserve arising from exercise of ESOS	-	36	-	(36)	-	-	-	-
Share-based payment under ESOS	-	-	-	86	-	86	-	86
Sales of treasury shares	-	718	2,553	-	-	3,271	-	3,271
Issue of shares in subsidiaries	-	-	-	-	-	-	660	660
Minority interest's share of loss set off against their advances	-	-	-	-	-	-	(216)	(216)
Balance as at 31 January 2008	155,068	15,517	-	15,213	164,892	350,690	5,549	356,239

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 JANUARY 2008**

	12 MONTHS ENDED	
	31.01.2008	31.01.2007
	RM' 000	RM' 000
Net cash used in operating activities	(33,387)	(27,381)
Net cash (used in)/generated from investing activities	(5,011)	9,190
Net cash generated from/(used in) financing activities	<u>55,053</u>	<u>(77)</u>
Net increase/(decrease) in cash and cash equivalents	16,655	(18,268)
Cash and cash equivalents at the beginning of the financial period	(12,453)	5,815
Cash and cash equivalents at the end of the financial period	<u>4,202</u>	<u>(12,453)</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	201	-
Cash and bank balances	8,674	1,608
Bank overdraft	(4,472)	(14,061)
	<u>4,403</u>	<u>(12,453)</u>
Fixed deposit pledged	(201)	-
As above	<u>4,202</u>	<u>(12,453)</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 current 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 ended 31 January 2008 are as follows:-

	No. of shares (' 000)
At 1 February 2007	2,408
Share buy-back	-
Share cancellations	-
Shares held as treasury shares	<u>2,408</u>
Resale of treasury shares	<u>(2,408)</u>
At 31 January 2008	<u>-</u>

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The issuance and repayment of debt and equity securities for the current financial year ended 31 January 2008 are as follows:-

	No. of shares (' 000)	No. of ICULS (RM' 000)
At 1 February 2007	143,793	8,774
Exercise of ESOS	2,501	-
Conversion of ICULS	8,774	(8,774)
At 31 January 2008	<u>155,068</u>	<u>-</u>

A7 Dividends paid

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

- (i) A final dividend of 4 sen less tax per ordinary share in respect of financial year 2007 was paid on 16 August 2007.
- (ii) An interim dividend of 3 sen less tax per ordinary share in respect of financial year 2008 was paid on 21 December 2007.

A8 Segmental Information

Major segments by activity:-	Revenue		Results	
	12 months ended		12 months ended	
	31.01.2008	31.01.2007	31.01.2008	31.01.2007
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	55,623	11,949	17,176	6,537
- Residential / commercial properties	29,355	40,354	10,905	12,435
Construction activities	74,015	68,282	3,566	3,774
Manufacturing and trading	34,532	22,903	1,417	660
Management services and others	9,624	8,369	3,864	3,683
	<u>203,149</u>	<u>151,857</u>	<u>36,928</u>	<u>27,089</u>
Inter-segment elimination	<u>(78,401)</u>	<u>(76,582)</u>	<u>(1,339)</u>	<u>(3,543)</u>
	<u>124,748</u>	<u>75,275</u>	<u>35,589</u>	<u>23,546</u>
Unallocated income			666	5,258
Unallocated expenses			(2,472)	(2,436)
Finance cost			(1,610)	(1,160)
			<u>32,173</u>	<u>25,208</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 22 March 2008.

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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 year ended 31 January 2008 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations except for the following:-

On 13 December 2007, Unibase Concrete Industries Sdn Bhd ("UCISB"), a 60% owned subsidiary of Unibase Construction Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, had acquired a new subsidiary, Unibase Pre-cast Sdn Bhd ("UPCSB"). The issued and paid-up capital of UPCSB is RM200,000 divided into 200,000 ordinary shares of RM1.00 each. UPCSB is now a 70% owned-subsiidiary of UCISB and principally involved in fabrication, marketing and trading of concrete products.

A12 Contingent Liabilities

The contingent liabilities of the Group as at 22 March 2008 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	3,232
Unsecured	3
	<u>3,235</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 Group achieved a revenue and profit before tax ("PBT") of RM124.7 million and RM32.2 million respectively for the financial year ended 31 January 2008, representing a substantial increase of RM49.5 million or 65.6% and RM7.0 million or 27.8% respectively as compared to the prior financial year.

