

CRESCENDO CORPORATION BERHAD

(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.4.2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.4.2007 RM'000	CURRENT YEAR TO DATE 30.4.2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.4.2007 RM'000
Revenue	45,734	22,326	45,734	22,326
Cost of sales	(33,397)	(14,131)	(33,397)	(14,131)
Gross profit	12,337	8,195	12,337	8,195
Other income	1,311	658	1,311	658
Administrative expenses	(2,755)	(2,270)	(2,755)	(2,270)
Other expenses	(12)	-	(12)	-
Finance cost	(217)	(664)	(217)	(664)
Profit before tax	10,664	5,919	10,664	5,919
Income tax expenses	(2,766)	(1,870)	(2,766)	(1,870)
Profit for the period	7,898	4,049	7,898	4,049
Attributable to:				
Equity holders of the parent	7,298	4,035	7,298	4,035
Minority interests	600	14	600	14
	7,898	4,049	7,898	4,049
Earnings per share attributable to equity holders of parent:				
Basic, for profit for the period (sen)	4.71	2.85	4.71	2.85
Diluted, for profit for the period (sen)	4.71	2.70	4.71	2.70

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2008 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 30 APRIL 2008**

	AS AT 30.4.2008 RM'000	AS AT 31.1.2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	56,201	55,480
Investments	1,582	2,624
Land held for property development	305,818	294,686
Deferred tax assets	4,831	4,906
	<u>368,432</u>	<u>357,696</u>
Current assets		
Property development costs	44,236	55,274
Inventories	65,340	43,592
Receivables	49,633	48,000
Cash and cash equivalents	4,176	8,875
	<u>163,385</u>	<u>155,741</u>
TOTAL ASSETS	<u>531,817</u>	<u>513,437</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	155,068	155,068
Share premium	15,517	15,517
Treasury shares	(112)	-
Other reserves	15,096	15,003
Retained profits	172,441	165,144
	<u>358,010</u>	<u>350,732</u>
Minority interests	6,178	5,578
Total equity	<u>364,188</u>	<u>356,310</u>
Non-current liabilities		
Long term borrowings	82,017	84,749
Deferred tax liabilities	2,553	2,655
Other payable	11,000	11,000
	<u>95,570</u>	<u>98,404</u>
Current liabilities		
Payables	40,827	31,741
Short term borrowings	28,564	24,091
Provision for tax	2,668	2,891
Dividend payable	-	-
	<u>72,059</u>	<u>58,723</u>
Total liabilities	<u>167,629</u>	<u>157,127</u>
TOTAL EQUITY AND LIABILITIES	<u>531,817</u>	<u>513,437</u>
 Net assets per share attributable to equity holders of the parent (RM)	 <u>2.31</u>	 <u>2.26</u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD
(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2008**

	← Attributable to Equity Holders of the Parent →					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000			
Balance as at 1 February 2007	143,793	14,533	(2,553)	13,608	150,059	319,440	4,196	323,636
Reduction in deferred tax arising from changes in tax rate	-	-	-	1,789	-	1,789	-	1,789
Net income/(expenses) recognised directly in equity	-	-	-	1,789	-	1,789	-	1,789
Profit for the period	-	-	-	-	4,035	4,035	14	4,049
Total recognised income and expense for the period	-	-	-	-	4,035	4,035	14	4,049
Issue of shares								
- Conversion from ICULS	60	-	-	-	-	60	-	60
- Exercise of ESOS	1,268	87	-	-	-	1,355	-	1,355
Sales of treasury shares	-	190	360	-	-	550	-	550
Share-based payment expenses under ESOS	-	-	-	6	-	6	-	6
Transfer of reserve arising from exercise of ESOS	-	18	-	(18)	-	-	-	-
Minority interest's share of loss set off against their advances	-	-	-	-	-	-	(28)	(28)
Balance as at 30 April 2007	145,121	14,828	(2,193)	15,385	154,094	327,235	4,182	331,417

CRESCENDO CORPORATION BERHAD
(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2008**

