

EXTRACT OF THE ORDINARY RESOLUTION PASSED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 8 FEBRUARY 2002

At the Extraordinary General Meeting of the Company held on 8 February 2002, the following Ordinary Resolution pertaining to the Rights Issue of ICULS was passed.

ORDINARY RESOLUTION IV – PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 43,398,000 OF RM1.00 NOMINAL VALUE OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“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

"**THAT** contingent upon the passing of Ordinary Resolutions above and subject to the approval-in-principle being granted by Kuala Lumpur Stock Exchange for the listing of and quotation for the ICULS and all new ordinary shares to be issued hereunder, and any other relevant authorities for the Proposed ICULS, the Directors be and are hereby authorised and directed to allot and issue by way of issuance up to 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 at a date to be determined and announced later by way of provisional allotment to those persons who are registered as shareholders of the Company on a date to be determined by the Directors and to enter into a Trust Deed constituting the ICULS and the conversion price of the ICULS as determined on a basis consistent with Section 5 of the Circular to Shareholders dated 24 January 2002.

AND THAT such new ordinary shares shall, on allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends or distributions declared or otherwise distributed, the record date of which is on or before the date of allotment of the new ordinary shares of RM1.00 pursuant to the Proposed ICULS AND THAT the Directors of the Company be and are hereby further authorised to give effect to the aforesaid issuance of ICULS with full powers to do such acts and things as the Directors may deem fit and expedient in the best interest of the Company or to assent to any conditions, modifications, variations and/or amendments as may be required to provide flexibility for revisions by Directors. For the purpose hereof, record 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."

INFORMATION ON CCB

1. History and Business

CCB was incorporated in Malaysia under the Companies Act, 1965 on 15 September 1995 as a private limited company under the name Crescendo Corporation Sdn Bhd. It was subsequently converted into a public limited company on 15 December 1995 and assumed its present name since then. CCB was listed on the Main Board of the KLSE on 8 April 1997. CCB is principally engaged in investment holding and in the provision of management services to companies in the Group and other related companies. Its subsidiary companies are principally engaged in property development, investment holding, building construction, property investment and management, trading and manufacturing of concrete products, civil engineering works, trading in building materials and providing education services.

2. Share Capital As At 30 June 2002

The present authorised share capital of CCB is RM500,000,000 divided into 500,000,000 ordinary shares of RM1.00 each. Its present issued and paid-up share capital as at 30 June 2002 is RM108,495,930 comprising 108,495,930 ordinary shares of RM1.00 each.

| Date | No. of Ordinary Shares Allotted | Par Value RM | Consideration | Resultant Total Issued And Paid-Up Capital RM |
|------------|---------------------------------|--------------|--|---|
| 15.09.1995 | 7 | 1.00 | Subscribers' shares of RM1.00 each | 7 |
| 25.11.1996 | 55,865,320 | 1.00 | Acquisition of Panoramic Industrial Development Sdn Bhd ⁽¹⁾ | 55,865,327 |
| 25.11.1996 | 42,977,198 | 1.00 | Acquisition of CDSB ⁽²⁾ | 98,842,525 |
| 25.11.1996 | 9,653,405 | 1.00 | Acquisition of Unibase Construction Sdn Bhd ⁽³⁾ | 108,495,930 |

Notes: -

(1) For a purchase consideration of RM64,803,771 satisfied by the issuance of 55,865,320 new ordinary shares of RM1.00 each in CCB at an issue price of RM1.16 per share

(2) For a purchase consideration of RM49,853,550 satisfied by the issuance of 42,977,198 new ordinary shares of RM1.00 each in CCB at an issue price of RM1.16 per share

(3) For a purchase consideration of RM11,197,950 satisfied by the issuance of 9,653,405 new ordinary shares of RM1.00 each in CCB at an issue price of RM1.16 per share

3. Present Substantial Shareholders

Based on the Record of Depositors and/or Notice of Substantial Shareholders' as at 30 June 2002, the shareholdings of the substantial shareholders are as follows: -

| Shareholders | No. Of Ordinary Shares Held Before the Rights Issue ICULS | | | No. Of Ordinary Shares Held After Conversion of ICULS ⁽¹⁾ | | |
|---------------------------------|---|-------|---------------------------|--|-------|----------------------------|
| | Direct No. Of Shares | % | Indirect No. Of Shares | Direct No. Of Shares | % | Indirect No. Of Shares |
| SKL | 70,595,500 | 65.07 | - | 98,833,500 | 65.07 | - |
| PNB | 7,684,000 | 7.08 | - | 10,758,000 | 7.08 | - |
| Gooi Seong Lim ⁽⁴⁾ | 1,277,026 | 1.18 | ⁽²⁾ 72,771,065 | 1,788,026 | 1.18 | ⁽²⁾ 101,879,065 |
| Loo Geok Eng ⁽⁴⁾ | 1,142,734 | 1.05 | ⁽²⁾ 72,771,065 | 1,599,734 | 1.05 | ⁽²⁾ 101,879,065 |
| Gooi Seong Heen ⁽⁴⁾ | 1,352,026 | 1.25 | ⁽²⁾ 72,771,065 | 1,893,026 | 1.25 | ⁽²⁾ 101,879,065 |
| Gooi Seong Chneh ⁽⁴⁾ | 1,267,026 | 1.17 | ⁽²⁾ 72,771,065 | 1,774,026 | 1.17 | ⁽²⁾ 101,879,065 |
| Gooi Seong Gum ⁽⁴⁾ | ⁽³⁾ 1,311,027 | 1.21 | ⁽²⁾ 72,771,065 | ⁽³⁾ 1,835,027 | 1.21 | ⁽²⁾ 101,879,065 |
| Gooi Seow Mee ⁽⁴⁾ | 1,365,026 | 1.26 | ⁽²⁾ 72,771,065 | 1,911,026 | 1.26 | ⁽²⁾ 101,879,065 |

Notes: -

(1) Assuming full conversion of the Rights Issue of ICULS at the conversion price of RM1.00

(2) Deemed interested by virtue of their substantial interest in PHD and SKL. PHD currently holds 2,175,565 CCB's shares or 2.01% shareholding in CCB

(3) Including 266,292 ordinary shares held in bare trust by Malaysia Nominees (Tempatan) Sdn Bhd

(4) Directors of CCB

INFORMATION ON CCB (Cont'd)

4. Particulars of Directors

Particulars Of Directors And Their Shareholdings Based On The Register of Directors' Shareholdings As At 30 June 2002

| Name Of Directors | Address | Age | Occupation | Designation | Nationality | No. Of Ordinary Shares Held Before the Rights Issue ICULS | | | | No. Of Ordinary Shares Held After Conversion of ICULS ⁽¹⁾ | | | | |
|------------------------------------|--|-----|---------------------|--|-------------|---|------|---------------------------|-------|--|------|----------------------------|-------|-------|
| | | | | | | Direct | % | Indirect | % | Direct | % | Indirect | % | |
| Datuk Haji Mohd Zamani bin Samah | 7 Jalan Perwira Century Garden 80250 Johor Bahru Johor Darul Takzim | 79 | Company Director | Non – Executive Chairman | Malaysian | - | - | - | - | - | - | - | - | - |
| Gooi Seong Lim | No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim | 53 | Company Director | Managing Director | Malaysian | 1,277,026 | 1.18 | ⁽²⁾ 72,771,065 | 67.07 | 1,788,026 | 1.18 | ⁽²⁾ 101,879,065 | 67.07 | 67.07 |
| YB. Dato' Haji Mohd Ali bin Hassan | No. 48, Jalan Lurah 2 Kempas Baru 81200 Johor Bahru Johor Darul Takzim | 63 | Company Director | Independent Non – Executive Director | Malaysian | - | - | - | - | - | - | - | - | - |
| Loo Geok Eng (f) | No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim | 82 | Company Director | Executive Director | Malaysian | 1,142,734 | 1.05 | ⁽²⁾ 72,771,065 | 67.07 | 1,599,734 | 1.05 | ⁽²⁾ 101,879,065 | 67.07 | 67.07 |
| Gooi Seong Heen | No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim | 51 | Company Director | Executive Director | Malaysian | 1,352,026 | 1.25 | ⁽²⁾ 72,771,065 | 67.07 | 1,893,026 | 1.25 | ⁽²⁾ 101,879,065 | 67.07 | 67.07 |
| Gooi Seong Gum | No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim | 46 | Company Director | Executive Director | Malaysian | ⁽³⁾ 1,311,027 | 1.21 | ⁽²⁾ 72,771,065 | 67.07 | ⁽³⁾ 1,835,027 | 1.21 | ⁽²⁾ 101,879,065 | 67.07 | 67.07 |

INFORMATION ON CCB (Cont'd)

| Name Of Directors | Address | Age | Occupation | Designation | Nationality | No. Of Ordinary Shares Held Before the Rights Issue of ICULS | | | | No. Of Ordinary Shares Held After Conversion of ICULS ⁽¹⁾ | | | |
|----------------------------------|---|-----|---------------------|---|-------------|--|------|---------------------------|-------|--|------|----------------------------|-------|
| | | | | | | Direct | % | Indirect | % | Direct | % | Indirect | % |
| Gooi Seow Mee (f) | No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim | 45 | Company Director | Executive Director | Malaysian | 1,365,026 | 1.26 | ⁽²⁾ 72,771,065 | 67.07 | 1,911,026 | 1.26 | ⁽²⁾ 101,879,065 | 67.07 |
| Mathew K. Mathai | 27, Jalan SS20/23 47400 Damansara Utama Selangor Darul Ehsan | 68 | Company Director | Non – Executive Director | Malaysian | - | - | - | - | - | - | - | - |
| Gan Kim Guan | No. 8, Jalan Bukit Indah 3/18, Bukit Indah 68000 Ampang Selangor Darul Ehsan | 39 | Company Director | Independent Non – Executive Director | Malaysian | - | - | - | - | - | - | - | - |
| Yeo Jon Tian @ Eeyo Jon Thiam | No. 17, Jalan Bakau Taman Majidee 80250 Johor Bahru Johor Darul Takzim | 61 | Company Director | Independent Non – Executive Director | Malaysian | - | - | - | - | - | - | - | - |
| Gooi Seong Chneh | No. 5, Jalan Biru Enam Taman Pelangi 80400 Johor Bahru Johor Darul Takzim | 47 | Company Director | Chief Executive Officer (Construction Operations) (Alternate Director to Gooi Seong Heen) | Malaysian | 1,267,026 | 1.17 | ⁽²⁾ 72,771,065 | 67.07 | 1,774,026 | 1.17 | ⁽²⁾ 101,879,065 | 67.07 |

