

THIS DOCUMENT IS IMPORTANT.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold all your ordinary shares in Crescendo Corporation Berhad (359750-D), you should at once hand this Abridged Prospectus and the accompanying Forms to the stockbroker or agent through whom the sale was effected for transmission to the purchaser. All enquiries concerning this Rights Issue of Irredeemable Convertible Unsecured Loan Stocks 2002/2007 ("ICULS") should be addressed to the Registrars, Tacs Corporate Services Sdn Bhd (231621-U), Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1 Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

If you are a shareholder with a registered address outside Malaysia, and the acceptance and renounceability of all or any part of your entitlement would result in the contravention of the laws of the country or jurisdiction in which you are a resident, in the absence of any necessary consent and/or compliance with any registration or other legal requirements or any other reasons, you are not entitled to apply for the ICULS, and such purported acceptance or renunciation or application will be deemed invalid and you will be considered not to have accepted your entitlement nor to have applied for the ICULS. You should consult your legal adviser in the country in which you are a resident as to whether the acceptance or renunciation would result in the contravention of any laws of such country or jurisdiction. Crescendo Corporation Berhad and Aseambankers Malaysia Berhad shall not accept any responsibility or liability in the event that any acceptance or renunciation made by entitled shareholders or their renounees is or shall become illegal, unenforceable, voidable in such countries or jurisdiction.

This document has been registered with the Securities Commission and lodged with the Companies Commission of Malaysia, who take no responsibility for the contents of the documents.

Approval has been obtained from the Securities Commission for the Rights Issue of ICULS on 28 November 2001 and from the shareholders of Crescendo Corporation Berhad at an Extraordinary General Meeting held on 8 February 2002. Approval-in-principle has been obtained from the Kuala Lumpur Stock Exchange on 24 June 2002 to deal in and for quotation for all the ICULS arising from this Rights Issue of ICULS and such ICULS will be admitted to the Official List of the Kuala Lumpur Stock Exchange and official quotation will commence after receipt of confirmation from Malaysian Central Depository Sdn Bhd that all the Central Depository System accounts of the entitled holders have been duly credited and notices of allotment have been despatched to the entitled holders.

Neither the Kuala Lumpur Stock Exchange nor the Securities Commission takes any responsibility for the correctness of statements made or opinions expressed herein. Admission to the Official List and quotation of the said ICULS are in no way reflective of the merits of the Rights Issue of ICULS.

All the documentation relating to this Rights Issue of ICULS has been seen and approved by the Directors of Crescendo Corporation Berhad, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

Aseambankers Malaysia Berhad, as the Adviser and Managing Underwriter acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue of ICULS and are satisfied that the consolidated profit forecast (for which the Directors of Crescendo Corporation Berhad are fully responsible) prepared for inclusion in the prospectus have been stated by the directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants, Messrs. CS Tan & Associates.



CRESCENDO CORPORATION BERHAD

(Company No: 359750-D)

(Incorporated in Malaysia under the Companies Act, 1965)

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 43,398,000 OF RM1.00 NOMINAL VALUE OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2002/2007 ("ICULS") AT 100% OF THE NOMINAL VALUE WITH A COUPON RATE OF 3.0% PER ANNUM ON THE BASIS OF RM2.00 ICULS FOR EVERY FIVE (5) ORDINARY SHARES OF RM1.00 EACH HELD IN THE COMPANY TO BE LISTED ON THE MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

ADVISER AND MANAGING UNDERWRITER



Aseambankers Malaysia Berhad (15938-H)

TRUSTEE

MAYBAN TRUSTEES BERHAD (5004-P)

"FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "INVESTMENT CONSIDERATIONS" AS SET OUT IN SECTION 5 THEREOF"

IMPORTANT RELEVANT DATES

Entitlement or record date	:	Thursday, 11 July 2002 at 5.00 p.m.
Last day and time for sale of provisional allotment of rights	:	Thursday, 1 August 2002 at 5.00 p.m.
Last day and time for acceptance and payment	:	Tuesday, 13 August 2002 at 5.00 p.m.
Last day and time for excess ICULS application and payment	:	Tuesday, 13 August 2002 at 5.00 p.m.

THIS ABRIDGED PROSPECTUS IS DATED 17 JULY 2002 AND VALID FOR A PERIOD OF TWELVE (12) MONTHS THEREOF

THE SECURITIES COMMISSION HAS APPROVED THIS RIGHTS ISSUE OF ICULS BUT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE COMMISSION RECOMMENDS THE RIGHTS ISSUE OF ICULS.

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORTS EXPRESSED IN THIS PROSPECTUS. SHAREHOLDERS/INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

THE VALUATION APPROVED OR ACCEPTED BY THE SECURITIES COMMISSION SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSALS SUBMITTED TO AND APPROVED BY THE SECURITIES COMMISSION, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SECURITIES COMMISSION ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSES.

NO ICULS WILL BE ALLOTTED ON THE BASIS OF THIS ABRIDGED PROSPECTUS LATER THAN TWELVE (12) MONTHS AFTER THE DATE OF ISSUE OF THIS ABRIDGED PROSPECTUS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, Notice of Provisional Allotment and Rights Subscription Form dated 17 July 2002: -

“Acquisition of Land A”	: The acquisition by CDSB of Land A (excluding the Buildings) from Kulim for a purchase consideration of RM106,768,850 and an additional sum of RM300,000 for the Buildings satisfied entirely by cash
“Acquisition of Land C”	: The acquisition by CDSB of Land C from JLB for a purchase consideration of RM17,274,031.25 satisfied entirely by cash
“ADSB”	: Advance Development Sdn Bhd (13974-A)
“Advance”	: Advance from SKL of an amount of RM29,000,000 for the part financing of the Acquisition of Land A
“Aseambankers”	: Aseambankers Malaysia Berhad (15938-H)
“Board / Directors”	: The Board of Directors of CCB
“Buildings”	: Three (3) units of bungalow houses situated on and forming part of the land held under Geran No. 23045 for Lot 806 which is located on Land A
“Book Closure Date” or “Entitlement Date”	: 11 July 2002 at 5.00 p.m., being the date and time at which the Company’s Register of Members and/or Record of Depositors with MCD is closed to determine the entitlement of the shareholders of the Company to the Rights Issue of ICULS
“CCB” or “the Company”	: Crescendo Corporation Berhad (359750-D)
“CCB Group” or “the Group”	: CCB and its subsidiary companies
“CDS”	: Central Depository System
“CDSB”	: Crescendo Development Sdn Bhd (204079-D), a wholly owned subsidiary of CCB
“EGM”	: Extraordinary General Meeting
“Entitled Shareholders”	: Shareholders whose names appear on the Register of Members and/or Record of Depositors on the Entitlement Date
“EPS”	: Earnings per share
“ESOS” or “Scheme”	: The employee share option scheme for the Group’s employees who are eligible to participate in the Scheme including any Executive Directors and employees seconded to the Company, whether private or public, or any government agencies, outside the Group to subscribe for new Shares
“ICULS”	: Irredeemable Convertible Unsecured Loan Stocks 2002/2007
“JLB”	: Johor Land Berhad (12379-K)
“KLSE” or “Stock Exchange”	: Kuala Lumpur Stock Exchange
“Kulim”	: Kulim (Malaysia) Berhad (23370-V)

“Land A”	: 1,199.65 acres of agricultural land comprising of: - (a) part of Geran No. 23045 for Lot 806; Mukim of Tebrau, District of Johor Baharu, Johor measuring approximately 642.9 acres; (b) part of Grant No. 12642 for Lot 577 (previously Lot 363) Mukim and District of Kota Tinggi, Johor measuring approximately 489.97 acres; (c) part of Grant No 7825 for Lot 1788 (previously Lot 838) Mukim and District of Kota Tinggi, Johor measuring approximately 17.149 acres; (d) part of Geran No 23043 for Lot 804 Mukim of Tebrau, District of Johor Baharu, Johor measuring approximately 49.622 acres; and three (3) units of bungalow houses situated on and forming part of the land held under Geran 23045 for Lot 806 Mukim of Tebrau, District of Johor Bahru, Johor.
“Land B”	: 71.4375 acres of land forming part of the Geran No. 23045 and Geran No. 23043 for Lot 806 and Lot 804 situated in Mukim of Tebrau, District of Johor Baharu, Johor and Grant No. 12642 for Lot 363 situated in Mukim and District of Kota Tinggi, Johor
“Land C”	: 119.13125 acres of land forming part of the Geran No. 23045 for Lot 806 in Mukim of Tebrau, District of Johor Baharu, Johor
“MCD”	: Malaysian Central Depository Sdn Bhd (165570-W), a wholly-owned subsidiary of KLSE
“New Purchaser”	: The person who purchases the electronic provisional allotment letters from the open market
“NTA”	: Net tangible assets
“Official List”	: A list specifying all securities which have been admitted for listing on the KLSE and not removed
“PHD”	: Panoramic Housing Development Sdn Bhd (146348-M)
“Properties”	: Land A, Land B and Land C, collectively
“Proposals”	: Proposed Acquisitions, Rights Issue of ICULS and ESOS, collectively
“Proposed Acquisitions”	: The Acquisition of Land A, Proposed Acquisition of Land B and Acquisition of Land C, collectively
“Proposed Acquisition of Land B”	: The proposed acquisition by CDSB of Land B from Kulim for a purchase consideration of RM4,000,500 to be satisfied entirely by cash
“Record of Depositors”	: A record provided by MCD to the Company under Chapter 24.0 of Rules of MCD
“Registrars”	: Tacs Corporate Services Sdn Bhd (231621-U)
“Rights Issue of ICULS”	: The proposed renounceable rights issue of 43,398,000 of RM1.00 nominal value of ICULS at 100% of the nominal value with a coupon rate of 3.0% per annum on the basis of RM2.00 ICULS for every five (5) ordinary shares held in CCB
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“RSF”	: Rights Subscription Form
“SC”	: Securities Commission

“Share(s)”	: Ordinary Shares of RM1.00 each in the Company
“SKL”	: Sharikat Kim Loong Sendirian Berhad (7315-V)
“SPA”	: Sale and Purchase Agreement
“Trust Deed”	: A trust deed constituting the ICULS dated 12 June 2002
“Trustee”	: Mayban Trustees Berhad (5004-P)
“USD”	: United States Dollar

In this Abridged Prospectus, unless there is something in the subject or context inconsistent herewith, the singular includes the plural, references to gender include both genders and the neuter.

