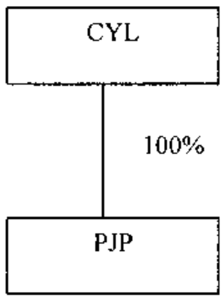
7. INFORMATION ON THE CYL GROUP

7.1 History and Business

CYL was incorporated in Malaysia under the Companies Act, 1965 on 6 June 2000 as a private limited company under the name of CYL Corporation Sdn Bhd. On 21 June 2000, the Company was converted into a public limited company and adopted its present name. It has an authorised share capital of RM100,000,000 comprising 200,000,000 ordinary shares of RM0.50 each. Its current issued and paid-up share capital is RM46,071,000 comprising 92,142,000 ordinary shares of RM0.50 each.

CYL is principally an investment holding company while its subsidiary is principally involved in the manufacturing and supplying of plastic packaging products.

The current structure of the CYL Group is as follows:



7.2 Share Capital

The authorised, and issued and fully paid-up share capital of CYL as at the date hereof are as follows:

	No. of shares	Par value RM	Total share capital RM
Authorised:			
Ordinary shares	200,000,000	0.50	100,000,000
Issued and fully paid-up:			
Ordinary shares	92,142,000	0.50	46,071,000

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

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Issued and paid-up share capital RM
06.06.2000	2	1.00	Subscribers' shares	2
02.12.2002	4	0.50	Subdivision of par value of RM1.00 per share to RM0.50 per share	2
31.01.2003	92,141,996	0.50	Issued pursuant to the Acquisition of PJP	46,071,000

7. INFORMATION ON THE CYL GROUP *(Cont'd)*

7.3 Restructuring and Listing Exercise

In conjunction with, and as an integral part of the Listing, the Company undertook a restructuring exercise, which was approved by the following:

(i) SC, on 4 April 2001, 4 June 2002 and 13 November 2002;

(ii) FIC, on 9 September 2000, 24 June 2002 and 19 November 2002; and

(iii) MITI, on 25 September 2000, 29 April 2002, 10 July 2002 and 18 October 2002;

and involved the following:

7.3.1 Share Split

On 2 December 2002, the par value of the ordinary shares of the Company was subdivided from RM1.00 per share to RM0.50 per share.

On completion, the issued and fully paid-up share capital of CYL became four (4) ordinary shares of RM0.50 each.

7.3.2 Acquisition of PJP

On 28 July 2000, CYL entered into a conditional Share Sale Agreement with the vendors of PJP for the acquisition of the entire equity interest in PJP, comprising 1,650,000 ordinary shares of RM1.00 each, for a purchase consideration of RM35,244,262, satisfied wholly by the issuance of 30,864,262 new ordinary shares of RM1.00 each in CYL, credited as fully paid-up, at an issue price of approximately RM1.14 per share.

Subsequently on 2 January 2003, CYL and the vendors of PJP entered into a Supplemental Share Sale Agreement to revise the purchase consideration to RM47,749,184, satisfied wholly by the issuance of 92,141,996 new CYL Shares, credited as fully paid-up, at an issue price of approximately RM0.52 per new CYL Share. The Acquisition of PJP was completed on 31 January 2003.

The vendors of PJP, their respective shareholdings therein and the number of new CYL Shares issued to them pursuant to the Acquisition of PJP are as follows:

Vendors	---Shareholdings in PJP--- No. of shares held	% held	No. of new CYL Shares issued as consideration
Tan Sri Abu Talib bin Othman	328,350	19.90	18,336,258
Chen Yat Lee	693,000	42.00	38,699,638
Lau Kim Lian	462,000	28.00	25,799,758
Mohd Najuib bin Abu Hassan	80,850+	4.90	4,514,958+
Othman bin Mohd Yusof	52,800+	3.20	2,948,544+
Mohamad Farid bin Mohd Yusof	33,000+	2.00	1,842,840+
	1,650,000	100.00	92,141,996

Note:

\+ *Held through CIMB Nominees (Tempatan) Sdn Bhd*

The purchase consideration of RM47,749,184 for the Acquisition of PJP was agreed upon on a willing-buyer willing-seller basis after taking into consideration the audited NTA of PJP as at 31 January 2002 of RM37,991,207 and adjusting for revaluation surplus of RM9,757,977.

The 92,141,996 new CYL Shares issued pursuant to the Acquisition of PJP ranked pari passu in all respects with the then existing ordinary shares of CYL and carry all rights to receive in full all dividends and other distributions declared and paid subsequent to the allotment thereof.

Upon completion of the Acquisition of PJP on 31 January 2003, the issued and fully paid-up share capital of CYL increased from RM2 comprising four (4) ordinary shares of RM0.50 each to RM46,071,000 comprising 92,142,000 ordinary shares of RM0.50 each.

7.3.3 Public Issue

CYL is now making a public issue of 7,858,000 new CYL Shares at an issue price of RM0.65 per new ordinary share to identified investors (by way of private placement), eligible employees, customers and suppliers of the Group and the Malaysian public, which is the subject of this Prospectus.

Upon completion of the Public Issue, the issued and fully paid-up share capital of CYL will increase from RM46,071,000 comprising 92,142,000 ordinary shares of RM0.50 each to RM50,000,000 comprising 100,000,000 ordinary shares of RM0.50 each.

7.3.4 Offer for Sale

Simultaneous with the Public Issue, the Offerors will undertake an offer for sale of 9,499,400 CYL Shares at an offer price of RM0.65 per share to Bumiputera investors approved by MITI and identified investors (by way of private placement), which is the subject of this Prospectus.

7.3.5 Listing and Quotation

Listing of and quotation for the 100,000,000 ordinary shares of RM0.50 each, representing the entire enlarged issued and fully paid-up share capital of CYL, will be sought on the Second Board of KLSE.

7.4 Business Overview of the Group

7.4.1 Background

CYL is principally an investment holding company, while the principal activities of its wholly-owned subsidiary are in the manufacturing and supplying of plastic packaging products. The Group manufactures various blow-moulded and injection-moulded plastic products, specialising in the 5 millilitre to 5 litre range of plastic container. The Group operates four (4) modern factories located at 8, 10 and 12, Jalan Teluk Gadung 27/93, Section 27, 40000 Shah Alam, Selangor Darul Ehsan and Lot 23, Jalan Jaya Setia 26/3, Section 26, Hicom Industrial Estate, 40000 Shah Alam, Selangor Darul Ehsan on a 226,545 sq. ft. and 43,560 sq. ft. site respectively.

Details on the subsidiary of CYL are set out in Sections 7.5 and 9.1 of this Prospectus.

7.4.2 Range of Products and Services

The Group specialises in the production and sale of blow-moulded plastic products such as plastic containers of different sizes and shapes and injection-moulded plastic products such as container caps, closures, cream packs, tubs and lids. To a lesser extent it also produces injection-blow-moulded plastic products such as small eye-drop containers for the pharmaceutical industry. The Group specialises in the market for 5 millilitre to 5 litre plastic containers. The products are based on customers' own designs and specifications. They are durable and stackable, and as such are cost-effective, efficient and safe.

