

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.4.2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.4.2009 RM'000	CURRENT YEAR TO DATE 30.4.2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.4.2009 RM'000
Revenue	44,690	36,366	44,690	36,366
Cost of sales	(34,950)	(27,170)	(34,950)	(27,170)
Gross profit	9,740	9,196	9,740	9,196
Other income	1,220	1,134	1,220	1,134
Administration expenses	(2,908)	(3,018)	(2,908)	(3,018)
Finance costs	(663)	(679)	(663)	(679)
Profit before tax	7,389	6,633	7,389	6,633
Tax expenses	(1,963)	(1,766)	(1,963)	(1,766)
Profit for the period	5,426	4,867	5,426	4,867
Other comprehensive loss, net of tax				
Loss on cash flow hedging	(348)	-	(348)	-
Total other comprehensive loss for the period, net of tax	(348)	-	(348)	-
Total comprehensive income for the period	5,078	4,867	5,078	4,867
Profit attributable to:				
Owners of the Company	4,812	4,533	4,812	4,533
Minority interests	614	334	614	334
	5,426	4,867	5,426	4,867
Total comprehensive income attributable to:				
Owners of the Company	4,464	4,533	4,464	4,533
Minority interests	614	334	614	334
	5,078	4,867	5,078	4,867
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period (sen)	3.12	2.94	3.12	2.94
Diluted, for profit for the period (sen)	2.25	N/A	2.25	N/A

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2010 and the accompanying explanatory notes attached to the interim financial statements.

CRESCENDO CORPORATION BERHAD

(Company No. : 359750-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2010**

	AS AT 30.4.2010 RM'000	AS AT 31.1.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	40,408	40,413
Investments	60	60
Land held for property development	448,423	448,133
Deferred tax assets	7,139	7,249
	<u>496,030</u>	<u>495,855</u>
Current assets		
Property development costs	20,538	17,491
Inventories	68,971	76,369
Trade and other receivables	58,298	58,734
Cash and bank balances	53,785	40,247
	<u>201,592</u>	<u>192,841</u>
TOTAL ASSETS	<u>697,622</u>	<u>688,696</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	155,090	155,071
Share premium	14,891	14,890
Treasury shares	(812)	(798)
Other reserves	34,503	34,792
Equity component of ICULS	50,281	50,281
Retained profits	202,850	196,704
	<u>456,803</u>	<u>450,940</u>
Minority interests	10,321	9,707
Total equity	<u>467,124</u>	<u>460,647</u>
Non-current liabilities		
Bank borrowings (secured)	149,187	128,298
Liability component of ICULS	11,079	10,919
Deferred tax liabilities	2,213	2,213
Trade payable	5,921	7,000
Derivative financial liability	348	-
	<u>168,748</u>	<u>148,430</u>
Current liabilities		
Trade and other payables	40,376	59,579
Bank borrowings (secured)	21,349	19,646
Tax payable	25	394
	<u>61,750</u>	<u>79,619</u>
Total liabilities	<u>230,498</u>	<u>228,049</u>
TOTAL EQUITY AND LIABILITIES	<u>697,622</u>	<u>688,696</u>
Net assets per share (RM)	<u>2.95</u>	<u>2.91</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 January 2010 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 30 APRIL 2010**

	Attributable to owners 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
3 months ended 30 April 2009									
Balance as at 1 February 2009	155,071	14,890	(584)	15,121	50,281	187,180	421,959	8,246	430,205
Total comprehensive income	-	-	-	-	-	4,533	4,533	334	4,867
Transactions with owners									
Purchase of treasury shares	-	-	(78)	-	-	-	(78)	-	(78)
Share-based payment expenses under ESOS	-	-	-	28	-	-	28	-	28
Total transactions with owners	-	-	(78)	28	-	-	(50)	-	(50)
Balance as at 30 April 2009	155,071	14,890	(662)	15,149	50,281	191,713	426,442	8,580	435,022
3 months ended 30 April 2010									
Balance as at 1 February 2010 - as previously reported	155,071	14,890	(798)	34,792	50,281	196,704	450,940	9,707	460,647
Effects of adopting FRS 139	-	-	-	-	-	1,334	1,334	-	1,334
Balance as at 1 February 2010 - as restated	155,071	14,890	(798)	34,792	50,281	198,038	452,274	9,707	461,981
Total comprehensive income	-	-	-	(348)	-	4,812	4,464	614	5,078
Transactions with owners									
Issue of shares pursuant to exercise of ESOS	19	-	-	-	-	-	19	-	19
Purchase of treasury shares	-	-	(14)	-	-	-	(14)	-	(14)
Share-based payment expenses under ESOS	-	-	-	60	-	-	60	-	60
Transfer of reserve arising from exercise of ESOS	-	1	-	(1)	-	-	-	-	-
Total transactions with owners	19	1	(14)	59	-	-	65	-	65
Balance as at 30 April 2010	155,090	14,891	(812)	34,503	50,281	202,850	456,803	10,321	467,124

