
19. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)

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**Deloitte
KassimChan**

February 21, 2003

The Board of Directors
CYL Corporation Berhad
Level 14, Uptown 1
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Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

A. INTRODUCTION

This report has been prepared by Deloitte KassimChan, an approved company auditor, for inclusion in the Prospectus of CYL Corporation Berhad (hereinafter referred to as "the Company" or "CYL") to be dated February 28, 2003 in connection with the offer for sale of 9,499,400 ordinary shares of RM0.50 each in CYL at an offer price of RM0.65 per ordinary share and the public issue of 7,858,000 new ordinary shares of RM0.50 each in CYL at an issue price of RM0.65 per ordinary share pursuant to the listing of and quotation for the entire enlarged issued and fully paid-up share capital of CYL comprising 100,000,000 ordinary shares of RM0.50 each on the Second Board of the Kuala Lumpur Stock Exchange (KLSE).

B. GENERAL INFORMATION

1. Incorporation and Principal Activity

The Company was incorporated on June 6, 2000 in Malaysia under the Companies Act, 1965 as a private limited company under the name of CYL Corporation Sdn. Bhd. On June 21, 2000, the Company was converted from a private limited company to a public limited company and changed its name to CYL Corporation Berhad.

CYL is principally an investment holding company and has not undertaken any income producing activities as of August 31, 2002.

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Deloitte KassimChan**2. Listing Exercise**

In conjunction with and as an integral part of the listing of and quotation for its entire enlarged issued and paid-up share capital on the Second Board of the KLSE, CYL undertook/will undertake the following:

- a) Subdivision of the par value of the ordinary shares of CYL from RM1.00 per share to RM0.50 per share ("share split") which was completed on December 2, 2002;
- b) Acquisition by CYL of the entire equity interest in Perusahaan Jaya Plastik (M) Sdn Bhd (PJP) comprising 1,650,000 ordinary shares of RM1.00 each for a purchase consideration of RM47,749,184 satisfied by the issuance of 92,141,996 new ordinary shares of RM0.50 each in CYL at an issue price of approximately RM0.52 per ordinary share ("acquisition of PJP") which was completed on January 31, 2003;
- c) Offer for sale of 9,499,400 ordinary shares of RM0.50 each in CYL at an offer price of RM0.65 per ordinary share ("offer for sale");
- d) Public issue of 7,858,000 new ordinary shares of RM0.50 each in CYL at an issue price of RM0.65 per ordinary share ("public issue"); and
- e) Listing of and quotation for the entire enlarged issued and paid-up share capital of CYL comprising 100,000,000 ordinary shares of RM0.50 each on the Second Board of the KLSE.

The listing exercise was approved by the Securities Commission (SC) on April 4, 2001, June 4, 2002 and November 13, 2002; the Ministry of International Trade and Industry (MITI) on September 25, 2000, April 29, 2002, July 10, 2002 and October 18, 2002 and the Foreign Investment Committee (FIC) on September 9, 2000, June 24, 2002 and November 19, 2002.

3. Share Capital

The authorised share capital of CYL at incorporation was RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

As approved by the shareholders on December 2, 2002, the par value of the ordinary shares of CYL was subdivided from RM1.00 per share to RM0.50 per share. This resulted in a change in the authorised share capital of CYL from RM100,000 comprising 100,000 ordinary shares of RM1.00 each to RM100,000 comprising 200,000 ordinary shares of RM0.50 each.

As approved by the shareholders on January 15, 2003, the authorised share capital was increased from RM100,000 to RM100,000,000 by the creation of an additional 199,800,000 ordinary shares of RM0.50 each.

Also, consequent to the aforementioned share split, the issued and paid-up share capital of CYL of RM2.00 comprising 2 ordinary shares of RM1.00 each was subdivided into 4 ordinary shares of RM0.50 each.

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As approved by the SC and the relevant authorities in connection with the listing exercise of CYL on the Second Board of the KLSE, the issued and paid-up share capital of CYL was increased from RM2.00 to RM46,071,000 by an allotment of 92,141,996 new ordinary shares of RM0.50 in connection with the acquisition by CYL of the entire equity interest of PJP. The new ordinary shares rank pari passu with the then existing ordinary shares of CYL.

The details of the changes in the issued and fully paid-up share capital of CYL since its incorporation are as follows:

Date of Allotment	Type of Issue	Par Value RM	Number of Ordinary Shares Issued	Cumulative Issued and Paid-up Share Capital RM
June 6, 2000	Subscribers' shares	1.00	2	2
December 2, 2002	Share split	0.50	4	2
January 31, 2003	Acquisition of PJP	0.50	92,141,996	46,071,000

Upon completion of the public issue of 7,858,000 new ordinary shares of RM0.50 each in CYL, the issued and fully paid-up share capital of CYL would be RM50,000,000 comprising 100,000,000 ordinary shares of RM0.50 each.

4. Subsidiary Company

The details of CYL's subsidiary company, which is incorporated in Malaysia under the Companies Act, 1965, at the date of this report are as follows:

Name of Company	Date of Incorporation	Effective Equity Interest	Principal Activity
Perusahaan Jaya Plastik (M) Sdn. Bhd.	5.2.1980	100%	Manufacturing and supplying of plastic packaging products

At the date of this report, the authorised share capital of PJP is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each and the issued and paid-up share capital is RM1,650,000 comprising 1,650,000 ordinary shares of RM1.00 each.

At the date of this report, CYL does not have any associated company.

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C. AUDITORS' REPORTS

We have been appointed as the auditors of CYL since its first financial period ended January 31, 2001.

We have also acted as auditors of PJP since the financial year ended January 31, 1997. The financial statements of PJP were audited by another firm of auditors prior to the financial year ended January 31, 1997.

The auditors' reports on the financial statements of CYL and its subsidiary company for the respective years/periods under review were not subject to any qualification.

D. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of CYL and its subsidiary company included in this report have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards issued and adopted by the Malaysian Accounting Standards Board and using the same accounting principles and policies as were used in the preparation of the statutory financial statements of CYL and its subsidiary company.

There were no changes in accounting policies or accounting estimates by CYL and PJP for the financial years/period under review except for the revision of the manufacturing overheads absorption rate for finished goods to reflect more realistically the value of inventories of finished goods as of August 31, 2002 as mentioned in Sections F.1. and F.3.

E. DIVIDENDS

No dividend has been paid or declared by CYL since its incorporation.

