

UNAUDITED FINANCIAL STATEMENTS OF CCB FOR THE THREE (3) MONTHS PERIOD ENDED 30 APRIL 2002 TOGETHER WITH THE NOTES TO THE FINANCIAL STATEMENTS

**CRESCENDO CORPORATION BERHAD
QUARTERLY REPORT**

Quarterly report on consolidated results for the first quarter ended 30/04/2002.
The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30/04/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2001 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30/04/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2001 RM'000
1 (a) Revenue	17,733	8,566	17,733	8,566
(b) Investment income	14	8	14	8
(c) Other income	671	709	671	709
2 (a) Profit / (loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	4,030	2,234	4,030	2,234
(b) Finance cost	(28)	(76)	(28)	(76)
(c) Depreciation and amortisation	(235)	(234)	(235)	(234)
(d) Exceptional items	727	-	727	-
(e) Profit / (loss) before income tax, minority interests and extraordinary items	4,494	1,924	4,494	1,924
(f) Share of profits and losses of associated companies	-	(1)	-	(1)
(g) Profit/(loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	4,494	1,923	4,494	1,923
(h) Income tax	(961)	(558)	(961)	(558)
(i) (i) Profit/(loss) after income tax before deducting minority interests	3,533	1,365	3,533	1,365
(ii) Minority interests	(62)	(131)	(62)	(131)
(j) Pre-acquisition profit/(loss), if applicable	-	-	-	-
(k) Net profit / (loss) from ordinary activities attributable to members of the company	3,471	1,234	3,471	1,234

**UNAUDITED FINANCIAL STATEMENTS OF CCB FOR THE THREE (3) MONTHS PERIOD
ENDED 30 APRIL 2002 TOGETHER WITH THE NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2001 RM'000	CURRENT YEAR TO DATE 30/04/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2001 RM'000
(l) (i) Extraordinary items	-	-	-	-
(ii) Minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the company	-	-	-	-
(m) Net profit / (loss) attributable to members of the company	3,471	1,234	3,471	1,234
3 (a) Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any:-				
(i) Basic (based on 108,495,930 ordinary shares) (sen)	3.20	1.14	3.20	1.14
(ii) Fully diluted (based on 108,495,930 ordinary shares) (sen)	-	-	-	-
4 (a) Dividend per share (sen)	-	-	-	-
(b) Dividend Description	-	-	-	-
5 Net tangible assets per share (RM)	2.06	1.95	2.06	1.95

UNAUDITED FINANCIAL STATEMENTS OF CCB FOR THE THREE (3) MONTHS PERIOD ENDED 30 APRIL 2002 TOGETHER WITH THE NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 30/04/2002 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/01/2002 RM'000
1 Property, plant and equipment	60,712	60,765
2 Investment property	-	-
3 Investment in associated companies	-	-
4 Long term investments	7,357	8,273
5 Goodwill on consolidation	-	-
6 Intangible assets	-	-
7 Other long term assets - Land and development expenditure	52,682	54,453
8 Current assets		
- Land and development expenditure	20,659	24,207
- Inventories	6,688	9,333
- Amount due from customers	4,501	3,653
- Trade receivables	10,908	11,450
- Other receivables	21,800	18,581
- Amount owing by related company	1,570	2,748
- Short term investments - fixed deposits	74,400	38,700
- Cash and bank balances	16,433	13,780
	<u>156,959</u>	<u>122,452</u>
9 Current liabilities		
- Trade payables	8,104	11,657
- Other payables	8,037	5,253
- Amount owing to holding company	29,000	82
- Amount owing to related company	33	43
- Short term borrowings	359	1,109
- Provision for tax	1,697	853
	<u>47,230</u>	<u>18,997</u>
10 Net current assets or current liabilities	<u>109,729</u>	<u>103,455</u>
	<u>230,480</u>	<u>226,946</u>
11 Shareholders' funds		
Share capital	108,496	108,496
Reserves		
- Share premium	15,504	15,504
- Consolidation reserve	28,974	28,974
- Retained profit	70,680	67,209
	<u>223,654</u>	<u>220,183</u>
12 Minority interests	1,762	1,699
13 Long term borrowings	-	-
14 Other long term liabilities	-	-
15 Deferred tax	5,064	5,064
	<u>230,480</u>	<u>226,946</u>
16 Net tangible assets per share (RM)	<u>2.06</u>	<u>2.03</u>

UNAUDITED FINANCIAL STATEMENTS OF CCB FOR THE THREE (3) MONTHS PERIOD ENDED 30 APRIL 2002 TOGETHER WITH THE NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

NOTES**1 Accounting policies**

The quarterly financial statements of the Group have been prepared using the same accounting policies and methods of computation as compared with the most recent annual audited financial statements.