(1) Assuming full conversion of the Rights Issue of ICULS at the conversion price of RM1.00

(2) Deemed interested by virtue of their substantial interest in PHD and SKL. PHD currently holds 2,175,565 CCB's shares or 2.01% shareholding in CCB

(3) Including 266,292 ordinary shares held in bare trust by Malaysia Nominees (Tempatan) Sdn Bhd

INFORMATION ON CCB (*Cont'd*)

5. Subsidiary And Associated Companies As At 30 June 2002

| Name of Company | Date and Place of Incorporation | % of Effective Interest | Issued and Paid-Up Capital (RM) | Principal Activities |
|--|---------------------------------|-------------------------|---------------------------------|--|
| Panoramic Industrial Development Sdn Bhd | Malaysia, 12/12/1985 | 100 | 8,820,002 | Property development and investment holding |
| Ambok Resorts Development Sdn Bhd | Malaysia, 04/01/1995 | 100 | 100,000 | Resort development |
| Crescendo Development Sdn Bhd | Malaysia, 11/09/1990 | 100 | 45,430,000 | Property development |
| Unibase Construction Sdn Bhd | Malaysia, 06/09/1975 | 100 | 750,000 | Building construction and investment holding |
| Unibase Corporation Sdn Bhd | Malaysia, 19/05/1995 | 100 | 750,000 | Building construction |
| Repute Ventures Sdn Bhd | Malaysia, 04/07/1996 | 70 | 100,000 | Investment holding |
| Repute Construction Sdn Bhd | Malaysia, 03/01/1998 | 60 | 750,100 | Building construction |
| Repute Corporation Sdn Bhd | Malaysia, 20/11/2001 | 70 | 2 | Dormant |
| Spandek Engineering (Johor) Sdn Bhd | Malaysia, 26/12/1997 | 34 | 3,200,000 | Dormant |
| Unibase Concrete Industries Sdn Bhd | Malaysia, 22/03/1996 | 60 | 500,000 | Trading and manufacturing of concrete products |
| Unibase Jaya Sdn Bhd | Malaysia, 24/05/1996 | 60 | 750,000 | Civil engineering works |
| Unibase Trading Sdn Bhd | Malaysia, 03/01/1998 | 60 | 100,000 | Trading of building materials |
| Crescendo Education Sdn Bhd | Malaysia, 01/12/1998 | 100 | 2 | Investment holding |
| KTC Academy Sdn Bhd | Malaysia, 04/10/1995 | 60 | 200,000 | Providing education services |
| Crescendo Commercial Complex Sdn Bhd | Malaysia, 24/12/1996 | 100 | 6 | Property investment |

INFORMATION ON CCB (Cont'd)

6. Historical Financial Information

6.1 Profit and Dividend Record

| | < -----Audited----- > | | | | | Unaudited for the period ended 30 April 2002 ^(vi) (‘000) |
|---|---|-----------|------------|-----------|----------|---|
| | < -----Financial Year Ended 31 January (RM‘000) ----- > | | | | | |
| | (i) 1998 | (ii) 1999 | (iii) 2000 | (iv) 2001 | (v) 2002 | |
| Revenue | 79,289 | 77,258 | 62,161 | 59,863 | 62,109 | 17,733 |
| Earnings before interest, depreciation, taxation and amortisation | 34,209 | 30,085 | 20,863 | 16,925 | 19,660 | 4,030 |
| Finance cost | (39) | (181) | (160) | (92) | (59) | (28) |
| Depreciation and amortisation | (603) | (670) | (685) | (833) | (897) | (235) |
| Profit before tax and exceptional items (“EI”) | 33,567 | 29,234 | 20,018 | 16,000 | 18,704 | 3,767 |
| Share of loss in associated companies | - | (79) | (14) | (4) | - | - |
| Exceptional items ^(vi) | (4,739) | (780) | 1,718 | (1,304) | (957) | 727 |
| Profit before tax ⁽ⁱ⁾ | 28,828 | 28,375 | 21,722 | 14,692 | 17,747 | 4,494 |
| (Tax)/overprovision | (9,237) | 143 | (5,023) | (4,697) | (5,903) | (961) |
| Profit after tax | 19,591 | 28,518 | 16,699 | 9,995 | 11,844 | 3,533 |
| Minority interest (“MI”) | (270) | (443) | (14) | (498) | (85) | (62) |
| Pre-acquisition profits | - | (9) | - | - | - | - |
| Profit after tax and MI and pre-acquisition profits | 19,321 | 28,066 | 16,685 | 9,497 | 11,759 | 3,471 |
| Extraordinary items | - | - | - | - | - | - |
| Profit after tax and MI and pre-acquisition profits and extraordinary items | 19,321 | 28,066 | 16,685 | 9,497 | 11,759 | 3,471 |
| No. of ordinary shares in issue (‘000) | 108,496 | 108,496 | 108,496 | 108,496 | 108,496 | 108,496 |
| Gross EPS (RM) | 0.27 | 0.26 | 0.20 | 0.14 | 0.16 | 0.04 |
| Net EPS (RM) | 0.18 | 0.26 | 0.15 | 0.09 | 0.11 | 0.03 |
| NTA | 167,796 | 191,930 | 204,706 | 212,329 | 220,183 | 223,654 |
| NTA per share (RM) | 1.55 | 1.77 | 1.89 | 1.96 | 2.03 | 2.06 |
| Gross dividend rate (%) | 10 | 5 | 5 | 5 | 5 | - |

INFORMATION ON CCB (Cont'd)

Notes: -

- (i) Compared with the last financial period, the decrease of RM18.5 million in profit before tax and exceptional items was principally due to slowdown in the construction and property sector triggered by currency weakness, regional economic turmoil, rising interest rate and Bank Negara Malaysia's credit curbs on property sectors.
- (ii) The drop in profit before tax and exceptional items was mainly due to higher discounts to promote sales of the Group's properties.
- (iii) The drop in revenue is mainly attributable to the decline in the sales of residential property. The drop in operating profit was mainly due to higher discounts offered since the second half of the financial year 1999 to promote sales of the Group's properties.
- (iv) The revenue dropped slightly by 3.7% mainly due to the decline in the sales of industrial property. The drop in profit before tax from was mainly due to the higher contribution from the construction activity and sales of low and low medium cost flats which have a lower profit margin as compared to industrial and other types of residential property.
- (v) The marginal increase of 2% in revenue is mainly contributed by the increase in the sales of medium and low medium cost residential properties valued below RM200,000. The 21% increase in profit before tax of RM3.1 million as compared to prior financial year is mainly due to the higher profit before tax margin. The improved profit before tax margin was contributed by higher proportion of factory and double storey terrace houses sales which profit margin is higher as compared to low and low medium cost flats costing below RM50,000.
- (vi) The profit before tax of the Group increased significantly by 80% to RM4.5 million in the first quarter of this financial year as compared to the preceding quarter. The higher profit before tax is mainly contributed from the industrial property operations which recorded a jump of approximately 1.2 times higher than the preceding quarter profit before tax mainly due to the higher industrial property sales and the exceptional gain from disposal of quoted investment of RM0.7 million.
- (vii) The exceptional items are as follows: -

| | 1998 | 1999 | 2000 | 2001 | 2002 | Unaudited for the period ended 30 April 2002 |
|---|---------|--------|--------|---------|---------|--|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Gain on disposal of quoted investments | 138 | - | 1,718 | (123) | 514 | 727 |
| Diminution in value of quoted investments | (4,877) | (780) | - | (1,181) | - | - |
| Diminution in value of shares in associated companies | - | - | - | - | (1,471) | - |
| | (4,739) | (780) | 1,718 | (1,304) | (957) | 727 |

Diminution of value of quoted investments is provided only when in the opinion of directors that there has been a permanent decline in value.