A breakdown of the Group's revenue for the financial year ended 31 January 2002, by product range and services are as follows:

Products and services	**%**
Blow-moulded	55.52
Injection-moulded	22.57
Injection-blow-moulded	3.47
Tooling and die	6.10
Printing and labelling	12.34
	100.00

A breakdown of the Group's revenue for the financial year ended 31 January 2002, by industry groups served is as follows:

Industry group	**%**
Toiletries and household products	61.10
Automotive lubricants	23.24
Food	11.33
Pharmaceutical	4.33
	100.00

Blow-moulded plastic products

The Group focuses on the high-end range of plastic containers to cater for value added up-market requirements. These products are widely used for packaging and storage of motor lubricants, pharmaceuticals, toiletries and household products, and food. The usage of such products vary according to their sizes, details of which are outlined below:

Container size	**Usage**
5 millilitre to 15 millilitre	Pharmaceutical
30 millilitre to 5 litre	Toiletries and household products
250 millilitre to 1000 millilitre	Food
500 millilitre to 5 litre	Automotive lubricant

Injection-moulded plastic products

Sales of injection-moulded plastic products accounted for approximately 23% of the Group's sales for the financial year ended 31 January 2002. The main injection-moulded plastic products are container caps, closures, cream packs, tubs and lids.

7.4.3 Production Process and Technology

Before the actual blow-moulding or injection-moulding process is carried out, a number of activities are necessary, namely machine selection, die/mould selection, recycling and raw material selection.

The machine to be selected depends on the size of the containers that are to be produced. The size of blow-moulding/injection-moulding machines are determined by extruder screw size, mould clamp tonnage and head size. These three factors determine the minimum and maximum size of a part that could be produced.

Die and mould selection forms an integral part of any blow-moulding process. The die dictates the size and type of parison (raw material flow) needed to be extruded to match the size of the containers. As the shape of the containers produced could be of any form, die size and design dictates the outcome of the product. Mould selection is only needed for the different types of containers wished to be produced. An infinite number of products could be moulded from a single entity blow-moulding machine. Die selection is however not important in injection-moulding as the plastic resins are merely injected into the mould as opposed to the extruded parison of the blow-moulding process.

The recycling process consist of segregation and cleaning up of rejected parts to ensure cleanliness before being sent to the granulation machines to be crushed. Depending on the quality of the scraps produced, a percentage of these regrinds are reused for the production process.

Raw material selection is crucial as different industries and products require different types and grades of plastic resins. Generally, the common type of raw materials used in the blow-moulding/injection-moulding process are High Density Polyethylene ("HDPE"), Low Density Polyethylene ("LDPE"), Low Linear Density Polyethylene ("LLDPE"), Polyvinyl Chloride ("PVC"), Polypropylene ("PP"), Polystyrene ("PS") and Acrylic Styrene ("AS"). Material selection relies on the different physical properties and chemical composition of the resin to dictate the type of products that can be produced.

After the pre-production process, the blow-moulding or injection-moulding process ensue. For the blow-moulding process, plastic pellets (resins) are fed into the feed throat from the hopper (material entry gate) and come into contact with a continuously rotating screw, driven at a desired speed by an electric or hydraulic motor. This screw is contained within a barrel which is maintained at a higher temperature than the screw. The combination of frictional heat caused by the forward rotation of the screw and heat supplied by the barrel forms a compression, which produces melted, compressed homogenous plastic melt. This plastic melt is then forced into a die-head, giving shape to a cylindrical continuous plastic tube. As the cylindrical continuous plastic tube exits the die head at a pre-set length, a split cavity mould closes around it and pinches at one end. Compressed air at a pressure of up to 150 pounds per square inch ("psi") inflates the plastic tube against the hollow blow mould surface, which cools the inflated plastic tube to the blow-moulding configuration. Upon contact with the cold mould wall, the plastic cools and takes the shape of the mould, giving us a hollow container with a certain shape and size. The container produced is then ejected out when the split mould opens. The process repeats itself.

The injection-moulding process is different from the blow-moulding process although the principle process of compression through a barrel with a screw is similar as the blow-moulding process. As with the blow-moulding process, resin is fed through the hopper into the extruder, where the resin is melted. The homogenous plastic melt is then injected with a pressure ranging between 2,000 to 20,000 psi through a series of mould runners and gate restrictions into a split cavity mould. The difference in the injection process is that it uses a reciprocating type extruder, whereby the screw moves not only in a forward circular motion but also horizontally with the barrel. The screw moves backwards while it is still turning hence filling the barrel with the plastic material as it retracts. At a predetermined distance set when the barrel is filled up, the whole screw assembly pushes forward to force the plastic material into the multi cavity split mould. As the material travels through the gates and runner of the mould into the predetermined cavities, the contact with the cool mould wall causes the plastic to cool and form the shape of the mould. It is then ejected through the opening of the split mould. The cycle repeats itself upon closing of the mould.

The plastic products produced by the blow-moulding/injection-moulding process undergo strict quality screening. The rejected products are sent for recycling while the accepted products are packaged for delivery to clients. Some plastic products undergo further labelling or silk screen-printing on their surface, depending on customers' requirements. The final products go through another quality screening before being packed and transferred to the warehouse for storage till delivery takes place.

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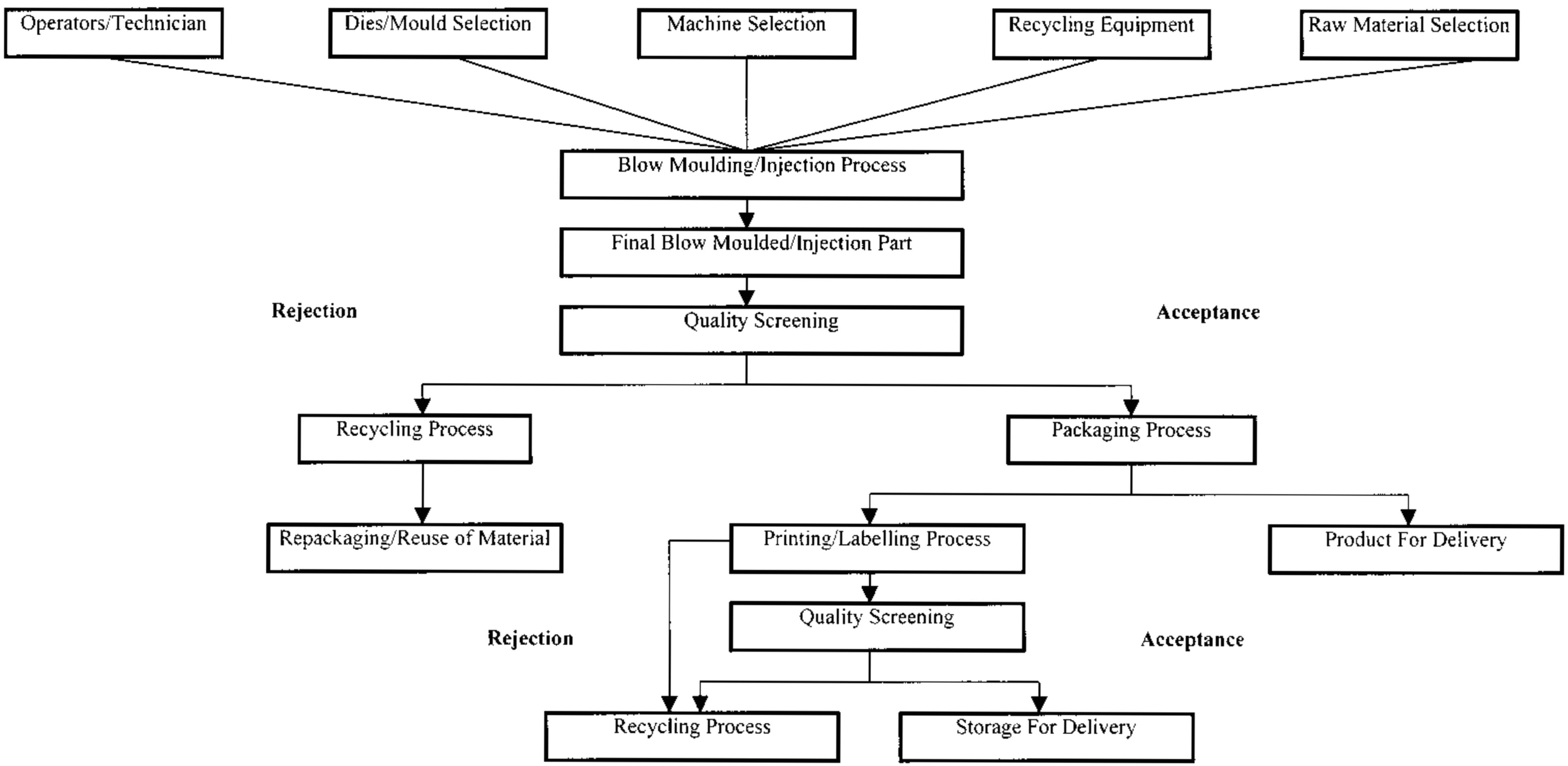
7. INFORMATION ON THE CYL GROUP *(Con'td)*