	← Attributable to Equity Holders of the Parent →					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000			
3 months ended 30 April 2008								
Balance as at 1 February 2008	155,068	15,517	-	15,003	165,144	350,732	5,578	356,310
Realisation of revaluation surplus	-	-	-	-	-	-	-	-
Reduction in deferred tax arising from changes in tax rate	-	-	-	-	-	-	-	-
Net income/(expenses) recognised directly in equity	-	-	-	-	-	-	-	-
Profit for the period, representing total recognised income and expense for the period	-	-	-	-	7,297	7,297	600	7,897
Dividends	-	-	-	-	-	-	-	-
- Conversion from ICULS	-	-	-	-	-	-	-	-
Issue of shares pursuant to exercise of ESOS	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(112)	-	-	(112)	-	(112)
Share-based payment expenses under ESOS	-	-	-	93	-	93	-	93
Minority interest's share of loss set off against their advances	-	-	-	-	-	-	-	-
Balance as at 30 April 2008	155,068	15,517	(112)	15,096	172,441	358,010	6,178	364,188

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD
(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2008**

	3 MONTHS ENDED	
	30.4.2008	30.4.2007
	RM' 000	RM' 000
Net cash used in operating activities	(6,091)	(3,051)
Net cash used in investing activities	(237)	(562)
Net cash generated from financing activities	<u>4,203</u>	<u>9,713</u>
Net (decrease)/increase in cash and cash equivalents	(2,125)	6,100
Cash and cash equivalents at the beginning of the financial period	4,202	(12,453)
Cash and cash equivalents at the end of the financial period	<u>2,077</u>	<u>(6,353)</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	203	753
Cash and bank balances	3,973	3,010
Bank overdraft	(1,896)	(9,963)
	<u>2,280</u>	<u>(6,200)</u>
Fixed deposit pledged	(203)	(153)
As above	<u>2,077</u>	<u>(6,353)</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 2008 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 2008. 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 2008.

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 2008 except for the adoption of the following revised FRSs effective for the annual periods beginning on or after 1 July 2007 which are relevant to its operations:

- FRS 107 Cash Flow Statements
- FRS 111 Construction Contracts
- FRS 112 Income Taxes
- FRS 118 Revenue
- FRS 119 Employee Benefits
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above revised FRSs do 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-to-date.

A5 Material changes in estimates

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

CRESCENDO CORPORATION BERHAD
(Company No. : 359750-D)

A6 Debt and equity securities

The share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the three months ended 30 April 2008 are as follows:-

	No. of shares (' 000)
At 1 February 2008	-
Share buy-back	103
Share cancellations	-
Shares held as treasury shares	<u>103</u>
Resale of treasury shares	-
At 30 April 2008	<u><u>103</u></u>

There is no issuance and repayment of debt and equity securities for the three months ended 30 April 2008.

A7 Dividends paid

There was no dividend paid during the three months ended 30 April 2008.

A8 Segmental information

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	3 months ended		3 months ended	
	30.4.2008	30.4.2007	30.4.2008	30.4.2007
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	16,081	6,444	5,459	2,115
- Residential / commercial properties	6,357	10,390	2,977	4,137
Construction activities	25,992	9,385	956	473
Manufacturing, trading and others	15,608	7,588	2,400	565
	<u>64,038</u>	<u>33,807</u>	<u>11,792</u>	<u>7,290</u>
Inter-segment elimination	<u>(18,304)</u>	<u>(11,481)</u>	<u>(466)</u>	<u>(332)</u>
	<u>45,734</u>	<u>22,326</u>	11,326	6,958
Unallocated income			2	48
Unallocated expenses			(447)	(423)
Finance cost			(217)	(664)
			<u>10,664</u>	<u>5,919</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 24 June 2008 is as follows:-

(i) Treasury shares

	No. of shares (' 000)	Weighted average price (RM)	Total (RM' 000)
Shares buy-back	<u>139</u>	<u>1.09</u>	<u>151</u>

CRESCENDO CORPORATION BERHAD
(Company No. : 359750-D)

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the three months ended 30 April 2008 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 24 June 2008 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	3,413
Unsecured	<u>3</u>
	<u>3,416</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 quarter of the financial year ending 31 January 2009 is RM45.7 million which represents an increase of RM23.4 million or 105% as compared to the prior financial year of RM22.3 million. The increase in revenue is mainly due to increase in sales of industrial properties and construction operation.