INFORMATION ON CCB (Cont'd)

6.2 Segmental Analysis of CCB Group's Revenue and Profits

| | -----Audited-----> | | | | | | | | | |
|---------------------------------------|---|---------------|---------------|---------------|---------------|---|---------------|---------------|---------------|---------------|
| | <-----Financial Year Ended 31 January-----> | | | | | -----Unaudited for the period ended-----> | | | | |
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2002 | 2002 | 2002 | 2002 | 30 April |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | 2002 |
| | % of total | % of total | % of total | % of total | % of total | % of total | % of total | % of total | % of total | % of total |
| | revenue | revenue | revenue | revenue | revenue | revenue | revenue | revenue | revenue | revenue |
| | and profits | and profits | and profits | and profits | and profits | and profits | and profits | and profits | and profits | and profits |
| Revenue | | | | | | | | | | |
| Property development | | | | | | | | | | |
| - Industrial properties | 61,606 | 23,246 | 43,291 | 31,789 | 25,326 | 40.78 | 6,599 | 37.21 | | |
| - Residential / commercial properties | 6,614 | 49,153 | 7,307 | 7,568 | 23,347 | 37.59 | 7,531 | 42.47 | | |
| Construction activities | 5,092 | 1,590 | 8,679 | 16,736 | 9,833 | 15.83 | 2,853 | 16.09 | | |
| Manufacture of concrete products | 4,989 | 2,865 | 2,464 | 3,178 | 2,892 | 4.66 | 489 | 2.76 | | |
| Management services and others | 988 | 404 | 420 | 592 | 711 | 1.14 | 261 | 1.47 | | |
| Total | 79,289 | 77,258 | 62,161 | 59,863 | 61,109 | 100.00 | 17,733 | 100.00 | 100.00 | 100.00 |
| Profit / (Loss) Before Tax | | | | | | | | | | |
| Property development | | | | | | | | | | |
| - Industrial properties | 25,467 | 9,281 | 20,621 | 11,538 | 9,124 | 51.41 | 3,079 | 68.51 | | |
| - Residential / commercial properties | 3,231 | 21,096 | 1,557 | 1,132 | 8,192 | 46.16 | 1,014 | 22.57 | | |
| Construction activities | 1,482 | 586 | 760 | 3,147 | 1,517 | 8.55 | 711 | 15.83 | | |
| Manufacture of concrete products | 355 | 145 | 139 | 159 | 263 | 1.48 | (25) | (0.57) | | |
| Management services and others | (1,707) | (2,733) | (1,355) | (1,284) | (1,349) | (7.60) | (285) | (6.34) | | |
| Total | 28,828 | 28,375 | 21,722 | 14,692 | 17,747 | 100.00 | 4,494 | 100.00 | 100.00 | 100.00 |

Note: - CCB does not expect changes in the relative contributions of the various industry segments to have any material effect to the Group's revenue and profitability in the forecast or anticipated in future

INFORMATION ON CCB (*Cont'd*)

7. Historical Share Prices

| | High RM | Low RM |
|--|------------|-----------|
| 2001 | | |
| July | 1.28 | 0.91 |
| August | 1.15 | 1.01 |
| September | 1.06 | 0.85 |
| October | 1.02 | 0.91 |
| November | 1.04 | 0.91 |
| December | 1.05 | 0.91 |
| 2002 | | |
| January | 1.25 | 0.98 |
| February | 1.15 | 1.03 |
| March | 1.29 | 1.02 |
| April | 1.50 | 1.29 |
| May | 1.49 | 1.36 |
| June | 1.40 | 1.15 |
| The last transacted price of CCB Shares on 19 September 2001, being the last transacted price on the date immediately prior to the announcement of the Rights Issue of ICULS | | 0.91 |
| The last transacted market price of CCB Shares on 27 November 2001, being the latest practicable date prior to the approval from the SC vide their letter dated 28 November 2001 | | 1.00 |
| The last transacted market price of CCB Shares on 8 July 2002, being the last transacted price on the date immediately prior to the ex-date | | 1.16 * |
| The last transacted market price of CCB Shares on 11 July 2002, being the latest practicable date prior to the printing of this Abridged Prospectus | | 1.23 |

Note: -

* *there has been no adjustments to the market price of the CCB shares on the ex-date (i.e. 9 July 2002) as adjustments is only required for shares with voting rights*

(Source: Investors' Digest and New Straits Times)

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VALUATION CERTIFICATE

(Prepared for inclusion in this Abridged Prospectus)**CLEMENT & CO** Property ConsultantsChartered Valuers, Estate Agents & Property Managers
VE(3)0112

The Board of Directors,
CRESCENDO CORPORATION BHD.
Lot 18.02 18th Floor
Public Bank Tower
Jalan Wong Ah Fook
80000 JOHOR BAHRU

10 July 2002

Dear Sirs,

VALUATION OF PROPERTIES BELONGING TO CRESCENDO CORPORATION BHD.

Parcel 1) Part of Lot 577(363) whole Lot 1788 (838),
Grant 12642 and 7825,
Mukim and District of Kota Tinggi, Johor
and
Part Lots 804 and 806
Grant 23043 and 23045,
Mukim of Tebrau,
District of Johor Bahru, Johor.

Parcel 2) Part Lot 806 (Plot 6)
Grant 23045
Mukim of Tebrau,
District of Johor Bahru, Johor

This letter has been prepared for inclusion in the prospectus of CRESCENDO CORPORATION BHD. ("CCB") to be dated 17th July 2002

The valuation has been carried out in accordance to the "Guidelines on Assets Valuation" prescribed by the Securities Commission" and the Manual of Valuation Standards prescribed by the Board of Valuers, Appraisers and Estate Agents.

In accordance with the instructions from CCB, we have valued the properties based on the **Open Market Value**. *'Open Market Value' is the estimated price for which an asset should exchange hands on the specified date of Valuation, between a willing buyer and a willing seller concluded through an arm's length transaction in an open market wherein the parties acted knowledgeably, prudently and without compulsion.*

The method of valuation used is the **Comparison Method of Valuation**.

We have personally inspected the subject properties on 21st June 2001 and 19th July 2001 respectively.

VALUATION CERTIFICATE (Cont'd)



CLEMENT & CO Property Consultants
Chartered Valuers, Estate Agents & Property Managers
VE(3)0112



In our opinion the open market value of the properties identified below, free from all encumbrances and with vacant possession as at June 2001 is as follows:

| Particulars | Valuation Report Ref. No. | Land Area | Description And Tenure | Date of Valuation | Market Value |
|---|---------------------------|-----------------------|--|------------------------------|---|
| Parcel 1 Part of Lot 577(363), whole Lot 1788 (838), Grant 12642 and 7825, Mukim and District of Kota Tinggi, Johor and Part Lots 804 and 806 Grant 23043 and 23045, Mukim of Tebrau, District of Johor Bahru, Johor. (about 22 km north-east of the City of Johor Bahru) | V/001/10 | 1199.65 acres | Agricultural land with mixed development potential Freehold | 30 th June 2001 | RM105,570,000 (One hundred and five million, five hundred and seventy thousand only) |
| Parcel 2 Part Lot 806 (Plot 6) Grant 23045 Mukim of Tebrau, District of Johor Bahru, Johor (about 22 km north-east of the City of Johor Bahru) | V/001/11 | 119.131 acres | Agricultural Land with mixed development potential Freehold | 30 th August 2001 | RM16,700,000 (Sixteen million and seven hundred thousand only) |
| | Total | 1318.781 acres | | | RM122,270,000 (One hundred and twenty two million, two hundred and seventy thousand only) |

Yours faithfully,

Dr. CLEMENT I. FERNANDEZ Reg. Valuer (V-126)
BSc (Est Mgmt); FRICS; FISM

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS

(As extracted from the draft Trust Deed)

The issue of the ICULS has been authorised by an Ordinary Resolution of the shareholders of the Company passed on 8 February 2002. The ICULS to be issued have been constituted by a Trust Deed made between the Issuer and the Trustee which contains, inter alia, provisions to the following effect. Unless the context otherwise required, all the definitions shall have the same meaning ascribed to them in the Trust Deed.

THE 2002/2007 ICULSs

2.1 **Principal Terms of 2002/2007 ICULSs:** Subject to the terms of these presents, the 2002/2007 ICULSs shall: -

- (a) be Irredeemable Convertible Unsecured Loan Stocks 2002/2007 with an aggregate nominal value of up to Ringgit Malaysia Forty-Three Million Three Hundred and Ninety-Eight Thousand (RM43,398,000.00) only outstanding at any one time;
- (b) bear the Interest payable pursuant to and in accordance with the provisions of **Clause 4**;
- (c) be valid from the Issue Date until the Maturity Date or cancellation or conversion or earlier conversion in accordance with the provisions hereunder;
- (d) have a tenure of five (5) years;
- (e) be convertible into new Shares during the Conversion Period;
- (f) be automatically converted into new Shares on the Maturity Date at the Conversion Rate;
- (g) be listed, quoted and freely tradable and transferable on the KLSE in accordance with the relevant rules and regulations thereof; and
- (h) be deposited with the Central Depository in accordance with the Central Depositories Act and the Rules.

2.2 **Unsecured Obligations:** The 2002/2007 ICULSs shall constitute direct, unconditional and unsecured obligations of the Company and shall, as between the Holders, rank *pari passu* and rateably in all respects without preference or priority amongst themselves.

2.3 **Subordinated obligations:** The rights of the Holders 2002/2007 of the ICULSs are subordinated and rank (subject to such exception as may from time to time exists under prevailing law) after all other present and future unsecured obligations of the Company from time to time outstanding.

INTEREST

4.1 **Interest:** The Company covenants with the Trustee that until the Maturity Date or unless previously cancelled or converted in accordance with the provisions herein contained, it shall in the meantime pay to the Paying Agent or to its order in accordance with the provisions herein contained for its distribution to the Holders in Ringgit Malaysia and in immediately available and freely transferable funds (as well after as before any judgment or other order of a court of competent jurisdiction) the Interest on the 2002/2007 ICULSs (less any withholding tax which is required to be deducted pursuant to **Clause 4.4**) annually in arrears on each Interest Payment Date or in the case that such 2002/2007 ICULSs shall have been cancelled or converted in accordance with the provisions herein contained prior to the Maturity Date, up to but excluding the date of cancellation or conversion, as the case may be, of such 2002/2007 ICULSs.

