

CRESCENDO CORPORATION BERHAD

(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.10.2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.10.2008 RM'000	CURRENT YEAR TO DATE 31.10.2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.10.2008 RM'000
Revenue	37,947	57,484	117,090	150,035
Cost of sales	(29,761)	(41,011)	(88,865)	(107,504)
Gross profit	8,186	16,473	28,225	42,531
Other income	1,130	1,527	3,897	3,799
Administrative expenses	(2,848)	(3,063)	(9,046)	(8,922)
Finance cost	(506)	(184)	(2,270)	(711)
Profit before tax	5,962	14,753	20,806	36,697
Income tax expenses	(1,599)	(3,945)	(5,439)	(9,491)
Profit for the period	4,363	10,808	15,367	27,206
Attributable to:				
Equity holders of the parent	4,087	10,200	14,351	24,793
Minority interests	276	608	1,016	2,413
	4,363	10,808	15,367	27,206
Earnings per share attributable to equity holders of parent:				
Basic, for profit for the period (sen)	2.65	6.60	9.30	16.04
Diluted, for profit for the period (sen)	N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2009**

	AS AT 31.10.2009 RM'000	AS AT 31.1.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	58,284	58,211
Investments	169	802
Land held for property development	335,716	311,476
Deferred tax assets	5,469	5,846
	<u>399,638</u>	<u>376,335</u>
Current assets		
Property development costs	18,787	49,957
Inventories	82,029	66,594
Receivables	61,785	55,930
Cash and cash equivalents	34,492	52,012
	<u>197,093</u>	<u>224,493</u>
TOTAL ASSETS	<u>596,731</u>	<u>600,828</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	155,071	155,071
Share premium	14,890	14,890
Treasury shares	(764)	(584)
Other reserves	15,153	15,120
ICULS - equity component	20,817	20,817
Retained profits	196,514	187,180
	<u>401,681</u>	<u>392,494</u>
Minority interests	9,262	8,246
Total equity	<u>410,943</u>	<u>400,740</u>
Non-current liabilities		
Long term borrowings	82,411	94,676
ICULS - liability component	40,550	38,691
Deferred tax liabilities	2,355	2,355
Other payable	9,000	9,000
	<u>134,316</u>	<u>144,722</u>
Current liabilities		
Payables	32,733	37,694
Short term borrowings	18,459	16,549
Provision for tax	280	1,123
	<u>51,472</u>	<u>55,366</u>
Total liabilities	<u>185,788</u>	<u>200,088</u>
TOTAL EQUITY AND LIABILITIES	<u>596,731</u>	<u>600,828</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>2.59</u>	<u>2.53</u>

The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2009**

	← 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	Equity Component of ICULS RM'000	Retained Profits RM'000			Total RM'000
9 months ended 31 October 2008									
Balance as at 1 February 2008	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	-	-	-	-	-	24,793	24,793	2,413	27,206
Dividends	-	-	-	-	-	(4,643)	(4,643)	-	(4,643)
Issue of shares pursuant to exercise of ESOS	3	-	-	-	-	-	3	-	3
Purchase of treasury shares	-	-	(476)	-	-	-	(476)	-	(476)
Share-based payment expenses under ESOS	-	-	-	124	-	-	124	-	124
Balance as at 31 October 2008	155,071	15,517	(476)	15,127	-	185,294	370,533	7,991	378,524
9 months ended 31 October 2009									
Balance as at 1 February 2009	155,071	14,890	(584)	15,120	20,817	187,180	392,494	8,246	400,740
Profit for the period, representing total recognised income and expense for the period	-	-	-	-	-	14,351	14,351	1,016	15,367
Dividends	-	-	-	-	-	(5,017)	(5,017)	-	(5,017)
Purchase of treasury shares	-	-	(180)	-	-	-	(180)	-	(180)
Share-based payment expenses under ESOS	-	-	-	33	-	-	33	-	33
Balance as at 31 October 2009	155,071	14,890	(764)	15,153	20,817	196,514	401,681	9,262	410,943

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 2009 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 OCTOBER 2009**

	9 MONTHS ENDED	
	31.10.2009 RM' 000	31.10.2008 RM' 000
Net cash (used in) / from operating activities	(797)	5,612
Net cash used in investing activities	(1,169)	(3,200)
Net cash (used in) / from financing activities	<u>(17,411)</u>	<u>6,991</u>
Net (decrease) / increase in cash and cash equivalents	(19,377)	9,403
Cash and cash equivalents at the beginning of the financial period	51,803	4,202
Cash and cash equivalents at the end of the financial period	<u>32,426</u>	<u>13,605</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	24,462	605
Cash and bank balances	10,030	14,329
Bank overdraft	<u>(1,854)</u>	<u>(1,124)</u>
	32,638	13,810
Fixed deposit pledged	<u>(212)</u>	<u>(205)</u>
As above	<u>32,426</u>	<u>13,605</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 2009 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 2009. 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 2009.