A flowchart of the production process is set forth below:



7.4.4 Operating Efficiency

The Group has in service blow, injection, and injection-blow-moulding machines which are imported from Japan, Italy, United States of America, Germany, Thailand and Australia. Some of these machines harness state-of-the-art technology in plastic extrusion, which are able to attain a higher output level, have cost-savings features, and improve efficiency, as they lower labour utilisation and power consumption.

The number of machines operated by the Group over the last five (5) financial years ended 31 January 2002 are as follows:

Year ended 31 January	1998	1999	2000	2001	2002
Blow-moulding machines	41	42	49	53	57
Injection-blow-moulding machines	1	1	2	2	2
Injection-moulding machines	44	44	46	41	45
Printing machines	10	10	10	10	10
Labelling machines	9	10	10	11	13
	105	107	117	117	127

7.4.5 Marketing and Distribution

It is the policy of the Group to sell its products direct to the end-users. As such, there is no immediate need for agent distribution network as customers are well serviced directly by sales personnel employed by the Group. These plastic products are made to order, and the Group's customers are mainly market leaders in their respective industries. A group of marketing personnel are responsible for executing the Group's marketing strategy of widening its customer base. The Group's distribution is handled partially by a fleet of its own lorries while the balance is outsourced to external parties.

For the financial year ended 31 January 2002, approximately 98% of the Group's sales are in the domestic market whilst the balance are exported to Singapore, Australia and South Africa. However, some of the local customers' end products are ultimately exported.

The following is a list of the Group's main customers (contributing 5% or more of the Group's revenue for the financial year ended 31 January 2002), their length of working relationship with the Group and their contribution towards the total consolidated revenue for the financial year ended 31 January 2002:

Customers	Length of relationship (years)	Revenue (%)
BP Malaysia Sdn Bhd ("BP") and Castrol (Malaysia) Sdn Bhd ("Castrol") *(now known as AsPac Lubricants (Malaysia) Sdn Bhd)*	15*	22.09*
Colgate-Palmolive (M) Sdn Bhd	6	20.45
Nestle Foods (M) Sdn Bhd	13	5.51
KAO (M) Sdn Bhd	17	5.32
Manufacturing Services Sdn Bhd	14	6.92

Note:

* *This is based on BP's working relationship with PJP as there was a global acquisition of Burmah Castrol PLC by BP Plc in 2001. Hence, revenue contributed by BP and Castrol had been lumped together as one.*

As at 31 January 2002, the Group has two (2) supply agreements with its customers, BP and Smithkline Beecham Sdn Bhd ("Smithkline"). The supply agreement with BP dated 3 December 2001 is to supply plastic bottles at a specified price for a period of two (2) years, with an option by BP to extend the supply agreement for another year. The supply agreement with Smithkline dated 1 January 2000 is to supply plastic components following a price schedule specified in the supply agreement. The supply agreement is automatically renewed for a period of twelve (12) months, unless either party provides written notice of termination of at least six (6) months prior to the expiration of the then-current twelve (12) months. As at to-date, there is no written notice given by either Smithkline or the Group.

The Group has a supply agreement with Petroliam Nasional Berhad ("Petronas") which took effect from 22 August 2002 to supply plastic packs at a specified price for a period of three (3) years with Petronas having the right to extend the supply agreement for another year.

The Group emphasises heavily in the areas of quality, services and technology to gain and maintain customers' confidence so as to build a long term relationship with them. Recently, the Group has upgraded some of its processes with fully automated technology from Europe.

7.4.6 Sourcing of Raw Materials

The main raw material used in the Group's production is High Density Polyethylene resin. The raw materials are obtained from overseas and domestic suppliers. For the financial year ended 31 January 2002, approximately 76.38% of plastic resin were sourced locally while the balance were imported.

The following is a list of the Group's main local suppliers (contributing 5% or more of the Group's total plastic resin purchases for the financial year ended 31 January 2002), their length of working relationship with the Group and their contribution towards the total plastic resin purchases for the financial year ended 31 January 2002:

Suppliers	**Length of relationship Years**	**% of total plastic resin purchases**
Polyethylene Malaysia Sdn Bhd	6	39.00
Titan PP Polymers (M) Sdn Bhd	10	10.20
Malaysian International Trading Corporation Sdn Bhd	3	6.70
Uniplast Trading	5	5.00
Malayan Electro-Chemical Industry Co Sdn Bhd	13	5.00

In relation to the imported plastic resin, the list below shows the major foreign supplier from Singapore which accounted for 21.1% of the Group's total purchases of plastic resin, for the financial year ended 31 January 2002, as follows:

Supplier	**Length of relationship Years**	**% of total plastic resin purchases**
Chevron Phillips Singapore Chemicals (Pte) Ltd	17	21.10

The Group does not have any supply agreements with its suppliers but instead bases its purchase of raw materials on the current and forecast orders from its customers.

Although the bulk of the Group's purchases of plastic resins comes from the above mentioned suppliers, there are many other suppliers in the market. Plastic resin is a competitive commodity and is available in both the local and international markets. Thus the Group is not constrained to purchasing from the above mentioned suppliers only.