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

- 4.3 **Satisfaction Pro Tanto:** Every payment by the Company to the Paying Agent in respect of the Interest shall operate in satisfaction pro tanto of the covenant by the Company contained in **Clause 4.1**.
- 4.5 **Default Interest:** If on any of the due dates for payment of the Interest, payment of the Interest is improperly withheld or refused or in any other event, the Company defaults in respect of any payment due under the 2002/2007 ICULSs, the Company shall pay or cause to be paid to the Holders through the Paying Agent, default interest on the amount of the payment so withheld, refused or defaulted upon from the date such payment is due up to the date on which such payment is made in full (as well after as before any judgment or other order of a court of competent jurisdiction) at the rate which shall be the aggregate of (i) zero point five percentum (0.5%) per annum and (ii) the rate of the Interest of the 2002/2007 ICULSs. The default interest shall be calculated on the basis of actual days elapsed and a three hundred and sixty-five (365) days year. The provisions of **Clause 5** shall apply mutatis mutandis for payment of default interest.

CONVERSION RIGHT

- 6.1 (a) **Conversion Right:** The Company covenants with the Trustee that it shall:-
- (i) upon receipt of the Notice of Conversion during the Conversion Period issue new Shares at the Conversion Rate for the nominal value of the 2002/2007 ICULSs stated in the Notice of Conversion; and
 - (ii) on Maturity Date issue new Shares at the Conversion Rate for all remaining 2002/2007 ICULSs outstanding on the Maturity Date. In this respect, notice of the Maturity Date shall be given by the Company to each Holder at least thirty (30) days prior to the Maturity Date and simultaneously by way of advertisement published in national daily newspapers in the main languages circulating generally throughout Malaysia addressed to all Holders.

For the avoidance of doubt, a Holder may exercise the Conversion Right at any time and from time to time within the Conversion Period in respect of all or part of the 2002/2007 ICULSs held by him.

- (b) **Mode of Conversion:** Prior to the Maturity Date, the Conversion Rate shall be satisfied by the following modes:
- (i) surrendering the 2002/2007 ICULSs for the equivalent number of new Shares at the Conversion Rate; or
 - (ii) surrendering Ringgit Malaysia One (RM1.00) nominal value of the 2002/2007 ICULSs together with an additional cash payment (being the Conversion Rate minus Ringgit Malaysia One (RM1.00) nominal value per 2002/2007 ICULS) for each new Share.

On the Maturity Date, the Conversion Rate shall be satisfied by surrendering the 2002/2007 ICULSs for the equivalent number of new Shares at the Conversion Rate.

6.2 Notice of Conversion:

- (a) To exercise the Conversion Right, the Holder must give to the Company the Notice of Conversion during the Conversion Period. The Notice of Conversion in order to be valid and effective, must:

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

- (i) be in writing and be signed by the Holder; and
- (ii) be delivered to and received by the Company at its registered office TOGETHER WITH such other documents or evidence (if any) as the Directors may require to prove the title of the person exercising the Conversion Right.

A Notice of Conversion which does not comply with the foregoing provisions may at the discretion of the Company be deemed void and not given.

- (b) A valid Notice of Conversion once delivered may not be withdrawn without the consent in writing of the Company.

ADJUSTMENT OF CONVERSION RATE

7.1 **Adjustment of Conversion Rate:** The Conversion Rate shall from time to time be adjusted by the Directors on the basis set out in **Schedule 4** in any of the following cases:-

- (a) an alteration of the par value of the Shares by reason of any consolidation, subdivision or conversion; or
- (b) an issue by the Company of Shares to shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund); or
- (c) a capital distribution to shareholders made by the Company whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or not represented by available assets); or
- (d) an offer or invitation made by the Company to shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (e) an offer or invitation made by the Company to shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares.

LIMITATIONS ON BORROWINGS

9.1 **Limitations:** The Company covenants with the Trustee that the Company will procure and ensure that so long as any of the 2002/2007 ICULS remain outstanding, neither the Company nor any of its Subsidiaries shall, save with the previous sanction of an ordinary resolution of the Holders, borrow any sum or sums of monies if the borrowings thereof would cause or have the effect that the aggregate amount owing (whether before or after any such borrowings) by the Group, secured and unsecured, exceeds or would exceed two hundred percentum (200%) of the Shareholders' Funds as disclosed in the latest audited consolidated balance sheet of the Group.

COVENANTS AS REGARDS ISSUE OF SHARES

11.1 **Restrictive Covenants:** The Company further covenants with the Trustee that during the continuance of these presents, it shall not without the prior sanction of an ordinary resolution of the Holders:

- (a) reduce its equity share capital or any uncalled liability in respect thereof or any share premium account or capital redemption reserve fund (except as permitted by law);

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

- (b) modify the rights attaching to its share capital or create or issue any Shares which as regards rights to voting, dividends or capital has more favourable rights than those attached to the Shares in issue on the date hereof,
 - (c) other than under the employee share option scheme or bonus or rights issues, allot any Shares which exceeds at any one time ten percentum (10%) of the issued share capital of the Company otherwise than by the allotment of fully paid Shares to the shareholders of the Company; and
 - (d) distribute any capital profits or capital reserves otherwise than as a distribution permitted under the preceding sub-clause.
- 11.2 **Limitations:** Notwithstanding the provisions of **Clause 11.1**, it is expressly declared and agreed that the provisions of **Clause 11.1** shall not apply to the following:-
- (a) an issue of Shares or other securities or rights to acquire or subscribe for Shares to employees, including Directors, of the Company or any of its Subsidiaries pursuant to purchase or option schemes approved by its members in general meeting;
 - (b) an issue of Shares or other securities convertible into Shares or securities with rights to acquire or subscribe for Shares, in full or part consideration for the purchase or acquisition of any securities, property, assets or business;
 - (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares for cash or consideration other than for cash in conformity to any economic or other policy of the Government of Malaysia or other appropriate authority;
 - (d) an issue of Shares arising from the conversion of the 2002/2007 ICULSs;
 - (e) an issue of Shares or other securities convertible into Shares or securities with rights to acquire or subscribe for Shares by way of a rights issue or an issue of shares arising from the exercise of any warrants issued by the Company prior to the date hereof or at any time and from time to time; and
 - (f) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares to Bumiputra investors pursuant to a special issue approved by the relevant authorities and the members of the Company at a general meeting;
- 11.3 **Issue of Shares to Shareholders:** Subject to **Clause 6** and **Clause 7**, in the event of any issue of Shares to the shareholders of the Company pursuant to **Clauses 11.1(c), 11.1(d), 11.2(a), 11.2(b), 11.2(c), 11.2(e)** and **11.2(f)**, the Company shall be under no obligation to offer to the Holders any right to participate in such issue of Shares nor shall the Conversion Rate and/or Conversion Right be affected or altered.
- 11.4 **Sufficient Authorised Share Capital:** The Company shall keep available for issue, sufficient authorised share capital for the purposes of enabling the Company to fulfil its obligations to the Holders upon their respective exercise of the Conversion Right, that is to say, to satisfy in full the number of Shares required to be issued and allotted upon the exercise by the Holders of the Conversion Right.
- 11.5 **Quotation of Shares:** The Company shall use its best endeavours to obtain the approval of the KLSE for the listing of and quotation for the 2002/2007 ICULS and the Shares issued on conversion, on the KLSE, and shall do and procure all other persons or companies, if necessary, to execute and do all such further deeds, assurances, acts and things as may be required for the issuance of the 2002/2007 ICULSs and the listing of and quotation for the 2002/2007 ICULS and the Shares issued on conversion, on the KLSE.

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

RIGHT TO ISSUE FURTHER SHARES

- 12.1 **Right to issue further shares:** Nothing herein provided shall prevent the Company from issuing shares to its members either for cash or as a bonus distribution during the period the 2002/2007 ICULSs have not been fully converted PROVIDED ALWAYS THAT the Conversion Right shall not be affected nor shall the Company be under any obligation to offer or invite or give to the Holders the right to subscribe in cash for or purchase such Shares or other securities of the Company save that there shall be an adjustment to the Conversion Rate in accordance with **Clause 7**.
- 12.2 **General Offer for Shares of the Company:** If any general offer for Shares is made to the shareholders of the Company before the Maturity Date, the Company shall be at liberty (but shall not be obliged) to procure to be made a like offer to the Holders as if the 2002/2007 ICULSs had been converted into Shares at the Conversion Rate.

EVENTS OF DEFAULT

- 13.1 Each of the following shall be an Event of Default:-
- (a) **Non-Payment:** the Company fails to pay the Interest on the 2002/2007 ICULSs on the Interest Payment Dates; or
 - (b) **Breach of Undertaking:** the Company commits or threatens to commit a breach of any covenant term stipulation or undertaking herein contained or in the Issue Documents or any other documents between the Trustee and the Company or any other party and executed pursuant to or referred to in these presents or in the Issue Documents and on the part of the Company to be observed and performed and in the reasonable opinion of the Trustee the Company has failed to remedy or take adequate steps to remedy the same within fourteen (14) Market Days after receipt of written notice from the Trustee; or
 - (c) **Misrepresentation and Inaccuracy In Warranty:** any representation or warranty made in connection with the execution and delivery of these presents and/or the Issue Documents shall be found to have been incorrect in any material respect and shall continue to be incorrect for a period of fourteen (14) Market Days after receipt of written notice thereof shall have been given to the Company by the Trustee; or
 - (d) **Repudiation:** the Company repudiates these presents and/or the Issue Documents or the Company does or causes to be done any act or thing evidencing an intention to repudiate these presents and/or the Issue Documents; or
 - (e) **Cessation of business:** the Company and/or its Subsidiaries suspend or threaten to suspend a substantial part of their present business operations which the Company and/or its Subsidiaries now conduct directly or indirectly, or any governmental authority expropriates or threatens to expropriate all or part of the assets of the Company or its Subsidiaries, and the result of any of the foregoing will, in the reasonable determination of the Trustee, materially and adversely affect the financial condition or the ability of the Company to observe or perform any of its obligations under these presents and/or the Issue Documents; or
 - (f) **Disposal of Assets:** the Company and/or its Subsidiaries sell, transfer, lease or otherwise dispose of, or in any way cease to exercise control over, or threaten to sell, transfer, lease or otherwise dispose of, or in any way cease to exercise control over, whether by a single transaction or a number of transactions, related or not, the whole or part [being in aggregate twenty five percentum (25%) of the Shareholders' Funds as disclosed in the latest audited consolidated balance sheet of the Group] of their respective assets and undertakings other than in the ordinary course of business or trade or their controlling interest in their subsidiaries hereafter to be acquired; or

