

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.4.14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.4.13 RM'000	CURRENT YEAR TO DATE 30.4.14 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.4.13 RM'000
Revenue	51,159	71,045	51,159	71,045
Cost of sales	(38,363)	(44,506)	(38,363)	(44,506)
<b>Gross profit</b>	<b>12,796</b>	<b>26,539</b>	<b>12,796</b>	<b>26,539</b>
Other income	3,278	2,966	3,278	2,966
Administration expenses	(5,390)	(4,135)	(5,390)	(4,135)
Other operating expenses	(103)	(79)	(103)	(79)
Finance costs	(560)	(161)	(560)	(161)
<b>Profit before tax</b>	<b>10,021</b>	<b>25,130</b>	<b>10,021</b>	<b>25,130</b>
Tax expenses	(2,688)	(6,384)	(2,688)	(6,384)
<b>Profit for the period</b>	<b>7,333</b>	<b>18,746</b>	<b>7,333</b>	<b>18,746</b>
<b>Other comprehensive income, net of tax</b>				
Net movement on cash flow hedges	(1,267)	(33)	(1,267)	(33)
Tax relating to cash flow hedges	317	-	317	-
<b>Total other comprehensive income for the period, net of tax</b>	<b>(950)</b>	<b>(33)</b>	<b>(950)</b>	<b>(33)</b>
<b>Total comprehensive income for the period</b>	<b>6,383</b>	<b>18,713</b>	<b>6,383</b>	<b>18,713</b>
<b>Profit attributable to:</b>				
Owners of the Company	5,543	17,986	5,543	17,986
Non-controlling interest	1,790	760	1,790	760
	<b>7,333</b>	<b>18,746</b>	<b>7,333</b>	<b>18,746</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	4,593	17,953	4,593	17,953
Non-controlling interest	1,790	760	1,790	760
	<b>6,383</b>	<b>18,713</b>	<b>6,383</b>	<b>18,713</b>
<b>Earnings per share attributable to owners of the Company:</b>				
Basic (sen)	2.43	9.23	2.43	9.23
Diluted (sen)	2.11	6.95	2.11	6.95

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 2014 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**

	<b>AS AT 30.4.14 RM'000</b>	<b>AS AT 31.1.14 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	77,594	77,052
Biological assets	977	953
Investment properties	112,166	109,375
Land held for property development	487,424	466,665
Deferred tax assets	8,741	8,243
Derivative financial assets	4,537	5,881
	<u>691,439</u>	<u>668,169</u>
<b>Current assets</b>		
Property development costs	22,798	25,625
Inventories	80,869	81,665
Trade and other receivables	59,356	80,521
Other current assets	30,166	20,988
Tax recoverable	550	431
Cash and bank balances	109,620	120,321
	<u>303,359</u>	<u>329,551</u>
<b>TOTAL ASSETS</b>	<u>994,798</u>	<u>997,720</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	228,484	228,483
Share premium	19,110	19,110
Treasury shares	(2,370)	(2,370)
Other reserves	37,464	38,414
Equity component of ICULS	43,791	43,792
Retained earnings	398,865	393,322
	<u>725,344</u>	<u>720,751</u>
<b>Non-controlling interests</b>	<u>31,053</u>	<u>29,263</u>
<b>Total equity</b>	<u>756,397</u>	<u>750,014</u>
<b>Non-current liabilities</b>		
Loans and borrowings	120,000	121,985
Liability component of ICULS	3,054	3,479
Deferred tax liabilities	6,559	6,698
Derivative financial liabilities	214	290
	<u>129,827</u>	<u>132,452</u>
<b>Current liabilities</b>		
Trade and other payables	69,190	74,258
Due to customers on contracts	272	584
Loans and borrowings	33,740	33,385
Tax payable	5,372	7,027
	<u>108,574</u>	<u>115,254</u>
<b>Total liabilities</b>	<u>238,401</u>	<u>247,706</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>994,798</u>	<u>997,720</u>
Net assets per share (RM)	<u>3.19</u>	<u>3.17</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 2014 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**