7.4.7 Market Share

Based on the Group's revenue from plastic blow moulded products amounting to RM31.5 million for the financial year ended 31 January 2002, the market share of the Group is estimated at 5% of the market size for all types of plastic blow moulded products in Malaysia based on production.

Based on the Group's revenue from plastic injection moulded products amounting to RM12.8 million for the financial year ended 31 January 2002, the market share of the Group is estimated at 0.4% of the market size for all types of plastic injection moulded products in Malaysia based on production.

(Source: Vital Factor Consulting Sdn Bhd's Independent Industry Assessment Report dated 20 February 2003)

7.4.8 Quality Control

The Group follows the policy of maintaining high quality control standards and a philosophy of continuous improvement in plant technology and sophistication, and employee capability. The Group also maintains strict control over its stocks to ensure that they are kept at optimum levels, so as to maximise its working capital requirements. Other cost management measures carried out by the Group include the installation of efficient materials handling system, as well as stringent production control techniques to reduce product rejects and machine down-time for service, repairs, maintenance and upkeep of machines and moulds.

Quality control checks are carried out at every stage of the production process, from the product development stage (where a Certificate of Fitness is issued), to the actual production, printing, labelling and packing until the delivery stage. Any product that goes through the secondary process (printing and labelling) is re-inspected. A final inspection is performed during the final process to check for any flaws that may have surfaced during the process.

The quality control inspectors currently employed by the Group undergo strict training programmes before being assigned to their respective duties. Specifications of the products are checked against the Certificate of Fitness issued during the product development stage. Examples of dimensions and specifications checked during the production process include tolerance sizing, actual physical dimensions (height, width and weight) and container volume. The sampling scheme presently applied during the production process conforms to the Military Standards 104D Sampling Procedure. This standard requires checking of product samples according to lot or batch size. The practice of an effective quality control system and the use of an internationally recognised sampling procedure enable the Group's products to meet international standards.

7.4.9 Research and Development

The Group does not have a research and development team as the design and components of the plastic products are pre-determined by the customers. As the Group purchases all of its machinery, it employs the technology inherent in the machinery and it does not have a research and development team to improvise on the manufacturing process.

7.4.10 Management and Employees

The Directors of CYL are supported by a team of qualified management staff who are experienced in their respective field. As at 14 February 2003, the Group has a total workforce of 588 employees (including contract workers totalling 142). None of the employees of the Group belong to any labour union. They enjoy a cordial relationship with the management.

Its employees can be generally segregated into the following categories, namely:

Category	**No. of employees**	**Average no. of years in service (years)**
Managerial/Professional	13	9
Technical/Supervisory/Administrative	42	9
Clerical	18	6
General workers	203	3
Factory workers	73	3
Registered foreign workers	97	4
Contract workers	142	-
TOTAL	**588**	

The Group conducts in-house training for its new employees, wherein the new employees will be trained on product knowledge and customers' requirements prior to starting their work at the production line. The Group also provides on-going employee training programs to increase the competency of its existing employees.

7.4.11 Location of Principal Assets, Production Facility and Principal Place of Business

The principal assets of the CYL Group are located in the principal place of business and production facilities of the Group as follows:

Principal place of business	:	12, Jalan Teluk Gadung 27/93 Section 27 40000 Shah Alam Selangor Darul Ehsan

Production facilities	:	8, 10 and 12, Jalan Teluk Gadung 27/93 Section 27 40000 Shah Alam Selangor Darul Ehsan Lot 23, Jalan Jaya Setia 26/3 Section 26 Hicom Industrial Estate 40000 Shah Alam Selangor Darul Ehsan

7.5 Subsidiary and Associate Company

Details of CYL's subsidiary as at the date hereof, are as follows:

Subsidiary	Date and country of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
PJP	05.02.80; Malaysia	1,650,000	100.00	Manufacturing and supplying of plastic packaging products

As at the date hereof, CYL does not have any associate company.

Further information on the subsidiary of CYL is set out in Section 9 of this Prospectus.

7.6 Industry Overview and Future Prospects

7.6.1 The Malaysian Economy

The Malaysian economy entered 2002 on a stronger footing, after recovering from a downturn experienced in the last two quarters of 2001. Riding on the back of earlier than expected recovery of the United States economy and a stronger upturn in the second half of 2002, the Malaysian economy is expected to register a higher but moderate Gross Domestic Product ("GDP") growth.

According to the Economic Report 2002/2003, with GDP expanding by 2.5% in the first half of 2002, the full year GDP growth for 2002 is projected to be in the range of 4%-5%. The accomodative monetary policy and intensified efforts to speed up the implementation of public sector projects as well as increased activity in the construction sector are expected to result in a stronger domestic demand in 2002.

Led by further improvements in both external and domestic demand, the Malaysian economy is envisaged to strengthen further in 2003. With the mild recovery intact in 2002, the world economy is projected to register output growth of 3.7% with trade expanding at 6.6% in 2003. The Malaysian economy, with stronger macroeconomic fundamentals already in place and complemented by more resilient corporate and financial sectors, is poised to benefit from the much-improved global economic environment projected for 2003. Output expansion is anticipated in all sectors of the economy, with a projected GDP growth of 6% - 6.5% in 2003 arising from a broader based economy with growth emanating from a more pronounced role by the private sector.

(Source : Economic Report 2002/2003)

7.6.2 Overview of the Plastic Blow and Injection Moulding Industry

Please refer to Section 22 of this Prospectus which sets out the Independent Industry Assessment Report on the plastic blow and injection moulding industry in Malaysia.

7.6.3 Future Prospects and Plans

(i) Future prospects

The future prospects of the Group are expected to remain favourable in light of the prospects of the plastic blow and injection moulding industry. The industry is forecast to grow at approximately six percent (6%) to eight percent (8%) per annum for the next five (5) years. The various identified areas of growth and opportunities are as follows:

New Usage and Applications

New technologies, machineries and raw materials can help create new usage and applications for plastic blow and injection moulders. This will help to retain and increase usage of plastic blow and injection moulded products. One of the most successful examples is the use of Polyethylene Terephthalate where this material is used to manufacture bottles using a new process of blow-injection moulding. This has found increased applications, especially within the beverages sector.

Replacement for other Materials

Plastic containers have already replaced many containers made from glass, metal and paper. However, these types of packaging, especially within the retail sectors for consumer items continue to be in abundance. As such, growth opportunities exist to further convert containers and packaging made from metal, glass and paper to those of plastic blow and injection moulded containers.

Trade Liberalisations and Implementation of Asean Free Trade Area ("AFTA")

General trade liberalisation, especially the implementation of the AFTA could provide opportunities for operators within the plastic blow and injection moulding industry. Although it is not economical to export empty plastic containers, trade liberalisation could have the effect of enlarging the market size for the end-user industries.

The above assessment of the future prospects on the plastic blow and injection moulding industry was extracted from Vital Factor Consulting Sdn Bhd's Independent Industry Assessment Report dated 20 February 2003. Please refer to paragraphs 11 and 12 of the Independent Industry Assessment Report as set out under Section 22 of this Prospectus, for further details on the future prospects of the industry.