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

- (g) **Insolvency:** the Company and/or its Subsidiaries are deemed unable to pay any of their respective debts within the meaning of Section 218(2) of the Companies Act 1965 or become unable to pay any of their respective debts as they fall due or suspend or threaten to suspend making payments (whether of principal or interest) with respect to all or any class of their respective debts; or
- (h) **Composition, winding up:** the Company and/or its Subsidiaries convene a meeting generally of their respective creditors or propose or make any arrangement or composition under Section 176 of the Companies Act with, or any assignment for the benefit of, their respective creditors generally or a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken for making an administration order against or for the winding-up of the Company and/or its Subsidiaries (other than for the purpose of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such reconstruction the Company and/or its Subsidiaries become or are declared to be insolvent); or
- (i) **Appointment of receiver, legal process:** an encumbrancer takes possession of, or a trustee or administrative or other receiver or similar officer is appointed in respect of, all or any part of the assets, business or undertakings of the Company and/or its Subsidiaries, or distress or any form of execution is levied, enforced or sued out against any of such assets, business or undertakings and is not discharged within fourteen (14) Market Days after being levied, enforced or sued out, or any Security Interest which may for the time being affect any of the said assets, business or undertakings becomes enforceable; or
- (j) **Judgment:** a judgment is obtained against the Company and/or its Subsidiaries and such event has or could have a material adverse effect on the Company and/or its Subsidiaries or the Company and/or its Subsidiaries shall fail to satisfy any judgment passed against the Company and/or its Subsidiaries by any court of competent jurisdiction, and no appeal against such judgment is pending in any appropriate appellate court in Malaysia; or
- (k) **Nationalisation or Government Action:** all or a substantial (as determined by the Trustee in its absolute discretion) part of the assets, business and undertakings of the Company and/or its Subsidiaries is seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body or any person or entity acting under any governmental authority save where adequate compensation has been paid, or any such body, person or entity curtails the authority of the Company and/or its Subsidiaries in the overall conduct of their respective business or operations; or
- (l) **Analogous Proceedings:** anything analogous to any of the events or states of affair set out in **Clauses 13.1 (g), (h), (i), (j) and (k)** occurs under any applicable laws; or
- (m) **False Financial Statements:** the Company and/or its Subsidiaries shall have furnished false financial statements or other data required by the Trustee; or
- (n) **Qualified Financial Statements:** any of the financial statements delivered to the Trustee shall be qualified by the Auditors that in its reasonable view, the Company and/or its Subsidiaries cannot continue to operate as on-going concerns; or
- (o) **Cross-Default:** any loan debt guarantee or other obligation whatsoever constituting indebtedness of the Company and/or its Subsidiaries become due and if such indebtedness shall not be paid when due, or is capable of being declared due prior to its scheduled maturity (by demand acceleration or otherwise) or any guarantee of the Company and/or its Subsidiaries is not discharged at maturity or when called or if the Company and/or its Subsidiaries are otherwise in breach of or default under any agreement, instrument, deed or mortgage under or pursuant to which such indebtedness or guarantee was created, incurred or assumed, or if any securities created for any other indebtedness becomes enforceable; or

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

- (p) **Inability:** an event or events has or have occurred or a situation exists which could or might, prejudice the ability of the Company to perform any of its obligations hereunder or under the Issue Documents in accordance with the terms thereof; or
- (q) **Moratorium:** the Company and/or its Subsidiaries enter into or propose to enter into, or there is declared by any competent court or authority, a moratorium on the payment of indebtedness or other suspension of payments generally; or
- (r) **Jeopardy:** any securities which may be provided hereafter is in jeopardy or if an event or events have occurred or a situation exists or arises which, gives reasonable ground for believing that any security from time to time held by or available to the Company in respect of or on account of the 2002/2007 ICULSs (or any part thereof) is in jeopardy; or
- (s) **Suspension by KLSE:** the 2002/2007 ICULSs are hereafter secured by a charge of shares of companies listed and quoted by the KLSE or any other Stock Exchange, the trading of such public quoted shares is suspended by the respective Stock Exchange whether such suspension is at the request of the Company or otherwise, and the period of such extension exceeds ten (10) days or such time frame as shall be allowed by the Stock Exchange, whichever is earlier;
- (t) **Invalidity and/or Unenforceability:** any provision of these presents and/or the Issue Documents is or becomes, for any reason, invalid or unenforceable and/or any of the Issue Documents is rejected for registration or otherwise fails to be registered with the Registry of Companies and/or the relevant authorities, as the case may be, for any reason whatsoever; or
- (u) **Adverse Event(s):** any event or events has or have occurred which, in the opinion of the Trustee, could or might prejudice the ability of the Company to perform its obligations under the Issue Documents; or
- (v) **Consent:** any consent, authorisation, licence or approval of or registration with or declaration to governmental or public authorities or bodies or courts (if any) required by the Company and/or its Subsidiaries to authorise, or in connection with the execution, issue, sale, delivery, validity, enforceability or admissibility in evidence of these presents and/or the Issue Documents and/or the performance by the Company under these presents or the Issue Documents, as the case may be, is or are modified to such degree as would be materially prejudicial to the interests of the Trustee or the Holders or is or are not granted or is or are revoked, terminated, expired, not renewed and/or otherwise cease to be in full force and effect.

AUTHORISATION AND WAIVER OF BREACHES

- 25.1 **Authorisation and Waiver:** The Trustee may, without the consent of the Holders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders will not be materially prejudiced thereby, authorise or waive, on and subject to such terms and conditions as it shall seem fit, any breach or proposed breach by the Company of any of the provisions, terms and conditions of these presents PROVIDED ALWAYS that the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given to it by a special resolution of the Holders (such direction not being inconsistent with any of the express terms and conditions of these presents) but no such direction shall affect any such authorisation or waiver previously given or made. Any such authorisation or waiver shall be binding upon the Holders.

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

MODIFICATION OF TRUST DEED

- 31.1 **Modification of Trust Deed:** For the purpose of giving effect to the preceding Clause, the Trustee may approve any amendment of or addition to, substitution of, or modification of these presents including any amendment or modification consequent upon changes in the laws governing these presents, or the cancellation of these presents and the substitution therefore of a new trust deed or other instrument and may if appropriate approve the appointment by the Company of any new or substitute trustee of any such amended, modified or substituted trust deed or instrument, provided that the Trustee is satisfied that the rights and interests of the Holders are properly safeguarded and that, having regard to the Company's Successor and to the jurisdiction and law applicable to the Company's Successor, the rights and interests of the Holders under the amended, modified or substituted trust deed or other instrument are, as nearly as is practicable, the same as or comparable to the rights and interests of the Holders under these presents.
- 31.2 **Without Consent:** In addition to and not in derogation of the foregoing the Trustee may at any time without any consent on the part of the Holders concur with the Company in making any modification to these presents provided that the Trustee shall be of the opinion that such modification shall not be materially prejudicial to the interests of the Holders or is necessary to correct manifest error.
- 31.3 **Approval from the Authorities:** Any such modifications shall be subject to the approval of the SC, the Companies Commission of Malaysia and the KLSE (if any are required) and as soon as practicable thereafter be notified to the Holders by the Company in the manner provided in these presents and shall be binding upon them.

ISSUE OF FURTHER LOAN STOCKS

- 33.1 **Entitlement to Issue Further Loan Stocks:** Subject to the provisions of **Clause 11** and this **Clause 33**, the Company shall be entitled from time to time and at any time subject to the approvals of the relevant authorities and the shareholders to issue further loan stocks and for such purpose, shall be at liberty at any time and from time to time create and issue further loan stocks either identical in all respects with the 2002/2007 ICULSs and so that the same shall be consolidated and form a single series with the 2002/2007 ICULSs and rank *pari passu* with the 2002/2007 ICULSs in all respects or otherwise upon such terms and conditions as to conversion and otherwise as the directors of the Company may think fit PROVIDED THAT whenever it is proposed to create and issue any further loan stocks to form a single series with the 2002/2007 ICULSs and to rank *pari passu* in all respects with the 2002/2007 ICULSs, the Company shall first obtain the consent of the Holders by way of special resolution to the creation and issue of such further loan stocks and PROVIDED FURTHER THAT whenever it is proposed to create and issue any further loan stocks pursuant to the provisions of this Clause which is proposed to be constituted by a deed supplemental to these presents the Company shall give to the Trustee not less than fourteen (14) days' notice in writing of its intention so to do stating the amount of the further loan stocks proposed to be created and issued as aforesaid.
- 33.2 **Issue by Executing Further Deed:** Any further loan stocks created and issued pursuant to the provisions of this Clause so as to form a single series with the 2002/2007 ICULSs shall be constituted by a deed supplemental to this Trust Deed. In any such case the Company shall prior to the issue of such further loan stocks to be so constituted as aforesaid or as soon as practicable thereafter execute and deliver to the Trustee a duly stamped deed supplemental to these presents and containing covenants by the Company in form and substance similar or corresponding to the covenants herein contained, *mutatis mutandis*, in respect of such further loan stocks and containing such other provisions (corresponding to any of the provisions contained in these presents) as the Trustee may reasonably require.
- 33.3 **Memorandum of Further Deed:** A memorandum of every deed supplemental to these presents shall be endorsed by the Trustee on these presents and by the Company on the duplicate of these presents.