The total dividends paid by PJP for the five financial years ended January 31, 2002 and for the financial period February 1, 2002 to August 31, 2002 are as follows:

Year/Period Ended	Issued and Paid-up Share Capital RM'000	Dividend Rate (Gross) %	Tax-exempt Dividend RM'000
January 31, 1998	1,650	50	825
January 31, 1999	1,650	60	990
January 31, 2000	1,650	70	1,155
January 31, 2001	1,650	-	-
January 31, 2002	1,650	70	1,155
August 31, 2002	1,650	70	1,155

The tax-exempt dividends paid by PJP for the financial period February 1, 2002 to August 31, 2002 are as follows:

	August 31, 2002 (7 Months) RM
35% first interim tax-exempt dividend	577,500
35% second interim tax-exempt dividend	577,500
	<u>1,155,000</u>

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F. SUMMARISED INCOME STATEMENTS

1. Summarised Proforma Consolidated Income Statements

The summarised proforma consolidated income statements of CYL and its subsidiary company ("Proforma Group") for the five financial years ended January 31, 2002 and for the financial period February 1, 2002 to August 31, 2002 are as follows:

	← Financial Years Ended January 31 →					Financial Period February 1, 2002 to August 31, 2002
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	(7 Months) RM'000
Revenue	34,216	35,013	43,658	49,901	56,706	30,287
Profit before depreciation, finance costs and income tax	9,112	8,887	10,501	11,519	12,783	7,821
Depreciation of property, plant and equipment	(2,868)	(2,888)	(3,132)	(3,399)	(3,946)	(2,726)
Finance costs	(1,486)	(1,780)	(1,405)	(1,066)	(920)	(489)
Profit before tax	4,758	4,219	5,964	7,054	7,917	4,606
Income tax expense	(615)	(196)	230	(469)	(924)	(865)
Net profit for the year/period	<u>4,143</u>	<u>4,023</u>	<u>6,194</u>	<u>6,585</u>	<u>6,993</u>	<u>3,741</u>
Number of ordinary shares of RM0.50 each assumed in issue (units'000) *	<u>92,142</u>	<u>92,142</u>	<u>92,142</u>	<u>92,142</u>	<u>92,142</u>	<u>92,142</u>
Gross earnings per ordinary share (sen)	<u>5.16</u>	<u>4.58</u>	<u>6.47</u>	<u>7.66</u>	<u>8.59</u>	<u>**8.57</u>
Net earnings per ordinary share (sen)	<u>4.50</u>	<u>4.37</u>	<u>6.72</u>	<u>7.15</u>	<u>7.59</u>	<u>**6.96</u>

* The number of ordinary shares assumed in issue throughout the financial years under review is the number of ordinary shares in issue after the share split and acquisition of PJP i.e. 92,142,000 ordinary shares of RM0.50 each.

** The gross earnings and net earnings per ordinary share are annualised.

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Deloitte KassimChan**Assumptions used in the preparation of the summarised proforma consolidated income statements**

The summarised proforma consolidated income statements of the Proforma Group for the five financial years ended January 31, 2002 and for the financial period February 1, 2002 to August 31, 2002 are prepared after making such adjustments considered necessary by consolidating the audited financial statements of CYL and PJP for the respective years/periods and are provided for illustrative purposes only, on the assumption that the Proforma Group has existed throughout the years/period under review.

Notes:

- a) The summarised proforma consolidated income statements of the Proforma Group for the five financial years ended January 31, 2002 and for the financial period February 1, 2002 to August 31, 2002 are prepared based on the following:
 - i) audited financial statements of CYL for the financial period June 6, 2000 (date of incorporation) to January 31, 2001, financial year ended January 31, 2002 and financial period February 1, 2002 to August 31, 2002; and
 - ii) audited financial statements of PJP for the financial years ended January 31, 1998 to January 31, 2002 and financial period February 1, 2002 to August 31, 2002.
- b) The effective tax rates of the Proforma Group for the five financial years ended January 31, 2002 and for the financial period February 1, 2002 to August 31, 2002 were lower than the statutory income tax rate due mainly to the reinvestment allowances claimed under Schedule 7A of the Income Tax Act, 1967 except for the financial year ended January 31, 1999 which was a tax waiver year.

The provision for income tax for the financial year ended January 31, 1999 is in respect of an underprovision of income tax in prior year. No provision for income tax has been made for the financial year ended January 31, 1999 in view of the income tax waiver under the Income Tax (Amendment) Act, 1999 to facilitate the transition of the income tax assessment from a preceding year system to a current year system.
- c) The gross earnings per ordinary share of the Proforma Group for the respective financial years/period under review is calculated based on the proforma consolidated profit before tax over the enlarged issued and paid-up share capital of 92,142,000 ordinary shares of RM0.50 each following the acquisition of PJP in connection with the listing exercise.
- d) The net earnings per ordinary share of the Proforma Group for the respective financial years/period under review is calculated based on the proforma consolidated profit after tax over the enlarged issued and paid-up share capital of 92,142,000 ordinary shares of RM0.50 each following the acquisition of PJP in connection with the listing exercise.
- e) There were no extraordinary and exceptional items during the financial years/period under review.
- f) There were no changes in accounting policies or accounting estimates for the financial years/period under review except for the upward revision by PJP of the manufacturing overheads absorption rate for finished goods to reflect more realistically the value of inventories of finished goods. This revision of manufacturing overheads absorption rate has resulted in an increase in the value of the inventories of finished goods and profit before tax of the Proforma Group for the financial period ended August 31, 2002 by RM476,172.

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2. CYL

The summarised income statements of CYL based on the audited financial statements for the financial period June 6, 2000 (date of incorporation) to January 31, 2001, financial year ended January 31, 2002 and financial period February 1, 2002 to August 31, 2002 are as follows:

	Financial Period June 6, 2000 (date of incorporation) to January 31, 2001 (8 Months) RM	Year Ended January 31, 2002 (12 Months) RM	Financial Period February 1, 2002 to August 31, 2002 (7 Months) RM
Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Loss before tax	(500)	(3,620)	(1,000)
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>
Net loss for the period/year	<u>(500)</u>	<u>(3,620)</u>	<u>(1,000)</u>
Number of ordinary shares of RM1.00 each *	<u>2</u>	<u>2</u>	<u>2</u>
Net loss per ordinary share (RM)	<u>** (375)</u>	<u>(1,810)</u>	<u>** (857)</u>

* The number of ordinary shares used in the calculation of the net loss per ordinary share is the number of ordinary shares in issue before the share split.