2 Exceptional items

	CURRENT YEAR QUARTER 30/04/2002 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2001 RM' 000	CURRENT YEAR TO DATE 30/04/2002 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2001 RM' 000
Gain on disposal of quoted investments	727	-	727	-

3 Extraordinary item

There were no extraordinary items for the current quarter and financial period to date.

4 Income tax

	CURRENT YEAR QUARTER 30/04/2002 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2001 RM' 000	CURRENT YEAR TO DATE 30/04/2002 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2001 RM' 000
Current tax	961	558	961	558
Prior year under / (over) provision	-	-	-	-
Deferred tax	-	-	-	-
	961	558	961	558

The effective rate of tax for the current quarter and financial period to date is lower than the statutory tax rate as certain income are not taxable.

5 Profits/(losses) on sale of unquoted investments and/or properties

Gain on disposal of investments have been disclosed as Exceptional Items in Note 2 for the current quarter and financial period to date.

There were no profits/(losses) on any sale of properties outside the ordinary course of the Group's business for the financial period under review.

6 Quoted securities

- (a) Total purchase consideration and sale proceeds of quoted securities for the current quarter and financial period to date and profit/loss arising therefrom are as follows:-

	CURRENT YEAR QUARTER 30/04/2002 RM' 000	CURRENT YEAR TO DATE 30/04/2002 RM' 000
Total purchase consideration	383	383
Total sale proceeds	2,026	2,026
Total profit / (loss) on disposal	727	727

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NOTES

- (b) Total investments in quoted securities as at 30 April 2002:-

RM' 000

(i) At cost	12,119
(ii) At carrying value/book value	6,389
(iii) At market value	7,689

Allowance is made for any diminution in value of quoted investments if in the opinion of the directors, the decline in value is not temporary in nature.

7 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

8 Status of corporate proposals

The corporate proposals announced but not completed as at 24 June 2002 are as follows:-

- (i) Approvals for the Proposed Renounceable Rights Issue of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM43.4 million with a coupon rate of 3.0% per annum were obtained from the Foreign Investment Committee ("FIC"), the Securities Commission ("SC") and shareholders on 20 November 2001, 28 November 2001 and 8 February 2002 respectively. The SC has granted the Company an extension of time up to 27 August 2002 for the implementation of ICULS. The underwriting agreement pertaining to the ICULS was signed on 12 June 2002. The Abridged Prospectus for the ICULS will be issued as soon as possible after all relevant approvals have been received and the ICULS are expected to be listed in the KLSE by August 2002.
- (ii) On 30 August 2001, CDSB entered into a conditional Sale and Purchase Agreement with Kulim (Malaysia) Berhad ("Kulim") for the purchase of 71.4375 acres of land at Mukim and District of Kota Tinggi and Mukim of Tebrau, District of Johor Baharu respectively for a consideration of RM4.0 million to be satisfied in cash. Approvals for the above acquisition were obtained from the FIC and shareholders on 20 November 2001 and 8 February 2002 respectively. However, the acquisition of 71.4375 acres of land from Kulim is pending fulfillment of the conditions precedent as set out in the SPA.
- (iii) The proposed establishment of an Employee Share Option Scheme ("ESOS") granting every eligible employees and executive directors an option to subscribe for new shares of RM1.00 each in CCB, subject to the By-laws of the ESOS, were approved by the SC and shareholders on 28 November 2001 and 8 February 2002 respectively. The ESOS committee was set up on 27 March 2002 to address outstanding issues, if any, prior to the implementation of the proposed ESOS and to issue the options to all eligible employees. The SC has granted the Company an extension of time up to 27 June 2002 for the implementation of the ESOS.

9 Issuances and repayment of debt and equity securities, etc

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period to date.

10 Group borrowings and debt securities

Group borrowings as at 30 April 2002 were as follows:

RM' 000

(a) Secured borrowings	359
Unsecured borrowings	-
	<u>359</u>

UNAUDITED FINANCIAL STATEMENTS OF CCB FOR THE THREE (3) MONTHS PERIOD ENDED 30 APRIL 2002 TOGETHER WITH THE NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

NOTES

(b) Short term borrowings	
Bank overdraft	317
Hire purchase	42
Long term borrowings	-
	<u>359</u>

(c) All borrowings are denominated in Ringgit Malaysia.