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CONTENTS

	Page
1. INTRODUCTION	1
2. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT AND EXCESS ICULS APPLICATION	9
3. RATIONALE FOR THE RIGHTS ISSUE OF ICULS	13
4. UTILISATION OF PROCEEDS ARISING FROM RIGHTS ISSUE OF ICULS.....	14
5. INVESTMENT CONSIDERATIONS	15
6. FINANCIAL EFFECTS	20
7. FUTURE PROSPECTS.....	22
8. RELATED PARTY TRANSACTION.....	28
9. WORKING CAPITAL, BORROWINGS AND CONTINGENT LIABILITIES.....	29
10. SHAREHOLDERS' UNDERTAKING AND UNDERWRITING ARRANGEMENT.....	30
11. ESTIMATED EXPENSES OF THE RIGHTS ISSUE OF ICULS	30
12. TERMS AND CONDITIONS	31
13. QUOTATION AND DEALINGS	31
14. ADDITIONAL INFORMATION.....	31

APPENDICES

APPENDIX I	EXTRACT OF THE ORDINARY RESOLUTION PASSED AT THE EGM HELD ON 8 FEBRUARY 2002.....	32
APPENDIX II	INFORMATION ON CCB.....	33
APPENDIX III	VALUATION CERTIFICATE	42
APPENDIX IV	TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS	44
APPENDIX V	CONSOLIDATED PROFIT FORECAST OF CCB FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2003 TOGETHER WITH THE PRINCIPAL BASES AND ASSUMPTIONS AND THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON.....	58
APPENDIX VI	AUDITED PROFORMA CONSOLIDATED BALANCE SHEETS OF CCB AS AT 31 JANUARY 2002 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON.....	61
APPENDIX VII	AUDITED FINANCIAL STATEMENTS OF CCB FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2002 TOGETHER WITH THE NOTES TO THE FINANCIAL STATEMENTS AND THE AUDITORS' REPORT RELATING THEREON	68
APPENDIX VIII	UNAUDITED FINANCIAL STATEMENTS OF CCB FOR THE THREE (3) MONTHS PERIOD ENDED 30 APRIL 2002 TOGETHER WITH THE NOTES TO THE FINANCIAL STATEMENTS.....	110
APPENDIX IX	DIRECTORS' REPORT	117
APPENDIX X	FURTHER INFORMATION	118

CRESCENDO CORPORATION BERHAD

(Company No. 359750-D)

(Incorporated in Malaysia under the Companies Act, 1965)

CORPORATE INFORMATION

DIRECTORS

Name	Address	Nationality	Occupation
Datuk Haji Mohd Zamani bin Samah	7 Jalan Perwira Century Garden 80250 Johor Bahru Johor Darul Takzim	Malaysian	Non – Executive Chairman
Gooi Seong Lim	No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	Malaysian	Managing Director
YB. Dato’ Haji Mohd Ali bin Hassan	No. 48, Jalan Lurah 2 Kempas Baru 81200 Johor Bahru Johor Darul Takzim	Malaysian	Independent Non – Executive Director
Loo Geok Eng (f)	No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	Malaysian	Executive Director
Gooi Seong Heen	No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	Malaysian	Executive Director
Gooi Seong Gum	No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	Malaysian	Executive Director
Gooi Seow Mee (f)	No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	Malaysian	Executive Director
Mathew K. Mathai	27, Jalan SS20/23 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Malaysian	Non – Executive Director

Name	Address	Nationality	Occupation
Gan Kim Guan	No. 8, Jalan Bukit Indah 3/18 Bukit Indah 68000 Ampang Selangor Darul Ehsan	Malaysian	Independent Non – Executive Director
Yeo Jon Tian @ Eeyo Jon Thiam	No. 17, Jalan Bakau Taman Majidee 80250 Johor Bahru Johor Darul Takzim	Malaysian	Independent Non – Executive Director
Gooi Seong Chneh	No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	Malaysian	Chief Executive Officer (Construction Operations) <i>(Alternate Director to Gooi Seong Heen)</i>

AUDIT COMMITTEE

Name	Designation	Directorship
Gan Kim Guan	Chairman	Independent Non-Executive Director
Gooi Seong Heen	Member	Executive Director
Yeo Jon Tian @ Eeyo Jon Thiam	Member	Independent Non-Executive Director

COMPANY SECRETARIES

- : Mr. Chong Fook Sin (MACS 00681)
2A, Jalan USJ 2/6F
47600 UEP Subang Jaya
Selangor Darul Ehsan
- Ms. Ng Kam May (MAICSA 7020575)
No. 1, Jalan SS22/24
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan

REGISTERED OFFICE

- : Unit No. 203, 2nd Floor
Block C, Damansara Intan
No. 1, Jalan SS 20/27
47400 Petaling Jaya
Selangor Darul Ehsan
- Tel No: 03 – 7118 2688
Fax No: 03 – 7118 2693
e-mail : tacsco@tm.net.my

SOLICITOR FOR THE RIGHTS ISSUE OF ICULS

- : Lee Choon Wan & Co.
No. 12 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

REGISTRARS	: Tacs Corporate Services Sdn Bhd (<i>231621-U</i>) Unit No. 203, 2 nd Floor Block C, Damansara Intan No. 1, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No: 03 – 7118 2688 Fax No: 03 – 7118 2693
PRINCIPAL BANKERS	: OCBC Bank (Malaysia) Berhad (<i>295400-W</i>) Jalan Ibrahim 80000 Johor Bahru Johor Darul Takzim
AUDITORS AND REPORTING ACCOUNTANTS	: C S Tan & Associates (<i>AF 1144</i>) Wisma TCS, No. 8M Jalan Tun Abdul Razak (Susur 3) 80200 Johor Bahru Johor Darul Takzim
ADVISER AND MANAGING UNDERWRITER	: Aseambankers Malaysia Berhad (<i>15938-H</i>) 33rd Floor, Menara Maybank 100, Jalan Tun Perak, 50050 Kuala Lumpur
UNDERWRITERS	: Aseambankers Malaysia Berhad (<i>15938-H</i>) 33rd Floor, Menara Maybank 100, Jalan Tun Perak, 50050 Kuala Lumpur Mercury Securities Sdn Bhd (<i>113193-W</i>) Ground, 1 st & 2 nd Floor, Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Perai Pulau Pinang KAF-Seagroatt & Campbell Securities Sdn Bhd (<i>134631-U</i>) 30 th Floor, The Weld Tower No. 76, Jalan Raja Chulan 50200 Kuala Lumpur Kestrel Securities Sdn Bhd (<i>97150-A</i>) No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Thong & Kay Hian Securities Sdn Bhd (<i>14592-P</i>) Level 5 & 6, Wisma Sri Pinang 60 Green Hall 10200 Pulau Pinang Hwang-DBS Securities Berhad (<i>14389-U</i>) Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang

K&N Kenanga Berhad (*15678-H*)
8th Floor, Kenanga International Building
801, Jalan Sultan Ismail
50250 Kuala Lumpur

TRUSTEE

: Mayban Trustees Berhad (*5004-P*)
34th Floor, Menara Maybank
100, Jalan Tun Perak,
50050 Kuala Lumpur

PAYING AGENT

: Tacs Corporate Services Sdn Bhd (*231621-U*)
Unit No. 203, 2nd Floor
Block C, Damansara Intan
No. 1, Jalan SS 20/27
47400 Petaling Jaya
Selangor Darul Ehsan

VALUERS

: Clement & Co. (*VE(3)0112*)
Suite 123, First Floor
Johor Tower
Jalan Gereja
80100 Johor Bahru
Johor Darul Takzim

**AUTHORISED DEPOSITORY
INSTITUTIONS**

: Malaysian Central Depository Sdn Bhd
6th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

STOCK EXCHANGE LISTING

: Main Board of the Kuala Lumpur Stock Exchange

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CRESCENDO CORPORATION BERHAD

*(Company No.: 359750-D)
(Incorporated in Malaysia under Companies Act, 1965)*

Registered Office:
Unit No. 203, 2nd Floor
Block C, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan

17 July 2002

Directors:

Datuk Haji Mohd. Zamani bin Samah (*Non-Executive Chairman*)
Gooi Seong Lim (*Managing Director*)
YB. Dato' Haji Mohd. Ali bin Hassan (*Independent Non-Executive Director*)
Loo Geok Eng (*Executive Director*)
Gooi Seong Heen (*Executive Director*)
Gooi Seong Gum (*Executive Director*)
Gooi Seow Mee (*Executive Director*)
Mathew K. Mathai (*Non-Executive Director*)
Gan Kim Guan (*Independent Non-Executive Director*)
Yeo Jon Tian @ Eeyo Jon Thiam (*Independent Non-Executive Director*)
Gooi Seong Chneh (*Alternate Director to Gooi Seong Heen*)

To : The Shareholders of Crescendo Corporation Berhad

Dear Sir/Madam,

Proposed Renounceable Rights Issue Of 43,398,000 Of RM1.00 Nominal Value Of ICULS At 100% Of The Nominal Value With A Coupon Rate Of 3.0% Per Annum On The Basis Of RM2.00 ICULS For Every Five (5) Ordinary Shares Of RM1.00 Each Held In The Company To Be Listed On The Main Board Of The Kuala Lumpur Stock Exchange

1. INTRODUCTION

Your Directors are pleased to inform you that at the EGM convened on 8 February 2002, the shareholders of CCB approved the rights issue of 43,398,000 of RM1.00 nominal value of ICULS at 100% of the nominal value with a coupon rate of 3.0% per annum on the basis of RM2.00 ICULS for every five (5) ordinary shares of RM1.00 each held in the Company.

The Directors were also authorised with full powers to do such acts and things as the Directors may deem fit and expedient in the best interests of CCB or to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfers, assignment and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Rights Issue of ICULS.

At the same EGM, the shareholders had also approved inter-alia the following: -

- i) Acquisitions by CDSB of: -
 - a) 1,199.65 acres of land located at Mukim and District of Kota Tinggi, Johor and Mukim of Tebrau, District of Johor Baharu, Johor from Kulim for a purchase consideration of RM106,768,850 and an additional sum of RM300,000 for three (3) units of bungalow houses situated on and forming part of the land held under Geran No. 23045 for Lot 806 satisfied entirely by cash. Although the Acquisition of Land A was satisfied entirely by cash, it is to be partly refinanced through the Rights Issue of ICULS. Hence, SC approval was required for the Acquisition of Land A (approved by the SC vide its letter dated 28 November 2001). The Acquisition of Land A was completed on 31 May 2002;
 - b) 71.4375 acres of land located at Mukim and District of Kota Tinggi, Johor and Mukim of Tebrau, District of Johor Baharu, Johor from Kulim for a purchase consideration of RM4,000,500, to be satisfied entirely by cash. The Proposed Acquisition of Land B will be financed entirely by internally generated funds (Hence, SC approval was not required). The period of the fulfillment of the conditions precedent in respect of the Proposed Acquisition of Land B has been extended to 29 September 2002. Thereafter, the Proposed Acquisition of Land B is expected to be completed in October 2002; and
 - c) 119.13125 acres of land located at Mukim of Tebrau, District of Johor Baharu, Johor from JLB for a purchase consideration of RM17,274,031.25, satisfied entirely by cash. The Acquisition of Land C was financed entirely by internally generated funds (Hence, SC approval was not required). The Acquisition of Land C was completed on 30 May 2002;
- ii) Establishment of an ESOS (approved by the SC vide its letter dated 28 November 2001). Aseambankers, on behalf of the Company, had on 26 June 2002, provided a confirmation letter to the SC in respect of the ESOS. Hence, the date of the said confirmation letter (i.e. 26 June 2002) signifies the effective date for the launch or implementation of the ESOS; and
- iii) Advance from SKL of the amount of RM29,000,000 for the part financing of the Acquisition of Land A. The Advance was disbursed on 26 April 2002.