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 2010 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 30 APRIL 2010**

	3 MONTHS ENDED	
	30.4.2010	30.4.2009
	RM' 000	RM' 000
Net cash (used in) / from operating activities	(8,452)	2,004
Net cash used in investing activities	(608)	(406)
Net cash from / (used in) financing activities	<u>23,523</u>	<u>(4,924)</u>
Net increase / (decrease) in cash and cash equivalents	14,463	(3,326)
Cash and cash equivalents at the beginning of the financial period	39,068	51,803
Cash and cash equivalents at the end of the financial period	<u>53,531</u>	<u>48,477</u>
Cash and cash equivalents at the end of the financial period		
Deposits with licensed banks	42,014	38,309
Cash and bank balances	11,771	10,377
Bank overdrafts	(41)	-
	<u>53,744</u>	<u>48,686</u>
Fixed deposit pledged	(213)	(209)
	<u>53,531</u>	<u>48,477</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 2010 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 2010. 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 2010.

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 2010 except for the adoption of the following new and revised FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations relevant to the current operations of the Group with effect from 1 February 2010.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS101	Presentation of Financial Statements
FRS123	Borrowing Costs
FRS139	Financial Instruments: Recognition and Measurement
Amendments to FRS 123	Borrowing Costs
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions

The adoption of the above did not have any significant effects on the interim financial report upon their initial application other than:

a. FRS 101 : Presentation of Financial Statements

FRS 101 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 101 does not have any impact on the financial position or results of the Group and the Company.

b. FRS 139 : Financial Instruments: Recognition and Measurement

The new Standard on FRS 139 : Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the date of statement of financial position reflects the designation of the financial instrument.

Payables

Under FRS139, payables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains or losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised or through amortisation process.

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Derivative Financial Instruments

The Group designates certain derivative as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge). The Group has entered into an interest rate swap that is a cash flow hedge for the Group's exposure to interest rate risk on a borrowing entered by a subsidiary.

Prior to 1 February 2010, derivatives are not recognised on the financial statement. Under FRS 139, the fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in the hedging reserve and transferred to the statement of comprehensive income when the interest expenses on the borrowings is recognised in statement of comprehensive income. The fair value change on the ineffective portion of interest rate swaps is recognised immediately in statement of comprehensive income. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as current asset or liability if the remaining expected life of the hedged item is less than 12 months.

In accordance with the transitional provisions of FRS139, the above changes are applied prospectively and the comparatives as at 31 January 2010 are not restated. Instead, the changes have been accounted for by restating the opening balances in the statement of financial position as at 1 February 2010.

As a result, the following adjustments were made to the opening balances as at 1 February 2010:

	Previously stated RM'000	Effect of FRS 139 RM'000	As restated RM'000
Non-current liabilities : Trade Payables	7,000	(1,164)	5,836
Current liabilities : Trade and other payables	59,579	(170)	59,409
Retained Profits	196,704	1,334	198,038

The Group has not elected for early adoption of the following new and revised FRSs and IC Interpretations relevant to the current operations of the Group, which were issued but not yet effective for the financial year ending 31 January 2011:

		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS127	Consolidated and Separate Financial Statements	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010

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

- 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.

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.

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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 three months ended 30 April 2010 except for the following:

(a) Employees' Share Option Scheme ("ESOS")

The Company issued 19,000 new ordinary shares of RM1 each by virtue of the exercise of ESOS.

(b) Treasury Shares

The Company had repurchased a total of 11,400 ordinary shares of RM 1 each of its issued share capital from the open market for a total consideration of RM13,500 at an average price of RM1.18 per share.

A7 Dividends paid

There was no dividend paid during the three months ended 30 April 2010.

A8 Segmental information

Major segments by activity:-	Revenue		Results	
	3 months ended		3 months ended	
	30.4.2010	30.4.2009	30.4.2010	30.4.2009
	RM' 000	RM' 000	RM' 000	RM' 000
Property development and construction	29,649	25,195	7,185	5,678
Manufacturing and trading	18,083	12,318	647	373
Management services and others	2,157	2,786	1,386	1,684
	<u>49,889</u>	<u>40,299</u>	<u>9,218</u>	<u>7,735</u>
Inter-segment eliminations	<u>(5,199)</u>	<u>(3,933)</u>	<u>(742)</u>	<u>(30)</u>
	<u>44,690</u>	<u>36,366</u>	<u>8,476</u>	<u>7,705</u>
Other investment income / (loss)			-	15
Unallocated expenses			(424)	(408)
Finance costs			<u>(663)</u>	<u>(679)</u>
			<u>7,389</u>	<u>6,633</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 events

There were no subsequent material events that have not been reflected in the current financial statements for the current financial period up to 23 June 2010 except for the following:

Treasury shares

	No. of shares (' 000)	Weighted average price (RM)	Total (RM' 000)
Shares buy-back	<u>7</u>	<u>1.19</u>	<u>8</u>

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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-to-date 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 June 2010 which comprise Bankers' guarantees issued by a financial institution in favour of third parties are as follows:-

	RM' 000
Secured	478
Unsecured	<u>2</u>
	<u>480</u>

A13 Significant Related Party Transactions

The significant related party transactions of the Group carried out during the three months ended 30 April 2010 are as follows:

	RM' 000
With Wilgain Resources Sdn. Bhd.	
- Sale of property	<u>13,000</u>

Wilgain Resources Sdn. Bhd. is a company in which Mr Gooi Seong Lim is a director and major shareholder. Mr Gooi Seong Lim is Chairman and Managing Director of Crescendo Corporation Berhad.

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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 period ended 30 April 2010 are RM44.690 million and RM7.389 million respectively as compared to RM36.366 million and RM6.633 million respectively for the previous corresponding financial period ended 30 April 2009.

The increase of 23% in revenue is mainly due to higher sales in construction services and concrete products. The 11% increase in PBT is mainly contributed by the higher margin from industrial properties as well as construction operation.

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

The PBT increased by RM0.768 million or 12% in the current quarter as compared to the preceding quarter ended 31 January 2010. The higher PBT is mainly due to the margin improvement in the property development and construction operation.

B3 Prospects

For the financial year 2011, the property market is making a strong comeback with renewed buying interest due to low interest rate and better economic outlook. The Group will continue to focus on the development of industrial properties at Nusa Cemerlang Industrial Park ("NCIP") located in Nusajaya in the financial year 2011.

Barring unforeseen circumstances, the Board expects the performance of the Group to be better due to the expected higher sales of industrial properties and better contributions from the manufacturing and construction operations 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 30.4.2010 RM' 000	CURRENT YEAR TO DATE 30.4.2010 RM' 000
Current tax:		
Current year	1,854	1,854
Deferred tax:		
Current year	109	109
	<u>1,963</u>	<u>1,963</u>

The effective tax rates for the current quarter and 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.

B7 Quoted securities

There is no investments in quoted securities as at 30 April 2010.

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B8 Status of corporate proposals

There were no corporate proposals announced but not completed as at 23 June 2010.

B9 Group borrowings and debt securities

Group borrowings as at 30 April 2010 were as follows:

	RM' 000
(a) Secured borrowings	170,536
Unsecured borrowings	11,079
	<u>181,615</u>
(b) Short term borrowings	
- Overdraft	41
- Revolving credit	1,980
- Banker acceptance	3,715
- Term Loan	15,597
- Hire purchase	17
	<u>21,349</u>
Long term borrowings	
- Term loan	149,177
- Hire purchase	10
- ICULS - liability component	11,079
	<u>160,266</u>
	<u>181,615</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 30 April 2010 is RM1,372,935.

B10 Financial instruments

Interest rate swap contracts

The Group has entered into interest rate swap contract to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuations in interest rate on underlying debts instruments. The differences between the rates calculated by reference to the agreed notional principal amounts were exchanged at periodic intervals. The interest rate swap contract as at 23 June 2010 is as follows:

	Notional Amount (RM'000)	Effective Period	Interest Rate	Fair Value Liability (RM'000)
Interest Rate Swap	50,000	29 March 2010 to 28 December 2016	The Group will pay the Bank based on fixed rate 3.97% per annum while the Bank will pay the Group based on MYR KILBOR 1M rate, every month based upon amortised notional amount.	348

Credit risk

There is minimal credit risk as the swap was entered into with a reputable bank.

Cash requirements

The Group is exposed to minimal cash flow risk in view of its healthy cash positions.

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B11 Material litigation

As at 23 June 2010, 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 2010.

B13 Earnings per share ("EPS")

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the current quarter and financial year-to-date attributable to owners 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 30.4.2010	CURRENT YEAR TO DATE 30.4.2010
Profit attributable to owners of the Company (RM'000)	4,812	4,812
Weighted average number of ordinary shares in issue ('000)	154,249	154,249
Basic earnings per share (Sen)	3.12	3.12

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners 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.

	CURRENT QUARTER 30.4.2010	CURRENT YEAR TO DATE 30.4.2010
Profit attributable to owners of the Company (RM'000)	4,812	4,812
After tax effect of interest on ICULS (RM)	160	160
Profit attributable to owners of the Company including assumed conversion (RM)	4,972	4,972
Weighted average number of ordinary shares in issue ('000)	154,249	154,249
Effect of dilution:		
Share options ('000)	269	269
ICULS ('000)	59,683	59,683
Warrants ('000)	7,187	7,187
Adjusted weighted average number of shares in issue and issuable ('000)	221,388	221,388
Diluted earnings per share (Sen)	2.25	2.25