** The net loss per ordinary share is annualised.

Notes:

- a) No provision for income tax has been made for the financial year/periods under review as CYL incurred losses.
- b) The net loss per ordinary share of CYL for the respective financial year/periods under review is calculated based on the net loss for the year/period over the number of ordinary shares in issue of 2 ordinary shares of RM1.00 each in the respective financial year/periods under review.
- c) There were no extraordinary or exceptional items during the financial year/periods under review.

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3. PJP

The summarised income statements of PJP based on the audited financial statements for the five financial years ended January 31, 2002 and for the financial period February 1, 2002 to August 31, 2002 are as follows:

	← Financial Years Ended January 31 →					Financial Period February 1, 2002 to August 31, 2002 (7 Months)
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	RM'000
Revenue	<u>34,216</u>	<u>35,013</u>	<u>43,658</u>	<u>49,901</u>	<u>56,706</u>	<u>30,287</u>
Profit before depreciation, finance costs and income tax	9,112	8,887	10,501	11,519	12,787	7,822
Depreciation of property, plant and equipment	(2,868)	(2,888)	(3,132)	(3,399)	(3,946)	(2,726)
Finance costs	<u>(1,486)</u>	<u>(1,780)</u>	<u>(1,405)</u>	<u>(1,066)</u>	<u>(920)</u>	<u>(489)</u>
Profit before tax	4,758	4,219	5,964	7,054	7,921	4,607
Income tax expense	<u>(615)</u>	<u>(196)</u>	<u>230</u>	<u>(469)</u>	<u>(924)</u>	<u>(865)</u>
Net profit for the year/period	<u>4,143</u>	<u>4,023</u>	<u>6,194</u>	<u>6,585</u>	<u>6,997</u>	<u>3,742</u>
Number of ordinary shares of RM1.00 each (units'000)	<u>1,650</u>	<u>1,650</u>	<u>1,650</u>	<u>1,650</u>	<u>1,650</u>	<u>1,650</u>
Gross earnings per ordinary share (RM)	<u>2.88</u>	<u>2.56</u>	<u>3.61</u>	<u>4.28</u>	<u>4.80</u>	<u>*4.79</u>
Net earnings per ordinary share (RM)	<u>2.51</u>	<u>2.44</u>	<u>3.75</u>	<u>3.99</u>	<u>4.24</u>	<u>*3.89</u>

* The gross earnings and net earnings per ordinary share are annualised.

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Notes:

- a) The effective tax rates for the five financial years ended January 31, 2002 and for the financial period February 1, 2002 to August 31, 2002 were lower than the statutory income tax rate due mainly to the reinvestment allowances claimed under Schedule 7A of the Income Tax Act, 1967 except for the financial year ended January 31, 1999 which was a tax waiver year.

The provision for income tax for the financial year ended January 31, 1999 is in respect of an underprovision of income tax in prior year. No provision for income tax has been made for the financial year ended January 31, 1999 in view of the income tax waiver under the Income Tax (Amendment) Act, 1999 to facilitate the transition of the income tax assessment from a preceding year system to a current year system.

- b) The gross earnings per ordinary share of PJP for the respective financial years/period under review is calculated based on the profit before tax over the number of shares in issue of 1,650,000 ordinary shares of RM1.00 each in the respective years/period under review.
- c) The net earnings per ordinary share of PJP for the respective financial years/period under review is calculated based on the profit after tax over the number of shares in issue of 1,650,000 ordinary shares of RM1.00 each in the respective years/period under review.
- d) There were no extraordinary or exceptional items during the financial years/period under review.
- e) There were no changes in accounting policies or accounting estimates for the financial years/period under review except for the upward revision by PJP of the manufacturing overheads absorption rate for finished goods to reflect more realistically the value of inventories of finished goods. This revision of manufacturing overheads absorption rate has resulted in an increase in the value of the inventories of finished goods and profit before tax of PJP for the financial period ended August 31, 2002 by RM476,172.

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G. BALANCE SHEETS

It is impracticable to present the proforma consolidated balance sheets of the Proforma Group for the financial years/period under review as the purchase consideration for the acquisition of PJP is calculated based on the net tangible assets of PJP as of January 31, 2002 as shown by the audited financial statements and after adjusting for the surplus arising from the revaluation of PJP's land and buildings. Accordingly, the proforma consolidated balance sheet of the Proforma Group has only been presented by way of a proforma statement of assets and liabilities as of August 31, 2002 based on the latest audited financial statements as of August 31, 2002 of CYL and PJP.

1. CYL

The balance sheets of CYL based on the audited financial statements for the financial period June 6, 2000 (date of incorporation) to January 31, 2001, financial year ended January 31, 2002 and financial period February 1, 2002 to August 31, 2002 are as follows:

	As of January 31, 2001 RM	As of January 31, 2002 RM	As of August 31, 2002 RM
Current Assets			
Cash on hand	2	2	2
Current Liabilities			
Other payables and accrued expenses	500	500	1,000
Amount owing to related party	-	3,620	4,120
	500	4,120	5,120
Net Current Liabilities	(498)	(4,118)	(5,118)
Net Liabilities	(498)	(4,118)	(5,118)
Represented by:			
Issued capital	2	2	2
Accumulated loss	(500)	(4,120)	(5,120)
Capital Deficiency	(498)	(4,118)	(5,118)
Capital deficiency per ordinary share of RM1.00 each based on issued share capital at balance sheet date (RM)	(249)	(2,059)	(2,559)

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2. PJP

The summarised balance sheets of PJP based on the audited financial statements for the five financial years ended January 31, 2002 and for the financial period February 1, 2002 to August 31, 2002 are as follows:

	← Financial Years Ended January 31 →					As of
	1998	1999	2000	2001	2002	August 31, 2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Property, plant and equipment	32,513	31,554	37,773	41,777	46,892	48,788
Investments	73	73	73	73	73	73
Total current assets	11,691	11,682	14,299	15,139	16,226	20,099
Total current liabilities	18,835	17,711	21,055	18,206	18,531	21,958
Net Current Liabilities	(7,144)	(6,029)	(6,756)	(3,067)	(2,305)	(1,859)
Long-Term and Deferred Liabilities	(7,950)	(5,073)	(5,526)	(6,634)	(6,669)	(6,423)
	<u>17,492</u>	<u>20,525</u>	<u>25,564</u>	<u>32,149</u>	<u>37,991</u>	<u>40,579</u>
Represented by:						
Issued capital	1,650	1,650	1,650	1,650	1,650	1,650
Unappropriated profit	15,351	18,384	23,423	30,008	35,850	38,438
Revaluation surplus	491	491	491	491	491	491
Shareholders' Equity	<u>17,492</u>	<u>20,525</u>	<u>25,564</u>	<u>32,149</u>	<u>37,991</u>	<u>40,579</u>
Net tangible assets per ordinary share of RM1.00 each based on issued share capital at balance sheet date (RM)	<u>10.60</u>	<u>12.44</u>	<u>15.49</u>	<u>19.48</u>	<u>23.02</u>	<u>24.59</u>