(ii) Future plans of the CYL Group

The CYL Group is committed to expanding its core business to further improve its competitiveness and strengthen its position in the plastic packaging industry. The Group has invested in additional high tech blow-moulding and injection-moulding machines. Not only would this increase its production efficiency but also the quality of its products, which would lead to more competitive pricing of its products. The Group also intends to increase automation in its production process to reduce its dependency on unskilled labour.

Furthermore, the Group plans to improve its in-house mould-making facilities by setting up its first Computer Aided Design/Computer Aided Manufacturing ("CAD/CAM") design team. In line with this, the Group plans to invest in computer-based milling machines such as Computer Numerical Controlled ("CNC") machines to increase the Group's competitiveness in the plastic packaging industry and the mould-making industry. Currently, mass-production products are produced using moulds purchased from overseas due to its strength and durability. Smaller orders are produced using moulds purchased locally as it is cheaper. The Group is planning to expand its mould-making facility to reduce its purchase of locally-produced moulds as this would result in greater cost savings. The setting up of CAD/CAM design team, purchase of CNC machines and expansion of mould-making facility is expected to commence at end of 2003.

Apart from the blow-moulding and injection-moulding processes that form the Group's main core manufacturing processes, another process that has been in operation is the injection-blow-moulding process. This process is in effect a combination of both the injection and blow-moulding processes. Presently, this process is dedicated to plastic products for the pharmaceutical industry. The main advantage of this process is its ability to produce higher quality containers at a higher level of productivity compared to the conventional blow-moulding process, in order to comply with the stringent quality standards required by the pharmaceutical industry. The Group hopes to capture the potential of this process by expanding its current production capacity to increase its market share not only in the pharmaceutical industry but also the toiletries, food and beverage industry.

Aside from that, the Group has further plans to diversify into different plastic packaging processing. In light of that, the Group is planning to acquire land for the purpose of building additional factories to complement its current production as well as to accommodate its future product diversification plans. Furthermore, the expected increase in production volume will require additional storage facilities in the form of larger warehousing facilities.

In addition, the Group plans to explore opportunities to expand its business overseas to capture a wider clientele base. The Group is also planning to set-up a Quality Management team by fourth quarter 2003 to implement the ISO 9001:2000 Quality Management System.

8. MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT

8.1 Major Shareholders

8.1.1 Major Shareholders and their Shareholdings

The major shareholders (holding 5% or more of the issued and paid-up share capital) of CYL and their respective shareholdings, according to the Register of Substantial Shareholders and the Register of Members, before and after the Public Issue and Offer for Sale, are as follows:

			Before the Public Issue and Offer for Sale No. of ordinary shares of RM0.50 each				After the Public Issue and Offer for Sale No. of ordinary shares of RM0.50 each			
Shareholder	Designation	Nationality	Direct	%	Indirect	%	Direct	%	Indirect	%
Tan Sri Abu Talib bin Othman	Non-Executive Chairman	Malaysian	18,336,258	19.90	-	-	19,900,000+	19.90	-	-
Chen Yat Lee	Managing Director	Malaysian	38,699,640	42.00	-	-	34,314,000	34.31	-	-
Lau Kim Lian	Executive Director	Malaysian	25,799,760	28.00	-	-	20,686,000	20.69	-	-

Note:

\+ *On the basis that he accepts the offer of 1,563,742 CYL Shares under the Offer for Sale.*

8.1.2 Profiles

Tan Sri Abu Talib bin Othman, aged 64, was appointed to the Board of CYL on 16 September 2002. He is a Barrister at Law from Lincoln's Inn, United Kingdom. He has served in various capacities in the Judicial and Legal Service of the Government of Malaysia. He was the Attorney-General of Malaysia from 1980 to his retirement in 1993. Upon his retirement, he joined the public sector and was appointed non-Executive Director in various public and private companies. He is presently the Chairman of Alliance Bank Malaysia Berhad, Alliance Merchant Bank Berhad, Alliance Unit Trust Management Berhad, British American Tobacco (Malaysia) Berhad, IGB Corporation Berhad and MUI Continental Insurance Berhad. He also sits on the board of Sime Darby Berhad. In 2002, he was also appointed as Chairman of Suruhanjaya Hak Asasi Manusia.

Chen Yat Lee, aged 62, was appointed Managing Director of CYL on 6 June 2000. He has more than 38 years of experience in the field of technological support and innovative product development in the plastic related industries. He was one of the first Malaysians to be awarded the German Scholarship to study plastic technology in Suddeutschen Kunststoff-Zentrum, Wurzburg in Germany in 1965. As the founder and Managing Director of PJP, his responsibilities include developing and planning the overall strategic business direction for the CYL Group. His entrepreneurial skills and vast technical experience have paved the way for the significant growth of PJP from a small rented factory with a workforce of 30 persons to its present size of over 200,000 sq. ft. of built-up factory and warehousing facilities fully owned by PJP in Shah Alam with a total workforce of 588 employees (including contract workers).

Lau Kim Lian, aged 52, was appointed Executive Director of CYL on 6 June 2000. She has about 13 years of working experience in the manufacturing of plastic products, in particular injection moulding. Currently, she is principally responsible for the financial aspects of the CYL Group. Her roles in CYL Group include overseeing the day-to-day operations of PJP's injection moulding factory. She is also responsible for the inventory control, procurement and sourcing of raw material.

8.1.3 Other Directorships and Major Shareholdings

Details on the other directorships and major shareholdings of Tan Sri Abu Talib bin Othman in other public companies incorporated in Malaysia for the past two (2) years to 14 February 2003, are set out in Section 8.3.3 of this Prospectus.

Save as disclosed above, none of the other major shareholders of CYL hold other directorships and/or have major shareholdings in other public companies incorporated in Malaysia for the past two (2) years to 14 February 2003.

8.1.4 Changes in Major Shareholders and their Shareholdings

	As at the date of incorporation No. of ordinary shares of RM1.00 each				After the Acquisition of PJP No. of ordinary shares of RM0.50 each			
Shareholder	**Direct**	**%**	**Indirect**	**%**	**Direct**	**%**	**Indirect**	**%**
Tan Sri Abu Talib bin Othman	-	-	-	-	18,336,258	19.90	-	-
Chen Yat Lee	1	50.00	-	-	38,699,640	42.00	-	-
Lau Kim Lian	1	50.00	-	-	25,799,760	28.00	-	-

8.2 Promoters

Chen Yat Lee and Lau Kim Lian, who are Directors of the Company, individually and collectively are promoters of the Company. Their details/profiles are set out in Sections 8.1 and 8.3 of this Prospectus. None of the promoters of CYL hold other directorships and/or have major shareholdings in other public companies incorporated in Malaysia for the past two (2) years to 14 February 2003.

