

**CRESCENDO CORPORATION BERHAD**

(Company No. : 359750-D)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.7.2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.7.2007 RM'000	CURRENT YEAR TO DATE 31.7.2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.7.2007 RM'000
Revenue	46,817	31,660	92,551	53,986
Cost of sales	(33,096)	(20,556)	(66,493)	(34,687)
<b>Gross profit</b>	<b>13,721</b>	<b>11,104</b>	<b>26,058</b>	<b>19,299</b>
Other income	973	1,097	2,272	1,755
Administrative expenses	(3,104)	(2,923)	(5,859)	(5,193)
Finance cost	(310)	(694)	(527)	(1,358)
<b>Profit before tax</b>	<b>11,280</b>	<b>8,584</b>	<b>21,944</b>	<b>14,503</b>
Income tax expenses	(2,780)	(2,385)	(5,546)	(4,255)
<b>Profit for the period</b>	<b>8,500</b>	<b>6,199</b>	<b>16,398</b>	<b>10,248</b>
Attributable to:				
Equity holders of the parent	7,295	5,874	14,593	9,909
Minority interests	1,205	325	1,805	339
	<b>8,500</b>	<b>6,199</b>	<b>16,398</b>	<b>10,248</b>
<b>Earnings per share attributable to equity holders of parent:</b>				
Basic, for profit for the period (sen)	4.71	3.94	9.43	6.76
Diluted, for profit for the period (sen)	4.71	3.90	9.43	6.70

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**  
(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 JULY 2008**

	AS AT 31.7.2008 RM'000	AS AT 31.1.2008 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	57,450	55,480
Investments	1,596	2,624
Land held for property development	312,881	294,686
Deferred tax assets	5,074	4,906
	<u>377,001</u>	<u>357,696</u>
<b>Current assets</b>		
Property development costs	24,957	55,274
Inventories	79,812	43,592
Receivables	60,506	48,000
Cash and cash equivalents	6,096	8,875
	<u>171,371</u>	<u>155,741</u>
<b>TOTAL ASSETS</b>	<u>548,372</u>	<u>513,437</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	155,071	155,068
Share premium	15,517	15,517
Treasury shares	(321)	-
Other reserves	15,117	15,003
Retained profits	175,094	165,144
	<u>360,478</u>	<u>350,732</u>
<b>Minority interests</b>	7,383	5,578
<b>Total equity</b>	<u>367,861</u>	<u>356,310</u>
<b>Non-current liabilities</b>		
Long term borrowings	90,952	84,749
Deferred tax liabilities	2,553	2,655
Other payable	11,000	11,000
	<u>104,505</u>	<u>98,404</u>
<b>Current liabilities</b>		
Payables	41,418	31,741
Short term borrowings	25,737	24,091
Provision for tax	4,208	2,891
Dividend payable	4,643	-
	<u>76,006</u>	<u>58,723</u>
<b>Total liabilities</b>	<u>180,511</u>	<u>157,127</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>548,372</u>	<u>513,437</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.32</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**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2008**

	← 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	Distributable Retained Profits RM'000			
		Share Premium RM'000	Treasury Shares RM'000					Total 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
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	-	-	-	-	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 shares								
- Conversion from ICULS	8,108	-	-	-	-	8,108	-	8,108
- Exercise of ESOS	2,252	199	-	-	-	2,451	-	2,451
Sales of treasury shares	-	718	2,553	-	-	3,271	-	3,271
Share-based payment expenses under ESOS	-	-	-	75	-	75	-	75
Transfer of reserve arising from exercise of ESOS	-	33	-	(33)	-	-	-	-
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>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 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			
<b>Balance as at 1 February 2008</b>	155,068	15,517	-	15,003	165,144	350,732	5,578	356,310
Profit for the period, representing total recognised income and expense for the period	-	-	-	-	14,593	14,593	1,805	16,398
Dividends	-	-	-	-	(4,643)	(4,643)	-	(4,643)
Issue of shares pursuant to exercise of ESOS	3	-	-	-	-	3	-	3
Purchase of treasury shares	-	-	(321)	-	-	(321)	-	(321)
Share-based payment expenses under ESOS	-	-	-	114	-	114	-	114
<b>Balance as at 31 July 2008</b>	<b>155,071</b>	<b>15,517</b>	<b>(321)</b>	<b>15,117</b>	<b>175,094</b>	<b>360,478</b>	<b>7,383</b>	<b>367,861</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 2008 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 2008**

	<b>6 MONTHS ENDED</b>	
	<b>31.7.2008</b>	<b>31.7.2007</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>Net cash used in operating activities</b>	(8,182)	(10,974)
<b>Net cash used in investing activities</b>	(2,127)	(1,602)
<b>Net cash generated from financing activities</b>	<u>10,205</u>	<u>12,176</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(104)	(400)
<b>Cash and cash equivalents at the beginning of the financial period</b>	4,202	(12,453)
<b>Cash and cash equivalents at the end of the financial period</b>	<u>4,098</u>	<u>(12,853)</u>
<b>Cash and cash equivalents at the end of the financial period</b>		
Deposits with licensed banks	204	154
Cash and bank balances	5,892	2,486
Bank overdraft	(1,794)	(15,339)
	<u>4,302</u>	<u>(12,699)</u>
Fixed deposit pledged	(204)	(154)
As above	<u>4,098</u>	<u>(12,853)</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.

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**A6 Debt and equity securities**

The share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the six months ended 31 July 2008 are as follows:-

	No. of shares ( ' 000)
At 1 February 2008	-
Share buy-back	301
Share cancellations	-
Shares held as treasury shares	<u>301</u>
Resale of treasury shares	-
At 31 July 2008	<u>301</u>

The issuance and repayment of debt and equity securities for the six months ended 31 July 2008 are as follows:-

	No. of shares ( ' 000)
At 1 February 2008	155,068
Exercise of ESOS	3
At 31 July 2008	<u>155,071</u>

**A7 Dividends paid**

There was no dividend paid during the six months ended 31 July 2008.