- 11 Contingent Liabilities
Contingent liabilities of the Group as at 24 June 2002 comprise Bankers' guarantees of RM2,704,665 issued by a financial institution in favour of third parties as follows:-

	RM' 000
Secured	755
Unsecured	1,950
	<u>2,705</u>

- 12 Financial Instruments With Off Balance Sheet Risk
There were no financial instruments with off balance sheet risk for the current financial period to date.

- 13 Material Litigation
The Group is not engaged in any material litigation for the current financial period to date.

- 14 Segmental Reporting

	Revenue RM'000	Profit/ (Loss) before tax RM'000	Gross Assets Employed RM'000
Major segments by activity:-			
30.04.2002			
Property development			
-Industrial properties	6,599	3,079	168,331
-Residential / commercial properties	7,531	1,014	86,236
Construction activities	2,853	711	18,640
Manufacture of concrete products	489	(25)	2,025
Management services and others	261	(285)	2,477
	<u>17,733</u>	<u>4,494</u>	<u>277,709</u>

No segmental information is provided on a geographical basis as the Group's activities are conducted solely in Malaysia.

- 15 Comparison of Profit Before Tax for the quarter reported on with the immediate preceding quarter

The profit before tax ("PBT") 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 PBT is mainly contributed from the industrial property operations which recorded a jump of approximately 1.2 times higher than the preceding quarter PBT mainly due to the higher industrial property sales and the exceptional gain from disposal of quoted investment of RM0.7 million.

UNAUDITED FINANCIAL STATEMENTS OF CCB FOR THE THREE (3) MONTHS PERIOD ENDED 30 APRIL 2002 TOGETHER WITH THE NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

NOTES

- 16 Review of the performance of the company and its principal subsidiaries

The Group has recorded an increase in revenue and PBT of RM9.1 million or 106% and RM2.6 million or 137% respectively as compared to the corresponding cumulative first quarter ended 30 April 2001. The revenue and PBT for the first quarter ended 30 April 2002 is RM17.7 million and RM4.5 million respectively as compared to RM8.6 million and RM1.9 million respectively in the first quarter of the preceding financial year.

The significant increase of more than 100% in revenue is mainly contributed by the increase in the sales of industrial properties and double storey terrace houses.

The 137% increase in PBT of RM2.6 million as compared to the first quarter ended 30 April 2001 is mainly due to the higher PBT margin and the exceptional gain from disposal of quoted investment of RM0.7 million. The PBT margin has increased from 22.1% in financial period ended 30 April 2001 to 25.4% in financial period ended 30 April 2002 due to higher proportion of factory sales which profit margin is higher as compared to low and low medium cost flats costing below RM50,000.

- 17 Subsequent material events that have not been reflected in the financial statement

During the financial year 2002, the subsidiary company, CDSB, acquired 3 parcels of land measuring approximately 1,390.22 acres with a total purchase consideration of RM128.3 million. The acquisitions of 2 parcels of land measuring approximately 1,318.78 acres had been completed and the remaining parcel of 77.44 acres is pending fulfillment of the conditions precedent.

There were no other subsequent material events that have not been reflected in the financial statement for the current quarter up to 24 June 2002.

- 18 Seasonal or Cyclical Factors

There were no significant seasonal factors affecting the operations of the Group. However, the economic cyclical factors will have an impact on property/construction sectors.

- 19 Current Year Financial Prospects

Barring unforeseen circumstances, the Board expects the performance of the Group to remain satisfactory for the financial year ending 31 January 2003.

- 20 Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee
Not Applicable.

- 21 Dividend

No dividend has been declared or proposed since the end of previous financial quarter.

DIRECTORS' REPORT*(Prepared for inclusion in this Abridged Prospectus)*

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

12 July 2002

To: The Shareholders of Crescendo Corporation Berhad

Dear Sir/Madam,

On behalf of the Directors of Crescendo Corporation Berhad ("CCB" or "the Company"), I report after due enquiry that during the period from 31 January 2002, being the date of the last audited financial statements of the Company, to 12 July 2002, being a date not earlier than fourteen (14) days before the issue of this Abridged Prospectus, that