The profit before tax ("PBT") increased by approximately RM4.8 million or 81% to RM10.7 million as compared to prior financial year of RM5.9 million. The PBT has not increased proportionately to the increase in revenue mainly because of lower profit margin from construction operation as a result of the rising raw material and construction cost.

B2 Comparison of profit before tax for the quarter reported on with the immediate preceding quarter

The PBT of the Group decreased by RM2.0 million or 16% in the first quarter of the financial year ending 31 January 2009 as compared to the fourth quarter of the financial year 2008 is mainly due to lower sales of industrial properties during the quarter.

B3 Prospects

Despite a slowdown in US economy, Malaysia is expected to generate sustainable economic growth in 2008 with the supports of favourable Asian growth and trade, stable demand in electrical and electronic sector and high commodity prices. The positive changes in Government's policy and fiscal incentives for Iskandar Malaysia has attracted large foreign direct investments into South Johor region. For the financial year 2009, the Group will focus on industrial and commercial property developments. As at to date, the total committed unbilled property sales is RM92 million.

Barring unforeseen circumstances, the Board is optimistic of better Group performance 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 30.4.2008 RM' 000	CURRENT YEAR TO DATE 30.4.2008 RM' 000
Income tax:		
Current year	2,793	2,793
Deferred tax:		
Current year	(100)	(100)
Prior year under / (over) provision	73	73
	<u>2,766</u>	<u>2,766</u>

The effective tax rates for the current quarter and financial year-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 profit/(loss) on sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the current quarter and financial year-to-date.

CRESCENDO CORPORATION BERHAD
(Company No. : 359750-D)

B7 Quoted securities

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

	CURRENT QUARTER 30.4.2008 RM' 000	CURRENT YEAR TO DATE 30.4.2008 RM' 000
Total purchase consideration	-	-
Total sale proceeds	985	985
Total profit / (loss) on disposal	1	1

(b) Total investments in quoted securities as at 30 April 2008:-

	RM' 000
(i) At cost	1,759
(ii) At carrying value/book value	1,115
(iii) At market value	990

B8 Status of corporate proposals

The Company has proposed to carry out a renounceable rights issue of up to RM79,666,015 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").

The Securities Commission ("SC") had vide its letters dated 8 May 2008 and 23 June 2008 approved the proposed renounceable right issues and the revision to the number of ICULS and free warrants to be issued as a result of additional ESOS Options issued in the month of May 2008.

The above proposal is subject to shareholders' approval at an Extraordinary General Meeting to be convened.

B9 Group borrowings and debt securities

Group borrowings as at 30 April 2008 were as follows:

	RM' 000
(a) Secured borrowings	110,581
Unsecured borrowings	-
	<u>110,581</u>
(b) Short term borrowings	
- Overdraft	1,896
- Revolving credit	16,200
- Banker acceptance	1,000
- Term Loan	9,365
- Hire purchase	103
	<u>28,564</u>
Long term borrowings	
- Term loan	81,924
- Hire purchase	93
	<u>82,017</u>
	<u>110,581</u>

CRESCENDO CORPORATION BERHAD
(Company No. : 359750-D)

(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development for the current financial period ended 30 April 2008 is RM1,189,537.

B10 Financial instruments with off balance sheet risk

There were no financial instruments with off balance sheet risk as at 24 June 2008.

B11 Material litigation

As at 24 June 2008, there is no material litigation against the Group.

B12 Dividend

No dividend has been declared or proposed for the current financial period ended 30 April 2008.

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 30.4.2008	CURRENT YEAR TO DATE 30.4.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	7,298	7,298
Weighted average number of ordinary shares in issue ('000)	154,965	154,965
Basic earnings per share (Sen)	4.71	4.71

(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 30.4.2008	CURRENT YEAR TO DATE 30.4.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	7,298	7,298
Weighted average number of ordinary shares in issue ('000)	154,965	154,965
Effect of dilution:		
Share options ('000)	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	154,965	154,965
Diluted earnings per share (Sen)	4.71	4.71

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