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**H. PROFORMA STATEMENTS OF ASSETS AND LIABILITIES
AS OF AUGUST 31, 2002**

The proforma statements of assets and liabilities of the Proforma Group and of CYL as of August 31, 2002 are as follows:

	Note	Proforma Group RM	The Company RM
Assets			
Property, plant and equipment	2	58,472,368	-
Investments	3	73,000	-
Investment in subsidiary company	4	-	47,749,184
Current Assets			
Inventories	5	4,913,262	-
Trade receivables	6	12,427,864	-
Other receivables and prepaid expenses	7	2,341,768	-
Deferred expenditure	8	399,537	399,537
Cash and bank balances		12,313	2
		<u>20,094,744</u>	<u>399,539</u>
Current Liabilities			
Trade payables		3,633,512	-
Other payables and accrued expenses	9	6,333,510	1,000
Amount owing to directors	10	170,385	-
Amount owing to subsidiary company	11	-	403,657
Bank borrowings	12	10,950,631	-
Hire-purchase obligations - current portion	13	626,004	-
Tax liabilities		245,324	-
		<u>21,959,366</u>	<u>404,657</u>
Net Current Liabilities		(1,864,622)	(5,118)
Long-Term and Deferred Liabilities			
Long-term loans - non-current portion	14	(3,701,726)	-
Hire-purchase obligations - non-current portion	13	(332,360)	-
Deferred tax liabilities	15	(2,388,647)	-
Net Assets		<u>50,258,013</u>	<u>47,744,066</u>
Represented by:			
Issued capital	16	46,071,000	46,071,000
Reserves	17	4,192,133	1,678,186
Accumulated loss		(5,120)	(5,120)
Shareholders' Equity		<u>50,258,013</u>	<u>47,744,066</u>
Total net tangible assets		<u>49,858,476</u>	<u>47,344,529</u>
Net tangible assets per ordinary share of RM0.50 each based on issued share capital at balance sheet date (RM)		<u>0.54</u>	<u>0.51</u>

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Assumptions used in the preparation of the proforma statements of assets and liabilities of the Proforma Group and of CYL as of August 31, 2002

The proforma statements of assets and liabilities of the Proforma Group and of CYL as of August 31, 2002 are prepared for illustrative purposes only on the assumption that the revaluation of land and buildings, share split and acquisition of PJP have been effected on August 31, 2002.

Notes on the preparation of the proforma statements of assets and liabilities of the Proforma Group and of CYL as of August 31, 2002

- a) The proforma statements of assets and liabilities of the Proforma Group and of CYL as of August 31, 2002 are prepared based on the following:
 - i) audited financial statements of CYL for the financial period February 1, 2002 to August 31, 2002; and
 - ii) audited financial statements of PJP for the financial period February 1, 2002 to August 31, 2002.
- b) The land and buildings of PJP were revalued by the Directors of PJP on June 20, 2000 based on a valuation carried out by an independent firm of professional valuers using the "Comparison Method" and "Investment Method" of valuation. The revaluation was carried out as part of the listing exercise which was approved by the SC. The surplus arising from the revaluation amounting to RM9,684,562 has been recognised in the statement of assets and liabilities of the Proforma Group as of August 31, 2002 for illustrative purposes only.
- c) The total estimated listing expenses amounted to RM1,600,000, of which RM399,537 has been incurred by CYL and shown as deferred expenditure under current assets as of August 31, 2002.

The above proforma statements of assets and liabilities should be read in conjunction with the Notes set out in section J of this report.

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I. PROFORMA CASH FLOW STATEMENTS

The following proforma cash flow statements of the Proforma Group and of CYL for the period February 1, 2002 to August 31, 2002, have been prepared for illustrative purposes only based on the audited financial statements of CYL and PJP for the period February 1, 2002 to August 31, 2002 and on the assumption that the Proforma Group has been in existence throughout the said financial period:

	Proforma Group RM	The Company RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	4,606,413	(1,000)
Adjustments for:		
Depreciation of property, plant and equipment	2,726,107	-
Finance costs	488,988	-
Gain on disposal of property, plant and equipment	(450,249)	-
Operating Profit/(Loss) Before Working Capital Changes	7,371,259	(1,000)
Increase in:		
Inventories	(1,622,528)	-
Trade receivables	(1,105,582)	-
Other receivables and prepaid expenses	(986,858)	-
Increase/(Decrease) in:		
Trade payables	219,122	-
Other payables and accrued expenses	2,311,731	500
Amount owing to subsidiary company	-	500
Amount owing to directors	(34,190)	-
Cash Generated From Operations	6,152,954	-
Income tax paid	(161,150)	-
Net Cash From Operating Activities	5,991,804	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,095,041)	-
Proceeds from disposal of property, plant and equipment	1,017,397	-
Net Cash Used In Investing Activities	(4,077,644)	-

(Forward)

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

	Note	Proforma Group RM	The Company RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from drawdown of term loans		1,754,996	-
Repayment of term loans		(2,184,665)	-
Repayment of hire-purchase obligations		(605,679)	-
Dividends paid		(995,827)	-
Interest paid		(488,988)	-
Decrease in bankers acceptances		(100,000)	-
Net Cash Used In Financing Activities		<u>(2,620,163)</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(706,003)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		<u>(673,745)</u>	<u>2</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18	<u><u>(1,379,748)</u></u>	<u><u>2</u></u>

Note : The Proforma Group acquired property, plant and equipment with an aggregate cost of RM5,189,041 of which RM94,000 was acquired under hire-purchase arrangements. Cash payment for the acquisition of property, plant and equipment amounted to RM5,095,041.

The above proforma cash flow statements should be read in conjunction with the Notes set out in section J of this Report.

19. ACCOUNTANTS' REPORT *(Cont'd)*

Deloitte KassimChan

J. NOTES TO THE PROFORMA STATEMENTS OF ASSETS AND LIABILITIES

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The proforma statements of assets and liabilities of the Proforma Group and of CYL have been prepared under the historical cost convention, modified by the revaluation of PJP's freehold land, buildings and apartments and certain plant and machinery, and in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards issued and adopted by the Malaysian Accounting Standards Board, and using the same accounting principles and policies as were used in the preparation of the statutory financial statements of CYL and its subsidiary company.