1. in the opinion of the Directors, the business of the Company and its subsidiaries ("the CCB Group") have been satisfactorily maintained;
2. in the opinion of the Directors, since the last audited financial statements of the Company, no circumstances have arisen which have materially adversely affected the trading or the value of the assets of the CCB Group or any of its subsidiaries within the CCB Group;
3. the current assets of the CCB Group appear in the books at values which are believed to be realisable in the ordinary course of business;
4. save as disclosed in the audited financial statements for the financial year ended 31 January 2002 in Appendix VI of this Abridged Prospectus, there are no other material contingent liabilities by reason of any guarantees or indemnities given by the Company or any of its subsidiary companies; and
5. since the last audited financial statements of the CCB Group for the financial year ended 31 January 2002, there have been no changes in the published reserves or any unusual factors affecting the profits of the CCB Group, save as disclosed in the unaudited accounts of the CCB Group as at 30 April 2002 as disclosed in Appendix VIII of the Abridged Prospectus.

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


Gooi Seong Lim
Managing Director

FURTHER INFORMATION

1. Nature Of Business

The nature of the Company's business and names of the corporations which are by virtue of Section 6 of the Companies Act, 1965 deemed to be related to the Company are set out in Appendix II of this Abridged Prospectus.

2. Share Capital

- (a) 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.
- (b) There are no founder or management or deferred shares or preference shares in the capital of the Company.
- (c) There is only one class of shares, namely ordinary shares of RM1.00 each all of which rank pari passu with one another.
- (d) Save as disclosed in this Abridged Prospectus namely the Rights Issue of ICULS and ESOS, no securities in the Company have been issued or are proposed to be issued as partly or fully paid-up for cash or otherwise than in cash within the two (2) years preceding the date hereof.
- (e) Save for the ordinary shares to be issued to the employees and directors of the Group who are eligible to participate in the ESOS pursuant to the ESOS by-laws, none of the capital of the Company is under any option or agreed conditionally or unconditionally to be put in any option. The ESOS shall not exceed the aggregate ten percent (10%) of the issued and paid-up capital of the Company at any point of time. The duration of the ESOS is for a period of five (5) years with an option to be renewed for a further period of five (5) years.

3. Directors And Substantial Shareholders

- (a) The names, addresses and occupations of the Directors are set out in page (i) of this Abridged Prospectus.
- (b) Directors are not required to hold any qualification shares in the Company.

4. Remuneration Of Directors

The provisions in CCB's Articles of Association regarding the remuneration of Directors are as follows: -

Directors' remuneration

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine, Provided Always that: -

FURTHER INFORMATION (Cont'd)

- (a) the fees payable to the Directors shall from time to time be determined by a resolution of the Company in general meeting, Provided Always that such fees shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
- (b) save as provided in Article 86(a) hereof, an executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine. All remuneration, other than the fees provided for in Article 86(a) hereof, payable to the non-executive Directors shall be determined by a resolution of the Company in general meeting;
- (c) fees payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover;
- (d) salaries payable to executive Directors may not include a commission on or percentage of turnover; and
- (e) any fee paid to an Alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Reimbursement of expenses

- (a) The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.
- (b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors. Extra remuneration payable to non-executive Director(s) shall not include a commission or percentage of turnover or profits.

5. Allotment Of ICULS

No ICULS shall be allotted on the basis of this Abridged Prospectus later than twelve (12) months from the date hereof. The amount payable in full upon application for the Rights Issue of ICULS is RM1.00 per ICULS.

6. Commission

Save for the underwriting commission payable to the Underwriter(s) as mentioned in Section 9 of the Letter To Shareholders in this Abridged Prospectus, no commission, discounts, brokerages or other special items has been paid or is payable by the Company and its subsidiaries within the last two (2) years preceding the date of this Abridged Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any securities in or debentures of the Company and its subsidiaries and no Director or proposed Director, promoter or expert is or are entitled to receive any such payment.

FURTHER INFORMATION (Cont'd)

7. Purchase And Disposal Of Properties

Save for the Proposed Acquisitions, no property has been purchased or acquired in the two (2) years preceding the date of this Abridged Prospectus or is proposed to be purchased or acquired by the Group which is to be paid for, wholly or partly, out of the proceeds of the Rights Issue of ICULS or the purchase or acquisition of any property, the contract for the purchase or acquisition whereof was entered into in the ordinary course of business of the Group, the contract not being made in contemplation of the Rights Issue of ICULS nor in consequence of the contract.