8.3 Directors

8.3.1 Directors and their Shareholdings

The Directors of CYL and their shareholdings, according to the Register of Directors and Directors' Shareholdings, before and after the Public Issue and Offer for Sale, are as follows:

			Before the Public Issue and Offer for Sale No. of ordinary shares of RM0.50 each				After the Public Issue and Offer for Sale No. of ordinary shares of RM0.50 each			
Director	**Designation**	**Nationality**	**Direct**	**%**	**Indirect**	**%**	**Direct**	**%**	**Indirect**	**%**
Tan Sri Abu Talib bin Othman	Non-Executive Chairman	Malaysian	18,336,258	19.90	-	-	19,900,000+	19.90	-	-
Chen Yat Lee	Managing Director	Malaysian	38,699,640	42.00	-	-	34,314,000	34.31	-	-
Lau Kim Lian	Executive Director	Malaysian	25,799,760	28.00	-	-	20,686,000	20.69	-	-
Chen Wai Ling	Executive Director	Malaysian	-	-	-	-	-	-	-	-
Seow Nyoke Yoong	Independent and Non-Executive Director	Malaysian	-	-	-	-	-	-	-	-

			Before the Public Issue and Offer for Sale No. of ordinary shares of RM0.50 each				After the Public Issue and Offer for Sale No. of ordinary shares of RM0.50 each			
Director	Designation	Nationality	Direct	%	Indirect	%	Direct	%	Indirect	%
Riznida Eliza Binti Hamzah	Independent and Non-Executive Director	Malaysian	-	-	-	-	-	-	-	-
Abd Malik bin A Rahman	Independent and Non-Executive Director	Malaysian	-	-	-	-	-	-	-	-

Note:

\+ *On the basis that he accepts the offer of 1,563,742 CYL Shares under the Offer for Sale.*

8.3.2 Profiles

The profiles of Tan Sri Abu Talib bin Othman, Chen Yat Lee and Lau Kim Lian are set out in Section 8.1.2 of this Prospectus.

Chen Wai Ling, aged 29, was appointed Executive Director of CYL on 16 September 2002. She graduated in 1997 with a Bachelor of Commerce degree from the University of Newcastle in Australia. She joined PJP as Production Executive in 1998 and was appointed the Millennium Bug Team Leader in December 1998. With her efforts, the Group's operations are year 2000 compliant and had a smooth transition across the millennium. She was promoted to Purchase Manager in January 2000. She is currently heading the Purchasing and Office Administration Department of the CYL Group.

Seow Nyoke Yoong, aged 42, was appointed Independent and Non-Executive Director of CYL on 16 September 2002. She graduated with a Bachelor of Commerce degree from University of New South Wales, Australia in 1984 and went on to complete a Bachelor of Law degree from University of Melbourne, Australia in 1985. She is currently a senior partner of Soo Thien Ming & Nashrah.

Riznida Eliza Binti Hamzah, aged 32, was appointed Independent and Non-Executive Director of CYL on 16 September 2002. She graduated from the University of Warwick, West Midlands, United Kingdom in 1995 with a Bachelor of Law (Honours). She joined TTdotCom Sdn Bhd (previously known as TIME Telecommunications Sdn Bhd) Group of Companies in 1997 as a Legal Executive and Analyst and left in 1999. She obtained her Certificate of Legal Practice from the Legal Profession Qualifying Board (Malaysia) in 1999. She then joined Jeff Leong, Poon & Wong in 1999 as an advocate and solicitor. She left in 2001 and became a partner of Thong & Hamzah in 2002. Her corporate experience includes initial public offering, private placement of shares, reverse take-over, corporate restructuring and debt restructuring. Riznida has since left the partnership of Thong & Hamzah in November 2002 and is currently pursuing her own business.

Abd Malik Bin A Rahman, aged 55, was appointed Independent and Non-Executive Director of CYL on 16 September 2002. He is a fellow of the Association of Chartered Certified Accountants and a member of Malaysian Institute of Certified Public Accountants, MIA, Malaysian Institute of Management and British Institute of Management. He is also a Certified Financial Planner.

He joined Kelang Multi Terminal Sdn Bhd in 1994 as a Financial Controller and is presently the General Manager of Corporate Services Department. He oversees the engineering, legal, government relations and security aspects of the port.

8. MAJOR SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

He also has extensive working experience in areas of Finance and Corporate Services from his previous employment with Peat Marwick Mitchell *(now known as KPMG)*, Esso Group of Companies, Colgate Palmolive (M) Sdn Bhd, Amway (Malaysia) Berhad and Fima Metal Box Berhad.

He is also currently an Independent and Non-Executive Director of Diperdana Holdings Bhd, a company listed on the Main Board of the KLSE.

8.3.3 Other Directorships and Major Shareholdings

Save as disclosed below, none of the other Directors of CYL hold other directorships and/or have major shareholdings in other public companies incorporated in Malaysia for the past two (2) years to 14 February 2003:

Name	Company	Date Appointed/ (Resigned)	Directorship	No. of shares held Direct	%	Indirect	%
Tan Sri Abu Talib bin Othman	Tan & Tan Development Berhad	(10.06.02)	Chairman	-	-	-	-
	IGB Corporation Berhad	18.07.95	Chairman	250,000	0.02	-	-
	Crest Petroleum Berhad	(22.10.01)	Chairman	-	-	-	-
	British American Tobacco (Malaysia) Berhad	24.06.94	Chairman	1,000	*	-	-
	Sapura Telecommunications Berhad	(20.05.02)	Director	-	-	-	-
	Prime Utilities Berhad	(25.05.01)	Chairman	25,000	0.04	-	-
	Sime Darby Berhad	16.11.98	Director	10,000	*	20,000	*
	Renong Berhad	(03.10.01)	Director	1,685,000	0.07	-	-
	Ganad Corporation Berhad	(02.04.01)	Director	-	-	-	-
	Alliance Bank Malaysia Berhad	23.08.94	Chairman	-	-	-	-
	Alliance Merchant Bank Berhad	01.11.01	Chairman	-	-	-	-
	Alliance Unit Trust Management Berhad	27.11.98	Chairman	1,200,000	30.0	-	-
	MUI Continental Insurance Berhad	04.11.94	Chairman	4,340,000	4.34	-	-
	TIME dotCom Berhad	(23.10.01)	Chairman	-	-	-	-
	TIME dotNet Berhad	(23.10.01)	Chairman	-	-	-	-
	Gold IS Berhad	(10.06.02)	Chairman	190,000	0.06	-	-
Abd Malik Bin A Rahman	Diperdana Holdings Berhad	30.11.01	Director	-	-	-	-

Note:

* *Negligible.*

8.3.4 Directors' Remuneration

The range of aggregate remuneration, benefits and fees paid to the Directors of the CYL Group for services rendered in all capacities within the Group and the number of Directors within the specified range are as set out below:

	<--------Year ended/ending 31 January------>		
	2002	**2003**	**2004**
Range of remuneration, benefits and fees paid/payable per annum	**No. of Directors**	**No. of Directors**	**No. of Directors**
More than RM100,000	3	3	3
Less than RM100,000	-	4	4

The aggregate remuneration, benefits and fees paid to the existing Directors of CYL for services rendered in all capacities to the CYL Group in the financial year ended 31 January 2002 was RM1,101,070. For the financial years ended/ending 31 January 2003 and 2004, the estimated and forecast remuneration, benefits and fees payable to the Directors of the Company is estimated and forecast to amount to RM1,250,000 and RM1,580,000 respectively.

8.4 Key Management

8.4.1 Key Management and their Shareholdings

Save for the shareholdings of Chen Yat Lee and Lau Kim Lian which are set out in Section 8.1.1 of this Prospectus, none of the key management personnel has any shareholdings in CYL as at the date hereof.