An extract of the ordinary resolution approving the Rights Issue of ICULS at the above said EGM is attached as Appendix I of this Abridged Prospectus.

1.1 Rights Issue of ICULS

The Rights Issue of ICULS will entail the issuance of up to 43,398,000 of RM1.00 nominal value of ICULS with a coupon rate of 3.0% per annum in CCB on the basis of RM2.00 ICULS for every five (5) ordinary shares of RM1.00 each held in CCB. The Rights Issue of ICULS will be offered on a renounceable basis to shareholders of CCB whose names appear on the Register of Members and/or Record of Depositors at 5.00 p.m. on the Book Closure Date.

The SC has vide its letter dated 28 November 2001 approved the Rights Issue of ICULS. The SC's approval of the Rights Issue of ICULS is subject to the following conditions: -

- i) Aseambankers to participate as one of the underwriters for the Rights Issue of ICULS; and
- ii) Aseambankers and CCB are required to fully comply with other requirements in relation to the Rights Issue of ICULS as stipulated in the SC's Guidelines on Issues/Offer of Securities.

Approval in-principle has been obtained from the KLSE vide its letter dated 24 June 2002 for admission of the ICULS to the Official List and listing of and quotation for all the ICULS arising from this Rights Issue of ICULS and listing of and quotation for new ordinary shares to be issued pursuant to the conversion of the ICULS. Such securities will be admitted to the Official List of the KLSE and official quotation will commence after receipt of confirmation from MCD, through the Registrars, that all the CDS accounts of the entitled holders have been duly credited and notices of allotment have been despatched to the entitled holders.

The Rights Issue of ICULS is, however, conditional upon the Company having at least one hundred (100) ICULS holders holding not less than one (1) board lot of the ICULS each. This is to fulfil the KLSE Listing Requirements that securities to be listed on the KLSE must be held by at least one hundred (100) holders. In the event that the aforesaid condition is not fulfilled, the Company shall ensure that the unsubscribed ICULS will be placed out to other investors to comply with the said condition.

The issue price of the ICULS of RM1.00 is based on the nominal value of the ICULS of RM1.00.

On behalf of CCB, Aseambankers had on 21 December 2001 announced that the conversion price of the ICULS had been fixed at RM1.00. The conversion price of RM1.00 was determined based on the five (5) day weighted average price of CCB shares for the five (5) consecutive market days ended 20 December 2001 of RM0.96. The conversion price of the ICULS of RM1.00 is 4 sen or 4.17% higher than the five (5) day weighted average price of CCB shares as at 20 December 2001 of RM0.96.

The 43,398,000 ICULS to be issued pursuant to the Rights Issue of ICULS shall as between the holders rank pari passu without discrimination or preference as an unsecured obligation of the Company and shall be subordinated to and rank (subject to such exceptions as may from time to time exist under prevailing law) after all other secured and all other unsecured obligations of the Company.

The shareholders of the Company had on 8 February 2002 approved the Rights Issue of ICULS and the rights attached to the ICULS.

The 43,398,000 ordinary shares of RM1.00 each to be issued pursuant to the conversion of the ICULS, will upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares of the Company including any entitlement to any dividends, rights, allotments or other distributions, save and except that such new shares shall not be entitled to any dividends, rights, allotments or other distributions, the entitlement date of which precedes the issue date of the new shares. For the purpose hereof, entitlement date means the date as to the close of business on which shareholders must be registered as shareholders or whose names must appear on the Record of Depositors with MCD in order to participate in any dividends, rights, allotments or any other distributions.

The salient principal terms for the Rights Issue of ICULS are tabled below: -

Nominal Value	: RM43,398,000
Issue Price	: At the nominal value of the ICULS of RM1.00 each
Basis of Issue of ICULS	: Renounceable rights issue of ICULS to shareholders of CCB on the basis of RM2.00 ICULS for every five (5) ordinary shares of RM1.00 each held in CCB at a date to be determined and announced later
Conversion Rights	: Each registered holder of the ICULS shall have the right to convert such amount of the ICULS held (being RM1.00 nominal value of such ICULS or multiples thereof) into fully paid ordinary shares in CCB at the Conversion Price within the Conversion Period
Conversion Price	: The conversion of the ICULS will be at the par value of the ordinary shares of CCB of RM1.00 each
Conversion Ratio	One (1) ordinary share of CCB of RM1.00 each for every one (1) ICULS held
Conversion Period	: The ICULS shall be convertible into new ordinary shares of RM1.00 each from the date of issuance of the ICULS to its Maturity Date
Mode of Conversion	: The ICULS shall be convertible into new ordinary shares of RM1.00 each credited as fully paid at the Conversion Price.
Coupon Rate	: 3.0% per annum and payable in arrears annually during the 5-year period on the ICULS remaining outstanding. The last interest payment shall be made on the Maturity Date of the ICULS
Tenor	: The ICULS shall be for a period of five (5) years from the date of issue and shall mature upon the expiry of the 5 year period
Maturity Date	: The date falling five (5) years from the date of issue of the ICULS
Redemption	: The ICULS will be non redeemable for cash. All outstanding ICULS will be converted into new ordinary shares of RM1.00 each on the Maturity Date

Events of Default and Rights of ICULS Holders on the Liquidation of the Company	: Each of the events stated in Appendix IV Section 13.1 (a) to (v) (pages 48 to 50) shall be constituted as an event of default. Upon the occurrence of such an event of default, the ICULS holders, may by way of an ordinary resolution, direct the trustee by giving notice in writing to the Company to declare the ICULS then outstanding as being immediately payable by the Company whereupon the Company shall immediately pay and discharge in full the nominal value of all ICULS outstanding as at the date of receipt by the Company of the said notice
Form and Denomination	: RM1,000 and in multiples of RM1,000
Covenants Governing the ICULS	: The covenants governing the ICULS are set out in Clauses 11.1 to 11.5 of the Trust Deed as disclosed in Appendix IV Sections 11.1 to 11.5 (pages 46 to 47)
Regulatory Approvals	: SC (obtained on 28 November 2001) and KLSE (obtained on 24 June 2002)
Governing Law	: Governed by and construed in accordance with the laws of Malaysia
Underwriting Arrangement	: 11,204,000 ICULS to be issued pursuant to the Rights Issue of ICULS, representing 25.82% thereof have been underwritten by Aseambankers, Mercury Securities Sdn Bhd, Kaf-Seagroatt & Campbell Securities Sdn Bhd, Kestrel Securities Sdn Bhd, Thong & Kay Hian Securities Sdn Bhd, Hwang-DBS Securities Berhad and K&N Kenanga Berhad (“Underwriters”) at an underwriting commission of 3.0% on the Rights Issue of ICULS price
Listing	: Listing of the ICULS and the new ordinary shares to be issued pursuant to the conversion of the ICULS will be sought on the KLSE
Trust Deed	: A trust deed constituting the ICULS entered into between the Company and Mayban Trustees Berhad

In accordance with the terms of the Rights Issue of ICULS as approved by the SC and the shareholders of the Company, CCB has provisionally allotted 43,398,000 nominal value of ICULS with a coupon rate of 3.0% per annum for subscription by shareholders whose names appear on CCB’s Record of Depositors at 5.00 p.m. on the Book Closure Date in the proportion of RM2.00 ICULS for every five (5) existing ordinary shares of RM1.00 each held.

As your name appeared in the Record Of Depositors of the Company as a shareholder on the Book Closure Date, you will find enclosed with this Abridged Prospectus, the Notice of Provisional Allotment in respect of the number of ICULS for which you are entitled to subscribe under the terms of this Abridged Prospectus and RSF.

1.2 Indicative Timetable

Opening date	:	17 July 2002
Trading of RSF	:	19 July 2002
Stop trading of RSF	:	1 August 2002
Closing date	:	13 August 2002
Listing date	:	30 August 2002

1.3 Other Approved Exercises

The FIC has vide its letter dated 20 November 2001 approved the following proposals: -

- i) Acquisition of Land A;
- ii) Proposed Acquisition of Land B; and
- iii) Acquisition of Land C.

Brief details of the Proposed Acquisitions are as outlined in Section 1.4 below.

1.4 Details of the Proposed Acquisitions

CDSB had on 26 June 2001 entered into a Conditional SPA with Kulim for the Acquisition of Land A for a purchase consideration of RM106,768,850 and an additional sum of RM300,000 for the Buildings, to be satisfied entirely by cash.

The Acquisition of Land A was financed by the Advance, a term loan facility and cash reserved for working capital of other wholly-owned CCB subsidiary companies, namely Panoramic Industrial Development Sdn Bhd, Unibase Construction Sdn Bhd and Unibase Corporation Sdn Bhd in the amounts of RM29,000,000, RM50,000,000 and RM27,768,850 respectively and the additional sum of RM300,000 for the Buildings has been financed by cash reserved for working capital of the said subsidiary companies. Thereafter, upon completion of the Rights Issue of ICULS (which is expected to be completed by end August 2002), the proceeds from the Rights Issue of ICULS will be used to repay the Advance and to replenish the working capital of CCB's subsidiaries utilised for the part payment of the Acquisition of Land A. However, the net amount for the part of the repayment by CCB to SKL for the Advance (i.e. RM28,238,000) will be netted off against the amount payable by SKL in respect of its entitlement for the Rights Issue of ICULS.

Land A which measures 1,199.65 acres is agricultural land and forms part of Grant No. 12642 and Grant No. 7825 for Lot 577 (previously Lot 363) and Lot 1788 (previously Lot 838) in Mukim and District of Kota Tinggi, Johor and Geran No. 23045 and Geran No 23043 for Lot 806 and Lot 804 in Mukim of Tebrau, District of Johor Baharu, Johor. In addition, there are three (3) units of bungalow houses situated on and forming part of the land held under Geran No. 23045 for Lot 806. The separate lots in respect of Land A are contiguous.

The Buildings, with an average age of 19 years, have a total built-up area of 12,300 square feet. The Buildings will either be rented out to third parties or used by management staff employed by CCB to harvest the oil palm fruits before Land A is fully developed. Thereafter, the Buildings will be demolished to facilitate earthworks and development of the Building area after ten (10) years from the commencement of the development of Land A.