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

- 33.4 **Applicable Provisions:** The provisions of **Clauses 15 to 24 (inclusive), 27, 32 and 33** shall apply separately in relation to each series of loan stocks and in such Clauses the expressions "**2002/2007 ICULSs**" and "**Holders**" shall be construed accordingly.
- 33.5 **Proviso for the Issue of Further Loan Stocks:** Notwithstanding anything hereinbefore in this Clause to the contrary, no further loan stocks shall be issued credited as fully or partly paid up by capitalisation of profits or reserves.

SCHEDULE 4 - BASIS FOR ADJUSTMENT OF CONVERSION RATE

1. Subject to the Trust Deed, and as hereinafter provided, the Conversion Rate shall, from time to time, be adjusted by the Directors in consultation with an approved merchant bank and certified by the Auditors in accordance with the following provisions:

- (a) If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different par value, then the Conversion Rate shall be adjusted, calculated or determined in the following manner:

- (i) New Conversion Rate =

$$S \times \frac{\text{(Revised nominal value for each Share)}}{\text{(Original nominal value for each Share)}}$$

Where:-

S = Existing Conversion Rate; and

- (ii) The par value shall be adjusted to the revised par value.

Each such adjustment will be effective from the close of business on the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on the KLSE at the new par value).

- (b) If and whenever the Company shall make any issues of Shares to shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Conversion Rate shall be adjusted, calculated or determined in the following manner: -

$$\text{New Conversion Rate} = S \times \frac{A}{A+B}$$

Where:-

A = The aggregate number of Shares issued and fully paid up on the date on which as at the close of business shareholders must be registered in order to participate therein ("**the Record Date**") immediately before such capitalisation issue;

B = The aggregate number of Shares to be issued pursuant to any allotment to shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund);

S = S in sub-paragraph (a) above; and

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the day next following the Record Date for such issue.

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

- (c) If and whenever the Company shall make:-
- (i) a Capital Distribution (as defined below) to shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (ii) any offer or invitation to its shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
 - (iii) any offer or invitation to its shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares;

then and in any such case, the Conversion Rate shall be adjusted, calculated or determined in the following manner:-

New Conversion Rate =

$$S \quad \times \quad \frac{(C-D)}{(C)}$$

Where:-

- S = S in sub-paragraph (a) above;
- C = The Current Market Price (as defined in paragraph (h) below) of one (1) Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to the KLSE or (failing any such announcement), immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;
- D = (aa) in the case of an offer or invitation to acquire or subscribe for Shares or to acquire or subscribe for securities convertible into Shares or for securities with rights to acquire or subscribe for Shares, by way of rights, under sub-paragraph (c)(ii) or sub-paragraph (c) (iii) hereof, the value of rights attributable to one (1) Share (as defined below); or
- (bb) in the case of any other transaction falling within this sub-paragraph (c), the fair market value, as determined (with the concurrence of the Auditors) by the approved merchant bank of the portion of the Capital Distribution attributable to one (1) Share.

For the purpose of sub-paragraph (aa) above the “**value of the rights attributable to one (1) Share**” shall be calculated in accordance with the formula:-

$$\frac{C - E}{F + G}$$

Where:-

- C = C in this sub-paragraph (c) above;
- E = The subscription consideration for one (1) new Share under the terms of such offer or invitation to acquire or subscribe for Shares or one (1) security convertible into Shares or one (1) security with rights to acquire or subscribe for Shares under the offer or invitation, as the case may be;

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

F = The number of Shares which it is necessary to hold in order to be offered or invited by way of rights to acquire or subscribe for one (1) additional Share or one (1) security convertible into Shares or one (1) security with rights to acquire or subscribe for Shares under the offer or invitation, as the case may be; and

G = One (1)

For the purpose of this sub-paragraph (c) “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distribution in cash or specie (other than dividends) or by way of issue (not falling under sub-paragraph (b) above) of Shares or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the shareholders for any period as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the date next following the Record Date for such issue.

- (d) If and whenever the Company makes any allotment to its shareholders as provided in sub-paragraph (b) above and also makes any offer or invitation to its shareholders as provided in sub-paragraph (c) (ii) or (c) (iii) above and the Record Date for the purpose of the allotment is also the Record Date for the purpose of the offer or invitation, the Conversion Rate shall be adjusted, calculated or determined in the manner shown below:-

$$\text{New Conversion Rate} = S \times \frac{[(A \times C) + (K \times E)]}{[(A + K + B) \times C]}$$

For the purpose of sub-paragraph (d) above:-

S = S in sub-paragraph (a) above;

A = A in sub-paragraph (b) above;

C = C in sub-paragraph (c) above;

K = The aggregate number of new Shares to be issued pursuant to the offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Share, as the case may be;

E = The subscription consideration for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price upon the conversion of convertible securities or the exercise of rights to acquire or subscribe for one (1) additional Share, as the case may be;

B = B in sub-paragraph (b) above;

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the date next following the Record Date for such issue.

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

- (e) If and whenever the Company makes any offer or invitation to its shareholders as provided in sub-paragraph (c)(ii) above together with an offer or invitation to its Shareholders as provided in sub-paragraph (c) (iii) above, the Conversion Rate shall be adjusted, calculated or determined in the following manner: -

$$\text{New Conversion Rate} = \frac{S \times [(A \times C) + (K \times E) + (U \times G)]}{[(A + K + U) \times C]}$$

Where: -

- S = S in sub-paragraph (a) above;
- A = A in sub-paragraph (b) above;
- C = C in sub-paragraph (c) above;
- K = K in sub-paragraph (d) above;
- E = E in sub-paragraph (d) above;
- U = The aggregate number of Shares to be issued upon conversion of the convertible securities or exercise of rights to acquire or subscribe for Shares under the offer or invitation; and
- G = The subscription consideration of one (1) new Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation to its shareholders as provided in sub-paragraph (c) (iii) above.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the date next following the Record Date for such issue.

- (f) If and whenever the Company makes an allotment to its shareholders as provided in sub-paragraph (b) above and also makes an offer or invitation to its shareholders as provided in sub-paragraph (c) (ii) above together with an offer or invitation to its shareholders as provided in sub-paragraph (c) (iii) above (and the Record Date for the purpose of the allotment is also the Record Date for the purpose of the offer or invitation), the Conversion Rate shall be adjusted, calculated or determined in the following manner:-

$$\text{New Conversion Rate} = \frac{S \times [(A \times C) + (K \times E) + (U \times G)]}{[(A + K + U + B) \times C]}$$

Where:-

- S = S in sub-paragraph (a) above;
- A = A in sub-paragraph (b) above;
- C = C in sub-paragraph (c) above;
- K = K in sub-paragraph (d) above;
- E = E in sub-paragraph (d) above;
- U = U in sub-paragraph (e) above;
- G = G in sub-paragraph (e) above;

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

B = B in sub-paragraph (b) above;

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the date next following the Record Date for such issue.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all shareholders alike and requiring an adjustment under sub-paragraphs (c) (ii), c (iii), (d), (e) or (f) above) the Company shall issue either any Shares or securities convertible into Shares or securities with rights to acquire or subscribe for Shares and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price (as defined in paragraph (h) below) for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, then the Conversion Rate shall be adjusted, calculated or determined in the following manner:-

$$\text{New Conversion Rate} = \frac{Y + Z}{Y + Q} \times S$$

Where: -

- Y = The number of Shares in issue at the close of business on the KLSE on the day immediately preceding the date on which the relevant adjustment becomes effective;
- Z = The aggregate number of Shares which the Total Effective Consideration would have purchased at the Average Price (exclusive of expense);
- Q = The aggregate number of Shares so issued or, in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares which may be issued upon full conversion of such securities or the exercise in full of such rights; and
- S = S in sub-paragraph (a) above.

For the purpose of this paragraph (g) the “**Total Effective Consideration**” shall be as determined by the Directors with the concurrence of the approved merchant bank and shall be:-

- (i) in the case of the issue of Shares, the aggregate consideration, receivable by the Company on payment in full for such Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

TERMS, CONDITIONS AND PROVISIONS OF THE RIGHTS ISSUE OF ICULS (Cont'd)

in each case without any deduction of any commission, discounts or expenses paid allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration per Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights. Each such adjustment will be effective (if appropriate retroactively) from the close of business on the Market Day immediately preceding the date on which the issue is announced or (if failing such announcement) immediately preceding the date on which the Company determines the offering price of such Shares, securities or rights.

(h) For the purpose of this schedule:-

- (i) “**Current Market Price**” means in relation to each Share for any relevant day the weighted average of the last dealt prices for each Share quoted on the KLSE for the five (5) consecutive Market Days before such date for one (1) or more board lots of Shares on the KLSE;
- (ii) “**Average Price**” means the average of the Last Dealt Price on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined; and
- (iii) “**Last Dealt Price**” means in relation to each Share, the last dealt price for one (1) or more board lots of Shares quoted on the KLSE.

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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

(Prepared for inclusion in this Abridged Prospectus)



12 JUL 2002

The Board of Directors
CRESCENDO CORPORATION BERHAD
Unit No. 203, 2nd Floor
Block C, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

**CONSOLIDATED PROFIT FORECAST
FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2003**

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 CCB

(hereinafter, collectively referred to as the "Proposal")

We have reviewed the accounting bases and calculations for the Consolidated Profit Forecast for the financial year ending 31 January 2003 of Crescendo Corporation Berhad and its subsidiary companies, for which the Directors are solely responsible, as set out in the accompanying statement, for the purpose of inclusion in the Abridged Prospectus to be dated 17 July 2002.

In our opinion, the Consolidated Profit Forecast so far as the accounting bases and calculations are concerned, have been properly compiled on the basis of assumptions made by the Directors, as set out in the accompanying statement, and is presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'CS Tan & Associates'.