	← Attributable to owners of the Company →								Non-Controlling Interests RM'000
	← Non-distributable →					← Distributable →			
	Total Equity RM'000	Total RM'000	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	ICULS (Equity Component) RM'000	Retained Earnings RM'000	Treasury Shares RM'000	
<b>3 months ended 30 April 2014</b>									
<b>Balance as at 1 February 2013</b>	750,014	720,751	228,483	19,110	38,414	43,792	393,322	(2,370)	29,263
<b>Total comprehensive income</b>	6,383	4,593	-	-	(950)	-	5,543	-	1,790
<b>Transactions with owners</b>									
Conversion of ICULS	-	-	1	-	-	(1)	-	-	-
Total transactions with owners	-	-	1	-	-	(1)	-	-	-
<b>Balance as at 30 April 2014</b>	<b>756,397</b>	<b>725,344</b>	<b>228,484</b>	<b>19,110</b>	<b>37,464</b>	<b>43,791</b>	<b>398,865</b>	<b>(2,370)</b>	<b>31,053</b>
<b>3 months ended 30 April 2013</b>									
<b>Balance as at 1 February 2013</b>	614,635	595,531	195,491	17,166	35,127	44,230	305,368	(1,851)	19,104
<b>Total comprehensive income</b>	18,713	17,953	-	-	(33)	-	17,986	-	760
<b>Transactions with owners</b>									
Sale of treasury shares	2,658	2,658	-	807	-	-	-	1,851	-
Transfer to other capital reserve	-	-	-	-	275	-	(275)	-	-
Exercise of Warrants	152	152	152	-	-	-	-	-	-
Conversion of ICULS	26	26	360	-	-	(304)	(30)	-	-
Transfer of reserve arising from exercise of Warrants	-	-	-	5	(5)	-	-	-	-
Total transactions with owners	2,836	2,836	512	812	270	(304)	(305)	1,851	-
<b>Balance as at 30 April 2013</b>	<b>636,184</b>	<b>616,320</b>	<b>196,003</b>	<b>17,978</b>	<b>35,364</b>	<b>43,926</b>	<b>323,049</b>	<b>-</b>	<b>19,864</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 MONTHS ENDED</b>	
	<b>30.4.14</b>	<b>30.4.13</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	75,428	67,748
Cash paid to suppliers and employees	(74,191)	(49,040)
Cash generated from operations	<u>1,237</u>	<u>18,708</u>
Deposit interest received	857	148
Interest paid	(1,438)	(1,292)
Tax paid	(4,782)	(3,423)
Net cash (used in) / from operating activities	<u>(4,126)</u>	<u>14,141</u>
<b>Cash flows from investing activities</b>		
Acquisition of biological assets and property, plant and equipment	(2,160)	(1,004)
Acquisition of investment properties	(2,791)	(1,719)
Pledge of time deposits	(4,001)	(1)
Proceeds from disposal of plant and equipment	6	48
Net cash used in investing activities	<u>(8,946)</u>	<u>(2,676)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	152
Resale of treasury shares	-	2,658
Proceeds from loans and borrowings	6,583	2,665
Repayment of loans and borrowings	(5,135)	(12,742)
Net cash from / (used in) financing activities	<u>1,448</u>	<u>(7,267)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	(11,624)	4,198
<b>Cash and cash equivalents at the beginning of the financial period</b>	110,909	22,325
<b>Cash and cash equivalents at the end of the financial period</b>	<u>99,285</u>	<u>26,523</u>
<b>Cash and cash equivalents at the end of the financial period</b>		
Deposits with licensed banks and other financial institution	83,219	7,771
Cash and bank balances	26,401	18,963
Bank overdrafts	(5,117)	-
	<u>104,503</u>	<u>26,734</u>
Time deposits pledged	(5,218)	(211)
	<u>99,285</u>	<u>26,523</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**CRESCENDO CORPORATION BERHAD**  
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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 2014. 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 2014.

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 2014 except for the adoption of the following new and amended FRSs and Issues Committee ("IC") Interpretations relevant to the current operations of the Group with effect from 1 February 2014.

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting

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

The Group has not elected for early adoption of the following new and amended 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 2015:

	Effective for financial periods beginning on or after	
Amendments to FRS119	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle		1 July 2014
FRS 9	Financial Instruments	To be announced by MASB

These new and amended FRSs are not expected to have any significant impact on the financial statements of the Group and the Company upon their initial application.

**Migration to MFRS framework**

The Malaysian Accounting Standards Board ("MASB") announced on 19 November 2011 the issuance of Malaysian Financial Reporting Standards ("MFRS"). Entities other than private entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141, Agriculture and/or IC Interpretation 15, Agreement for the Construction of Real Estate, including its parent, significant investor and venture (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer the adoption of the new MFRS Framework and may in the alternatives, apply FRS as its financial reporting framework for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will present its first set of MFRS financial statements when the MFRS Framework is mandated by the MASB. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework.