The Acquisition of Land A and the Acquisition of Land C was completed on 31 May 2002 and 30 May 2002 respectively. Subsequently, the relevant undivided shares in the following master titles have been registered in favour of CDSB as follows: -

Registered Owners

Title Particulars	Registered Owners
Grant No. 12642, Lot 577 (previously Lot 363)	1. Kulim (821/20520 undivided shares) 2. JLB (350/82080 undivided shares) 3. CDSB (39223/41040 undivided shares)
Grant No. 7825, Lot 1788 (previously Lot 838)	1. JLB (30450/32914 undivided shares) 2. CDSB (2464/32914 undivided shares)
Geran 23045, Lot 806	1. Kulim (81350/323521 undivided share) 2. JLB (127974/323521 undivided share) 3. ADSB (79/2072 undivided share) 4. CDSB (101915/323521 undivided shares)
Geran 23043, Lot 804	1. Kulim (133681/142800 undivided shares) 2. CDSB (9119/142800 undivided shares)

Further details of the Acquisition of Land A are as detailed below: -

Existing use of Land A	: Oil palm cultivation
Market value / valuation date	: Based on an independent valuation undertaken by Messrs. Clement & Co. in their valuation report dated 30 August 2001, the market value of Land A was RM105,570,000 No valuation was carried out on the Buildings
Method of valuation	: Comparison Method
Intended use of Land A	: Property development which is expected to commence in year 2005
Name and address of vendor	: Kulim (Malaysia) Berhad Ulu Tiram Estate Ulu Tiram 80990 Johor Bahru Johor Darul Takzim

The aggregate purchase consideration of RM107,068,850 is RM1,498,850 or 1.42% higher than the valuation of RM105,570,000. The price for the Acquisition of Land A was negotiated and agreed upon by both CCB and Kulim. The Directors of CCB are of the opinion that the premium paid is justifiable in view of the good location and future development potential of Land A.

Further to the above, CDSB had on 30 August 2001 entered into the following: -

- i) Conditional SPA with Kulim for the Proposed Acquisition of Land B for a purchase consideration of RM4,000,500, to be satisfied entirely by cash;
- ii) Conditional SPA with JLB for the Acquisition of Land C for a purchase consideration of RM17,274,031.25, satisfied entirely by cash;
- iii) Supplemental Agreement to the Conditional SPA dated 26 June 2001 between Kulim and CDSB; and
- iv) Exchange Agreement between Kulim, JLB, ADSB and CDSB.

The Proposed Acquisition of Land B and Acquisition of Land C will be/was financed by internally generated funds.

1.5 Advance

The Advance is to facilitate the Acquisition of Land A as a bridging finance as the Rights Issue of ICULS has not been completed by the completion date of the Acquisition of Land A.

The Advance was transacted at arms-length and in a fair manner. It was subjected to the prevailing Malayan Banking Berhad's ("MBB") base lending rate ("BLR") of 6.4% per annum, which would be a lower cost of financing as compared to bank borrowings based on the prevailing interest rate of BLR + 1%.

The interest savings per annum as opposed to bank borrowings are RM290,000 (by comparing the interest rate of overdraft at BLR + 1% with the Advance at BLR + 0%) and the stamp duty savings is approximately RM145,000.

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2. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT AND EXCESS ICULS APPLICATION

2.1 Closing Date For Acceptance / Application

The RSF, together with the Notes and Instructions thereon issued pursuant to the Rights Issue of ICULS is deemed to form part of this Abridged Prospectus.

The provisional allotment of ICULS is valid for acceptance until 5.00 p.m. on 13 August 2002, or such later time and day as may be decided and announced by the Board.

If acceptance and payment(s) in the manner specified herein are not received by the Registrars, Tacs Corporate Services Sdn Bhd (231621-U), Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1 Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, by 5.00 p.m. on 13 August 2002 (or such later time and day as may be announced) for any part of the ICULS provisionally allotted to you, such provisional allotment will be deemed to have been declined and will be cancelled. The Board will then have the right to allot the ICULS not taken up in such manner as they deem fit in the interest of the Company.

FULL INSTRUCTIONS FOR THE ACCEPTANCE AND PAYMENT FOR THE ICULS PROVISIONALLY ALLOTTED TO YOU AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO DISPOSE OF YOUR RIGHTS TO ALL OR ANY OF THE ICULS ARE SET OUT IN THE NOTICE OF PROVISIONAL ALLOTMENT. YOU ARE ADVISED TO READ THE RSF AND THE INSTRUCTIONS THEREIN CAREFULLY.

ACCEPTANCES WHICH DO NOT STRICTLY CONFORM TO THE TERMS OF THIS PROSPECTUS OR RSF OR NOTES AND INSTRUCTIONS PRINTED THEREIN OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF THE COMPANY.

The Notice of Provisional Allotment, RSF, together with this Abridged Prospectus will be sent by the Registrars by ordinary post to the Entitled Shareholders who have, prior to the close of business at 5.00 p.m. on 17 July 2002, registered addresses in Malaysia at the Entitled Shareholders' own risk.

Entitled Shareholders without registered addresses in Malaysia as at the aforementioned date may collect the Notice of Provisional Allotment, RSF, together with the Abridged Prospectus from Tacs Corporate Services Sdn Bhd (231621-U), Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1 Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, in which event, the Registrars shall be entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the documents. Such collection may be done during normal business hours from Monday to Friday (except public holidays) from the date hereof till 13 August 2002. The Entitled Shareholders or their renounees who require another copy of the RSF may obtain additional copies from their stockbrokers or from the KLSE website (<http://www.klse.com.my>).

2.2 Acceptance of Rights

If you wish to accept the ICULS provisionally allotted to you, please complete Part I and Part III of the RSF and return the RSF, together with the appropriate remittance made in Ringgit Malaysia by Banker's Draft/Cashier's Order/Money Order or Postal Order drawn on a Bank or Post Office in Malaysia and made payable to **"CRESCENDO RIGHTS ISSUE ACCOUNT"** and crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name and address in block letters, for the full amount payable for the ICULS accepted, to be received by the Registrars, Tacs Corporate Services Sdn Bhd (231621-U), Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1 Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, at or before 5.00 p.m. on 13 August 2002 (or such later time and day as may be announced). Any excess or insufficient payment may be rejected at the absolute discretion of the Directors. Personal cheques or any other modes of payment not mentioned above will be rejected.

The remittance must be made for the exact amount payable for the ICULS accepted (rounded up to the nearest sen). No acknowledgement of the receipt of the RSF or application monies will be made by the Company or the Registrars but a Notice of Allotment will be despatched to the Entitled Shareholders and/or their renounees by ordinary post to the addresses stated in the MCD's record at their own risk within fifteen (15) market days from the last date for acceptance and payment for the ICULS.

The Board reserves the right to allot the unsubscribed securities applied for under the excess ICULS in such manner that the incidence of odd lots would be minimised and as they may deem fit and expedient in the interest of the Company. In determining the respective shareholders' entitlements to the Rights Issue of ICULS, fractional entitlements of ICULS will be disregarded. Any ICULS representing fractional entitlements shall be dealt with in such manner as the Directors in their absolute discretion and upon such conditions as they may decide.

ENTITLED SHAREHOLDERS AND THEIR RENOUNCEES SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH THE REGISTRARS SHALL BE IRREVOCABLE AND SHALL NOT BE WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED, THE FULL AMOUNT PAID ON APPLICATION WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE OF ACCEPTANCE AND PAYMENT OF ICULS BY REGISTERED POST TO THE APPLICANT AT THE ADDRESS STATED IN THE MCD'S RECORD AT THE APPLICANT'S OWN RISK. WHERE AN APPLICATION IS ACCEPTED IN PART ONLY, THE SURPLUS OF THE APPLICATION MONIES WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY REGISTERED POST TO THE ADDRESS STATED IN THE MCD'S RECORD AT THE APPLICANT'S OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE OF ACCEPTANCE AND PAYMENT.

AN APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF REMITTANCE BEING PRESENTED FOR PAYMENT.

THE LAST DAY FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF ICULS IS 5.00 P.M. ON 13 AUGUST 2002 OR SUCH LATER TIME AND DAY AS THE DIRECTORS OF CCB IN THEIR ABSOLUTE DISCRETION MAY DECIDE. WHERE THE CLOSING DATE FOR ACCEPTANCE AND PAYMENT IS EXTENDED FROM THE ORIGINAL CLOSING DATE, THE NOTICE OF SUCH EXTENSION(S) WILL BE MADE NOT LESS THAN TWO (2) MARKET DAYS BEFORE THE ORIGINAL CLOSING DATE.

2.3 Application For Excess ICULS

If you wish to apply for the ICULS in addition to those provisionally allotted to you, please complete Part II of the RSF (in addition to Parts I and III) and forward this RSF, with a separate remittance made in Ringgit Malaysia by Banker's Draft/Money Order Postal Order drawn on a Bank or Post Office in Malaysia and made payable to **"CRESCENDO EXCESS ICULS ACCOUNT"** and crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name and address in block letters, for the full amount payable for the excess ICULS applied for, to be received by the Registrars, Tacs Corporate Services Sdn Bhd (231621-U), Unit No. 203, 2nd Floor, Block C, Damansara Intan, No. 1 Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, at or before 5.00 p.m. on 13 August 2002 (or such later time and day as may be announced).

No acknowledgement will be issued but Notices of Allotment will be despatched to the successful applicants by ordinary post to the addresses stated in the MCD's record at their own risk within fifteen (15) market days from the last date of acceptance and payment for the excess ICULS.

If no excess ICULS are allotted to you, the amount paid on application therefore will be returned in full without interest by registered post to the address shown in the MCD record at your own risk within fifteen (15) market days from the last date of acceptance and payment of the excess ICULS. Where an application is accepted in part only, the surplus of the application monies will be refunded without interest and shall be despatched to the applicant by registered post to the address stated in the MCD's record at the applicant's own risk within fifteen (15) market days from the last date for application and payment for the excess ICULS.

The Board reserves the right to reject any application or accept any application in part only, without assigning any reason thereof.

2.4 Sale / Transfer Of The Rights To The Provisional Allotment Of ICULS

If you wish to sell all or part of your rights to the provisional allotment of ICULS to more than one person, you may do so through your stockbroker for the period up to the last day for trading in the rights to the provisional allotment of ICULS. You may immediately sell or transfer your rights to the provisional allotment of ICULS (in accordance with the rules of the MCD) in full or in part without first having to request the Company for a splitting of your rights to the provisional allotment of ICULS.

In selling all or part of your rights to the provisional allotment of ICULS, you need not deliver any document, including the RSF, to the stockbroker. However, you must ensure that you have sufficient provisional allotment of the ICULS standing to the credit of your CDS account for settlement of the sale.

The New Purchaser(s) can collect a copy of the Abridged Prospectus and RSF for the acceptance of his/her/their rights from his/her/their stockbrokers, the Registrars' office or the Registered Office of the Company. The Abridged Prospectus and RSF are also available on the KLSE website (<http://www.klse.com.my>).

If you have sold only part of the rights to the provisional allotment of the ICULS, you may still accept the balance of your provisional allotment of the ICULS by completing Parts I and III of the RSF.

Entitled Shareholders should note that all RSF and remittances lodged with the Registrars will be irrevocable and cannot subsequently be withdrawn.

THE LATEST TIME AND DATE FOR ACCEPTANCE AND PAYMENT FOR THE ICULS UNDER THE RIGHTS ISSUE OF ICULS WILL BE 5.00 P.M. ON 13 AUGUST 2002.