Income Tax

The tax effects of transactions are recognised using the 'liability' method, when such transactions enter into the determination of net income regardless of when they are recognised for tax purposes. However, where timing differences would give rise to net deferred tax assets, the tax effects are recognised generally on actual realisation.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation.

Land and buildings stated at valuation are revalued at regular intervals of at least once in every five years by the directors based on the valuation reports of independent professional valuers with additional valuation in the intervening years where market conditions indicate that the carrying values of the revalued assets differ materially from the market value.

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same asset. In all other cases, a decrease in carrying amount is charged to income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to income statements to the extent that it offsets the previously recorded decrease.

A gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statements unless it reverses a previous revaluation in which case it is treated as a revaluation decrease.

Land held under long lease is amortised over the lease period of 99 years.

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

Depreciation and amortisation of other property, plant and equipment, except for freehold land which is not depreciated, is computed on the straight-line method at rates based on their estimated useful lives. The principal annual rates used are as follows:

Land held under long lease	Over 99 years
Freehold buildings	2%
Freehold apartments	2%
Plant and machinery	10%
Office equipment	10%
Furniture and fittings	10%
Motor vehicles	20%
Electrical installation	10%
Containers	20%

Property, Plant and Equipment Acquired under Hire-Purchase

Property, plant and equipment acquired under hire-purchase arrangements are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities in the financial statements. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase obligations.

Basis of Consolidation

Subsidiary companies are those enterprises controlled by CYL. Control exists when CYL has the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The consolidated financial statements incorporate the financial statements of CYL and its subsidiary company as mentioned in Note 4 made up to August 31, 2002.

The subsidiary company is consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the subsidiary company are measured at their fair values at the date of acquisition.

The results of the subsidiary company acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

All significant intercompany transactions and balances are eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the purchase consideration over the share of the fair values of the identifiable net assets of the subsidiary company at the date of acquisition.

The excess of the fair value of the net tangible assets of subsidiary company at the effective date of acquisition over the purchase consideration is shown as reserve arising on consolidation.

Reserve arising on consolidation will be credited systematically to the consolidated income statement over a period of 3 years.

19. ACCOUNTANTS' REPORT *(Cont'd)*

Deloitte KassimChan

Investment in Subsidiary Company

Investment in unquoted shares of subsidiary company, which is eliminated on consolidation, is stated at cost. When there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investments

Investments in club memberships are stated at the lower of cost and market value.

Inventories

Inventories are stated at the lower of cost (determined on the 'first-in, first-out' method) and net realisable value.

The cost of raw materials comprises the original cost of purchase plus the cost incurred in bringing the inventories to their present location. The cost of finished goods includes the cost of raw materials, direct labour and an appropriate proportion of the manufacturing overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

During the current financial period, PJP revised the manufacturing overheads absorption rate for finished goods to reflect more realistically the value of inventories of finished goods. This revision of manufacturing overheads absorption rate has resulted in an increase in the value of the inventories of finished goods and profit before tax of the Proforma Group for the financial period ended August 31, 2002 by RM476,172.

Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

Provisions

Provisions are made when the Proforma Group and CYL have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be recognised to settle the obligation, and when a reliable estimate of the amount can be made.

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

2. PROPERTY, PLANT AND EQUIPMENT

Proforma Group Cost (except as stated otherwise)	At beginning of period RM	Additions RM	Disposals RM	Reclassifications RM	Revaluation surplus RM	At end of period RM
Freehold land - at valuation	5,317,306	2,000,340	-	-	7,693,494	15,011,140
Freehold buildings - at valuation	13,375,459	71,390	-	-	2,089,284	15,536,133
Freehold apartments - at valuation	734,880	-	-	-	189,891	924,771
Land held under long lease	609,699	-	(609,699)	-	-	-
Plant and machinery	705,000	-	-	-	-	705,000
- at 1989 valuation	43,772,938	2,774,958	-	1,267,974	-	47,815,870
- at cost						
Plant and machinery under hire-purchase	2,932,693	-	-	(1,267,974)	-	1,664,719
Office equipment	975,601	25,540	-	-	-	1,001,141
Furniture and fittings	328,142	15,044	-	-	-	343,186
Motor vehicles	3,072,223	151,610	(265,575)	66,243	-	3,024,501
Motor vehicles under hire-purchase	402,152	105,334	-	(66,243)	-	441,243
Electrical installation	665,688	44,825	-	-	-	710,513
Containers	78,920	-	-	-	-	78,920
Total	72,970,701	5,189,041	(875,274)	-	9,972,669	87,257,137

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

Proforma Group Accumulated Depreciation	At beginning of period RM	Charge for the period RM	Disposals RM	Reclassi- fications RM	Revaluation surplus RM	At end of period RM	Net Book Value August 31,2002 RM
Freehold land - at valuation	-	-	-	-	-	-	15,011,140
Freehold buildings - at valuation	1,611,061	152,406	-	-	270,700	2,034,167	13,501,966
Freehold apartments - at valuation	58,790	8,574	-	-	17,407	84,771	840,000
Land held under long lease	39,474	3,079	(42,553)	-	-	-	-
Plant and machinery - at 1989 valuation	705,000	-	-	-	-	705,000	-
- at cost	19,785,811	2,144,595	-	157,086	-	22,087,492	25,728,378
Plant and machinery under hire-purchase	196,698	149,239	-	(157,086)	-	188,851	1,475,868
Office equipment	381,559	53,544	-	-	-	435,103	566,038
Furniture and fittings	243,273	13,572	-	-	-	256,845	86,341
Motor vehicles	2,552,857	116,158	(265,573)	48,215	-	2,451,657	572,844
Motor vehicles under hire-purchase	57,133	63,200	-	(48,215)	-	72,118	369,125
Electrical installation	368,114	21,740	-	-	-	389,854	320,659
Containers	78,911	-	-	-	-	78,911	9
Total	26,078,681	2,726,107	(308,126)	-	288,107	28,784,769	58,472,368

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

In 1989, a parcel of PJP's freehold land and certain plant and machinery were revalued by the directors based upon valuation carried out by an independent firm of professional valuers using open market value basis. The surplus of RM991,180 arising from the revaluation had been credited to capital reserve of which an amount of RM500,000 was utilised for a bonus issue of ordinary shares in prior years. The tax effect relating to the revaluation surplus has not been provided for as PJP has no intention to dispose of these assets in the foreseeable future.