8. Financial Condition And Operations

Save as disclosed in the audited financial statements of CCB for the financial year ended 31 January 2002, in connection with the financial condition and operations of CCB:-

- (a) there are no known trends or known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;
- (b) there are no unusual or infrequent events or transactions or any significant economic changes that had materially affected the amount of reported income from operations of the Group; and
- (c) there are no known trends or uncertainties that have had or will have a material favourable or unfavourable impact on the revenue or operating income of the Group.

Save for the Proposed Acquisitions, there are no material commitments for capital expenditure.

There is no material information which is relevant to the financial and trading prospects of the Group, including any special trade factors or risks which are not mentioned elsewhere in this Abridged Prospectus and which is unlikely to be known or anticipated by the general public and which could materially affect the profit of the Group.

9. Material Contracts

Save as disclosed below, as at the date of this Abridged Prospectus, neither CCB nor its subsidiary companies have entered into any other contract which are or may be material within the two (2) years preceding the date of this Abridged Prospectus, other than contracts entered into in the ordinary course of business: -

- i) Sale and Purchase Agreement dated 26 June 2001 between CDSB and Kulim for the proposed acquisition 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 for a purchase consideration of RM106,768,850 and an additional RM400,000 for four (4) units of bungalow houses situated in and form part of the land to be satisfied by cash.

However, pursuant to the Supplemental Agreement referred to in (iv) below, the payment of the additional sum has also been varied by CDSB and Kulim to RM300,000 for three (3) units of bungalow houses situated in and form part of the land to be satisfied by cash;

- ii) Sale and Purchase Agreement dated 30 August 2001 between CDSB and Kulim for the proposed acquisition of 71.4375 acres of land situated in Mukim of Tebrau, District of Johor Baharu, Johor and in Mukim and District of Kota Tinggi, Johor for a purchase consideration of RM4,000,500 to be satisfied by cash;
- iii) Sale and Purchase Agreement dated 30 August 2001 between CDSB and JLB for the proposed acquisition of 119.13125 acres of land situated in Mukim of Tebrau, District of Johor Baharu, Johor for a purchase consideration of RM17,274,031.25 to be satisfied by cash;

FURTHER INFORMATION (Cont'd)

- iv) Supplemental Agreement dated 30 August 2001 to the Initial SPA between Kulim and CDSB as stated in paragraph 9(i) above;
- v) Exchange Agreement dated 30 August 2001 between Kulim, JLB, ADSB and CDSB. The salient terms of the Exchange Agreement is as follows: -

The parties involved in the Proposed Acquisitions are desirous of entering into the Exchange Agreement for the purposes of determining their respective rights, title and interests in and under the master titles and in particular: -

- a) to determine the situation or location of those lands held under the master titles in respect of which each party is or will be, absolutely beneficially entitled;
 - b) pending the surrender and realienation, subdivision and/or partition of the master titles, and the issuance of the individual issue documents of title in respect thereof, to provide for the registration of the transfer of the undivided share in the respective master titles representing the relevant plots in favour of CCB or its nominee; and
 - c) in the event of the subdivision of the master titles, subsequent to the said subdivision and the issuance of the individual issue documents of title, to provide for the relevant exchange of the parties' respective undivided shares under the said individual issue documents of title in order to put an end to the co-registered ownership between the relevant parties in respect of the said issue documents of title which shall result in the relevant parties holding the relevant individual issue documents of title as sole registered and absolute beneficial owners;
- vi) Advance Agreement dated 21 December 2001 between CCB and SKL for the proposed advance of RM29,000,000 as a bridging finance for the acquisition of land as referred to in paragraph 9 (i) above. The Proposed Advance shall be transacted at arms-length and in a fair manner. It shall be subjected to the prevailing Malayan Banking Berhad's base lending rate plus 0% margin as at the date of actual disbursement (i.e. 26 April 2002);
- vii) Underwriting Agreement dated 12 June 2002 between CCB and the Underwriters for the underwriting of 11,204,000 ICULS to be issued pursuant to the Rights Issue of ICULS at an underwriting commission of 3.0% on the Rights Issue of ICULS price as mentioned in Section 10 of the Abridged Prospectus; and
- viii) The Trust Deed dated 12 June 2002 entered into between CCB, Mayban Trustees Berhad and the Paying Agent constituting the issuance of the 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, upon the terms and subject to the conditions contained herein. [The Company shall pay to the Trustee by way of remuneration for its services as trustee the annual fee of RM12,000 and an additional fee of RM200 paid upon the signing of the Trust Deed. The Company shall pay an acceptance fee of RM2,000 and management fee of RM6,000 per annum to the Paying Agent and all out-of-pocket expenses (including reasonable legal expenses and disbursements) properly incurred by the Paying Agent.]