2.5 CDS Accounts and Notice Of Allotment

The KLSE has already prescribed the securities of CCB listed on the Main Board of the KLSE to be deposited with MCD. Accordingly, the ICULS arising from the Rights Issue of ICULS are prescribed securities and as such, all dealings of the said ICULS will be subject to the Securities Industry (Central Depositories) Act, 1991 and the rules of MCD, including any amendments or reenactments thereof.

All ICULS shall be credited into your CDS account. No physical certificate will be issued to you in respect of the ICULS. However, a notice of allotment of the ICULS will be despatched to you at the address stated in the MCD's record by ordinary post within fifteen (15) market days from the final acceptance closing date.

2.6 Laws of Foreign Jurisdictions

This Abridged Prospectus, the Notice of Provisional Allotment and RSF are not (and will not be) intended to be issued to comply with the laws of any foreign jurisdictions, and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any foreign jurisdictions, and the Rights Issue of ICULS will not be made or offered in any foreign jurisdictions.

An Entitled Shareholder or New Purchaser may only accept or sell/transfer all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of ICULS to the extent that it would be lawful to do so, and Aseambankers, other experts and CCB and its Directors and officers would not, in connection with the Rights Issue of ICULS, be in breach of the laws of any jurisdictions to which that Entitled Shareholder or New Purchaser is or might be subject to. The Entitled Shareholders and New Purchaser(s) (if any), shall be solely responsible to seek advice as to the laws of jurisdictions to which they are or might be subject to. Aseambankers, other experts and CCB and its Directors and officers shall not accept any responsibility or liability in the event that any acceptance or sale/transfer or application for ICULS by any Entitled Shareholder or New Purchaser(s), is or shall become unlawful, unenforceable, voidable or void in any such jurisdictions.

By signing any of the forms accompanying this Abridged Prospectus and RSF, the Entitled Shareholder or the New Purchaser (if any) is deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) Aseambankers, other experts and CCB and its Directors and officers that: -

- (i) The Company would not, by acting on the acceptance or sale/transfer or application in connection with the Rights Issue of ICULS, be in breach of the laws of any jurisdiction to which that Entitled Shareholder or New Purchaser (if any) is or might be subject to;
- (ii) The Entitled Shareholder or New Purchaser (if any) has complied with the laws to which the Entitled Shareholder or New Purchaser (if any) is or might be subject to in connection with the acceptance or sale/transfer of or application for the Rights Issue of ICULS;
- (iii) The Entitled Shareholder or New Purchaser (if any) is not a nominee or agent of a person in respect of whom the Company would, by acting on the acceptance or sale/transfer or application, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) The Entitled Shareholder or New Purchaser (if any) is aware that the ICULS can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws;
- (v) The Entitled Shareholder or New Purchaser (if any) has received a copy of this Abridged Prospectus and has had access to such financial and other information and has been afforded the opportunity to ask such questions of the representatives of the Company and receive answers thereto as the Entitled Shareholder or New Purchaser (if any) deems necessary in connection with his/her decision to subscribe for or purchase the ICULS; and
- (vi) The Entitled Shareholder or New Purchaser (if any) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the ICULS and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the ICULS.

3. RATIONALE FOR THE RIGHTS ISSUE OF ICULS

The Rights Issue of ICULS will be utilised for the repayment of the Advance and replenishment of the working capital of CCB's subsidiaries utilised for the part payment of the Acquisition of Land A. The Acquisition of Land A, which is currently an oil palm plantation, will serve to increase CCB's land bank and will be used for mixed development in the future. In addition, the Proposed Acquisition of Land B will contribute towards the requisite ten percent (10%) open space for the development of the Properties and the Acquisition of Land C will provide an alternative and better access road into Land A from the Johor Bahru/Kota Tinggi Highway.

The rationale for the Rights Issue of ICULS is as follows: -

- i) It would be more prudent for the Company to diversify its source of funding for the Acquisition of Land A by tapping from capital markets in addition to its internal funds and bank borrowings; and
- ii) the Rights Issue of ICULS would also prevent an immediate dilution of the Company's earnings per share as compared to a rights issue of ordinary shares.

4. UTILISATION OF PROCEEDS ARISING FROM RIGHTS ISSUE OF ICULS

Details of the proposed utilisations of the proceeds arising from the Rights Issue of ICULS are as follows: -

	Amount (RM)
• Repayment of the Advance ^(vii)	29,000,000
• Replenishment of the working capital of CCB's subsidiaries utilised for the part payment of the Acquisition of Land A	13,398,000
	43,398,000

Notes: -

- (i) SC's approval is required for any variation to the abovementioned utilisation of proceeds other than for the core business of CCB.
- (ii) CCB shareholders' approval is required for the abovementioned utilisation of proceeds and for any variation of 25% or more of the original utilisation of proceeds. In the event the variation is less than 25%, appropriate disclosure should be made to the shareholders of CCB.
- (iii) Any extension of time from the period determined by CCB for the utilisation of proceeds must be approved via a clear resolution by the Directors of CCB and fully disclosed to the KLSE.
- (iv) An appropriate disclosure of the status of utilisation of proceeds is required in the Quarterly Report and Annual Report of CCB until the proceeds are fully utilized.
- (v) Part of the total estimated expenses relating to the Rights Issue of ICULS (inclusive of the total estimated expenses for the Proposals) amounting to RM1,000,000 will be treated as prepayment in the balance sheet and offset against the share premium reserve account upon completion of the exercise. The balance of RM200,000 has been capitalised as part of the land cost. The estimated expenses will be funded from the current working capital of CCB.
- (vi) the proceeds from the Rights Issue of ICULS would be utilised in accordance with the National Bond Market Committee Negative List.
- (vii) part of the repayment by CCB to SKL for the Advance (i.e. RM28,238,000) will be netted off against the amount payable by SKL in respect of its entitlement for the Rights Issue of ICULS.

The total proceeds raised from the Rights Issue of ICULS are expected to be fully utilised by 31 October 2002.

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5. INVESTMENT CONSIDERATIONS

Notwithstanding the prospects of the industry and the CCB Group as described in Section 7 below, the Rights Issue of ICULS and the business activities of the CCB Group are exposed to certain risks. Among the factors (which may not be exhaustive) that may have an impact on the shareholders of the Company and the CCB Group are the following: -

Special Risks

a) Business Risks

CCB is subject to certain risks inherent in the property development and construction industries. These include, inter alia, labour and building material shortages, increases in the costs of labour and building materials, changes in general economic, business, credit and interest rate conditions, demand for residential, commercial and industrial properties and changes in the legal and environment framework within which this industry operates. Although the Group seeks to limit these risks, no assurance can be given that any change in these factors will not have a material adverse effect on the Group's business. However, the Directors of CCB believe that CCB being an established company with proactive management is well positioned to successfully manage these business risks in the ever-changing business environment.

b) Competition

CCB's products and businesses face competition from various competitors including other local and foreign property developers and building contractors which could result in lower sales level. Among the key property developers in Johor are UM Land Berhad, Daiman Development Berhad, Pelangi Berhad, Glomac Berhad and SP Setia Berhad. No assurance is given that the Group will be able to maintain its existing market share/competitive advantage in the residential, commercial and industrial properties market and construction sector in the future. However to ensure that sales level would not be affected due to stiff competition from various competitors, CCB plans to diversify its operations as disclosed in Section 5 (f) below. Moreover, competition from the abovementioned property developers is mitigated by the fact that there is sufficient demand for medium and low cost residential units in Johor.

Through its subsidiary, Unibase Concrete Industries Sdn Bhd, CCB is engaged in the operation of a ready-mixed concrete plant that manufactures concrete products. The ready-mixed concrete plant will ensure timely supply of good quality ready-mixed concrete to the building construction activities undertaken by Unibase Construction Sdn Bhd (22898-A), a wholly owned subsidiary of CCB, and its subsidiaries. The CCB Group is also currently undertaking in-house its civil works including roads and drains. The manufacture of concrete products together with its civil engineering activities are expected to provide the CCB Group with a competitive advantage over its competitors in the region and avoid over-reliance on the current source of supply.

c) Dependence on Key Personnel/Major Shareholders

The CCB Group believes that its continued success will depend significantly on the abilities and continued efforts of its Directors (namely the Directors representing major shareholders) and senior management. The loss of any key member of the Group could affect the Group's continued ability to grow at a high pace. However, the CCB Group has made efforts to train its staff in all aspects in building up the capability and value of the Company. In addition, the Company has recently implemented an employee share option scheme (i.e. ESOS) as a mechanism to retain and reward its staff.

The future success of the Group will also depend on its ability to attract skilled personnel and to retain them. Measures and precautions have been taken in grooming younger members at the management level in learning, executing and managing business activities.

d) Control by Certain Major Shareholders

Certain major shareholders are involved in the management of the CCB Group, namely Gooi Seong Lim, Loo Geok Eng, Gooi Seong Heen, Gooi Seong Chneh, Gooi Seong Gum and Gooi Seow Mee. Furthermore, they are the substantial shareholders of SKL which are the substantial shareholders of CCB holding approximately 65.07% of the enlarged issued and paid-up share capital of CCB. It is likely that they will be able to effectively influence the outcome of certain matters requiring the votes of the Company's shareholders.

e) Dependencies on Suppliers

There is minimal risk of dependency on certain main contractors/suppliers as: -

- i) tenders are awarded based on an open system;
- ii) tenders are invited based on price competitiveness vis-à-vis experience, track record and qualification basis; and
- iii) contracts are awarded to more than one qualified and reputable contractor on parcel-to-parcel basis. This will enable the quality control personnel to check their work progress and the quality of performance, and to consider their service for the other parcel/project.

f) Dependency in Particular Products, Markets or Geographical Conditions

The Group's current operations are mainly in Johor Bahru and the sale of its products is dependent on the Johor Bahru and Singapore markets. Lower operating cost, availability of skilled labour and the proximity of Johor Bahru to Singapore are the key factors which attract Singapore companies to relocate their manufacturing business to Johor Bahru. The projected growth of more than 3% as announced by the Singapore Government is a positive indication of the expected recovery of the Singapore economy and the Group expects the demand for industrial and commercial properties to be good in the year 2002.

The products of the Group comprise of residential, industrial and commercial properties and concrete products. To minimise the over dependency on any particular product, the Group has taken the following steps: -

- i) To develop both landed and strata residential properties with a wide range of prices to cater for various sectors of population. The Group also concentrates on building affordable houses below RM200,000 for which demand is high in the District of Johor Bahru.
- ii) For the industrial and commercial properties, the Group develops large detached factories and landed commercial properties to cater for the Singapore purchasers who intend to relocate their operations to a lower cost location nearby. The Group also builds smaller semi-detached, terrace factories and shop-houses to cater for the local purchasers who provide supporting manufacturing activities and services to the established foreign companies operating in or around the Group's industrial park.