In accordance with the transitional provisions of Malaysian Accounting Standards Board Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment, these properties are stated at their last revalued amounts less accumulated depreciation. As of August 31, 2002, the carrying value of the revalued freehold land and plant and machinery as mentioned above had these assets been carried at historical cost would be RM413,820 and RM1 respectively.

The land and buildings of PJP were revalued by the directors on June 20, 2000 based on a valuation carried out by an independent firm of professional valuers, using the "Comparison Method" and "Investment Method" of valuation. The revaluation was carried out as part of the listing exercise which was approved by the SC. The surplus arising from the revaluation amounting to RM9,684,562 has been recognised in the statement of assets and liabilities of the Proforma Group as of August 31, 2002 for illustrative purposes and will be credited to the revaluation reserve account of PJP in the financial year upon completion of the acquisition of PJP. The tax effect relating to the surplus on revaluation of the land and buildings has not been disclosed or provided for as the directors of PJP have no intention to dispose of these assets in the foreseeable future.

The historical costs and carrying values of the revalued land and buildings of the Proforma Group as of August 31, 2002 are as follows:

	Historical Cost RM	Carrying Values RM
Freehold land	5,036,506	12,730,000
Freehold buildings	12,950,017	13,010,000
Freehold apartments	734,880	840,000
	<u>18,721,403</u>	<u>26,580,000</u>

All the property, plant and equipment of PJP with a net book value of RM48,787,806 as of August 31, 2002 are charged to certain local banks to secure credit facilities and long-term loans as mentioned in Note 12.

As of August 31, 2002, the title to a parcel of freehold land of PJP has not been registered in its name.

As of August 31, 2002, the strata titles of all the apartments on freehold land of PJP have not been issued.

Included in property, plant and equipment of PJP are fully depreciated plant and machinery which are still in use, with costs totalling RM7,428,599 as of August 31, 2002.

The carrying amount of plant and machinery of PJP which are not in active use amounted to approximately RM1,035,112 as of August 31, 2002.

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

3. INVESTMENTS

Investments of the Proforma Group represent transferable golf club memberships and are stated at cost less allowance for diminution in value of investments amounting to RM12,100.

4. INVESTMENT IN SUBSIDIARY COMPANY

	The Company RM
Unquoted shares - at cost	<u>47,749,184</u>

The details of the subsidiary company, which was incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest	Principal Activities
Direct Subsidiary Company		
Perusahaan Jaya Plastik (M) Sdn. Bhd.	100%	Manufacturing and supplying of plastic packaging products

5. INVENTORIES

Inventories consist of the following:

	Proforma Group RM
Raw materials	1,889,874
Finished goods	2,346,730
Packing materials	<u>676,658</u>
Total	<u>4,913,262</u>

6. TRADE RECEIVABLES

	Proforma Group RM
Trade receivables	12,735,005
Allowance for doubtful debts	<u>(307,141)</u>
	<u>12,427,864</u>

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan**7. OTHER RECEIVABLES AND PREPAID EXPENSES**

	Proforma Group RM
Other receivables	84,722
Recoverable tax credits	264,861
Refundable deposits	861,180
Prepayments	<u>1,131,005</u>
	<u>2,341,768</u>

8. DEFERRED EXPENDITURE

Deferred expenditure represents professional fees and expenses incurred in connection with the listing exercise of CYL which will be written off against the share premium account.

9. OTHER PAYABLES AND ACCRUED EXPENSES

	Proforma Group RM
Other payables	6,049,775
Accrued expenses	<u>283,735</u>
	<u>6,333,510</u>

Other payables of the Proforma Group comprise mainly outstanding amounts payable for the purchase of freehold land, machinery, manufacturing moulds and indirect materials.

Included in other payables of the Proforma Group is an amount of RM29,164 representing outstanding dividends payable to certain shareholders of PJP.

10. AMOUNT OWING TO DIRECTORS

The amount owing to directors of the Proforma Group represents outstanding dividends payable to the directors of PJP.

This amount is unsecured, interest-free and has no fixed terms of repayment.

11. AMOUNT OWING TO SUBSIDIARY COMPANY

The amount owing to subsidiary company represents mainly listing expenses paid on behalf by PJP.

This amount is interest-free and has no fixed terms of repayment.

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

12. BANK BORROWINGS

Bank borrowings consist of the following:

	Proforma Group RM
Bank overdrafts	1,392,061
Bankers acceptances	6,180,000
Long-term loans - current portion (Note 14)	<u>3,378,570</u>
Total	<u><u>10,950,631</u></u>

As of August 31, 2002, the Proforma Group has bank overdrafts and other credit facilities obtained from local banks totalling RM17,150,000 which bear interest at rates ranging from 3.00% to 8.40% per annum.

These facilities are secured by the following:

- a) A debenture with fixed and floating charges over the entire assets of PJP;
- b) Legal charges on all the freehold land and buildings of PJP;
- c) Fixed charges over two landed properties registered in the name of directors of PJP; and
- d) Joint and several guarantee of the directors of PJP.

13. HIRE-PURCHASE OBLIGATIONS

Hire-purchase obligations are as follows:

	Proforma Group RM
Total outstanding	1,054,124
Less: Interest-in-suspense outstanding	<u>(95,760)</u>
Principal amount outstanding	958,364
Less: Portion due within one year, included under current liabilities	<u>(626,004)</u>
Non-current portion	<u><u>332,360</u></u>

The non-current portion is repayable as follows:

	Proforma Group RM
Financial years ending January 31:	
2004	310,157
2005	<u>22,203</u>
	<u><u>332,360</u></u>

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

The hire-purchase obligations of the Proforma Group bear interest at rates ranging from 1.93% to 8.23% per annum. Interest rate is fixed at the inception of the hire-purchase arrangements.

The hire-purchase obligations of the Proforma Group with a bank are guaranteed by a director of PJP.

14. LONG-TERM LOANS

Long-term loans are as follows:

	Proforma Group RM
Outstanding loan principal	7,080,296
Less: Portion due within one year, included under bank borrowings (Note 12)	<u>(3,378,570)</u>
Non-current portion	<u><u>3,701,726</u></u>

The long-term loans of the Proforma Group are secured by collateral as disclosed in Note 12.

The long-term loans bear interest at rates ranging from 5.80% to 8.40% per annum.

