

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.1.2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.1.2009 RM'000	CURRENT YEAR TO DATE 31.1.2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.1.2009 RM'000
Revenue	43,231	52,985	160,321	203,020
Cost of sales	(33,170)	(40,448)	(123,347)	(147,952)
<b>Gross profit</b>	<b>10,061</b>	<b>12,537</b>	<b>36,974</b>	<b>55,068</b>
Other income	1,059	155	4,956	3,954
Administration expenses	(5,444)	(4,508)	(14,490)	(13,430)
Finance costs	(676)	(851)	(2,946)	(1,562)
<b>Profit before tax</b>	<b>5,000</b>	<b>7,333</b>	<b>24,494</b>	<b>44,030</b>
Tax expenses	(1,252)	(554)	(6,363)	(10,045)
<b>Profit for the period</b>	<b>3,748</b>	<b>6,779</b>	<b>18,131</b>	<b>33,985</b>
Attributable to:				
Equity holders of the Company	3,430	6,524	16,797	31,317
Minority interests	318	255	1,334	2,668
	<b>3,748</b>	<b>6,779</b>	<b>18,131</b>	<b>33,985</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic, for profit for the period (sen)	2.22	4.22	10.89	20.27
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.

**CRESCENDO CORPORATION BERHAD**

(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 31 JANUARY 2010**

	<b>AS AT 31.1.2010 RM'000</b>	<b>AS AT 31.1.2009 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	81,567	58,211
Investments	60	802
Land held for property development	409,246	311,476
Deferred tax assets	4,532	5,846
	<u>495,405</u>	<u>376,335</u>
<b>Current assets</b>		
Property development costs	17,558	49,957
Inventories	76,369	66,594
Receivables	58,732	55,930
Cash and bank balances	40,247	52,012
	<u>192,906</u>	<u>224,493</u>
<b>TOTAL ASSETS</b>	<u>688,311</u>	<u>600,828</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	155,071	155,071
Share premium	14,890	14,890
Treasury shares	(798)	(584)
Other reserves	37,117	15,120
Equity component of ICULS	20,817	20,817
Retained profits	195,488	187,180
	<u>422,585</u>	<u>392,494</u>
<b>Minority interests</b>	9,635	8,246
<b>Total equity</b>	<u>432,220</u>	<u>400,740</u>
<b>Non-current liabilities</b>		
Bank borrowings (secured)	128,715	94,676
Liability component of ICULS	38,893	38,691
Deferred tax liabilities	2,403	2,355
Other payable	9,000	9,000
	<u>179,011</u>	<u>144,722</u>
<b>Current liabilities</b>		
Payables	57,457	37,694
Bank borrowings (secured)	19,229	16,549
Tax payable	394	1,123
	<u>77,080</u>	<u>55,366</u>
<b>Total liabilities</b>	<u>256,091</u>	<u>200,088</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>688,311</u>	<u>600,828</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>2.73</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.