- iii) To carry out upstream activities such as construction and manufacturing of concrete products to improve the Group's cost competitiveness through integration and quality control.
- iv) To contract for external construction works to broaden the Group's earnings base.

g) Risk Resulting from Lengthy Sales Cycles

The risk resulting from lengthy sales cycles could be attributed mainly to the following: -

- i) changes in property market condition resulting in changes in market trend and demand;
- ii) business risk arising from unavailability of end financing, changes in interest rate, changes in general economic environment and increase in prices and/or shortage of supply of construction materials (further disclosed in (a) above);
- iii) competition from new development in the surrounding area which may lead to oversupply (further disclosed in (b) above); and
- iv) changes in Government policies and legislation (further disclosed in (s) below).

To mitigate the risk resulting from the changes in market trend and demand, the CCB Group will undertake to implement the following measures: -

- i) to schedule/reschedule the development plan according to market outlook in order to avoid holding high quantity of unsold stock;
- ii) to practice prudent financial management in order to maintain a healthy financial position at all times to cater for the ever-changing business environment; and
- iii) for the new Bandar Cemerlang project, the Group's focus will be on the development of affordable housing which demand is expected to remain high.

h) Risk Associated with Rapid or Over-Expansion of CCB's Business

Being prudent in its financial management, the expansion through acquisitions of new landbank would be financed by the proceeds from the Rights Issue of ICULS, internally generated funds and bank borrowings. Bank borrowings only constitute thirty nine percent (39%) of the total purchase consideration of the new landbank and the Group expects to repay the loan with the cashflow from the existing development projects within five (5) years time.

The Proposed Acquisitions would increase CCB's total landbank from 1,282.89 acres to 2,673.11 acres or approximately 108.37%. The Acquisitions would not result in any over expansion as the development of the Properties would only commence in 2005 and CCB would meanwhile concentrate on the development of its current landbank.

i) Profit Forecast

This Abridged Prospectus contains certain forecasts for CCB that is based on assumptions, which the Directors deem to be reasonable, but which nevertheless are subject to uncertainties and contingencies. Because of the subjective judgements and inherent uncertainties of profit forecasts and because events and circumstances frequently do not occur as expected, there can be no assurance that the profit forecasts contained herein will be realised and actual results may be materially different from those shown.

The management has taken steps to strengthen the underlying factors as well as to minimise the role of uncertainties and contingencies. The forecast is based on a conservative approach taking into consideration all known material factors.

j) Forward-Looking Statements

Other than statements of historical facts, such as the audited financial statements as at 31 January 2002, this Abridged Prospectus contains forward-looking statements such as the outlook of the Group. Although the Group believes that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such expectations will prove to be correct. Any differences in the expectations of the Group from its actual performance may result in the Group's financial and business performance and plans to be materially different from those anticipated.

k) Risk Associated with the Undertaking by Certain Directors and Shareholders of CCB to Subscribe for their Entitlements in Respect of the Rights Issue of ICULS

SKL, the holding company of CCB, has advanced RM29,000,000 to CCB for the part financing of the Acquisition of Land A (i.e. Advance). Part of the repayment by CCB to SKL for the Advance (i.e. RM28,238,000) will be netted off against the amount payable by SKL in respect of its entitlement for the Rights Issue of ICULS. Hence, the net principal amount that would be repaid by CCB to SKL for the Advance would amount to RM762,000. The remaining ICULS to be subscribed by PHD and other substantial shareholders of CCB amount to 3,956,000 ICULS.

The Directors do not foresee any risk on the failure of the Directors, certain substantial shareholders and other shareholders of CCB to honour their undertaking.

However, in the event that the Directors, certain substantial shareholders (other than SKL) and other shareholders of CCB fail to honour their undertaking to subscribe for the ICULS, SKL has provided an additional undertaking to subscribe for the unsubscribed ICULS. SKL has the financial resources to subscribe for the entire RM3,956,000 ICULS entitled for the Directors, certain substantial shareholders (other than SKL) and other shareholders of CCB.

In respect of the above, SKL had on 12 June 2002 instructed OCBC Bank (Malaysia) Berhad to utilise part of SKL's existing fixed deposits with them for the amount of up to RM3,956,000 for the subscription of the abovementioned unsubscribed ICULS. OCBC Bank (Malaysia) Berhad had on 14 June 2002 confirmed such instructions.

In the event that the abovementioned additional undertaking by SKL does not materialise, the Rights Issue of ICULS will be aborted. Upon the Rights Issue of ICULS being aborted, all monies paid on application in respect of the Rights Issue of ICULS will be refunded without interest to the respective applicants within fifteen (15) market days from the date of abortion of the Rights Issue of ICULS at the applicants' own risk. Moreover, CCB shall continue to service the interest incurred on the Advance until the Advance is repaid in full.

l) Conversion of the Properties into a Mixed Development Land

The inability to convert the Properties from an agricultural to a mixed development land (i.e. securing the relevant authorities' approval) would hinder CCB from developing the Properties. However, pursuant to the draft Ulu Tiram Structure Plan, all portions of the Properties situated in Mukim of Tebrau, District of Johor Bahru, Johor have been zoned for residential housing development by the State Authority in accordance with the provisions of the Town and Country Planning Act 1976 (Act 172). Furthermore, the Properties are suitable for mixed development as it is located near Ulu Tiram Town with exposure and access from the Johor Bahru – Kota Tinggi Expressway.

m) Risk Associated with Borrowings

Significant fluctuations in interest rates may have an impact on the financial performance of the CCB Group, as the financing for the Proposed Acquisitions will be/were met by the Advance, term loan facility and internally generated funds. The CCB Group has a borrowing exposure with existing borrowings amounting to approximately RM79.8 million as at 30 June 2002. Upon the completion of the Rights Issue of ICULS, the proceeds from the Rights Issue of ICULS will be used to repay the Advance and to replenish the working capital of CCB's subsidiaries utilised for the part payment of the Acquisition of Land A.

n) Risks Associated with any Investment Activities

A small portion of CCB Group's cash reserves is invested in securities listed on the KLSE. As at 30 June 2002, the market value of CCB Group's investment in the listed securities were approximately RM7.3 million.

The value of the quoted investments is subject to the fluctuations of the market. Hence, the directors of CCB intend to reduce the investment in quoted shares.

o) Risks Associated with any Legal Uncertainties

The products and/or services provided by the CCB Group to its customers and with its suppliers are governed by contractual agreements entered into with the other party. The operations and contracts entered into by the CCB Group are within its legal capacity and therefore there are no foreseeable risks associated with any legal uncertainties.

p) Covenants under Borrowing Facility Agreements which Limit the Corporation's/Group's Operating and Financial Flexibilities

The CCB Group, pursuant to credit facility agreements entered into by it and its subsidiaries with banks or financiers, are bound by certain positive and negative covenants which may limit CCB Group's operating and financial flexibility. The aforesaid covenants are of a nature which is commonly contained in credit facility agreements in Malaysia. Any act by the CCB Group falling within the ambit or scope of such covenants will require the consent of the relevant bank/financier. Breach of such covenants may give rise to a right by the bank/financier to terminate the relevant credit facility and/or enforce any security granted in relation to that credit facility. The Directors are aware of such covenants and shall take all precautions necessary to prevent any such breach.

General Risks**q) Political and Economic Considerations**

Adverse developments in political and economic conditions in Malaysia and/or Singapore could materially and adversely affect the financial prospects of the Group. Other political and economic uncertainties include risk of wars, expropriations, nationalization, renegotiation or nullification of existing contracts, changes in exchange rates, method of taxation and currency exchange controls.

r) Government Policies and Legislation

The financial performance of the CCB Group is subject to changes in the Government's policies and legislation such as changes in interest rates, methods of taxation or introduction of new legislation. As demonstrated, following the recent terrorist attacks on the United States ("US") and fearing an impending global economic slowdown, the Government had on 25 September 2001 announced the introduction of a new RM4.3 billion stimulus package to sustain economic growth. The main focus of this package would be to generate economic activities with the greatest spin-off effects on the economy. No assurance can be given that these factors will not have a material adverse effect on the Group's business.

The Government had also reinstated various incentives on the acquisition of industrial and commercial properties in Malaysia by foreigners which may have a direct impact on the Group's future profitability. The Government has been proactive in attracting foreign investors into the country especially in the property and manufacturing sector. It is therefore unlikely that any adverse change in Government policies will occur to deter foreign investors into Malaysia.

6. FINANCIAL EFFECTS

The financial effects of the Rights Issue of ICULS on the share capital, net tangible assets, earnings, dividends and gearings of CCB and the Group are as follows:

6.1 Share Capital

Upon the full conversion of the ICULS, the issued and paid-up share capital of CCB will increase from RM108,495,930 comprising 108,495,930 ordinary shares of RM1.00 each to RM151,893,930 comprising 151,893,930 ordinary shares of RM1.00 each, tabulated as follows: -

	Number of ordinary shares of RM1.00 each
Existing as at 31 January 2002	108,495,930
Upon full conversion of ICULS ⁽¹⁾	43,398,000
Enlarged share capital	<u>151,893,930</u>

Notes:

(1) Upon full conversion of the ICULS at the conversion price of RM1.00

6.2 NTA

The proforma effects of the Rights Issue of ICULS on the consolidated NTA and NTA per share of CCB Group based on the audited financial statements as at 31 January 2002 are as follows: -

	Existing as at 31 January 2002 RM'000	After Conversion of the ICULS ⁽¹⁾ RM'000
Share Capital	108,496	151,894
Share Premium	15,504	⁽²⁾ 14,504
Consolidation Reserve	28,974	28,974
Retained Profits	67,209	67,209
Shareholders Funds/NTA	220,183	262,581
NTA Per Share	2.03	1.73

Note: -

(1) Upon full conversion of the ICULS at the conversion price of RM1.00

(2) After deducting RM1.0 million as part of the total estimated expenses of RM1.2 million in connection with the Rights Issue of ICULS (inclusive of the total estimated expenses for the Proposals). The balance of RM200,000 has been capitalised as part of the land cost.

6.3 Earnings

Financial Year Ending 31 January 2003	Forecast
Profit before taxation (RM'000)	15,808
Profit after taxation after minority interest (RM'000)	9,944
No. of shares in issue ('000)	108,496
Gross EPS (RM)	0.15
Net EPS (RM)	0.09

The Rights Issue of ICULS will have no immediate effect on the earnings of the Company. The interest expense of RM1.302 million relating to the Rights Issue of ICULS is capitalised to the land cost in respect of Land A.

6.4 Dividends

For the financial year ended 31 January 2002, the Company has declared aggregate dividend of five percentum (5%).

Barring any unforeseen circumstances for the financial year ending 31 January 2003, the Directors of CCB expects that the Company will be able to declare the same quantum of dividend as that for the previous financial year.