The non-current portion of the long-term loans is repayable as follows:

	Proforma Group RM
Financial years ending January 31:	
2004	2,267,928
2005	1,113,852
2006	<u>319,946</u>
	<u><u>3,701,726</u></u>

15. DEFERRED TAX LIABILITIES

The deferred tax liabilities are in respect of the following:

	Proforma Group Deferred Tax Assets/ (Liabilities) RM
Tax effects of timing differences in respect of:	
Excess of tax capital allowances over book depreciation of property, plant and equipment	(4,696,291)
Others	<u>2,307,644</u>
	<u><u>(2,388,647)</u></u>

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

16. SHARE CAPITAL

Share capital is represented by:

	Proforma Group and The Company RM
Authorised:	
Ordinary shares of RM1.00 each:	
As of February 1, 2002	<u>100,000</u>
Ordinary shares of RM0.50 each:	
Subdivision of existing ordinary shares on December 2, 2002	100,000
Created on January 15, 2003	<u>99,900,000</u>
As of January 31, 2003	<u>100,000,000</u>
	Proforma Group and The Company RM
Issued and fully paid:	
Ordinary shares of RM1.00 each:	
As of February 1, 2002	<u>2</u>
Ordinary shares of RM0.50 each:	
Subdivision of existing ordinary shares on December 2, 2002	2
Issued pursuant to the acquisition of PJP on January 31, 2003	<u>46,070,998</u>
As of January 31, 2003	<u>46,071,000</u>

As approved by the shareholders on December 2, 2002, the par value of the ordinary shares of CYL was subdivided from RM1.00 per share to RM0.50 per share. This resulted in a change in the authorised share capital of CYL from RM100,000 comprising 100,000 ordinary shares of RM1.00 each to RM100,000 comprising 200,000 ordinary shares of RM0.50 each.

As approved by the shareholders on January 15, 2003, the authorised share capital was increased from RM100,000 to RM100,000,000 by the creation of an additional 199,800,000 ordinary shares of RM0.50 each.

Also, consequent to the aforementioned share split, the issued and paid-up share capital of CYL of RM2.00 comprising 2 ordinary shares of RM1.00 each was subdivided into 4 ordinary shares of RM0.50 each.

As approved by the SC and the relevant authorities in connection with the listing exercise of CYL on the Second Board of the KLSE, the issued and paid-up share capital of CYL was increased from RM2.00 to RM46,071,000 by an allotment of 92,141,996 new ordinary shares of RM0.50 in connection with the acquisition by CYL of the entire equity interest of PJP. The new ordinary shares rank pari passu with the then existing ordinary shares of CYL.

The resultant premium amounting to RM1,678,186 arising from the shares issued have been credited to the share premium account as shown in Note 17.

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan

17. RESERVES

	Proforma Group RM	The Company RM
Non-distributable:		
Share premium	1,678,186	1,678,186
Reserve arising on consolidation	<u>2,513,947</u>	<u>-</u>
	<u><u>4,192,133</u></u>	<u><u>1,678,186</u></u>

Share premium

Share premium arose from the following:

	Proforma Group RM	The Company RM
92,141,996 ordinary shares of RM0.50 each issued pursuant to the acquisition of PJP at an issue price of approximately RM0.52 per share	<u>1,678,186</u>	<u>1,678,186</u>

Reserve arising on consolidation

	Proforma Group RM
Reserve arising on acquisition of PJP	<u>2,513,947</u>

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Proforma Group RM	The Company RM
Cash and bank balances	12,313	2
Bank overdrafts (Note 12)	<u>(1,392,061)</u>	<u>-</u>
	<u><u>(1,379,748)</u></u>	<u><u>2</u></u>

19. ACCOUNTANTS' REPORT (Cont'd)

Deloitte KassimChan**19. CAPITAL COMMITMENTS**

As of August 31, 2002, the Proforma Group has the following commitments relating to the purchase of machinery and equipment as follows:

	Proforma Group RM	The Company RM
Approved and contracted for	3,650,000	-
Approved but not contracted for	3,000,000	-
	<u>6,650,000</u>	<u>-</u>

20. PROFORMA NET TANGIBLE ASSETS PER ORDINARY SHARE

Based on the proforma statement of assets and liabilities of the Proforma Group as of August 31, 2002, the proforma net tangible assets per ordinary share of RM0.50 each after incorporating the effects of the public issue and estimated listing expenses is as follows:

	RM
Net tangible assets of the Proforma Group	49,858,476
Add : Proceeds from public issue of 7,858,000 ordinary shares of RM0.50 each at an issue price of RM0.65 per share	5,107,700
Less : Estimated listing expenses to be incurred	<u>(1,200,463)</u>
Adjusted net tangible assets	<u>53,765,713</u>
Number of ordinary shares of RM0.50 each assumed in issue as of August 31, 2002	92,142,000
Public issue of 7,858,000 ordinary shares of RM0.50 each	<u>7,858,000</u>
Adjusted number of ordinary shares of RM0.50 each in issue	<u>100,000,000</u>
Proforma net tangible assets per ordinary share of RM0.50 each	<u>0.54</u>

19. ACCOUNTANTS' REPORT *(Cont'd)*

Deloitte KassimChan

21. AUDITED FINANCIAL STATEMENTS

No audited financial statements of CYL and its subsidiary company have been prepared in respect of any period subsequent to August 31, 2002.

Yours very truly,



DELOITTE KASSIMCHAN
AF0080
Chartered Accountants



HIEW KIM TIAM
1717/8/03 (J)
Partner

20. VALUATION CERTIFICATE

(Prepared for inclusion in this Prospectus)



HENRY BUTCHER
Lim & Long (Selangor) Sdn Bhd (495503-K)

No. 52-3, Jalan SS 15/4D, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan.
Tel: 03-5631 5555 (Hunting Line) Fax: 03-5632 7155
Email: hbllsel@pd.jaring.my Website: www.henrybutchermalaysia.com

INTERNATIONAL REAL ESTATE AND PLANT & MACHINERY
CONSULTANTS, VALUERS, AUCTIONEERS, AGENTS,
PROJECT AND PROPERTY MANAGERS.

21 February 2003

The Board of Directors
CYL Corporation Berhad
Level 14, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

VALUATION OF PROPERTIES BELONGING TO PERUSAHAAN JAYA PLASTIK (M) SDN BHD

This certificate has been prepared for inclusion in the Prospectus of CYL Corporation Berhad, the holding company of Perusahaan Jaya Plastik (M) Sdn Bhd ("PJP"), to be dated February 28, 2003 in relation to the public issue of 7,858,000 new ordinary shares of RM0.50 each in CYL at an issue price of RM0.65 per share and offer for sale of 9,499,400 ordinary shares of RM0.50 each in CYL at an offer price of RM0.65 per share pursuant to the listing of and quotation for its entire issued and paid-up share capital on the Second Board of Kuala Lumpur Stock Exchange.

