

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 |
| | 677,292.52 | 302,265.61 |
| | | |
| 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 |
| | 702,077.98 | 322,271.18 |
| 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 |
| | 395,962.99 | 128,523.48 |
| 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 |
| | 395,962.99 | 128,523.48 |
| SHAREHOLDERS' EQUITY | | |
| Share capital (Note 11) | 0.00 | 0.00 |
| Retained Earnings | 306,114.99 | 193,747.70 |
| | 306,114.99 | 193,747.70 |
| | \$702,077.98 | \$322,271.18 |

APPROVED BY THE SOLE DIRECTOR

 Director

See notes to the financial statements