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**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 development and construction sector.

**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 2014 except for issuance of 1,300 new ordinary shares of RM1 each pursuant to the conversion of 1,300 ICULS.

**A7 Dividends paid**

There was no dividend paid during the three months ended 30 April 2014.

**A8 Segmental information**

Major segments by activity:-	Revenue		Results	
	3 months ended		3 months ended	
	30.4.14	30.4.13	30.4.14	30.4.13
	RM' 000	RM' 000	RM' 000	RM' 000
Property development and construction	30,612	49,435	7,688	22,159
Manufacturing and trading	21,983	24,479	2,090	1,716
Property investment	-	-	(87)	(1)
Management services and others	4,214	4,344	3,601	3,282
	<u>56,809</u>	<u>78,258</u>	<u>13,292</u>	<u>27,156</u>
Inter-segment eliminations	<u>(5,650)</u>	<u>(7,213)</u>	<u>(2,106)</u>	<u>(1,280)</u>
	<u>51,159</u>	<u>71,045</u>	<u>11,186</u>	<u>25,876</u>
Unallocated expenses			(605)	(585)
Finance costs			<u>(560)</u>	<u>(161)</u>
			<u>10,021</u>	<u>25,130</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**

As at 20 June 2014, there were no subsequent material events that have not been reflected in the financial statements for the current financial period.

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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 quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing of operations except for Crescendo Development Sdn. Bhd. ("CDSB"), a wholly-owned subsidiary of the Company, which previously held 108 ordinary shares of RM1.00 each representing 90% of the issued and paid up capital of Crescendo Land Sdn. Bhd. ("CLSB") had on 15 April 2014 acquired another 6 ordinary shares of RM1.00 each fully paid in CLSB for a cash consideration of RM250,000. As a result of the acquisition, CLSB is now a 95% owned subsidiary of CDSB.

**A12 Contingent liabilities**

The contingent liabilities of the Group as at 20 June 2014 which comprise Bankers' guarantees issued by financial institutions in favour of third parties are as follows:-

	RM' 000
Secured	4,955
Unsecured	-
	<u>4,955</u>

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**PART B - ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1 Performance review**

The Group's revenue and profit before tax ("PBT") for the current quarter ended 30 April 2014 decreased 28% to RM51.2 million and 60% to RM10.0 million respectively as compared to RM71.0 million and RM25.1 million respectively for the corresponding quarter in last year. The decreases were mainly due to lower sales in industrial properties.

Performance analysis of the Group's operating segments are as follows:

	Revenue			
	Quarter ended		Year-to-date ended	
	30.4.14	30.4.13	30.4.14	30.4.13
	RM' 000	RM' 000	RM' 000	RM' 000
Property development and construction	30,612	49,435	30,612	49,435
Manufacturing and trading	21,983	24,479	21,983	24,479
Property investment	-	-	-	-
Management services and others	4,214	4,344	4,214	4,344
	<b>56,809</b>	<b>78,258</b>	<b>56,809</b>	<b>78,258</b>

  

	Operating profit			
	Quarter ended		Year-to-date ended	
	30.4.14	30.4.13	30.4.14	30.4.13
	RM' 000	RM' 000	RM' 000	RM' 000
Property development and construction	7,688	22,159	7,688	22,159
Manufacturing and trading	2,090	1,716	2,090	1,716
Property investment	(87)	(1)	(87)	(1)
Management services and others	3,601	3,282	3,601	3,282
	<b>13,292</b>	<b>27,156</b>	<b>13,292</b>	<b>27,156</b>

Property development and construction operation

For the current quarter, the revenue and operating profit decreased 38% and 65% respectively as compared to the corresponding quarter in last year mainly due to lower sales in industrial properties which contribute higher margin as compared to commercial and residential properties.

Manufacturing and trading operation

For the current quarter, the operating profit increased 22% despite decrease in revenue of 10% as compared to the corresponding quarter in last year mainly due to improvement in profit margin arising from higher sales demand.

Property investment operation

For the current quarter, there is no material fluctuation in revenue and operating profit as compared to the corresponding quarter in last year.

Management services and others

For the current quarter, there is no material fluctuation in revenue and operating profit as compared to the corresponding quarter in last year.

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

The PBT for the current quarter decreased RM28.2 million to RM10.0 million as compared to RM38.2 million for the quarter ended 31 January 2014 mainly due to lower industrial properties sales in the current quarter.