**CRESCENDO CORPORATION BERHAD**

(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2010**

	← Attributable to Equity Holders of the Company →							Minority Interests 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	ICULS (Equity Component) RM'000	Retained Profits RM'000	Total RM'000		
<b>Year ended 31 January 2009</b>									
<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 year, representing total recognised income and expense for the year	-	-	-	-	-	31,317	31,317	2,668	33,985
Dividends	-	-	-	-	-	(9,281)	(9,281)	-	(9,281)
Rights Issue of ICULS, net of tax	-	-	-	-	20,817	-	20,817	-	20,817
Expenses incurred in connection with the Rights Issue	-	(627)	-	-	-	-	(627)	-	(627)
Issue of shares pursuant to exercise of ESOS	3	-	-	-	-	-	3	-	3
Purchase of treasury shares	-	-	(584)	-	-	-	(584)	-	(584)
Share-based payment expenses under ESOS	-	-	-	117	-	-	117	-	117
<b>Balance as at 31 January 2009</b>	<b>155,071</b>	<b>14,890</b>	<b>(584)</b>	<b>15,120</b>	<b>20,817</b>	<b>187,180</b>	<b>392,494</b>	<b>8,246</b>	<b>400,740</b>
<b>Year ended 31 January 2010</b>									
<b>Balance as at 1 February 2009</b>	155,071	14,890	(584)	15,120	20,817	187,180	392,494	8,246	400,740
Revaluation surplus, representing net income recognised directly in equity	-	-	-	21,961	-	-	21,961	55	22,016
Profit for the year	-	-	-	-	-	16,797	16,797	1,334	18,131
Total recognised income and expense for the year	-	-	-	21,961	-	16,797	38,758	1,389	40,147
Dividends	-	-	-	-	-	(8,489)	(8,489)	-	(8,489)
Purchase of treasury shares	-	-	(214)	-	-	-	(214)	-	(214)
Share-based payment expenses under ESOS	-	-	-	36	-	-	36	-	36
<b>Balance as at 31 January 2010</b>	<b>155,071</b>	<b>14,890</b>	<b>(798)</b>	<b>37,117</b>	<b>20,817</b>	<b>195,488</b>	<b>422,585</b>	<b>9,635</b>	<b>432,220</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 2009 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 31 JANUARY 2010**

	<b>YEAR ENDED</b>	
	<b>31.1.2010</b>	<b>31.1.2009</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>Net cash used in operating activities</b>	(35,708)	(4,336)
<b>Net cash used in investing activities</b>	(1,831)	(4,065)
<b>Net cash from financing activities</b>	24,804	56,002
<b>Net (decrease) / increase in cash and cash equivalents</b>	(12,735)	47,601
<b>Cash and cash equivalents at the beginning of the financial year</b>	51,803	4,202
<b>Cash and cash equivalents at the end of the financial year</b>	<u>39,068</u>	<u>51,803</u>
<b>Cash and cash equivalents at the end of the financial year</b>		
Deposits with licensed banks	26,813	44,309
Cash and bank balances	13,434	7,703
Bank overdrafts	(966)	-
	<u>39,281</u>	<u>52,012</u>
Fixed deposit pledged	(213)	(209)
	<u>39,068</u>	<u>51,803</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.

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**PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1 Basis of preparation**

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.

The Group has not elected for early adoption of the following FRSs relevant to the current operations of the Group, which were issued but not yet effective for the financial year ended 31 January 2010:

	Effective for financial periods beginning on or after
FRS 3 Business Combinations	1 July 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
FRS101 Presentation of Financial Statements	1 January 2010
FRS123 Borrowing Costs	1 January 2010
FRS127 Consolidated and Separate Financial Statements	1 July 2010
FRS139 Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010

The above new FRSs, IC Interpretations and the other various amendments to the FRSs are not expected to have any significant impact on the financial statements of the Group upon their initial application other than:

- Changes in the presentation of the financial statements that will arise from the adoption of FRS101.
- Changes in the timing of recognition of property development revenue and costs that will arise from the adoption of IC15. The management is still in the midst of assessing the impact of IC15 on the Group's financial statements.

The Group and the Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS7 and FRS139 by virtue of the exemptions given in the respective standards.

**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 results.

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**A6 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year ended 31 January 2010 except for the Company had repurchased a total of 214,600 ordinary shares of RM 1 each of its issued share capital from the open market for a total consideration of RM213,935 at an average price of RM1.00 per share. The shares repurchased are being held as treasury shares.

**A7 Dividends paid**

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

- (i) A final dividend of 3 sen less 25% tax and 1 sen tax exempt per ordinary share in respect of financial year 2009 was paid on 18 August 2009.
- (ii) An interim dividend of 3 sen less 25% tax per ordinary share in respect of financial year 2010 was paid on 16 December 2009.