8.4.2 Profiles

The key management team of the CYL Group is headed by Chen Yat Lee. The profiles of Chen Yat Lee, Lau Kim Lian and Chen Wai Ling are set out in Sections 8.1.2 and 8.3.2 of this Prospectus respectively. The profiles of the other members of the key management team are as follows:

Siaw Sat Lin, aged 62, is PJP's corporate advisor since 1996. He graduated in 1969 with a Bachelor of Commerce degree from University of Otago, New Zealand, and was admitted to the Institute of Chartered Accountant in 1972. He is also a member of MIA and Malaysian Institute of Certified Public Accountants. He started his career in Coopers Brothers in 1969 and later joined Goodyear (M) Bhd as the Manager of Treasury Branch Operations. He was the Chief Accountant of Hume Industries (M) Berhad from 1978 to 1980. Prior to joining CYL, he was the Chief Accountant/Treasurer of Caltex Oil (M) Ltd. He is currently responsible for the financial accounting and corporate affairs function of the CYL Group. He is also a director of Cygal Berhad.

Lim Hong Kian, aged 56, is the Quality Control Manager of PJP. He graduated with a diploma in Industrial Management in 1976. He has more than 30 years' experience in quality management. He started his career as a production supervisor in Bata Shoe Sdn Bhd in 1972 and left in 1974. He then joined Sterling Drug (M) Sdn Bhd and was a Packaging Quality Control Manager. He left in 2002 to join PJP. He is currently in charge of the Quality Control Department of PJP.

Yong Lig Jen, aged 36, is the Production Manager of PJP. He graduated from the University Technology of Malaysia with a degree in Mechanical Engineering in 1991. He started his career as a senior production technician in Polymal Corporation (M) Sdn Bhd and was later promoted to Assistant Manager. He left and joined Colgate-Palmolive (M) Sdn Bhd in 1995 as a Packaging Engineer and left in 2001. He then joined Jeje Corp (M) Sdn Bhd for a year as an Operation Manager before joining PJP in 2003.

Kong Hong Leong, aged 36, is the Printing Executive of PJP. He graduated from the Vanto Academy in 1987. He joined PJP as Printing Supervisor in 1988 and left in 1995 to join Quality Coat Sdn Bhd as Development Engineer cum Computer Numerical Controlled machine Programmer. He left in 2001 to join Lightcraft (KL) Sdn Bhd as Production Executive for a year. He then joined PJP in 2002 and is now heading the Printing and Labelling Unit.

Ng Tuck Onn, aged 51, is the Production Executive of PJP. He completed his education in Chung Hwa High School in 1970. He joined Plasticon (M) Sdn Bhd in 1971 as a Senior Technician and left in 1996 to join PJP. He is heading the Injection Moulding Production Unit.

Chen Keong On, aged 45, is the Maintenance Manager of PJP. He is a qualified chargeman and has more than 24 years of work experience in electrical maintenance. He joined PJP in 1990 and is responsible for the maintenance and upkeep of plant and machinery of PJP.

Sarvinder Kaur, aged 47, is the Assistant Quality Assurance Manager of PJP. She left her secondary education in 1972 and has over 26 years of working experience in quality control. She started her career with Motorola before joining PJP as Quality Inspector in 1996. She was promoted to her current position in 1998. She is responsible for assuring the consistent high quality of products in the manufacturing operations of PJP.

Lim Foong Mee, aged 29, is the Quality Executive of PJP. She graduated from the University Putra Malaysia with a degree in Bachelor of Science in 1998. She joined Besglove Medicare Sdn Bhd in 1998 as a Quality Assurance Coordinator. She left to join PJP in 2001 and is currently responsible for implementing and overseeing the quality system of the Injection Moulding Department.

Chew Kok Wah, aged 35, is the Assistant Sales Manager of PJP. He graduated from Politeknik Ungku Omar, Ipoh in 1989 with a diploma in Accounting. Prior to joining PJP, he worked for Argos Engineering (S) Pte Ltd as an accounts officer for four (4) years. He joined PJP in 1992 and is responsible for the sales and marketing of PJP's products.

Chin Kok On, aged 43, is the Sales Manager of PJP. He joined PJP in 1999. He graduated from The Institute of Marketing in 1986. Prior to that, he has accumulated 20 years of sales experience from his previous employment with Hertz Teknik Sdn Bhd, Hagemeyer Industries Sdn Bhd, Plasticon Sdn Bhd and Rex Plastic Sdn Bhd. He is responsible for the sales and marketing of PJP's products.

Lee Kong Beng, aged 35, is the Assistant Sales Manager of PJP. He graduated from the Federal Institute of Technology with a diploma in Mechanical Engineering in 1991. After graduation, he started his career with Box-Pax (M) Bhd. He has accumulated nine (9) years of experience in sales and marketing in which five (5) years were in related products prior to joining PJP in 1998. He is responsible for the sales and marketing of PJP's products.

Koay Siew Peng, aged 28, is the Production Planner of PJP. She graduated from Anglia Polytechnic University, United Kingdom in 1998. She joined Latexx Manufacturing Sdn Bhd in 1999 as Operation Planning Executive and left in 2001 to join PJP. She is currently responsible for production planning operation of PJP.

8.5 Employees

As at 14 February 2003, the Group has a total workforce of 588 employees (including contract workers totalling 142). None of the employees of the Group belong to any labour union. They enjoy a cordial relationship with the management.

8.6 Family Relationships

Lau Kim Lian is the spouse of Chen Yat Lee whilst Chen Wai Ling is their daughter.

Save as disclosed above, none of the Directors, major shareholders and key management of the Group are related to one another.

8.7 Management Succession Plan

The Group places high priority to ensure that there is continuity in the Group's management team so as to ensure continuity and to maintain its level of competitiveness in the industry. To achieve this, it is a policy of the Group to continuously provide training to its staff. Amongst the various types of training provided are management level training through seminars and production level training through interactive workshops and seminars. Managers in different departments are also rotated among the different production levels to be better trained in every area of the manufacturing process.

The Group's functions are divided into five (5) main departments, namely:

1. Production;
2. Maintenance;
3. Sales;
4. Quality Control; and
5. Finance and Administration.

1. Production Department

The Production Department is subdivided into three (3) units, namely blow moulding production, injection moulding production, and printing and labelling. The Production Department is headed by Chen Yat Lee and Lau Kim Lian who are assisted by the Production Manager/Executives of each unit. Details of the units within the Production Department are set out below:

(i) Blow Moulding Production Unit

Yong Lig Jen, aged 36, is the Manager for the Blow Moulding Production Unit and is responsible for the overall production of blow moulded products. He has more than ten (10) years' experience in the plastic packaging industry and is responsible for improving and maintaining the productivity level of the unit.

There are currently eight (8) supervisors who have been with the Group for an average of ten (10) years as well as three (3) qualified engineers to assist Yong Lig Jen.

(ii) Injection Moulding Production Unit

Ng Tuck Onn, aged 51, is the Executive heading the Injection Moulding Production Unit and is responsible for maintaining the overall production process for injection moulded products. He has more than 30 years' experience in injection moulding and is supported by a team of six (6) supervisors, who have been with the Group for an average of eight (8) years.