6.5 Gearing

Based on the audited consolidated balance sheet as at 31 January 2002, the gearing of the Group before and after the Rights Issue of ICULS is as follows: -

		(1)	
	As at 31 January 2002	After the Proposed Acquisitions	After (1) and Conversion of the Rights Issue of ICULS ⁽ⁱ⁾
	RM'000	RM'000	RM'000
Total Borrowings	1,109	⁽ⁱⁱ⁾ 94,507	51,109
Shareholders Funds	220,183	220,183	262,581
Gearing Ratio (times)	Neg.	0.43	0.19

Notes: -

- (i) Upon full conversion of the Rights Issue of ICULS at the conversion price of RM1.00
 - (ii) Inclusive of RM43.398 million ICULS (this amount was temporarily financed by the Advance and working capital of CCB's subsidiaries) and RM50.0 million term loan in respect of the Acquisition of Land A.
- Neg. Negligible

7. FUTURE PROSPECTS

7.1 Overview and Outlook of the Malaysian Economy

The regional financial crisis, which began in July 1997, resulted in unprecedented turbulence for the Malaysian economy. The full deflationary impact of the regional financial crisis was, however, felt only in 1998. The economy experienced its sharpest decline in 1998 registering a real negative GDP growth of 7.5% compared to real positive GDP growth of 7.5% in 1997.

The Malaysian economy rebounded strongly in 2000, spurred by strong export growth coupled with increasing domestic expenditure. Having achieved a growth of 5.8% in GDP in the year 1999, a faster growth rate of 8.5% was recorded for the year 2000. The strong economic growth recorded for the year 2000 was mainly contributed by the positive performance of the manufacturing sector; in 2000 its contribution to GDP stood at 33.4% up from 30% in 1999. This was in part driven by the increase in external demand, where export-oriented industries recorded a growth of 31.6% spurred by the global demand of electronics and electrical products, as well as sustained strong domestic demand stimulated by a boost in public and private sector demand.

The performance of the Malaysian economy in 2001 has been adversely affected by the greater than expected slowdown in the world economy, namely the weak performance of the US and Japanese economy. There are concerns on the risks of the US economy entering into a recession and its contagion on other industrialised and more developing economies.

Being a highly open economy, the Malaysian economy was affected by the weak external economic environment. The effects were compounded by the effects of September 11, 2001. With adequate domestic resources, stability in domestic financial markets and prompt pre-emptive actions, the Malaysian economy has been able to weather this global economic slowdown to record a positive GDP growth for the year at 0.4% and to contain unemployment at below 4%.

While the overall growth had moderated during 2001, the overall balance of payments turned around to a surplus position of RM3.7 billion in 2001. Economic fundamentals continued to strengthen in 2001 with inflation moderated to 1.4%, international reserves continued its increasing trend driven by sustained inflows of trade surplus and long term capital flows. The overall fiscal position of the Government improved, domestic savings remained high and the financial system strengthened significantly.

Having taken into consideration the impact of the US slowdown on Malaysia's exports and growth prospects, the still fragile Japanese economy and the moderating demand in electronics, the Government had on 27 March 2001 announced a series of pre-emptive measures to ensure that Malaysia's growth momentum is sustained. The measures included, amongst others, an increase in fiscal stimulus by an additional RM3 billion from the RM28.8 billion approved under the 2001 Budget, which was expected to increase GDP growth by 1.1%. The Government will continue to maintain an accommodative monetary policy to ensure that the private sector is able to access funds at a reasonable cost.

Further to the fear of global economic recession/slowdown triggered by the unexpected attacks on the US, the Government had on 25 September 2001 announced the introduction of a new RM4.3 billion stimulus package to sustain economic growth. The main focus of this package would be to generate economic activities with the greatest spin-off effects on the economy.

Following the lower growth rate, Gross National Product ("GNP") per capita is forecasted to be lower at RM13,333 or USD3,509 (2000: RM13,411 or USD3,529). In terms of purchasing power parity, however, per capita income is expected to increase by 1.3% to USD8,944 (2000:USD8,831) after taking into account lower domestic inflation.

The Budget 2002 announced on 19 October 2001 contained further direct measures to stimulate the domestic economy. In addition to higher development expenditure, the focus of Budget 2002 was on raising disposable incomes via tax cuts and bonuses to stimulate private consumption, in addition to a salary increase for public sector employees.

The outlook of the external sector in 2002 remains uncertain, mainly due to the effects of the unexpected terrorist attack on the US. With the US recovery expected to be delayed until the later part of 2002 and the prospects of Japanese economic growth continuing to be discouraging, world growth has been revised downwards to 2.6% and indications are that world trade is expected to recover to about 2.5% in 2002.

Real GDP growth in the Malaysian economy is projected to recover to 3.5% in 2002. The projection is based on stronger growth in private consumption, a modest recovery in private placement, sustained public sector expenditure and moderate growth in exports.

The additional stimulative measures announced after 11 September 2001 are aimed at raising further domestic sources of growth, given the diminished prospects for an early upturn in external demand. The strong fundamentals in place have accorded Malaysia with policy flexibility to implement these additional pre-emptive policies in response to further external shock to the economy.

(Source: Economic Report 2000/2001, Economic Report 2001/2002, Bank Negara Malaysia Annual Report 2001, Press Release by the Prime Minister's Office dated 27 March 2001, entitled Preemptive Measures to Counter the Impact of a US Economic Slowdown and Press Release by the Prime Minister's Office dated 25 September 2001 entitled The New Stimulus Package to Sustain Economic Growth)

7.2 Overview of the Construction and Property Industry for 2001

The fiscal stimulus programme, privatisation of infrastructure projects and housing development contributed to a stronger growth of 2.3% in the construction sector. Construction activity in the non-residential subsector consolidated further due to the large overhang of office and retail space.

Growth in construction activity also emanated from commencement of four privatised road projects and one independent power plant. The former included the Kajang Ring Road, Ipoh-Lumut Highway, Guthrie Corridor Expressway and the Butterworth Outer Ring Road while the independent power plant was the Technology Tenaga in Perlis.

Construction activity was also undertaken for ongoing works relating to airports, rail, ports, waste disposal, water and sewerage projects. Among the ongoing projects during the year were the New Pantai Expressway, Express Rail Link, the Kuala Lumpur Monorail System and the development of Putrajaya.

(BNM Annual Report, 2001)

Value added on the construction sector, on the other hand, is expected to expand at a higher rate of 4.9% (2000: 1.0%), spurred by the Government's fiscal expansion programme, particularly for infrastructure projects and the construction of low- and medium-cost residential housing.

(Source: Economic Report 2001/2002)

7.2.1 Residential Subsector

As the frontline sector of the property market, the residential sector usually musters all the support it needs to stay sustainable. In terms of the economic policy, this sector is often focused on to help with regenerating the rest of the property market. This strategy is again put through its pace currently.

The Government continued to place priority to the construction of low-cost and medium-cost houses in line with providing affordable houses to all Malaysians. During the year, approvals were given by the Ministry of Housing and Local Government for the construction of 97,673 units of residential houses of various types namely medium-cost and low-cost houses which constituted 37.3% and 16.4% of overall construction. The number of units launched continued to increase by 22.2% as compared to the same period in 2000.

In terms of financing, loans given by the banking sector for the purchase of residential properties increased significantly by 18% at end-July 2001 as compared to the same period in 2000. In addition, the purchase of properties monitored by the FIC showed a favourable trend where properties purchased by foreigners increased significantly by 30.5% to RM394 million as compared to RM302 million recorded the previous year. This increase is mainly attributed to the relaxation of guidelines on property ownership for locals and foreigners.

(Source: Economic Report 2001/2002)

After the encouraging 8.8% and 18.3% rise in volume and value respectively last year, the transaction activity in the residential sector moderated to 3.1% and 1.2% respectively this year. The lower increase followed smaller growth in transaction volume in Selangor, Pulau Pinang, Melaka and Pahang and reduced transactions in Perak, Kuala Lumpur, Terengganu, Kelantan and Sabah. On the other hand, Johor rebounded with a 3.7% gain in transaction volume after a decline in of 1.2% last year. To underscore its growing significance, the residential sector enlarged its share of the property market transactions to 72.6% this year from 71.2% last year.

By price range, properties priced at RM150,000 and below were the focus of demand, accounting for 75.5% of total residential transactions.

New launches for the year was 106,704 units or a drop of 7,210 units against the previous year. Total units launched in the first nine months was comparable to the corresponding period of last year but fell 7,004 units in the fourth quarter. Sales performance within the quarters for the year was in the range of 40.0% and 53.0%. The higher percentage of units sold in the last quarter compared to the preceding quarter was due to the smaller number of units launched in the last quarter.

The national total residential stock at the end of the year stood at 2,761,242 units which was an increase of 4.5% compared to 2,642,228 units at the end of last year. Big increases were seen in Selangor and Johor which together contributed 47.3% of the total increase.

The incoming supply at national level also rose by 14.3% from 440,778 units at the end of 2000 to 503,654 units in 2001.

(Source: 2001 Property Market Report)

Growth in the residential subsector was supported by strong underlying demand for residential units, particularly affordable and conventional housing in choice locations with good accessibility.

Several measures were introduced to reduce the property overhang such as granting stamp duty exemptions for the purchase of completed properties. This resulted in a total of 6,100 units of properties valued at RM1.76 billion being sold during 2001.

Mortgage loans granted by the banking system rose by 17.2% (RM12.8 billion). Price of residential properties rose marginally during 2000 after appreciating by 15.4% since the first half of 1999. The Malaysian House Price Index rose at an annual rate of 0.9% during the first half of 2001.

(BNM Annual Report, 2001)

7.2.2 Non-Residential Sub-sectors

The large overhang and low occupancy rates of office and retail space continued to restrain growth of the non residential subsector. Construction of office and retail space was mainly supported by ongoing projects resulting in a decline in supply. Although incoming supply of new office and retail space was on a declining trend, it is estimated that it would take five (5) years to fully utilise existing office space and 4.4 years to fully utilise retail space.

(BNM Annual Report, 2001)

The overall occupancy rate eased by a marginal 0.6% over the year to 77.7% for the current year. Government buildings enjoyed higher occupancies with an average rate of 96.2% in occupancy compared to 73.3% achieved by private buildings for 2001. Oversupply continued to plague the major states with current occupancy rates of 75.3% in Kuala Lumpur, 76.3% in Selangor, 69.4% in Johor and 73.5% in Pulau Pinang.

The commercial sector maintained its 6.5% share of the number of transactions in the property market. The nationwide volume of commercial transactions decreased by 3.9% compared to an increase of 3.8% last year while transaction value dipped by 0.2% compared to an increase of 3.8%. Commercial properties priced between RM250,001 to RM500,000 continued to be the most sought after, recording an even higher share of total commercial transactions of 27.7% compared to 25.7% in 2000.

The industrial property sector recorded drops in transaction volume and value of 18.4% and 15.3% respectively this year after a 10.3% drop in volume and a 41.8% increase in value for last year. The national industrial stock was 81,671 units by the end of the year compared to 80,271 units in the previous year.

(Source: 2001 Property Market Report)

In respect of completed purpose-built offices, as of June 2001, vacant space increased by 2.8% from the previous period in 2000 of 2.46 million square meters. Occupancy rates in Kuala Lumpur increased slightly during the second half of 2001 to 77.1% as compared to 76.6% in the previous quarter but the rates in Johor Bahru declined to 64.6% during the same period.