CS TAN & ASSOCIATES
Firm No. A.F. 1144
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Tan Chee Seng'.

TAN CHEE SENG
No. 1732/11/03 (J)
Chartered Accountant

Wisma TCS, No. 8M, Jalan Tun Abdul Razak, Susur 3,
80200 Johor Bahru, Johor Darul Takzim
Tel: 07-2242188 Fax: 07-2249188
E-mail : tcseng@pc.jaring.my

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 (Cont'd)

Stamped for the purpose of identification
CS TAN & ASSOCIATES
 Chartered Accountants 12 JUL 2002

**CRESCENDO CORPORATION BERHAD
 CONSOLIDATED PROFIT FORECAST
 FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2003**

The Directors of Crescendo Corporation Berhad forecast that, in the absence of any unforeseen circumstances, the consolidated profit forecast after taxation and minority interests of the Group for the financial year ending 31 January 2003 will be as follows :

| | Before and After Proposals Forecast 2003 RM'000 |
|--|--|
| Consolidated profit after taxation and minority interest | <u>9,944</u> |
| Number of shares in issue ('000) | <u>108,496</u> |
| Net earnings per share (sen) | <u>9.17</u> |

(The Rights Issue of ICULS will have no material effect on the earnings of the CCB Group for the financial year 2003. 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)

The principal assumptions upon which the consolidated profit forecast have been prepared are as follows :

- (a) There will be no major industrial disputes, shortages of construction materials or any other external factors which may materially affect and / or disrupt the Group and their operations, customers and suppliers.
- (b) There will be no significant changes in the present legislation, Government regulations, rates and bases of duties, levies and taxes which will affect the activities of the Group or the market in which they operate.
- (c) There will be no significant changes in accounting, management and trading policies currently adopted by the Group.
- (d) There will be no significant changes in the prevailing economics and political conditions in Malaysia and elsewhere in which the Group operates which will adversely affect the activities or performance of the Group.
- (e) There will be no significant changes in the structure and principal activities of the Group.
- (f) Existing financing facilities enjoyed by the Group will remain available at current interest rates.
- (g) The inflation rates and foreign currency exchange rates will not change materially from their present level.
- (h) There will be continuity in the existing management and operating policies.

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 (Cont'd)

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| <p>Stamped for the purpose of identification CS TAN & ASSOCIATES Chartered Accountants 12 JUL 2002</p> |
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**CRESCENDO CORPORATION BERHAD (cont'd)
CONSOLIDATED PROFIT FORECAST
FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2003**

- (i) The development plan and demand for products by the Group will be in line with forecast levels. Revenue is based on contracts in hand and projected contracts.
- (j) The various stages of completion of contracts included in the forecast will be achieved. There will be no significant variations on the forecasted costs of these contracts.
- (k) There will be no significant increase in the administrative and overhead expenses other than those provided.
- (l) There will be no material acquisition or disposal of property, plant and equipment other than those budgeted and disclosed in item (m).
- (m) The Acquisitions of Land A and C by Crescendo Development Sdn. Bhd. were fully paid on 31 May 2002 and 30 May 2002 respectively, and the Acquisitions of Land B is expected to be completed in October 2002. No immediate development for the said land for the financial years 2003 to 2004, and is expected to commence development in the financial year 2005.
- (n) The rights issue of RM43,398,000 ICULS with a coupon rate of 3% per annum in CCB is expected to be issued in the financial year 2003. The interest expense of RM1.302 million per annum is capitalised in the land cost of the proposed land.
- (o) The Group obtained loan of RM50 million and RM29 million from a financial institution and the holding company Sharikat Kim Loong Sendirian Berhad ("SKL") respectively, for the purpose of financing the Acquisition of Land A. Both loans were fully drawdown on 31 May 2002 and 26 April 2002 respectively.

The principal loan of RM35 million (Loan 1) and RM15 million (Loan 2) from a financial institution bear interest at the fixed rate of 6.5% per annum from the first to the seventh year and 1.0% per annum above the "cost of funds" respectively. The interest expenses are capitalised as part of the land cost. Loan 1 and Loan 2 are expected to be fully repaid in the financial years 2009 and 2005 respectively.

("Cost of funds" is defined as the Kuala Lumpur interbank offer rate for one month fund plus cost of maintaining statutory and liquidity reserves)

The short term advance from the holding company, SKL, bears interest at the rate of Malayan Banking Berhad's base lending rate and is capitalised as part of the land cost. The said advance is repayable in the financial year 2003.

- (p) The estimated expenses (including professional fees) for this corporate exercise is approximately RM1.2 million. An amount of RM200,000 is capitalised as land cost in respect of the expenses relating to the proposed acquisition of land in Crescendo Development Sdn. Bhd. and the balance of RM1.0 million to be written off against the Share Premium Account in CCB in the financial year 2003.
- (q) Profit from sales of fresh fruit bunches ("FFB") from the proposed land is expected to be immaterial and for the purpose of this forecast, we assume no revenue from sales of FFB.

**AUDITED PROFORMA CONSOLIDATED BALANCE SHEET OF CCB AS AT 31 JANUARY 2002
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON**

(Prepared for inclusion in this Abridged Prospectus)



12 JUL 2002

The Board of Directors
CRESCENDO CORPORATION BERHAD
Unit No. 203, 2nd Floor
Block C, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

PROFORMA CONSOLIDATED BALANCE SHEET

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 CCB ("Proposed ICULS");

(hereinafter referred to as "the Proposal")

We have reviewed the presentation of the Proforma Consolidated Balance Sheet of Crescendo Corporation Berhad and its subsidiary companies as at 31 January 2002 together with the accompanying notes, for which the Directors are solely responsible, prepared for the purpose of inclusion in the Abridged Prospectus to be dated 17 July 2002.

In our opinion, the Proforma Consolidated Balance Sheet of Crescendo Corporation Berhad as at 31 January 2002 together with the notes thereon which have been prepared for illustrative purposes only have been properly compiled on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully,



CS TAN & ASSOCIATES
Firm No. A.F. 1144
Chartered Accountants



TAN CHEE SENG
No. 1732/11/03 (J)
Chartered Accountant

Wisma TCS, No. 8M, Jalan Tun Abdul Razak, Susur 3,
80200 Johor Bahru, Johor Darul Takzim
Tel: 07-2242188 Fax: 07-2249188
E-mail : teseng@pc.jaring.my

**AUDITED PROFORMA CONSOLIDATED BALANCE SHEET OF CCB AS AT 31 JANUARY 2002
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON (Cont'd)**

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| Stamped for the purpose of identification CS TAN & ASSOCIATES Chartered Accountants 12 JUL 2002 |
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**CRESCENDO CORPORATION BERHAD
PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2002**

The Proforma Consolidated Balance Sheet of Crescendo Corporation Berhad ("CCB") and its subsidiaries (hereinafter collectively referred to as "the Group") as at 31 January 2002 as set out below are provided for illustration purposes only to show the effects of the Acquisitions of Land A, Land B and Land C (refer Notes 1(b)(i), (ii) and (iii)) in Crescendo Development Sdn. Bhd., a wholly owned subsidiary of CCB, the Rights Issue of Irredeemable Convertible Unsecured Loan Stocks ("ICULS"), the Establishment of An Employee Share Option Scheme ("ESOS") and the Conversion of ICULS on the assumption that these transactions were completed on 31 January 2002.

| | ← As At 31.1.2002 → | | | |
|---|---------------------|----------------------|----------------------|----------------------|
| | Audited RM'000 | Proforma 1 RM'000 | Proforma 2 RM'000 | Proforma 3 RM'000 |
| PROPERTY, PLANT AND EQUIPMENT ASSOCIATED COMPANY | 60,765 (a) | 195,765 | 195,765 | 195,765 |
| INVESTMENTS | 8,273 | 8,273 | 8,273 | 8,273 |
| LAND AND DEVELOPMENT EXPENDITURE | 54,453 | 54,453 | 54,453 | 54,453 |
| CURRENT ASSETS (Note 3) | 122,452 (b) | 80,850 | 79,850 | 79,850 |
| CURRENT LIABILITIES (Note 3) | 18,997 (c) | 62,395 | 18,997 | 18,997 |
| NET CURRENT ASSETS | 103,455 | 18,455 | 60,853 | 60,853 |
| DEFERRED AND LONG TERM LIABILITIES (Note 3) | (5,063) | (55,063) | (98,461) | (55,063) |
| | <u>221,883</u> | <u>221,883</u> | <u>220,883</u> | <u>264,281</u> |
| Financed by | | | | |
| SHARE CAPITAL | 108,496 | 108,496 | 108,496 | 151,894 |
| RESERVES (Note 3) | 111,687 | 111,687 | 110,687 | 110,687 |
| SHAREHOLDERS' EQUITY | <u>220,183</u> | <u>220,183</u> | <u>219,183</u> | <u>262,581</u> |
| MINORITY INTERESTS | 1,700 | 1,700 | 1,700 | 1,700 |
| | <u>221,883</u> | <u>221,883</u> | <u>220,883</u> | <u>264,281</u> |
| Net tangible assets cover per share (RM) | <u>2.03</u> | <u>2.03</u> | <u>2.02</u> | <u>1.73</u> |

Notes

- (a) The Proforma figure for Property, Plant and Equipment includes the cost of the Acquisitions of Land A, B and C amounting to RM107,068,850, RM4,000,500 and RM17,274,031.25 respectively and the estimated expenditure incidental to the acquisition amounting to RM6,657,000.
- (b) The Proforma figure for Current Assets is reduced from RM122.452 million to RM79.850 million as fixed deposits and cash and bank balances amounting to RM42.602 million were utilised as partial payment for the Acquisitions of Land A, B and C.