**A8 Segmental information**

Major segments by activity:-	Revenue		Results	
	Year ended		Year ended	
	31.1.2010	31.1.2009	31.1.2010	31.1.2009
	RM' 000	RM' 000	RM' 000	RM' 000
Property development and construction	106,263	140,517	20,673	35,536
Manufacturing and trading	55,301	72,944	2,109	6,638
Management services and others	10,203	13,003	5,558	6,794
	<u>171,767</u>	<u>226,464</u>	<u>28,340</u>	<u>48,968</u>
Inter-segment eliminations	<u>(11,446)</u>	<u>(23,444)</u>	<u>1,161</u>	<u>(296)</u>
	<u>160,321</u>	<u>203,020</u>	<u>29,501</u>	<u>48,672</u>
Other investment income / (loss)			171	(765)
Unallocated expenses			(2,232)	(2,315)
Finance costs			<u>(2,946)</u>	<u>(1,562)</u>
			<u>24,494</u>	<u>44,030</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**

All the land under property, plant and equipment of the Group have been revalued during the current quarter in accordance with the policy of revaluing the freehold land on a regular basis at least once in every five years by an independent valuer. The revaluation surplus arising during the quarter amounting to RM22 million.

**A10 Material subsequent events**

There were no subsequent material events that have not been reflected in the current financial statements for the current financial period up to 24 March 2010.

**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 24 March 2010 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	523
Unsecured	<u>2</u>
	<u>525</u>

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**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 current financial year 2010 are RM160.321 million and RM24.494 million respectively as compared to RM203.020 million and RM44.030 million respectively for the financial year 2009.

The 21% and 44% decrease in revenue and PBT respectively are mainly due to lower sales of industrial properties and concrete products. The concrete products margin is also squeezed as a result of the materials cost fluctuations and strong competition.

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

The PBT decreased by RM0.962 million or 16% in the current quarter as compared to the last quarter ended 31 October 2009 mainly due to the drop in profit margins as a result of higher operation expenses.

**B3 Prospects**

Barring unforeseen circumstances, the Board expects the performance of the Group to be better due to the expected higher sales of industrial properties for the financial year ending 31 January 2011.

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

Not applicable.

**B5 Tax**

	CURRENT QUARTER 31.1.2010 RM' 000	CURRENT YEAR 31.1.2010 RM' 000
Current tax:		
Current year	(70)	4,992
Prior years under provision	16	16
Deferred tax:		
Current year	1,303	1,352
Prior years under provision	3	3
	<u>1,252</u>	<u>6,363</u>

The effective tax rate for the current financial year is 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.

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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 are as follows:-

	CURRENT QUARTER 31.1.2010 RM' 000	CURRENT YEAR 31.1.2010 RM' 000
Total purchase consideration	-	30
Total sale proceeds	96	867
Total (loss) / profit on disposal	(12)	203

(b) There is no investments in quoted securities as at 31 January 2010.

**B8 Status of corporate proposals**

There were no corporate proposals announced but not completed as at 24 March 2010.

**B9 Group borrowings and debt securities**

Group borrowings as at 31 January 2010 were as follows:

	RM' 000
(a) Secured borrowings	147,944
Unsecured borrowings	38,893
	<u>186,837</u>
(b) Short term borrowings	
- Overdraft	966
- Revolving credit	1,980
- Banker acceptance	1,503
- Term Loan	14,764
- Hire purchase	16
	<u>19,229</u>
Long term borrowings	
- Term loan	128,701
- Hire purchase	14
- ICULS - liability component	38,893
	<u>167,608</u>
	<u>186,837</u>

(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development for the current financial year is RM4,414,000.

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

There were no financial instruments with off balance sheet risk as at 24 March 2010.

**B11 Material litigation**

As at 24 March 2010, there is no material litigation against the Group.



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**B12 Dividend**

- (a) The Board is pleased to recommend a final dividend of 4% less 25% tax per share in respect of the financial year ended 31 January 2010.
- (i) amount per share : 4 sen less 25% tax;
  - (ii) previous corresponding period : 4 sen per share comprises of 3 sen less 25% tax and 1 sen tax exempt;
  - (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 : 7 sen less tax 25% per share.

**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 Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	CURRENT QUARTER 31.1.2010	CURRENT YEAR 31.1.2010
Profit attributable to ordinary equity holders of the Company (RM'000)	3,430	16,797
Weighted average number of ordinary shares in issue ('000)	154,256	154,256
Basic earnings per share (Sen)	2.22	10.89

(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 Company 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.