Although the take up rate in the commercial property sector improved slightly from 73.7% at end-December 2001 to 74.4% at end-June 2001, the property overhang for shopping complexes remains large with 1.4 million square meters. Transaction in industrial property decline by 22.6% in unit terms and 52.1% in value terms during the first half of 2001 as compared to the second half of 2000, reflecting largely the slowdown in the manufacturing sector.

(Source: Economic Report 2001/2002)

7.3 Prospects of the Construction and Property Industry for 2002

Growth in the construction sector is expected to be sustained at 2.4%, with impetus coming from the civil engineering and residential subsectors. Low interest rates and various pre-emptive measures implemented by the Government to address the excess supply situation in the property market will continue to support demand for residential housing.

The relaxation of the Foreign Investment Committee guidelines on foreign acquisition of properties in April 2001 has helped to reduce the property overhang in the subsector. The Government has waived the stamp duty charged for the purchase of residential property from developers registered with the Real Estate and Housing Developers' Association Malaysia, for a period of six months, effective 1 January 2002.

On 27 November 2001, BNM lifted the restriction on the provision of bridging finance for the development of residential properties above RM250,000 and shop houses exceeding RM250,000 per unit located within residential areas, provided the projects have received break-even sales.

Growth in the civil engineering subsector is envisaged to be supported by privatised projects as well as fiscal spending on infrastructure development. Meanwhile, activity in the non-residential subsector would continue to be constrained by excess capacity with activity focused mainly on ongoing projects.

(BNM Annual Report, 2001)

The recovery in private sector investment and fiscal expansion will contribute to growth in the construction sector by 4.3%. The demand for housing, in particular low and medium cost units as well as infrastructure projects in the health and education subsectors and rural development from the RM3 billion pre-emptive measures in March and the recent RM4.3 billion package in September will also contribute towards further growth in this sector.

(Source: Economic Report 2001/2002)

7.4 Prospects of the CCB Group

The Government continued to place priority to the construction of low and medium cost houses to provide affordable housing to all Malaysians. The property and construction industry has been identified by the Government as one of the engines of growth to stimulate the overall economy. The Government has also introduced several measures to boost the industry such as relaxation of the Employees Provident Fund withdrawal criteria for second home purchasers, reduction of personal income tax and the relaxation of Foreign Investment Committee's guidelines on property ownership for foreigners. In addition, the banking sector which provides loan with lower interest rates will further stimulate the growth in demand in the property sector.

CCB Group's core business activities are property development, building construction, property investment and management, civil engineering and manufacture of concrete products. Total land bank is approximately 2,600 acres, out of which 400 acres have been approved for residential, commercial and industrial development, 1,387 acres (i.e. the acquisition) near Ulu Tiram is intended for mixed development in financial year 2005 and 843 acres in Mukim Tanjong Surat, Kota Tinggi is intended for future resorts and mixed development. A substantial portion of the existing land bank was converted from agricultural land acquired at a very low cost in the past. This gives the Group a competitive edge over its competitors in the region in terms of pricing of its properties for sale. Freehold status of its land bank provides additional advantages over other leasehold properties. Competition from other property developers is mitigated by the fact that there is sufficient demand for medium, low medium and low cost residential units in Johor.

Integrated in-house building construction and experienced professional management team ensures that building and construction works are of good quality and completed on time at low costs. Development projects located at Taman Desa Cemerlang, Taman Perindustrian Cemerlang and the proposed Bandar Cemerlang (subject to approval by the Johor State Authority) are near one another, hence there will be substantial savings in management and operational costs.

Good annual profits over the past 10 years give rise to a strong balance sheet. Financial strength is enhanced by the existing development cashflows. The Group's gearing ratio is minimal (i.e. 0.19 times after full conversion of ICULS) even after the Proposed Acquisitions. Existing approved development will generate the necessary profits to reduce bank borrowing and sustain the Group beyond the financial year 2005 when the development on the new land bank is expected to commence. The new land bank from the Proposed Acquisitions with exposure to and access from the Johor Bahru – Kota Tinggi Expressway has strong potential for immediate development. It is strategically located near Singapore, Johor Bahru City, Pasir Gudang port and Senai Airport and is supported by major highways.

The recovery in the domestic economy especially in the palm oil sector will certainly speed up the recovery process. The property market in Johor is expected to remain competitive in the next 1 to 2 years. However, the property market might recover in the short term if the Singapore economy shows positive development and the palm oil industry continues to enjoy good palm oil prices. A positive movement in the Singapore economy would enhance the demand for properties especially after the relaxation of the Foreign Investment Committee guidelines on foreign acquisition of properties in April 2001 as stated in Section 7.3 above.

Owing to the current poor market perception of the property sector, most of the property counters listed in the KLSE are grossly undervalued. Based upon the latest audited financial results as at 31 January 2002, the NTA per share of the CCB Group is RM2.03. The long term prospects and profitability of the CCB group is expected to be good in view of the growth in future profits from the development of the new land bank which is expected to commence after the financial year 2005 in line with the expected growth of the construction and property sector which is expected to be sustained at 2.4% as stated in Section 7.3 above.

8. RELATED PARTY TRANSACTION

The Company had through an EGM held on 28 January 2002, obtained shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations ("Shareholders' Mandate).

The recurrent related party transactions, which are to be covered by the Shareholders' Mandate, are transactions undertaken by the CCB Group relating to the provision to or the procurement from mandated related party of materials and services in the normal course of business of the CCB Group as tabled below. The mandated related parties consist of SKL, PHD, Crescendo Overseas Corporation Sdn. Bhd. and Kim Loong Resources Berhad, of which Loo Geok Eng, Gooi Seong Lim, Gooi Seong Heen, Gooi Seong Chneh, Gooi Seong Gum and Gooi Seow Mee are Directors and substantial shareholders.

Nature of Transaction	Estimated Value for Purchase (RM)*	Estimated Value for Sale (RM)*
Internal audit services	80,000	-
Rental of office	190,200	-
Oil palm fresh fruit bunches	-	@
Management services	-	50,000
Rental of factory	-	60,000
Rental of parking lot	-	6,000
Building materials and construction services	-	#

Notes:

- * The values are estimates based on the audited financial statements for the financial year ended 31 January 2001 and the actual amount transacted may vary.
- @ The estimated value of transactions cannot be determined as it is dependent on the date of vacant possession of certain properties acquired by the CCB Group. The transactions are also seasonal, depending on market prices and production.
- # The estimated value of transactions cannot be determined as the transactions are on a project-by-project basis.

9. WORKING CAPITAL, BORROWINGS AND CONTINGENT LIABILITIES

The Directors of CCB are of the opinion that, after taking into account the proceeds to be raised from the Rights Issue of ICULS and funds generated from its existing operations, the Group will have adequate working capital to finance its present and foreseeable future requirements. As at 30 June 2002, the Group's cash and fixed deposit is approximately RM21.5 million.

As at 30 June 2002 (being the latest practicable date prior to the printing of this Abridged Prospectus), the CCB Group has total borrowings of approximately RM79.8 million. The total outstanding borrowings are categorised as follows: -

Types of borrowings	RM'000
Long term borrowings	
- Interest-bearing	49,375
- Non-interest bearings	-
Short term borrowings	
- Interest-bearing	30,410
- Non-interest bearings	-
Total outstanding borrowings	79,785

There are no material contingent liabilities by reason of any guarantees given by the Group, other than those incurred in the ordinary course of business.

10. SHAREHOLDERS' UNDERTAKING AND UNDERWRITING ARRANGEMENT

The following Directors, substantial shareholders and other shareholders of the Group had on 28 September 2001 given their written irrevocable undertakings to subscribe or cause such other party to subscribe for their entitlement of 32,194,000 ICULS: -

Directors and other shareholders	Number of shares held as at 30 June 2002 *	% of issued and paid-up capital	Estimated number of ICULS entitled to be subscribed	% of the Rights Issue of ICULS
Directors				
Gooi Seong Lim	1,277,026	1.18	511,000	1.18
Loo Geok Eng	1,142,734	1.05	457,000	1.05
Gooi Seong Heen	1,352,026	1.25	541,000	1.25
Gooi Seong Chneh	1,267,026	1.17	507,000	1.17
Gooi Seong Gum	1,311,027	1.21	524,000	1.21
Gooi Seow Mee	1,365,026	1.26	546,000	1.26
Other Shareholders				
SKL	70,595,500	65.07	28,238,000	65.07
PHD	2,175,565	2.01	870,000	2.01
Total	80,485,930	74.20	32,194,000	74.20

Note: -

* *There has been no change in the number of shares held since 28 September 2001)*

The 32,194,000 ICULS to be issued pursuant to the Rights Issue of ICULS in respect of which written irrevocable undertakings have been given by the Directors, certain substantial shareholders and other shareholders above, need not be underwritten.

The remaining 11,204,000 ICULS to be issued pursuant to the Rights Issue of ICULS, representing 25.82% thereof have been underwritten by the Underwriters at an underwriting commission of 3.0% on the Rights Issue of ICULS price. The underwriting commission will be fully borne by the Company.

11. ESTIMATED EXPENSES OF THE RIGHTS ISSUE OF ICULS

The total expenses relating to the Rights Issue of ICULS (inclusive of the total estimated expenses for the Proposals) which will be borne by the Company is estimated as follows: -

Expenses	RM
Professional advisory fee	580,000
SC's processing fee	10,000
KLSE's fee	22,000
Printing and advertisement	48,000
Underwriting commission	336,000
Miscellaneous	204,000
Total	1,200,000

Part of the total estimated expenses relating to the Rights Issue of ICULS (inclusive of the total estimated expenses for the Proposals) amounting to RM1,000,000 will be treated as prepayment in the balance sheet and offset against the share premium reserve account upon completion of the exercise. The balance of RM200,000 has been capitalised as part of the land cost. The estimated expenses will be funded from the current working capital of CCB.

12. TERMS AND CONDITIONS

The issue of ICULS pursuant to the Rights Issue of ICULS is governed by the terms and conditions as set out in the Trust Deed, the Abridged Prospectus and the RSF enclosed herewith.

13. QUOTATION AND DEALINGS

Approval in-principle has been obtained from the KLSE vide its letter dated 24 June 2002 for the listing of and quotation for the ICULS and all new ordinary shares to be issued pursuant to the conversion of the ICULS. Such securities will be admitted to the Official List and official quotation will commence after receipt of confirmation from MCD, through the Registrars that all securities accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all the successful applicants.

The Rights Issue of ICULS is, however, conditional upon the Company having at least one hundred (100) ICULS holders holding not less than one (1) board lot of the ICULS each. This is to fulfil the KLSE Listing Requirements that securities to be listed on the KLSE must be held by at least one hundred (100) holders. In the event that the aforesaid condition is not fulfilled, the Company shall ensure that the unsubscribed ICULS will be placed out to other investors to comply with the said condition.

14. ADDITIONAL INFORMATION

Other financial, general and statutory information relating to the Rights Issue of ICULS are provided in the attached Appendices.

Yours faithfully,
For and on behalf of the Board
CRESCENDO CORPORATION BERHAD

Gooi Seong Lim
Managing Director