The substantial increases in revenue and PBT are mainly contributed by an increase in sales of industrial properties of RM43.7 million compared to prior financial year. The PBT has not increased proportionately to the increase in revenue mainly because of lower profit margin from construction operation as well as the industrial properties as a result of the increasing raw material and construction cost and significantly lower gain of RM111,000 on disposal of quoted securities compared with RM4.2 million achieved in the prior financial year.

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

The PBT of the Group increased by RM17.4 million or 65.2% in the fourth quarter as compared to the third quarter of the financial year 2008 mainly due to higher sales in industrial and commercial properties which have higher profit margins compared to the construction and manufacturing operations.

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 will be one of the prime beneficiaries. The Group expects its sales to be better for the financial year ending 31 January 2009. As at to date, the total committed unbilled property sales is RM78 million.

Barring unforeseen circumstances, the Board expects a better performance by the Group for the financial year ending 31 January 2009.

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

Not applicable.

B5 Tax

	CURRENT QUARTER 31.01.2008 RM' 000	CURRENT YEAR TO DATE 31.01.2008 RM' 000
Income tax:		
Current year	2,834	8,776
Prior year under / (over) provision	(71)	(71)
Deferred tax:		
Current year	219	(154)
Prior year under / (over) provision	15	171
	<u>2,997</u>	<u>8,722</u>

The effective tax rates for the current financial year 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 year and there were no profits/(losses) on any sale of properties outside the ordinary course of the Group's business for the current financial year.

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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 are as follows:-

	CURRENT QUARTER 31.01.2008 RM' 000	CURRENT YEAR TO DATE 31.01.2008 RM' 000
Total purchase consideration	-	-
Total sale proceeds	-	626
Total profit / (loss) on disposal	-	111

(b) Total investments in quoted securities as at 31 January 2008:-

	RM' 000
(i) At cost	2,553
(ii) At carrying value/book value	2,099
(iii) At market value	2,099

B8 Status of corporate proposals

On 5 February 2008, the Company announced a proposed renounceable rights issue of up to RM79,392,465 of 3.75% 7-year Irredeemable Convertible Unsecured Loan Stock ("ICULS") at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS together with one (1) free detachable warrant for every two (2) existing ordinary shares of RM1.00 each held in the Company on an entitlement date to be determined later ("Proposed Rights Issue With Warrants").

On 19 March 2008, the Company has made an updated announcement to raise the nominal value of ICULS to be issued to RM79,383,465 due to cancellation of 18,000 options under the Employees' Share Option Scheme and revision to the utilisation of proceeds and rationale of the Proposed Rights Issue With Warrants.

The Company will be submitting an application to the Securities Commission for the approval on the Proposed Rights Issue With Warrants.

B9 Group borrowings and debt securities

Group borrowings as at 31 January 2008 were as follows:

	RM' 000
(a) Secured borrowings	108,840
Unsecured borrowings	-
	<u>108,840</u>
(b) Short term borrowings	
- Overdraft	4,472
- Revolving credit	9,800
- Banker acceptance	854
- Term Loan	8,843
- Hire purchase	121
	<u>24,091</u>
Long term borrowings	
- Term loan	84,636
- Hire purchase	113
	<u>108,840</u>

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(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development for the current financial year ended 31 January 2008 is RM2,698,645.

B10 Financial Instruments with Off Balance Sheet risk

There were no financial instruments with off balance sheet risk as at 22 March 2008.

B11 Material Litigation

As at 22 March 2008, there is no material litigation against the Group.

B12 Dividend

(a) The Board is pleased to recommend a final dividend of 4% less 25% tax in respect of the financial year ended 31 January 2008 as follows:-

- (i) Amount per share : 4 sen less 25% tax;
- (ii) Previous corresponding period : 4.0 sen less 26% 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 and 4.0 sen per share less 25% 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 31.01.2008	CURRENT YEAR TO DATE 31.01.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>9,438</u>	<u>22,542</u>
Weighted average number of ordinary shares in issue ('000)	<u>155,059</u>	<u>150,802</u>
Basic earnings per share (Sen)	<u>6.09</u>	<u>14.95</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 share options granted to employees.

	CURRENT QUARTER 31.01.2008	CURRENT YEAR TO DATE 31.01.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>9,438</u>	<u>22,542</u>
Weighted average number of ordinary shares in issue ('000)	155,059	150,802
Effect of dilution:		
Share options ('000)	<u>448</u>	<u>698</u>
Adjusted weighted average number of shares in issue and issuable ('000)	<u>155,507</u>	<u>151,500</u>
Diluted earnings per share (Sen)	<u>6.07</u>	<u>14.88</u>