We were instructed by PJP to value the properties listed below. We confirmed that we have valued the properties based on the Valuation Basis stated below. The valuations had been carried out on June 15, 2000 in accordance with the Guidelines on Asset Valuations for Submission to the Securities Commission (1995) issued by the Securities Commission and in compliance with the Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and with the necessary professional responsibility and due diligence.

All the title searches have been conducted at the Selangor Registry of Land Titles, Shah Alam on June 20, 2000. The Certificate of Fitness for Occupancy has been issued to the respective buildings as stated in the table below.

THE INTERNATIONAL NETWORK

• Hong Kong • Singapore • Manila • London • Birmingham • Leeds • Bristol • Cardiff • Edinburgh • Glasgow • Aberdeen
• Dublin • Belfast • Leicester • Southampton • Warsaw • Associates throughout Europe Australasia, North and South America

20. VALUATION CERTIFICATE (Cont'd)



In our opinion, we consider the Market Value of the following properties to be as follows:

PROPERTIES HELD FOR OWNER OCCUPATION

Date of valuation, Date of inspection and Reference No.	Property (Title details, Address)	Description, Age and Tenure	Land Area & Built-up Area	Valuation method	Market value for existing use RM
June 15, 2000 June 15, 2000 V/SEL/00/06/ 0120/SC/LTC/ Derr	Lot 41489, Pekan Hicom, District of Petaling, Selangor Darul Ehsan (previously known as Title No. H.S. (D) 63697, Lot No. PT 700, Mukim of Damansara, District of Petaling, State of Selangor) No. 12, Jalan Teluk Gadung 27/93, Section 27, 40000 Shah Alam Selangor Darul Ehsan	A three storey office building annexed with single storey factory building Approximately 6 years Freehold	74,054 sq. ft. 58,894 sq. ft.	Comparison Method and Investment Method	7,100,000
June 15, 2000 June 15, 2000 V/SEL/00/06/ 0121/SC/LTC/ Derr	Lot 41488, Pekan Hicom, District of Petaling, Selangor Darul Ehsan (previously known as Title No. H.S. (D) 63696, Lot No. PT 699, Mukim of Damansara, District of Petaling, State of Selangor) No. 10, Jalan Teluk Gadung 27/93, Section 27, 40000 Shah Alam Selangor Darul Ehsan	A two storey office building annexed with single storey factory building Approximately 5 years Freehold	78,437 sq. ft. 50,911 sq. ft.	Comparison Method and Investment Method	7,000,000
June 15, 2000 June 15, 2000 V/SEL/00/06/ 0122/SC/LTC/ Derr	Lot 41487, Pekan Hicom, District of Petaling, Selangor Darul Ehsan (previously known as Title No. H.S. (D) 63695, Lot No. PT 698, Mukim of Damansara, District of Petaling, State of Selangor) No. 8, Jalan Teluk Gadung 27/93, Section 27, 40000 Shah Alam Selangor Darul Ehsan	A two storey office building annexed with single storey factory building Approximately 3 years Freehold	74,054 sq. ft. 59,284 sq. ft.	Comparison Method and Investment Method	7,520,000
June 15, 2000 June 15, 2000 V/SEL/00/06/ 0123/SC/LTC/ Derr	Held under Title No. H.S. (D) 71252, Lot No. PT 23, Mukim of Damansara, District of Petaling, State of Selangor Lot 23, Jalan Jaya Setia 26/3, Section 26, Hicom Industrial Estate, 40000 Shah Alam Selangor Darul Ehsan	An office building cum single storey factory warehouse Approximately 9 years Freehold	43,560 sq. ft. 26,755 sq. ft.	Comparison Method and Investment Method	3,700,000
June 15, 2000 June 15, 2000 V/SEL/00/06/ 0125/SC/LTC/ Derr	Held under Title No. H.S. (D) 63661, Lot No. PT 664, Mukim of Damansara, District of Petaling, State of Selangor No. 36, Jalan Batu Belah 27/96, Section 27, 40000 Shah Alam Selangor Darul Ehsan	An intermediate unit 1½ storey terraced factory Approximately 6 years Freehold	3,900 sq. ft. 3,079 sq. ft.	Comparison Method and Investment Method	420,000

20. VALUATION CERTIFICATE (Cont'd)



Date of valuation, Date of inspection and Reference No.	Property (Title details, Address)	Description, Age and Tenure	Land Area & Built-up Area	Valuation method	Market value for existing use RM
June 15, 2000 June 15, 2000 V/SEL/00/06/ 0126/SC/LTC/ Derr	Held under Master Title Nos. H.S. (D) 63617 & H.S.(D) 63619, Master Lot Nos. PT 617 & PT 620 respectively, both in Mukim of Damansara, District of Petaling, State of Selangor Ten Units of Medium Cost Apartment located at Taman Bunga Negara, (Hicom Sector B), Section 26/27, 40400 Shah Alam Selangor Darul Ehsan	Ten Units of Medium Cost Apartment Approximately 4 years Freehold	Not applicable 740 sq. ft. per unit	Comparison Method and Investment Method	840,000
Total Market Value For Properties Held For Owner Occupation					26,580,000

PROPERTIES WHICH ARE SURPLUS TO OPERATIONAL REQUIREMENTS

Date of valuation, Date of inspection and Reference No.	Property (Title details, Address)	Description, Age and Tenure	Land Area & Built-up Area	Valuation method	Market value for existing use RM
June 15, 2000 June 15, 2000 V/SEL/00/06/ 0124/SC/LTC/ Derr	Held under Title No. H.S. (D) 114718, Lot No. PT 34089, Mukim and District of Petaling, State of Selangor Lot No. D5, Jalan TPP 6/8, Pinwang Industrial Park, 47100 Puchong Selangor Darul Ehsan	A parcel of industrial land Not applicable Leasehold 99 years expiring on October 26, 2096. The remaining unexpired term is about 96 years.	30,000 sq. ft. Not applicable	Comparison Method and Investment Method	800,000
Total Market Value For Properties Which Are Surplus To Operational Requirements					800,000
GRAND TOTAL MARKET VALUE OF THE ABOVEMENTIONED PROPERTIES					27,380,000

Yours faithfully,
HENRY BUTCHER, Lim & Loong (Selangor) Sdn Bhd

TEW KOK HUAT
B.Surv., MIS (M), APEPS
Registered Valuer (V-481)