**A8 Segmental information**

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	6 months ended		6 months ended	
	31.7.2008	31.7.2007	31.7.2008	31.7.2007
	RM'000	RM'000	RM'000	RM'000
Property development				
- Industrial properties	41,425	22,656	9,403	8,236
- Residential / commercial properties	13,321	14,705	5,998	5,797
Construction activities	41,150	31,962	2,552	1,775
Manufacturing, trading and others	36,308	18,229	6,505	2,090
	<u>132,204</u>	<u>87,552</u>	<u>24,458</u>	<u>17,898</u>
Inter-segment elimination	<u>(39,653)</u>	<u>(33,566)</u>	<u>(1,032)</u>	<u>(1,315)</u>
	<u>92,551</u>	<u>53,986</u>	23,426	16,583
Unallocated income			21	280
Unallocated expenses			(976)	(1,002)
Finance cost			<u>(527)</u>	<u>(1,358)</u>
			<u>21,944</u>	<u>14,503</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.

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**A10 Material subsequent event**

Subsequent material event that has not been reflected in the financial statements for the current financial period up to 23 September 2008 is as follows:-

(i) Treasury shares

	No. of shares ( ' 000)	Weighted average price (RM)	Total (RM' 000)
Shares buy-back	90	0.99	89

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

There were no changes in the composition of the Group for the six months ended 31 July 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 23 September 2008 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	2,918
Unsecured	3
	<u>2,921</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 2009 is RM92.6 million which represents an increase of RM38.6 million or 71% as compared to the prior financial year of RM54.0 million. The increase in revenue is mainly due to increase in sales of industrial properties and concrete products manufacturing operation.

The profit before tax ("PBT") increased by approximately RM7.4 million or 51% to RM21.9 million as compared to prior financial year of RM14.5 million. The PBT has not increased proportionately to the increase in revenue mainly because of lower profit margin from industrial operation as a result of the steep increase in raw material and construction costs in the second quarter of financial year 2009.

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

There is a marginal increase in the PBT for the second quarter of this financial year of RM11.3 million as compared to the preceding quarter of RM10.7 million.

**B3 Prospects**

For the financial year 2009, the Group will focus on industrial and commercial property developments and manufacturing of concrete products. As at to date, the total committed unbilled property sales is RM102 million.

Barring unforeseen circumstances and in view of good demand for our industrial properties at Nusa Cemerlang Industrial Park in Iskandar Malaysia, the Board expects a significantly better Group performance for the financial year ending 31 January 2009 as compared to the prior financial year 2008.

**B4 Variance of actual profit from forecast profit and shortfall in profit guarantee**

Not applicable.

**B5 Tax**

	CURRENT QUARTER 31.7.2008 RM' 000	CURRENT YEAR TO DATE 31.7.2008 RM' 000
Income tax:		
Current year	3,023	5,816
Deferred tax:		
Current year	(56)	(156)
Prior year under / (over) provision	(187)	(114)
	<u>2,780</u>	<u>5,546</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.

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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 financial year-to-date are as follows:-

	CURRENT QUARTER 31.7.2008 RM' 000	CURRENT YEAR TO DATE 31.7.2008 RM' 000
Total purchase consideration	-	-
Total sale proceeds	-	985
Total profit / (loss) on disposal	-	1

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

	RM' 000
(i) At cost	1,759
(ii) At carrying value/book value	1,115
(iii) At market value	948

**B8 Status of corporate proposals**

The proposed renounceable rights issue of up to RM79,664,015 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") had been approved by the shareholders at the Extraordinary General Meeting convened on 30 July 2008.

**B9 Group borrowings and debt securities**

Group borrowings as at 31 July 2008 were as follows:

	RM' 000
(a) Secured borrowings	116,688
Unsecured borrowings	-
	<u>116,688</u>
(b) Short term borrowings	
- Overdraft	1,794
- Revolving credit	14,500
- Banker acceptance	998
- Term Loan	8,361
- Hire purchase	84
	<u>25,737</u>
Long term borrowings	
- Term loan	90,878
- Hire purchase	74
	<u>90,952</u>
	<u>116,689</u>

(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development for the current financial period ended 31 July 2008 is RM2,382,631.

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**B10 Financial instruments with off balance sheet risk**

There were no financial instruments with off balance sheet risk as at 23 September 2008.

**B11 Material litigation**

As at 23 September 2008, there is no material litigation against the Group.

**B12 Dividend**

(a) The Board is pleased to declare an interim tax exempt dividend of 3.0% for the financial year ending 31 January 2009 as follows:-

- (i) Amount per share : 3.0 sen tax exempt;
- (ii) Previous corresponding period : 3.0 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 tax exempt.

**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 CURRENT QUARTER 31.7.2008	CURRENT YEAR TO DATE 31.7.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	7,295	14,593
Weighted average number of ordinary shares in issue ('000)	154,770	154,769
Basic earnings per share (Sen)	4.71	9.43

(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 CURRENT QUARTER 31.7.2008	CURRENT YEAR TO DATE 31.7.2008
Profit attributable to ordinary equity holders of the parent (RM'000)	7,295	14,593
Weighted average number of ordinary shares in issue ('000)	154,770	154,769
Effect of dilution:		
Share options ('000)	-	-
Adjusted weighted average number of shares in issue and issuable ('000)	154,770	154,769
Diluted earnings per share (Sen)	4.71	9.43

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