

Adagio Corporation, Inc.**Balance Sheet**

May 31, 2005

(Unaudited)

	May 31 2005	February 28 2005
ASSETS		
CURRENT		
Cash	127,317.07	(5,275.01)
Marketable securities (Note 1)	0.00	0.00
Accounts receivable	162,769.79	73,546.38
Inventory (Note 4)	387,205.66	233,994.24
Other Current Assets	0.00	0.00
Due from shareholders (Note 5)	0.00	0.00
	<u>677,292.52</u>	<u>302,265.61</u>
PROPERTY, PLANT AND EQUIPMENT (Note 6)	34,026.85	28,476.85
Less accumulated depreciation	(9,241.39)	(8,471.28)
INTANGIBLE ASSETS (Note 7)	0.00	0.00
DUE FROM SHAREHOLDERS (Note 5)	0.00	0.00
	<u>702,077.98</u>	<u>322,271.18</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts Payable	377,429.02	117,581.73
Income taxes payable	8,533.97	941.75
Management fees payable	0.00	0.00
Other Current Liabilities	10,000.00	10,000.00
Current portion of long term debt (Note 8)	0.00	0.00
Current portion of obligations under capital lease (Note 9)	0.00	0.00
Bonuses payable	0.00	0.00
	<u>395,962.99</u>	<u>128,523.48</u>
LONG TERM DEBT (Note 8)	0.00	0.00
DUE TO RELATED PARTIES (Note 10)	0.00	0.00
DUE TO SHAREHOLDERS (Note 5)	0.00	0.00
OBLIGATIONS UNDER CAPITAL LEASE (Note 9)	0.00	0.00
	<u>395,962.99</u>	<u>128,523.48</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	0.00	0.00
Retained Earnings	306,114.99	193,747.70
	<u>306,114.99</u>	<u>193,747.70</u>
	<u>\$702,077.98</u>	<u>\$322,271.18</u>

APPROVED BY THE SOLE DIRECTOR

Director