**AUDITED PROFORMA CONSOLIDATED BALANCE SHEET OF CCB AS AT 31 JANUARY 2002
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON (Cont'd)**

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| <p>Stamped for the purpose of identification CS TAN & ASSOCIATES Chartered Accountants 12 JUL 2002</p> |
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**CRESCENDO CORPORATION BERHAD (cont'd)
PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2002**

Notes

- (c) The Proforma figure for Current Liabilities includes the amount of RM43.398 million owing to vendor of Land A. If the ICULS proceeds is received after the completion date, this amount will be temporary financed by SKL and working capital of CCB subsidiaries.

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET

1. (a) The Proforma Consolidated Balance Sheet of CCB have been prepared for illustration purposes only and are based on the audited balance sheet of CCB as at 31 January 2002.
- (b) The Proforma Consolidated Balance Sheet incorporate on a proforma basis, the following transactions as though they were effected on 31 January 2002 :-

Proforma 1

- (i) The acquisition by Crescendo Development Sdn. Bhd. ("CDSB"), a wholly owned subsidiary of CCB, of 1,199.65 acres of land situated at Mukim and District of Kota Tinggi, Johor and Mukim of Tebrau, District of Johor Baharu, Johor, from Kulim (Malaysia) Berhad for a purchase consideration of RM106,768,850 and an additional sum of RM300,000 for three units of bungalow houses situated on and forming part of the land to be satisfied entirely by cash ("Acquisition of Land A"). The Acquisition of Land A will be financed by internally generated funds, bank borrowings and fund raising from the ICULS for the amount of RM13,670,850, RM50,000,000 and RM43,398,000 respectively.
- (ii) The acquisition by CDSB, a wholly owned subsidiary of CCB, of 71.4375 acres of land situated at Mukim and District of Kota Tinggi, Johor and Mukim of Tebrau, District of Johor Baharu, Johor, from Kulim (Malaysia) Berhad for a purchase consideration of RM4,000,500 to be satisfied entirely by cash ("Acquisition of Land B").
- (iii) The acquisition by CDSB, a wholly owned subsidiary of CCB, of 119.13125 acres of land situated at Mukim of Tebrau, District of Johor Baharu, Johor, from Johor Land Berhad for a purchase consideration of RM17,274,031.25 to be satisfied entirely by cash ("Acquisition of Land C").
- (iv) The estimated expenditure incidental to the Acquisition of Land A, B and C, such as stamp duty and conversion premium etc, of RM6,657,000 is capitalised as land cost in CDSB.

Proforma 2

- (v) The rights issue of 43,398,000 of RM1.00 nominal value of ICULS 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.

**AUDITED PROFORMA CONSOLIDATED BALANCE SHEET OF CCB AS AT 31 JANUARY 2002
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON (Cont'd)**

Stamped for the purpose of identification
CS TAN & ASSOCIATES
Chartered Accountants 12 JUL 2002

**CRESCENDO CORPORATION BERHAD (cont'd)
PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2002**

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET

Proforma 2

- (vi) The estimated expenses (including professional fees) for this corporate exercise is RM1.2 million. An amount of RM200,000 is capitalised as land cost in respect of the expenses relating to the acquisition of Land A, B and C in CDSB and the balance of RM1.0 million is written off against the Share Premium Account in CCB.

Proforma 3

- (vii) The entire value of ICULS is assumed to be converted as 43,398,000 new ordinary shares of RM1 each at the conversion price of RM1, but no cash inflow from this conversion of ICULS to ordinary shares.
- (viii) The ESOS for the 10,849,000 new ordinary shares of RM1 each (representing 10% of the existing shares) will have no immediate effect to the CCB Group until such time when the options granted pursuant to the ESOS are exercised.

The effects will depend on the number of options exercised under the ESOS and the exercise price at any particular point of time.

- (c) Inter company balances have been eliminated in arriving at the Proforma Consolidated Balance Sheet.

2. The financial effects of the Proposals on the share capital, share premium account and net tangible assets ("NTA") are as follows :-

(a) Share Capital and Share Premium

Upon the full conversion and exercise 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 each to RM151,894,930 comprising 151,894,930 ordinary shares of RM1 each, tabulated as follows :-

| | Share Capital RM'000 | Share Premium RM'000 |
|---|----------------------------|----------------------------|
| Existing as at 31 January 2002 | 108,496 | 15,504 |
| Upon full conversion of the ICULS (the conversion price is at par of RM1 each) | 43,398 | - |
| Estimated expenses for this corporate exercise | - | (1,000) |
| As shown in Proforma 3 | 151,894 | 14,504 |

**AUDITED PROFORMA CONSOLIDATED BALANCE SHEET OF CCB AS AT 31 JANUARY 2002
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON (Cont'd)**

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| Stamped for the purpose of identification CS TAN & ASSOCIATES Chartered Accountants 12 JUL 2002 |
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**CRESCENDO CORPORATION BERHAD (cont'd)
PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2002**

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET

(b) Net Tangible Assets

The Proposals would have the following effects on the NTA of CCB

| | Existing as at 31.1.2002 RM'000 | After Conversion of the ICULS RM'000 |
|--------------------------|---------------------------------------|--|
| Share Capital | 108,496 | 151,894 |
| Share Premium | 15,504 | 14,504 |
| Reserve On Consolidation | 28,974 | 28,974 |
| Retained Profit | 67,209 | 67,209 |
| Shareholders' Funds | <u>220,183</u> | <u>262,581</u> |
| NTA per share (RM) | <u>2.03</u> | <u>1.73</u> |

Note

- (i) The ICULS of RM43,398,000 is assumed to be fully converted at the conversion price of RM1 at par.

The ESOS will have no immediate effect on the NTA of the CCB Group until such time when the Options granted to the ESOS are exercised.

The effects on the NTA will depend on the number of Options exercised under the ESOS and the exercise price at any particular point of time.

**AUDITED PROFORMA CONSOLIDATED BALANCE SHEET OF CCB AS AT 31 JANUARY 2002
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON (Cont'd)**

Stamped for the purpose of identification
CS TAN & ASSOCIATES
Chartered Accountants 12 JUL 2002

**CRESCENDO CORPORATION BERHAD (cont'd)
PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2002**

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET

3. Analysis of Current Assets, Current Liabilities, Reserves and Deferred and Long Term Liabilities are as follows :-

| | ← As At 31.1.2002 → | | | |
|---|---------------------|----------------------|----------------------|----------------------|
| | Audited RM'000 | Proforma 1 RM'000 | Proforma 2 RM'000 | Proforma 3 RM'000 |
| (a) CURRENT ASSETS | | | | |
| Land and development expenditure | 24,207 | 24,207 | 24,207 | 24,207 |
| Stocks | 9,333 | 9,333 | 9,333 | 9,333 |
| Amounts due from customers | 3,653 | 3,653 | 3,653 | 3,653 |
| Tax recoverable | 3,629 | 3,629 | 3,629 | 3,629 |
| Trade debtors | 11,450 | 11,450 | 11,450 | 11,450 |
| Other debtors, deposits and prepayments | 14,952 | 2,148 | 2,148 | 2,148 |
| Amounts owing by related companies | 2,748 | 2,748 | 2,748 | 2,748 |
| Fixed deposits with licensed banks | 38,700 | 12,200 | 12,200 | 12,200 |
| Cash and bank balances | 13,780 | 11,482 | 10,482 | 10,482 |
| | 122,452 | 80,850 | 79,850 | 79,850 |
| (b) CURRENT LIABILITIES | | | | |
| Trade creditors | 11,657 | 11,657 | 11,657 | 11,657 |
| Other creditors and accruals | 5,253 | 5,253 | 5,253 | 5,253 |
| Hire purchase creditors | 58 | 58 | 58 | 58 |
| Amount owing to holding company | 82 | 82 | 82 | 82 |
| Amounts owing to related companies | 43 | 43 | 43 | 43 |
| Amount owing to vendor | - | (1) 43,398 | - | - |
| Bank overdraft | 1,051 | 1,051 | 1,051 | 1,051 |
| Provision for taxation | 853 | 853 | 853 | 853 |
| | 18,997 | 62,395 | 18,997 | 18,997 |
| (c) RESERVES | | | | |
| Share premium | 15,504 | 15,504 | 14,504 | 14,504 |
| Reserve on consolidation | 28,974 | 28,974 | 28,974 | 28,974 |
| Retained profit | 67,209 | 67,209 | 67,209 | 67,209 |
| | 111,687 | 111,687 | 110,687 | 110,687 |

**AUDITED PROFORMA CONSOLIDATED BALANCE SHEET OF CCB AS AT 31 JANUARY 2002
TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER RELATING THEREON (Cont'd)**

Stamped for the purpose of identification
CS TAN & ASSOCIATES
Chartered Accountants 12 JUL 2002

**CRESCENDO CORPORATION BERHAD (cont'd)
PROFORMA CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2002**

NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET

← As At 31.1.2002 →

| Audited | Proforma 1 | Proforma 2 | Proforma 3 |
|---------|------------|------------|------------|
| RM'000 | RM'000 | RM'000 | RM'000 |

(d) DEFERRED AND LONG TERM LIABILITIES

| | | | | |
|-------------------|-------|--------|--------|--------|
| Term loans | - | 50,000 | 50,000 | 50,000 |
| ICULS | - | - | 43,398 | - |
| Deferred taxation | 5,063 | 5,063 | 5,063 | 5,063 |
| | 5,063 | 55,063 | 98,461 | 55,063 |

Note (1)

Included in the Current Liabilities (Proforma 1) is an amount owing to vendor of Land A of RM43.398 million. If the ICULS proceeds is received after the completion date, this amount will be temporary financed by SKL and working capital of CCB subsidiaries.