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 2009.

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 results.

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the nine months ended 31 October 2009 except for the Company had repurchased a total of 185,500 ordinary shares of RM 1 each of its issued share capital from the open market for a total consideration of RM179,874 at an average price of RM0.97 per share. The shares repurchased are being held as treasury shares.

A7 Dividends paid

The dividends paid during the nine months ended 31 October 2009 were 3 sen less tax and 1 sen tax exempt per ordinary share in respect of financial year 2009, paid on 18 August 2009.

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A8 Segmental information

Major segments by activity:-	<u>Revenue</u>		<u>Results</u>	
	9 months ended		9 months ended	
	31.10.2009	31.10.2008	31.10.2009	31.10.2008
	RM' 000	RM' 000	RM' 000	RM' 000
Property development and construction	80,794	104,334	18,598	27,568
Manufacturing and trading	38,415	52,781	827	5,770
Management services and others	7,980	9,850	5,320	5,678
	<u>127,189</u>	<u>166,965</u>	<u>24,745</u>	<u>39,016</u>
Inter-segment elimination	<u>(10,099)</u>	<u>(16,930)</u>	<u>(515)</u>	<u>(251)</u>
	<u>117,090</u>	<u>150,035</u>	<u>24,230</u>	<u>38,765</u>
Unallocated income			184	68
Unallocated expenses			(1,338)	(1,425)
Finance cost			<u>(2,270)</u>	<u>(711)</u>
			<u>20,806</u>	<u>36,697</u>

The industrial properties development, residential/commercial properties development and construction activities have been combined as one segment namely property development and construction for better presentation as they are integrated operations.

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 period up to 16 December 2009.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial year 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 16 December 2009 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	1,605
Unsecured	<u>2</u>
	<u>1,607</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 and profit before tax ("PBT") of the Group for the first nine months of the financial year ending 31 January 2010 are RM117.090 million and RM20.806 million respectively, which represent a decrease of approximately 22% and 43% respectively as compared to the corresponding period in the last financial year.

The decrease in PBT is mainly due to lower sales of properties and concrete products. The concrete products margin is also squeezed mainly due to the materials cost fluctuations.

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

The PBT of the Group decreased by RM2.2 million in the third quarter as compared to the second quarter of the financial year 2009 mainly due to lower sales of properties.

B3 Prospects

The financial year 2010 is expected to be a challenging year in view of the recent uncertain global economic environment and credit crunch problems. Barring unforeseen circumstances, the Board expects the Group to remain profitable for the financial year ending 31 January 2010.

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

Not applicable.

B5 Tax

	CURRENT QUARTER 31.10.2009 RM' 000	CURRENT YEAR TO DATE 31.10.2009 RM' 000
Current tax:		
Current year	1,397	5,062
Deferred tax:		
Current year	202	377
	<u>1,599</u>	<u>5,439</u>

The effective tax rates for the financial year-to-date are higher than the statutory rate principally due to 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 31.10.2009 RM' 000	CURRENT YEAR TO DATE 31.10.2009 RM' 000
Total purchase consideration	-	30
Total sale proceeds	320	771
Total profit / (loss) on disposal	90	215

(b) Total investments in quoted securities as at 31 Oct 2009:-

	RM' 000
(i) At cost	287
(ii) At carrying value/book value	109
(iii) At market value	97

B8 Status of corporate proposals

There were no corporate proposals announced but not completed as at 16 December 2009.

B9 Group borrowings and debt securities

Group borrowings as at 31 October 2009 were as follows:

	RM' 000
(a) Secured borrowings	100,870
Unsecured borrowings	40,550
	<u>141,420</u>
(b) Short term borrowings	
- Overdraft	1,854
- Revolving credit	1,000
- Banker acceptance	826
- Term Loan	14,764
- Hire purchase	15
	<u>18,459</u>
Long term borrowings	
- Term loan	82,392
- Hire purchase	19
- ICULS - liability component	40,550
	<u>122,961</u>
	<u>141,420</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 October 2009 is RM3,162,806.

B10 Financial instruments with off balance sheet risk

There were no financial instruments with off balance sheet risk as at 16 December 2009.

B11 Material litigation

As at 16 December 2009, there is no material litigation against the Group.

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B12 Dividend

(a) No dividend has been declared or proposed for the current quarter ended 31 October 2009.

(b) Total dividend for the current financial year : 3.0 sen less tax 25%.

B13 Earnings per share ("EPS")

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the current quarter and financial year 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 31.10.2009	CURRENT YEAR TO DATE 31.10.2009
Profit attributable to ordinary equity holders of the parent (RM'000)	4,087	14,351
Weighted average number of ordinary shares in issue ('000)	154,285	154,285
Basic earnings per share (Sen)	2.65	9.30

(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 ICULS, warrants and share options granted to employees.

There is no calculation of diluted earnings per share for the current quarter and financial year as the ICULS, warrants and ESOS have an antidilutive effect on earnings per share.