(iii) Printing and Labelling Unit

Kong Hong Leong, aged 36, is the Executive heading the Printing and Labelling Unit and is responsible for the overall production process of silk screen printing and labelling articles. He graduated from the Vanto Academy in 1987 and has more than twelve (12) years' experience in silk-screen printing technology. He is supported by a team of seven (7) supervisors who have been with the Group for an average of ten (10) years and another two (2) executives.

2. Maintenance Department

One of the top priorities of the Group is to ensure consistent production from its machinery which runs 24 hours daily. The Group views this as an important advantage to the Group's operations as this provides consistent and efficient supply of products to its customers. The increased efficiency also helps minimise production downtime, thus reducing operational costs.

Chen Keong On, aged 45, heads this department and is responsible for the maintenance and upkeep of the machinery and plant equipment of the Group's production lines. He is supported by eight (8) technicians who have been with the Group for an average of ten (10) years.

3. Sales Department

Chin Kok On, aged 43, is the Manager of the Sales Department. His primary responsibilities include establishing new markets for future expansion of the Group as well as maintaining and servicing the bigger accounts of the Group. He is supported by two (2) Assistant Managers who have an average of ten (10) years' experience in the sales line.

4. Quality Control Department

The Group's policy on quality is to continuously improve its quality management system to provide its clients with quality products, efficient services and competitive pricing of its products.

Lim Hong Kian, aged 56, heads this department and is responsible for ensuring that all quality control methods are in compliance with the quality management system standards set by the Group. He has more than 30 years' experience in quality management.

He is supported by an Assistant Manager, an executive and ten (10) personnels.

5. Finance and Administration Department

Lau Kim Lian, aged 52, heads this department and is responsible for the financial aspects of the Group as well as inventory control, procurement and sourcing of raw material. She has 12 years' experience in the manufacturing of plastic products. She is supported by a Manager, an Accounts Supervisor and nine (9) support staffs.

9. INFORMATION ON SUBSIDIARY

9.1 PJP

9.1.1 History and Business

PJP was incorporated in Malaysia under the Companies Act, 1965 on 5 February 1980 as a private limited company under the name of Jayaplast Industries (M) Sdn Bhd. On 10 December 1984, it adopted its present name.

The company is principally engaged in the manufacturing and supplying of plastic packaging products.

9.1.2 Share Capital

Its authorised and paid-up share capital as at 14 February 2003 are as follows:

Type	No. of ordinary shares	Par value RM	RM
Authorised	2,000,000	1.00	2,000,000
Issued and fully paid-up	1,650,000	1.00	1,650,000

Changes in the issued and paid-up share capital of PJP since its incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Issued and paid-up share capital RM
05.02.80	2	1.00	Cash	2
01.03.88	499,998	1.00	Cash	500,000
22.06.88	250,000	1.00	Issued pursuant to the acquisition of the assets of Perusahaan Jaya Plastik partnership	750,000
24.03.89	500,000	1.00	Capitalisation of capital reserve account	1,250,000
07.09.91	300,000	1.00	Cash	1,550,000
29.05.92	100,000	1.00	Cash	1,650,000

9.1.3 Subsidiary and Associate Company

PJP does not have any subsidiary or associate company as at 14 February 2003.

9.1.4 Major Shareholder

PJP is a wholly-owned subsidiary of CYL.

9. INFORMATION ON SUBSIDIARY *(Cont'd)*

9.1.5 Directors

The Directors of PJP and their shareholdings according to the Register of Directors and the Directors' Shareholdings as at 14 February 2003 are as follows:

	---------No. of ordinary shares of RM1.00 each -------			
Director	**Direct**	**%**	**Indirect**	**%**
Tan Sri Abu Talib bin Othman	-	-	1,650,000	100.00*
Chen Yat Lee	-	-	1,650,000	100.00*
Lau Kim Lian	-	-	1,650,000	100.00*

Note:

* *Deemed interested through CYL.*

9.1.6 Profit and Dividend Records

The following is a summary of the audited results of PJP for the five (5) financial years ended 31 January 1998 to 2002 and seven (7) months ended 31 August 2002:

	------------------Financial year ended 31 January-------------					7 months ended 31 August
	1998	**1999**	**2000**	**2001**	**2002**	**2002**
	RM 000	**RM 000**	**RM 000**	**RM 000**	**RM 000**	**RM 000**
Revenue	34,216	35,013	43,658	49,901	56,706	30,287
Earnings before interest, depreciation, taxation and amortisation	9,112	8,887	10,501	11,519	12,787	7,822
Net interest expense	(1,486)	(1,780)	(1,405)	(1,066)	(920)	(489)
Depreciation	(2,868)	(2,888)	(3,132)	(3,399)	(3,946)	(2,726)
Amortisation	-	-	-	-	-	-
Profit before taxation	4,758	4,219	5,964	7,054	7,921	4,607
Taxation	(615)	(196)	230	(469)	(924)	(865)
Profit after taxation	4,143	4,023	6,194	6,585	6,997	3,742
Minority interests	-	-	-	-	-	-
Profit for the year attributable to shareholders	4,143	4,023	6,194	6,585	6,997	3,742
No. of ordinary shares in issue (000)*	1,650	1,650	1,650	1,650	1,650	1,650
Net EPS (RM)	2.51	2.44	3.75	3.99	4.24	3.89^
Gross dividend rate (%)	50	60	70	-	70	70

9. INFORMATION ON SUBSIDIARY *(Cont'd)*

Notes:

^ *Annualised*

(i) *The effective tax rates for the five (5) financial years ended 31 January 2002 and the seven (7) months period ended 31 August 2002 were lower than the statutory income tax due mainly to the reinvestment allowance claimed under Schedule 7A of the Income Tax Act, 1967. For the financial year ended 31 January 2000, there was a tax credit due to deferred tax benefit and an overprovision of deferred tax in the previous financial years.*

(ii) *The growth in revenue from RM34.22 million for the financial year ended 1998 to RM56.71 million for the financial year ended 2002 was mainly attributed to business expansion and the introduction of broader range of plastic packaging products to the existing and new customers in the market.*

(iii) *Gross profit margin for the financial years ended 1998 and 1999 experienced a downward trend, which was due mainly to the increase in purchase price of plastic resin and the rise in global crude oil price as a result of the depreciation of the RM against major foreign currencies in 1998 and 1999. The selling price had remained relatively constant. The marginal drop in gross profit margin for the financial year ended 2000 was mainly due to the rise in global crude oil price. The Company revised selling prices only in late October 1999.*

(iv) *The decline in pre-tax profit for the financial year ended 1999 was mainly due to higher manufacturing cost. The higher pre-tax profit achieved for the financial year ended 2000 was as a result of the recovery of the regional economies due to a surge in exports and a sharp revival in consumer expenditure.*

(v) *The increase in pre-tax profit for the financial years ended 2001 and 2002 was mainly due to a surge in revenue for the period.*

(vi) *The annualised results for the seven (7) months ended 31 August 2002 was lower as the period is generally a low consumption season for plastic packaging product.*

(vii) *There was no exceptional item or extraordinary item in respect to financial years and period under review.*