FURTHER INFORMATION (Cont'd)

10. Material Litigations And Contingent Liabilities

Save as disclosed below, to the best knowledge of the Company, the CCB Group is not engaged in any material litigation either as plaintiff or defendant or otherwise in any legal action, proceeding or arbitration or is being prosecuted for any criminal offence and the Directors of the Company have no knowledge of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position of the business of the CCB Group: -

- i) CDSB is currently engaged in a legal proceeding (Suit No. 22-376 of 2001(3), High Court, Johor Bahru) as plaintiff whereby CDSB is suing Hearngrange Packaging Industries Sdn Bhd ("HPI") for a total sum of RM373,867.33 being the outstanding amount due under the Sale and Purchase Agreement dated 11 January 1999 and the Supplementary Agreement dated 18 November 1999 in relation to the sale of a factory building together with all that piece of land held under H.S. (D) 237233 PTD 115189 Mukim of Plentong, District of Johor Bahru, State of Johor. CDSB is currently in the process of getting a summary judgement against HPI. The solicitors representing CDSB have confirmed that CDSB has a good case and would be able to obtain judgement against HPI for the sum claimed or part thereof.

Save as disclosed in the audited financial statements for the financial year ended 31 January 2002 of the Company and its subsidiaries, the Directors are not aware of any contingent liabilities having arisen which, upon becoming enforceable, will have a substantial impact on the profit and cashflow estimate and forecast or net asset value of the Company and its subsidiaries.

11. Expenses

The total estimated expenses in relation to the Rights Issue of ICULS (inclusive of the total estimated expenses for the Proposals) of approximately RM1.2 million will be entirely borne by the Company. Further details of the estimated expenses are contained in Section 11 of the Abridged Prospectus.

12. Auditors

The name and address of the Auditors are as set out in page (iii) of this Abridged Prospectus.

13. Consents

The written consents of Aseambankers as the Adviser and Managing Underwriter, Registrars, Solicitor, Principal Bankers and Valuers to the inclusion in this Abridged Prospectus and the Provisional Allotment Letter of their names and references in the form and context in which they appear have been given before the issue of this Abridged Prospectus and such consents have not subsequently been withdrawn.

Messrs. CS Tan & Associates has also given their written consent for the inclusion in this Abridged Prospectus of their name, references, the Auditors' Reports relating to the audited financial statements of the Company for the financial year ended 31 January 2001 and the Reporting Accountants' letter relating to the consolidated profit estimate and forecast of CCB for the financial years ended/ending 31 January 2002 and 2003 and the proforma consolidated balance sheets of CCB as at 31 January 2002 in the form and context in which they appear and such consent has not subsequently been withdrawn.

FURTHER INFORMATION (Cont'd)

14. Documents Available For Inspection

Copies of the following documents will be available for inspection at the Registered Office of CCB during normal business hours from the date of this Abridged Prospectus to a period of not less than twelve (12) months:

- (a) Memorandum and Articles of Association of CCB;
- (b) Trust Deed dated 12 June 2002;
- (c) Letters of consent as referred to in paragraph 13 above;
- (d) Audited financial statements of the CCB Group and its subsidiaries for the past two (2) financial years ended 31 January 2002 together with all notes, certificates and information required by the Companies Act;
- (e) Consolidated profit forecast of CCB for the financial years ending 31 January 2003 together with the principal bases and assumptions and the auditors letter relating thereto as set out in Appendix IV of this Abridged Prospectus;
- (f) Proforma Consolidated Balance Sheets as at 31 January 2002 and the Reporting Accountants' letter relating thereto as set out in Appendix V of this Abridged Prospectus;
- (g) The Directors' Report as disclosed in Appendix VIII of this Abridged Prospectus;
- (h) The material contracts as referred to in paragraph 9 above; and
- (i) The relevant cause papers relating to the material litigation referred to in paragraph 10 above;
- (j) The Valuation Report on Land A.

15. Adviser's Responsibility

Aseambankers, being the Adviser for the Rights Issue of ICULS confirms that, to the best of its knowledge and belief and based on the information made available, this Abridged Prospectus constitutes full and true disclosure of all material facts about the Company, its subsidiaries and this Rights Issue of ICULS.

16. Directors' Responsibility

This Abridged Prospectus has been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Abridged Prospectus misleading.

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