**B3 Prospects**

The market condition is expected to remain challenging in the near term in view of the various cooling measures implemented by the government. Nevertheless, property in Iskandar Malaysia, especially landed property, is expected to be less affected in view of the government's effort in promoting Iskandar Malaysia and the expected growth in demand arising from the enhanced bilateral collaborations between Malaysia and Singapore.

In financial year 2015, the Group will continue to focus on the development of industrial, residential and commercial properties with the expectation of challenging market conditions. The unrecognised revenue from the total committed property sales as at 30 April 2014 and new sales committed after 30 April 2014 is RM99 million.

The Board expects the Group's performance to be much better in the second quarter and remain satisfactory for the financial year ending 31 January 2015.



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**B4 Variance of actual profit from forecast profit and shortfall in profit guarantee**  
Not applicable.

**B5 Tax**

	CURRENT QUARTER 30.4.14 RM' 000	CURRENT YEAR TO DATE 30.4.14 RM' 000
Current tax		
Current year	3,008	3,008
Deferred tax:		
Relating to origination and reversal of temporary difference	(320)	(320)
	<u>2,688</u>	<u>2,688</u>

The effective income tax rates for the current quarter and financial year-to-date were higher than the statutory rate principally due to certain expenses which are not deductible for tax purposes.

**B6 Status of corporate proposals**

There were no corporate proposals announced but not completed as at 20 June 2014.

**B7 Group borrowings and debt securities**

Group loans and borrowings as at 30 April 2014 were as follows:

	RM' 000
(a) Secured loans and borrowings	153,740
Unsecured loans and borrowings	3,054
	<u>156,794</u>
(b) Current	
- Overdrafts	5,117
- Revolving credit	6,300
- Banker acceptance	2,783
- Term Loans	19,540
	<u>33,740</u>
Non-current	
- Term loans	120,000
- Liability component of ICULS	3,054
	<u>123,054</u>
	<u>156,794</u>

(c) All borrowings are denominated in Ringgit Malaysia.

Total interest capitalised in the land held for property development and property development costs for the current financial period ended 30 April 2014 is RM909,435.

**B8 Material litigation**

As at 20 June 2014, there is no material litigation against the Group.

**B9 Dividend**

No dividend has been declared or proposed for the current financial period ended 30 April 2014.

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**B10 Earnings per share ("EPS")**

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, 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 30.4.14	CURRENT YEAR TO DATE 30.4.14
Profit net of tax attributable to owners of the Company (RM'000)	5,543	5,543
Weighted average number of ordinary shares in issue ('000)	227,718	227,718
Basic earnings per share (Sen)	2.43	2.43

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the period, net of tax, attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the effect of dilutive potential ordinary shares from ICULS.

	CURRENT QUARTER 30.4.14	CURRENT YEAR TO DATE 30.4.14
Profit net of tax attributable to owners of the Company (RM'000)	5,543	5,543
After tax effect of interest on ICULS (RM'000)	356	356
Profit net of tax attributable to owners of the Company including assumed conversion (RM'000)	5,899	5,899
Weighted average number of ordinary shares in issue ('000)	227,718	227,718
Effect of dilution:		
ICULS ('000)	51,978	51,978
Adjusted weighted average number of shares in issue and issuable ('000)	279,696	279,696
Diluted earnings per share (Sen)	2.11	2.11

**B11 Notes to the statement of comprehensive income**

	CURRENT QUARTER 30.4.14	CURRENT YEAR TO DATE 30.4.14
(a) Interest income	895	895
(b) Other income including investment income	2,248	2,248
(c) Interest expenses	(560)	(560)
(d) Depreciation and amortisation	(784)	(784)
(e) Provision for and (write off) / write back of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain or loss	33	33
(j) Gain or loss on derivatives	(1,267)	(1,267)
(k) Exceptional items	-	-

**B12 Gains / Losses arising from fair value changes of financial liabilities**

The Group has no financial liabilities measured at fair value through profit or loss for the current quarter and current year-to-date.

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**B13 Realised and unrealised retained earnings**

The breakdown of the retained earnings of the Group into realised and unrealised earnings is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	AS AT 30.4.14 RM' 000	AS AT 31.1.14 RM' 000
Total retained earnings of the Company and its subsidiaries		
Realised	468,115	466,910
Unrealised	<u>32,430</u>	<u>33,246</u>
	500,545	500,156
Less: Consolidated adjustments	<u>(101,680)</u>	<u>(106,834)</u>
Total Group retained earnings	<u><u>398,865</u></u>	<u><u>393,322</u></u>